

**INTERLOOP**

**FULL FAMILY  
CLOTHING  
PARTNER  
OF CHOICE**

ANNUAL  
REPORT **2023**

# FULL FAMILY CLOTHING PARTNER OF CHOICE

Committed to deliver on our customer promise of world-class products and on-time delivery, we are pursuing our Vision 2025, with a strategic focus on enhancing customer experience through provision of value-added services, offering multi-category products across all ages, genders and abilities, manufactured responsibly, meeting the highest standards of social and environmental performance.



## TABLE OF CONTENTS

### COMPANY OVERVIEW

Our Footprint	06
Company Profile	07
Our Mission	08
Our Core Values	08
Our Vision 2025	09
Key Performance Indicators	10
2023 Highlights	11
Organizational Structure	12
2023 Recognitions	13
Business Categories	14
Customers	19
Corporate Information	20

### GOVERNANCE

Board of Directors	24
Board Committees	26
Management Committee	27
Chairman's Review Report	28
Directors' Report	30
Directors' Report (Urdu)	58
Statement of Compliance	59
Independent Auditor's Review Report to the Members on Statement of Compliance	62

### RISK MANAGEMENT

Risk Management	66
Risk Governance	66
Risk Mitigation	66
Inadequacy in the Capital Structure & Plans to Address Such Inadequacy	67
Liquidity Risk Strategy	67

### PERFORMANCE & POSITION

Key Financial highlights	70
Last Six Year Statement of Financial Position	71
Horizontal Analysis on Statement of Financial Position	72

Vertical Analysis Statement of Financial Position	73
Last Six Years Statement of Profit or Loss	74
Horizontal Analysis on Statement of Profit or Loss	74
Vertical Analysis on Statement of Profit or Loss	75
Last Six Years Statement of Cash Flows	75

### SUSTAINABILITY & CORPORATE SOCIAL RESPONSIBILITY

Planet	78
People	79
Prosperity	80
Certifications & Memberships	81

### FINANCIAL STATEMENTS

Independent Auditor's Report to the Members of Interloop Limited	85
Statement of Financial Position	90
Statement of Profit or Loss	91
Statement of Comprehensive Income	92
Statement of Changes in Equity	93
Statement of Cash Flows	94
Notes to the Financial Statements	96

### SHAREHOLDERS' INFORMATION

Notice of 31 <sup>st</sup> Annual General Meeting Statement Under Section 166 (3) of the Companies Act, 2017	148
Statement of Material Facts Concerning Special Business Pursuant to Section 134 (3) of the Companies Act, 2017	157
Notice of 31 <sup>st</sup> Annual General Meeting (Urdu)	157
Pattern of Shareholding	181
Information for Shareholders	182
Interloop Limited - Form of Proxy	187
Interloop Limited - Form of Proxy (Urdu)	188

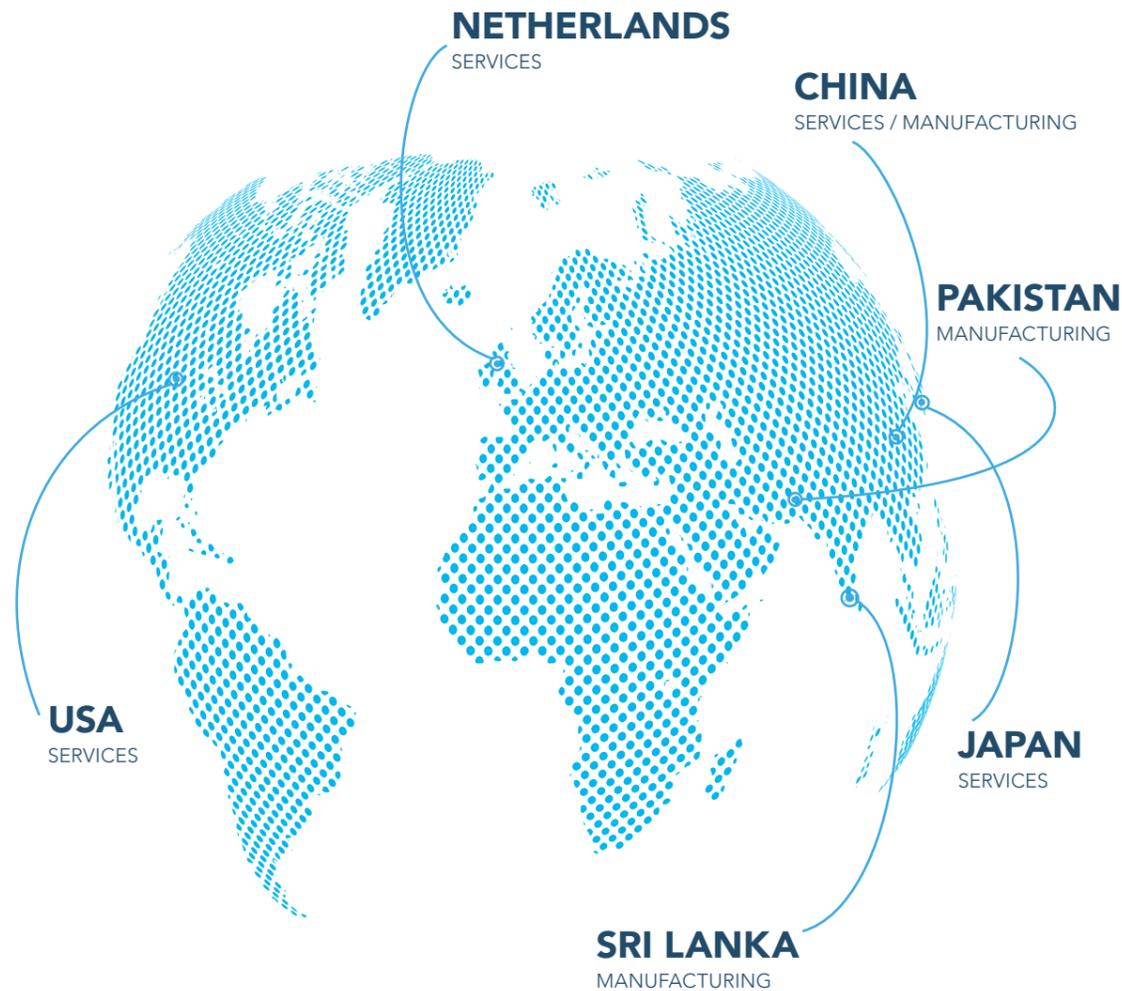
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Company  
Overview



# OUR FOOTPRINT

Global Presence Through Affiliates & Associates



# COMPANY PROFILE



*Interloop Limited, headquartered in Pakistan, is a vertically integrated Full Family Clothing company, manufacturing Hosiery, Denim, Knitted Apparel & Seamless Activewear products, for top international brands and retailers, aiming to become a Partner of Choice.*

Being the largest listed textile company on Pakistan Stock Exchange by market capitalization and among the top exporters of Pakistan, with annual sales of PKR 119,200 million, Interloop employs 30,000+ highly motivated and engaged people from over 15 nationalities. It enjoys an organizational network operating from 6 countries, with an extensive, well-equipped industrial infrastructure base in Pakistan, an associate manufacturing facility in Sri Lanka, contract manufacturing facility and sourcing office in China, and marketing services offices in USA, Europe and Japan.

Renowned globally for its manufacturing excellence, Interloop is also a pioneer in environmental consciousness and at the forefront of social change. Aiming for Race to Zero, it focuses on circular by choice, reducing its carbon footprint, and using less water. Elevating its commitment to environment, Interloop became Pakistan's First manufacturing organization in Large Enterprise Category to have its Science Based Targets approved. In addition, it installed a water recycling Plant at its Hosiery Plant 5, recycling all the process water. Adding cleaner fuel to its energy generation sources as a major priority, it has switched from coal to biomass fuel for steam generation which has significantly reduced its carbon footprint.

Living the digital-first reality, we ensure that existing operations are carried out as per industry best practices, and new initiatives are pursued to digitize operations, enabling our people to work faster and better. We have already deployed Robotic Process Automation across repetitive tasks and are using indigenous digital app for HR services. LoopTrace; our proprietary traceability solution to provide end-to-end traceability from product to the farm level, covering man, material and machine, is ensuring complete chain of custody for raw materials and we have already shipped our completely traceable yarn from our spinning facility.

Being a Business with Purpose, Interloop follows the Triple Bottom Line approach focused on Planet, People and Prosperity. Rooted in our Mission, our reason for existence is to bring about a positive change for the stakeholders and the community. Our ambition to transform lives, improve wellbeing, build a diverse, engaged and inclusive workforce, and conserve the environment, is reflected in our business decisions, practices and initiatives. As a signatory to the United Nations Global Compact, and by joining the UN Fashion Industry's Charter for Climate Action to drive net-zero GHG emissions by 2050, Interloop is fully committed to sustainable development.

# OUR MISSION

To be an agent of positive change for the stakeholders and community by pursuing an ethical and sustainable business

## OUR CORE VALUES



INTEGRITY



CARE



ACCOUNTABILITY



RESPECT



EXCELLENCE

**Vision 2025 is our growth led strategy with a customer first approach designed to enable Interloop to be a Full Family Clothing Partner of Choice**

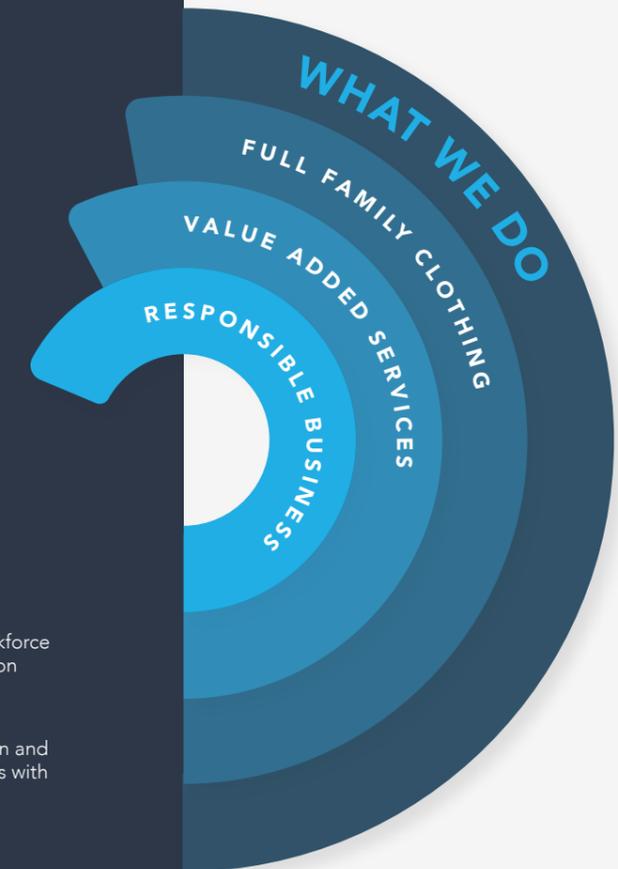
Vision 2025 charts out our strategy from July 2021 through to June 2026. It is guided by a customer first approach with our strategic focus on offering multi-category products, manufactured responsibly, meeting the highest standards of environmental and social performance.

Our strategic focus is to maintain leadership in hosiery and build credibility of our new categories, by offering denim, apparel and seamless activewear products to our customers, across all ages, genders and abilities, becoming a full family clothing supplier. We aim to be a partner of choice through exceptional customer service, delivered by our value-added services and responsible business practices.

To successfully deliver on our strategy, we are unleashing the true potential of our people by building a diverse, inclusive and engaged workforce creating a high-performing organization. This is being enabled by our digital transformation and by an agile and lean mindset across all aspects of our business.

# OUR VISION 2025

To Become a Full Family Clothing Partner of Choice



## HOW WE'LL DO IT



### PEPOLE

A diverse, inclusive and engaged workforce creating a high performing organization



### DIGITAL TRANSFORMATION

Drive efficiencies through digitalization and provide transparency to our customers with real time information



### AGILE MANUFACTURING

Drive an agile organization retaining our competitive position as a responsive high quality manufacturer

**\$700M**

REVENUE BY FY2026

Transforming into a full family clothing business will build further credibility with our customers

**2.5x**

REVENUE THROUGH VALUE ADDED SERVICES

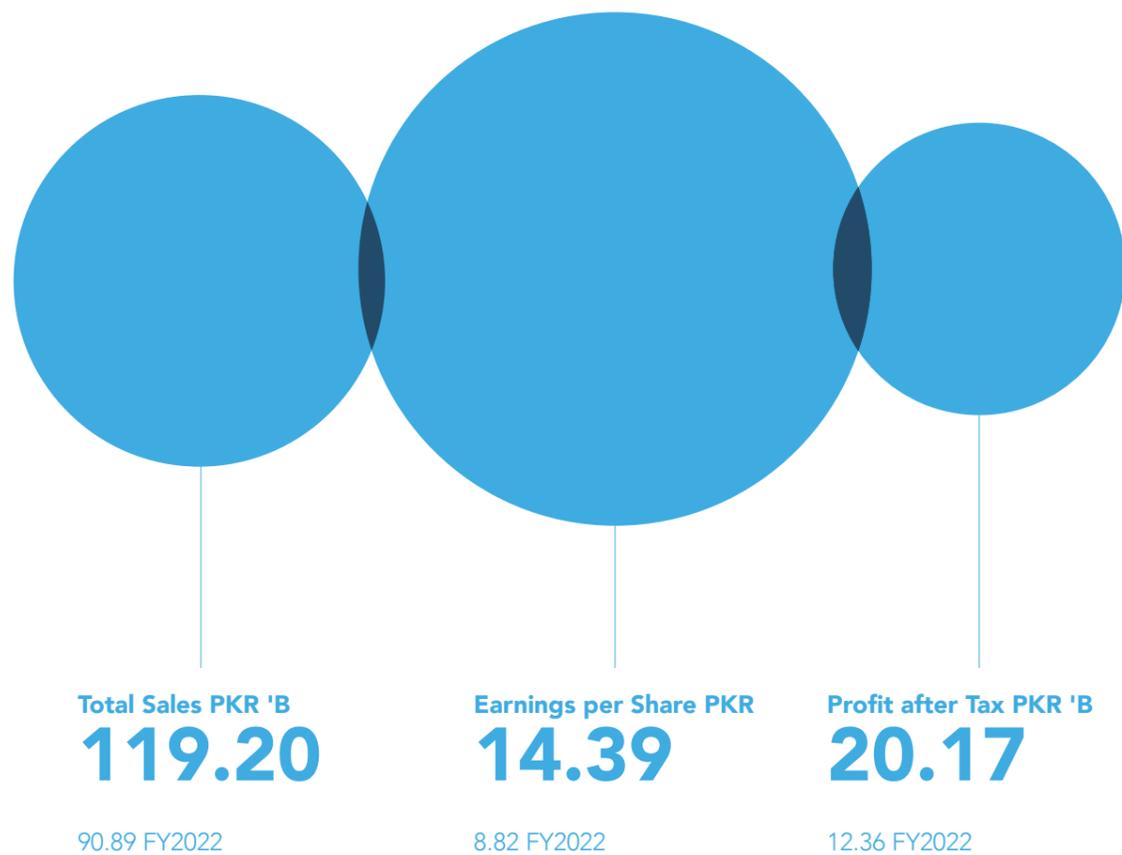
Providing value added services creating strong lasting partnerships

**25%**

LOWER CARBON FOOTPRINT AND RESOURCE CONSUMPTION

Lead the way in responsible manufacturing meeting highest standards of environmental and social performance

# KEY PERFORMANCE INDICATORS



**Current Ratio Times**  
**1.14**



1.30 FY2022

**Return on Equity**  
**46.05%**



41.28% FY2022

**Cash Dividend per Share in PKR**  
**5.00\***



4.00 FY2022

**Bonus Issue per Share**  
**50.00%**



4.00% FY2022

*\*Including final dividend PKR 2 per share subject to approval of shareholders*

# 2023 HIGHLIGHTS



## BIOMASS BOILERS

Adding Cleaner Fuel to Energy Generation by Switching From Coal to Biomass for Steam Generation by Installing Two 27.5 Tph Boilers

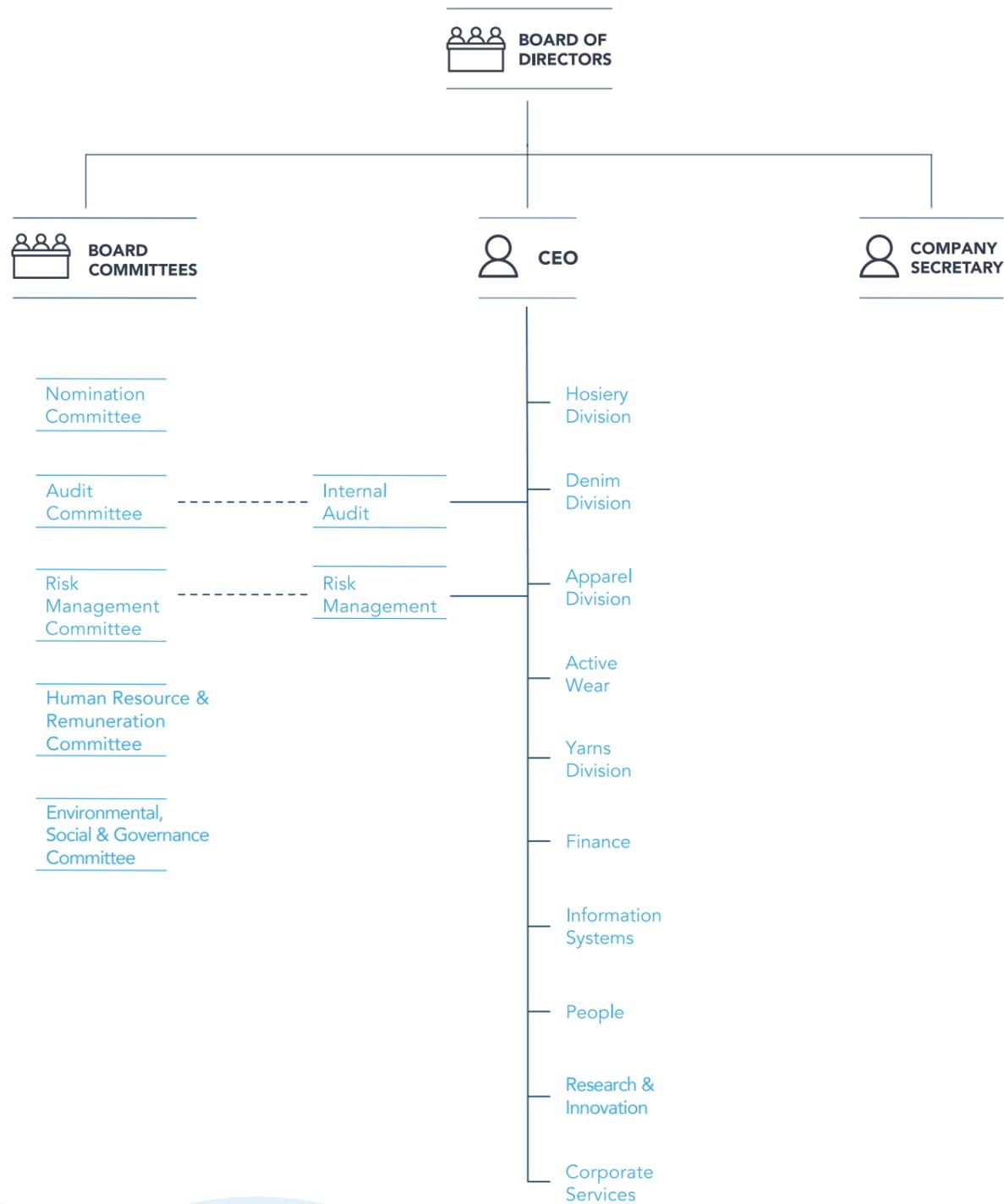
## HIGHEST EVER SALES REVENUE

**31%**  
Year On Year

## SCIENCE BASED TARGETS APPROVED

Pakistan's 1st Large-Scale Enterprise With Approved Science Based Targets

# ORGANIZATIONAL STRUCTURE



# 2023 RECOGNITIONS



## TOM TAILOR SUPPLIER EXCELLENCE AWARD

Interloop was conferred upon the prestigious Supplier Excellence Award by Tom Tailor at its Supplier Summit 2023, in recognition of Interloop's steadfast dedication to upholding exceptional standards across all its operational aspects.

## UN GCNP SUSTAINABILITY AWARD

Interloop was recognized for Living the Global Compact Principles and Championing the UN SDGs, second time in a row, as it received the 1st prize in the Large National Enterprise category, at the Global Compact Business Sustainability Awards 2022, by UN Global Compact Network Pakistan.



## BUSINESS CATEGORIES

### HOSIERY

# 796M



Pairs of Socks  
Annual Production  
Capacity



Over the last 31 years, Interloop Limited has maintained its position as one of the largest suppliers of socks to international brands and retailers globally, including Nike, adidas, STICHD, Target, H&M, C&A, Amazon, and Uniqlo, to name a few. With 5 vertically integrated manufacturing facilities spread across Pakistan, Interloop Hosiery is equipped with the latest Italian and Chinese Knitting Machines, Spanish Processing Machines, and Italian Dyeing Machines, having quick changeover capability and highly skilled staff to produce high volumes of multi-types and complex products. Interloop Hosiery Plant 4, located at the Interloop Industrial Park, is Pakistan's and Region's first LEED Gold Certified Socks Production Facility, and the newly established Hosiery Plant 5 at Interloop Apparel Park is also a LEED Gold Certified Socks Manufacturing Facility.

Interloop has the capacity to produce 796 million pairs of socks annually, including athletic, performance, fashion, and casual wear for all genders and sizes, and it has one

of the largest capacities for infant socks.

The company is on a responsible manufacturing trajectory, ensuring sustainable production from farm to factory and for its customers. As Interloop works towards becoming a full-service company for its customers, it has the edge of having in-house end-to-end services for product development, quality assurance, research and innovation, and digital sampling. It is aggressively investing in its digital capabilities to transform its way of working across product design and development, manufacturing, and customer services.

### DENIM

# 6M



Garments Annual  
Production Capacity



As part of business diversification, Interloop started its Denim Apparel manufacturing operations in December 2019. Interloop Denim is one of the most technologically advanced facilities in Southeast Asia and represents the future of the Denim Industry. The facility is LEED Platinum certified by the US Green Building Council, and was declared as one of the World's 7 greenest buildings in 2021 by PlaceTech. It operates with minimal environmental impact and prioritizes worker well-being by committing to the United Nations Sustainable Development Goals. With over 3,500 associates, Denim aims to achieve a 1:1 male to female ratio in its workforce in the long run. The plant currently has a production capacity of 500,000 units of sustainable denim per month and en-route to 1 million pieces expansion by 2025, where all infrastructure is already in place. The product line includes bottoms, shorts, skirts, jackets, and workwear cargos for all ages, genders, and sizes. Interloop Denim provides services to brands and retailers such as Guess, Hugo Boss, Mustang, Diesel, Levi's Kids (Haddad Brands), Target, NYDJ, and INDITEX, maintaining a balanced geographical mix.

Eco-friendly technologies have replaced traditional polluting processes and chemicals in the facility. Water conservation and Green Chemistry have been key initiatives, maintaining overall 90% developments as low Environmental Impact (rated on EIM by Jeanologia). Laser and Ozone machines have replaced manual processes to minimize the impact on workers and ensure precision and quality. The implementation of new, more efficient, and environmentally friendly technologies will have favorable impacts on both people and the planet. Interloop Denim is poised to become a model for sustainability and manufacturing practices in the region's Denim apparel manufacturing industry.

## APPAREL

# 22M



Garments Annual  
Production Capacity



Interloop's expansion into Knitted Apparel since 2019 has attracted numerous brands and retailers, from various markets including North America, EU and UK. Capacity expansion in the form of a new high-tech and fully vertically integrated facility has been a major milestone covered during FY2023. The new Apparel plant is in the final commissioning phase with the first commercial output planned to be shipped to EU customers from second quarter of FY 2024. It has been designed as a LEED Platinum facility which will house the most modern equipment in knitting, dyeing, finishing, cutting, printing, and sewing. This will add substantial production capacity to our existing Knitwear Apparel output. Sustainability being an essential element of our business, the Apparel plant is also equipped with renewable energy component, effluent treatment plant, recycling of water process and a wetland

bird sanctuary where rare plant species will be grown.

The Knitwear Apparel division produces a variety of product mix including T-Shirts, Underwears, Polo shirts, Sweatshirts, Pants, Fleece Hoodies, and Jackets, which are exported to renowned brands and retailers in USA, UK, and EU. Some of our customers include, adidas, Target, JCPenney, Tom Tailor, Carhartt, LEE, Lyle & Scott, Ben Sherman, New Balance, and Juicy Couture.

## ACTIVE WEAR

# 4M



Garments Annual  
Production Capacity



Interloop has established a state-of-the-art vertically integrated Seamless Activewear manufacturing facility at the Interloop Industrial Park. The business has an annual production capacity of 4 million pieces in various styles, ranging from high-performance Activewear to basic Underwear, offering ten different sizes to cater to a wide range of customers.

Top-notch equipment, including Italian knitting, and dyeing machines, and Japanese sewing machines ensure optimum quality with vast capability in fabrics, dyeing techniques, and stitching operations.

Each garment is meticulously designed to blend style and performance seamlessly. We offer 360-degree stretches that enable freedom of movement. The use of microfiber yarns ensures optimum comfort and sweat management. Our body-mapping fabric construction provides ideally suitable fabric in line with body zone requirements, whether it's compression, ventilation, or rejuvenation, and all without any seams between them. We source materials from reliable supply partners and utilize a wide range of performance yarns, including polyamide, polyester, polypropylene, and spandex. We also offer the choice to

opt for a recycled version, highlighting our commitment to sustainability.

With a dedicated and self-sufficient Product Development department, we ensure quick sample turnaround time. Our in-house design team stays up to date with the latest trends and fashion, allowing us to create cutting-edge products. An efficient sales team works closely with the product development, design, and customer teams to co-create the next best-selling items, starting from yarn selection to the final end product.

Interloop Activewear is a proud partner of world-leading brands and retailers, including adidas, Reebok, Guess, Zara, H&M, K-Mart, and Dillard. Our commitment to quality, innovation, and customer satisfaction has established us as a trusted supplier in the industry.

## YARNS

# 32M



LBS Annual  
Production Capacity  
(Converted into 20/s)



## SPINNING

Interloop produces 32 million Lbs (Converted into 20/s) of top-quality Yarn annually for a range of textile customers, following strict testing standards, on automated spinning plants equipped with the latest European and Japanese machines.

Raw Materials include:

- Virgin Fibers:
  - Pak, Imported, CF Cottons
  - All types of Synthetic / Acrylic fibers
  - All types of Viscose based fibers (Modal, Bamboo, Lyocell)
  - All types of Cellulosic fibers (Hemp, Linen / Flax)
- Recycled / Sustainable Fibers:
  - Organic Cotton and other Sustainable (BCI / PSCP / CMIA), Recycled (PIW / PCW) Cottons
  - All types of Recycled / Sustainable Polyester based fibers (GRS)
  - All types of Recycled / Sustainable Viscose based fibers

Multiple varieties of Yarn produced include:

- Plain, Slub, Multi Count, Slub Lycra, Siro Slub Core, SIRO Compact, Polyamide Core, Siro & Blended Yarns, etc.

More than 50% of the yarn is consumed in-house, while the remaining serves renowned weavers, apparel, denim, knitters and towel manufacturers.

## YARN DYEING & AIR COVERING

A state-of-the-art Yarn Dyeing & Elastomeric Yarn facility, equipped with modern machines including highly automated dyeing operations, automatic dyestuff, chemical dispensing system, etc., is providing a wide variety of colors in Spun and Filament Yarns. With an annual dyeing capacity of 5.5 million kgs, Interloop offers a diverse range of colors in yarns, including Polyester, Nylon, Acrylic, Coolmax, Modal, Tencel, Viscose, Wool, Bamboo, Blended, Microfibers, and Recycled Yarns.

Modern Italian Air Covering Machines, with annual production capacity of 1 million kgs, are being used for covering all types of in-house dyed, dope dyed, and raw white yarns, with various brands of spandexes like Lycra and Creora, at different customized percentages.

# CUSTOMERS

Some of our top clients across Europe, USA and Asia



HUGO BOSS

GUESS  
JEANS



M&S

PRIMARK

TESCO

JCPenney

ZARA



Gerber

GYMSHARK

carter's

BESTSELLER

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### MUSADAQ ZULQARNAIN

Chairman / Non-Executive Director

### NAVID FAZIL

Chief Executive Officer / Executive Director

### MUHAMMAD MAQSOOD

Executive Director / Group CFO

### TARIQ IQBAL KHAN

Independent Director

### SHEREEN AFTAB

Non-Executive Director

### JAHAN ZEB KHAN BANTH

Non-Executive Director

### SAEED AHMAD JABAL

Independent Director

## CHIEF FINANCIAL OFFICER

### MUHAMMAD MAQSOOD

## COMPANY SECRETARY

### RANA ALI RAZA

## HEAD OF INTERNAL AUDIT

### JAMSHAD IQBAL

## CHIEF INFORMATION OFFICER

### YAQUB AHSAN

## LEGAL ADVISOR

### HAIDERMOTA & CO.

## AUDITORS

### KRESTON HYDER BHIMJI & CO.

Chartered Accountants

## AUDIT COMMITTEE

### TARIQ IQBAL KHAN

Chairman

### SAEED AHMAD JABAL

Member

### JAHAN ZEB KHAN BANTH

Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

### SAEED AHMAD JABAL

Chairman

### NAVID FAZIL

Member

### JAHAN ZEB KHAN BANTH

Member

## NOMINATION COMMITTEE

### MUSADAQ ZULQARNAIN

Chairman

### NAVID FAZIL

Member

### MUHAMMAD MAQSOOD

Member

## RISK MANAGEMENT COMMITTEE

### TARIQ IQBAL KHAN

Chairman

### MUHAMMAD MAQSOOD

Member

### YAQUB AHSAN

Member

## AHSAN PERVAIZ SHEIKH

Member

### SYED HAMZA GILLANI

Member

## ENVIRONMENTAL, SOCIAL & GOVERNANCE COMMITTEE

### MUSADAQ ZULQARNAIN

Chairman

### NAVID FAZIL

Member

### JAHAN ZEB KHAN BANTH

Member

### FARYAL SADIQ

Member

### AQEEL AHMAD

Member

## SHARE REGISTRAR / TRANSFER AGENT

CDC Share Registrar Services Limited

## KARACHI OFFICE:

Share Registrar Department  
CDC House, 99-B, Block B,  
S.H.C.H.S, Main Shakra-e-Faisal,  
Karachi – 74400  
Tel: +92 21 111 111 500  
Fax: +92 21 34326031

## LAHORE OFFICE:

Mezzanine Floor,  
South Tower, LSE Plaza,  
19-Khayaban-e-Aiwan-e-Iqbal,  
Lahore.  
Tel: +92 42 36362061-66

## BANKERS

- Allied Bank Limited
- Askari Bank Limited
- Bank Alfalah Limited
- Faysal Bank Limited
- Habib Bank Limited
- Habib Metropolitan Bank Limited
- MCB Bank Limited
- MCB Islamic Bank Limited
- Meezan Bank Limited
- National Bank of Pakistan
- Standard Chartered Bank Pak Limited
- Summit Bank Limited
- The Bank of Punjab
- United Bank Limited

## REGISTERED OFFICE

### INTERLOOP LIMITED

Al-Sadiq Plaza, P-157,  
Railway Road, Faisalabad, Pakistan  
Tel: +92 41 4360400  
Fax: +92 41 2428704  
Email : info@interloop.com.pk  
Website: www.interloop-pk.com

## CORPORATE OFFICE

### INTERLOOP LIMITED

1 KM, Khurrianwala- Jaranwala Road,  
Khurrianwala, Faisalabad, Pakistan  
Phone: +92 41 4360400  
Fax: +92 41 2428704

## PLANT LOCATIONS

### PLANT 1:

1 KM, Khurrianwala-Jaranwala Road,  
Khurrianwala,  
Faisalabad, Pakistan.

### PLANT 2 & 4:

7 KM, Khurrianwala-Jaranwala Road,  
Khurrianwala,  
Faisalabad, Pakistan.

### PLANT 3:

8 KM, Manga-Raiwind Road, Distt.  
Kasur,  
Lahore, Pakistan.

## PLANT 5:

6 KM, By Pass Road, Khurrianwala,  
Faisalabad, Pakistan.

## DENIM PLANT:

8 KM, Manga-Raiwind Road,  
Lahore, Pakistan.

## E - COMMUNICATION

**Website:** www.interloop-pk.com

**LinkedIn:** Interloop Limited

**Twitter:** @InterloopLtd

**Instagram:** interlooplimited

**YouTube:** Interloop Limited



# 2 Governance



## BOARD OF DIRECTORS



**MUSADAQ ZULQARNAIN**  
Chairman / Non-Executive Director

Musadaq Zulqarnain is the Chairman of Interloop Limited, Interloop Holdings & its subsidiaries. Musadaq also serves on the board of Karandaaz; a not-for-profit organization promoting financial inclusion, sponsored by FCDO (ex DFID) and Bill & Melinda Gates Foundation. He is also the President of Interloop Welfare Trust and Lyallpur Literary Council. An ardent supporter of quality affordable education, Musadaq serves on the Board of The Citizens Foundation (TCF); the largest not-for-profit organization providing education to underprivileged children in Pakistan. In recognition of his services, the University of Engineering & Technology Lahore has awarded him the Honorary Ph.D. degree.

A mechanical engineer by profession, Musadaq's leadership experience spans over four decades. Through his vision & commitment, he successfully led Interloop to become one of the world's largest Hosiery manufacturers, backed by a strong purpose of creating positive change. His leadership played an important role in expanding the business into Denim, Knitted Apparel, and Seamless Activewear manufacturing, turning Interloop into the largest apparel goods company on PSX. Besides the flagship company of the group, Musadaq has established 12 organizations in Pakistan, USA, Netherlands & Sri Lanka, covering the fields of Logistics, Dairy and Dairy products, Packaging, Apparel, Health Care & IT.

A development enthusiast and philanthropist, Musadaq is actively engaged in nurturing the youth of Pakistan through education, women empowerment, and sports. He has always been at the forefront in providing free health care services for poor patients, and relief activities during natural disasters including the Pandemic and current floods.



**NAVID FAZIL**  
Chief Executive Officer / Executive Director

Navid Fazil, a Founding Director and CEO of Interloop Limited, enjoys three decades' experience as an entrepreneur and has played a key role in developing Interloop Limited as one of the world's largest Hosiery manufacturers, and a Full Family Clothing supplier for top international brands and retailers. He also serves on the Boards of Texlan Center (Pvt.) Limited and Interloop Holdings (Pvt.) Limited, and is the Vice President of Interloop Welfare Trust, engaged in numerous philanthropic activities across the country.

An electrical engineer by training and a Masters in Management from Oxford, Navid puts great emphasis on lean manufacturing, research & innovation, and sustainability. A strong supporter of diversity, equity & inclusion, Navid is actively involved in many social responsibility programs and is part of the global Champions of Change Coalition; nurturing gender equality, women leadership, and respectful and inclusive workplaces. He is passionate about protecting the environment for future generations and keenly follows developments in regenerative agriculture worldwide.



**MUHAMMAD MAQSOOD**  
Executive Director

Muhammad Maqsood is an Executive Director at Interloop Limited. He is also a member of the Boards of Interloop Dairies, Texlan Center (Pvt.) Limited, Interloop Assets Management Limited, and Interloop Welfare Trust. With an overall experience of 28 years, Maqsood's association with Interloop spans 20 years. He is also performing his duties as the Group CFO. His current responsibility portfolio includes Group finances, financial reporting, and taxation. Maqsood is a fellow member of Institute of Chartered Accountants of Pakistan & Institute of Financial Accountants, UK, and trained at INSEAD on Strategic Financial Management in Global Markets.

**TARIQ IQBAL KHAN**  
Independent Director



Tariq Iqbal Khan is an Independent Director on the Board of Interloop Limited. He is also serving as the Chairman of Interloop Asset Management Limited. He is the Chairman of Audit Oversight Board (AOB) of Pakistan and Packages Converters Limited. He is also on the Boards of various eminent listed and non-listed companies. Previously, he has served on the Boards of multiple banks, pharmaceutical, chemical & petroleum companies, and also as the Chairman of SNGPL and ARL, etc. A fellow member of the Institute of Chartered Accountants of Pakistan, Tariq has served the country for more than four decades by holding prominent positions in the private and public sectors. He played a pivotal role in founding the Islamabad Stock Exchange and subsequently served as its President. He also served as Member Tax Policy & Co-ordination at the Central Board of Revenue, followed by working as Commissioner, Securities & Exchange Commission of Pakistan (SECP), and later as Chairman SECP (acting) for a brief period where he was instrumental in restructuring SECP. Tariq served as the Chairman & MD of NIT for more than 8 years, which played a key role in establishing and stabilizing the capital markets.

**SHEREEN AFTAB**  
Non-Executive Director



Shereen Aftab is currently a Non-Executive Director on the Board of Interloop Limited and has served on the Board as a Director since 1999. In the past, she has also been associated with Interloop as Director Merchandising. She holds a Ph.D. in Immunology from the University of Manchester, UK, and is an MBBS Medic. She is a self-taught artist working in acrylic and mixed media. She has a keen interest in animal welfare. She works with the Ayesha Chundrigar Foundation, which runs a large animal rescue center, among other activities. Currently, she is serving on the ACF board as Vice President.

**JAHAN ZEB KHAN BANTH**  
Non-Executive Director



Jahan Zeb Khan Bantth currently serves as a Non-Executive Director on the Board of Interloop Limited. A chemical engineer by profession, Jahan Zeb previously worked with Interloop Limited as Director Technical, strategically leading the maintenance of Hosiery manufacturing equipment, expansion projects, BMR, and the Energy Division. Of the overall rich professional experience of 43 years, Jahan Zeb has spent the last 25 years with Interloop.

**SAEED AHMAD JABAL**  
Independent Director

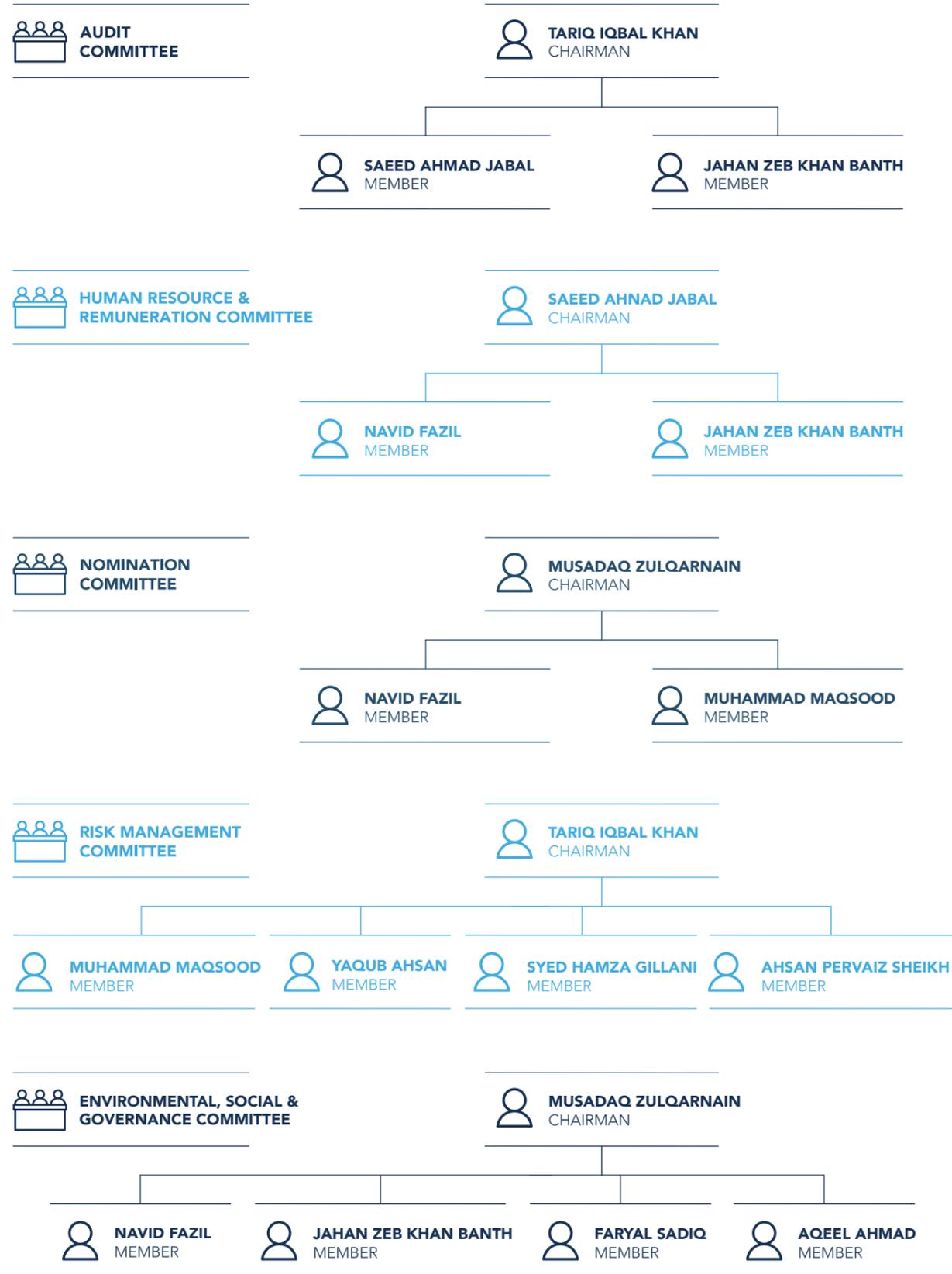


Saeed Ahmad Jabal is an Independent Director on the Board of Interloop Limited. A Chartered Accountant by profession, he carries 49 years' rich and versatile experience of working in Pakistan and abroad, at leadership positions in pioneer industries of Fruits & Vegetables, Apparels, and multiple sectors of Textile industry including Spinning, Weaving, Processing, Home Textiles, Hosiery, etc. He also led World Bank's unique Seed Industry Project in the public sector.

Saeed has expertise in developing Process Systems Flowcharts and writing SOPs for control and smooth running of processes in the Composite Textile industry and Seed Industry Project, and always worked on improving the business profitability. His career included enhancing computerized financial system on IBM platform that adequately served the complex textiles manufacturing and export environment, where he also supervised development and implementation of Oracle ERP System, and transforming accounting and financial data into it. While abroad, Saeed participated in a large computerization project and ensured system's performance and output data quality. He was also responsible for cost compliance management of projects.

Saeed's proficiency in interpreting Corporate Taxation and Customs Laws, etc., resulted in rescinding impracticable SROs and recovered/avoided hundreds of millions of rupees of imposed taxes, etc.

# BOARD COMMITTEES



# MANAGEMENT COMMITTEE



## CHAIRMAN'S REVIEW REPORT

Interloop Limited has exhibited an extraordinary performance during Fiscal Year 2023, despite numerous challenges posed by the economic landscape. Dedication and relentless efforts of our team yielded remarkable results, as our sales revenue surged to Rs. 119.20 billion, reflecting a growth of 31.14% over the preceding year, while our net profit rose to an impressive Rs. 20.18 billion, indicating an increase of 63.28% from the preceding year.

I, on behalf of the Board of Directors (Board), would like to extend our sincere appreciation for the Management, particularly for CEO's leadership and dedication, attributing to our shared success. Under his astute leadership, our organization achieved remarkable milestones this year. I would also like to express our gratitude to the members of our Board whose strategic guidance charts a prosperous course for the Company's future. Looking ahead, I am confident that the Board's visionary leadership will continue to inspire excellence across all facets of our operations.

The Company's Board maintains continuous oversight over critical aspects, including adherence to the Company's mission, vision and values, besides providing strategic guidance, and setting benchmarks for the Management. In my role as the Chairman of the Board, I have witnessed the resolute commitment of each member of the Board to strategic leadership, effective governance, and prudent financial stewardship. Their collective expertise has facilitated well-informed decision-making, ensuring that our organization remains agile, innovative, and responsive to the dynamic business

environment. Through their strategic oversight and engagement with the stakeholders, the Board has contributed substantially to our continued growth, responsible corporate citizenship, and enduring success.

The Board also demonstrated its commitment to the highest standards of Corporate Governance, and the best industry practices. Notably, the Board and its dedicated Committees have maintained focus on ensuring compliance with all relevant statutory and regulatory requirements governing the Company. The Board Committees have provided valuable insights and support to the Board, operating with the highest level of proficiency. All Committees have complied with the required regulations and reported their findings to the Board. The comprehensive and effective Board & Committees' meetings led to conducive decisions for the Company. The Board received agendas and supporting written material including follow-up materials in sufficient time prior to the Board and its Committees' meetings. The Board monitored its own performance along with the performance of its Committees through an annual evaluation. I am pleased to convey that the Board's self-evaluation for the Fiscal Year 2023 has been successfully concluded. It is indeed gratifying to observe that the overall performance has demonstrated a commendable level of satisfaction.

The Company, while striving to create value for its shareholders, also remains focused on being an agent of positive change for its other stakeholders and community. I would like to express my sincere gratitude to our esteemed Board members, whose

vital contributions have played a pivotal role in driving our journey towards achieving profitable growth. I would also like to thank our valued investors for their trust and confidence in the Company. The hardworking individuals on our team, whose unwavering dedication has been the catalyst for our successes, equally deserve our praise.

I acknowledge the success of Interloop, as a true reflection of the blessings bestowed upon us by the grace of God almighty.



**MUSADAQ ZULQARNAIN**  
Chairman

**Faisalabad,**  
**September 07, 2023**



# DIRECTORS' REPORT

The Board of Directors of Interloop Limited ('the Company' or 'ILP') is delighted to present the Annual Report for the fiscal year ended on June 30, 2023, along with the audited Financial Statements and the accompanying Auditors' Report.

## ECONOMIC & INDUSTRY OVERVIEW

Fiscal year 2023 proved to be another challenging year for the global economy, as it grappled with the delicate balance between stabilizing growth and containing unabated rise in inflation. This inflationary pressure was primarily a consequence of supply chain disruptions, the prolonged Russia-Ukraine conflict, and pressure on consumer demand during the first two quarters of the fiscal year. Additionally, the Central Bank's countering contractionary monetary policies further burdened the economic activity.

Pakistan's economic growth prospects also dampened throughout fiscal year 2023, primarily due to a challenging macroeconomic environment, and climatic devastations, further aggravated by the global economic slowdown. Pakistan's GDP posted a growth of 0.29% in fiscal year 2023 while its foreign reserves contracted by USD 5.4 billion, causing the Pakistani Rupee (PKR) to depreciate by 39.6% against the US Dollar in fiscal year 2023. This, coupled with rising energy and food prices, led to a multi-year high CPI inflation rate of 29.2% YoY in fiscal year 2023, compared to 12.2% in fiscal year 2022. The State Bank of Pakistan (SBP), consequently, continued with tightening of monetary policy and raising the Policy Rate to 22.0%. The Government imposed strict import restrictions, reducing the trade

deficit by 38.3% with considerable reduction in Imports by 27.3%. Exports decreased by 14.1% and workers' remittances also declined by 13.6% YOY in fiscal year 2023.

In fiscal year 2023, Pakistan's textile sector remained on the downturn in tandem with the overall 'Manufacturing' sector situation. According to the Pakistan Bureau of Statistics (PBS), the textile industry's exports dropped significantly by 14.6% YoY to USD 16.5 billion, and this decline was primarily attributed to factors such as the limited availability of local cotton after flash floods, import restrictions, and sluggish demand from USA and Europe. Among the value added segment, knitwear, holding highest share in exports, posted 13.4% YoY decline in exports to USD 4.4 billion despite 10% volumetric growth in the same period. Exports of Readymade Garments and Bed wear also declined by 10.6% YoY and 18.3% YoY to USD 3.5 billion and USD 2.7 billion, respectively. As per latest statistics published in the World Trade Organization report, Pakistan maintains its position among the top 10 textile exporters globally, however, its market share has contracted to 2.6%, down from 3.0% over the past decade. In value-added textiles, Pakistan's share is even smaller at 1.1%, owing to non-competitive industry policies, lack of innovation, and an unstable macroeconomic environment.

## FINANCIAL AND OPERATIONAL PERFORMANCE

The fiscal year 2023 encountered several challenges, primarily due to political and economic uncertainty, floods, a growing current account deficit, currency depreciation,

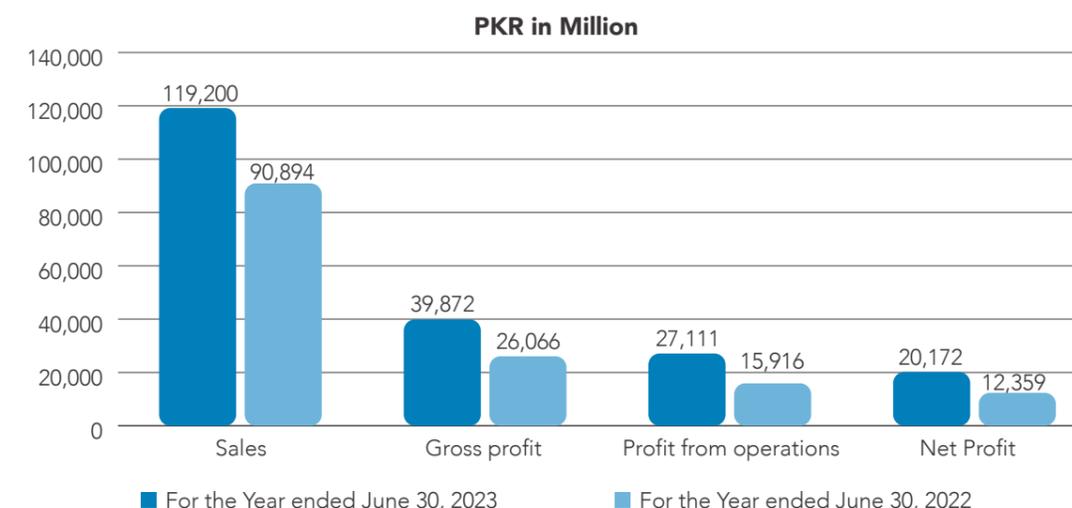
rising foreign debt, and dwindling reserves in Pakistan. The State Bank intervened by rapidly increasing interest rates in order to control inflation, and introduced various restrictions on imports in an effort to arrest the depletion of foreign currency reserves, which further constricted the economic activity.

Despite these significant challenges, the Company performed remarkably well during the fiscal year 2023 and delivered exceptional results by achieving the highest ever sales revenue of PKR 119,200 million, compared to PKR 90,894 million during the corresponding year. Despite continuous upside trend in material costs and manufacturing overheads, the Management's commitment to achieve Lean manufacturing excellence led the Company's gross profit to grow significantly by 53%, amounting to PKR 39,872 million in fiscal year 2023, compared to PKR 26,066 million in the corresponding year. Operating expenses increased by 27%, amounting to PKR 12,919 million, compared to PKR 10,207 million in the preceding year. Finance cost increased by 122%, in comparison to last year, due to increase in average borrowing rates.

Cost saving initiatives and better pricing management contributed to the notable improvement in profitability. The Company, resultantly, achieved a profit after tax of PKR 20,172 million for the current fiscal year, reflecting an increase of 63% compared to PKR 12,359 million last year. This translated into earnings per share of PKR 14.39 in fiscal year 2023, compared to PKR 8.82 per share in fiscal year 2022.

The operating results of the Company are summarized as follows:

	2023	2022
	(RUPEES IN MILLION)	
Sales – net	119,200.29	90,894.05
Gross profit	39,872.37	26,066.17
EBITDA	30,093.11	18,488.22
Profit before tax	21,583.85	13,423.47
Tax expense	(1,412.01)	(1,063.97)
Profit after tax	20,171.85	12,359.50
Other comprehensive loss	(1,687.86)	(263.12)
Total comprehensive income	18,483.99	12,096.38
Unappropriated profit brought forward	17,428.49	8,001.04
Accumulated profit available for appropriations	35,912.48	20,097.42
Appropriations		
- Final dividend 2021		(872.20)
- Interim dividend 2022		(1,796.73)
- Final dividend 2022	(1,796.73)	
- Interim dividend 2023	(2,802.89)	
- Interim Bonus shares 2023	(4,671.49)	
Unappropriated profit carried forward	26,641.36	17,428.49
Earnings per share – Basic (PKR)	14.39	8.82
Earnings per share – Diluted (PKR)	14.39	8.82

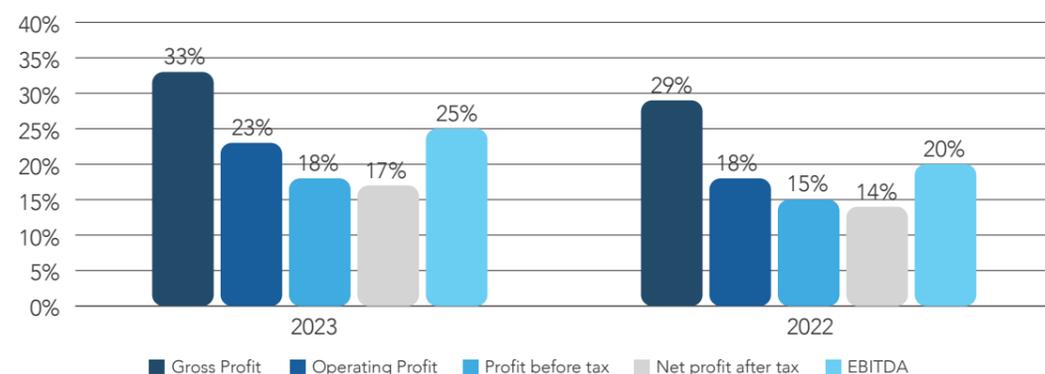


The Company remains dedicated to delivering its long-term sustainable growth and value creation objectives. This is achieved through continued focus on operational excellence, product portfolio diversification, cost reduction, and a strong capital structure.

#### VERTICAL ANALYSIS

	2023	2022
Gross profit	33%	29%
Operating profit	23%	18%
Profit before tax	18%	15%
Net profit after tax	17%	14%
EBITDA	25%	20%

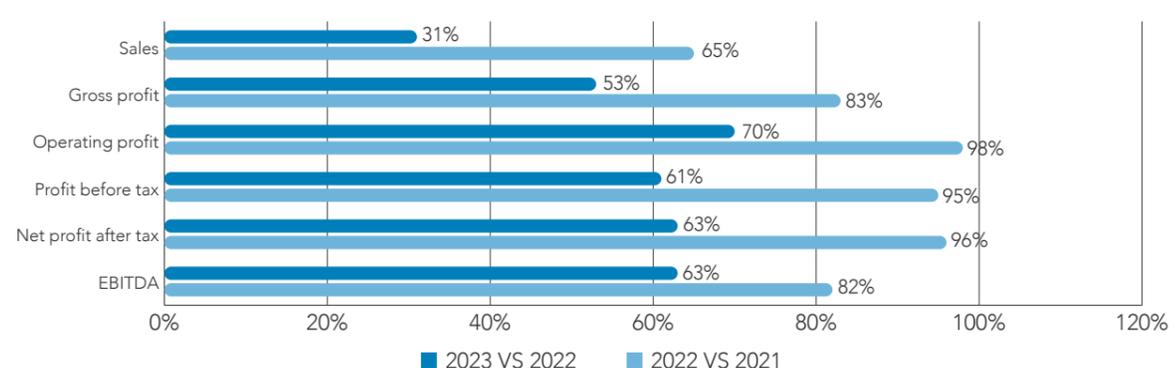
Vertical Analysis



#### HORIZONTAL ANALYSIS

	2023 VS 2022	2022 VS 2021
Sales	31%	65%
Gross profit	53%	83%
Operating profit	70%	98%
Profit before tax	61%	95%
Net profit after tax	63%	96%
EBITDA	63%	83%

Horizontal Analysis



#### EARNINGS PER SHARE (EPS)

The Basic and Diluted earnings per share after tax is PKR 14.39 per share (2022: PKR 8.82 per share - restated)

#### DIVIDEND

The Board of Directors has recommended a final cash dividend for the fiscal year ended June 30, 2023, at the rate of PKR 2.0 per share (i.e., 20%), subject to the approval of the members at the Annual General Meeting to be held on October 13, 2023. Including an interim cash dividend of PKR 3.0 per share (i.e., 30%) already paid, total cash distribution stands at PKR 5 (i.e., 50%) for the year ended June 30, 2023. Additionally, the Company had already issued and credited Interim Bonus Shares, in the proportion of 50 share(s) for every 100 share(s) held i.e. 50%. These financial statements do not include the effect of the proposed final dividend.

#### EVENTS AFTER REPORTING PERIOD

The Board of Directors, in its meeting held on September 07, 2023, has proposed a final cash dividend for the year ended June 30, 2023, @ PKR 2 per share, for approval of the members in the Annual General Meeting.

#### PRINCIPAL ACTIVITIES

Interloop Limited was incorporated in Pakistan on April 25, 1992 and publicly listed on the Pakistan Stock Exchange on April 05, 2019. Interloop is a vertically integrated multi-category Full Family Clothing Company, manufacturing Hosiery, Denim, Knitted Apparel and Seamless Active wear products, for top international brands and retailers, besides producing Yarns for a range of textile customers. Throughout the year, the Company's core activities remained unchanged.

#### BUSINESS SEGMENTS

The Company's management has determined the following operating segments based on the information presented to the Company's Board of Directors 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 the internal management reporting structure and products produced and sold, the Company is organized into the following operating segments:

#### Hosiery

Interloop Hosiery has the capacity to produce 796 million pairs of socks annually, through five vertically integrated manufacturing facilities, and serves international brands and retailers globally, including Nike, adidas, STICHD, Target, H&M, C&A, Amazon, and Uniqlo, to name a few. Its Plants 4 and 5 are LEED Gold Certified Socks Manufacturing Facilities. Equipped with advanced machinery, skilled staff, and versatile production, it creates diverse socks for all ages and genders. The Company is dedicated to responsible manufacturing, covering farm-to-factory processes. With in-house services spanning development, quality, and innovation, Interloop's digital investments aim to modernize design, production, and customer relations.

#### Denim

Interloop Denim, a cutting-edge facility in Southeast Asia, has a current production capacity of 500,000 units of sustainable denim garments per month, with plans to expand to 1 million pieces by 2025. The plant is renowned for its environmental consciousness, holding LEED Platinum certification and being recognized as one of the world's 7 greenest buildings in 2021. It serves prominent brands like Guess, Hugo Boss, Mustang, Diesel, Levi's Kids, Target, NYDJ, and INDITEX. Interloop Denim leads the way in eco-friendly denim manufacturing, using laser and ozone technology to cut pollution by 90%, championing water conservation, and Green Chemistry.

#### Apparel

Interloop Apparel has the capacity to produce 22 million garments annually, attracting brands from North America, Europe, and UK. The new eco-friendly facility, set to start operations in the second quarter of the fiscal year 2024, is equipped with advanced machines which will enhance the production capacity, and has sustainability features like renewable energy sources, a wetland, and a bird sanctuary. The Knitwear Apparel division produces a variety of products including T-Shirts, Underwears, Polo shirts, Sweatshirts, Pants, Fleece Hoodies, and Jackets for renowned brands and retailers.

#### Activewear

Interloop's vertically integrated Seamless Activewear manufacturing facility, with a staggering annual

production capacity of 4 million pieces, offers a wide variety of styles and sizes. The facility is equipped with the latest machinery, including Italian knitting and dyeing machines, along with Japanese sewing machines, ensuring top-notch quality in fabric handling, dyeing techniques, and stitching operations. These Seamless garments provide an exceptional 360-degree stretch, free from any restrictive seams. Moreover, the Company boasts a dedicated and self-sufficient product development department that ensures a speedy sample turnaround. Simultaneously, their in-house design team keeps pace with the latest trends and fashion.

#### Yarns

- Spinning  
Interloop produces 32 million pounds of top-quality yarns annually on automated spinning plants, equipped with the latest European and Japanese machines. We use a variety of raw materials, including virgin and recycled/sustainable fibers, to create different yarn types. Over 50% of our yarn is used internally, and the rest is supplied to renowned manufacturers in various textile industries.

- Yarn Dyeing & Air Covering  
Interloop operates an advanced Yarn Dyeing & Elastomeric Yarn facility with automated operations, offering a wide range of colors in Spun and Filament Yarns. Its annual dyeing capacity is 5.5 million kgs. Interloop also utilizes modern Italian Air Covering Machines with 1 million kgs annual production capacity for various yarn types of in-house dyed, dope dyed, and raw white yarns with spandexes like Lycra and Creora at customized ratios.

#### CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Company firmly upholds stringent Corporate Governance standards without any deviation. The Directors are delighted to affirm that the Company adheres to the provisions outlined in the Listed Companies (Code of Corporate Governance) Regulations, 2019 (CCG Regulations, 2019) and Companies Act, 2017, issued by the Securities and Exchange Commission of Pakistan (SECP), which are integral to the Listing Regulations of the Pakistan Stock Exchange (PSX). The Directors confirm that:

- i. The Financial Statements, prepared by the Management of the Company, fairly present its state of affairs, the result of its operations, cash flow and changes in equity.
- ii. Proper books of account have been maintained by the Company.
- iii. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- iv. International Financial Reporting Standards (IFRS), as applicable in Pakistan and the requirements of the Companies Act 2017, have been duly followed in the preparation of the financial statements. Any departure thereof has been adequately disclosed and explained.
- v. The internal control system is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls will continue as an ongoing process to further strengthen the controls and bring improvements to the system.
- vi. There are no significant doubts upon the Company's ability to continue as a going concern.
- vii. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations of the Pakistan Stock Exchange.
- viii. Information regarding outstanding taxes and levies, as required by the listing regulations, is disclosed in the notes to the financial statements.
- ix. The Company operates a contributory provident fund scheme for all employees and a defined benefit gratuity fund scheme for its management/non-management employees. The unaudited value of investment based as of June 30, 2023, is;  
Provident Fund: PKR 125,253,393
- x. Statements regarding the following are annexed in this Annual Report:
  - Key financial data for the last six (6) years
  - Pattern of Shareholding

## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Company strictly adheres to the principles of Corporate Governance mandated by SECP and has implemented all the prescribed stipulations. The same have been summarized in statement of compliance with CCG Regulations, 2019 duly reviewed by the auditors and annexed with this Annual Report.

## BOARD OF DIRECTORS AND ITS COMMITTEES

### THE BOARD

Interloop Limited maintains a Board of Directors consisting of Seven (7) members elected on October 22, 2020, encompassing professionals with diverse backgrounds, essential skills, insights, and proficiencies pertinent to the Company's operations. Our Board composition as on June 30, 2023 is as below:

TOTAL NUMBER OF DIRECTORS		
a) Male		6
b) Female		1
COMPOSITION:		
i. Independent Directors		2
ii. Other Non-Executive Directors		3
iii. Executive Directors		2

During the fiscal year 2023, Five (5) Board meetings were conducted. The names of Directors and the number of meetings attended by each Director are presented below:

NAME(S) OF DIRECTOR(S)		MEETINGS ATTENDED
Musadaq Zulqarnain	Chairman / Non-Executive Director	4
Navid Fazil	Chief Executive Officer / Executive Director	4
Jahan Zeb Khan Banth	Non-Executive Director	5
Muhammad Maqsood	Executive Director	5
Shereen Aftab	Non-Executive Director	2
Saeed Ahmad Jabal	Independent Director	5
Tariq Iqbal Khan	Independent Director	5

### BOARD COMMITTEES

The Board of Directors has constituted the below stated Committees:

1. Audit Committee (AC)
2. Human Resource & Remuneration Committee (HR&RC)
3. Nomination Committee (NC)
4. Risk Management Committee (RMC)
5. Environmental, Social, and Governance Committee (ESGC)

### AUDIT COMMITTEE (AC)

The Audit Committee assists the Board to oversee financial reporting and internal controls to ensure transparency and accuracy. Throughout the fiscal year 2023, a total of Nine (9) Committee meetings took place. The subsequent information outlines the names of the Directors and the number of meetings they attended:

NAME(S) OF COMMITTEE MEMBERS	MEETINGS ATTENDED
Tariq Iqbal Khan (Chairman)	9
Saeed Ahmad Jabal	9
Jahan Zeb Khan Banth	9

### HUMAN RESOURCE & REMUNERATION COMMITTEE (HR&RC)

The HR&RC Committee comprises of three members, the Chairman of the Committee is an Independent Director. The Committee meets to review and recommend all elements of compensation and organization and employee development policies related to the senior executives. The Committee held Three (3) meetings during the fiscal year which were attended by the following Members:

NAME(S) OF COMMITTEE MEMBERS	MEETINGS ATTENDED
Saeed Ahmad Jabal (Chairman)	3
Navid Fazil	3
Jahan Zeb Khan Banth	3

### NOMINATION COMMITTEE (NC)

Nomination Committee has been established to assist the Board in regularly evaluating and suggesting potential changes to the Board's structure, size, and composition. Throughout the fiscal year 2023, One (1) Committee meeting took place. The list below includes the names of the Members who participated in the meeting:

NAME(S) OF COMMITTEE MEMBERS	MEETINGS ATTENDED
Musadaq Zulqarnain (Chairman)	1
Navid Fazil	1
Muhammad Maqsood	1

### RISK MANAGEMENT COMMITTEE (RMC)

The Risk Management Committee assists the Board in providing oversight on the adequacy and effectiveness of the risk management framework and internal control system. It includes evaluating operational, strategic, and external risks; and reviewing all material controls (financial, operational, compliance). During the fiscal year 2023, Five (5) Committee meetings were held. The names of Directors & Members who attended the meetings are as follows:

NAME(S) OF COMMITTEE MEMBERS	MEETINGS ATTENDED
Tariq Iqbal Khan (Chairman)	5
Muhammad Maqsood	4
Muhammad Yaqub Ahsan	2
Ahsan Pervaiz Sheikh	5
Syed Hamza Gillani	5

### ENVIRONMENTAL, SOCIAL & GOVERNANCE COMMITTEE (ESGC)

The ESG Committee ensures the Company's adherence to environmental, social, and governance principles for sustainable and ethical practices. It oversees eco-friendly, socially responsible, and well-governed operations, driving long-term prosperity and positive societal impact. In the fiscal year 2023, One (1) meeting was held, attended by the following Directors & Members:

NAME(S) OF COMMITTEE MEMBERS	MEETINGS ATTENDED
Musadaq Zulqarnain (Chairman)	1
Navid Fazil	1
Muhammad Maqsood	1
Faryal Sadiq	1
Aqeel Ahmad	1

## PERFORMANCE EVALUATION OF BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD

The evaluation of Board's role of oversight and its effectiveness is a continual process, which is appraised by the Board itself. The core areas of focus are:

- Alignment of corporate goals and objectives with the vision and mission of the Company;
- Strategy formulation for sustainable operation;
- Board's independence; and
- Evaluation of Board's Committees' performance in relation to discharging their responsibilities set out in the respective terms of reference.

The Board has a comprehensive mechanism for evaluation of its performance developed in conformity with the CCG Regulations, 2019 and Global best practices. The Board's and its Committees' overall performance measured on the basis of approved criteria remained satisfactory.

## DIRECTORS' REMUNERATION

The Board has implemented a formal policy supported by transparent procedures for fixing Directors' remuneration. In accordance with the Code of Corporate Governance, no Director is involved in the determination of his/her own remuneration package. The Company does not pay remuneration to the Non-Executive Directors except fees for attending the meetings. To retain the best talent, the Company's remuneration policies are structured in line with the prevailing industry trends and business practices. For information on the remuneration of Directors and CEO during fiscal year 2023, please refer to notes in the Financial Statements.

## DIRECTORS' TRAINING PROGRAM

The Directors on the Board are well aware of their duties and responsibilities, in compliance with the CCG Regulations, 2019. All our Directors, including the Chief Executive Officer, either have certification under the Directors' Training Program or exemption from the Directors' Training Program based on experience. The Board is kept up-to-date on legal, regulatory, and

governance matters through regular papers and briefings from the Company Secretary, and presentations by internal and external advisors. Directors are responsible for upholding Corporate Governance and giving the Company a strategic direction. To optimize the effectiveness of the Board, it is pertinent for new members to learn about the dynamics and operations of the Company. Your Company conducts various training programs to ensure that the entire Board is aligned with the Organization's Mission and Corporate Governance.

#### REVIEW OF CEO'S PERFORMANCE

The Board of Directors conducts routine assessments of the CEO's performance, utilizing a set of defined quantitative and qualitative metrics. These metrics encompass a range of financial and non-financial Key Performance Indicators (KPIs). The primary KPIs used in this evaluation encompass financial performance, operational processes, regulatory compliance, operational excellence, and human resource management. This evaluation also considers the CEO's achievements related to goals such as profit generation, organizational development, succession planning, and overall corporate success.

#### CHAIRMAN'S REVIEW

The Chairman's review included in the Annual Report deals inter-alia with the performance of the Company and role and responsibility of the Board of Directors.

#### ROLES AND RESPONSIBILITIES OF CHAIRMAN AND CEO

In order to promote transparency and effective governance, we ensure that the roles of the Chairman of the Board of Directors and the Chief Executive Officer are distinct, each with well defined duties and accountabilities. Chairman's role is to oversee and guide the Board's activities, establish meeting agendas, provide guidance, and endorse meeting minutes. On the other hand, the Chief Executive Officer, deemed as an Executive Director, assumes the position of the

Company's Management leader. He is empowered to execute the Board's policies within specified boundaries, alongside his primary managerial duties.

#### REVIEW OF RELATED PARTIES TRANSACTIONS

All related party transactions are executed on arm's length basis in the ordinary course of business, and are in compliance with the applicable laws and regulations, and the policies approved by the Board. All related party transactions during the fiscal year 2023 were placed before the Audit Committee and the Board for their review, and approved accordingly. For information on the transaction with the related party in fiscal year 2023, please refer to the notes in the Financial Statements.

#### WEB PRESENCE

Company's periodic financial statements for the current financial year including previous Annual, Half Yearly and Quarterly Reports are available on the Company's website [www.interloop-pk.com](http://www.interloop-pk.com) for information of the investors.

#### CODE OF CONDUCT

In order to put in place professional standards and corporate values for promotion of integrity of the Board, senior management and other employees, the Board has approved and disseminated a Code of Conduct, defining therein acceptable and unacceptable behaviors.

#### TRADING IN THE SHARES OF THE COMPANY

The trading and holding of Company's shares by Directors & their Spouses or Executives, along with the price, the number of shares and nature of the transaction, were notified by the Company Secretary to the Board, SECP & PSX, within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholding.

#### EMPLOYEE STOCK OPTION SCHEME

The Company had introduced

"Interloop Limited Employees Stock Option Scheme, 2016 (ESOS or Scheme)" to offer Company's Shares to its eligible Executive Employees, pursuant to the Public Companies (Employees Stock Option Scheme) Rules, 2001 (repealed), transforming them from Stakeholders to Shareholders. The Scheme is flexible, voluntary, and focused on long term growth and prosperity of the employees. These shares under ESOS rank pari passu in all respects with the existing ordinary shares of the Company.

We consider our employees as our most valuable asset and we firmly believe in providing them a conducive work environment and a sense of security. The Scheme had originally been approved by the Members in the General Meeting held on December 31, 2015 and by SECP through its letter no. SMD/CIW/ESOS/01/2016 dated September 01, 2016. Later, upon listing of Company's stock on the Pakistan Stock Exchange (PSX) during the year 2019, certain amendments to the Scheme with the context of listed Companies regulations, had been approved by the Shareholders of the Company in its Annual General Meeting held on October 15, 2020 and by SECP through its letter no. SMD/CIW/ESOS/01/2016/184 dated February 25, 2021.

The Core objective of the Scheme is to provide incentives to the Management & Executive & Non-Executive employees of the Company which will eventually provide them a sense of ownership of the Company and encourage greater performance in the direction of the Company's overall growth. The Compensation Committee shall determine and recommend to the Board of Directors about Eligible Employees who are entitled to grant of Options for the Financial Year preceding the Date of Entitlement, and the proposed terms and conditions and quantum of each Option, and shall be subject to such other requirements and modalities, as the Company may prescribe from time to time.

#### Your Company has granted following options to the eligible employees of the Company during the fiscal year under consideration:

1	No. of Shares as on June 30, 2022			898,363,374
2	Entitlement Pool 10% of Paid up Capital			89,836,337
3	Grant of Options (0.90% precise)			8,085,270
4	Date of Entitlement			19-10-2022
5	Date of Grant			15-11-2022
6	Financial Year			2021-22
7	Share Price (Option Price)	PKR		63.80/share
8	Minimum Vesting Period	From		15-11-2022
9		To		14-11-2023
10	Exercise Period	From		15-11-2023
11		To		14-05-2024
12	No. of Employees			10,838

#### CREDIT RATING

The Management holds a strong commitment towards ensuring transparency and reliability of the financial information. As part of this commitment, Interloop engaged VIS Credit Rating Company Limited (VIS), a reputable rating agency in Pakistan offering independent rating services. In a press release dated May 10, 2023, VIS assigned an initial entity rating of 'A+/A-1' (Single A plus/Single A-One) to ILP. The outlook for these ratings is 'Stable Long-term.'

These assigned ratings accurately mirror Interloop's solid financial position, stemming from a well-established capital structure, minimal expected credit risk, and a powerful ability to make timely financial commitments. This capacity is not significantly vulnerable to foreseeable events.

#### RISK GOVERNANCE AND INTERNAL CONTROLS

The Board of Directors is responsible for the governance of risk through the Risk Management Policy which is defined in line with the ISO 31000. For this purpose, the Board has established an efficient system of internal controls for ensuring effective and efficient conduct of operations, safeguarding Company assets as well as reputation, compliance with applicable laws and regulations, and reliable financial reporting. Risk Management Committee, reporting

to the Board of Directors, supervises and guides the Management on effective mitigation, and monitoring of key risks.

#### ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors has established an efficient system of internal financial controls, safeguarding of Company's assets, compliance with applicable laws and regulations and reliable financial reporting. The Company's independent Internal Audit function regularly monitors financial control implementation, whereas the Audit Committee and Risk Management Committee continuously review the internal control framework and financial statements' effectiveness.

#### INTERNAL AUDIT AND CONTROL

The Board has set up an independent Internal Audit Function. The Audit Committee regularly reviews the appropriateness of resources and authority of this function. The Head of Internal Audit functionally reports to the Audit Committee and carries out reviews on the financial, operational and compliance controls, and reports on findings to the Audit Committee and Chief Executive Officer.

#### PATTERN OF SHAREHOLDING

The pattern of shareholding as of June 30, 2023, is annexed to this report in accordance with the

reporting framework's disclosure requirements.

#### DEBTS SERVICING

Your Company has an effective cash flow strategy in place whereby inflows and outflows are projected and monitored regularly. This comprehensive strategy has always empowered your Company in smooth settlement of its financial commitments and hopes to cater to any and every challenge that will come its way. In compliance with the above, the management has made constant endeavors to rationalize borrowing costs by managing a balanced portfolio of sources of funds and efficient financing arrangements. The Company has a practice of timely settling its obligations, and accordingly, there is no history of any default concerning payment of debts, including this year.

#### COMMUNICATION

The Company places significant emphasis on effective communication with all its stakeholders, ensuring timely distribution of Annual, Half-yearly and Quarterly Reports, as well as notices for the General Meetings as mandated under the Companies Act, 2017. To further engage with the shareholders and analysts, the Company conducts annual briefing sessions. Additionally, the Company ensures timely updating its activities on its website, which can be accessed at [www.interloop-pk.com](http://www.interloop-pk.com).

## CORPORATE BRIEFING SESSION (CBS)

Interloop Limited held a Corporate Briefing Session via Zoom on November 7, 2022. The session focused on the financial results for the year ended June 30, 2022, offering insights into operational performance and future prospects. Attendees included investors, analysts, fund managers, and Company representatives. The Chief Financial Officer presented the current year's performance, followed by Question & Answer session. The management has planned to hold the Corporate Briefing Session for the year ended June 30, 2023, in November 2023.

## BUSINESS CONTINUITY MANAGEMENT

The Board of Directors has defined a Business Continuity Management (BCM) Policy in line with the ISO 22301, encompassing all aspects of planning, preparation, and operational management, necessary to provide continuance of business operations under disaster circumstances. Business Continuity is integral to a Company's operations to improve resilience and protect against disruptive incidents, reduce the impact, and ensure business recovery. It is the Company's policy to maintain a BCM program and recovery plans to ensure prompt and efficient recovery of critical operations of its products and services, from any incident or physical disaster the Company may face from time to time. Further, the Company has a complete insurance cover to protect financially and help minimize losses arising from catastrophic incidents.

## APPOINTMENT OF STATUTORY AUDITORS

M/s. Kreston Hyder Bhimji & Company, Chartered Accountants, have concluded their tenure for the current fiscal year 2023 and will retire after the upcoming Annual General Meeting. Meeting the eligibility criteria, they have expressed their willingness to be considered for re-appointment. The Audit Committee has recommended their re-appointment as the Company's auditors for the next fiscal year 2024.

## HEALTH, SAFETY & ENVIRONMENT

Interloop is unwavering in its commitment to safeguarding a healthy environment for all, by diligently adhering to environmental standards at our production facilities. We recognize our profound responsibility in this regard and prioritize sustainability by reducing our carbon footprint and implementing initiatives that conserve water and energy. Our dedication to responsible business practices extends throughout our value chain. Additionally, we are dedicated to fostering a safe and secure work environment for our associates, striving to create a workplace that promotes happiness and a genuine sense of safety and security. Guided by these principles, Interloop's Environment, Health and Safety (EHS) department has established policies to prevent industrial accidents, ensure the well-being of our associates, and conduct mandatory annual medical checkups for all employees, taking prompt action if any deviations from standard health parameters are identified.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

Through a diverse range of impactful CSR initiatives, we aim to create a positive impact within our sphere of influence, benefiting both our dedicated employees and our communities. From promoting sustainable business practices to championing diversity and inclusion, every endeavor is rooted in making a meaningful difference. Providing insight into our CSR commitments, here are some noteworthy initiatives:

### Commitment to Learning and Well-being of Youth

In partnership with The Citizen Foundation (TCF), we're providing quality affordable education to over 5000 underprivileged children, 50% girls, in 34 TCF-Interloop schools, spanning primary, secondary, and higher secondary levels. Moreover, three additional TCF schools are currently under construction, further expanding our reach and impact.

Partnering with Allah Walay Trust, we initiated a program aimed at

providing free meals to primary school students in Lahore, positively impacting their health, academic performance, and emotional well-being. Presently, 231 students at Government Primary School, Hassan Da Kot, benefit from this initiative, receiving nutritious meals during lunch hours. Expanding on this initiative, we have now extended our reach to Faisalabad, where we will be supporting six additional schools.

Additionally, we collaborated with Roshni Homes Trust in Gujranwala, focusing on supporting orphaned children. We recognize the importance of providing education and a safe environment for the children, aiming to rehabilitate them and make them productive members of the society. This collaboration not only extends financial assistance but also nurtures hope for a brighter future, committed to the children's educational, physical, and psychological growth.

We are proud of providing around 650 young men and women access to higher and technical education through annual scholarships across various institutions.

### Health

Interloop is working towards enhancing healthcare accessibility in the cotton-growing regions of Punjab. In collaboration with Lok Sanjh Foundation, the Company facilitates Mobile Health Services via specialized Mobile Clinics, delivering vital health care services and medications. Additionally, Interloop organizes informative sessions, symposiums, and screening camps for both employees and local communities, highlighting a comprehensive approach to overall well-being.

Interloop's Flood Relief Fund demonstrates its unwavering dedication to aiding communities in times of crisis. This relief initiative encompasses aid for more than 16,820 families, including provision of meals, establishment of mobile health clinics, and distribution of cattle feed to areas including Sanghar, Nawab Shah, Rajanpur, Rakhni, Thatta, Taunsa, Dadu, Barkhan, and Badin.

We provided free healthcare services to approximately 100,000+ deserving patients at various hospitals across Pakistan and supported multiple hospitals by providing necessary medical equipment.

### Empowering Women

Interloop Limited, in partnership with the Salman Sufi Foundation, introduced the Women on Wheels (WOW) program. This effort empowers women through motorbike training, road safety, and anti-harassment workshops. It also facilitates access to purchasing motorcycles on highly subsidized rates, promoting financial and mobility independence. The program is designed to empower 2000 women, dismantling socio-economic barriers to mobility and enabling them to access colleges, universities, offices or seek other economic opportunities, independently. Currently, more than 1100 women are actively engaging in the training program. This initiative exemplifies Interloop's dedication to creating an inclusive, fair, and thriving society.

For further information on Interloop Limited's CSR efforts, please consult the Annual Sustainability Report.

## RISKS AND UNCERTAINTIES

Risks and Opportunities are discussed in detail in the Annual Report.

## MATERIAL CHANGES DURING THE CURRENT YEAR

There are no material changes and commitments affecting the Company's financial position between the end of fiscal year 2023 and the date of this report.

## BUSINESS CHALLENGES AND FUTURE OUTLOOK

Pakistan's business landscape will remain uncertain until structural reforms are undertaken. On the economic front, the Government, in order to meet IMF's structural benchmarks, scheduled for the next review in November 2023, is continuously increasing energy prices which will notably raise the cost of conducting business within the country. Furthermore, the global outlook remains unstable, affecting

the earning prospects of export-oriented industries.

Interloop remains committed to its customers and major stakeholders. The Company will continue to offer best in class and sustainable products. Despite challenging times, the Management is ambitious about pursuing its expansion plans and is geared towards commissioning its vertically integrated new Apparel Complex in second quarter of fiscal year 2024, and make headway in the knitted apparel business

Interloop is committed to elevating labor industry standards through investments in top quality learning opportunities and capacity development programs. One such initiative is the establishment of our Technical Training School at the Interloop Apparel Park, which trains our workforce in enhancing their operational skills, and standardization on the factory floors.

### Sustainable Future

Interloop is poised for a future marked by sustainability, innovation, and responsible practices. Our journey towards a more sustainable future is an ongoing commitment, and we remain resolute in our mission to make a positive impact on our environment and communities while ensuring the prosperity of future generations. In our dedicated mission towards a sustainable future, we have successfully reached significant milestones, including:

- Interloop has been awarded 1st prize in Living the Global Compact Best Practices Sustainability Awards in the Large National Enterprises category, at the annual event; SDGs Pakistan Summit 2023. The UN Global Compact is the largest corporate sustainability initiative in the world, with more than 9500 companies and 3000 non-business signatories based in over 160 countries, and more than 60 Local Networks. This award is granted in recognition of our state of the art practices in the field of sustainability.
- Interloop also became Pakistan's first Large Scale Enterprise and Textile Manufacturing Company

to have approved Science Based Targets. These targets are based on the latest climate science and cover the full set of its emissions: Scope 1, 2 and 3. This milestone is a major move for Interloop on its mission to lighten its environmental impact as the Company moves toward decarbonization.

- Another major achievement was first ever shipment of farm-to-floor Traceable Yarns from Interloop Spinning to Germany. LoopTrace is our proprietary traceability solution to provide end-to-end traceability from product to the farm level. This was made possible by our LoopTrace project, which has allowed us to ensure supply chain traceability.
- Working out alternative options for cleaner fuels, Interloop has already added 8MW installed solar capacity to its system and is in the process of commissioning an additional 4.6 MW. Also, we are installing state of the art Biomass based Boilers replacing coal for steam generation by using Biomass Fuels.
- Interloop Limited has taken substantial steps to reduce water consumption and its impact on resources. A notable initiative is the Water Recycling Plant at Hosiery Plant-5, now operational, recycling 100% of our process water. Most of our recent equipment employs nano-bubble technology for washing, markedly cutting water usage. Hosiery Plant 4 and 5, designed for zero liquid discharge using this technology, represents a significant stride towards our goal of a 25% water consumption reduction by 2026.
- The Interloop Organic Kapas (ILOK) project, in collaboration with Lok Sanjh Foundation, has achieved the IC1 certification for In-Conversion Organic Cotton from Control Union Sri Lanka. This project covers 10,138 acres in southern Punjab and involves 2000 farmers. Switching to organic farming is crucial for the economic well-being of both local and global communities. The ILOK project not only preserves land fertility but also empowers farmers and reduces environmental impact through local organic cotton production.

## ACKNOWLEDGMENT

The Board expresses its gratitude to our Board Members, Management, and the employees in all cadres for their invaluable dedication and contribution as they have served the Company with enthusiasm, and anticipate the continuity of this devoted spirit in future as well. The Board also appreciates and acknowledges the assistance, guidance and cooperation of all stakeholders, including the Government, financial institutions business associates, customers for their cooperation and support.

On Behalf of the Board of Directors



**NAVID FAZIL**

Chief Executive Officer

**Faisalabad**

**September 07, 2023**



**JAHAN ZEB KHAN BANTH**

Director

☆ لوک سانجھ فاؤنڈیشن کے تعاون سے ILOK پراجیکٹ نے Conversion Organic Cotton میں کنٹرول یونین سری لنکا سے ICI سرٹیفیکیشن حاصل کی ہے۔ یہ پراجیکٹ جنوبی پنجاب میں 10,138 ایکڑ پر محیط ہے اور اس میں 2,000 کاشت کار شامل ہیں۔ آرگینک فارمنگ کی طرف منتقلی مقامی اور عالمی دونوں برادریوں کی معاشی بہبود کے لیے اہم ہے۔ ILOK پراجیکٹ نہ صرف زمین کی زرخیزی کا تحفظ کرتا ہے بلکہ کپاس کی مقامی آرگینک پیداوار کے ذریعے کاشت کاروں کو بااختیار بناتا ہے اور ماحولیاتی اثرات بھی کم کرتا ہے۔

اظہار تشکر

بورڈ، اپنے بورڈ ممبرز، اور تمام کیڈرز کے ملازمین کا ان کی گراں قدر لگن اور محنت کا شکریہ ادا کرتا ہے، جنہوں نے جوش و جذبے کے ساتھ کمپنی کی خدمت کی اور مستقبل میں بھی اس بے لوث جذبے کے جاری رہنے کی امید رکھتا ہے۔ بورڈ، حکومت، مالیاتی اداروں، کاروباری ساتھیوں اور کسٹمرز سمیت تمام سٹیک ہولڈرز کی مدد، رہنمائی اور تعاون کو سراہتا ہے اور ان کا شکریہ ادا کرتا ہے

از طرف بورڈ آف ڈائریکٹرز



نوید فضل

چیف ایگزیکٹو آفیسر

فیصل آباد

07 ستمبر، 2023

انٹروپ کا فلڈ ریلیف فنڈ بحرائی حالات میں لوگوں کی مدد کے لیے اس کا غیر میبلز عزم ظاہر کرتا ہے۔ یہ امدادی کاوش، کھانے کی فراہمی، صحت کے موبائل کلینکس کے قیام سمیت 16,820 سے زیادہ خاندانوں کے لیے امداد اور سائیکل، نواب شاہ، راجن پور، رکھنی، ٹھٹھہ، تونسہ، دادو، بارکھان اور بدین سمیت مختلف علاقوں میں مویشیوں کے چارے کی تقسیم پر محیط ہے۔

ہم نے پاکستان کے مختلف ہسپتالوں میں اندازاً 100,000 لاکھ مستحق مریضوں کو صحت عامہ کی مفت خدمات فراہم کیں اور ضروری طبی آلات فراہم کرتے ہوئے متعدد ہسپتالوں کی مدد کی۔

### خواتین کو بااختیار بنانا

انٹروپ لمیٹڈ نے مسلمان صوفی کی شراکت داری کے ساتھ Women on Wheels (WOW) پروگرام متعارف کرایا۔ موٹر بائیک ٹریننگ، روڈ سیفٹی اور ہراسانی کے خلاف ورکشاپوں کے ذریعے یہ کوشش خواتین کو بااختیار بناتی ہے۔ یہ، موٹر سائیکلوں کی خریداری کے لیے چھوٹے قرضوں تک رسائی، مالی اور نقل و حرکت کی آزادی کو فروغ دینے میں بھی سہولت کا باعث ہے۔ یہ پروگرام نقل و حرکت کے لیے سماجی و معاشی پابندیاں توڑنے اور انھیں معاشرے میں محفوظ طریقے سے کردار ادا کرنے کے قابل بنانے کے لیے 2,000 خواتین کو بااختیار بنانے کے لیے تیار کیا گیا ہے۔ اس وقت 1,100 سے زیادہ خواتین فعال طریقے سے اس تربیتی پروگرام میں مصروف ہیں۔ یہ کاوش، ایک ہمہ گیر، منصفانہ اور ترقی کرنے والا معاشرہ تعمیر کرنے کے لیے انٹروپ کے عزم کو ظاہر کرتی ہے۔

انٹروپ لمیٹڈ کی CSR کوششوں کے بارے میں مزید معلومات کے لیے برائے مہربانی سالانہ پائیداری رپورٹ ملاحظہ کیجئے۔

### خطرات اور غیر یقینی

خطرات اور مواقع کے بارے میں سالانہ رپورٹ میں تفصیل سے ذکر کیا گیا ہے۔

### رواں مالی سال کے دوران مادی تبدیلیاں

مالی سال 2023 اور اس رپورٹ کی تاریخ کے درمیان کوئی مادی تبدیلیاں اور ایسے وعدے نہیں ہوئے جن سے کمپنی کی مالی صورت حال متاثر ہو۔

### کاروباری مشکلات اور مستقبل کا نقطہ نظر

جب تک ڈھانچہ جاتی اصلاحات نہیں کی جاتیں پاکستان کا کاروباری منظر نامہ غیر یقینی رہے گا۔ معاشی محاذ پر حکومت آئی ایم ایف کے بنیادی معیارات پورے کرنے کے لیے جن پرومب، 2023 میں اگلے جائزہ میں غور ہوگا، مسلسل توانائی کی قیمتیں بڑھ رہی ہے جس سے ملک کے اندر کاروبار کرنے کی لاگت میں قابل ذکر اضافہ ہوگا۔ علاوہ ازیں، عالمی نقطہ نظر بدستور غیر مستحکم ہے جو برآمدات سے منسلک صنعتوں کی کمائی کے امکانات کو متاثر کر رہا ہے۔

انٹروپ اپنے کسٹمرز اور بڑے سٹیک ہولڈرز کے بارے میں پر عزم ہے۔ کمپنی، اپنی نوعیت کی بہترین اور پائیدار پراڈکٹس پیش کرتی رہے گی۔ انتظامیہ، مشکل حالات کے باوجود اپنے توسیعی منصوبوں پر عمل کرنے کی خواہش مند ہے اور مالی سال 2024 کی دوسری سہ ماہی میں عمومی طور پر مربوط نیا ایپریل کمپلیکس قائم کرنے اور اپنے ٹنگ ایپریل بزنس میں پیش رفت کے لیے تیار ہے۔

انٹروپ، اعلیٰ معیار کی تعلیم کے مواقع اور صلاحیت کار کی تعمیر کے پروگراموں میں سرمایہ کاری کے ذریعے لیبر انڈسٹری کے معیارات کو بہتر بنانے کے لیے پر عزم ہے۔ ایسی ہی ایک کاوش انٹروپ ایپریل پارک میں ہمارے ٹیکنیکل ٹریننگ سکول کا قیام ہے جو ہماری ورک فورس کو ان کی آپریشنل مہارتیں بڑھانے اور فیکٹری فلورز پر معیار کاری کی تربیت دیتا ہے۔

### پائیدار مستقبل

انٹروپ ایک ایسے مستقبل کے لیے تیار ہے جس میں پائیدار، جدت اور ذمہ دارانہ طور طریقے نمایاں ہوں۔ ایک زیادہ پائیدار مستقبل کی طرف ہمارا سفر، برقرار رہنے والا عزم ہے اور ہم مستقبل کی نسلوں کی خوش حالی کو یقینی بناتے ہوئے اپنے ماحول اور لوگوں پر مثبت اثر ڈالنے کے لیے اپنے مشن پر بدستور ثابت قدم ہیں۔ ایک دیرپا مستقبل کی جانب اپنے مخلصانہ مشن میں ہم کا بیانیہ سے جن اہم سنگ میل تک پہنچے ہیں، ان میں مندرجہ ذیل شامل ہیں:

☆ انٹروپ کو سالانہ ایونٹ: SDGs پاکستان سمٹ 2023 میں بڑے قومی کاروباری اداروں کی کیٹیگری میں Living the Global Compact Best Practices Sustainable Awards میں پہلا پرائز ملا۔ یو این گلوبل امپیکٹ، 160 سے زیادہ ملکوں میں 9,500 سے زائد کمپنیوں اور 3,000 غیر کاروباری دستخط کنندگان اور 60 سے زیادہ مقامی میٹ ورکس کے ساتھ سب سے بڑی کارپوریٹ sustainability کاوش ہے۔ یہ ایوارڈ، پائیداری کے شعبہ میں ہمارے اپنی مثال آپ طور طریقوں کے اعتراف میں دیا گیا ہے۔

☆ انٹروپ، سائنسی بنیاد پر اہداف کو منظور کرنے والا پاکستان کا پہلا لارج سکیل انٹر پرائز اور ٹیکسٹائل مینوفیکچرنگ کمپنی بھی بن چکی ہے۔ یہ اہداف جدید ترین ماحولیاتی سائنس کی بنیاد پر ہوتے ہیں اور اخراج کے مکمل set: سکوپ 1, 2 اور 3 کا احاطہ کرتے ہیں۔ یہ سنگ میل اپنے ماحولیاتی اثر کو روشن کرنے کی خاطر انٹروپ کے لیے ایک بڑی پیش رفت ہے، کیونکہ کمپنی decarbonization کی طرف بڑھ رہی ہے۔

☆ ایک اور بڑی کامیابی انٹروپ سپننگ سے جرمنی کو اپنی نوعیت کی پہلی farm-to-floor Traceable Yarns کی شپمنٹ تھی۔ لوپ ٹریس پراڈکٹ سے فارم کی سطح تک ایک سرے سے دوسرے سرے تک traceability فراہم کرنے کے لیے ہمارا ملکیتی ٹریس ایبلٹی سلوشن ہے۔ یہ ہمارے لوپ ٹریس پراجیکٹ کی طرف سے ممکن بنایا گیا، جس نے ہمیں سپلائی چین کی ٹرس ایبلٹی کو یقینی بنانے کا موقع دیا ہے۔

☆ انٹروپ زیادہ صاف ستھرے فیولز کے لیے اپنے متبادل آپشنز پر کام کرتے ہوئے پہلے ہی اپنے سسٹم میں 8MW کی تنصیبی شمسی استعداد شامل کر چکی ہے اور اضافی 4.6MW شامل کرنے کے عمل میں ہے۔ اس کے علاوہ ہم بھاپ پیدا کرنے کے لیے کونکر کو تبدیل کر کے بائیو ماس ایندھن استعمال کرتے ہوئے، اپنی مثال آپ بائیو ماس سے چلنے والے بوائلر بھی نصب کر رہے ہیں۔

☆ انٹروپ لمیٹڈ نے پانی کی کھپت اور وسائل پر اس کے اثر کو کم کرنے کے لیے خاطر خواہ اقدامات کیے ہیں۔ ایک قابل ذکر کاوش ہوزری پلانٹ-5 میں واٹرری سائیکلنگ پلانٹ ہے، یہ اب آپریشنل ہے اور ہمارے پرائسز وائرٹی 100% ری سائیکلنگ کر رہا ہے۔ ہمارے بیشتر حالیہ آلات واشنگ کے لیے nano-bubble ٹیکنالوجی استعمال کرتے ہیں، جس سے پانی کے استعمال میں واضح کمی ہوتی ہے۔ ہوزری پلانٹ 4 اور 15 ٹیکنالوجی کو استعمال کرتے ہوئے صرف مائع اخراج کے لیے بنائے گئے ہیں جو 2026 تک پانی کے استعمال میں 25% کمی کے ہمارے مقصد کی جانب ایک اہم قدم ہے۔

## انٹرنل آڈٹ اینڈ کنٹرول

30 جون، 2023 کے مطابق شیئرز ہولڈنگ کا پیٹرن، جسے رپورٹنگ فریم ورک کے تحت بتانا ضروری ہے، اس رپورٹ کے ساتھ منسلک ہے۔

## Debts سر و سگ

آپ کی کمپنی کے پاس ایک موثر کیش فلوکھٹ عملی ہے جس کے تحت ان فلووز اور آؤٹ فلووز کے متوقع ہدف مقرر کیے جاتے ہیں اور ان پر باقاعدگی سے نظر رکھی جاتی ہے۔ اس جامع حکمت عملی نے آپ کی کمپنی کو اس کے مالی وعدے ہمیشہ پر سکون طریقے سے پورے کرنے کا اختیار دیا اور اسے اپنے راستے میں آنے والی کسی بھی اور ہر مشکل پر قابو پانے کی امید ہے۔ انتظامیہ نے مذکورہ بالا کی تعمیل کرتے ہوئے، فنڈز کے ذرائع کے ایک متوازن پورٹ فولیو اور فنانسنگ کے موثر انتظامات کے ذریعے قرض کی لاگت کو معقول بنانے کے لیے کوششیں کیں۔ ذمہ داریوں کو بروقت نمٹانا کمپنی کا معمول ہے، لہذا اس سال سمیت، قرضوں کی ادائیگی سے متعلق کسی ڈیفالٹ کی کوئی تاریخ نہیں ملتی۔

## رابطہ

کمپنی، سالانہ، ششماہی اور سہ ماہی رپورٹس اور اسی طرح عام اجلاسوں کے نوٹسز کی بروقت تقسیم کو یقینی بناتے ہوئے، جیسا کہ کمپنیز ایکٹ، 2017 کے تحت لازمی ہے، اپنے تمام سٹیک ہولڈرز کے ساتھ موثر رابطے کو بہت زیادہ اہمیت دیتی ہے۔ شیئرز ہولڈرز اور تجزیہ کاروں کے ساتھ مزید تعاون کے لیے کمپنی سالانہ بریفنگ اجلاسوں کا انعقاد کرتی ہے۔ اس کے علاوہ کمپنی اپنی ویب سائٹ پر اپنی سرگرمیوں کی بروقت updating کو یقینی بناتی ہے، جس کے لیے [www.interloop-pk.com](http://www.interloop-pk.com) پر رسائی حاصل کی جاسکتی ہے۔

## کارپوریٹ بریفنگ سیشنز (CBS)

انٹرویو لیڈنے 7 نومبر، 2022 کو بذریعہ Zoom ایک کارپوریٹ بریفنگ اجلاس منعقد کیا۔ اس اجلاس نے کاروباری کارکردگی اور مستقبل کے امکانات کے بارے میں بصیرت افروز معلومات پیش کرتے ہوئے 30 جون، 2022 کو ختم ہونے والے سال کے مالی نتائج پر توجہ مرکوز کی۔ شرکاء میں سرمایہ کار، تجزیہ کار، فنڈ مینجرز اور کمپنی کے نمائندے شامل تھے۔ چیف فنانشل آفیسر نے رواں سال کی کارکردگی پیش کی جس کے بعد سوال اور جواب کا سیشن ہوا۔ انتظامیہ نے نومبر 2023 میں 30 جون، 2023 کو ختم ہونے والے سال کے لیے ایک کارپوریٹ بریفنگ سیشن منعقد کرنے کا منصوبہ بنا لیا ہے۔

## کاروبار کے تسلسل کا انتظام (Business Continuity Management)

بورڈ آف ڈائریکٹرز نے ISO 22301 کی مطابقت سے ایک Business Continuity Management (BCM) پالیسی طے کی ہے جس میں تباہ کاری کے حالات میں کاروباری آپریشنز جاری رکھنے کے لیے ضروری منصوبہ بندی، تیاری اور کاروباری انتظام کے تمام پہلوؤں کو شامل کیا گیا ہے۔ استقامت کو بہتر بنانے، خلل انگیز واقعات کے خلاف تحفظ، اثر کو کم کرنے اور کاروباری بحالی کو یقینی بنانے کے لیے کاروباری تسلسل کمپنی کے آپریشنز کے لیے لازمی ہے۔ کسی بھی ایسے واقعہ یا طبعی تباہی سے، جس کا کمپنی کو کبھی کبھار سامنا کرنا پڑ سکتا ہے اپنی مصنوعات اور خدمات کے اہم آپریشنز کی فوری اور موثر بحالی کو یقینی بنانے کے لیے BCM پروگرام اور بحالی کے منصوبے تیار رکھنا کمپنی کی پالیسی ہے۔ مزید برآں، مالی تحفظ اور کسی تباہی کے واقعات سے ہونے والے نقصانات کو کم سے کم کرنے میں مدد دینے کے لیے کمپنی کے پاس انشورنس کا مکمل کور ہے۔

## قانونی آڈیٹرز کا تقرر

میسرز کیریم جی اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس نے رواں مالی سال 2023 کے لیے اپنی مدت مکمل کر لی ہے اور وہ اگلے سالانہ اجلاس عام کے بعد سکدوش ہو جائیں گے۔ انھوں نے اہلیت کے طریقہ کار پر پورا اترتے ہوئے دوبارہ تقرر کی خواہش ظاہر کی ہے۔ آڈٹ کمیٹی نے اگلے مالی سال 2024 کے لیے کمپنی کے آڈیٹرز کی حیثیت سے ان کے دوبارہ تقرر کی سفارش کی ہے۔

## صحت، تحفظ اور ماحول

انٹرویو، اپنی پیداواری فیسلٹیز پر احتیاط کے ساتھ ماحولیاتی معیارات پر عمل کرتے ہوئے سب کے لیے ایک صحت مند ماحول کے تحفظ پر غیر متزلزل یقین رکھتی ہے۔ ہم اس ضمن میں اپنی اہم ذمہ داری کو تسلیم کرتے ہیں اور اپنے کاربن نقشہ پاکو کم اور ایسی کاوشوں پر عمل درآمد کرتے ہوئے جن سے پانی اور بجلی کی بچت ہو، پائیداری کو ترجیح دیتے ہیں۔ ذمہ دارانہ کاروباری طور طریقوں سے ہماری وابستگی ہماری پوری ویلیو چین تک پھیلی ہوئی ہے۔ کام کرنے کی ایک ایسی جگہ تخلیق کرنے کی تگ و دو کرتے ہوئے جو خوشی اور تحفظ و سلامتی کے حقیقی احساس کو فروغ دے، ہم نے خود کو ایک محفوظ ماحول مستحکم بنانے کے لیے وقف کر رکھا ہے۔ انٹرویو کے انوائرنمنٹ، ہیلتھ اینڈ سیفٹی (EHS) ڈیپارٹمنٹ نے ان اصولوں سے رہنمائی حاصل کرتے ہوئے، صنعتی حادثات کی روک تھام، اپنے ساتھیوں کی بہبود کو یقینی بنانے اور تمام ملازمین کا لازمی سالانہ طبی معائنہ کرانے اور صحت کے معیاری طریقوں سے کسی انحراف کی نشان دہی پر فوری کارروائی کے لیے پالیسیاں وضع کی ہیں۔

## Corporate Social Responsibility (CSR)

اثر انگیز CSR کاوشوں کی ایک متنوع رینج کے ذریعے ہمارا مقصد اپنے ڈائرہٹرز میں ایک ایسا مثبت ماحول پیدا کرنا ہے جس سے ہمارے پر خلوص ملازمین اور ہماری کمیونٹیوں کو فائدہ ہو۔ کاروباری طور طریقوں کی پائیداری کو فروغ دینے سے لے کر تنوع اور ہمہ گیری کو آگے بڑھانے تک ہماری ہر کوشش کی جڑیں با مقصد فرق ڈالنے میں پیوست ہیں۔ CSR عزم کے بارے میں بصیرت فراہم کرتے ہوئے کچھ قابل ذکر کاوشیں مندرجہ ذیل ہیں:

## نوجوانوں کی تعلیم اور بہبود کا عزم

ہم، دی سٹیزن فاؤنڈیشن (TCF) کی شراکت داری سے 5,000 کم مراعات یافتہ بچوں کو، جن میں 50% لڑکیاں ہیں، 34 ٹی سی ایف-انٹرویو سکولوں میں معیاری باکفایت تعلیم فراہم کر رہے ہیں جو پرائمری، سینڈری اور ہائر سینڈری لیولز کے سکول ہیں۔ مزید برآں، اس وقت تین اضافی TCF سکول زیر تعمیر ہیں، جن سے ہماری رسائی اور دائرہ اثر مزید وسیع ہو جائے گا۔

ہم نے اللہ والے ٹرسٹ کی شراکت داری سے ایک پروگرام شروع کیا جس کا مقصد لاہور میں پرائمری سکول کے بچوں کو مفت کھانا فراہم کرنا ہے، اس سے ان کی صحت، تعلیمی کارکردگی اور جذباتی بہبود پر مثبت اثر پڑ رہا ہے۔ اس وقت گورنمنٹ پرائمری سکول، حسن دا کوٹ میں 231 طلبہ اس کاوش سے فائدہ اٹھا رہے ہیں اور انھیں دو پہر کو صحت بخش کھانا مل رہا ہے۔ اس کاوش کو بڑھاتے ہوئے اب ہم نے اپنی رسائی کو فیصل آباد تک وسیع کیا ہے، جہاں ہم چھ اضافی سکولوں کی مدد کریں گے۔

اس کے علاوہ ہم نے گورنوالہ میں یتیم بچوں کی مدد پر توجہ مرکوز کرتے ہوئے روشنی ہومز ٹرسٹ کے ساتھ تعاون کیا۔ ہم بچوں کو تعلیم اور محفوظ ماحول فراہم کرنے کی اہمیت کو تسلیم کرتے ہیں جس کا مقصد انھیں اپنے پاؤں پر کھڑا کرنا اور معاشرے کے مفید شہری بنانا ہے۔ یہ تعاون نہ صرف مالی مدد فراہم کرتا ہے بلکہ بچوں کی تعلیمی، جسمانی اور نفسیاتی افزائش سے وابستہ روشن مستقبل کی امید کو بھی جلا بخشتا ہے۔

ہمیں مختلف اداروں میں سالانہ وظائف کے ذریعے 650 نوجوان مردوں اور عورتوں کو اعلیٰ اور فنی تعلیم تک رسائی فراہم کرنے پر فخر ہے۔

## صحت

انٹرویو، پنجاب کے کپاس پیدا کرنے والے علاقوں میں صحت عامت تک رسائی بڑھانے کے لیے کام کر رہی ہے۔ کمپنی، لوک سائٹھ فاؤنڈیشن کے تعاون سے صحت عامہ کی اہم خدمات اور دوائیں فراہم کرتے ہوئے خصوصی موبائل کلینکس کے ذریعے موبائل ہیلتھ سروسز میں مدد دیتی ہے۔ اس کے علاوہ انٹرویو، ملازمین اور مقامی لوگوں، دونوں کے لیے معلوماتی اجلاسوں، سمپوزیٹز اور سکریننگ کیپوں کا انتظام کرتی ہے جس سے اجتماعی بہتری کے لیے جامع سوچ اجاگر ہوتی ہے۔

## ضابطہء کار

بورڈ، اعلیٰ انتظامیہ اور دیگر ملازمین کی سیکورٹی اور فروغ دینے کی خاطر پیشہ ورانہ معیارات اور کارپوریٹ اقدار نافذ کرنے کے لیے بورڈ نے ایک ضابطہء کار منظور اور تقسیم کیا ہے جس میں قابل قبول اور ناقابل قبول رویوں کی وضاحت کی گئی ہے۔

## کمپنی کے شیئرز کی خرید و فروخت

ڈائریکٹرز اور ان کی شریک حیات یا ایگزیکٹوز کی طرف سے کمپنی کے شیئرز کی خرید و فروخت اور ہولڈنگ، مع قیمت، شیئرز کی تعداد اور لین دین کی نوعیت کے بارے میں کمپنی سیکریٹری کی طرف سے معینہ مدت کے اندر بورڈ، ایس ای سی پی اور PSX کو مطلع کر دیا گیا۔ اس قسم کی تمام ہولڈنگز کے بارے میں پیٹرن آف شیئرز ہولڈنگ میں بتا دیا گیا ہے۔

## ایمپلائئی سٹاک آپشن سکیم

کمپنی نے پبلک کمپنیز (ایمپلائیز سٹاک آپشن سکیم) رولز، 2001 (منسوخ شدہ) پر عمل کرتے ہوئے اپنے مستحق ایگزیکٹو ملازمین کو کمپنی کے شیئرز پیش کرنے کے لیے انھیں سٹیک ہولڈرز سے شیئرز ہولڈرز میں تبدیل کرنے کی خاطر "انٹرویو لمیٹڈ ایمپلائیز سٹاک آپشن سکیم، 2016 (ESOS یا سکیم)" متعارف کروائی۔ یہ سکیم لچک دار اور رضا کارانہ ہے اور اس کا محور ملازمین کی طویل المدت ترقی اور خوش حالی ہے۔ ESOS کے تحت یہ شیئرز ہر لحاظ سے کمپنی کے موجودہ آرڈینری شیئرز کے برابر ہیں۔

ہم اپنے ملازمین کو اپنا سب سے قیمتی اثاثہ سمجھتے ہیں اور ہم ان کا عزم اور کوششیں برقرار رکھنے کے لیے انھیں سازگار ماحول کی فراہمی اور ان میں احساس تحفظ پیدا کرنے پر پختہ یقین رکھتے ہیں۔ اصل میں اس سکیم کی منظوری ممبرز کی طرف سے 31 دسمبر، 2015 کو منعقدہ اجلاس میں اور ایس ای سی پی کی طرف سے اس کے مکتوب نمبر SMD/CIW/ESOS/01/2016 مورخہ 01 ستمبر، 2016 کے ذریعے دی گئی تھی۔ اس کے بعد سال 2019 کے دوران کمپنی کے سٹاک کے پاکستان سٹاک ایکسچینج میں اندراج پر کمپنی کے شیئرز ہولڈرز کی طرف سے 15 اکتوبر، 2020 کو منعقدہ اجلاس میں اور ایس ای سی پی کی طرف سے اس کے مکتوب نمبر SMD/CIW/ESOS/01/2016/184 مورخہ 25 فروری، 2021 کے ذریعے لسٹڈ کمپنیز ریگولیشنز کے حوالے سے اس سکیم میں بعض ترامیم کی گئیں۔

اس سکیم کا بنیادی مقصد، کمپنی کے مینجمنٹ اینڈ ایگزیکٹو اور ایگزیکٹو ملازمین کو ترغیب فراہم کرنا ہے جس سے انھیں بالآخر کمپنی کی ملکیت کا احساس حاصل ہوگا اور کمپنی کی مجموعی نمو کی سمت میں زیادہ کارکردگی دکھانے کی حوصلہ افزائی ہوگی۔ معاوضہ کمیٹی، ایسے مستحق ملازمین کے بارے میں جو تاریخ استحقاق سے پچھلے مالی سال میں اس آپشن کے مستحق ہیں، اور مجوزہ شرائط و ضوابط اور ہر آپشن کی مقدار کا تعین کرے گی اور بورڈ آف ڈائریکٹرز کو سفارش کرے گی جو دوسرے ایسے تقاضوں اور طریقوں سے مشروط ہوگی، جیسا کہ کمپنی وقتاً فوقتاً تجویز کرے گی۔

## زیر غور مالی سال کے دوران آپ کی کمپنی نے مستحق ملازمین کو درج ذیل آپشنز دیں؛

1	30 جون، 2022 کے مطابق شیئرز کی تعداد	898,363,374
2	استحقاق کا پورل ادا شدہ سرمایہ کا 10%	89,836,337
3	Grant of Options (0.90% precise)	8,085,270
4	استحقاق کی تاریخ	19-10-2022
5	دیئے جانے کی تاریخ	15-11-2022
6	مالی سال	2021-22

## زیر غور مالی سال کے دوران آپ کی کمپنی نے مستحق ملازمین کو درج ذیل آپشنز دیں؛

7	شیئرز پرائس (آپشن پرائس)	PKR	63.80/شیئرز
8	کم از کم vesting پیریڈ	سے	15-11-2022
9		تک	14-11-2023
10	ایکسرسائز پیریڈ	سے	15-11-2023
11		تک	14-05-2024
12	ملازمین کی تعداد		10,838

## کریڈٹ ریٹنگ

انتظامیہ، مالی معلومات میں شفافیت اور اعتبار کو یقینی بنانے کا پختہ عزم رکھتی ہے۔ انٹرویو نے اس عزم کے حصہ کے طور پر پاکستان میں آزادانہ ریٹنگ سروسز پیش کرنے والی ایک اچھی شہرت کی حامل ریٹنگ ایجنسی VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) کی خدمات حاصل کیں۔ VIS نے مورخہ 10 مئی، 2023 کو جاری کیے جانے والے ایک پریس ریلیز میں ILP کو 'A+/A-1' (Single A plus/Single A One) کی ابتدائی entity ریٹنگ دی۔ ان ریٹنگز کے لیے نقطہ نظر "طویل المدت مستحکم" ہے۔

تفویض کردہ ریٹنگز، انٹرویو کی مستحکم مالی پوزیشن، مضبوط بنیادوں پر استوار سرمائے کے ڈھانچے، کم سے کم متوقع کریڈٹ رسک اور مالی ذمہ داریوں کو بروقت پورا کرنے کی طاقت و صلاحیت کی درست عکاسی کرتی ہیں۔ یہ استعداد متوقع ایونٹس کے لیے کسی بڑی کمزوری کو ظاہر نہیں کرتی۔

## رسک گورننس اور انٹرنل کنٹرولز

بورڈ آف ڈائریکٹرز، رسک مینجمنٹ پالیسی کے ذریعے رسک کی گورننس کا ذمہ دار ہے، جس کی ISO 31000 کی مطابقت سے صراحت کی گئی ہے۔ اس مقصد کے لیے بورڈ نے موثر اور باصلاحیت طریقے سے آپریشنز کو یقینی بنانے، کمپنی کے اثاثوں اور سیکورٹی کی حفاظت قابل اطلاق قوانین اور ضابطوں کی تعمیل اور قابل بھروسہ فنانشل رپورٹنگ کے لیے انٹرنل کنٹرولز کا ایک موثر نظام قائم کر رکھا ہے۔ رسک مینجمنٹ کمیٹی، جو بورڈ آف ڈائریکٹرز کو رپورٹ کرتی ہے، اہم خطرات کو موثر انداز میں کم کرنے کی نگرانی کرتی ہے اور انتظامیہ کی رہنمائی کرتی ہے۔

## معقول انٹرنل فنانشل کنٹرولز

بورڈ آف ڈائریکٹرز نے کمپنی کے اثاثوں کی حفاظت، قابل اطلاق قوانین اور ضابطوں کی پابندی اور قابل اعتبار فنانشل رپورٹنگ کے لیے انٹرنل فنانشل کنٹرولز کا ایک موثر نظام قائم کیا ہے۔ کمپنی کا آزاد انٹرنل آڈٹ فنکشن باقاعدگی سے فنانشل کنٹرول عمل درآمد کی نگرانی کرتا ہے، جب کہ آڈٹ کمیٹی اور رسک کمیٹی، انٹرنل کنٹرول فریم ورک اور مالی حسابات کے موثر ہونے کا مسلسل جائزہ لیتی ہے۔

## انٹرنل آڈٹ اینڈ کنٹرول

بورڈ نے ایک آزاد انٹرنل آڈٹ فنکشن قائم کر رکھا ہے۔ آڈٹ کمیٹی باقاعدگی سے اس فنکشن کے وسائل اور اختیار کے مناسب ہونے کا جائزہ لیتی ہے۔ انٹرنل آڈٹ فنکشن کا ہیڈ آڈٹ کمیٹی کو رپورٹ کرتا ہے اور فنانشل، آپریشنل اور کمپلائنس کنٹرولز کا جائزہ لیتا ہے اور نتائج کے بارے میں آڈٹ کمیٹی اور چیف ایگزیکٹو آفیسر کو رپورٹ کرتا ہے۔

## ماحولیاتی، سماجی اور گورننس کمیٹی (ESGC)

ای ایس جی کمیٹی پائیدار اور اخلاقی طور طریقوں کے لیے، کمپنی کے ماحولیاتی، سماجی اور گورننس اصولوں پر کاربند رہنے کو یقینی بناتی ہے۔ یہ کمیٹی طویل المدت خوشحالی اور مثبت سماجی اثر کو آگے بڑھاتے ہوئے ماحول دوست، سماجی اعتبار سے ذمہ دارانہ اور بہتر انتظام سے آپریشنز کی نگرانی کرتی ہے۔ مالی سال 2023 میں اس کا ایک (1) اجلاس منعقد ہوا، جس میں مندرجہ ذیل ڈائریکٹرز اور ممبرز شریک ہوئے۔

کمیٹی ممبرز کے نام	اجلاسوں کی تعداد
مصدق ذوالقرنین (چیئر مین)	1
نوید فاضل	1
محمد مقصود	1
فریال صادق	1
عقیل احمد	1

## بورڈ آف ڈائریکٹرز اور بورڈ کی کمیٹیوں کی کارکردگی کی جانچ

بورڈ کے oversight کے کردار اور اس کے موثر ہونے کی جانچ ایک مسلسل عمل ہے جس کا اندازہ خود بورڈ کرتا ہے۔ توجہ مرکوز کرنے کے بنیادی شعبے درج ذیل ہیں:

- کارپوریٹ اغراض و مقاصد کو کمپنی کی سوچ اور مشن کے ساتھ ترتیب میں رکھنا؛
- پائیدار آپریشن کے لیے حکمت عملی کی تیاری؛
- بورڈ کی آزادی؛ اور
- متعلقہ شرائط کار میں بیان کردہ ذمہ داریوں کو انجام دینے کے حوالے سے بورڈ کی کمیٹیوں کی کارکردگی کی جانچ

بورڈ کے پاس اپنی کارکردگی کی جانچ کے لیے ایک جامع طریقہ کار ہے جسے CCG ریگولیشنز، 2019 اور بہترین عالمی طور طریقوں کی مطابقت سے تیار کیا گیا ہے۔ بورڈ اور اس کی کمیٹیوں کی مجموعی کارکردگی کو منظور شدہ طریقہ کار کی بنیاد پر جانچا گیا، جو اطمینان بخش رہی۔

## ڈائریکٹرز کا معاوضہ

بورڈ نے ڈائریکٹرز کا معاوضہ مقرر کرنے کے لیے شفاف طریقوں کی معاونت سے ایک باضابطہ پالیسی نافذ کی ہے۔ کوڈ آف کارپوریٹ گورننس کے مطابق کوئی ڈائریکٹر خود اپنے معاوضے کے پہلے کے تعین میں شامل نہیں ہے۔ کمپنی، کسی نان ایگزیکٹو ڈائریکٹر کو اجلاسوں میں ان کی شرکت کی فیس کے سوا معاوضہ ادا نہیں کرتی۔ بہترین ٹیلنٹ کو اپنے پاس رکھنے کے لیے کمپنی کی معاوضہ پالیسیاں انڈسٹری کے موجودہ رجحانات اور کاروباری طور طریقوں کی مطابقت سے تیار کی گئی ہیں۔ مالی سال 2023 کے دوران ڈائریکٹرز اور ای او کے معاوضہ کے بارے میں معلومات کے لیے برائے مہربانی مالی حسابات میں Notes ملاحظہ کیجئے۔

## ڈائریکٹرز کا تربیتی پروگرام

بورڈ پر ڈائریکٹرز، سی ای جی ریگولیشنز، 2019 کی تعمیل کرتے ہوئے اپنے فرائض اور ذمہ داریوں سے بخوبی آگاہ ہیں۔ چیف ایگزیکٹو آفیسر سمیت ہمارے تمام ڈائریکٹرز کے پاس یا تو ڈائریکٹرز ٹریننگ پروگرام کے تحت سرٹیفیکیشن ہے یا انھیں اپنے تجربے کی بنیاد پر ڈائریکٹرز ٹریننگ پروگرام سے استثناء حاصل ہے۔ بورڈ کو کمپنی سیکریٹری کی طرف سے باقاعدہ پیپر ز اور بریفنگز اور انڈرونی و بیرونی مشیروں کی پریزنٹیشنز کے ذریعے قانونی، ریگولیٹری اور گورننس کے معاملات کے بارے میں باخبر رکھا جاتا ہے۔ ڈائریکٹرز، کارپوریٹ گورننس کو مقدم رکھنے اور کمپنی کو ترقی دینے کے ذمہ دار ہیں۔ بورڈ کی موثر افادیت کو بڑھانے کے لیے نئے ممبرز کے لیے ضروری ہے کہ وہ کمپنی کی حرکیات اور آپریشنز کے بارے میں سیکھیں۔ آپ کی کمپنی اس امر کو یقینی بنانے کے لیے مختلف تربیتی پروگراموں کا انعقاد کرتی ہے کہ پورا بورڈ ادارے کے مشن اور کارپوریٹ گورننس سے ہم آہنگ رہے۔

## سی ای او کی کارکردگی کا جائزہ

بورڈ آف ڈائریکٹرز صراحت کردہ مقدماتی اور معیاری پیمانوں کے ایک مجموعے کو استعمال کرتے ہوئے CEO کی کارکردگی کے معمول کے تجزیے کرتا ہے۔ یہ پیمانے متعدد مالیاتی اور غیر مالیاتی Key Performance Indicators (KPIs) پر محیط ہیں۔ اس جانچ میں جو بنیادی KPIs استعمال کیے جاتے ہیں وہ مالی کارکردگی، آپریشنل پرفارمنس، ریگولیٹری تعمیل، کاروباری کامیابی اور انسانی وسائل کے انتظام پر محیط ہیں۔ اس جانچ میں منافع پیدا کرنے، ادارے کی ترقی، تسلسل کی منصوبہ بندی اور مجموعی کارپوریٹ کامیابی جیسے مقاصد سے متعلق CEO کی کامیابیوں پر بھی غور کیا جاتا ہے۔

## چیئر مین کا جائزہ

چیئر مین کا جائزہ سالانہ رپورٹ میں شامل ہے جو دیگر کے علاوہ کمپنی کی کارکردگی اور بورڈ آف ڈائریکٹرز کے کردار اور ذمہ داری کے بارے میں ہے۔

## چیئر مین اور CEO کا کردار اور ذمہ داریاں

ہم، شفافیت اور موثر گورننس کو فروغ دینے کے لیے یقینی بناتے ہیں کہ بورڈ آف ڈائریکٹرز کے چیئر مین اور چیف ایگزیکٹو آفیسر کے کردار میں فرق رہے۔ ہر ایک کی بخوبی صراحت کردہ ذمہ داریاں اور جواب دہی ہے۔ چیئر مین کا کردار بورڈ کی سرگرمیوں کی نگرانی اور رہنمائی، اجلاسوں کا ایجنڈا تیار کرنا، رہنمائی فراہم کرنا اور اجلاس کی کارروائی کی توثیق کرنا ہے۔ دوسری طرف چیف ایگزیکٹو آفیسر کو ایک ایگزیکٹو ڈائریکٹر سمجھا جاتا ہے جس کے پاس کمپنی کے انتظامی لیڈر کی پوزیشن ہوتی ہے۔ اسے اپنے بنیادی انتظامی فرائض کے ساتھ ساتھ مخصوص حدود کے اندر بورڈ کی پالیسیوں پر عمل کا اختیار ہوتا ہے۔

## تعلق دار فریقوں سے لین دین کا جائزہ

تعلق دار فریقوں سے تمام لین دین معمول کے کاروباری طریقے سے اپنے مفاد کو مد نظر رکھ کر پوری آزادی کے ساتھ کیا جاتا ہے اور یہ قابل اطلاق قوانین اور ضابطوں اور بورڈ کی منظور کردہ پالیسیوں کے مطابق ہوتا ہے۔ مالی سال 2023 کے دوران تعلق دار فریق کے ساتھ تمام لین دین جائزہ لینے کے لیے بورڈ کے سامنے پیش کیا گیا اور اس کی منظوری دی گئی۔ مالی سال 2023 میں تعلق دار فریق کے ساتھ لین دین کی معلومات کے لیے برائے مہربانی مالیاتی حسابات کے ساتھ منسلک Notes ملاحظہ کیجئے۔

## ویب پر دستیاب

پچھلی سالانہ، ششماہی اور سہ ماہی رپورٹس سمیت رواں مالی سال کے لیے مختلف مدتوں کے مالی حسابات، سرمایہ کاروں کی معلومات کے لیے کمپنی کی ویب سائٹ [www.interloop-pk.com](http://www.interloop-pk.com) پر دستیاب ہیں۔

ساخت:

i.	انڈیپنڈنٹ ڈائریکٹرز	2
ii.	دیگرنان ایگزیکٹیو ڈائریکٹرز	3
iii.	ایگزیکٹیو ڈائریکٹرز	2

مالی سال 2023 کے دوران بورڈ کے پانچ (5) اجلاس منعقد ہوئے۔ ڈائریکٹرز کے نام اور ان اجلاسوں کی تعداد جن میں کوئی ڈائریکٹر شریک ہوا، مندرجہ ذیل ہے:

ڈائریکٹر (s) کا نام	شرکت کردہ اجلاس
مصدق ذوالقرنین	4
نویدفاضل	4
جہانزیب خان بانٹھ	5
محمد مقصود	5
شیریں آفتاب	2
سعید احمد جبل	5
طارق اقبال خان	5

### بورڈ کی کمیٹیاں

بورڈ آف ڈائریکٹرز نے مندرجہ ذیل کمیٹیاں قائم کی ہیں:

- 1 آڈٹ کمیٹی (AC)
- 2 انسانی وسائل اور معاوضہ کمیٹی (HR&RC)
- 3 نامزدگی کمیٹی (NC)
- 4 رسک مینجمنٹ کمیٹی (RMC)
- 5 ماحولیاتی، سماجی اور گورننس کمیٹی (ESGC)

### آڈٹ کمیٹی (AC)

آڈٹ کمیٹی، شفافیت اور درست کوئینٹی بنانے کے لیے فنانشل رپورٹنگ اور انٹرنل کنٹرولز کی نگرانی کے لیے بورڈ کی مدد کرتی ہے۔ مالی سال 2023 کے دوران کمیٹی کے کل نو (9) اجلاس منعقد ہوئے۔ مندرجہ ذیل معلومات میں ڈائریکٹرز کے نام اور ہر ڈائریکٹر کی طرف سے شرکت کردہ اجلاسوں کی تعداد بتائی گئی ہے:

کمیٹی ممبرز کے نام	اجلاسوں کی تعداد
طارق اقبال خان (چیئر مین)	9
سعید احمد جبل	9
جہانزیب خان بانٹھ	9

### انسانی وسائل اور معاوضہ کمیٹی (HR&RC)

HR&RC کمیٹی تین ارکان پر مشتمل ہے، کمیٹی کا چیئر مین ایک انڈیپنڈنٹ اینڈ ڈائریکٹر ہوتا ہے۔ کمیٹی کا اجلاس معاوضے اور ادارے اور سینئر ایگزیکٹیوز سے متعلق ملازمین کی ترقی کی پالیسیوں کے تمام اجزاء کا جائزہ لینے اور سفارش کرنے کے لیے منعقد ہوتا ہے۔ مالی سال کے دوران کمیٹی کے تین (3) اجلاس منعقد ہوئے، جن میں مندرجہ ذیل ارکان نے شرکت کی:

کمیٹی ممبرز کے نام	اجلاسوں کی تعداد
سعید احمد جبل (چیئر مین)	3
نویدفاضل	3
جہانزیب خان بانٹھ	3

### نامزدگی کمیٹی (NC)

نامزدگی کمیٹی، بورڈ کے ڈھانچے، حجم اور ساخت کو باقاعدگی سے جانچنے اور اس میں امکانی تبدیلیاں تجویز کرنے میں بورڈ کی مدد کے لیے قائم کی گئی ہے۔ 2023 کے پورے مالی سال میں اس کمیٹی کا ایک (1) اجلاس منعقد ہوا۔ مندرجہ ذیل فہرست میں ان ڈائریکٹرز اور ممبرز کے نام شامل ہیں جو اجلاس میں شریک ہوئے:

کمیٹی ممبرز کے نام	اجلاسوں کی تعداد
مصدق ذوالقرنین (چیئر مین)	1
نویدفاضل	1
محمد مقصود	1

### رسک مینجمنٹ کمیٹی (RMC)

رسک مینجمنٹ کمیٹی، رسک مینجمنٹ فریم ورک اور انٹرنل کنٹرول سسٹم کے کافی اور موثر ہونے کے بارے میں نگرانی فراہم کرنے میں بورڈ کی مدد کرتی ہے۔ اس میں آپریشنل، ترویجی اور خارجی خطرات کی جانچ اور تمام مادی کنٹرولز (مالی، کاروباری، تعمیری) شامل ہیں۔ 2023 کے مالی سال کے دوران کمیٹی کے پانچ (5) اجلاس منعقد ہوئے۔ ان اجلاسوں میں شرکت کرنے والے ڈائریکٹرز اور ممبرز کے نام مندرجہ ذیل ہیں:

کمیٹی ممبرز کے نام	اجلاسوں کی تعداد
طارق اقبال خان (چیئر مین)	5
محمد مقصود	4
محمد یعقوب احسن	2
احسن پرویز شیخ	5
سید حمزہ گیلانی	5

## ایکٹوور

4 بلین pieces کی حیران کن سالانہ پیداواری گنجائش کے ساتھ انٹروپ کی عمودی طور پر مربوط Seamless Activewear مینوفیکچرنگ فیسلٹی، سٹائلز اور سائزوں کی ایک وسیع ورائٹی پیش کرتی ہے۔ یہ فیسلٹی، سلائی کی جاپانی مشینوں کے علاوہ اطالوی ٹنگ اور ڈانگ مشینوں سمیت جدید ترین مشینری سے آراستہ ہے، جو فیکریک ہینڈلنگ، ڈانگ ٹیکنیکس اور چنگ آپریشنز میں اعلیٰ ترین معیار کو یقینی بناتی ہے۔ جوڑ کے نشان سے عاری یہ گارمنٹس، رکاوٹ بننے والے کسی جوڑ کے بغیر 360 ڈگری کا غیر معمولی کھچاؤ فراہم کرتے ہیں۔ اس کے علاوہ کمپنی کے پاس ایک مثالی اور خود کفیل پراڈکٹ ڈیولپمنٹ ڈیپارٹمنٹ ہے جو تیزی سے سیبل نمٹانے کو یقینی بناتا ہے۔ اس کے ساتھ، ان ہاؤس ڈیزائن ٹیم جدید ترین رجحانات اور فیشن کی رفتار کا ساتھ دیتی ہے۔

## دھاگہ

### ☆ اسپننگ

انٹروپ، جدید ترین یورپی اور جاپانی مشینوں سے آراستہ خود کار اسپننگ پلانٹس استعمال کرتے ہوئے سالانہ اعلیٰ معیار کا 32 بلین پونڈ دھاگہ تیار کرتی ہے۔ ہم دھاگے کی مختلف اقسام تیار کرنے کے لیے نئے اور recycled اپنا پیداوار فابریک سمیت خام مال کی ایک ورائٹی استعمال کرتے ہیں۔ ہمارا 50% سے زیادہ دھاگہ داخلی طور پر استعمال ہوتا ہے اور باقی مختلف ٹیکسٹائل صنعتوں میں ممتاز مینوفیکچررز کو سپلائی کیا جاتا ہے۔

### ☆ دھاگے کی رنگائی اور انرکورنگ

انٹروپ، خود کار آپریشنز کے ساتھ ایک جدید یارن ڈانگ اینڈ Elastomeric یارن فیسلٹی چلاتی ہے جو Spun اور Filament یارن میں ایک وسیع رینج پیش کرتی ہے۔ دھاگے کو رنگنے کی اس کی سالانہ استعداد 5.5 بلین کلوگرام ہے۔ انٹروپ، معیاری تناسب سے Lycra اور Creora جیسے spandex کے ساتھ ان ہاؤس dyed، ڈوپ dyed اور خام سفید دھاگے سمیت دھاگے کی مختلف اقسام کے لیے جدید اطالوی انرکورنگ مشینیں استعمال کرتی ہے جن کی سالانہ پیداواری گنجائش ایک بلین کلوگرام ہے۔

## کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک

کمپنی کسی انحراف کے بغیر کارپوریٹ گورننس کے سخت معیارات کو برقرار رکھتی ہے۔ ڈائریکٹرز کو اس بات کی تصدیق کرتے ہوئے خوشی ہے کہ کمپنی، سکیورٹی اینڈ ایکٹیوٹی کمیشن آف پاکستان (SECP) کی طرف سے جاری کردہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (CCG ریگولیشنز، 2019) اور کمپنیز ایکٹ، 2017 میں بیان کردہ دفعات کی پابندی کرتی ہے جو پاکستان سٹاک ایکسچینج کے لسٹنگ ریگولیشنز کا لازمی حصہ ہیں۔

ڈائریکٹرز تصدیق کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالی حسابات، اس کے حالات کار، کاروباری نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو دیانت داری سے پیش کرتے ہیں۔
- کمپنی نے حساب کتاب کے مناسب طریقے سے کھاتے رکھے ہوئے ہیں۔
- مالی حسابات کی تیاری میں مسلسل موزوں اکاؤنٹنگ پالیسیوں کا اطلاق کیا جاتا ہے اور اکاؤنٹنگ کے تخمینوں کی بنیاد معقول اور محتاط فیصلوں پر ہوتی ہے۔

iv. مالی حسابات کی تیاری میں انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز (IFRS)، جیسا کہ وہ پاکستان میں قابل اطلاق ہیں اوکٹینیز ایکٹ، 2017 کے تقاضوں پر مناسب طریقے سے عمل کیا گیا ہے۔ ان سے کسی بھی انحراف کو مناسب طریقے سے ظاہر کیا گیا ہے اور اس کی وضاحت کی گئی ہے۔

v. انٹرنل کنٹرول سسٹم اپنی وضع میں مستحکم ہے، جسے موثر طریقے سے نافذ کیا گیا ہے اور اس کی نگرانی کی جاتی ہے۔ انٹرنل کنٹرولز کی نگرانی کا عمل، ان کنٹرولز کو مزید مضبوط بنانے اور ان میں بہتری لانے کے لیے ایک آگے بڑھنے والے عمل کی حیثیت سے جاری رہے گا۔

vi. ایک آگے بڑھنے والے ادارے کی حیثیت سے کمپنی کی اہلیت برقرار رہنے کے بارے میں کوئی قابل ذکر شک نہیں ہے۔

vii. جیسا کہ پاکستان سٹاک ایکسچینج کے لسٹنگ ریگولیشنز میں تفصیل بتائی گئی ہے، کارپوریٹ گورننس کے بہترین طریقوں سے کوئی انحراف نہیں کیا گیا۔

viii. واجب الادائیوں اور لیویز کے بارے میں معلومات، جیسا کہ لسٹنگ ریگولیشنز کی ضرورت ہے، مالی حسابات کے notes میں دی گئی ہیں۔

ix. کمپنی نے اپنے تمام ملازمین کے لیے ایک کٹری بیٹری پراویڈنٹ فنڈ سکیم اور اپنے انتظامی اور غیر انتظامی ملازمین کے لیے صراحت کردہ فوائد کی گرینڈی فنڈ سکیم شروع کر رکھی ہے۔ 30 جون، 2023 کی صورت حال کی بنیاد پر سرمایہ کاری کی غیر آڈٹ شدہ ویلیو مندرجہ ذیل ہے:

پراویڈنٹ فنڈ: 125,253,393 پاکستانی روپے

x. مندرجہ ذیل کے بارے میں ایکٹوٹنس اس سالانہ رپورٹ کے ساتھ منسلک ہیں:

- گزشتہ چھ (6) سالوں کی اہم مالی معلومات
- شیر ہولڈنگ کا پیٹرن

## کوڈ آف کارپوریٹ گورننس کی تعمیل کا اسٹیٹمنٹ

کمپنی، SECP کی طرف سے لازم کردہ کارپوریٹ گورننس کے اصولوں پر سختی سے عمل کرتی ہے اور اس نے تمام تجویز کردہ شرائط کو نافذ کیا ہے۔ CCG ریگولیشنز، 2019 کی تعمیل کے اسٹیٹمنٹ میں اس کا اختصار سے ذکر ہے، جس کا آڈیٹرز نے جائزہ لیا اور یہ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

### بورڈ

انٹروپ لمیٹڈ کا بورڈ آف ڈائریکٹرز 22 اکتوبر، 2020 کو منتخب ہونے والے سات (7) ممبرز پر مشتمل ہے جو مختلف النوع پس منظر کے حامل اور کمپنی کے کاروبار سے متعلق لازمی صلاحیتوں، بصیرت اور مہارت کے مالک ہیں۔ 30 جون، 2023 کے مطابق ہمارے بورڈ کی تشکیل اس طرح سے ہے:

ڈائریکٹرز کی کل تعداد	
(a) مرد	6
(b) عورت	1

## افتی تجزیہ

2022، مقابلہ 2021	2023، مقابلہ 2022
65%	31%
83%	53%
98%	70%
95%	61%
96%	63%
83%	63%

سیلز

مجموعی منافع

کاروباری منافع

منافع قبل از ٹیکس

ٹیکس کے بعد خالص منافع

EBITDA

## بڑی سرگرمیاں

انٹروپ لمیٹڈ پاکستان میں 25 اپریل، 1992 کو قائم ہوئی اور 05 اپریل 2019 کو سرکاری طور پر پاکستان سٹاک ایکسچینج میں اس کا اندراج کیا گیا۔ انٹروپ عمودی طور پر مربوط، کثیر زمرہ ہمل فیملی کلودنگ کمپنی ہے جو نیٹسٹائل کسٹمرز کی ایک رینج کے لیے دھاگے تیار کرنے کے علاوہ سرکردہ بین الاقوامی برانڈز کے لیے ہوزری، ڈینیم، ہنگنگ اسپیرل اور سلائی کے نشان کے بغیر Active ورتیارت کرتی ہے۔ کمپنی کی بنیادی سرگرمیوں میں پورا سال کوئی تبدیلی نہیں آئی۔

## بزنس سیکمینٹس

کمپنی کی انتظامیہ نے، وسائل کی تخصیص اور کارکردگی کا اندازہ لگانے کے لیے کمپنی کے بورڈ آف ڈائریکٹرز کو پیش کی جانے والی معلومات کی بنیاد پر مندرجہ ذیل آپریٹنگ سیکمینٹس کا تعین کیا ہے۔ سیکمینٹ کارکردگی کو عام طور پر کاروباری مقدار اور مجموعی منافع سمیت پر فارمنس کے بعض کلیدی اشاریوں کی بنیاد پر جانچا جاتا ہے۔

رپورٹنگ کے داخلی انتظامی ڈھانچے اور تیار کردہ فروخت کردہ مصنوعات کی بنیاد پر مندرجہ ذیل آپریٹنگ سیکمینٹس میں کمپنی کو منظم کیا گیا ہے۔

## ہوزری

انٹروپ ہوزری سیکمینٹ کی سالانہ گنجائش 796 ملین پیئرز ہے اور Nike, Adidas, STICHD, Target, H&M, C&A Amazon اور Uniqlo سمیت دنیا میں بین الاقوامی برانڈز اور ریٹیلرز کی ضروریات پوری کر رہی ہے۔ اس کا پلانٹ LEED5 گولڈ سرٹیفیکیشن میٹروپولیٹن چیکرنگ فیسلٹی ہیں۔ جدید مشینری، ہنرمند شاف اور ہر طرح کی پراڈکشن سے آراستہ یہ فیسلٹی ہر عمر اور سٹائل کے لیے متنوع موزے تیار کرتی ہیں۔ کمپنی، فارم سے فیکٹری تک کے پروسیسز کا احاطہ کرتے ہوئے ذمہ دارانہ میٹروپولیٹن چیکرنگ کے لیے وقف ہے۔ ڈیولپمنٹ، کوالٹی اور جدت پر محیط ان ہاؤس سروسز کے ساتھ انٹروپ کی ڈیجیٹل سرمایہ کاری کا مقصد ڈیزائن، پراڈکشن اور کسٹمر ریلیشنز میں جدت لانا ہے۔

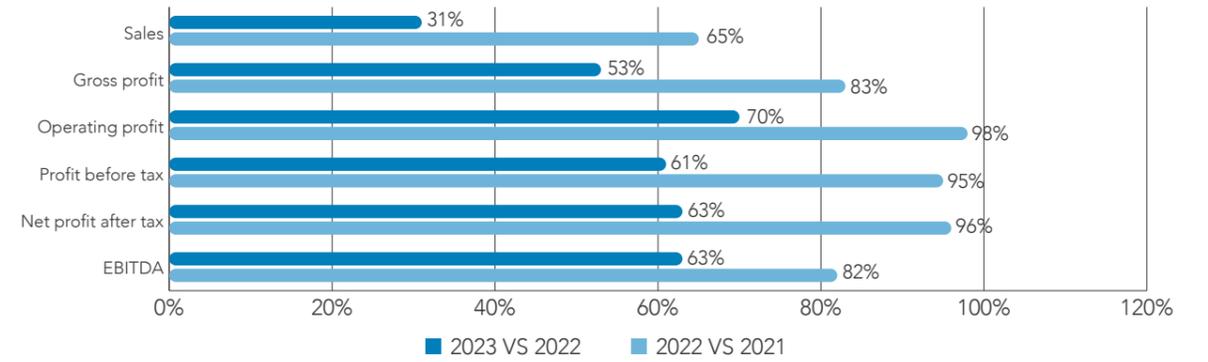
## ڈینیم

جنوبی ایشیا کی جدید ترین فیسلٹی، انٹروپ ڈینیم، کے پاس اس وقت پائیدار ڈینیم کے ماہانہ 500,000 یونٹ تیار کرنے کی گنجائش ہے اور 2025 تک یہ استعداد ایک ملین تک بڑھانے کا منصوبہ ہے۔ یہ پلانٹ اپنے ماحولیاتی شعور کی وجہ سے ممتاز ہے، اس کے پاس LEED پلاٹینم سرٹیفیکیشن ہے اور 2021 میں اسے دنیا کی 7 سبز ترین عمارتوں میں سے ایک تسلیم کیا گیا۔ یہ Guess, Hugo Boss, Mustang, Diesel, Levis's Kids, Target, NYDJ اور INDITEX جیسے ممتاز برانڈز کی خدمت کرتا ہے۔ انٹروپ ڈینیم، ٹمافٹ کو 90% تک کم کرنے کے لیے لیز رائنڈ اوزون ٹیک استعمال کرتے ہوئے ماحول دوست ڈینیم میٹروپولیٹن چیکرنگ کی رہنمائی کرتا ہے اور اس طرح پانی کی بچت اور گرین کیمسٹری میں سب سے آگے ہے۔

## اسپیرل

انٹروپ کی گارمنٹ کی سالانہ پیداواری 22 ملین Pieces ہے اور شمالی امریکا، یورپ اور برطانیہ کے برانڈز کو اپنی طرف راغب کر رہا ہے۔ نئی ماحول دوست فیسلٹی، جو مالی سال 2024 کی دوسری سہ ماہی میں کام شروع کر دے گی، جدید آلات سے آراستہ ہے، جن سے اس کی گنجائش میں اضافہ ہوگا اور اس میں قابل تجدید توانائی کے ذرائع اور ایک wetland bird sanctuary جیسے پائیداری کے پہلو شامل ہیں۔ نٹ وراپیرل ڈویژن، ممتاز برانڈز اور ریٹیلرز کے لیے ٹی شٹس، انڈرو، پولو شٹس، سویٹ شٹس، پیٹنٹس، اور فلیس ہڈیوں کی ورائٹی تیار کرتا ہے۔

## Horizontal Analysis



## آمدنی فی شیئر (EPS)

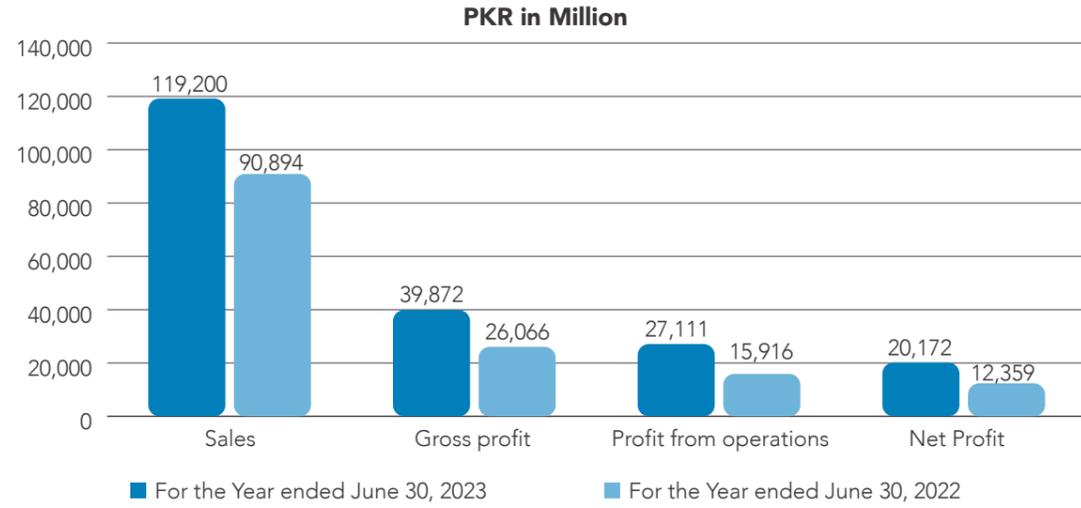
بعد از ٹیکس بنیادی اور تحلیل شدہ فی شیئر آمدنی 14.39 پاکستانی روپے فی شیئر ہے (2022: 8.82 پاکستانی روپے فی شیئر - مقرر بیان کردہ)

## منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 30 جون، 2023 کو ختم ہونے والے مالی سال کے لیے 13 اکتوبر، 2023 کو منعقد ہونے والے سالانہ اجلاس عام میں ممبرز کی منظوری سے مشروط 2.0 پاکستانی روپے فی شیئر کی شرح سے (یعنی 20%) حتمی نقد منافع منقسمہ کی سفارش کی ہے، 3.0 پاکستانی روپے فی شیئر (یعنی 30%) کے عبوری نقد منافع منقسمہ کے ساتھ، جو پہلے ہی ادا کیا جا چکا ہے، 30 جون، 2023 کو ختم ہونے والے سال کے لیے کل نقد تقسیم 5 پاکستانی روپے (یعنی 50%) ہو جاتی ہے۔ اس کے علاوہ، کمپنی پہلے ہی ہر 100 موجود شیئرز کے لیے 50 شیئرز کے تناسب سے (یعنی 50%) عبوری بونس شیئرز جاری اور کریڈٹ کر چکی ہے۔ ان مالیاتی حسابات میں مجودہ حتمی منافع منقسمہ کا اثر شامل نہیں ہے۔

## رپورٹنگ کی مدت کے بعد کے واقعات

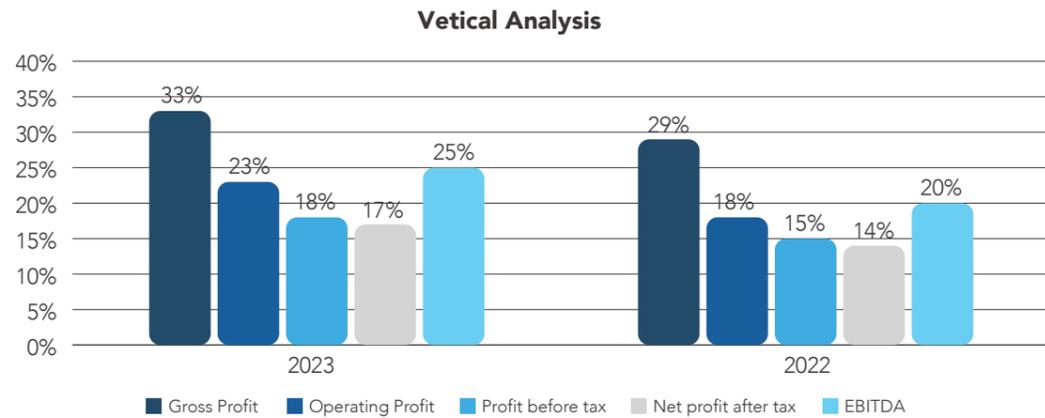
بورڈ آف ڈائریکٹرز نے 07 ستمبر، 2023 کو منعقدہ اپنے اجلاس میں 30 جون، 2023 کو ختم ہونے والے سال کے لیے سالانہ اجلاس عام میں ممبرز کی منظوری کے لیے 2.0 پاکستانی روپے فی شیئر کی شرح سے حتمی نقد منافع منقسمہ کی تجویز پیش کی ہے۔



کمپنی، اپنی طویل المدت پائیدار افزائش اور قدر کی تخلیق کے مقاصد فراہم کرنے کے لیے پرعزم ہے۔ یہ کاروباری کامیابی، پراڈکٹ پورٹ فولیو تنوع، لاگت میں کمی اور سرمائے کے مضبوط ڈھانچے پر مسلسل توجہ مرکوز رکھنے سے حاصل ہوتا ہے۔

### عمودی تجزیہ

2022	2023	
29%	33%	مجموعی منافع
18%	23%	کاروباری منافع
15%	18%	منافع قبل از ٹیکس
14%	17%	بعد از ٹیکس خالص منافع
20%	25%	EBITDA



ماہیت گزشتہ سال میں 26,066 ملین پاکستانی روپے کے مقابلے میں 2023 کے مالی سال میں 39,872 ملین پاکستانی روپے ہو گئی۔ کاروباری اخراجات میں 27% اضافہ ہوا جو پچھلے سال کے 10,207 ملین پاکستانی روپے کے مقابلے میں بڑھ کر 12,919 ملین پاکستانی روپے تک پہنچ گئے۔ قرض کی اوسط شرحوں میں اضافہ کی وجہ سے فنانس کی لاگت میں پچھلے سال کے مقابلے میں 122% اضافہ ہوا۔

لاگت بچانے کی کاوشوں اور قیمتوں کے تعین کے بہتر انتظام نے منافع میں قابل ذکر حد تک بہتری لانے میں کردار ادا کیا۔ اس کے نتیجے میں کمپنی نے رواں مالی سال کے لیے 20,172 ملین پاکستانی روپے کا بعد از ٹیکس منافع حاصل کیا، جو پچھلے سال 12,359 ملین پاکستانی روپے کے مقابلے میں 63% اضافہ کی عکاسی کرتا ہے۔ یہ مالی سال 2022 میں 8.82 پاکستانی روپے فی شیئر کے مقابلے میں 2023 میں 14.39 پاکستانی روپے فی شیئر آمدنی کو ظاہر کرتا ہے۔

کمپنی کے کاروباری نتائج کا خلاصہ مندرجہ ذیل ہے:

2022	2023	
(پاکستانی روپے بلین میں)		
90,894.05	119,200.29	سیلز - خالص
26,066.17	39,872.37	مجموعی منافع
18,488.22	30,093.11	EBITDA
13,423.47	21,583.85	قبل از ٹیکس منافع
(1,063.97)	(1,412.01)	ٹیکس کا خرچہ
12,359.50	20,171.85	بعد از ٹیکس منافع
(263.12)	(1,687.86)	دیگر جامع خسارہ
12,096.38	18,483.99	کل جامع آمدنی
8,001.04	17,428.49	آگے ملایا گیا غیر خرچ شدہ منافع
20,097.42	35,912.48	تخصیصات کے لیے دستیاب مربوط منافع
		تخصیصات
(872.20)		حتمی منافع منقسمہ 2021
(1,796.73)		عبوری منافع منقسمہ 2022
	(1,796.73)	حتمی منافع منقسمہ 2022
	(2,802.89)	عبوری منافع منقسمہ 2023
	(4,671.49)	عبوری بونس شیئرز 2023
17,428.49	26,641.36	آگے ملایا گیا غیر خرچ شدہ منافع
8.82	14.39	آمدنی فی شیئر - بنیادی (PKR)
8.82	14.39	آمدنی فی شیئر - تحلیل شدہ (PKR)

## ڈائریکٹر صاحبان کی رپورٹ

انٹرویو لمیٹڈ ("دی کمپنی" یا "ILP") کے بورڈ آف ڈائریکٹرز کو آڈٹ شدہ مالی گوشواروں مع آڈیٹرز رپورٹ کے ساتھ 30 جون، 2023 کو ختم ہونے والے مالی سال کی سالانہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

### معاشی اور صنعتی جائزہ

مالی سال 2023 عالمی معیشت کے لئے ایک اور مشکل سال ثابت ہوا، کیونکہ یہ سنبھلتی ہوئی نمو اور مہنگائی میں بلا روک ٹوک اضافے کی روک تھام کے نازک توازن کے نرغے میں رہا۔ مہنگائی کا یہ باؤ بنیادی طور پر سپلائی چین میں خلل، طویل روس یوکرائن تنازع اور مالی سال کی پہلی دوسہ ماہیوں کے دوران صارفین کی مانگ پر باؤ کا نتیجہ ہے۔ اس کے علاوہ معاشی انحطاط کو روکنے کے لیے مرکزی بینک کی مالیاتی پالیسیاں معاشی سرگرمی پر مزید بوجھ ڈال رہی ہیں۔

بنیادی طور پر ایک مشکل مجموعی معاشی ماحول اور ماحولیاتی تباہ کاریوں کی وجہ سے مالی سال 2023 کے پورے عرصہ میں پاکستانی معیشت کی نمو کے امکانات کم رہے اور عالمی معاشی سست روی سے یہ صورت حال مزید گھمبیر ہو گئی۔ مالی سال 2023 میں پاکستان کی مجموعی قومی پیداوار میں 0.29% افزائش ہوئی۔ پاکستان کے زر مبادلہ کے ذخائر کم ہو کر 5.4 بلین امریکی ڈالر رہ گئے جس کے باعث مالی سال 2023 میں امریکی ڈالر کے مقابلے میں پاکستانی روپیہ (PKR) کی قدر 39.6% کم ہو گئی۔ اس کے ساتھ توانائی اور کھانے پینے کی اشیاء کی بڑھتی ہوئی قیمتوں نے مالی سال 2022 میں 12.2% کے مقابلے میں مالی سال 2023 میں سال بہ سال مہنگائی کی 29.2% شرح کی راہ ہموار کی جو کنزیومر پرائس انڈیکس (CPI) کی بنیاد پر کئی سالوں میں مہنگائی کی بہت زیادہ شرح ہے۔ نتیجتاً سٹیٹ بینک (SBP) نے اپنی مانیٹری پالیسی کی سخت گرفت کو برقرار رکھا اور شرح سود 22.0% تک بڑھا دی۔ حکومت نے سخت درآمدی پابندیاں عائد کیں اور درآمدات میں 27.3% کی خاطر خواہ کمی لاتے ہوئے تجارتی خسارہ 38.3% کم کر دیا۔ مالی سال 2023 میں برآمدات 14.1% کمر گئیں اور کارکنوں کی ترسیلات زر میں بھی سال کی بنیاد پر 13.6% کمی آئی۔

مالی سال 2023 میں پاکستان کی ٹیکسٹائل کا شعبہ بھی "میدین فیکچرنگ" سیکٹر کی مجموعی صورت حال کے ساتھ گراؤ کا شکار رہا۔ ادارہ شماریات پاکستان (PBS) کے مطابق ٹیکسٹائل کی صنعت کی برآمدات میں سال کی بنیاد پر 14.6% کی بڑی کمی آئی، اس کی مالیت 16.5 بلین امریکی ڈالر بنتی ہے، اس انحطاط کو بنیادی طور پر تباہ کن سیلابوں کے بعد مقامی کپاس کی محدود دستیابی، درآمدی پابندیوں اور امریکا و یورپ سے مانگ میں کمی جیسے محرمات سے منسوب کیا جاتا ہے۔ ویلیو ایڈیڈ ٹیکسٹائل میں، نٹ ویز جس کا برآمدات میں سب سے بڑا حصہ ہے، اسی عرصہ میں 10% کی مقداری افزائش کے باوجود سال کی بنیاد پر 13.4% کمی آئی جس کی مالیت 4.4 بلین امریکی ڈالر بنتی ہے۔ ریڈی میڈ گارمنٹس اور بیڈ ویز کی برآمدات بھی سال بہ سال 10.6% اور 18.3% کم ہو گئیں یہ مالیت بالترتیب 3.5 بلین اور 2.7 بلین امریکی ڈالر بنتی ہے۔ ورلڈ ٹریڈ آرگنائزیشن رپورٹ میں شائع کردہ تازہ ترین اعداد و شمار کے مطابق، پاکستان عالمی سطح پر ٹیکسٹائل کے دس بڑے برآمد کنندگان میں اپنی پوزیشن برقرار رکھے ہوئے ہے، تاہم، پچھلی ایک دہائی کے دوران اس کا مارکیٹ کا حصہ 3.0% سے 2.6% پر آ گیا ہے۔ غیر مسابقتی صنعتی پالیسیوں، جدت کے فقدان اور غیر مستحکم مجموعی معاشی ماحول کے باعث ویلیو ایڈیڈ ٹیکسٹائلز میں پاکستان کا حصہ اور بھی کم ہو کر 1.1% ہو گیا۔

### مالیاتی اور کاروباری کارکردگی

بنیادی طور پر سیاسی اور معاشی غیر یقینی، سیلابوں، اخراجات جاریہ کے بڑھتے ہوئے خسارے، کرنسی کی قیمت میں کمی، بڑھتے ہوئے غیر ملکی قرضے اور پاکستان میں کم ہوتے ہوئے ذخائر کے باعث 2023 کے مالی سال میں پاکستان کو متعدد مشکلات کا سامنا رہا۔ سٹیٹ بینک آف پاکستان (SBP) نے مہنگائی پر قابو پانے کے لیے سود کی شرحوں میں تیزی سے اضافہ کرتے ہوئے مداخلت کی اور غیر ملکی کرنسی کے ذخائر میں کمی کو روکنے کی کوشش میں درآمدات پر مختلف پابندیاں لگا دیں، جن سے معاشی سرگرمی مزید محدود ہو گئی۔

کمپنی نے مالی سال 2023 کے دوران خاصی مشکلات کے باوجود بہت اچھی کارکردگی دکھائی اور اس سے پچھلے سال 90,894 ملین پاکستانی روپے کے مقابلے میں 119,200 ملین پاکستانی روپے کا اب تک کا بلند ترین سلیزر ریونیو حاصل کرتے ہوئے غیر معمولی نتائج دیئے۔ مال کی لاگوں اور مینوفیکچرنگ کے اخراجات میں مسلسل اضافہ کے رجحان کے باوجود مصنوعات کی تیاری میں کاملیت حاصل کرنے کے لیے انتظامیہ کے عزم نے کمپنی کو مجموعی منافع 53% کی خاطر خواہ حد تک بڑھانے کی راہ ہموار کی جس کی

## STATEMENT OF COMPLIANCE

### LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: Interloop Limited

Year Ended: June 30, 2023

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

- The total number of directors are Seven (7) as per the following:
  - Male: Six (6)
  - Female: One (1)
- The composition of Board is as follows:

CATEGORY	NAMES
Independent Directors	Tariq Iqbal Khan Saeed Ahmad Jabal
Other Non-Executive Directors (excluding female director)	Musadaq Zulqarnain Jahan Zeb Khan Banth
Executive Directors	Navid Fazil Muhammad Maqsood
Female Director (Non-Executive)	Shereen Aftab

#### Note:-

For a Board comprising of seven members, one-third equates to 2.33. Two independent directors have been appointed, however, the fraction of 0.33 in such one-third is not rounded up as one since the fractions is below half (0.5):

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
- 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.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ Shareholders as empowered by the relevant provisions of the Act and these Regulations.
- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
- The Board has a formal policy and transparent procedures for remuneration of directors, in accordance with the Act and these Regulations.
- All the directors are either exempt or have acquired the prescribed certification under Directors' Training Program specified and approved by the Commission. Supplemental to that, one female executive and one head of department also obtained Directors' Training Program Certification from PICG during the fiscal year under consideration.

10. The Board has approved the appointment of the Chief Financial Officer, 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. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

#### A) AUDIT COMMITTEE

Tariq Iqbal Khan	Chairman
Saeed Ahmad Jabal	Member
Jahan Zeb Khan Banth	Member

#### B) HUMAN RESOURCE AND REMUNERATION COMMITTEE

Saeed Ahmad Jabal	Chairman
Navid Fazil	Member
Jahan Zeb Khan Banth	Member

#### C) NOMINATION COMMITTEE

Musadaq Zulqarnain	Chairman
Navid Fazil	Member
Muhammad Maqsood	Member

#### D) RISK MANAGEMENT COMMITTEE

Tariq Iqbal Khan	Chairman
Muhammad Maqsood	Member
Yaqub Ahsan	Member
Ahsan Pervaiz Sheikh	Member
Syed Hamza Gillani	Member

#### E) ENVIRONMENTAL, SOCIAL & GOVERNANCE COMMITTEE

Musadaq Zulqarnain	Chairman
Navid Fazil	Member
Jahan Zeb Khan Banth	Member
Faryal Sadiq	Member
Aqeel Ahmad	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of the meetings of the Committees was as follows:
- Audit Committee – Quarterly
  - Human Resource and Remuneration Committee – On requirement basis
  - Nomination Committee - On requirement basis
  - Risk Management Committee – On requirement basis
  - Environmental, Social & Governance Committee - On requirement basis
15. The Board has set up an effective Internal Audit function which comprises of professionals suitably qualified and experienced 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 Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
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 requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):

Sr. No.	Non-Mandatory Requirement	Reg. No.	Explanation
1	<b>Financial Statement Endorsed By Chief Executive Officer And Chief Financial Officer:</b>	25	Since the CEO was out of country on business tour, therefore, the annual financial statements of the last fiscal year 2022 were endorsed by Mr. Tariq Iqbal Khan, who is a member of the Board and duly authorized by the Board to do so.
	CEO and CFO Shall Duly Endorse The Quarterly, Half-Yearly And Annual Financial Statements Under Their Respective Signatures Prior To Placing And Circulating The Same For Consideration And Approval Of The Board.		



**NAVID FAZIL**  
Chief Executive Officer



**JAHAN ZEB KHAN BANTH**  
Director

**Faisalabad**  
**September 07, 2023**

# INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS ON **STATEMENT OF COMPLIANCE**

## **Review Report on the Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019**

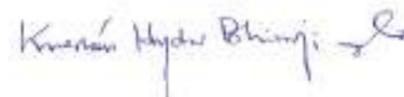
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulation, 2019 (the Regulations) prepared by the Board of Directors of Interloop Limited (the Company) for the year ended June 30, 2023, in accordance with the requirements of regulation 36 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 Regulations 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. 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.

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, 2023.



**KRESTON HYDER BHIMJI & CO.**  
**CHARTERED ACCOUNTANTS**

Engagement Partner: Syed Aftab Hameed

Date: September 07, 2023

Place: Faisalabad

UDIN: CR202310475ZXe8ak7U

# 3 Risk Management



# RISK MANAGEMENT

Risk Management encompasses the identification, evaluation, controlling and reporting risk factors that form part of Interloop Limited's processes and systems. Interloop understands that effective Risk Management means controlling future outcomes as much as possible by acting proactively rather than reactively and therefore, reducing both the possibility of occurring of a risk, and its potential impact.

# RISK GOVERNANCE

The Board of Directors approves and periodically reviews the Risk Management Policy. It provides oversight to ensure that the policies, processes, and systems are implemented effectively at all decision levels.

The Risk Management Committee assists the Board, primarily in monitoring and approving the risk policies and associated risk management framework. The Risk Management Committee is also responsible for:

1. Reviewing and evaluating significant risk exposures and the steps that business heads take to identify, measure, monitor, control, and report such exposures, including risks such as

strategic, credit, market, liquidity, and operational (including technological risks) in consultation with the Risk Management Department (RMD).

2. Reviewing significant issues identified by RMD and the Internal Audit Department with respect to risk management and compliance activities.

The Policy aims at the management of risks by identifying them early on and minimizing their impact on the business through mitigation strategies.

The Board has set up a dedicated RMD for effective implementation of Risk Management Policy, Risks & Mitigation Strategies and associated

framework. RMD is responsible for providing support and monitoring for the development, implementation, and continuous improvement of risk management practices including internal controls at all levels. It also collaborates with other departments to identify and evaluate risks related to their areas and devise suitable mitigating strategies.

It regularly provides analysis and reports on the adequacy and effectiveness of risk management and internal controls to the RMC and Management Committee, as required. In addition, RMD's role is to foster a culture where risk can be identified and mitigated, effectively.

# RISK MITIGATION

The Management, in collaboration with Risk Management Department, carries out an in-depth analysis of the major risks faced by the company business that could threaten the business model, future performance, solvency or liquidity of the company. The types of risks include strategic, operational, and financial, which are identified along with the nature of their impact and likelihood of occurrence, and mitigation strategies are deployed to manage these risks.

# INADEQUACY IN THE CAPITAL STRUCTURE AND PLANS TO ADDRESS SUCH INADEQUACY

The Company manages its capital structure in the context of economic conditions and the risk characteristics of the underlying assets. For further details, related to the Company's capital risk management, please refer to note in the financial statement.

# LIQUIDITY RISK STRATEGY

## LIQUIDITY AND CASH FLOW MANAGEMENT STRATEGY

The company is diligently managing its cash flow stream and has thoughtfully crafted its portfolio of investment and borrowing. The management meticulously reviews key financial ratios and adjusts the company strategy, maintaining financial discipline. In addition to that, the company maintains enough reserves along with sufficient funded lines from the financial institutions.

## LIQUIDITY GENERATION

Internal cash generation is ensured through revenues and income from deposits / short term investments. Receipts from customers are effectively managed through optimized control on customers' credit. The management diligently monitors operating cash flow needs through effective cash flow forecasting. It periodically evaluates planned vs actual results and takes steps to keep it in line with plans. Furthermore, before taking external financing, the company carries out in-depth cash flow forecasting and considers optimal returns. This ensures optimum weighted average cost of capital and minimal reliance over external sources.

## INVESTMENTS AND PLACEMENT OF FUNDS

The company has strategically diversified its portfolio overtime to maintain maximum returns while taking prudent levels of risks and exposure. The company prefers premium credit-rated institutions for investment and placement of funds to minimize liquidity and credit risk, and profitable returns are ensured by investments in the Money-market / Government securities, term deposits with banks / financial institutions, and any other investment schemes to enhance profitability and increase shareholders' return. Further Liquidity risk-related information is given in the financial statement.

# 4 Performance & Position



# KEY FINANCIAL HIGHLIGHTS

PARTICULARS		2023	2022	2021	2020	2019	2018
<b>Profitability Ratios</b>							
Gross Profit Margin	%	33.45	28.68	25.86	21.66	31.90	29.37
Net Profit Margin	%	16.92	13.60	11.45	4.95	13.86	12.48
Return on Equity	%	46.05	41.28	30.67	10.40	29.05	42.78
<b>Liquidity Ratios</b>							
Current Ratio	Times	1.14	1.30	1.22	1.14	1.27	0.86
Quick/Acid Test Ratio	Times	0.75	0.77	0.77	0.59	0.84	0.56
<b>Investment/Market Ratios</b>							
Earnings per share - basic & diluted*	Rs	14.39	8.82	4.49	1.28	3.71	2.77
Dividend Yield Ratio	%	14.18	6.56	3.57	4.55	6.78	–
Cash dividend per share - declared	Rs	5.00	4.00	2.50	2.00	3.00	5.00
Market Price - at year end	Rs	35.26	61.00	70.03	43.92	44.27	–
Break up value per share	Rs	31.26	33.33	23.52	19.81	20.50	47.78
<b>Capital Structure</b>							
Gearing Ratio	%	57.57	63.12	59.62	55.53	48.15	66.95
Interest Cover	Times	5.20	7.16	8.29	3.15	7.09	10.62
Operating Cycle	Days	156.20	151.97	135.56	144.66	124.04	117.58

\*Restated with impact of bonus shares

# LAST SIX YEAR STATEMENT OF FINANCIAL POSITION

PARTICULARS	2023	2022	2021	2020	2019	2018
	(RUPEES IN '000)					
<b>Assets</b>						
<b>Non Current Assets</b>						
Property, plant and equipment	58,650,853	34,730,382	26,193,029	22,744,239	18,256,474	15,451,969
Intangible Asset	394,618	227,457	209,623	171,459	66,161	42,410
Long term investments	–	–	–	1,853,735	1,008,735	380,549
Long term loans	147,858	179,626	144,673	113,823	65,762	60,747
Long term deposits	81,701	86,955	60,478	38,337	28,019	25,055
<b>Total non current assets</b>	<b>59,275,030</b>	<b>35,224,420</b>	<b>26,607,803</b>	<b>24,921,593</b>	<b>19,425,151</b>	<b>15,960,730</b>
<b>Current Assets</b>						
Stores and spares	2,490,975	1,866,417	1,199,116	1,062,524	887,659	779,198
Stock in trade	19,728,810	23,142,048	11,276,308	8,810,625	6,282,491	5,121,718
Trade debts	34,138,665	28,603,965	15,052,940	7,207,391	8,247,740	7,293,008
Loan and advances	2,112,755	1,633,562	1,034,836	485,930	1,063,342	617,743
Deposit, prepayment and other receivables	671,874	998,491	318,708	193,182	194,544	179,864
Derivative financial instruments	21,672	–	–	–	–	–
Accrued Income	1,623	4,570	2,131	2,239	10,441	–
Refunds due from Government & statutory authorities	4,758,814	4,224,938	4,328,555	2,408,014	1,925,439	2,451,806
Short term investments	500,000	500,000	500,000	125,044	1,207,251	147,425
Deferred employee share option compensation expense	–	–	–	–	–	5,014
Cash and bank balances	1,544,502	117,119	374,442	150,787	1,538,564	193,687
<b>Total current assets</b>	<b>65,969,690</b>	<b>61,091,110</b>	<b>34,087,036</b>	<b>20,445,736</b>	<b>21,357,471</b>	<b>16,789,463</b>
<b>Total Assets</b>	<b>125,244,720</b>	<b>96,315,530</b>	<b>60,694,839</b>	<b>45,367,329</b>	<b>40,782,622</b>	<b>32,750,193</b>
<b>Equity &amp; Liabilities</b>						
<b>Equity</b>						
Issued, subscribed and paid up capital	14,014,469	8,983,635	8,721,975	8,721,975	8,721,975	1,901,104
Reserves	3,150,573	3,528,149	3,791,602	3,791,602	3,791,602	38,863
Unappropriated profit	26,641,364	17,428,486	8,001,035	4,766,115	5,366,207	7,142,570
<b>Total equity</b>	<b>43,806,406</b>	<b>29,940,270</b>	<b>20,514,612</b>	<b>17,279,692</b>	<b>17,879,784</b>	<b>9,082,537</b>
<b>Non current liabilities</b>						
Long term financing	15,348,901	14,396,116	8,213,978	6,861,130	3,628,745	2,247,936
Lease liabilities	57,011	93,973	152,969	102,158	–	615
Deferred liabilities	7,999,204	5,048,654	3,816,001	3,140,682	2,482,623	1,925,612
<b>Total non current liabilities</b>	<b>23,405,116</b>	<b>19,538,743</b>	<b>12,182,948</b>	<b>10,103,970</b>	<b>6,111,368</b>	<b>4,174,163</b>
<b>Current liabilities</b>						
Trade and other payables	12,003,908	9,084,790	5,551,641	3,031,231	3,576,861	2,730,414
Unclaimed dividend	4,074	3,006	4,004	2,952	130,935	475,276
Accrued mark up	1,830,013	702,689	221,674	191,136	110,483	137,856
Short term borrowings	42,148,912	35,007,908	19,636,066	14,354,861	11,726,000	15,180,937
Derivative financial instruments	–	94,154	33,074	–	–	–
Current portion of non current liabilities	2,046,291	1,943,970	2,550,820	403,487	1,247,191	969,010
<b>Total current liabilities</b>	<b>58,033,198</b>	<b>46,836,517</b>	<b>27,997,279</b>	<b>17,983,667</b>	<b>16,791,470</b>	<b>19,493,493</b>
<b>Total equity and liabilities</b>	<b>125,244,720</b>	<b>96,315,530</b>	<b>60,694,839</b>	<b>45,367,329</b>	<b>40,782,622</b>	<b>32,750,193</b>

# HORIZONTAL ANALYSIS ON STATEMENT OF FINANCIAL POSITION

PARTICULARS	2023 VS 2022	2022 VS 2021	2021 VS 2020	2020 VS 2019	2019 VS 2018	2018 VS 2017
	PERCENTAGE					
<b>Assets</b>						
<b>Non Current Assets</b>						
Property, plant and equipment	69%	33%	15%	25%	18%	13%
Intangible Asset	73%	9%	22%	159%	56%	-10%
Long term investments	0%	0%	-100%	84%	165%	-73%
Long term loans	-18%	24%	27%	73%	8%	21%
Long term deposits	-6%	44%	58%	37%	12%	-15%
<b>Total non current assets</b>	<b>68%</b>	<b>32%</b>	<b>7%</b>	<b>28%</b>	<b>22%</b>	<b>5%</b>
<b>Current Assets</b>						
Stores and spares	33%	56%	13%	20%	14%	12%
Stock in trade	-15%	105%	28%	40%	23%	44%
Trade debts	19%	90%	109%	-13%	13%	51%
Loan and advances	29%	58%	113%	-54%	72%	-39%
Deposit, prepayment and other receivables	-33%	213%	65%	-1%	8%	-63%
Derivative financial instruments	100%	-	-	-	-	-
Accrued Income	-64%	114%	-5%	-79%	100%	0%
Refunds due from Government and statutory authorities	13%	-2%	80%	25%	-21%	24%
Short term investments	0%	0%	300%	-90%	719%	-79%
Deferred employee share option compensation expense	0%	0%	0%	0%	-100%	418%
Cash and bank balances	1219%	-69%	148%	-90%	694%	231%
<b>Total current assets</b>	<b>8%</b>	<b>79%</b>	<b>67%</b>	<b>-4%</b>	<b>27%</b>	<b>26%</b>
<b>Total Assets</b>	<b>30%</b>	<b>59%</b>	<b>34%</b>	<b>11%</b>	<b>25%</b>	<b>15%</b>
<b>Equity &amp; Liabilities</b>						
<b>Equity</b>						
Issued, subscribed and paid up capital	56%	3%	0%	0%	359%	0%
Reserves	-11%	-7%	0%	0%	9656%	85%
Unappropriated profit	53%	118%	68%	-11%	-25%	-43%
<b>Total equity</b>	<b>46%</b>	<b>46%</b>	<b>19%</b>	<b>-3%</b>	<b>97%</b>	<b>-37%</b>
<b>Non current liabilities</b>						
Long term financing	7%	75%	20%	89%	61%	17%
Lease liabilities	-39%	-39%	50%	100%	-100%	-43%
Deferred liabilities	58%	32%	22%	27%	29%	22%
<b>Total non current liabilities</b>	<b>20%</b>	<b>60%</b>	<b>21%</b>	<b>65%</b>	<b>46%</b>	<b>20%</b>
<b>Current liabilities</b>						
Trade and other payables	32%	64%	83%	-15%	31%	50%
Unclaimed dividend	36%	-25%	36%	-98%	-72%	100%
Accrued mark up	160%	217%	16%	73%	-20%	66%
Short term borrowings	20%	78%	37%	22%	-23%	99%
Derivative financial instruments	-100%	185%	100%	0%	0%	0%
Current portion of non current liabilities	5%	-24%	532%	-68%	29%	-4%
<b>Total current liabilities</b>	<b>24%</b>	<b>67%</b>	<b>56%</b>	<b>7%</b>	<b>-14%</b>	<b>85%</b>
<b>Total equity and liabilities</b>	<b>30%</b>	<b>59%</b>	<b>34%</b>	<b>11%</b>	<b>25%</b>	<b>15%</b>

# VERTICLE ANALYSIS ON STATEMENT OF FINANCIAL POSITION

PARTICULARS	2023	2022	2021	2020	2019	2018
	PERCENTAGE					
<b>Assets</b>						
<b>Non Current Assets</b>						
Property, plant and equipment	47%	36%	43%	50%	44%	47%
Intangible Asset	0%	0%	0%	0%	0%	0%
Long term investments	0%	0%	0%	4%	2%	1%
Long term loans	0%	0%	0%	0%	0%	0%
Long term deposits	0%	0%	0%	0%	0%	0%
<b>Total non current assets</b>	<b>47%</b>	<b>36%</b>	<b>43%</b>	<b>54%</b>	<b>46%</b>	<b>48%</b>
<b>Current Assets</b>						
Stores and spares	2%	2%	2%	2%	2%	2%
Stock in trade	16%	24%	19%	19%	15%	16%
Trade debts	27%	30%	25%	16%	21%	23%
Loan and advances	2%	2%	2%	1%	3%	2%
Deposit, prepayment and other receivables	1%	1%	0%	1%	1%	1%
Derivative financial instruments	0%	-	-	-	-	-
Accrued Income	0%	0%	0%	0%	0%	0%
Refunds due from Government and statutory authorities	4%	4%	7%	5%	5%	7%
Short term investments	0%	1%	1%	1%	3%	0%
Deferred employee share option compensation expense	0%	0%	0%	0%	0%	0%
Cash and bank balances	1%	0%	1%	1%	4%	1%
<b>Total current assets</b>	<b>53%</b>	<b>64%</b>	<b>57%</b>	<b>46%</b>	<b>54%</b>	<b>52%</b>
<b>Total Assets</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Equity &amp; Liabilities</b>						
<b>Equity</b>						
Issued, subscribed and paid up capital	11%	9%	14%	19%	21%	6%
Reserves	3%	4%	6%	8%	9%	0%
Unappropriated profit	21%	18%	13%	11%	13%	22%
<b>Total equity</b>	<b>35%</b>	<b>31%</b>	<b>33%</b>	<b>38%</b>	<b>43%</b>	<b>28%</b>
<b>Non current liabilities</b>						
Long term financing	12%	15%	14%	15%	9%	7%
Lease liabilities	0%	0%	0%	0%	0%	0%
Deferred liabilities	6%	6%	7%	7%	7%	6%
<b>Total non current liabilities</b>	<b>18%</b>	<b>21%</b>	<b>21%</b>	<b>22%</b>	<b>16%</b>	<b>13%</b>
<b>Current liabilities</b>						
Trade and other payables	10%	9%	9%	7%	9%	8%
Unclaimed dividend	0%	0%	0%	0%	0%	1%
Accrued mark up	1%	1%	1%	0%	0%	0%
Short term borrowings	34%	36%	32%	32%	29%	47%
Derivative financial instruments	0%	0%	0%	0%	0%	0%
Current portion of non current liabilities	2%	2%	4%	1%	3%	3%
<b>Total current liabilities</b>	<b>46%</b>	<b>48%</b>	<b>46%</b>	<b>40%</b>	<b>41%</b>	<b>59%</b>
<b>Total equity and liabilities</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## LAST SIX YEARS STATEMENT OF PROFIT OR LOSS

PARTICULARS	2023	2022	2021	2020	2019	2018
	(RUPEES IN '000)					
Sales	119,200,293	90,894,049	54,962,265	36,302,794	37,478,321	31,138,736
<b>Gross Profit</b>	<b>39,872,372</b>	<b>26,066,169</b>	<b>14,212,280</b>	<b>7,863,718</b>	<b>11,954,714</b>	<b>9,144,499</b>
Operating expenses	(12,760,981)	(10,149,751)	(6,192,379)	(4,610,725)	(5,538,024)	(4,655,082)
<b>Profit from operations</b>	<b>27,111,391</b>	<b>15,916,418</b>	<b>8,019,901</b>	<b>3,252,993</b>	<b>6,416,690</b>	<b>4,489,417</b>
Finance cost	(5,527,536)	(2,492,950)	(1,147,038)	(1,137,162)	(995,707)	(483,654)
<b>Profit before taxation</b>	<b>21,583,855</b>	<b>13,423,468</b>	<b>6,872,863</b>	<b>2,115,831</b>	<b>5,420,983</b>	<b>4,005,763</b>
Taxation	(1,412,009)	(1,063,972)	(581,292)	(319,428)	(226,216)	(119,954)
<b>Profit for the year</b>	<b>20,171,846</b>	<b>12,359,496</b>	<b>6,291,571</b>	<b>1,796,403</b>	<b>5,194,767</b>	<b>3,885,809</b>

## HORIZONTAL ANALYSIS ON STATEMENT OF PROFIT OR LOSS

PARTICULARS	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019	2019 vs 2018	2018 vs 2017
	PERCENTAGE					
Sales	31%	65%	51%	-3%	20%	17%
<b>Gross Profit</b>	<b>53%</b>	<b>83%</b>	<b>81%</b>	<b>-34%</b>	<b>31%</b>	<b>30%</b>
Operating expenses	26%	64%	34%	-17%	19%	32%
<b>Profit from operations</b>	<b>70%</b>	<b>98%</b>	<b>147%</b>	<b>-49%</b>	<b>43%</b>	<b>28%</b>
Finance cost	122%	117%	1%	14%	106%	23%
<b>Profit before taxation</b>	<b>61%</b>	<b>95%</b>	<b>225%</b>	<b>-61%</b>	<b>35%</b>	<b>29%</b>
Taxation	33%	83%	82%	41%	89%	16%
<b>Profit for the year</b>	<b>63%</b>	<b>96%</b>	<b>250%</b>	<b>-65%</b>	<b>34%</b>	<b>29%</b>

## VERTICAL ANALYSIS ON STATEMENT OF PROFIT OR LOSS

PARTICULARS	2023	2022	2021	2020	2019	2018
	PERCENTAGE					
Sales	100%	100%	100%	100%	100%	100%
<b>Gross Profit</b>	<b>33.45%</b>	<b>28.68%</b>	<b>25.86%</b>	<b>21.66%</b>	<b>31.90%</b>	<b>29.37%</b>
Operating expenses	-10.71%	-11.17%	-11.27%	-12.70%	-14.78%	-14.95%
<b>Profit from operations</b>	<b>22.74%</b>	<b>17.51%</b>	<b>14.59%</b>	<b>8.96%</b>	<b>17.12%</b>	<b>14.42%</b>
Finance cost	-4.64%	-2.74%	-2.09%	-3.13%	-2.66%	-1.55%
<b>Profit before taxation</b>	<b>18.11%</b>	<b>14.77%</b>	<b>12.50%</b>	<b>5.83%</b>	<b>14.46%</b>	<b>12.86%</b>
Taxation	-1.18%	-1.17%	-1.06%	-0.88%	-0.60%	-0.39%
<b>Profit for the year</b>	<b>16.92%</b>	<b>13.60%</b>	<b>11.45%</b>	<b>4.95%</b>	<b>13.86%</b>	<b>12.48%</b>

## LAST SIX YEARS STATEMENT OF CASH FLOWS

PARTICULARS	2023	2022	2021	2020	2019	2018
	(RUPEES IN '000)					
Cash Flows from Operating Activities	25,358,188	(7,205,843)	(707,684)	2,602,454	5,856,137	(2,790,766)
Cash Flows from Investing Activities	(27,349,129)	(11,390,899)	(4,618,250)	(7,283,840)	(5,224,627)	(4,467,281)
Cash Flows from Financing Activities	3,418,324	18,339,419	5,413,852	2,477,398	1,654,622	7,369,132
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,427,383</b>	<b>(257,323)</b>	<b>87,918</b>	<b>(2,203,988)</b>	<b>2,286,132</b>	<b>111,085</b>

# 5 Sustainability & Corporate Social Responsibility

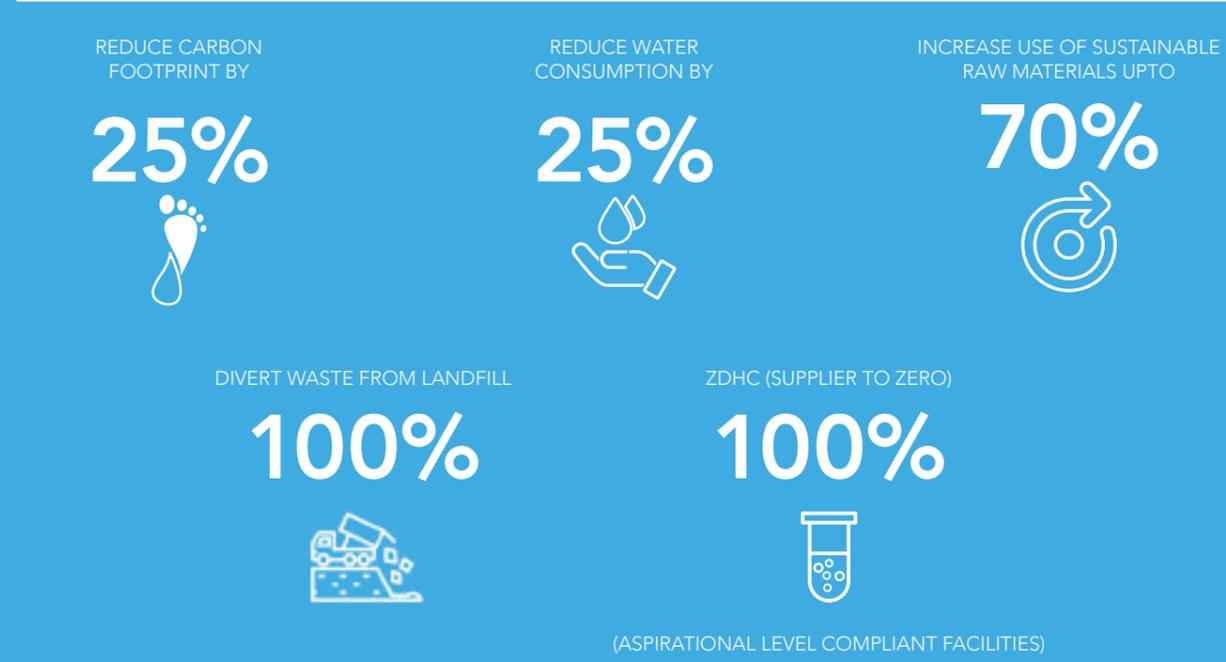


# PLANET

## ENVIRONMENT & SOCIAL GOAL 2025

Lead the way in responsible manufacturing meeting highest standards of environmental & social performance.

### ENVIRONMENTAL TARGETS 2025



### ACHIEVEMENTS VS TARGETS 2023

IMPACT AREAS	TARGETS	ACHIEVEMENTS
<b>WATER</b> (Liters/KG)	-7%	+2%
<b>GHG EMISSIONS</b> (KG CO <sub>2</sub> /KG)	-10%	+2%
<b>SOLID WASTE</b> (Diversion from landfill)	70%	70%
<b>SUSTAINABLE MATERIAL</b> (% of total material procured)	70%	68%
<b>CHEMICAL MANAGEMENT</b>	<b>ZDHC</b> (Supplier to Zero) Foundational level Compliant facilities	Achieved

# PEOPLE

## GOAL 2025

A diverse, inclusive and engaged workforce creating a high performing organization.

### PEOPLE TARGETS 2025



### ACHIEVEMENTS VS TARGETS 2023

IMPACT AREAS	TARGETS	ACHIEVEMENTS
<b>WORKFORCE DIVERSITY</b>	14.2%	10.3% Women Ratio
<b>*EMPLOYEE ENGAGEMENT</b>	64.8%	64%
<b>WORKFORCE TRAINING</b>	Events	143 / 134 / 94% For Executives only
	Man Hours	30,944 / 32,979 / 107% For Executives only

\*The figure is for FY'22 as the Engagement Survey is conducted every two years. This year's focus remained on Talent Development & fostering Anti-harassment.

### HIGHLIGHTS

DOMAIN	AREA	DETAILS
<b>Employee Engagement</b>	Anti-Harassment Campaign	A 3-month campaign raised workplace harassment awareness, educating 8,000 employees through 60 sessions, using engaging tools like surveys and competitions.
<b>Talent Management</b>	Elevate - Talent Development	Elevate offers growth opportunities within Interloop, driven by an integrated talent management framework emphasizing strengths and derailment awareness. It includes a multi-level development center, evaluating 229 employees from E6 to M2 grades, with a focus on sustainability and objectivity.



# 6 Financial Statements



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERLOOP LIMITED

Report on the Audit of Financial Statements

## Opinion

We have audited the annexed financial statements of Interloop Limited ("the Company"), which comprise the statement of financial position as at June 30, 2023, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the 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 statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the Accounting and Reporting Standards 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, 2023 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.	<b>Borrowings:</b> (Refer notes 22, 24.2 and 27 to the financial statements)	
	<p>The Company has significant amounts of borrowings from Banks and other financial institutions amounting to Rs. 59.595 billion, being 73.87% of total liabilities, as at reporting date.</p> <p>Given the significant level of borrowings, finance costs, significant gearing, the disclosure given by the management in financial statements and compliance with various loan covenants, this is considered to be a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>Review of loan agreements and facility letters to ascertain the terms and conditions of repayment, rates of markup used and disclosed by management for finance costs and to ensure that the borrowings have been approved at appropriate level.</li> <li>Verification of disbursement of loans and utilization on sample basis. Review of documents for charge registration with regulator - SECP.</li> <li>Verification of repayments made by the Company during the year on sample basis to confirm that repayments are being made on time and no default has been made.</li> </ul>

S. No	Key Audit Matter(s)	How the Matter was addressed in audit
		<ul style="list-style-type: none"> <li>Assessing procedures designed by management to comply with the debt covenants and performing covenant tests on sample basis.</li> <li>Obtaining direct confirmations from Banks of the Company to confirm balances, terms &amp; conditions stated in the facility offer letters and compliance thereof.</li> <li>Performing analytical procedures, recalculations and other related procedures for verification of finance costs.</li> <li>Ensuring that the outstanding liabilities have been properly classified and related securities and other terms are adequately disclosed in the financial statements.</li> </ul>
<b>2.</b>	<b>Capital expenditures</b> (Refer notes 6 to the financial statements)	
	<p>The Company is investing significant amounts in its operations and there is a number of areas where management's judgment impacts the carrying value of property, plant and equipment and its respective depreciation profile. These include among others the decision to capitalize costs; and review of useful life of the assets.</p> <p>The Company's principal accounting policy on operating fixed assets and capital work in progress are disclosed in notes – 5.1 and 5.2 to the financial statements.</p> <p>We focused on this area since the amounts have a significant impact on the financial position of the Company and there is significant management judgment required that has significant impact on the reporting of the financial position for the Company. Therefore, considered as one of the key audit matters.</p>	<p>Our audit procedures in relation to capitalization of property, plant and equipment, amongst others include the following:</p> <ul style="list-style-type: none"> <li>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.</li> <li>Testing, on sample basis, the costs incurred on projects with supporting documents and contracts.</li> <li>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.</li> <li>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.</li> <li>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 the calculation of related depreciation.</li> </ul>

S. No	Key Audit Matter(s)	How the Matter was addressed in audit
<b>3.</b>	<b>Inventory existence and valuation</b> (Refer notes 10 and 11 to the financial statements)	
	<p>The company has significant levels of inventories amounting to Rs. 22 billion as at the reporting date, being 17.74% of the total assets of the Company.</p> <p>There is a risk in estimating the eventual NRV of items held, as well as assessing which items may be slow-moving or obsolete.</p> <p>The Company's principal accounting policy on stores and spares and stock in trade are disclosed in notes – 5.5 and 5.6 to the financial statements.</p> <p>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.</p>	<p>Our audit procedures over existence and valuation of inventory include, but were not limited to:</p> <ul style="list-style-type: none"> <li>To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management;</li> <li>For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets;</li> <li>We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice;</li> <li>On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any;</li> <li>We also made enquires of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.</li> </ul>
<b>4.</b>	<b>Revenue recognition</b> (Refer note 30 to the financial statements)	
	<p>We identified recognition of revenue of the Company as a key audit matter because revenue is one of the key performance indicators and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.</p> <p>The Company earns revenue from multiple business lines which operate as distinct business units with significant volume of revenue transactions.</p> <p>Revenue is recorded in accordance with the requirements of IFRS-15 which provides a comprehensive model of revenue recognition and requires the Company to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying the model to contracts with customers.</p> <p>For further information, refer to the summary of significant accounting policies, Revenue from contracts with customers' note 5.19 to the financial statements.</p>	<p>We performed a range of audit procedures in relation to revenue including the following:</p> <ul style="list-style-type: none"> <li>We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue;</li> <li>We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents;</li> <li>We performed analytical review procedures and other test of details over various revenue streams including the cut-off procedures to check that revenue has been recognized in the appropriate accounting period;</li> <li>We assessed the adequacy of the disclosures as per the guidelines set out in the applicable financial reporting requirements.</li> </ul>

### Information Other than the 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 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 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements, including the disclosures, and whether the 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.

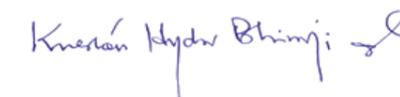
From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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.

### 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 statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the 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 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 Syed Aftab Hameed - FCA.



**KRESTON HYDER BHIMJI & CO.**  
**CHARTERED ACCOUNTANTS**

**Date: September 07, 2023**  
**Place: Faisalabad**  
**UDIN: AR202310475lzuKrqoWh**

# STATEMENT OF FINANCIAL POSITION

As at June 30, 2023

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	58,650,853	34,730,382
Intangible assets	7	394,618	227,457
Long term loans	8	147,858	179,626
Long term deposits	9	81,701	86,955
		59,275,030	35,224,420
<b>CURRENT ASSETS</b>			
Stores and spares	10	2,490,975	1,866,417
Stock in trade	11	19,728,810	23,142,048
Trade debts	12	34,138,665	28,603,965
Loans and advances	13	2,112,755	1,633,562
Deposit, prepayment and other receivables	14	671,874	998,491
Derivative financial instruments		21,672	–
Accrued income	15	1,623	4,570
Refunds due from Government and statutory authorities	16	4,758,814	4,224,938
Short term investments	17	500,000	500,000
Cash and bank balances	18	1,544,502	117,119
		65,969,690	61,091,110
<b>TOTAL ASSETS</b>		125,244,720	96,315,530
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital	19	15,000,000	15,000,000
Issued, subscribed and paid up capital	20	14,014,469	8,983,635
Reserves	21	3,150,573	3,528,149
Unappropriated profit		26,641,364	17,428,486
		43,806,406	29,940,270
<b>NON CURRENT LIABILITIES</b>			
Long term financing	22	15,348,901	14,396,116
Lease liabilities	23	57,011	93,973
Deferred liabilities	24	7,999,204	5,048,654
		23,405,116	19,538,743
<b>CURRENT LIABILITIES</b>			
Trade and other payables	25	12,003,908	9,084,790
Unclaimed dividend		4,074	3,006
Accrued mark up	26	1,830,013	702,689
Short term borrowings	27	42,148,912	35,007,908
Derivative financial instruments		–	94,154
Current portion of non current liabilities	28	2,046,291	1,943,970
		58,033,198	46,836,517
<b>CONTINGENCIES AND COMMITMENTS</b>			
	29	–	–
<b>TOTAL EQUITY AND LIABILITIES</b>		125,244,720	96,315,530

The annexed notes 1 to 50 form an integral part of these financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2023

	Note	2023 (Rupees '000)	2022 (Rupees '000)
Sales - net	30	119,200,293	90,894,049
Cost of sales	31	(79,327,921)	(64,827,880)
<b>Gross profit</b>		39,872,372	26,066,169
<b>Operating expenses</b>			
Distribution cost	32	(3,952,564)	(3,382,031)
Administrative expenses	33	(6,245,370)	(4,681,472)
Other operating expenses	34	(2,721,284)	(2,143,370)
		(12,919,218)	(10,206,873)
Other income	35	158,237	57,122
<b>Profit from operations</b>		27,111,391	15,916,418
Finance cost	36	(5,527,536)	(2,492,950)
<b>Profit before taxation</b>		21,583,855	13,423,468
Taxation	37	(1,412,009)	(1,063,972)
<b>Profit for the year</b>		20,171,846	12,359,496
			Restated
<b>Earnings per share - basic and diluted (Rupees)</b>	38	14.39	8.82

The annexed notes 1 to 50 form an integral part of these financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2023

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>Profit for the year</b>		20,171,846	12,359,496
<b>Other comprehensive loss:</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Actuarial loss on remeasurement of post retirement benefits obligations	24.1.4	(1,687,858)	(263,121)
<b>Total comprehensive income for the year</b>		18,483,988	12,096,375

The annexed notes 1 to 50 form an integral part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2023

	Share Capital	Capital Reserves		Revenue Reserve	Total
		Share Premium	Employee Share Option Compensation Reserve	Unappropriated Profit	
(Rupees '000)					
<b>Balance as at July 01, 2021</b>	8,721,975	3,791,602	–	8,001,035	20,514,612
Profit for the year	–	–	–	12,359,496	12,359,496
Other comprehensive loss	–	–	–	(263,121)	(263,121)
<b>Total comprehensive income for the year</b>	–	–	–	12,096,375	12,096,375
Transaction cost on issuance of bonus shares	–	(1,793)	–	–	(1,793)
<b>Transactions with owners:</b>					
Bonus shares issued during the year	261,660	(261,660)	–	–	–
Final cash dividend @ Re. 1 per share for the year ended June 30, 2021	–	–	–	(872,197)	(872,197)
Interim cash dividend @ Rs. 2 per share for the year ended June 30, 2022	–	–	–	(1,796,727)	(1,796,727)
<b>Balance as at June 30, 2022</b>	8,983,635	3,528,149	–	17,428,486	29,940,270
Profit for the year	–	–	–	20,171,846	20,171,846
Other comprehensive loss	–	–	–	(1,687,858)	(1,687,858)
<b>Total comprehensive income for the year</b>	–	–	–	18,483,988	18,483,988
Transaction cost on issuance of bonus shares	–	(25,199)	–	–	(25,199)
Employee share option scheme (ESOS)	–	–	6,968	–	6,968
<b>Transactions with owners:</b>					
Bonus shares issued during the year	5,030,834	(359,345)	–	(4,671,489)	–
Final cash dividend @ Rs. 2 per share for the year ended June 30, 2022	–	–	–	(1,796,727)	(1,796,727)
Interim cash dividend @ Rs. 3 per share for the year ended June 30, 2023	–	–	–	(2,802,894)	(2,802,894)
<b>Balance as at June 30, 2023</b>	14,014,469	3,143,605	6,968	26,641,364	43,806,406

The annexed notes 1 to 50 form an integral part of these financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

	2023 (Rupees '000)	2022 (Rupees '000)
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	21,583,855	13,423,468
<b>Adjustments for:</b>		
Depreciation	3,213,744	2,774,273
Amortization	62,205	47,630
Depreciation on right of use assets	96,677	63,923
Workers' welfare fund	440,487	273,948
Workers' profit participation fund	1,150,770	721,746
Staff retirement gratuity	1,649,159	1,154,135
Employee share option compensation expense	6,968	-
Loss on disposal of non current assets	49,143	15,204
Exchange (gain)/loss - net	(41,197)	20,943
Balances written off	14,995	-
Realized loss on derivative financial instruments	274,060	527,775
Unrealized (gain)/loss on derivative financial instruments	(21,672)	94,154
Profit on term finance certificates (TFCs)	(95,030)	(55,441)
Interest on loan to Metis International (Pvt) Ltd	-	(1,489)
Finance cost	5,527,536	2,492,950
<b>Operating cash flows before working capital changes</b>	33,911,700	21,553,219
<b>Changes in working capital</b>		
<b>(Increase)/decrease in current assets</b>		
Stores and spares	(624,558)	(667,301)
Stock in trade	3,413,238	(11,865,740)
Trade debts	(5,534,700)	(13,551,025)
Loans and advances	(427,178)	(575,394)
Deposit, prepayment and other receivables	326,617	(679,783)
Refunds due from Government and statutory authorities	(598,853)	(378,500)
<b>Increase in current liabilities</b>		
Trade and other payables	2,049,347	2,902,411
	(1,396,087)	(24,815,332)
<b>Cash generated from / (used in) operations</b>	32,515,613	(3,262,113)
Finance cost paid	(4,357,365)	(1,976,543)
Income tax paid	(1,347,032)	(581,855)
Staff retirement gratuity paid	(351,023)	(337,353)
Workers' profit participation fund paid	(748,441)	(380,983)
Long term loans paid	(31,801)	(58,285)
Long term deposits received / (paid)	5,254	(26,477)
Settlement of derivative financial instruments	(274,060)	(527,775)
Exchange loss - net	(52,957)	(54,459)
<b>Net cash generated from / (used in) operating activities</b>	25,358,188	(7,205,843)

	2023 (Rupees '000)	2022 (Rupees '000)
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions in:		
Property, plant and equipment	(27,296,865)	(11,423,547)
Intangible assets	(229,364)	(65,464)
Proceeds from disposal of operating fixed assets	82,564	43,179
Profit on term finance certificates (TFCs) received	94,536	54,933
<b>Net cash used in investing activities</b>	(27,349,129)	(11,390,899)
<b>c) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing obtained	10,895,588	8,480,399
Repayment of long term financing	(9,874,900)	(2,757,691)
Payment of lease rentals	(119,616)	(83,416)
Changes in short term borrowings - net	7,141,004	15,371,842
Transaction cost on issuance of bonus shares	(25,199)	(1,793)
Dividend paid	(4,598,553)	(2,669,922)
<b>Net cash generated from financing activities</b>	3,418,324	18,339,419
<b>Net increase / (decrease) in cash and cash equivalents</b> (a+b+c)	1,427,383	(257,323)
<b>Cash and cash equivalents at the beginning of the year</b>	117,119	374,442
<b>Cash and cash equivalents at the end of the year</b>	1,544,502	117,119

The annexed notes 1 to 50 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 1. LEGAL STATUS AND OPERATIONS

Interloop Limited (the Company) was incorporated in Pakistan on April 25, 1992 and publicly listed on Pakistan Stock Exchange on April 5, 2019. The registered office of the Company is situated at Al-Sadiq Plaza, P-157, Railway Road, Faisalabad. The manufacturing facilities are located at 1-km, 6-km, 7-km Jaranwala Road, Khurrianwala, Faisalabad and 8-km Manga Mandi, Raiwand Road, Lahore. The Company is a vertically integrated multi-category Full Family Clothing, manufacturing Hosiery, Denim, Knitted Apparel and Seamless Active wear, for top international brands and retailers, besides producing yarns for a range of textile customers. The Company's commitment to environmental, social responsibility & governance (ESG) is deeply rooted in its mission and has gained it global recognition as a pioneer in responsible manufacturing. The Company's diverse & engaged workforce and operational excellence has established it as a Partner of Choice for its customers.

## 2. BASIS OF PREPARATION

### 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,
- 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. In these financial statements, all the transactions are recorded on actual basis except for the statement of cash flows.

### 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

There were certain amendments to accounting and reporting standards which became effective during the year. The Company has adopted the following accounting standards and the amendments and interpretation of IFRSs which became effective for the current year:

- **Amendment to IAS 16 'Property, Plant and Equipment' - Proceeds before Intended Use (effective for annual period beginning on or after January 01, 2022):**

The amendment prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. The adoption of amendment did not have any impact on the Company's financial statements.

- **Amendment to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of Fulfilling a Contract (effective for annual period beginning on or after January 01, 2022):**

The amendment specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The adoption of amendment did not have any impact on the Company's financial statements.

- **Amendments to IFRS 3, 'Business Combinations' - Reference to the Conceptual Framework (effective for the Company's annual period beginning on January 01, 2022):**

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989 with a reference to the Conceptual Framework for Financial Reporting, that was issued in March 2018, without significantly changing its requirements. In addition, the Board added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities and it clarified existing guidance in IFRS 3 for contingent assets. The adoption of amendment did not have any impact on the Company's financial statements.

- **Annual Improvements to IFRS Standards 2018–2020 Cycle. The new cycle of improvements addresses improvements to following approved accounting standards (effective for annual period beginning on or after January 01, 2022):**

- IFRS 1 First-time Adoption of International Financial Reporting Standards. This amendment simplifies the application of IFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent – i.e. if a subsidiary adopts IFRS Standards later than its parent and applies IFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to IFRS Standards. The adoption of the improvement did not have any impact on the Company's financial statements.

- IFRS 9 Financial Instruments. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The adoption of the improvement did not have any impact on the Company's financial statements.

- IAS 41 Agriculture. The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13 - Fair Value Measurement. The adoption of the improvement did not have any impact on the Company's 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

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below and have not been adopted early by the Company.

- **Amendments to IAS 1, 'Presentation of financial statements' and IFRS Practice Statement 2- Disclosure of Accounting Policies (effective for the Company's annual period beginning on January 01, 2023):**

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

– **Amendments to IAS 1, 'Presentation of financial statements' - Classification of Liabilities as Current or Non-current (effective for the Company's annual period beginning on January 01, 2023):**

The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists. Management expectations about events after the reporting date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant. The amendments clarify the situations that are considered settlement of a liability.

– **Amendments to IAS 8, 'Accounting policies, changes in accounting estimates and errors' - Definition of Accounting Estimates (effective for the Company's annual period beginning on January 01, 2023):**

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

– **IAS 12 Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations (Effective for annual periods beginning on or after 1 January 2023):**

The main change in Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) is an exemption from the initial recognition exemption provided in IAS 12. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

– **Amendments to IFRS 16, 'Leases' - Sale and leaseback transactions (Effective for annual periods beginning on or after 1 January 2024):**

Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered.

The Company expects that the adoption of the above amendments to the standards will have no material effect on the Company's financial statements, in the period of their initial application.

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 - 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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

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 5.1
- Estimated useful life of intangible assets - note 5.3
- Impairment of non-financial assets - note 5.4
- Stores and spares - note 5.5
- Stock-in-trade - note 5.6
- Estimates for expected credit loss (ECL) of financial assets i.e. trade debts and other receivables- note 5.7
- Estimation used in right of use asset and corresponding lease liability - note 5.9
- Staff retirement benefits - note 5.11
- Provisions - note 5.16
- Contingencies - note 5.17
- Estimates as to expected value or most likely amount method for determination of variable consideration of transaction price - note 5.19
- Taxation - note 5.21
- Derivative financial instruments - note 5.26
- Impairment of Financial Assets - note 5.26

#### 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 identified accumulated impairment loss, if any. Cost comprises acquisition and other directly attributable costs.

Depreciation is calculated at the rates stated in note - 6.1 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.

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 note - 6.1.

An item of operating fixed asset and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of an item of operating fixed asset is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognized in the statement of profit or loss.

##### 5.2 Capital work in progress

Capital work in progress is stated at cost less identified impairment loss, if any, 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 Intangible assets - Computer software

Intangible assets are stated at cost less accumulated amortization and identified accumulated impairment loss, if any. These are amortized using the reducing balance method at the rates given in note - 7.1. 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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

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.

## 5.3.1 Development costs

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as development cost in intangible assets. Directly attributable costs that are capitalized as part of the software include advance payments for the software. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use.

## 5.4 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than stock in trade and stores & 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.

## 5.5 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.

## 5.6 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.
Work in process and finished goods	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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 5.7 Trade debts and other receivables

Trade debts are recognized and carried at the original invoice amounts, being the fair value, less loss allowance, if any. For measurement of loss allowance for trade debts, the Company applies IFRS 9 simplified approach to measure the expected credit losses.

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

## 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 Leases

### Right of use assets

At inception, the Company assesses whether a contract is or contains a lease. This assessment involves the exercise of judgement about whether the Company obtains substantially all the economic benefits from the use of the asset and whether the Company has a right to direct the use of the asset. The Company recognizes right of use assets (RoU) at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of RoU includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Depreciation of RoU is charged to statement of profit or loss. Residual value and the useful life of an RoU are reviewed at least at each financial year-end and the impact on depreciation is adjusted in the statement of profit or loss. Depreciation on additions to RoU 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.

### Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

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

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

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.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and leases of low value items.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 5.10 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 5.11 Staff retirement benefits

The Company operates an unfunded gratuity scheme for all its employees (executives and non executives) and also a contributory provident fund for only executive employees of the Company. Executive employees of the Company can avail contributory provident fund along with 50% of their entitlement for gratuity.

### (a) Defined Benefit Plan

The Company operates an unfunded gratuity scheme for all its 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 reporting 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 also a contributory provident fund for only 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 have the option to contribute more than 7.5% but not exceeding 12.5% of his/her monthly basic pay with the written approval of the Board. The assets of the fund are held separately under the control of trustees.

## 5.12 Employees' Share Option Scheme (ESOS)

Equity settled share based payments to the employees are measured at fair value at grant date. The fair value determined at grant date of equity settled share based payments is recognized as an employee compensation expense on a straight line basis over the vesting period.

Fair value is measured using the Black-Scholes Pricing model. The expected life used in the model has been adjusted, based on the management's best estimate for the effects of exercise restrictions.

When a vested option lapses on expiry of exercise period. employee compensation expense already recognized in statement of profit and loss is transferred to unappropriated profit from employee share option compensation reserve in the statement of changes in equity.

When options are exercised, employee share option compensation reserve relating to these options is transferred to share capital and share premium. An amount equivalent to the face value of related shares is transferred to share capital. Any amount over and above the share capital is transferred to share premium.

## 5.13 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

The Company recognizes government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with grants. Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

Government grant includes any benefit earned on account of a government loan obtained at below-market rate of interest. The loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

## 5.14 Trade and other payables

Liabilities for trade and other payables are carried at their amortized cost, which approximate fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

## 5.15 Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

## 5.16 Provisions

Provisions are recognized 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 reporting 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.

## 5.17 Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

## 5.18 Foreign currency translation

Transactions in foreign currency during the period are initially recorded in the functional currency at the rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at functional currency at the rate of exchange prevailing at the reporting date. All non-monetary assets and liabilities are translated into rupees at exchange rates prevailing on the date of transaction or on date when fair values are determined. Exchange differences are charged to statement of profit or loss.

## 5.19 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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

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.

## 5.20 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.

## 5.21 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. The charge for current tax also includes adjustments, where considered necessary, and the tax assessed from assessments framed during the year for such years is over/under the provision of tax then made.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

## Deferred

Deferred tax is accounted for using the statement of financial position 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 reporting 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. However, no provision of deferred tax is made/required where the whole income of the Company arises and comes under the ambit of Final Tax Regime (FTR).

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.

## 5.22 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.

## 5.23 Dividend

Dividend is recognized as a liability in the period in which it is declared. Movement in reserves is recognized in the year in which it is approved.

Final dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognised in the period in which the dividends are declared by the Board of Directors.

## 5.24 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.

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

## 5.25 Related party transactions

All transactions with related parties are carried out at arm's length prices. Each transaction is evaluated to be characterized as an "arm's length transaction" and approximated to the arm's length criteria using one of the following methodologies:

- Market-based pricing
- Negotiated pricing
- Cost-based pricing

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 5.26 Financial Instruments:

### 5.26.1 Financial assets

A financial asset is 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 is 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.

#### A. Classification and measurement of financial assets

##### 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 statement of 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.

###### 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 statement of profit or loss and presented in other income / (other operating expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 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 statement of 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 operating 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 operating 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 Company record an allowance for a forward-looking expected credit loss (ECL) approach for all loans and other debt financial assets not held at FVPL.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

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. Derivative financial instruments

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the statement of profit or loss as incurred. They are subsequently remeasured at fair value, with all gains or losses, realized and unrealized, recognized in the statement of profit or loss.

## 5.26.2 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 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 statement of profit or loss.

## 5.26.3 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	6.1	33,588,068	29,632,448
Capital work in progress	6.2	24,959,464	4,964,375
Right of use assets	6.3	103,321	133,559
		58,650,853	34,730,382

## 6.1 Operating fixed assets

Description	2023										
	Cost				Depreciation				W.D.V		Rate %
	As On July 1, 2022	Additions	Deletions	As on June 30, 2023	As on July 1, 2022	For the year	Adjustments	As on June 30, 2023	As on June 30, 2023		
(Rupees '000)											
<b>Owned</b>											
Freehold land	2,564,800	86,915	-	2,651,715	-	-	-	-	2,651,715	-	
Buildings on freehold land	9,438,090	1,952,364	(36,181)	11,354,273	3,643,244	659,902	(4,744)	4,298,402	7,055,871	10	
Plant and machinery	27,110,144	3,164,586	(9,774)	30,264,956	10,954,965	1,785,087	(6,941)	12,733,111	17,531,845	10	
Tools and equipment	1,905,021	455,287	(2,685)	2,357,623	675,176	138,997	(644)	813,529	1,544,094	10	
Office equipment	929,337	208,830	(10,474)	1,127,693	413,284	126,378	(6,566)	533,096	594,597	20	
Electric installations	3,162,597	615,064	(9,866)	3,767,795	983,638	238,654	(6,933)	1,215,359	2,552,436	10	
Furniture and fixtures	840,674	200,348	(2,934)	1,038,088	270,308	67,113	(1,223)	336,198	701,890	10	
Vehicles	983,965	617,677	(193,262)	1,408,380	361,565	197,613	(106,418)	452,760	955,620	20	
Total	46,934,628	7,301,071	(265,176)	53,970,523	17,302,180	3,213,744	(133,469)	20,382,455	33,588,068		

Description	2022										
	Cost				Depreciation				W.D.V		Rate %
	As On July 1, 2021	Additions	Deletions	As on June 30, 2022	As on July 1, 2021	For the year	Adjustments	As on June 30, 2022	As on June 30, 2022		
(Rupees '000)											
<b>Owned</b>											
Freehold land	2,132,389	432,411	-	2,564,800	-	-	-	-	2,564,800	-	
Buildings on freehold land	7,994,854	1,443,236	-	9,438,090	3,061,490	581,754	-	3,643,244	5,794,846	10	
Plant and machinery	22,112,767	5,069,606	(72,229)	27,110,144	9,426,295	1,588,318	(59,648)	10,954,965	16,155,179	10	
Tools and equipment	1,456,513	451,611	(3,103)	1,905,021	559,954	117,324	(2,102)	675,176	1,229,845	10	
Office equipment	718,432	228,401	(17,496)	929,337	320,424	108,694	(15,834)	413,284	516,053	20	
Electric installations	2,333,598	831,002	(2,003)	3,162,597	791,479	193,575	(1,416)	983,638	2,178,959	10	
Furniture and fixtures	590,782	249,932	(40)	840,674	220,572	49,769	(33)	270,308	570,366	10	
Vehicles	800,652	296,661	(113,348)	983,965	292,612	134,839	(65,886)	361,565	622,400	20	
Total	38,139,987	9,002,860	(208,219)	46,934,628	14,672,826	2,774,273	(144,919)	17,302,180	29,632,448		

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

Description	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain / (Loss)	Mode of Disposal	Relationship of Buyer with the Company	Particulars of Buyers
(Rupees '000)								
<b>Assets having book value exceeding Rs. 500,000 each</b>								
<b>Buildings</b>								
Civil Works - Apparel Stitching Unit - II	36,109	4,737	31,372	-	(31,372)	Negotiation	Independent Third Party	JRC Apparels (Pvt) Limited, Punj Puli, Muslim Town B, Sadiq Abad, Faisalabad.
<b>Plant and Machinery</b>								
Generator - Cummins - KTA19G4	4,400	2,890	1,510	3,000	1,490	Negotiation	Associated Company	Printkraft (Pvt) Ltd
<b>Tools and equipments</b>								
Analogue Addressable Fire Alarm Control Panel System	906	77	829	-	(829)	Negotiation	Independent Third Party	JRC Apparels (Pvt) Limited, Punj Puli, Muslim Town B, Sadiq Abad, Faisalabad.
Fire Hydrant System	1,130	19	1,111	-	(1,111)	Negotiation	Independent Third Party	JRC Apparels (Pvt) Limited, Punj Puli, Muslim Town B, Sadiq Abad, Faisalabad.
<b>Sub Total</b>	<b>2,036</b>	<b>96</b>	<b>1,940</b>	<b>-</b>	<b>(1,940)</b>			
<b>Vehicles</b>								
Honda City 1300Cc Mt	1,587	1,056	531	281	(250)	Company Policy	Company Employee	Mr. Rana Naveed Ahmed
Honda City - 1300Cc	1,782	1,186	596	281	(315)	Company Policy	Company Employee	Mr. Ifkhar Ahmad
Honda City Mts 1339Cc	1,756	1,037	719	574	(145)	Company Policy	Company Employee	Mr. Qaiser Abbas Shaheen
Honda City Mt Asp 1300Cc	1,713	1,115	598	418	(180)	Company Policy	Company Employee	Mr. Zulfiqar Ali
Honda - Civic Vti Prosmatic Oriel	2,917	1,672	1,245	1,122	(123)	Company Policy	Company Employee	Mr. Tayyab Masood
Honda - City - Pt 1500Cc	1,954	1,167	787	536	(251)	Company Policy	Company Employee	Mr. Paiman Raza Piracha
Toyota Corolla Gli 1.6 A/T	940	237	703	332	(371)	Company Policy	Company Employee	Mr. Muhammad Umer Arshad
Honda - City - Mts Fl 1339Cc	1,786	1,051	735	536	(199)	Company Policy	Company Employee	Mr. Muhammad Yasir Rahman
Honda - City - I-Vtec 1339Cc Mts With Fog Light	1,786	1,052	734	536	(198)	Company Policy	Company Employee	M. Tahir Ahmad
Honda - City I-Vtec 1500Cc Prosmatec	1,991	1,155	836	536	(300)	Company Policy	Company Employee	Ms. Maira Javed
Honda - City - Mts Fl 1339Cc	1,787	1,050	737	536	(201)	Company Policy	Company Employee	Mr. Bilal Altaf
Honda - City - 1339Cc	2,619	1,312	1,307	1,350	43	Company Policy	Company Employee	Muhammad Mueen Ud Din Raza
Honda - City Pts 1339Cc	1,974	1,174	800	536	(264)	Company Policy	Company Employee	Mr. Muhammad Sajjad
Honda City Pt 1.3 Prosmatec 1339Cc	1,922	1,128	794	590	(204)	Company Policy	Company Employee	Manager Cutting & Sewing At II Denim
Corolla Altis A/T 1.6L	2,316	1,578	738	446	(292)	Company Policy	Company Employee	Mr. Ali Nimmer
Honda City Pt F/L 1339Cc	1,793	1,194	599	438	(161)	Company Policy	Company Employee	Mr. Sohail Arif
Toyota - Corolla - Gli 1.3L M/T	2,311	1,371	940	902	(38)	Company Policy	Company Employee	Mr. M Rizwan Mohsin
Toyota Fortuner A/T 4X4 Diesel	7,383	4,265	3,118	1,187	(1,931)	Company Policy	Company Employee	Mr. Yaqub Ahsan
Toyota Corolla Gli A/T	2,344	1,409	935	830	(105)	Company Policy	Company Employee	Mr. Muhammad Rizwan
Honda Civic 1800Cc	2,926	1,736	1,190	1,042	(148)	Company Policy	Company Employee	Mr. Naseer Ahmad
Honda Civic 1800Cc	2,926	1,736	1,190	1,042	(148)	Company Policy	Company Employee	Mr. Shahid Hameed
Suzuki - Ciaz - Gl Automatic	2,266	1,290	976	880	(96)	Company Policy	Company Employee	Mr. S.M. Hasnain Abbas
Toyota - Corolla - Altis Cvt Grande 1.8	3,029	1,797	1,232	1,083	(149)	Company Policy	Company Employee	Mr. Muhammad Shahzad
Honda City Pt 1500Cc	1,855	1,228	627	344	(283)	Company Policy	Company Employee	Mr. Naeem Ud Din
Suzuki Cultus Vxr	1,444	845	599	564	(35)	Company Policy	Company Employee	Mr. Rashid Ali Khan
Suzuki - Cultus - Vxl	1,567	904	663	564	(99)	Company Policy	Company Employee	Mr. Adnan Aziz
Suzuki - Cultus - Vxl	1,566	904	662	564	(98)	Company Policy	Company Employee	Ms. Sadaf Zaheer
Honda City	1,629	1,078	551	313	(238)	Company Policy	Company Employee	Mr. Muhammad Usman Hameed
Toyota Corolla Gli 1.3 A/T	2,093	1,372	721	737	16	Company Policy	Company Employee	Mr. Khurshid Hassan Tiwana
Suzuki - Cultus - Vxl	1,566	904	662	564	(98)	Company Policy	Company Employee	Mr. Arslan Maqbool
Suzuki - Cultus - Vxl	1,566	904	662	564	(98)	Company Policy	Company Employee	Mr. Yasir Waheed
Suzuki - Cultus - Vxl	1,566	904	662	564	(98)	Company Policy	Company Employee	Mr. Yasir Sajjad
Honda Civic Vti Nav Ls	2,717	1,782	935	493	(442)	Company Policy	Company Employee	Mr. Kamran Akhtar
Honda City 1.3, 1339Cc	1,912	1,105	807	564	(243)	Company Policy	Company Employee	Mr. Muhammad Atif Saleem
Toyota Corolla Xli	2,100	1,416	684	446	(238)	Company Policy	Company Employee	Mr. Amjad Islam
Suzuki - Cultus - Vxl	1,566	917	649	564	(85)	Company Policy	Company Employee	Mr. Tahir Yaqoob Alvi
Toyota - Corolla - Gli 1.3L M/T	2,309	1,334	975	830	(145)	Company Policy	Company Employee	Raza Mohi Ud Din
Suzuki Cultus Vxl	1,566	905	661	564	(97)	Company Policy	Company Employee	Mr. Naeem Tahir
Honda City Pts Nav F/L 1339Cc	1,847	1,223	624	351	(273)	Company Policy	Company Employee	Ms. Afshan Shuja Dar
Honda City Mt F/L 1339Cc	1,650	1,083	567	318	(249)	Company Policy	Company Employee	Mr. Muhammad Arshad
Honda City Mts 1339Cc	1,905	1,101	804	564	(240)	Company Policy	Company Employee	Mr. M. Sohail
Suzuki Cultus Vxl	1,566	905	661	564	(97)	Company Policy	Company Employee	Mr. Muhammad Jamshaid Aslam
Suzuki Cultus Vxr	1,474	841	633	576	(57)	Company Policy	Company Employee	Mr. Ihtesham Hussain
Suzuki - Cultus Vxl	1,586	917	669	576	(93)	Company Policy	Company Employee	Mr. Muhammad Tariq

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

Description	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain / (Loss)	Mode of Disposal	Relationship of Buyer with the Company	Particulars of Buyers
(Rupees '000)								
Suzuki Swift	1,593	921	672	622	(50)	Company Policy	Company Employee	Mr. Numan Khalid
Honda City 1339Cc	1,629	1,099	530	344	(186)	Company Policy	Company Employee	Mr. Mian Muhammad Khalid Amin
Honda City Mts With Navigation & Fog Lights	1,963	1,150	813	564	(249)	Company Policy	Company Employee	Mr. Muhammad Abbas
Toyota Corolla Altis A/T 1.6L	2,692	1,577	1,115	622	(493)	Company Policy	Company Employee	Mr. Khakan Haider
Toyota Corolla Xli M/T 1299Cc Efi	2,125	1,245	880	830	(50)	Company Policy	Company Employee	Mr. Zubair Masood
Suzuki Cultus Vxr	1,474	853	621	576	(45)	Company Policy	Company Employee	Mr. Zeeshan Ahmad
Toyota Corolla Gli 1.3 M/T	2,383	1,414	969	830	(139)	Company Policy	Company Employee	Mr. Zahid Hussain
Honda City Mts	1,906	1,117	789	622	(167)	Company Policy	Company Employee	Mr. M Arif
Toyota Corolla Xli	2,267	1,280	987	856	(131)	Company Policy	Company Employee	Mr. Zaheer Ahmad
Suzuki Cultus Avk310	1,674	994	680	564	(116)	Company Policy	Company Employee	Ms. Sabra Kanwal
Suzuki Cultus Vxl 998 Cc	1,566	930	636	564	(72)	Company Policy	Company Employee	Mr. Atta-Ur-Rehman
Suzuki Cultus Vxr	1,444	847	597	564	(33)	Company Policy	Company Employee	Mr. Aamir Rauf
Suzuki Cultus Vxr	1,444	857	587	564	(23)	Company Policy	Company Employee	Mr. Muhammad Naeem
Honda City Mts	1,906	1,104	802	622	(180)	Company Policy	Company Employee	Mr. Waheed Ahmad
Suzuki - Cultus	1,474	877	597	576	(21)	Company Policy	Company Employee	Ms. Shabana Ashraf
Honda - City Mts	1,971	1,172	799	622	(177)	Company Policy	Company Employee	Mr. Ghazanfar Ali
Suzuki Swift Dlx	1,768	1,014	754	634	(120)	Company Policy	Company Employee	Mr. Saad J. Durran
Honda City Mts F/L 1339Cc	1,752	1,174	578	318	(260)	Company Policy	Company Employee	Mr. Muhammad Amjad
Honda City Mts With Fog Lights	1,911	1,137	774	622	(152)	Company Policy	Company Employee	Mr. Abbas Ali
Honda City Mt 1500Cc	1,966	1,185	781	622	(159)	Company Policy	Company Employee	Mr. Masroor Ul Mujeeb Kashif
Toyota Corolla Altis Grande	3,424	2,062	1,362	830	(532)	Company Policy	Company Employee	Mr. Javed Iqbal
Toyota Corolla Altis	2,692	1,604	1,088	932	(156)	Company Policy	Company Employee	Mr. Muhammad Naseer Ud Din
Honda City - I-Vtec (Cvt)	3,029	761	2,268	2,300	32	Company Policy	Company Employee	Mr. Tariq Mansoor
Honda - Civic 1800Cc	3,590	2,135	1,455	1,283	(172)	Company Policy	Company Employee	Mr. Yaser Riaz
Suzuki - Swift Dlx M/T Navi 1328Cc	1,515	890	625	590	(35)	Company Policy	Company Employee	Mr. Faisal Ashraf
Suzuki Cultus Vxr	1,474	805	669	700	31	Company Policy	Company Employee	Ms. Uzma,
Kia Picanto M/T	1,808	430	1,378	1,390	12	Negotiation	Independent	Mr. Sheraz, Saeed Autos, House No. P-231, Street No. 1, Muhammad Pura, Faisalabad.
Toyota Yaris	2,921	285	2,636	2,640	4	Negotiation	Independent	Mr. Sheraz, Saeed Autos, House No. P-231, Street No. 1, Muhammad Pura, Faisalabad.
Suzuki Cultus Vxr 998 Cc	2,295	226	2,069	2,070	1	Negotiation	Independent	Mr. Sheraz, Saeed Autos, House No. P-231, Street No. 1, Muhammad Pura, Faisalabad.
Honda City	3,609	541	3,068	3,025	(43)	Negotiation	Independent	Mr. Sheraz, Saeed Autos, House No. P-231, Street No. 1, Muhammad Pura, Faisalabad.
Honda - Civic Vti Prosmatic Oriel	4,003	734	3,269	3,350	81	Negotiation	Independent	Mr. Sheraz, Saeed Autos, House No. P-231, Street No. 1, Muhammad Pura, Faisalabad.
Suzuki Cultus Vxr	2,802	327	2,475	2,475	-	Negotiation	Independent	Mr. Sheraz, Saeed Autos, House No. P-231, Street No. 1, Muhammad Pura, Faisalabad.
Honda City 1.2 Cvt 199 Cc	3,338	389	2,949	3,000	51	Negotiation	Independent	Mr. Sheraz, Saeed Autos, House No. P-231, Street No. 1, Muhammad Pura, Faisalabad.
Suzuki - Cultus Vxr	1,765	415	1,350	1,350	-	Negotiation	Independent	Mr. Tanveer Ahmad, Chak # 77 RB, Lookan Kalan, Third Party Tehsil Jaranwala, Distt. Faisalabad.
Suzuki Cultus Vxr	1,875	450	1,425	1,425	-	Negotiation	Independent	Mr. Tanveer Ahmad, Chak # 77 RB, Lookan Kalan, Third Party Tehsil Jaranwala, Distt. Faisalabad.
Toyota Yaris Gli Mt 1.3L	2,709	743	1,966	2,000	34	Negotiation	Independent	M/s Kay & Emms (Pvt) Ltd, 117/JB, Millat Road, Third Party Dhanola, Faisalabad.
<b>Sub Total</b>	<b>170,615</b>	<b>89,084</b>	<b>81,531</b>	<b>68,700</b>	<b>(12,831)</b>			
<b>Other assets having book value below Rs. 500,000 each</b>								
	52,016	36,662	15,354	10,864	(4,490)			
<b>Total - 2023</b>	<b>265,176</b>	<b>133,469</b>	<b>131,707</b>	<b>82,564</b>	<b>(49,143)</b>			
<b>Total - 2022</b>	<b>208,219</b>	<b>144,919</b>	<b>63,300</b>	<b>43,179</b>	<b>(20,121)</b>			

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>6.1.2 Depreciation expense for the year has been allocated as under;</b>			
Cost of sales	31	2,786,041	2,425,903
Administrative expenses	33	427,703	348,370
		3,213,744	2,774,273
<b>6.2 Capital work in progress</b>			
Civil works	6.2.1	7,790,908	1,450,282
Plant and machinery	6.2.1	11,365,158	851,990
Capital stores	6.2.2	1,330,125	436,760
Advances to suppliers		4,473,273	2,225,343
		24,959,464	4,964,375

**6.2.1** Civil works and plant and machinery includes borrowing cost capitalized during the year, calculated at the rate of 1.75% to 23.23% per annum (2022: 4.50% to 15.17% per annum).

	2023 (Rupees '000)	2022 (Rupees '000)
Civil works	435,394	–
Plant and machinery	842,117	24,205
	1,277,511	24,205

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

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>6.3 Right of use assets</b>			
<b>Buildings</b>			
<b>Cost:</b>			
Opening Balance		258,082	257,775
Additions during the year		66,439	31,333
Disposal during the year		–	(31,026)
Closing balance		324,521	258,082
<b>Accumulated depreciation:</b>			
Opening balance		124,523	75,596
Depreciation for the year	6.3.1	96,677	63,923
Adjustment on disposal		–	(14,996)
Closing balance		221,200	124,523
Net book value		103,321	133,559
<b>6.3.1 Depreciation on right of use assets has been allocated as under;</b>			
Cost of sales	31	70,635	63,923
Administrative expenses	33	26,042	–
		96,677	63,923

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 6.4 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.	3 Acres 13 Marlas
	Chak # 108 RB. 1 - KM, Jaranwala Road, Khurrianwala, Faisalabad.	9 Marlas
Interloop Industrial Park - (Plant 2, Plant 4 & Spinning unit)	Chak # 103 RB, 7 - KM, Jaranwala Road, Khurrianwala, Faisalabad.	140 Acres 4 Kanals 2 Marlas 5 Sarsai
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
Apparel Industrial Park - (Plant 5 & Apparel unit)	Chak # 106 RB, 6 - KM, By Pass Road, Khurrianwala, Faisalabad.	247 Acres 4 Kanals 8 Sarsai
Land	Chak # 200 RB, Near Toll Plaza Gatwala, Lathianwala, Faisalabad.	2 Acres 13 Marlas 5 Sarsai
	Chak # 33/10-R, Tehsil & District Khanewal.	13 Acres 7 Kanals 3 Marlas 5 Sarsai

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>7. INTANGIBLE ASSETS</b>			
Computer software	7.1	361,555	218,057
Development cost - in progress		33,063	9,400
		394,618	227,457
<b>7.1 Computer Software</b>			
<b>Cost:</b>			
Opening balance		357,124	301,060
Addition during the year		205,701	56,064
		562,825	357,124
<b>Amortization:</b>			
Opening balance		139,065	91,435
For the year amortization	7.2	62,205	47,630
		201,270	139,065
Net book value		361,555	218,059
<b>Amortization rate</b>		20%	20%
<b>7.2 Amortization on intangible assets has been allocated as under;</b>			
Cost of sales	31	666	832
Administrative expenses	33	61,539	46,798
		62,205	47,630

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>8. LONG TERM LOANS</b>			
<b>Considered good - Secured</b>			
Loans to employees	8.1	144,205	171,357
Loan to director	8.2	3,653	8,269
		147,858	179,626
<b>8.1 Loans to employees</b>			
Opening balance		305,630	242,729
Add: disbursement made during the year		1,550,906	1,278,407
		1,856,536	1,521,136
Less: amount received during the year		(1,514,489)	(1,215,506)
		342,047	305,630
Less: receivable within twelve months	13	(197,842)	(134,273)
		144,205	171,357

**8.1.1** These represent loans given to executives and other employees as per the Company's policy for house building and general purposes. The loan balances except for housing finance are interest free. The loans are recoverable in equal monthly installments from respective employees based on the tenor of the loan. The loans are secured against the employees' respective retirement benefits. These loans have not been carried at amortized cost as the effect of discounting is not considered material.

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>8.2 Loan to director</b>			
Opening balance		12,885	17,501
Less: amount received during the year		(4,616)	(4,616)
		8,269	12,885
Less: receivable within twelve months	13	(4,616)	(4,616)
		3,653	8,269

**8.2.1** This represents loan paid to executive director of the Company as per house building finance policy of the Company. Under the first policy, home ownership grant is Rs. 2.5 million and mortgage assistance is Rs. 23.25 million. Tenure of the home ownership grant and mortgage assistance is for a period of six years. Mortgage assistance is repayable in 60 equal monthly installments along with markup thereon.

**8.2.2** The maximum aggregate amount of loan to director at the end of any month during the year was Rs. 12.50 million (2022: Rs. 17.12 million).

		2023 (Rupees '000)	2022 (Rupees '000)
<b>9. LONG TERM DEPOSITS</b>			
<b>Considered good:</b>			
Security deposits - unsecured		81,701	86,955
<b>10. STORES AND SPARES</b>			
Stores		932,770	677,644
Spares		1,558,205	1,188,773
		2,490,975	1,866,417

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>11. STOCK IN TRADE</b>			
Raw materials		10,610,676	14,941,539
Work in process		3,124,698	2,592,821
Finished goods		5,993,436	5,607,688
		19,728,810	23,142,048
<b>12. TRADE DEBTS</b>			
<b>Considered good:</b>			
<b>Foreign</b>			
- Secured	12.1	14,503,120	12,289,640
- Unsecured		18,332,668	15,206,965
		32,835,788	27,496,605
<b>Local</b>			
- Unsecured	12.1	1,302,877	1,107,360
		34,138,665	28,603,965
<b>12.1</b>	It includes receivables from following related parties;		
<b>Foreign</b>			
Texlan Center (Pvt) Limited		476,478	756,854
Eurosox Plus BV		165,489	142,509
<b>Local</b>			
Socks & Socks (Pvt) Limited		161,972	194,931
		803,939	1,094,294

**12.2** The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 1,555.361 million (2022: Rs. 1,094.294 million).

**12.3** At June 30, 2023, trade debts due from related parties aggregating to Rs. 156.874 million (2022: Rs. 171.024 million) were past due but not impaired. The aging analysis of these trade debts is as follows:

	2023 (Rupees '000)	2022 (Rupees '000)
Not yet due	647,065	923,270
Upto 1 month	14,264	57,629
More than 1 month	142,610	113,395
	803,939	1,094,294

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>13. LOANS AND ADVANCES</b>			
<b>Considered good:</b>			
<b>Loans - secured</b>			
Current portion of loans to employees	8.1	197,842	134,273
Current portion of loan to director Metis International (Pvt) Limited	8.2	4,616	4,616
		-	8,272
<b>Advances - unsecured</b>			
Advances to suppliers	13.1	1,883,376	1,457,576
Advances to employees	13.2	26,921	28,825
		2,112,755	1,633,562
<b>13.1</b>	It includes advances to following related parties; Socks & Socks (Pvt) Limited	37,111	13,740

**13.1.1** The maximum aggregate amount of receivable due from related party at the end of any month during the year was Rs. 37.111 million (2022: Rs. 13.740 million). The aging analysis of this advances payment is as follows:

	2023 (Rupees '000)	2022 (Rupees '000)
Less than 3 months	37,111	13,740

**13.2** Advances to employees are given to meet business expenses and are settled as and when expenses are incurred.

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>14. DEPOSIT, PREPAYMENT AND OTHER RECEIVABLES</b>			
<b>Deposit</b>			
LC margin		406,625	656,978
<b>Prepayment</b>			
Insurance premium		29,675	25,737
Prepaid expenses		69,838	2,423
<b>Other receivables - considered good</b>			
Subsidy on gas	14.1	155,321	304,442
Others		10,415	8,911
		671,874	998,491

**14.1** This represents the subsidy receivable against sui gas consumption from Government of Pakistan (GoP) amounting to Rs. 86.53 million (2022: Rs. 197.22 million) and Sui Northern Gas Pipelines Limited (SNGPL) amounting to Rs. 68.79 million (2022: Rs. 107.22 million). The GoP has fixed weighted average gas tariff of US \$9 per million British Thermal Unit (MMBtu) to zero-rated industry and announced subsidy to the units bearing higher rate than fixed one, whereas SNGPL allowed 50% system gas adjustment capped at initial contractual load.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>15. ACCRUED INCOME</b>			
Interest on loan to Metis International (Pvt) Limited		-	3,441
Profit on term finance certificates (TFCs)		1,623	1,129
		1,623	4,570
<b>16. REFUNDS DUE FROM GOVERNMENT AND STATUTORY AUTHORITIES</b>			
DDT		1,183,158	1,139,194
Sales tax refundable		3,159,151	2,604,262
Income tax refundable		416,505	481,482
		4,758,814	4,224,938
<b>17. SHORT TERM INVESTMENTS</b>			
<b>Term Finance Certificates (TFCs) - Amortized cost:</b>			
Habib Bank Limited	17.1	500,000	500,000

**17.1** This represents investment as fully paid-up, rated, privately placed, perpetual, unsecured, subordinated, noncumulative, contingent convertible, additional Tire 1, capital eligible 5,000 term finance certificates (TFCs) of Habib Bank Limited having face value of Rs. 100,000/- each aggregating to Rs. 500 million (2022: Rs. 500 million). TFCs carry profit at the rate of 3 months KIBOR + 1.60% per annum payable quarterly in arrears.

	2023 (Rupees '000)	2022 (Rupees '000)
<b>18. CASH AND BANK BALANCES</b>		
Cash in hand	15,577	24,324
Cash at banks		
In current accounts	60,973	34,814
In foreign currency accounts	1,467,952	57,981
	1,528,925	92,795
	1,544,502	117,119

	2023 (Number of shares in '000)	2022 (Number of shares in '000)	2023 (Rupees '000)	2022 (Rupees '000)
<b>19. AUTHORIZED SHARE CAPITAL</b>				
1,500,000	1,500,000	Ordinary shares of Rs. 10 each	15,000,000	15,000,000

	2023 (Number of shares in '000)	2022 (Number of shares in '000)	2023 (Rupees '000)	2022 (Rupees '000)
<b>20. ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>				
132,166	132,166	Ordinary shares of Rs. 10 each fully paid in cash	1,321,663	1,321,663
1,269,281	766,197	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	12,692,806	7,661,972
1,401,447	898,363		14,014,469	8,983,635

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Ordinary shares of Rs. 10 each	
	Fully paid in cash	Fully paid bonus shares
	Number of shares in '000	
<b>20.1 Movement in issued, subscribed and paid up capital</b>		
Opening balance	132,166	766,197
Issued during the year	–	503,084
Closing balance	132,166	1,269,281

## 20.1.1 The Company has issued bonus shares as followings;

- 4% bonus shares (i.e. 4 shares for every 100 shares held on the entitlement date) are issued on 18th October, 2022 out of the share premium account.
- 50% bonus shares (i.e. 50 shares for every 100 shares held on the entitlement date) are issued on 16th June, 2023 out of the unappropriated profit of the Company.

**20.2** All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends from time to time and are entitled to one vote per share at the general meetings of the Company.

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>21. RESERVES</b>			
<b>Capital reserves</b>			
Share premium	21.1	3,143,605	3,528,149
Employee share option compensation reserve	21.2	6,968	–
		3,150,573	3,528,149

**21.1** 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.

## 21.2 Employees Share Option Scheme (Esos)

The Company had introduced "Interloop Limited Employees Stock Option Scheme, 2016 ("the Scheme") to offer Company shares to its eligible employees, pursuant to the Public Companies (Employees Stock Option Scheme) Rules, 2001 (repealed), transforming them from stakeholders to shareholders. The Scheme is flexible, voluntary, and focused on long term growth and prosperity of the employees. These shares under ESOS rank pari passu in all respects with the existing ordinary shares of the Company.

The Scheme had originally been approved by the members in the general meeting held on December 31, 2015 and by SECP through its letter no. SMD/CIW/ESOS/01/2016 dated September 01, 2016. Upon listing on the Pakistan Stock Exchange (PSX) during the year 2019, certain amendments to the Scheme with the context of listed companies regulations, had been approved by the shareholders of the Company in its annual general meeting held on October 15, 2020 and by SECP through its letter no. SMD/CIW/ESOS/01/2016/184 dated February 25, 2021.

On November 15, 2022, the Company has made a grant of 8.085 millions stock options (less than 1% of the paid up capital of the Company at that time) to its eligible employees at an exercise price of Rs. 63.80 per share after the Scheme has been revamped. These options will have a vesting period of one year and an exercise period of six months from the date the options are vested as laid down in the Scheme. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at an exercise

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

price determined on the date of grant of options. Option price shall be payable by the employee on the exercise of options in full or part. These options will lapse after completion of six months from the date options are vested if not exercised and do not carry the right to vote or dividend. Management expects 35% of the options will be exercised after completion of minimum vesting period subject to lucrative repricing of option price by the Company.

The Company recognized Rs. 6.97 million as share option compensation reserve based on the fair value of options granted. Fair value of options granted calculated based on Black Scholes model was Rs. 3.94 per option. The following assumptions have been used in calculating the fair value of the options:

- Share price	58.62
- Exercise price	63.80
- Expected volatility	15%
- Expected life of share options	1 Year
- Risk free interest rate	10%

The volatility has been measured as the standard deviation of quoted share prices over the last year from respective grant date.

## 22. LONG TERM FINANCING

	Pricing	Tenor	Repayment	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>From financial institutions - secured</b>						
<b>Islamic banking:</b>						
Islamic long term finance facility - ILTF	SBP ILTF rate + 0.75% per annum	10 years including 2 years grace period	32 quarterly payments		3,139,758	3,448,273
Islamic temporary economic refinance facility - ITERF	SBP ITERF rate + 0.95% per annum	10 years including 2 years grace period	32 quarterly payments		45,061	44,500
Islamic finance renewable energy - IFRE	SBP rate + 0.75% per annum	6 years including 1 year grace period	20 quarterly payments		173,431	222,983
Diminishing musharika	3 months KIBOR + 0.05% to 0.15% per annum	6 to 10 years including 1 to 2 years grace period	20 to 32 quarterly payments		6,109,031	3,944,980
Diminishing musharika vehicles	3 months KIBOR + 0.50% per annum	5 years	60 monthly payments		20,949	24,453
<b>Conventional banking:</b>						
Long term financing facility - LTFF	SBP LTFF rate + 0.50% to 0.75% per annum	10 years including 2 years grace period	32 quarterly payments		3,177,154	2,389,730
Demand finance loan	3 months KIBOR + 0.05% per annum	10 years including 2 years grace period	32 quarterly payments		1,758,828	2,746,211
Temporary economic refinance facility - TERF	SBP TERF rate + 0.75% to 1.25% per annum	10 years including 2 years grace period	32 quarterly payments		2,709,488	2,701,924
SBP renewable energy	SBP rate + 0.75% per annum	12 years including 2 years grace period	40 quarterly payments		154,382	154,382
Refinance for salaries	SBP rate + 0.90% to 1% per annum	2.5 years including 6 months grace period	08 quarterly payments		–	548,667
					17,288,082	16,226,103
Less: Current portion of long term financing				28	(1,939,181)	(1,829,987)
					15,348,901	14,396,116

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

**22.1** The Company has obtained long term finance facilities from various banks for balancing, modernization and expansion of existing projects and establishment of Hosiery Division - V, Apparel Division and Fabric Dye House as well as renewable energy projects. These are secured against 1st Joint Pari Passu (JPP) charge of Rs. 30,860 million, 1st specific charge of Rs. 6,660 million, mortgage charge of Rs. 2,667 million, hypothecation charge of Rs. 534 million and ranking charge of Rs. 2,541 million over all present and future fixed assets of the Company (land, building and plant & machinery).

The Government of Pakistan has introduced Islamic Temporary Economic Refinance Facility (ITERF) and Temporary Economic Refinance Facility (TERF) for setting of new industrial units and for undertaking Balancing, Modernization and Replacement and /or expansion of projects / businesses. The Company has availed this facility from various banks at concessional rate of markup. The loan under these facilities was initially recognized at fair value in accordance with IFRS 9 - Financial instruments using an effective interest rate at respective drawdown dates. The difference between the fair value of the loan and loan proceeds has been recognized as deferred income as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance) and as per Circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan.

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>23. LEASE LIABILITIES</b>			
Opening balance		166,659	220,044
Additions during the year		65,734	31,333
Accretion of interest		16,158	19,645
Payments during the year		(119,616)	(83,416)
Termination during the year		-	(20,947)
		128,935	166,659
Less: Current portion shown under current liabilities	28	(71,924)	(72,686)
		57,011	93,973

**23.1** These represents lease contracts for Company manufacturing facility, warehouses, and employees hostel and have estimated lease terms between 3 to 5 years. These are discounted using incremental borrowing rate of the Company.

**23.2** The future minimum lease payments to which the Company is committed under the agreements will be due as follows:

	Not later than one year	Later than one year and not later than three years	More than three years
	Rupees in '000		
<b>At 30 June 2023</b>			
Future minimum lease payments	79,501	59,909	-
Less: Un-amortized finance charges	(7,577)	(2,898)	-
Present value of future minimum lease payments	71,924	57,011	-
<b>At 30 June 2022</b>			
Future minimum lease payments	85,428	89,968	12,741
Less: Un-amortized finance charges	(12,742)	(8,310)	(426)
Present value of future minimum lease payments	72,686	81,658	12,315

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>24. DEFERRED LIABILITIES</b>			
Staff retirement gratuity	24.1	7,876,298	4,890,568
Deferred income - Government grant	24.2	122,906	158,086
		7,999,204	5,048,654

## 24.1 Staff retirement gratuity

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, 2023 using the Projected Unit Credit (PUC) Actuarial Cost Method. Details of the defined benefit plan are as follows:

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>24.1.1 Movement in the present value of defined benefit obligation</b>			
Opening balance		4,890,568	3,810,946
Expenses recognized in the statement of profit or loss	24.1.2	1,649,159	1,154,135
Remeasurement of plan obligation chargeable to other comprehensive income	24.1.4	1,687,858	263,121
Balance transferred (to) / from associated companies		(264)	387
Balance transferred to Interloop Welfare Trust		-	(668)
Paid during the year		(351,023)	(337,353)
Closing balance		7,876,298	4,890,568
<b>24.1.2 Expenses recognized in the statement of profit or loss</b>			
Current service cost		1,012,626	780,803
Interest cost		636,533	373,332
		1,649,159	1,154,135
<b>24.1.3 Amounts charged in the statement of profit or loss are as follows:</b>			
Cost of sales	31	1,423,493	978,277
Distribution cost	32	34,056	28,977
Administrative expenses	33	191,610	146,881
		1,649,159	1,154,135
<b>24.1.4 Total remeasurement chargeable to other comprehensive income</b>			
Remeasurement of plan obligation:			
Actuarial losses from changes in financial assumptions		468,058	(369,544)
Experience adjustments		1,219,800	632,665
		1,687,858	263,121

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023	2022
<b>24.1.5 Principal actuarial assumptions used</b>		
Discount rate used for profit and loss charge	13.50%	10.25%
Discount rate for year end obligation	15.75%	13.50%
Salary increase used for year end obligation		
Salary increase for FY 2023	N/A	10.00%
Salary increase for FY 2024	15.50%	10.00%
Salary increase for FY 2025	15.50%	10.00%
Salary increase for FY 2026	15.50%	13.25%
Salary increase for FY 2027	15.50%	13.25%
Salary increase for FY 2028	15.50%	13.25%
Salary increase for FY 2029 onward	15.50%	13.25%
Demographic assumption		
Mortality rates (for deaths in service)	SLIC 2001-2005 Setback 1 year	SLIC 2001-2005 Setback 1 year
Retirement assumption	60 years	60 years

**24.1.6** The expected contribution to defined benefit obligation for the year ending June 30, 2024 will be Rs. 2,604.479 million.

**24.1.7** Experience adjustment includes change in actuarial assumptions as well as the impact determined by calculating the difference of Present Value of Defined Benefits Obligations based on benefit formula for workers (i.e. 30/26 x salary x service). Present Value of defined Benefits Obligations has been determined using demographic and financial assumptions by applying Projected United Credit Method (PUC Method) as required by IAS19 on the basis of actuarial assumptions.

#### 24.1.8 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.

	2023 (Rupees '000)	2022 (Rupees '000)
Discount rate + 100 bps	(7,100,625)	(4,396,926)
Discount rate - 100 bps	8,797,476	5,479,193
Salary change + 100 bps	8,808,754	5,490,180
Salary change - 100 bps	(7,076,936)	(4,378,654)

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 statement of financial position.

#### 24.1.9 Maturity profile

The average duration of defined benefit obligation for the year ended 2023 is 11 years (2022: 11 years).

The expected benefit payment for the upcoming years is as follows;

	2023 (Rupees '000)	2022 (Rupees '000)
Between 1 to 3 years	2,459,792	1,568,477
Between 3 to 5 years	2,176,570	1,333,916
Beyond 5 years	710,138,004	289,949,645
	714,774,366	292,852,038

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>24.2 Deferred income - Government grant</b>			
Opening balance		199,383	50,198
Government grant recognized		-	228,504
For the year amortization		(41,291)	(79,319)
		158,092	199,383
Current portion of deferred income	28	(35,186)	(41,297)
Closing balance		122,906	158,086

**24.2.1** There are no unfulfilled conditions or other contingencies attaching to these grants.

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>25. TRADE AND OTHER PAYABLES</b>			
Creditors	25.1	3,345,455	2,519,808
Accrued liabilities	25.2	5,504,218	4,833,842
Contract liabilities - advances from customers	25.3	96,365	133,489
Other payables		508,027	320,620
Employees provident fund trust	25.4	6,840	5,510
Withholding tax payable		493,891	91,914
Workers' profit participation fund	25.5	1,150,769	721,751
Workers' welfare fund		898,343	457,856
		12,003,908	9,084,790
<b>25.1</b> It includes payable to following related parties;			
Interloop Holdings (Pvt) Limited		14,169	25,457
Octans Digital (Pvt) Limited		5,244	3,098
PrintKraft (Pvt) Limited		27,895	28,723
Momentum Logistics (Pvt) Limited		83,687	70,528
		130,995	127,806

**25.2** It includes an amount of Rs. 895.967 million (2022: Rs. 551.642 million) relating to infrastructure cess payable.

**25.2.1** Honourable Sindh High Court in its decision dated September 17, 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. The Company filed constitutional petition bearing No. 1809 of 2011 before Honourable High Court Sindh. 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 the 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. On 4th June 2021, Honorable Sindh High Court passed an order whereby it upheld the contention of Sindh Government and suspend its own order for 90 days. The Company has filed writ petition CPLA NO. 4611 against the said order before the Supreme Court of Pakistan.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

The Honourable Supreme Court of Pakistan granted an interim relief on September 01, 2021 against the impugned Judgment of the Sindh High Court. The Honourable Apex Court directed that till further orders, operation of the impugned Judgment of the High Court of Sindh dated June 04, 2021 and recovery of the impugned levy shall remain suspended. The petitioner shall keep the bank guarantee already submitted, pursuant to the order of the Sindh High Court, valid, operative and enforceable and shall furnish fresh bank guarantees equivalent to the amount of levy claimed by the respondents against release of all future import consignments. However, in the light of the order of the Supreme Court of Pakistan, the Company has issued bank guarantees equivalent to the amount of the levy and no payment is being made subsequent to the order date of the Court.

The full amount of Infrastructure cess forms component of cost of imported items and provision recorded in books. Bank guarantees furnished regarding imposition of infrastructure cess have been disclosed in note - 29.1 to these financial statements.

**25.2.2** 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 May 16, 2016 and PRA order No.PRA/Orders.08/2015 dated May 23, 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 July 28, 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. The case is pending litigation before Honorable Lahore High Court, Lahore, the same has been adjourned without any next date.

**25.3** The contract liabilities primarily relate to the advance consideration received from customers for sale of goods, for which revenue is recognized at point in time when goods are transferred. Out of Rs. 133.489 million recognized in contract liabilities as on June 30, 2022, all the amount has been adjusted and recognized as revenue during the year.

**25.4** The investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated in Employees Contributory Funds (Investment in Listed Securities) Regulations, 2018.

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>25.5 Workers' profit participation fund</b>			
Opening balance		721,751	365,241
Interest on funds utilized in the Company's business	36	26,689	15,747
Expense allocation for the year	34	1,150,770	721,746
		1,899,210	1,102,734
Paid during the year		(748,441)	(380,983)
Closing balance		1,150,769	721,751
<b>26. ACCRUED MARK UP</b>			
Mark up on:			
Long term financing		798,072	186,447
Short term borrowings		1,031,941	516,242
		1,830,013	702,689

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023 (Rupees '000)	2022 (Rupees '000)
<b>27. SHORT TERM BORROWINGS</b>		
<b>From banking companies - Secured</b>		
Under mark up arrangements		
<b>Islamic banking:</b>		
IERS - II	4,930,000	2,230,000
Islamic export finance scheme (IEFS)	2,000,000	999,998
Running musharika	6,803,003	10,325,671
<b>Conventional banking:</b>		
ERF - II	20,702,960	18,220,000
Export finance scheme (EFS)	6,518,318	-
FAPC - own source	-	2,600,000
Running finance	1,194,631	632,239
	42,148,912	35,007,908

**27.1** These are secured against 1st Joint Pari Passu (JPP) charge of Rs. 83,995 million (2022: Rs. 66,665.33 million) and ranking charge of nil (2022: Rs. 2,666.67 million) over all present and future current assets of the Company. Further to that, these are also secured by 2nd JPP ranking charge of nil (2022: Rs. 6,000 million) over all present and future plant and machinery of the Company in favor of all the lending banks. The total limits available to the Company for short term borrowings from all the banks are amounting to Rs. 62,996 million (2022: Rs. 51,996 million).

#### Mark up is charged as;

ERF - II / IERS - II	SBP Rate + 0.25% to 1% per annum (2022: SBP Rate + 0.25% to 0.30% per annum)
FAPC - own source	1 to 3 month Kibor + 0.05% to 0.10% per annum (2022: 1 to 3 month Kibor + 0.05% to 0.10% per annum)
EFS / IEFS	SBP refinance rate for EFS
Running finance/musharika	1 to 3 month Kibor + 0.05% to 0.75% per annum (2022: 1 to 3 month Kibor + 0.05% to 0.25% per annum)

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>28. CURRENT PORTION OF NON CURRENT LIABILITIES</b>			
Long term financing	22	1,939,181	1,829,987
Lease liabilities	23	71,924	72,686
Deferred income - Government grant	24.2	35,186	41,297
		2,046,291	1,943,970

## 29. CONTINGENCIES AND COMMITMENTS

### 29.1 Contingencies

**29.1.1** The Punjab Revenue Authority has created a demand of an amount of Rs. 29.931 million in respect of an alleged default on withholding of provincial sales tax on account of various transport services received by the Company during the period from March 01, 2015 to May 31, 2016 along with default surcharge and penalty under Punjab Sales Tax on Services Act, 2012, rejecting the exemption claim of the taxpayer company. The Company being aggrieved, filed an appeal before Commissioner (Appeals) Punjab Revenue Authority (PRA) which is pending adjudication at the terminal date.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

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

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>29.1.2</b>	Bank guarantees issued by various banks on behalf of the company in favour of:		
	Sui Northern Gas Pipelines limited (SNGPL) against supply of gas	806,221	720,657
	The Director, Excise and Taxation, Karachi against imposition of infrastructure cess	792,353	542,353
	Faisalabad Electric Supply Company (FESCO) against supply of electricity	143,245	143,245
	Punjab Revenue Authority against imposition of infrastructure cess	11,533	11,533
	State Bank of Pakistan	110,112	110,112
	Total Parco Pakistan Ltd	6,000	4,000
		1,869,464	1,531,900
<b>29.1.3</b>	Post dated cheques issued in favour of custom authorities for release of imported goods.	7,008,593	6,794,202
<b>29.2</b>	<b>Commitments</b>		
	<b>Under letters of credit for:</b>		
	Capital expenditure	2,053,832	12,239,092
	Raw materials	3,793,848	5,947,551
	Stores and spares	349,329	470,201
		6,197,009	18,656,844
<b>30.</b>	<b>SALES - NET</b>		
	Export sales	112,942,064	84,230,046
	Local sales	7,776,228	8,114,857
		120,718,292	92,344,903
	Less:		
	Sales discount	(377,444)	(283,818)
	Sales tax	(1,140,555)	(1,167,036)
		(1,517,999)	(1,450,854)
		119,200,293	90,894,049

**30.1** It includes exchange gain amounting to Rs. 8,409.697 million (2022: Rs. 5,291.138 million).

**30.2** Revenue is disaggregated based on geographical locations of our customers. The same is disclosed in note - 44.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>31.</b>	<b>COST OF SALES</b>		
	Raw material consumed	48,461,949	42,334,871
	Stores and spares consumed	2,317,762	2,043,050
	Knitting, processing and packing charges	1,445,253	2,066,880
	Salaries, wages and benefits	16,541,929	13,585,864
	Staff retirement gratuity	1,423,493	978,277
	Fuel and power	6,088,391	4,019,997
	Repairs and maintenance	671,504	542,866
	Insurance	109,195	77,190
	Depreciation	2,786,041	2,425,903
	Depreciation on right of use assets	70,635	63,923
	Amortization	666	832
	Rent, rate and taxes	110,707	36,940
	Other manufacturing costs	218,021	208,412
		80,245,546	68,385,005
	Work in process		
	Opening balance	2,592,821	1,368,804
	Closing balance	(3,124,698)	(2,592,821)
		(531,877)	(1,224,017)
	Cost of goods manufactured	79,713,669	67,160,988
	Finished goods		
	Opening balance	5,607,688	3,239,645
	Closing balance	(5,993,436)	(5,607,688)
		(385,748)	(2,368,043)
		79,327,921	64,792,945
	DDT	-	34,935
		79,327,921	64,827,880
<b>31.1</b>	<b>Raw material consumed</b>		
	Opening balance	14,941,539	6,667,859
	Purchases	44,131,086	50,608,551
		59,072,625	57,276,410
	Closing balance	(10,610,676)	(14,941,539)
		48,461,949	42,334,871
<b>31.2</b>	<b>Stores and spares consumed</b>		
	Opening balance	1,866,417	1,199,116
	Purchases	2,942,320	2,710,351
		4,808,737	3,909,467
	Closing balance	(2,490,975)	(1,866,417)
		2,317,762	2,043,050

**31.3** Salaries, wages and benefits include Rs. 14.208 million (2022: Rs. 10.469 million) in respect of the provident fund contribution.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>32. DISTRIBUTION COST</b>			
Staff salaries and benefits	32.1	615,340	514,075
Staff retirement gratuity	24.1.3	34,056	28,977
Sea and air freight		288,454	549,321
Shipping expenses		1,353,067	915,850
Selling commission		1,124,247	1,024,412
Export development surcharge		290,817	203,477
Marketing and advertisement		246,583	145,919
		<b>3,952,564</b>	<b>3,382,031</b>

**32.1** Staff salaries and benefits include Rs. 2.096 million (2022: Rs. 1.655 million) in respect of the provident fund contribution.

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>33. ADMINISTRATIVE EXPENSES</b>			
Staff salaries and benefits	33.1 & 33.2	3,819,198	2,804,516
Directors' remuneration		96,927	105,484
Staff retirement gratuity	24.1.3	191,610	146,881
Postage and communication		49,200	138,164
Electricity, gas and water		49,622	23,288
Rent, rates and taxes		331,994	219,068
Printing and stationery		173,231	155,789
Travelling and conveyance		187,857	109,576
Vehicles running and maintenance		64,570	43,531
Legal and professional charges		330,607	168,091
Repairs and maintenance		48,411	41,907
Auditors' remuneration	33.3	7,304	5,377
Insurance		28,168	24,278
Entertainment		167,518	137,000
Advertisement		2,418	6,357
Newspapers and periodicals		754	466
Depreciation	6.1.2	427,703	348,370
Depreciation on right of use assets	6.3.1	26,042	-
Amortization	7.2	61,539	46,798
Others		180,697	156,531
		<b>6,245,370</b>	<b>4,681,472</b>

**33.1** Staff salaries and benefits include Rs. 13.673 million (2022: Rs. 10.693 million) in respect of the provident fund contribution.

**33.2** Staff salaries and benefits include Rs. 6.968 million in respect of employees' share option compensation expense.

		2023 (Rupees '000)	2022 (Rupees '000)
<b>33.3 Auditors' remuneration</b>			
Annual audit fee		5,775	4,263
Other certification		79	79
Half yearly review		1,050	735
Out of pocket expenses		400	300
		<b>7,304</b>	<b>5,377</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>34. OTHER OPERATING EXPENSES</b>			
Exchange loss - net		-	20,943
Loss on disposal of non current assets	34.1	49,143	15,204
Balances written off		14,995	-
Realized loss on derivative financial instruments		274,060	527,775
Unrealized loss on derivative financial instruments		-	94,154
Charity and donations	34.2	791,829	489,600
Workers' profit participation fund	25.5	1,150,770	721,746
Workers' welfare fund		440,487	273,948
		<b>2,721,284</b>	<b>2,143,370</b>

### 34.1 Loss on disposal of non current assets

Loss on disposal of operating fixed assets	49,143	20,121
Gain on disposal of right of use assets	-	(4,917)
	<b>49,143</b>	<b>15,204</b>

### 34.2 Charity and donations include the following:

Names of donees' in which a director or his spouse has an interest:

Name of Donee	Interest in Donee	Name of Director / Spouse	2023 (Rupees '000)	2022 (Rupees '000)
Interloop Welfare Trust	Trustees	Mr. Navid Fazil	356,227	253,160
		Mr. Musadaq Zulqarnain		
		Mrs. Shereen Aftab		
		Mr. Jahanzeb Khan Banth		
Lyalpur Literary Council	Trustees	Mr. Muhammad Maqsood	3,500	1,600
		Mr. Musadaq Zulqarnain		
		Mrs. Nazia Navid		
			<b>359,727</b>	<b>254,760</b>

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>35. OTHER INCOME</b>			
<b>Income from financial assets</b>			
Interest on loan to Metis International (Pvt) Ltd		-	1,489
Exchange gain - net		41,197	-
Unrealized gain on derivative financial instruments		21,672	-
Profit on term finance certificates (TFCs)		95,030	55,441
<b>Income from non-financial assets</b>			
Scrap sales		338	192
		<b>158,237</b>	<b>57,122</b>

### 36. FINANCE COST

Mark up on:			
Short term borrowings		3,894,317	1,493,908
Long term financing - net		1,199,465	649,627
Interest on workers' profit participation fund	25.5	26,689	15,747
Interest on lease liabilities		16,158	19,645
Bank charges and commission		390,907	314,023
		<b>5,527,536</b>	<b>2,492,950</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>37. TAXATION</b>			
Current year	37.1	1,576,024	1,066,115
Prior year		(164,015)	(2,143)
		1,412,009	1,063,972

**37.1** The relationship between tax expense and accounting profit has not been presented in these financial statements as almost all income of the Company falls under the ambit of presumptive tax regime.

**37.2** Provision for deferred tax is not required as the Company is chargeable to tax under sections 154 and 169 of the Income Tax Ordinance, 2001 and no temporary differences are expected to arise in the foreseeable future.

	2023	Restated 2022
<b>38. EARNINGS PER SHARE - BASIC AND DILUTED</b>		
<b>38.1 Earnings per share - Basic</b>		
Profit for the year (Rupees in '000)	20,171,845	12,359,496
Weighted average number of ordinary shares outstanding during the year (Numbers in '000)	1,401,447	898,363
Add: Bonus shares issued after the reporting period (Numbers in '000)	–	503,084
	1,401,447	1,401,447
Earnings per share - basic (Rupees)	14.39	8.82

**38.1.1** During the year, the Company has issued bonus shares. In accordance of the requirement of IAS 33 'Earnings per share' the number of ordinary shares outstanding last year has been adjusted as if the event had occurred at the beginning of the year. Therefore, earnings per share has been restated accordingly.

### 38.2 Earnings per share - Diluted

There is no dilutive effect on the basic earnings per share of the Company, after taking 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 lower than the respective exercise price of options granted during the year.

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

	Balance as on July 01, 2022	Non Cash Changes	Cash Flows	Balance as on June 30, 2023
	Rupees in '000			
Issued, subscribed and paid up capital	8,983,635	5,030,834	–	14,014,469
Capital reserve - share premium	3,528,149	(359,345)	(25,199)	3,143,605
Long term financing	16,226,103	41,291	1,020,688	17,288,082
Lease liabilities	166,659	81,892	(119,616)	128,935
Short term borrowings	35,007,908	–	7,141,004	42,148,912
Unclaimed dividend	3,006	4,599,621	(4,598,553)	4,074
	63,915,460	9,394,293	3,418,324	76,728,077

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Balance as on July 01, 2021	Non Cash Changes	Cash Flows	Balance as on June 30, 2022
	Rupees in '000			
Issued, subscribed and paid up capital	8,721,975	261,660	–	8,983,635
Capital reserve - share premium	3,791,602	(261,660)	(1,793)	3,528,149
Long term financing	10,652,580	(149,185)	5,722,708	16,226,103
Lease liabilities	220,044	30,031	(83,416)	166,659
Short term borrowings	19,636,066	–	15,371,842	35,007,908
Unclaimed dividend	4,004	2,668,924	(2,669,922)	3,006
	43,026,271	2,549,770	18,339,419	63,915,460

	2023	2022
<b>40. NUMBER OF EMPLOYEES</b>		
Average number of employees during the year	31,794	29,524
Number of employees at end of the year	30,774	31,986

	Note	2023 (Rupees '000)	2022 (Rupees '000)
<b>41. SHARIAH SCREENING DISCLOSURE</b>			
<b>Loans/advances as per Islamic mode</b>			
Loans	22, 24.2 & 27	23,221,346	21,244,048
<b>Shariah compliant bank deposits/bank balances</b>			
Bank balances		241,711	9,952
<b>Revenue earned from a shariah compliant business</b>		119,200,293	90,894,049
<b>Mark up on Islamic mode of financing</b>		(2,357,214)	(765,877)
<b>Profits or interest on any conventional loan or advance</b>			
Interest on loan to Metis International (Pvt) Ltd		–	1,489
Profit on term finance certificates (TFCs)		95,030	55,441
Interest on workers' profit participation fund		(26,689)	(15,747)
Interest on lease liabilities		(16,158)	(19,645)
Interest on other conventional loans		(2,736,568)	(1,377,658)

### Relationship with shariah compliant banks

#### Name of institutions

#### Relationship with institutions

MCB Islamic Bank	Bank Balance, long term financing and short term borrowing
Allied Bank Limited (Islamic Banking)	Bank balance and long term financing
Meezan Bank Limited	Bank Balance, long term financing and short term borrowing
Bank Alfalah Limited (Islamic)	Bank balance
Bank of Punjab (Taqwa Islamic Banking)	Bank balance
Habib Bank Limited (Islamic Banking)	Bank Balance, long term financing and short term borrowing
Faysal Bank Limited	Bank Balance, long term financing and short term borrowing
United Bank Limited - Ameen	Bank Balance and short term borrowing

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 42. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2023		
	Chief Executive	Directors	Executives
	Rupees in '000		
Managerial remuneration	40,050	41,157	1,879,130
Directorship fee	–	15,410	–
Reimbursable expenses	–	–	386,708
Staff retirement gratuity	–	–	81,619
Contribution to provident fund	–	–	19,916
Other allowances	–	310	243,390
	40,050	56,877	2,610,763
Number of persons	1	6	442

	2022		
	Chief Executive	Directors	Executives
	Rupees in '000		
Managerial remuneration	39,000	41,004	1,335,172
Directorship fee	–	14,200	–
Reimbursable expenses	–	–	158,589
Bonus	3,500	3,640	88,187
Staff retirement gratuity	–	–	52,552
Contribution to provident fund	–	–	13,275
Other allowances	–	4,140	122,631
	42,500	62,984	1,770,406
Number of persons	1	6	301

The chief executive officer, executive director and some executives are provided with company maintained cars.

## 43. 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 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	2023	2022
		(Rupees '000)	(Rupees '000)
<b>Interloop Holdings (Pvt) Limited</b>	Services received	217,136	174,340
	Purchase of assets - net	9,847	1,323
<b>Texlan Center (Pvt) Limited</b>	Sale of yarn	2,339,816	2,387,903
	Sale of packing material	90,597	87,929
<b>Momentum Logistics (Pvt) Limited</b>	Services received	593,331	524,916
<b>PrintKraft (Pvt) Limited</b>	Purchase of packing material	520,246	314,940
	Sale of asset	4,130	–
<b>Eurosox Plus BV</b>	Sale of socks	858,108	491,986

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

Name	Nature of transaction	2023	2022
		(Rupees '000)	(Rupees '000)
<b>Octans Digital (Pvt) Limited</b>	Services received	31,549	15,770
	Purchase / (sales) of assets - net	–	159
<b>Socks &amp; Socks (Pvt) Limited</b>	Rent expenses	–	2,135
	Processing services	–	12,047
	Sale of goods - net	124,252	428,443
<b>Interloop Provident Fund Trust</b>	Contribution to the fund	80,703	62,658
<b>Key management personnel and other related parties</b>	Sale of assets	3,446	1,182
	Repayment of housing finance loan	4,616	4,616
	Mark up on house building finance loan	188	288
	Rent expenses	1,556	1,415
	Dividend paid	3,912,939	2,419,412

43.1 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place.

Company Name	Basis of Relationship	Common Directorship / Percentage of shareholding	Address and Country of Incorporation
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.
Texlan Center (Pvt) Limited	Associate	Common Directors	Dagonna Road, Minuwangoda, Sri Lanka.
Momentum Logistics (Pvt) Limited	Associate	Common Directors	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.
Shifa Medical Center Islamabad (Pvt) Limited	Associate	Common Directors	Shifa, International Hospitals, Sector H-8/4 Islamabad, Pakistan.
IRC Dairy products (Pvt) Limited	Associate	Common Directors	Al-Sadiq Plaza, P-157, Railway Road, Faisalabad, Pakistan.
Global Veneer Trading Limited	Associate	Common Directors	Bahnhofsteasse22, 6300 Zug, Switzerland.
Eurosox Plus BV	Associate	Subsidiary of Associate	Constructieweg 1, 7451 PS Holten, Netherlands.
Interloop Welfare Trust	Trustee	Common Directors	Al-Sadiq Plaza, P-157, Railway Road, Faisalabad, Pakistan.
Interloop Provident Fund Trust	Trustee	Post Employment Benefit Plan	Al-Sadiq Plaza, P-157, Railway Road, Faisalabad, Pakistan.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

Company Name	Basis of Relationship	Common Directorship / Percentage of shareholding	Address and Country of Incorporation
Octans Digital (Pvt) Limited	Associate	Subsidiary of Associate	Al-Sadiq Plaza, P-157, Railway Road, Faisalabad, Pakistan.
Shifa National Hospital Faisalabad (Pvt) Limited	Associate	Common Directors	Shifa, International Hospitals, Sector H-8/4 Islamabad, Pakistan.
Lyallpur Literary Council	Associate	Common Directors	Al-Sadiq Plaza, P-157, Railway Road, Faisalabad, Pakistan.
Socks & Socks (Pvt) Limited	Associate	Subsidiary of Associate	7- KM Khurrianwala-Jaranwala Road, Khurrianwala-Faisalabad, Pakistan.
Interloop Asset Management Limited	Associate	Common Directors	Plot No. 29, Street No. 40, G-10/4, Islamabad, Pakistan.

## 44. 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 :

- Hosiery**  
This segment relates to the sale of socks.
- Spinning**  
This segment relates to the sale of yarn and its in-house use.
- Denim**  
This segment relates to the sale of denim products and garments.
- Active wear**  
This segment relates to the sale of active wears.
- Apparel**  
This segment relates to the sale of fashion apparels.
- Other operating segments**  
These represent various segments of the Company which currently do not meet the minimum reporting threshold mentioned in International financial reporting standards 'Operating Segments' (IFRS 8). These mainly include domestic sales, yarn dyeing and active wear.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Hosiery		Spinning		Denim		Active wear		Apparel		Other Segments		Elimination of Intersegment Transactions		Total Company	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Sales</b>																
External sales	89,387,698	69,584,985	7,949,083	6,317,797	12,650,763	5,922,393	7,671,73	6,887,701	5,871,473	1,557,877	2,569,462	1,199,284	1,199,284	1,199,284	1,199,284	90,894,049
Intersegment sales	227,203	293,044	8,516,303	8,003,777	18,251	2,074	1,664	7,896	5,721	8,131,209	4,393,300	(16,902,526)	(12,698,196)	(12,698,196)	(12,698,196)	-
<b>Cost of sales</b>	89,614,901	69,878,029	16,465,386	14,321,574	12,669,014	5,924,467	7,688,836	6,895,397	5,877,194	9,689,085	6,962,762	(16,902,526)	(12,698,196)	(12,698,196)	(12,698,196)	90,894,049
<b>Gross profit/(loss)</b>	(53,226,571)	(47,652,059)	(15,599,713)	(10,409,825)	(10,992,135)	(6,638,182)	(999,340)	(6,540,888)	(5,191,624)	(8,812,600)	(6,580,248)	16,902,526	12,698,196	12,698,196	(79,327,921)	(64,827,880)
Distribution cost	34,348,330	22,225,970	865,673	3,911,749	1,676,879	(913,715)	(230,504)	335,509	685,570	876,485	382,513	-	-	-	39,872,372	26,046,169
Administrative expenses	(2,929,377)	(2,457,935)	(93,512)	(42,573)	(570,999)	(421,605)	(42,999)	(277,207)	(309,689)	(39,870)	(92,005)	-	-	-	(3,962,544)	(3,382,031)
<b>Profit/(loss) before taxation and unallocated income and expenses</b>	(4,991,701)	(3,647,621)	(115,680)	(83,534)	(607,658)	(541,577)	(36,788)	(456,552)	(354,702)	(36,991)	(21,624)	-	-	-	(6,245,370)	(4,681,472)
Other operating expenses	(7,921,078)	(6,105,556)	(209,192)	(1,26,107)	(1,177,957)	(963,182)	(79,087)	(733,759)	(664,391)	(76,861)	(113,629)	-	-	-	(10,197,934)	(8,063,503)
Other income	28,427,252	16,120,414	656,481	3,785,642	498,922	(1,876,897)	(309,591)	(398,250)	21,179	799,624	268,884	-	-	-	29,674,438	18,002,666
Finance cost																(2,143,370)
Taxation																57,122
<b>Profit after taxation</b>																(5,527,536)
<b>Depreciation and amortization</b>																(2,492,950)
<b>Reconciliation of reportable segment assets and liabilities</b>																(1,063,972)
	1,812,857	1,528,161	208,968	198,615	564,556	600,490	94,000	336,074	244,138	356,171	222,465	-	-	-	20,171,846	12,359,496
																3,372,626
																2,885,826
<b>Assets</b>	59,587,351	53,775,615	8,161,674	10,199,831	11,484,774	11,172,079	1,475,153	29,557,793	10,375,097	8,107,934	4,620,107	6,890,119	4,818,934	4,818,934	125,244,720	96,315,530
<b>Liabilities</b>	32,026,395	26,591,248	754,830	872,770	1,486,894	1,328,625	154,511	1,700,797	1,248,391	1,335,958	496,683	43,978,929	35,710,397	35,710,397	81,438,314	66,375,260
<b>Segment Capital Expenditures</b>	4,392,466	6,524,261	30,854	338,545	170,109	188,421	48,935	19,551,142	3,182,934	3,332,723	1,063,252	-	-	-	27,526,229	11,489,011
<b>Geographical Information</b>																
<b>44.3.1 The Company's revenue from external customers by geographical locations is detailed below:</b>																
Australia																444,108
Asia																11,708,565
Europe																44,414,349
United States																55,997,598
Pakistan																6,635,673
																119,200,293
																90,894,049

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

44.4 The Company earns its revenue from a large mix of customers.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	UOM	2023 Figures in '000	2022
<b>45. PLANT CAPACITY AND ACTUAL PRODUCTION</b>			
<b>Hosiery</b>			
Installed capacity - knitting	[DZN]	66,342	66,303
Actual production - knitting	[DZN]	50,067	55,702
<b>Spinning</b>			
Installed capacity after conversion into 20/s	[LBS]	31,637	29,949
Actual production after conversion into 20/s	[LBS]	25,756	26,214
<b>Yarn Dyeing</b>			
Installed capacity	[KGs]	6,337	5,074
Actual production	[KGs]	4,480	4,468
<b>Denim</b>			
Installed capacity	[Pieces]	6,000	6,000
Actual production	[Pieces]	4,233	4,620

## Active Wear and Apparel

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

### 45.1 Reason for shortfall

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

## 46. 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 settle 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

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.

2023						
Carrying Amount			Fair Value			
Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
(Rupees '000)						
<b>On balance sheet financial instruments</b>						
<b>Financial assets measured at fair value</b>						
<b>Derivative financial instruments</b>						
21,672	-	21,672	-	21,672	-	21,672
Financial assets not measured at fair value						
-	147,858	147,858	-	-	-	-
-	81,701	81,701	-	-	-	-
-	34,138,665	34,138,665	-	-	-	-
-	202,458	202,458	-	-	-	-
-	165,798	165,798	-	-	-	-
-	1,561	1,561	-	-	-	-
-	500,000	500,000	-	-	-	-
-	1,544,502	1,544,502	-	-	-	-
21,672	36,782,543	36,804,215	-	21,672	-	21,672
<b>Financial liabilities measured at fair value</b>						
<b>Financial liabilities not measured at fair value</b>						
-	17,288,082	17,288,082	-	-	-	-
-	128,935	128,935	-	-	-	-
-	9,364,540	9,364,540	-	-	-	-
-	4,074	4,074	-	-	-	-
-	1,830,013	1,830,013	-	-	-	-
-	42,148,912	42,148,912	-	-	-	-
-	70,764,556	70,764,556	-	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2022						
	Carrying Amount			Fair Value			
	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees '000)						
<b>On balance sheet financial instruments</b>							
<b>Financial assets measured at fair value</b>	-	-	-	-	-	-	-
<b>Financial assets not measured at fair value</b>							
Long term loans	-	179,626	179,626	-	-	-	-
Long term deposits	-	86,955	86,955	-	-	-	-
Trade debts	-	28,603,965	28,603,965	-	-	-	-
Loans and advances	-	147,161	147,161	-	-	-	-
Other receivables	-	313,353	313,353	-	-	-	-
Accrued income	-	4,570	4,570	-	-	-	-
Short term investments	-	500,000	500,000	-	-	-	-
Cash and bank balances	-	117,119	117,119	-	-	-	-
	-	29,952,749	29,952,749	-	-	-	-
<b>Financial liabilities measured at fair value</b>							
Derivative financial instruments	94,154	-	94,154	-	94,154	-	94,154
<b>Financial liabilities not measured at fair value</b>							
Long term financing	-	16,226,103	16,226,103	-	-	-	-
Lease liabilities	-	166,659	166,659	-	-	-	-
Trade and other payables	-	7,679,780	7,679,780	-	-	-	-
Unclaimed dividend	-	3,006	3,006	-	-	-	-
Accrued mark up	-	702,689	702,689	-	-	-	-
Short term borrowings	-	35,007,908	35,007,908	-	-	-	-
	94,154	59,786,145	59,880,299	-	94,154	-	94,154

## 47. 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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 47.1 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. The sensitivity analysis in the following sections relate to the position as at June 30, 2023 and 2022.

### 47.1.1 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 finance certificates, long term and short term loans, lease liabilities, short term borrowings and long term financing.

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

	2023 (Rupees '000)	2022 (Rupees '000)
<b>Fixed rate instruments</b>		
Loan to Metis International (Pvt) Limited - Secured	-	8,272
Long term financing - Secured	9,399,274	9,510,459
Lease liabilities against right of use assets	128,935	166,659
Short term borrowings - Secured	34,151,278	21,449,998
<b>Variable rate instruments</b>		
Short term investments	500,000	500,000
Loan to director - Secured	5,769	10,385
Long term financing from financial institutions - Secured	7,888,808	6,715,644
Short term borrowings from financial institutions - Secured	7,997,634	13,557,910

### 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

The following analysis demonstrates the sensitivity to a change in interest rates of 1%, with all other variables held constant, of the Company's profit before tax. The analysis is prepared assuming the amounts of floating rate instruments outstanding at reporting date were outstanding for the whole year.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023 (Rupees '000)	2022 (Rupees '000)
Effect on profit and (loss) of an increase in interest rate for short term investments	4,655	4,655
Effect on profit and (loss) of an increase in interest rate for loan to director	54	97
Effect on profit and (loss) of an increase in interest rate for long term financing	(73,445)	(62,523)
Effect on profit and (loss) of an increase in interest rate for short term borrowings	(74,458)	(126,224)
	(143,194)	(183,995)

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.

#### 47.1.2 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:

Particulars	Currency	2023		2022	
		F.Currency	Rupees (Amount '000)	F.Currency	Rupees
Foreign currency bank accounts	US \$	5,120.84	1,467,937	282.10	57,971
	EUR €	0.05	15	0.05	10
			1,467,952		57,981
Trade debts	US \$	114,570.09	32,835,788	133,759.75	27,487,630
	GBP £	-	-	36.00	8,975
			32,835,788		27,496,605
Loans and advances	US \$	-	-	40.52	8,272
			34,303,740		27,562,858
Less: Payables - Creditors	US \$	(479.89)	(137,776)	(1,057.73)	(217,893)
	EUR €	(308.51)	(96,957)	(193.33)	(41,710)
	GBP £	(29.69)	(10,849)	-	-
	CHF	-	-	(0.42)	(90)
			(245,581)		(259,693)
<b>On Balance sheet Exposure</b>			34,058,159		27,303,164
Under letter of credit	US \$	13,049.81	3,743,337	56,410.69	11,620,602
	EUR €	2,931.25	920,398	24,494.41	5,284,669
	GBP £	291.12	106,283	32.50	8,122
	JPY ¥	-	-	322,513.76	486,448
	CHF	53.86	17,267	19.07	4,118
	CNY	-	-	50.70	1,568
<b>Off Balance Sheet Exposure</b>			4,787,285		17,405,527

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

The following significant exchange rates have been applied as at reporting date:

Foreign Currency	2023		2022	
	Selling (Rupees)	Buying	Selling (Rupees)	Buying
US \$	287.10	286.60	206.00	205.50
EUR €	314.27	313.72	215.75	215.23
GBP £	365.40	364.77	249.92	249.31
CNY	39.98	39.91	30.93	30.85
JPY ¥	2.00	2.00	1.51	1.50
CHF	320.90	320.34	215.96	215.43

#### 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 2023 and 2022 by the following amounts:

	2023 (Rupees '000)	2022 (Rupees '000)
<b>Foreign Currency</b>		
US \$	3,180,850	2,544,980
EUR €	(9,025)	(3,882)
GBP £	(1,010)	836
CHF	-	(8)
	3,170,815	2,541,925

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.

#### 47.1.3 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 not exposed to any significant other price risk.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

## 47.2 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 :

	2023 (Rupees '000)	2022 (Rupees '000)
Long term loans	147,858	179,626
Long term deposits	81,701	86,955
Trade debts	34,138,665	28,603,965
Loans and advances	202,458	147,161
Other receivables	165,736	313,353
Accrued income	1,623	4,570
Short term investments	500,000	500,000
Bank balances	1,528,925	92,795
	<b>36,766,966</b>	<b>29,928,425</b>

Loans and advances consist of loans to employees and director. Loans to employees and director are secured against their retirement benefits. Therefore, the Company is not exposed to any significant credit risk on these loans and advances.

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, the Company's exposure to credit risk is not significant.

Trade debts amounting to Rs. 14,503 million (2022: Rs. 12,290 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 subsidy on gas and receivable from custom authorities. Considering the financial position of and credit quality of the institution, the Company's exposure to credit risk is not significant.

The Company has no material expected credit loss or impairment allowance at the year end regarding trade debts and other receivables.

Short term investments are investments in TFCs. The credit risk on these investments and their accrued profit is limited because counter party is bank with reasonably high credit ratings.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

Name of Bank	Date	Long term	Short term	Outlook	Agency
Allied Bank Limited	23-Jun-23	AAA	A1+	Stable	PACRA
Askari Bank Limited	23-Jun-23	AA+	A1+	Stable	PACRA
Bank Alfalah Limited	24-Jun-23	AA+	A1+	Stable	PACRA
Dubai Islamic Bank Pakistan Limited	26-Jun-23	AA	A-1+	Stable	JCR-VIS
Faysal Bank Limited	23-Jun-23	AA	A1+	Stable	PACRA
Habib Bank Limited	27-Jun-23	AAA	A-1+	Stable	JCR-VIS
Habib Metropolitan Bank Limited	23-Jun-23	AA+	A1+	Stable	PACRA
MCB Bank Limited	23-Jun-23	AAA	A1+	Stable	PACRA
MCB Islamic Bank Limited	23-Jun-23	A	A1	Stable	PACRA
Meezan Bank Limited	27-Jun-23	AAA	A-1+	Stable	JCR-VIS
National Bank of Pakistan	23-Jun-23	AAA	A1+	Stable	PACRA
Standard Chartered Bank (Pakistan) Limited	23-Jun-23	AAA	A1+	Stable	PACRA
The Bank of Punjab	26-Jun-23	AA+	A1+	Stable	PACRA
United Bank Limited	27-Jun-23	AAA	A-1+	Stable	JCR-VIS

Due to the 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.

## 47.3 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, 2023 the Company has Rs. 20,847 million (2022: Rs. 28,973 million) unutilized borrowing limits available from financial institutions and Rs. 1,544.502 million (2022: Rs. 117.119 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, 2023 and 2022:

	2023				
	Carrying amount	Contractual cash flows	Within 1 Year	More than 1 Year and up to 5 years	More than 5 Years
	Rupees in '000				
<b>Financial Liabilities :</b>					
Long term financing	17,288,082	24,772,160	3,725,244	13,422,690	7,624,226
Lease liabilities	128,935	139,410	79,501	59,909	—
Trade and other payables	9,364,540	9,364,540	9,364,540	—	—
Unclaimed dividend	4,074	4,074	4,074	—	—
Accrued mark up	1,830,013	1,830,013	1,830,013	—	—
Short term borrowings	42,148,912	42,148,912	42,148,912	—	—
	<b>70,764,556</b>	<b>78,259,109</b>	<b>57,152,284</b>	<b>13,482,599</b>	<b>7,624,226</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2022				
	Carrying amount	Contractual cash flows	Within 1 Year	More than 1 Year and up to 5 years	More than 5 Years
	Rupees in '000				
<b>Financial Liabilities :</b>					
Long term financing	16,226,103	21,490,100	2,856,088	13,235,516	5,398,496
Lease liabilities	166,659	188,137	85,428	102,709	–
Trade and other payables	7,679,780	7,679,780	7,679,780	–	–
Unclaimed dividend	3,006	3,006	3,006	–	–
Accrued mark up	702,689	702,689	702,689	–	–
Short term borrowings	35,007,908	35,007,908	35,007,908	–	–
	59,786,145	65,071,620	46,334,899	13,338,225	5,398,496

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 22, 23 and 27 to these financial statements.

#### 47.4 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.

	2023 (Rupees '000)	2022 (Rupees '000)
Long term financing	17,288,082	16,226,103
Short term borrowings	42,148,912	35,007,908
Debts	59,436,994	51,234,011
Equity	43,806,406	29,940,270
Total capital (equity + debt)	103,243,400	81,174,281
Gearing ratio (percentage)	57.57	63.12

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

#### 48. EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in their meeting held on September 07, 2023 have proposed a final cash dividend of Rs. 2 per share (2022: Rs. 2 per share), amounting to Rs. 2,802.89 million (2022: Rs. 1,796.73 million), for approval of the members at the Annual General Meeting of the Company.

#### 49. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on September 07, 2023 by the Board of Directors of the Company.

#### 50. GENERAL

##### 50.1 Corresponding figures

Corresponding figures have been rearranged and reclassified wherever necessary for the purpose of better presentation. However, during the year no major reclassification is made in the corresponding figures.

##### 50.2 Following nomenclature has been changed during the year

Previous year nomenclature	Current year nomenclature
Tax refunds due from Government	Refunds due from Government and statutory authorities

##### 50.3 Rounding

Figures have been rounded off to the nearest thousand of rupees.

Chief Executive Officer

Director

Chief Financial Officer

# 7

## Shareholders' Information



# NOTICE OF 31<sup>ST</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 31<sup>st</sup> Annual General Meeting (AGM) of Interloop Limited (the "Company") will be held on Friday, October 13, 2023 at 10:00 a.m. at the Interloop Executive Club, Interloop Industrial Park located at 7-KM Khurrianwala - Jaranwala Road, Khurrianwala, Faisalabad, to transact the following businesses:

## ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting (AGM) of the Company held on October 18, 2022.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2023, together with the Auditors' and Directors' Report thereon and Chairman's Review Report.
3. To approve Final Cash Dividend @ 20% i.e. Rs. 2 per Share, for the year ended June 30, 2023, as recommended by the Board of Directors.
4. To appoint Auditors and fix their remuneration for the financial year 2023-24. The members are hereby given notice that Audit Committee and the Board of Directors have recommended the name of retiring auditors, M/s Kreston Hyder Bhimji & Company, Chartered Accountants for re-appointment as an Auditors of the Company.
5. To elect Nine (9) Directors of the Company as fixed by the Board of Directors, in accordance with Section 159(1) of the Companies Act, 2017 for a term of three (3) year commencing from October 22, 2023. Names of the retiring directors who are eligible for re-election are given below:
  - 1) Mr. Musadaq Zulqarnain
  - 2) Mr. Navid Fazil
  - 3) Mr. Jahan Zeb Khan Banth
  - 4) Mr. Muhammad Maqsood
  - 5) Mrs. Shereen Aftab
  - 6) Mr. Saeed Ahmad Jabal
  - 7) Mr. Tariq Iqbal Khan

(Attached to this Notice is the Statement under Section 166(3) of the Companies Act, 2017, pertaining to the election of Directors.)

6. To ratify the Interim Bonus Shares which were already issued and credited for the year ended June 30, 2023, in the proportion of 50 shares for every 100 shares held i.e. 50% and fractional entitlements of the members consolidated into whole shares and sold in the stock market and the sale proceeds of which had been donated to a charitable institution, as permissible under the law.

**RESOLVED THAT** the Interim Bonus Shares, in the proportion of fifty (50) ordinary shares for every hundred (100) ordinary shares held, i.e. fifty percent (50%), already issued and credited into CDS, for the year ended June 30, 2023, and fractional entitlements of the members, consolidated into whole shares and sold in the stock market, the sale proceeds of which had been donated to a charitable institution, as permissible under the law and as approved by the Board of Directors, in their meeting held on June 09, 2023, be and are hereby ratified and confirmed.

## SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modification(s), special resolution in terms of Section 85 of the Companies Act, 2017, to authorize the Company to increase the Authorized Share Capital of Interloop Limited, and to make the necessary amendments to the Memorandum of Association of the Company, subject to the other requisite approvals, if any:

**RESOLVED THAT** the Authorized Share Capital of the Company, be and is hereby increased from Rs. 15,000,000,000 (Rupees Fifteen Billion only) divided into 1,500,000,000 (One Billion Five Hundred Million) ordinary shares of Rs. 10

(Rupees Ten) each to Rs. 50,000,000,000 (Rupees Fifty Billion only) divided into 5,000,000,000 (Five Billion) ordinary shares of Rs. 10 (Rupees Ten) each, ranking pari passu in every respect with the existing ordinary shares of the Company.

**FURTHER RESOLVED THAT** in consequence of the said increase in the Authorized Share Capital of the Company, the existing Clause V of the Memorandum of Association (MOA) of the Company, be and is hereby replaced accordingly, subject to any modifications as may be required by the Securities and Exchange Commission of Pakistan and the fulfilment of all formalities / procedures required under the applicable laws, by revising the following Clause V, to read as follows;

### Clause V of the Memorandum of Association:

"The Authorized Capital of the Company is Rs. 50,000,000,000/- (Rupees Fifty Billion only) divided into 5,000,000,000 (Five Billion) Ordinary Shares of Rs.10/- (Rupees Ten) each, with attached thereto respectively such preferential, deferred, qualified or special rights, privileges and conditions as provided in the Articles of Association of the Company, or in accordance with the Companies Act, 2017, and to vary, modify or abrogate such rights, privileges and conditions, in such manner as may be permitted by the Companies Act, 2017 and to increase and/or reduce the capital and to divide shares in the capital into several kinds and classes and to consolidate or subdivide the shares and to issue shares for higher or lower denominations."

**FURTHER RESOLVED THAT** Mr. Navid Fazil, Chief Executive Officer and Mr. Rana Ali Raza, Company Secretary, be and are hereby authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions, as well as to carry out any other act or step which may be ancillary and/or incidental to do the above and necessary to fully achieve the object of the aforesaid resolutions.

8. To consider and if deemed fit, to pass the following resolution as a special resolution, to alter the provisions of Articles of Association of the Company relating to the capitalization of reserves, with or without modification (s), addition(s) or deletion(s), as recommended by the Board of Directors, subject to the requisite approvals, if any:

**RESOLVED THAT** approval of members of the Company, be and is hereby accorded that the Board of Directors of the Company may resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied in or towards paying up in full unissued shares as bonus shares or debentures of the Company to be allotted and distributed as fully paid up to and amongst such members in the proportion aforesaid and the directors shall give effect to such resolution.

**FURTHER RESOLVED THAT** whenever such a resolution aforesaid shall have been passed by the Board of Directors of the Company, the Directors are authorized to make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effects thereto.

**FURTHER RESOLVED THAT** in consequence of aforesaid authorizations to the Board of Directors of the Company, the existing Article 129 of the Articles of Association of the Company, be and is hereby substituted as 129A & 129B respectively, to read as follows:

### Article 129A of Articles of Association:

"The Board of Directors of the Company may resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied in or towards paying up in full unissued shares as bonus

shares or debentures of the Company to be allotted and distributed as fully paid up to and amongst such members in the proportion aforesaid and the directors shall give effect to such resolution.”

**Article 129B of Articles of Association:**

“Whenever such a resolution aforesaid shall have been passed by the Board of Directors of the Company, the Directors are authorized to make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effects thereto.”

**FURTHER RESOLVED THAT** Mr. Navid Fazil, Chief Executive Officer and Mr. Rana Ali Raza, Company Secretary, be and are hereby authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions, as well as carry out any other act or step which may be ancillary and/or incidental to do the above and necessary to fully achieve the object of the aforesaid resolutions.

9. To consider and, if deemed fit, to pass with or without modification(s), addition(s) or deletion(s), the following resolution, as a special resolution, to enable and authorize the Company, to circulate the Annual Report (including the Audited Financial Statements, Auditor’s Report, Directors’ Report, Chairman’s Review Report) to the members of the Company through QR enabled code and weblink, in accordance with Section 223(6) of the Companies Act, 2017 read with S.R.O. 389(I)/2023 dated March 21, 2023.

**RESOLVED THAT** the Company be and is hereby authorized to circulate its Annual Report, including the Annual Audited Financial Statements, Auditor’s Report, Directors’ Report, Chairman’s Review Report and other reports contained therein, to the members of the Company through QR enabled code and weblink, in accordance with S.R.O. 389(I)/2023 issued by the Securities and Exchange Commission of Pakistan, and that the practice of circulation of the Annual Report through CD / USB, be discontinued.

**FURTHER RESOLVED THAT** Mr. Navid Fazil, Chief Executive Officer and Mr. Rana Ali Raza, Company Secretary, be and are hereby authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions, as well as to carry out any other act or step which may be ancillary and/or incidental to do the above and necessary to fully achieve the object of the aforesaid resolutions.

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution, to amend the Interloop Limited Employees Stock Option Scheme, 2016 (ESOS):

**RESOLVED THAT** subject to all requisite approvals, if any, the clause 10 of the approved ESOS, be and is hereby amended by inserting the following new sub-clause:

“10.2. Save as herein provided, owing to dismal market conditions and in case, the exercise price is not favorable and attractive, the Board of Directors of the Company shall be authorized to reprice all the options granted and vested up to -10% of the last day closing market price of the day of decision to allot.”

**FURTHER RESOLVED THAT** the amended Interloop Limited Employees Stock Option Scheme, 2016 incorporating the aforesaid amendment, be and is hereby approved.

**FURTHER RESOLVED THAT** Mr. Navid Fazil, Chief Executive Officer and Mr. Rana Ali Raza, Company Secretary, be and are hereby authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions, as well as to carry out any other act or step which may be ancillary and/or incidental to do the above and necessary to fully achieve the object of the aforesaid resolutions.

11. To consider and if deemed fit to pass, with or without modification(s), addition(s) or deletion(s), the following resolution as an ordinary resolution:

**RESOLVED THAT** subject to the procurement of all applicable regulatory and corporate approvals, as may be required, approval of the members of the Company, be and is hereby accorded, to make a long term equity investment for the acquisition of 64% equity stake in the Target Company i.e., Top Circle Hosiery Mills Co., Inc. (Top), USA, which is incorporated under the laws of the United States of America, where it is registered, on the terms and conditions, as may be mutually agreed between the both parties.

**FURTHER RESOLVED THAT** for such purposes, the Board of Directors of the Company are being authorized including their delegates/agents and/or the legal counsel to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) including but not limited to the Share Purchase Agreements, Shareholders Agreements (“Agreements”) and any other documents, required by the applicable law of both the Countries as per their specific formats and as approved by the regulatory authorities, to complete all legal formalities, as may be necessary or expedient for the purpose of implementing the aforesaid resolutions and in the best interest of the Company and its shareholders.

**FURTHER RESOLVED THAT** the Board of Directors of the Company are being further authorized including the Chief Executive Officer of the Company and their delegates/agents and/or the legal counsel, to do all things necessary or incidental, to give effect to the Agreements and/or to execute and deliver, on behalf of the Company, any and all documents and agreements necessary or desirable to effectuate the Agreements and the acquisition and any filings or submissions required by the regulatory authorities of both Countries and to complete the acquisition, including but not limited to the negotiation of the terms of the Agreements and/or to amend, modify, or make any changes to the Agreements, provided that such amendments, modifications, or changes are in the best interests of the Company and its shareholders.

12. To consider and, if thought fit, to approve the following resolution as a special resolution, in accordance with Sections 207 and/or 208 (as applicable) of the Companies Act, 2017, with or without modification(s):

**RESOLVED THAT** pursuant to the provisions of Sections 207 and 208 of the Companies Act, 2017, approval of the members of the Company, be and is hereby accorded that the Board of Directors of the Company, may enter into an Asset Purchase Agreement (APA) with M/s. Socks & Socks (Private) Limited, a wholly owned subsidiary of Interloop Holdings (Private) Limited (Interloop’s Associate), to purchase its production plant including machinery and land & building and other fixed assets, subject to the approval of all relevant regulatory authorities.

**FURTHER RESOLVED THAT** Mr. Navid Fazil, Chief Executive Officer and Mr. Rana Ali Raza, Company Secretary, be and are hereby, jointly and / or severally, authorized and empowered to take all steps necessary, ancillary and incidental for the purchase of assets, but not limited to, obtaining all requisite regulatory approvals, engaging legal advisor(s) and other consultants for the purposes of the above, filing of the requisite application(s), statutory forms and all other documents as may be required to be filed with SECP and any other authority, submitting all such documents as may be required, executing all necessary agreements, deeds and documents for the acquisition of the assets and registration thereof (to the extent applicable), and all other matters incidental or ancillary thereto.

**FURTHER RESOLVED THAT** in case any error, omission or mistake is pointed by SECP and / or any other competent authority or that the SECP and / or any competent authority require any amendments, modifications, additions or deletions in the aforesaid resolution(s), the Chief Executive Officer and /or Company Secretary, be and are hereby jointly and severally authorized to make such amendment, modification, addition or deletion, as may be required without requiring the approval of the members.

13. To consider and if deemed fit, ratify and approve (as the case may be), the following resolution, as a special resolution, with respect to the Related Party Transactions / arrangements conducted / to be conducted, in terms of Sections 207 and / or 208 of the Companies Act, 2017 (to the extent applicable), with or without modification(s):

**RESOLVED THAT** the transactions carried out by the Company with the Related Parties, during the year ended June 30, 2023, as disclosed in note 43 of the Audited Financial Statements of the Company for the said period, be and are hereby ratified and confirmed.

**FURTHER RESOLVED THAT** the Company be and is hereby authorized to enter into arrangements or carry out transactions from time to time including, but not limited to, for the purchase and sale of goods, commodities and materials including rendering of services or share subscription, with the Related Parties to the extent deemed fit and/or approved by the Board of Directors, during the financial year ending June 30, 2024. The members have noted that for the aforesaid arrangements and transactions some or a majority of the Directors may be interested. Notwithstanding the same, the members hereby grant an advance authorization and approval to the Board Audit Committee and the Board of Directors of the Company, including under Sections 207 and/or 208 of the Companies Act, 2017 (to the extent applicable) to review and approve all the Related Party Transactions approved by the Board of Directors from time to time.

**FURTHER RESOLVED THAT** the Related Party Transactions, for the period ending on June 30, 2024, shall be deemed to have been approved by the members, and shall subsequently be placed before the members in the subsequent Annual General Meeting for ratification and confirmation, if required.

(Attached to this Notice is the Statement of Material Facts covering the above-mentioned Special Businesses, as required under Section 134(3) of the Companies Act, 2017.)

**OTHER BUSINESS:**

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

**By Order of the Board**



**(Rana Ali Raza)  
Company Secretary**

**Place: Faisalabad  
Dated: September 21, 2023**

**NOTES:**

**1. Closure of Share Transfer Books:**

The Share Transfer Books of the Company will remain closed from October 06, 2023 to October 13, 2023 (both days inclusive). Transfer requests on prescribed format, received at the office of the Share Registrar of the Company, M/s. CDC Share Registrar Services Limited, CDC House, 99 –B, Block B, S.M.C.H.S., Main Shahrah-e- Faisal, Karachi-74400 on or before the close of business on October 05, 2023 will be treated 'in time' for the purpose of above entitlement(s) to the transferees and/or to attend the AGM.

**2. Virtual Participation in the AGM Proceedings:**

Shareholders interested in attending the AGM virtually are hereby advised to get themselves registered with the Company by providing the following information through email at [aliraza.rana@interloop.com.pk](mailto:aliraza.rana@interloop.com.pk) or [aliraza.ca@gmail.com](mailto:aliraza.ca@gmail.com).

Name of Shareholder	CNIC No.	Folio No./CDC Account No.	No. of Shares	Contact No.	Email Address
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Online meeting link and login credentials will be shared with only those Members whose emails, containing all the required particulars, are received at the given email address by the end of business on Thursday October 12, 2023. The login facility shall remain open from 09:30 am till the start of the Meeting on October 13, 2023.

**3. Election of Directors:**

In terms of Section 159(1) of the Companies Act, 2017, the Board of Directors have fixed the number of elected directors at nine (9) to be elected in the AGM for the next term of three year commencing from October 22, 2023.

Any person who seeks to contest the election of directors shall, whether he / she is a retiring director or otherwise, file with the Company, the following documents and information at its registered office not later than fourteen days before the day of the above said meeting:

- a) His/her Folio No./CDC Investors Account No./CDC Participant No./Sub-Account No.
  - b) Notice of his/her intention to offer himself/herself for the election of directors in terms of Section 159(3) of the Companies Act, 2017.
  - c) Consent to act as director on Form 28 under Section 167 of the Companies Act, 2017.
  - d) A detailed profile along with his/her office address for placement onto the Company's website i.e., [www.interloop-pk.com](http://www.interloop-pk.com)
  - e) The selection of independent directors shall be as per requirements of Section 166 of the Companies Act, 2017 and under Clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019. Any member intending to contest as an independent director shall submit a declaration on non-judicial stamp paper that he/she qualifies the criteria of eligibility and independence notified under the Companies Act, 2017 and rules and regulations issued thereunder.
  - f) Detail of other Offices / Directorships and offices held.
  - g) An attested copy of Computerized National Identity Card (CNIC).
  - h) A declaration that:
    - i. He/she is not ineligible to become a director of the Company under Section 153 of the Companies Act, 2017 and any other applicable laws, rules and regulations.
    - ii. He/she is not serving as a director of more than seven listed companies.
    - iii. Neither he/she nor his/her spouse is engaged in the business of brokerage or is a sponsor director or officer of a corporate brokerage house.
    - iv. He/she is aware of his/her duties and powers under the Companies Act, 2017, Memorandum & Articles of Association of Company, regulations of Pakistan Stock Exchange Limited and other applicable laws, rules and regulations.
  - i) A member who seeks to contest for election may select any one category in which he / she intends to contest election of directors. In case of simultaneous nominations in more than one categories, acceptance to contest shall be made in only one category. For the purposes of election of directors of the Company the voting shall be held separately in the following three (3) categories:
    - i. Female Director
    - ii. Independent Directors
    - iii. Other Directors
- The member in their discretion may cast vote to any candidate contesting election in each of the above categories. It must, however, be noted that division of votes available to each member for a category shall be in proportion to the number of seats of directors under such category. If the number of members who offer themselves in each category is not more than the number of directors to be elected in each category, such members will be elected unopposed without the voting process.
- j) The candidates are requested to read the relevant provisions/requirements relating to the Election of Directors, as stipulated in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, the other applicable laws and regulations and ensure the compliance with the same in letter and spirit.

#### 4. Participation in the AGM:

All members, entitled to attend and vote at the meeting, are entitled to appoint another person in writing as their proxy to attend and vote on their behalf. A proxy must be a member of the Company. In case of corporate entities, a resolution of the Board of Directors / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity and an attested copy of CNIC shall be submitted to the Company at the meeting or along with a completed proxy form. The proxy holders are required to produce their original valid CNICs or original passports at the time of the meeting.

In order to be effective, duly completed and signed proxy forms must be received at the Company's Registered Office at least 48 hours before the time for holding the meeting.

CDC account holders will further have to follow the below mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan in this regard:

##### a) For Attending the Meeting

- i. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall authenticate his/her original valid CNIC or the 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 Proxies

- i. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall submit the proxy form as per above requirements.
- ii. Attested copies of valid CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iii. The proxy shall produce original valid CNIC or original passport at the time of the meeting.
- iv. 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) along with proxy form to the Company.
- v. Proxy form will be witnessed by two persons whose names, addresses and valid CNIC numbers shall be mentioned on the form.

#### 5. Postal Balloting:

Pursuant to the Companies (Postal Ballot) Regulations, 2018, and also subject to the Sections 143 & 144 of the Companies Act, 2017, for any Special Business and for the purpose of election of directors, if the number of persons who offer themselves to be elected is more than the number of directors fixed under Section 159(1) of the Companies Act, 2017, members will be allowed to exercise their right to vote through postal ballot or through e-voting, in accordance with the requirements and procedure contained in the aforesaid Regulations. The Company shall provide Electronic Voting procedures and Postal Ballot papers in the newspapers and also upload the same on the Company's website i.e., [www.interloop-pk.com](http://www.interloop-pk.com) not later than seven days before the Annual General Meeting.

Members are requested to update their details together with Name, Folio/CDC Account No., E-mail address, contact number to the Share Registrar of the Company, M/s. CDC Share Registrar Services Limited, CDC House, 99 –B, Block B, S.M.C.H.S., Main Shahrah-e- Faisal, Karachi-74400.

#### 6. Mandatory Submission of CNIC Copies:

With reference to the notification of Securities and Exchange Commission of Pakistan (SECP), SRO 779(1)2011 dated August 18, 2011, the Members/ Shareholders who have not yet submitted a photo copy of their valid CNIC to the Company, are required to send the same at the earliest directly to the Company's Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99 –B, Block B, S.M.C.H.S., Main Shahrah-e- Faisal, Karachi-74400. In case of non-receipt of the copy of valid CNIC and non-compliance of the above mentioned SRO of SECP, the Company may be constrained to withhold transfer of dividend in the future, if any.

#### 7. Dividend Bank Mandate:

Pursuant to Section 242 of the Companies Act, 2017, members are requested to provide their CNIC's and bank account details including name of the bank, address of bank branch and International Bank Account Number (IBAN) to receive their cash dividend directly into their bank account. Therefore, all members who have not yet provided their CNIC and Bank Account details are once again reminded to immediately submit a copy of their CNIC and duly filled 'Dividend Bank Mandate Form' to the Company's Share Registrar or to the Company directly. In the absence of valid bank account details and CNIC, dividend amount will be withheld in compliance with the provisions of the Act and Regulations made thereunder by the Commission. The 'Dividend Bank Mandate Form' is available on the Company's website i.e., [www.interloop-pk.com](http://www.interloop-pk.com)

Members who hold shares in CDC accounts are required to provide their bank mandates to their respective participants.

#### 8. Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance, 2001 ("Income tax Ordinance"):

The rates of deduction of withholding tax for Filers and Non-Filers as prescribed under Section 150 of the Income Tax Ordinance 2001, are as under:

For Filers of income tax returns	15.00%
For Non-Filers of income tax returns	30.00%

##### Withholding tax on Dividend in case of Joint Account Holders

Members who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his/her shareholding.

If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below mentioned details of their shareholding to the Share Registrar of the Company latest by the Annual General Meeting date.

Folio No/ CDC Account No	Total No of Shares	Name of Principal Shareholder and CNIC #	Share Holding	Name of Joint Shareholders and CNIC #	Share Holding
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##### Valid Tax Exemption Certificate for Exemption from Withholding Tax

A valid tax exemption certificate is necessary for exemption from the deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Members who qualify under Clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 and wish to seek an exemption must provide a copy of their valid tax exemption certificate to the Shares Registrar prior to the date of commencement of Book closure otherwise tax will be deducted according to the applicable law.

#### 9. Unclaimed Dividend / Shares under Section 244 of the Companies Act, 2017:

An updated list for unclaimed dividend / shares of the Company is available on the Company's website i.e., [www.interloop-pk.com](http://www.interloop-pk.com). These are unclaimed dividend / shares, which have remained unclaimed or unpaid for a period of three (3) years from the date these have become due and payable.

Shareholders are requested to ensure that their claims for unclaimed dividend and share are lodged promptly. Shareholders, who by any reason, could not claim their dividend, if any, are advised to contact our Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99 –B, Block B, S.M.C.H.S., Main Shahrah-e- Faisal, Karachi-74400 and collect / enquire about their unclaimed dividend, if any. In case no claim is lodged, the Company shall proceed to deposit the unclaimed/unpaid Account and shares with the Federal Government pursuant to the provision of Section 244 (2) of Companies Act, 2017.

#### 10. Consent for video conference facility:

Pursuant to Section 132(2) & section 134(b) of the Companies Act, 2017, if the Company receives a consent form from the Shareholders holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video conference at least seven (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 a member of Interloop Limited, holder of \_\_\_\_\_ ordinary share(s) as per Registered Folio / CDC Account No. \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_.

\_\_\_\_\_  
Signature of Member

#### 11. 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 mentioned requirements, members who wish to receive the Annual Report 2023 in electronic form may file an application as per the form provided on the Company's website [www.interloop-pk.com](http://www.interloop-pk.com) in compliance with the subject SRO. The members who have provided consent to receive Annual Report 2023 can subsequently request any other media including hard copy which shall be provided free of cost within seven (7) days.

#### 12. Transmission of Annual Audited Financial Statements Through CD/DVD/USB:

SECP through its SRO 470 (I)/2016 dated May 31, 2016 have allowed companies to circulate their Annual Audited Financial Statements to their 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 a printed copy of the Annual Report to the Company on standard request form placed under the Investor Information section on its website [www.interloop-pk.com](http://www.interloop-pk.com)

SECP through its SRO 389 (I)/2023 dated March 21, 2023 have allowed companies to circulate their Annual Audited Financial Statements to their members through QR enabled code and weblink. Considering technological advancements and old technology becoming obsolete, the circulation of Annual Financial Statements through CD/ DVD/USB may be discontinued in future subject to the approval of the Shareholders.

#### 13. Placement of Financial Statements on Website:

The Financial Statements of the Company for the year ended June 30, 2023 along with reports have been placed on the website of the Company: [www.interloop-pk.com](http://www.interloop-pk.com)

#### 14. Intimation of Changes of Address and declaration for non-deduction of Zakat:

Shareholders are requested to promptly notify any changes in their registered addresses and provide their declarations for non-deduction of zakat, if applicable, to the Share Registrar of the Company. Members who hold shares in CDC / participant accounts are required to update their addresses and submit their declarations for non-deduction of zakat, if applicable, to the CDC or their respective participants.

#### STATEMENT UNDER SECTION 166 (3) OF THE COMPANIES ACT, 2017

##### Agenda Item No. 5 of the Notice –

##### **ELECTION OF DIRECTORS:**

Any person who is eligible under Section 153 and meet the criteria under Section 166(2) of the Companies Act, 2017 and the Companies (Manner and Selection of Independent Directors) Regulation, 2018, may submit his/her nomination to be elected as an independent director of the Company. However, it is noteworthy to mention that independent directors shall be elected in the same manner as other directors are elected in terms of Section 159 of the Companies Act, 2017. Final list of contesting directors will be published in the newspaper not later than seven (7) days before the date of said meeting in terms of section 159(4). Further, website of the Company will also be updated with the required information for each Director. The candidates are requested to read the relevant provisions/requirements relating to the Election of Directors, as stipulated in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, the other applicable laws and regulations and ensure the compliance with the same in letter and spirit. Please refer to note no. 3 of this Notice for additional information.

None of the Directors have direct or indirect interest in the above said business other than as the shareholders of the Company and that they can contest the election of Directors subject to the fulfillment of the eligibility criteria.

#### STATEMENT OF MATERIAL FACTS CONCERNING SPECIAL BUSINESS PURSUANT TO SECTION 134 (3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the Special Businesses given in agenda item(s) No. 7 to 13 of this Notice of AGM, which will be considered to be transacted in the AGM of the Company. The purpose of this statement is to set forth the material facts concerning such Special Businesses:

##### Agenda Item No. 7 of the Notice –

##### **Increase in the Authorized Share Capital of the Company, to be passed as a Special Resolution:**

In order to provide the Company with adequate leverage to consider the future issuance of shares against right, bonus and others, it has been proposed/recommended by the Board of Directors of the Company, in their meeting held on September 07, 2023, subject to the approval of the shareholders of the Company, to increase the Authorized Share Capital of the Company, from existing Share Capital of Rs. 15,000,000,000 (Rupees Fifteen Billion only) divided into 1,500,000,000 (One Billion Five Hundred Million) of the nominal value of Rs.10 (Rupees Ten) each ordinary shares to Rs. 50,000,000,000 (Rupees Fifty Billion only) divided into 5,000,000,000 (Five Billion) of the nominal value of Rs.10 (Rupees Ten) each ordinary shares.

The proposed increase in the Authorized Share Capital of the Company will also necessitate the amendments in Clause V of the Memorandum of Association of the Company. The comparison of existing clause with the proposed is as under:

Description	Existing	Proposed
Clause V of Memorandum of Association	"The Authorized Capital of the Company is Rs. 15,000,000,000/- (Rupees Fifteen Billion only) divided into 1,500,000,000 (One Billion Five Hundred Million) Ordinary Shares of Rs.10/- (Rupees Ten) each, with attached thereto respectively such preferential, deferred, qualified or special rights, privileges and conditions as provided in the Articles of Association of the Company, or in accordance with the Companies Act, 2017, and to vary, modify or abrogate such rights, privileges and conditions, in such manner as may be permitted by the Companies Act, 2017 and to increase and/or reduce the capital and to divide shares in the capital into several kinds and classes and to consolidate or subdivide the shares and to issue shares for higher or lower denominations."	"The Authorized Capital of the Company is Rs. 50,000,000,000/- (Rupees Fifty Billion only) divided into 5,000,000,000 (Five Billion) Ordinary Shares of Rs.10/- (Rupees Ten) each, with attached thereto respectively such preferential, deferred, qualified or special rights, privileges and conditions as provided in the Articles of Association of the Company, or in accordance with the Companies Act, 2017, and to vary, modify or abrogate such rights, privileges and conditions, in such manner as may be permitted by the Companies Act, 2017 and to increase and/or reduce the capital and to divide shares in the capital into several kinds and classes and to consolidate or subdivide the shares and to issue shares for higher or lower denominations."

None of the Directors of the Company have any direct or indirect interest in this special business except in their capacity as the shareholders or Directors of the Company.

#### Agenda Item No. 8 of the Notice –

##### To substitute the Article 129 with Articles 129A & 129B respectively, of the Article of Association of the Company relating to Capitalization of Reserve:

The current provision of Article 129 stipulates that capitalization of reserves must be approved by members at a general meeting. The Board of Directors of the Company has recommended changing the current Article 129 by replacing it with Articles 129A & 129B respectively, in order to simplify the legal requirements and for better governance, including cost and time savings.

The comparison of existing Article 129 of Articles of Association of the Company with the proposed Articles 129A & 129B, is as under:

Existing Article	Proposed Article
Capitalization of Reserves	Capitalization of Reserves
"129 Any general meeting may, upon recommendation of the Board, by ordinary resolution resolve that any undistributed profits of the Company (including profits carried and standing to the credit of any reserve or reserves or other special accounts or representing premiums received on the issue of shares and standing to the credit of the share premium account and capital reserve arising from realized or unrealized appreciation of the assets or goodwill of the Company or from any acquisition/sale of interests in other undertakings) be capitalized. Such capitalized undistributed profits and reserves shall be distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend, and in the same proportions, on the footing that they become entitled thereto as capital. All or any part of such capitalized fund may be applied on behalf payment in full or in part either at par or at such premium as the resolution may provide, for any unissued shares or debentures of the Company which shall be distributed accordingly, and such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum."	"129A. The Board of Directors of the Company may resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied in or towards paying up in full unissued shares as bonus shares or debentures of the Company to be allotted and distributed as fully paid up to and amongst such members in the proportion aforesaid and the directors shall give effect to such resolution."  "129B. Whenever such a resolution aforesaid shall have been passed by the Board of Directors of the Company, the Directors are authorized to make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effects thereto."

None of the Directors of the Company have any direct or indirect interest in this special business except in their capacity as the shareholders or Directors of the Company.

#### Statement of the Board of Directors:

We, the members of the Board of Directors hereby confirm that the proposed amendments / alterations in the Memorandum and Articles of Association of the Company are in line with the applicable laws and regulatory framework.

#### Availability of Relevant Documents:

A copy each of the existing and amended Memorandum and Articles of Association identifying the changes proposed therein bearing the initial of the Company Secretary for identification purposes is available for inspection at the registered office of the Company from 9.00 a.m. to 5.00 p.m. on any working day, up to the last working day before the date of the Annual General Meeting. The same shall also be available for inspection by the members in the Annual General Meeting.

#### Agenda Item No. 9 of the Notice –

##### To circulate the Annual Audited Financial Statements / Annual Report to the Members through QR Enabled Code and Weblink:

In view of the technological advancements, and taking into account that old technology becoming obsolete, the Securities and Exchange Commission of Pakistan ("SECP") has, vide S.R.O. 389(I)/2023 dated March 21, 2023, allowed listed companies to circulate the Annual Report (including the Audited Financial Statements, Auditor's Report, Directors' Report, Chairman's Review Report) to the members of the Company through QR enabled code and weblink. The SECP

has also permitted that the circulation of Annual Financial Statements through CD/DVD/USB may be discontinued.

In accordance with the aforesaid SRO, the same is subject to the approval of the members of the Company.

Considering the optimum use of advancements in technology and in order to fulfil the Company's corporate social responsibility to the environment and sustainability, the Company seeks to discontinue the circulation of the Annual Report through CDs in the future. Consequently, the Board of Directors of the Company has recommended that the special resolution, as set out in the notice, be passed by the members for approving the circulation of the Annual Report (including Annual Audited Financial Statements and other reports contained therein) to the members of the Company through QR enabled code and weblink.

This arrangement will help all members wherever they are located to access the financial statements of the Company. Additionally, it will also reduce unnecessary expenditure for making CDs.

It is pertinent to mention that if any member seeks to obtain a hard copy of the Annual Report, such member will be provided a printed version of the same free of cost in accordance with the aforementioned SRO. Explicitly being stated that No change to that right / privileged is being proposed.

None of the Directors of the Company have any direct or indirect interest in this special business except in their capacity as the shareholders or Directors of the Company.

#### **Agenda Item No. 10 of the Notice –**

##### **Insertion of sub-clause 10.2 for re-pricing of the exercise price:**

The Company has issued stock options to its eligible employees in accordance with the approved Interloop Employees Stock Option Scheme, 2016 (ESOS) and made first grant of options under the revamped ESOS on November 15, 2022 for the financial year 2021-22. These options are marked at the exercise price of Rs. 63.80 per share upon completion of the vesting period.

Management is considering multiple options to keep the scheme attractive for the employees including re-pricing of the exercise price for the options granted. However, there is no express provision in the approved ESOS which would enable Board of Directors to entertain any such proposal by the Management. Accordingly, a new sub-clause, 10.2 is being inserted in the approved Scheme subject to approval of shareholders, which will grant the authority to the Board of Directors of the Company to re-evaluate and potentially revise the exercise price of all granted and vested options up to -10% of the last day closing market price of the day of decision to allot.

None of the Directors of the Company have any direct or indirect interest in this special business except in their capacity as the shareholders or Directors of the Company but except two executive directors who have been issued stock options under the approved ESOS during the previous year.

#### **Agenda Item No. 11 of the Notice –**

##### **Acquisition of 64% equity stake in Top Circle Hosiery Mills Co., Inc. USA:**

The Board of Directors of the Company has determined that the proposed acquisition of 64% equity stake in the Target Company i.e., Top Circle Hosiery Mills Co., Inc. (Top), USA, which is incorporated under the laws of United States of America, where it is registered, is considered to be in the best interests of the Company and its shareholders and unanimously approved the aforementioned resolution in their Board Meeting held on September

07, 2023, and recommended to the Company's shareholders for their approval with further authorization to the Board of Directors of the Company, to enter into a Share Purchase Agreements, Shareholders Agreements and/or to complete all legal formalities as may be necessary or expedient in the best interest of the Company and its shareholders.

The following factors provide the rationale of the proposed acquisition in Top:

- Established in year 1997, Top Circle Hosiery Mills Co., Inc. (Top), USA, markets and sells hosiery products mainly to the American customers. In year 1999, Top established a subsidiary i.e., Shanghai Haolu Trading Co. Ltd and began sourcing hosiery products from China. Production in US was gradually phased out and closed completely in year 2005 which is now routed from China.
- The acquisition of a majority equity stake in Top aligns with the Company's strategic objectives and long-term growth plans. This strategic move enhances Interloop's control over key assets and strengthens its position in the market. It presents a valuable opportunity to expand Interloop's presence in the textile and manufacturing industry, tapping into Top's established expertise and market presence. The final settlement for the acquisition involves the purchase of a 64% stake in Top.
- PricewaterhouseCoopers (PwC) and Haiwen & Partner conducted comprehensive due diligence on the proposed investment/acquisition. The Company's Attorneys provided a favourable recommendation, ensuring that the agreements are fair, protect the Company's interests, and comply with all relevant regulations. A Term Sheet outlining the terms and conditions of the proposed acquisition was mutually agreed upon and duly reviewed and finalized by the Company's solicitors i.e., Womble Bond Dickinson.

None of the Directors of the Company have any direct or indirect interest in this special business except in their capacity as the shareholders or Directors of the Company.

#### **Agenda Item No. 12 of the Notice –**

##### **Authorization to enter into an Asset Purchase Agreement (APA) with the Socks & Socks (Private) Limited, a wholly owned Subsidiary of Interloop's Associate:**

M/s. Socks & Socks (Private) Limited (S&S), is a wholly owned subsidiary of M/s. Interloop Holdings (Private) Limited, which is an Associate of M/s. Interloop Limited. S&S is selling its fixed assets, which includes a complete set up for installation of 375 machines out of which 220 machines have already been installed. M/s. Interloop Limited is experiencing capacity constraints as a result of an increase in orders. In addition to increasing production capacity, buying these assets would essentially reduce time and cost related to new setup and installation.

In accordance with the Sections 207 and/or 208 of the Companies Act, 2017 (as applicable), the Board of Directors of the Company, at their meeting on September 07, 2023, referred the proposal to the shareholders of the Company, seeking authorization to the Board of Directors of the Company, to enter into an Asset Purchase Agreement (APA) with M/s. Socks & Socks (Private) Limited, for the purchase of its production plant and transfer of other fixed assets.

The Directors are only interested in the resolutions because of their shareholdings and/or common directorships (as applicable) in such Related Party.

## نوٹس کا ایجنڈا آئٹم نمبر 12:

### Agenda Item No. 13 of the Notice –

#### Ratification and approval (to the extent applicable) of the Related Party Transactions / arrangements conducted / to be conducted by the Company:

The Company routinely enters into arrangements and carries out transactions with its Related Parties in accordance with its policies and the applicable laws and regulations. Certain Related Party transactions, in which a majority of the Directors are interested, would require members' approval under Sections 207 and / or 208 (to the extent applicable) of the Companies Act, 2017, read with Regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The Company carries out transactions and enters into arrangements with its Related Parties primarily on an arm's length basis as per the approved policy with respect to 'transactions with the Related Parties' in the normal course of business. All transactions / arrangements entered into with the Related Parties require the approval of the Board Audit Committee, which is chaired by an Independent Director of the Company. Upon the recommendation of the Board Audit Committee, such arrangements / transactions are placed before the Board of Directors for approval.

The Company shall be conducting transactions with its Related Parties during the year ending on June 30, 2024 in the normal course of business. The majority of Directors are interested due to their common directorship in the associated undertakings. In order to promote transparent business practices, the shareholders are required to authorize the Board of Directors to approve transactions with the related parties from time-to-time and on case to case basis for the year ending on June 30, 2024, which transactions shall be deemed to be approved by the shareholders, irrespective of the composition of the Board, and in compliance with the Company's policy pertaining to Related Party transactions and notwithstanding any interest of the Directors of the Company in any Related Party transaction which has been noted by the shareholders.

Based on the aforesaid the members are requested to pass the Special Resolutions (with or without modification) as stated in the Notice.

The Directors are interested in the resolutions only to the extent of their shareholdings and / or common directorships (to the extent applicable) in such Related Parties.

انٹروپ ایسوسی ایٹ کی مکمل ملکیتی سپیڈری سوکس اینڈ سوکس (پرائیویٹ) لمیٹڈ کے ساتھ ایسٹ پرچیز ایگریمنٹ (APA) کرنے کا اختیار دینا:

میسرز سوکس اینڈ سوکس (پرائیویٹ) لمیٹڈ (S&S) میسرز انٹروپ ہولڈنگز (پرائیویٹ) لمیٹڈ کی مکمل ملکیتی سپیڈری ہے جو میسرز انٹروپ لمیٹڈ کی ایسوسی ایٹ ہے۔ S&S اپنے فکسڈ اثاثے فروخت کر رہی ہے جن میں 375 مشینوں کی تنصیب کا ایک مکمل سیٹ اپ شامل ہے جس میں سے 220 مشینیں پہلے ہی نصب کی جا چکی ہیں۔ میسرز انٹروپ لمیٹڈ کو آرڈرز بڑھ جانے کے نتیجے میں گنجائش کی کمی کا سامنا ہے۔ پیداواری صلاحیت میں اضافے کے علاوہ ان اثاثوں کو خریدنے سے نئے سیٹ اپ اور تنصیب سے متعلق وقت اور لاگت میں بھی کمی آئے گی۔

کمپنیز ایکٹ، 2017 کے سیکشن 207 اور 208 (جو بھی قابل اطلاق ہو) کے مطابق کمپنی کے بورڈ آف ڈائریکٹرز نے 07 ستمبر، 2023 کو اپنے اجلاس میں میسرز سوکس اینڈ سوکس (پرائیویٹ) لمیٹڈ کا پراڈکشن پلانٹ خریدنے اور دوسرے اثاثوں کی منتقلی کے لیے اس کے ساتھ ایسٹ پرچیز ایگریمنٹ (APA) کرنے کی خاطر بورڈ آف ڈائریکٹرز کی منظوری حاصل کرنے کے لیے کمپنی کے شیئرز ہولڈرز کو یہ تجویز دی۔

ڈائریکٹرز کو اس قسم کے تعلق دار فریق میں اپنی شیئرز ہولڈنگز اور / یا مشترکہ ڈائریکٹرشپس (جیسے بھی قابل اطلاق ہو) کی وجہ سے صرف قراردادوں میں دلچسپی ہے۔

## نوٹس کا ایجنڈا آئٹم نمبر 13:

تعلق دار فریق سے لین دین کے لیے کمپنی کی طرف سے کیے گئے / یا کیے جانے والے انتظامات کی (قابل اطلاق حد تک) توثیق اور منظوری:

کمپنی عام طور پر تعلق دار فریقوں کے ساتھ اپنی پالیسیوں اور قابل اطلاق قوانین اور ضابطوں کے مطابق لین دین کرتی ہے۔ تعلق دار فریق کے ساتھ کسی مخصوص لین دین میں، جس میں ڈائریکٹرز کی اکثریت کی دلچسپی ہو کمپنیز ایکٹ، 2017 کے سیکشن 207 اور 208، اسٹیڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے ریگولیشن 15 کو ساتھ ملا کر پڑھا جائے، (جس حد تک قابل اطلاق ہو) کے تحت ممبرز کی منظوری درکار ہوگی۔

کمپنی، تعلق دار فریقوں کے ساتھ معمول کے کاروبار میں لین دین کے ضمن میں اپنی منظور شدہ پالیسی کے مطابق کاروباری مفاہیم بنیاد پر لین دین اور انتظامات کرتی ہے۔ تعلق دار فریقوں کے ساتھ تمام لین دین / انتظامات کے لیے بورڈ آڈٹ کمیٹی کی منظوری کی ضرورت ہوتی ہے، جس کے سربراہ کمپنی کے ایک انڈیپنڈنٹ ڈائریکٹر ہیں۔ بورڈ آڈٹ کمیٹی کی سفارش پر اس قسم کے انتظامات لین دین منظوری کے لیے بورڈ آف ڈائریکٹرز کے سامنے پیش کیے جاتے ہیں۔

کمپنی، 30 جون 2024 کو ختم ہونے والے سال کے دوران اپنے تعلق دار فریقوں کے ساتھ معمول کے کاروباری طریقے سے لین دین کرے گی۔ ڈائریکٹرز کی اکثریت کو ایسوسی ایٹڈ انڈر ٹیکنگز میں اپنی مشترکہ ڈائریکٹرشپس کی وجہ سے دلچسپی ہے۔ شفاف کاروباری طور پر تعلق دار فریقوں کو فروغ دینے کے لیے شیئرز ہولڈرز کے لیے ضروری ہے کہ وہ بورڈ آف ڈائریکٹرز کو تعلق دار فریقوں کے ساتھ وقتاً فوقتاً کیے جانے والے اور 30 جون، 2024 کو ختم ہونے والے سال کے لیے ایک ایک کیس کی بنیاد پر لین دین کی منظوری کا اختیار دیں، جس سے، بورڈ کی تشکیل سے قطع نظر، اور تعلق دار فریق سے کسی بھی ایسے لین دین میں جو شیئرز ہولڈرز کے علم میں ہو، کمپنی کے ڈائریکٹرز کی کسی دلچسپی کے باوجود تعلق دار فریق کے ساتھ لین دین سے متعلق کمپنی کی پالیسی کے مطابق شیئرز ہولڈرز کی طرف سے منظور سمجھا جائے گا۔

ممبرز سے مذکورہ بالا کی بنیاد پر گزارش ہے کہ وہ (ردوبدل کے ساتھ یا بغیر) خصوصی قراردادوں کو منظور کریں، جیسا کہ نوٹس میں کہا گیا ہے۔

ڈائریکٹرز کو ان قراردادوں میں، ایسے تعلق دار فریقوں میں صرف اپنی شیئرز ہولڈنگز اور / یا مشترکہ ڈائریکٹرشپس میں (قابل اطلاق حد تک) دلچسپی ہے۔

## نوٹس کا ایجنڈا آئٹم نمبر 9:

### ممبرز کو QR enabled کوڈ اور ویب لنک کے ذریعے سالانہ آڈٹ شدہ مالی حسابات / سالانہ رپورٹ کی ترسیل

ٹیکنالوجی کی ترقی اور پرانی ٹیکنالوجی کے فرسودہ ہوجانے کو مد نظر رکھتے ہوئے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") نے بذریعہ S.R.O. 389(I)/2023 مورخہ 21 مارچ، 2023 لسٹڈ کمپنیوں کو سالانہ رپورٹ (بشمول آڈٹ شدہ مالی حسابات، آڈیٹرز رپورٹ، ڈائریکٹرز رپورٹ، چیئرمین کی جائزہ رپورٹ) کمپنی کے ممبرز کو QR enabled کوڈ اور ویب لنک کے ذریعے بھیجنے کی اجازت دے دی ہے۔ ایس ای سی پی نے یہ اجازت بھی دی ہے کہ سالانہ مالی حسابات CD/DVD/USB کے ذریعے ارسال کرنے کا سلسلہ روک دیا جائے۔

مذکورہ بالا SRO کے مطابق، یہ کمپنی کے ممبرز کی منظوری سے مشروط ہے۔

ٹیکنالوجی کی ترقی سے بھرپور فائدہ اٹھانے اور ماحولیات و پائیداری کے بارے میں کمپنی کی کارپوریٹ سماجی ذمہ داری پوری کرنے کے لیے کمپنی مستقبل میں سالانہ رپورٹ CDs کے ذریعے تقسیم کرنے کا سلسلہ بند کرنا چاہتی ہے۔ چنانچہ، کمپنی کے بورڈ آف ڈائریکٹرز نے سفارش کی ہے کہ کمپنی کے ممبرز کو سالانہ رپورٹ (بشمول سالانہ آڈٹ شدہ مالی حسابات، اور اس سے متعلق دیگر رپورٹس) QR enabled کوڈ اور ویب لنک کے ذریعے بھیجنے کی منظوری حاصل کرنے کے لیے ممبرز سے خصوصی تہا رواد منظور کرائی جائے، جیسا کہ نوٹس میں بتایا گیا ہے۔

اس انتظام سے تمام ممبرز کو، خواہ وہ کہیں بھی ہوں، کمپنی کے مالی حسابات تک رسائی میں مدد ملے گی۔ اس کے علاوہ اس سے CDs کی تیاری کے لیے غیر ضروری خرچہ بھی کم ہوگا۔

یہاں یہ ذکر کرنا مناسب ہوگا کہ اگر کوئی ممبر سالانہ رپورٹ کی ہارڈ کاپ لینا چاہے تو مذکورہ بالا SRO کے مطابق ایسے ممبر کو اس رپورٹ کی پرنٹ شدہ کاپی بلا قیمت فراہم کی جائے گی۔ واضح طور پر یہ بتایا جا رہا ہے کہ اس حق / رعایت میں کوئی تبدیلی تجویز نہیں کی جارہی۔

اس خصوصی برنس میں کمپنی کے کسی بھی ڈائریکٹر یا کمپنی کے شیئر ہولڈر یا کمپنی کے ڈائریکٹرز کی حیثیت کے سوا دوسرا کوئی بلا واسطہ یا بالواسطہ کوئی مفاد نہیں ہے۔

## نوٹس کا ایجنڈا آئٹم نمبر 10:

### ایکسرسائز پرائس کے از سر نو تعین کے لیے ذیلی شیئ 10.2 کو شامل کرنا:

کمپنی نے منظور شدہ انٹرنل اوپ ایسپلائز سٹاک آپشن سکیم، (ESOS) 2016 کے مطابق اپنے مستحق ملازمین کے لیے سٹاک آپشنز جاری کی ہیں اور مالی سال 2021-22 کے لیے 15 نومبر، 2022 کو بہتر بنائی گئی ESOS کے تحت پہلی آپشنز دی گئیں۔ یہ دیسٹنگ مدت کی تکمیل پر 63.80 روپے فی شیئر کی ایکسرسائز پرائس پر دی گئی ہیں۔

انتظامیہ، دی جانے والی آپشنز کے لیے ایکسرسائز پرائس کے از سر نو تعین سمیت متعدد آپشنز پر غور کر رہی ہے تاکہ ملازمین کے لیے اس سکیم کو دلکش رکھا جائے۔ تاہم، منظور شدہ ESOS میں کوئی ایسی ٹاہری دفعہ نہیں ہے جو بورڈ آف ڈائریکٹرز کو انتظامیہ کی طرف سے ایسی کسی تجویز پر غور کرنے کے قابل بنائے۔ چنانچہ، منظور شدہ سکیم میں شیئر ہولڈرز کی منظوری سے مشروط ایک نئی ذیلی دفعہ، 10.2 شامل کی جا رہی ہے جو کمپنی کے بورڈ آف ڈائریکٹرز کو یہ اختیار دے گی کہ وہ دی گئیں اور

vested تمام آپشنز کی از سر نو قدر مقرر کرے اور ایکسرسائز پرائس پر الاٹ کرنے کے فیصلہ کے روز آخری دن کی کلوزنگ مارکیٹ پرائس کے 10% تک امکانی نظر جانی کرے۔

اس خصوصی برنس میں کمپنی کے کسی ڈائریکٹر یا کمپنی کے شیئر ہولڈر یا کمپنی کے ڈائریکٹرز کی حیثیت کے سوا دوسرا کوئی بلا واسطہ یا بالواسطہ کوئی مفاد نہیں ہے، ماسوائے دو ایگزیکٹو ڈائریکٹرز کے، جنہیں گزشتہ سال کے دوران منظور شدہ ESOS کے تحت سٹاک آپشنز جاری کی گئیں۔

## نوٹس کا ایجنڈا آئٹم نمبر 11:

### ٹاپ سرکل ہوزری ملز کمپنی انکارپوریشن، یو ایس اے میں 164% ٹیکس سٹیک کا حصول

کمپنی کے بورڈ آف ڈائریکٹرز نے طے کیا ہے کہ ٹارگٹ کمپنی یعنی ٹاپ سرکل ہوزری ملز کمپنی انکارپوریشن (ٹاپ)، یو ایس اے جو ریاست ہائے متحدہ امریکا کے قوانین کے تحت انکارپوریشنڈ ہے، جہاں یہ رجسٹرڈ ہے، میں 164% ٹیکس کا مجوزہ حصول کمپنی اور اس کے شیئر ہولڈرز کے بہترین مفاد میں ہے اور بورڈ نے 07 ستمبر 2023 کو منعقدہ اپنے بورڈ اجلاس میں مذکورہ بالا قرار داد کی اتفاق رائے سے منظوری دی اور کمپنی کے شیئر ہولڈرز کو سفارش کی کہ وہ کمپنی کے بورڈ آف ڈائریکٹرز کو شیئر پریچر ایگریمنٹس، شیئر ہولڈرز ایگریمنٹس اور لیا تمام قانونی کارروائیاں جو کمپنی اور اس کے شیئر ہولڈرز کے بہترین مفاد میں ضروری اور ناگزیر ہوں، مکمل کرنے کے مزید اختیار کے ساتھ منظوری دیں۔

درج ذیل عوامل ٹاپ میں مجوزہ حصول کے لیے عقلی دلیل فراہم کرتے ہیں۔

☆ 1997 میں قائم ہونے والی ٹاپ سرکل ہوزری ملز کمپنی انکارپوریشن (ٹاپ) زیادہ تر امریکی کسٹمرز کو ہوزری مصنوعات مارکیٹ اور فروخت کرتی ہے۔ ٹاپ نے 1999 میں ایک سبسڈری یعنی شکلگائی Haolu ٹریڈنگ کمپنی لمیٹڈ قائم کی اور چین سے ہوزری مصنوعات کی سوریسٹ شروع کی۔

☆ (ٹاپ) میں اکثریتی ٹیکس سٹیک کا حصول کمپنی کے ترویجی مقاصد اور طویل المدت ترقی کے منصوبوں کے مطابق ہے۔ یہ اہم پیش رفت پر انٹرنل اوپ کی پوزیشن کو مارکیٹ میں مضبوط کرتی ہے۔ یہ (ٹاپ) کی مسلمہ مہارت اور مارکیٹ میں موجودگی سے فائدہ اٹھاتے ہوئے ٹیکسٹائل اور مینوفیکچرنگ انڈسٹری میں انٹرنل اوپ کی موجودگی کو وسیع کرنے کا ایک گراں قدر موقع پیش کرتی ہے۔ حصول کے حتمی تصفیہ میں (ٹاپ) میں 64% سٹیک کی خریداری شامل ہے۔

☆ Price waterhouse Coopers (PwC) اور Haiwen & Partner نے مجوزہ سرمایہ کاری / حصول کا احتیاط سے جائزہ لیا۔ کمپنی کے اٹارنیز نے یہ امر یقینی بناتے ہوئے موافق سفارش فراہم کی کہ معاہدے منصفانہ ہیں، کمپنی کے مفادات کی حفاظت کرتے ہیں، اور تمام متعلقہ ضابطوں کے مطابق ہیں۔ شرائط کی ایک دستاویز پر جس میں مجوزہ حصول کی شرائط اور ضوابط کی صراحت کی گئی، باہمی رضا مندی کا اظہار کیا گیا، اس کا مناسب جائزہ لیا گیا اور کمپنی کے ٹائٹل، Womble Bond Dickinson کی طرف سے اسے حتمی شکل دی گئی۔

اس خصوصی برنس میں کمپنی کے کسی ڈائریکٹر یا کمپنی کے شیئر ہولڈرز یا ڈائریکٹرز کی حیثیت کے، کوئی بلا واسطہ یا بالواسطہ مفاد نہیں ہے۔



ممبرز کو مطلع کیا جاتا ہے کہ SECP SRO 787(1)/2014 مورخہ 8 ستمبر، 2014 کے مطابق ایکٹ 2017 کے سیکشن (6) 223 کے تحت آڈٹ شدہ مالی حسابات اور سالانہ اجلاس عام کے نوٹس ای میل کے ذریعے الیکٹرانک فارمیٹ میں بھیجے کی اجازت دے دی گئی ہے

جو ممبرز مذکورہ بالا تقاضوں کی تعمیل کرتے ہوئے سالانہ رپورٹ 2023 الیکٹرانک شکل میں وصول کرنا چاہتے ہیں وہ اس SRO پر عمل کرتے ہوئے کمپنی کی ویب سائٹ [www.interloop-pk.com](http://www.interloop-pk.com) پر دستیاب فارم کے مطابق درخواست دے سکتے ہیں۔ جن ممبرز نے سالانہ رپورٹ 2023 وصول کرنے کی رضامندی دی ہے وہ ہارڈ کاپی سمیت کسی دوسرے میڈیا کی درخواست بھی کر سکتے ہیں جو انہیں سات (7) یوم کے اندر مفت فراہم کی جائے گی۔

ایس ای سی پی نے اپنے SRO 470 (I) / 2016 مورخہ 31 مئی، 2016 کے ذریعے کمپنیوں کو اپنے ممبرز کو ان کے رجسٹرڈ پتے پر سالانہ آڈٹ شدہ مالی حسابات بذریعہ CD/DVD/USB تقسیم کرنے کی اجازت دے دی ہے۔ کمپنی نے مذکورہ بالا کے پیش نظر شیئر ہولڈرز کو اپنی سالانہ رپورٹ CD/DVD کی شکل میں ارسال کی ہے۔ کوئی بھی ممبر، سالانہ رپورٹ کی پرنٹ شدہ کاپی کے لیے معیاری درخواست فارم پر درخواست بھیج سکتا ہے جو اس کی ویب سائٹ [www.interloop-pk.com](http://www.interloop-pk.com) پر ایلیٹرانٹ فارمیشن سیکشن کے تحت دستیاب ہے۔

ایس ای سی پی نے بذریعہ اپنے SRO 389 (I) / 2023 مورخہ 21 مارچ، 2023 کمپنیوں کو یہ اجازت دی ہے کہ وہ اپنے ممبرز کو سالانہ آڈٹ شدہ حسابات بذریعہ QR enabled کوڈ اور ویب لنک ارسال کر سکتے ہیں۔ ٹیکنالوجی کی ترقی اور پرانی ٹیکنالوجی کے فرسودہ ہوجانے کے پیش نظر سالانہ مالی حسابات کی بذریعہ CD/DVD/USB ترسیل مستقبل میں، شیئر ہولڈرز کی منظوری سے مشروط، ختم ہو سکتی ہے۔

30 جون، 2023 کو ختم ہونے والے سال کے لیے کمپنی کے مالی حسابات مع رپورٹس، کمپنی کی ویب سائٹ [www.interloop-pk.com](http://www.interloop-pk.com) پر ڈال دی گئی ہیں۔

شیئر ہولڈرز سے گزارش ہے کہ وہ اپنے رجسٹرڈ چوں میں کسی تبدیلی کی فوری اطلاع دیں اور اگر قابل اطلاق ہے تو کمپنی کے شیئر رجسٹر اور زکوٰۃ کی عدم کٹوتی کے بارے میں اپنے ڈیکلریشن فراہم کریں۔ جن ممبرز کے شیئرز CDC / پارٹنرسھپ کاؤنٹس میں ہیں ان کے لیے ضروری ہے کہ وہ اپنے پتہ اپ ڈیٹ کریں اور زکوٰۃ کی عدم کٹوتی کے لیے، اگر قابل اطلاق ہو، اپنا حلف نامہ CDC یا اپنے متعلقہ پارٹنرسھپس کو دیں۔

## کمپنیز ایکٹ، 2017 کے سیکشن (3) 166 کے تحت شیئرنٹ

### نوٹس کا ایجنڈا آئٹم نمبر 5

#### ڈائریکٹرز کا انتخاب:

کوئی بھی شخص جو سیکشن 153 کے تحت اہل ہے اور کمپنیز ایکٹ، 2017 کے سیکشن (2) 166 اور کمپنیز (Manner) اینڈ سلیکشن آف اینڈ اینڈینٹ ڈائریکٹرز (ریگولیشنز، 2018 کے طریقہ کار پر پورا اترتا ہے، کمپنی کے اینڈ اینڈینٹ ڈائریکٹرز کی حیثیت سے منتخب ہونے کے لیے اپنی نامزدگی پیش کر سکتا / سکتی ہے۔ تاہم، یہ ذکر کرنا ضروری ہے کہ ڈائریکٹرز اسی طریقے سے منتخب ہوں گے جیسا کہ کمپنیز ایکٹ، 2017 کے سیکشن 159 کی مطابقت سے دوسرے ڈائریکٹرز منتخب ہوتے ہیں۔

انتخاب میں حصہ لینے والے ڈائریکٹرز کی حتمی فہرست سیکشن (4) 159 کے مطابق اجلاس کی تاریخ سے کم از کم سات (7) روز قبل اخبار میں شائع کی جائے گی۔ مزید برآں، کمپنی کی ویب سائٹ بھی ہر ڈائریکٹرز کی مطلوبہ معلومات کے ساتھ اپ ڈیٹ کی جائے گی۔ امیدواروں سے گزارش ہے کہ وہ ڈائریکٹرز کے انتخاب کے بارے میں متعلقہ دفعات / ضروریات کو پڑھ لیں جیسا کہ کمپنیز ایکٹ، 2017 اور سٹیڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور دیگر قابل اطلاق قوانین اور ضابطوں میں صراحت کی گئی ہے اور ان کی لفظی و معنوی تعمیل کو یقینی بنائیں۔ برائے مہربانی اضافی معلومات کے لیے اس نوٹس کا note no.3 ملاحظہ کریں۔

مذکورہ بالا برائس میں کسی بھی ڈائریکٹر کا کمپنی کے شیئر ہولڈرز کی حیثیت کے سوا دوسرا کوئی بلا واسطہ یا بالواسطہ کوئی مفاد نہیں ہے اور وہ اہلیت کا طریقہ کار پورا کرنے کی شرط کے ساتھ ڈائریکٹرز کا انتخاب لڑ سکتے ہیں۔

## کمپنیز ایکٹ، 2017 کے سیکشن (3) 134 کے مطابق خصوصی کارروائی سے متعلق مادی حقائق کا شیئرنٹ

یہ شیئرنٹ AGM کے اس نوٹس میں ایجنڈا آئٹم نمبر 7 سے 13 تک میں مذکور خصوصی کارروائیوں سے متعلق مادی حقائق کی صراحت کرتا ہے، جن کو نمٹانے کے لیے کمپنی کے AGM میں غور کیا جائے گا۔ اس شیئرنٹ کا مقصد خصوصی امور سے متعلق مادی حقائق کو سامنے لانا ہے۔

### نوٹس کا ایجنڈا آئٹم نمبر 7:

کمپنی کے منظور شدہ شیئر کمپیوٹل میں اضافہ، جسے خصوصی قرارداد کی حیثیت سے منظور کیا جاتا ہے:

رائٹ، بونس اور دیگر کے عوض مستقبل میں شیئرز کے اجراء پر غور کے لیے کمپنی کو مناسب سبقت فراہم کرنے کی خاطر، کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے 07 ستمبر، 2023 کو منعقدہ اجلاس میں یہ تجویز پیش کی گئی اسفارش کی گئی کہ کمپنی کے شیئر ہولڈرز کی منظوری سے مشروط، کمپنی کا منظور شدہ شیئر کمپیوٹل 10 روپے (دس روپے) فی آرڈینری شیئر کی برائے نام قدر کے 1,500,000,000 (ایک بلین پانچ سو بلین) شیئرز میں منقسم 15,000,000,000 روپے (پانچ سو بلین روپے صرف) کے موجودہ شیئر کمپیوٹل کو بڑھا کر 10 روپے (دس روپے) فی آرڈینری شیئر کی برائے نام قدر کے 5,000,000,000 (پانچ بلین) شیئرز میں منقسم 50,000,000,000 روپے (پانچ سو بلین روپے صرف) کر دیا جائے۔

رجسٹرڈ سرورسز لمیٹڈ، ڈی سی ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی-74400 کو بھیجیں۔ کارآمدی این آئی سی کی کاپی نہ ملنے اور ایس ای سی پی کے مذکورہ بالا SRO کی عدم تعمیل کی صورت میں کمپنی مستقبل میں منافع منقسمہ، اگر کوئی ہو، کی منتقلی کو روک لینے پر مجبور ہوگی۔

#### 7. بزرگیہ بینک منافع کی لازمی ادائیگی:

کمپنیز ایکٹ، 2017 کے سیکشن 242 کے مطابق ممبرز سے گزارش ہے کہ وہ اپنا نقد منافع منقسمہ براہ راست اپنے بینک اکاؤنٹ میں وصول کرنے کے لیے بینک کے نام، بینک برانچ کے پتہ اور انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) سمیت اپنے سی این آئی سی اور بینک اکاؤنٹ کی تفصیلات فراہم کریں۔ ان تمام ممبرز کو جنھوں نے ابھی تک سی این آئی سی اور بینک اکاؤنٹ کی تفصیلات فراہم نہیں کیں، ایک بار پھر یاد دہانی کروائی جاتی ہے کہ وہ فوری طور سے اپنے سی این آئی سی کی ایک کاپی اور صحیح طریقے سے پُر کیا ہوا "ڈیویڈنڈ بینک مینڈیٹ فارم" کمپنی کے شیئرز رجسٹرار یا براہ راست کمپنی کو پیش کریں۔ کارآمد بینک اکاؤنٹ کی تفصیلات اور سی این آئی سی کی عدم موجودگی میں ایکٹ کی دفعات اور کمیشن کی طرف سے ان کے تحت وضع کردہ ضابطوں پر عمل کرتے ہوئے منافع منقسمہ کی رقم روک لی جائے گی۔ "ڈیویڈنڈ بینک مینڈیٹ فارم" کمپنی کی ویب سائٹ [www.interloop-pk.com](http://www.interloop-pk.com) پر دستیاب ہے۔

جن ممبرز کے شیئرز ڈی سی اکاؤنٹس میں ہیں ان کے لیے ضروری ہے کہ وہ اپنے متعلقہ پارٹنیشنس کو بینک مینڈیٹ فراہم کریں۔

#### 8. اکٹم ٹیکس آرڈیننس، 2001 ("اکٹم ٹیکس آرڈیننس") کے سیکشن 150 کے تحت منافع منقسمہ سے اکٹم ٹیکس کی کٹوتی:

گوشوارے جمع کروانے اور گوشوارے جمع نہ کروانے والوں کے لیے وہ ہولڈنگ ٹیکس کی کٹوتی کی شرحیں، جیسا کہ اکٹم ٹیکس آرڈیننس کے سیکشن 150، 2001 میں تجویز کیا گیا ہے، مندرجہ ذیل ہیں:

اکٹم ٹیکس گوشوارے جمع کرانے والوں کے لیے %15.00

اکٹم ٹیکس گوشوارے جمع نہ کرانے والوں کے لیے %30.00

#### جو انٹ اکاؤنٹ ہولڈرز کی صورت میں منافع منقسمہ پر وہ ہولڈنگ ٹیکس

جن ممبرز کی فائلز اور نان فائلرز کے پاس جو انٹ شیئرز ہولڈنگ ہے ان کے ساتھ الگ الگ برتاؤ کیا جائے گا اور اس قسم کی مخصوص صورت حال میں ہر اکاؤنٹ ہولڈر کو فائل یا نان فائلر باور کیا جائے گا اور اس کی شیئرز ہولڈنگ کے مطابق ٹیکس منہا کیا جائے گا۔

اگر شیئرز کے بارے میں پتہ چلا ناممکن نہ ہو تو پھر ہر اکاؤنٹ ہولڈر کے بارے میں یہ سمجھا جائے گا کہ ان کے پاس شیئرز کا مساوی حصہ ہے اور اسی لحاظ سے کٹوتی کی جائے گی۔ لہذا، زیادہ شرح سے ٹیکس کی کٹوتی سے بچنے کے لیے جو انٹ اکاؤنٹ ہولڈرز سے گزارش ہے کہ وہ زیادہ سے زیادہ سالانہ اجلاس عام کی تاریخ تک اپنی شیئرز ہولڈنگ کی مندرجہ تفصیلات کمپنی کے شیئرز رجسٹرار کو فراہم کریں۔

#### وہ ہولڈنگ ٹیکس سے استثناء کے لیے کارآمد ٹیکس استثناء سرٹیفکیٹ

اکٹم ٹیکس آرڈیننس، 2001 کے سیکشن 150 کے تحت وہ ہولڈنگ ٹیکس سے استثناء کے لیے ایک کارآمد ٹیکس استثناء سرٹیفکیٹ ضروری ہے۔ جو ممبرز اکٹم ٹیکس آرڈیننس، 2001 کے سیکشن 47B کے تحت کو ایفائی کرتے ہیں اور استثناء حاصل کرنے کے خواہش مند ہیں وہ کھاتے کی بندش کی تاریخ سے قبل ٹیکس سے استثناء کے اپنے کارآمد سرٹیفکیٹ کی کاپی شیئرز رجسٹرار کو لازمی فراہم کریں ورنہ قابل اطلاق قانون کے مطابق ٹیکس منہا کیا جائے گا۔

#### 9. کمپنیز ایکٹ، 2017 کے سیکشن 244 کے تحت غیر دعویٰ دار منافع منقسمہ / شیئرز:

کمپنی کے غیر دعویٰ دار منافع منقسمہ / شیئرز کی updated فہرست کمپنی کی ویب سائٹ [www.interloop-pk.com](http://www.interloop-pk.com) پر دستیاب ہے۔ یہ غیر دعویٰ دار ڈیویڈنڈ / شیئرز ہیں جو اس تاریخ سے جب یہ واجب اور قابل ادائیگی تھے، تین (3) سال سے غیر دعویٰ دار اور غیر ادا شدہ چلے آ رہے ہیں۔

شیئرز ہولڈرز سے گزارش ہے کہ وہ اس امر کو یقینی بنائیں کہ غیر دعویٰ دار ڈیویڈنڈ اور شیئرز کے لیے ان کے گھیز بروقت داخل ہوں۔ جو شیئرز ہولڈرز کسی وجہ سے اپنا ڈیویڈنڈ، اگر کوئی ہے، کلیم نہیں کر سکے انھیں مشورہ دیا جاتا ہے کہ وہ ہمارے شیئرز رجسٹرار، میسرز ڈی سی شیئرز رجسٹرار سرورسز لمیٹڈ، ڈی سی ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی-74400 سے رابطہ کریں اور اپنے غیر دعویٰ دار منافع منقسمہ وصول کریں / اس کے بارے میں معلوم کریں۔ اگر کوئی کلیم داخل نہیں کیا جاتا ہے تو کمپنی غیر دعویٰ دار / غیر ادا شدہ منافع اکاؤنٹ میں ڈیویڈنڈ / پازٹ کرانے کی کارروائی عمل میں لائے گی اور اسے کمپنیز ایکٹ، 2017 کے سیکشن (2) 244 کے مطابق وفاقی حکومت کی تحویل میں دے دے گی۔

#### 10. ویڈیو کانفرنس سہولت کے لیے رضامندی:

کمپنیز ایکٹ، 2017 کے سیکشن (2) 132 اور سیکشن (b) 134 کے مطابق اگر کمپنی کو اجلاس کی تاریخ سے کم از کم سات (7) دن قبل مختلف جغرافیائی محل وقوع پر رہنے والے ایسے شیئرز ہولڈرز کی طرف سے، جن کے پاس مجموعی طور پر %10 یا اس سے زیادہ شیئرز ہولڈنگ ہے، ویڈیو کانفرنس کے ذریعے اجلاس میں شرکت کی رضامندی موصول ہو تو کمپنی اس شہر میں ویڈیو کانفرنس سہولت کا انتظام کرے گی بشرطیکہ اس شہر میں اس قسم کی سہولت دستیاب ہو۔ اس سہولت سے فائدہ اٹھانے کے لیے برائے مہربانی مندرجہ ذیل معلومات کمپنی کے رجسٹرڈ دفتر کو پیش کریں۔

میں / ہم \_\_\_\_\_ جن کا تعلق \_\_\_\_\_ سے ہے، انٹرویو / لیٹڈ کے ممبر ہونے کے ناتے \_\_\_\_\_  
آرڈینری شیئرز کے مالک کی حیثیت سے رجسٹرڈ / ویڈیو / CDC اکاؤنٹ نمبر \_\_\_\_\_ ویڈیو کانفرنس کی سہولت حاصل کرنا چاہتے ہیں  
شہر کا نام \_\_\_\_\_

ممبر کے دستخط

فیلو / CDC نمبر A/C	شیئرز کی کل تعداد	بڑے شیئرز ہولڈر کا نام اور CNIC نمبر	شیئرز ہولڈنگ	جو انٹ شیئرز ہولڈر کا نام اور CNIC نمبر	شیئرز ہولڈنگ
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iv. وہ، کمپنیز ایکٹ، 2017، کمپنی کے میوریٹم اینڈ آرٹیکلز آف ایسوسی ایشن، پاکستان سٹاک ایکسچینج لمیٹڈ کے ضابطوں اور دیگر قابل اطلاق قوانین، قواعد اور ضوابط کے تحت اپنے فرائض اور اختیارات سے آگاہ ہے۔

(ا) انتخاب لڑنے کا خواہش مند کوئی ممبر کوئی ایسی ایک کیلگری منتخب کر سکتا/سکتی ہے جس میں وہ ڈائریکٹرز کا الیکشن لڑنا چاہتا/چاہتی ہے۔ بیک وقت ایک سے زیادہ کیلگریز میں نامزدگیوں کی صورت میں صرف ایک کیلگری کو قبول کیا جائے گا۔ کمپنی کے ڈائریکٹرز کے انتخاب کے مقاصد کے لیے ووٹنگ مندرجہ ذیل تین کیلگریز میں الگ الگ ہوگی۔

- i. خاتون ڈائریکٹر
- ii. انڈیپنڈنٹ ڈائریکٹر
- iii. دیگر ڈائریکٹر

کوئی ممبر مذکورہ بالا ہر کیلگری میں انتخاب لڑنے والے کسی امیدوار کو اپنی صوابدید کے مطابق ووٹ دے سکتا ہے۔ تاہم، اس بات کو نوٹ کیا جائے کہ کسی کیلگری کے لیے ہر ممبر کو دستیاب ووٹوں کی تقسیم، ہر کیلگری کے تحت ڈائریکٹرز کی نشستوں کی تعداد کے تناسب سے ہوگی۔ اگر ایسے ممبرز کی تعداد، جنہوں نے ہر کیلگری میں خود کو پیش کیا ہے، ہر کیلگری میں منتخب کیے جانے والے ڈائریکٹرز کی تعداد سے زیادہ نہیں ہے تو ایسے ممبرز ووٹ ڈالنے کے عمل کے بغیر بلا مقابلہ منتخب ہو جائیں گے۔

(ب) امیدواروں سے گزارش ہے کہ وہ ڈائریکٹرز کے انتخاب کے بارے میں متعلقہ دفعات/ضروریات کو پڑھ لیں، جیسا کہ کمپنیز ایکٹ، 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور دیگر قابل اطلاق قوانین اور ضابطوں میں صراحت کی گئی ہے اور ان کی لفظی و معنوی تفسیل کو یقینی بنائیں۔

#### 4. سالانہ اجلاس عام میں شرکت:

اجلاس میں شرکت کرنے اور ووٹ دینے کے اہل تمام ممبرز اپنی جانب سے شرکت اور ووٹ دینے کے لیے کسی دوسرے فرد کو تحریری طور پر اپنا نمائندہ مقرر کر سکتے ہیں۔ نمائندے کے لیے کمپنی کا ممبر ہونا ضروری ہے۔ کارپوریٹ اداروں کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی مع اس شخص کے دستخط نمونہ جسے کارپوریٹ ادارے کی طرف سے نمائندگی اور ووٹ دینے کے لیے نامزد کیا گیا ہے اور سی این آئی سی کی تصدیق شدہ کاپی، مکمل شدہ پراکسی فارم کے ساتھ اجلاس میں کمپنی کو پیش کی جائے گی۔ پراکسی ہولڈرز کے لیے ضروری ہے کہ وہ اپنا اصل کارآمد CNICs یا اصل پاسپورٹ اجلاس کے وقت پیش کریں۔

موثر ہونے کے لیے، مناسب طریقے سے ہڈ اور دستخط شدہ پراکسی فارم اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر کو مل جائیں۔ ICDC کاؤنٹ ہولڈرز کو مندرجہ ذیل مزید رہنما اصولوں پر بھی عمل کرنا ہوگا جو اس ضمن میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے طے کیے گئے ہیں۔

#### (a) اجلاس میں شرکت کے لیے:

- i. افراد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر جس کی سیکورٹیز اور رجسٹریشن کی تفصیلات سنٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ کے ضوابط کے مطابق اپ لوڈ یڈ ہوں، وہ سالانہ اجلاس عام میں شرکت کے وقت اپنا اصلی کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ دکھا کر شناخت کی توثیق کرے گا/کرے گی۔
- ii. CDC میں رجسٹرڈ ممبرز سے یہ گزارش بھی کی جاتی ہے کہ وہ اپنے کوائف، آئی ڈی نمبرز اور سی ڈی ایس کے اکاؤنٹ نمبرز ہمراہ لائیں
- iii. کاروباری ادارے کی صورت میں سالانہ اجلاس عام کے موقع پر بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ، نامزد فرد کے دستخط کے نمونے کے ساتھ پیش کرنا ہوگا (اگر اس سے پہلے فراہم نہیں کیے گئے)

#### (b) نمائندہ کی تقرری کے لیے:

- i. افراد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات ضابطوں کے مطابق اپ لوڈ یڈ ہیں، مذکورہ بالا تقاضوں کے مطابق نمائندگی نامہ پیش کریں گے۔
- ii. اصل مکان اور پراکسی کے کارآمد شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں نمائندگی نامہ کے ساتھ پیش کی جائیں گی۔
- iii. پراکسی، اجلاس کے وقت اصل کارآمد شناختی کارڈ یا اصل پاسپورٹ پیش کرے گا۔
- iv. کاروباری ادارے کی صورت میں اجلاس کے موقع پر نمائندگی نامے کے ہمراہ بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ، مع نمائندے کے دستخط کے نمونے کمپنی کو پیش کرنا ہوں گے (اگر اس سے پہلے پیش نہیں کیے گئے)۔
- v. نمائندگی نامہ کی گواہی دو افراد دیں گے، جن کے نام، پتہ اور کارآمد شناختی کارڈ نمبرز فارم پر درج ہوں گے۔

#### 5. پوسٹل بیلٹنگ کے ذریعے ووٹ دینا:

کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کے مطابق اوکٹوبر 2017 کے سیکشنز 143 اور 144 سے بھی مشروط، کسی بھی خصوصی کارروائی اور ڈائریکٹرز کے انتخاب کے مقصد کے لیے اگر خود کو منتخب کرانے کے لیے پیش کرنے والے افراد کی تعداد ڈائریکٹرز کی اس تعداد سے زیادہ ہے تو کمپنیز ایکٹ، 2017 کے سیکشن (1) 159 کے تحت مقرر کردہ ہے تو ممبرز کو مذکورہ بالا ریگولیشنز میں شامل ضروریات اور طریقہ کار کے مطابق پوسٹل بیلٹ یا بذریعہ ای۔ ووٹنگ اپنا ووٹ کا حق استعمال کرنے کی اجازت ہوگی۔ کمپنی، سالانہ اجلاس عام سے کم از کم سات دن پہلے اخبارات میں الیکٹرانک ووٹنگ کا طریقہ کار اور پوسٹل بیلٹ پیپر ز فراہم کرے گی اور یہ کمپنی کی ویب سائٹ [www.interloop-pk.com](http://www.interloop-pk.com) پر بھی اپ لوڈ کرے گی۔

ممبرز سے گزارش ہے کہ وہ اپنے نام، فوٹیو، سی ڈی سی اکاؤنٹ نمبر، ای میل ایڈریس اور رابطہ نمبر کے ساتھ اپنی تفصیلات کمپنی کے شیئر رجسٹرار، میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی-74400 کو اپ ڈیٹ کریں۔

#### 6. سی این آئی سی کی کاپیاں لازمی پیش کرنا:

بحوالہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کا نوٹیفیکیشن، SRO779(1)2011 مورخہ 18 اگست، 2011، جن ممبرز/شیئر ہولڈرز نے ابھی تک اپنے کارآمد سی این آئی سی کی فوٹو کاپی جمع نہیں کروائی وہ جلد سے جلد یہ کاپی براہ راست کمپنی کے شیئر رجسٹرار، میسرز سی ڈی سی شیئر

لین دین میں بعض ڈائریکٹرز یا ان کی اکثریت کی دلچسپی ہو سکتی ہے۔ اس کے باوجود ممبرز، بورڈ آف ڈائریکٹرز کی طرف سے بشمول کمپنیز ایکٹ، 2017 کے سیکشن 207 اور یا 208 کے تحت (جس حد تک بھی قابل اطلاق ہو) وقتاً فوقتاً منظور کردہ تمام تعلق دار فریقوں کے ساتھ لین دین کا جائزہ لینے کے لیے بذریعہ ہذا پیشگی اختیار اور منظوری دیتے ہیں۔

مزید قرار طے پایا کہ 30 جون، 2024 کو ختم ہونے والی مدت کے لیے تعلق دار فریق سے لین دین ممبرز کی طرف سے منظور شدہ تصور کیا جائے گا اور اگر ضرورت ہوگی تو اسے توثیق اور منظوری کے لیے اگلے سالانہ اجلاس عام میں ممبرز کے سامنے پیش کیا جائے گا۔

(اس گزارشات کے ساتھ مذکورہ بالا خصوصی کارروائی پر محیط مادی حقائق کا سینٹ منسک ہے، جیسا کہ کمپنیز ایکٹ، 2017 کے سیکشن 134(3) کے تحت ضروری ہے)

## دیگر امور:

14. صاحب صدر کی اجازت سے کوئی اور کارروائی نمٹانا۔

بحکم بورڈ



(رانہ راضا)

کمپنی سیکریٹری

گزارشات:

1. شیئر ٹرانسفرنگس کا بند ہونا

کمپنی کی شیئر ٹرانسفرنگس 106 اکتوبر، 2023 سے 13 اکتوبر، 2023 (بشمول دونوں دن) تک بند رہیں گی۔ منتقلی کی جو درخواستیں تجویز کردہ فارمیٹ پر 05 اکتوبر، 2023 کو کاروباری اوقات بند ہونے سے پہلے کمپنی کے شیئر رجسٹرار، میسرز سی ڈی سی شیئر رجسٹرار سروس لمیٹڈ، سی ڈی سی ہاؤس، بلاک B، 99-B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی-74400 کو موصول ہو جائیں گی، وہ ٹرانسفرز کے مذکورہ بالا اور یا سالانہ اجلاس عام میں شرکت کے استحقاق کے لیے بروقت سمجھی جائیں گی۔

2. AGM کی کارروائی میں ورچوئل شرکت

سالانہ اجلاس عام میں ورچوئل شرکت کے خواہش مند شیئر ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ aliraza.rana@interloop.com.pk یا aliraza.ca@gmail.com پر ای میل کے ذریعے مندرجہ ذیل معلومات فراہم کر کے خود کو رجسٹرڈ کروائیں۔

شیئر ہولڈر کا نام	سی این آئی سی نمبر	ای میل ایڈریس	رابطہ نمبر	شیئر کی تعداد	ای میل ایڈریس
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آن لائن اجلاس کالنگ اور لاگ ان کریڈنٹیلز صرف ان ممبرز کے ساتھ شیئر کئے جائیں گے جن کے مطلوبہ کوائف پر مشتمل ای میلز جمعرات 12 اکتوبر، 2023 کو کاروبار بند ہونے تک دیئے گئے ای میل ایڈریس پر موصول ہو جائیں گی۔ لاگ ان کی سہولت 13 اکتوبر، 2023 کو صبح 9:30 بجے سے اجلاس شروع ہونے تک کھلی رہے گی۔

## 3. ڈائریکٹرز کا انتخاب

کمپنیز ایکٹ، 2017 کے سیکشن (1) 159 کے مطابق بورڈ آف ڈائریکٹرز نے منتخب ڈائریکٹرز کی تعداد نو (9) مقرر کی ہے جنہیں سالانہ اجلاس عام میں 12 اکتوبر، 2023 سے شروع ہونے والی اگلی تین سالہ میعاد کے لیے منتخب کیا جائے گا۔

کوئی بھی شخص جو ڈائریکٹرز کا ایکشن لڑنے کا خواہش مند ہو، خواہ وہ سیکڈوش ہو یا رہی ہو یا دوسری صورت میں، مذکورہ اجلاس سے کم از کم چودہ دن پہلے کمپنی کو اس کے رجسٹرڈ دفتر میں مندرجہ ذیل دستاویزات اور معلومات جمع کرائے۔

(a) اپنا فوٹو نمبر / سی ڈی سی الویسٹرز کا ڈونٹ نمبر / سی ڈی سی پارٹنرسٹ نمبر / سب-اکاؤنٹ نمبر۔

(b) کمپنیز ایکٹ، 2017 کے سیکشن (3) 159 کے مطابق خود کو ڈائریکٹرز کے انتخاب کے لیے پیش کرنے کے ارادے کا نوٹس۔

(c) کمپنیز ایکٹ، 2017 کے سیکشن 167 کے تحت فارم 28 پر ڈائریکٹرز کی حیثیت سے کام کرنے پر رضامندی۔

(d) کمپنی کی ویب سائٹ [www.interloop-pk.com](http://www.interloop-pk.com) پر ڈالنے کے لیے اپنے دفتر کے پتے کے ساتھ تفصیلی پروفائل۔

(e) انڈیپنڈنٹ ڈائریکٹرز کا سلیکشن کمپنیز ایکٹ، 2017 کے سیکشن 166 کے تقاضوں کے مطابق اور سلیڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شق (3) 6 کے تحت ہوگا۔ انڈیپنڈنٹ ڈائریکٹرز کی حیثیت سے انتخاب میں حصہ لینے کا خواہش مند ممبر نان جوڈیشل اسٹامپ پیپر پر یہ اقرار نامہ پیش کرے گا / کرے گی کہ کمپنیز ایکٹ، 2017 کے تحت نوٹیفائیڈ اور ان کی مطابقت سے جاری کردہ قواعد و ضوابط کی رو سے اہلیت اور غیر جانبداری کے طریقہ کار پر پورا اترتا / اترتی ہے۔

(f) دیگر عہدوں / ڈائریکٹرشپس اور عہدوں کی تفصیل

(g) کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی ایک تصدیق شدہ کاپی

(h) یہ اقرار نامہ کہ:

i. وہ کمپنیز ایکٹ، 2017 کے سیکشن 153 اور کسی دوسرے قابل اطلاق قانون، قواعد اور ضوابط کے تحت کمپنی کا / کی ڈائریکٹر بننے کا / کی نااہل نہیں ہے؛

ii. وہ سات سلیڈ کمپنیوں سے زیادہ کے / کی ڈائریکٹرز کی حیثیت سے خدمات انجام نہیں دے رہا / رہی؛

iii. نقد وہ اور نہ ہی اس کا / کی شریک حیات بروکر تاج کے بزنس میں مصروف ہے یا کسی کارپوریٹ بروکر تاج ہاؤس کا / کی سپانسر، ڈائریکٹر یا آفیسر ہے۔

10.2. مارکیٹ کی مایوس کن صورت حال کے باعث، جیسا کہ اس میں کہا گیا ہے، محفوظ بنایا جائے، اور اگر ایکسٹریسٹرز پرائسز موافق اور دلکش نہ ہوتو کمپنی کے بورڈ آف ڈائریکٹرز کو الاٹ کرنے کے فیصلے کے دن مارکیٹ کی کلوزنگ پرائس پر تمام آپشنز کی 10% تک از سر نو قیمت مقرر کرنے کا اختیار ہوگا۔"

مزید قرار طے پایا کہ ترمیم شدہ انٹرویو لپٹڈ ایپلائنسز اسٹاک آپشن سکیم، 2016 مذکورہ بالا ترمیم شامل کرتے ہوئے منظور کی جائے اور بذریعہ ہذا منظور کی جاتی ہے۔

مزید قرار طے پایا کہ چیف ایگزیکٹو آفیسر جناب نوید فاضل اور کمپنی سیکریٹری جناب رانا علی رضا کو ایسے تمام کام، افعال، اور چیزیں کرنے، تمام قانونی کارروائیوں کی تکمیل کے لیے کوئی یا تمام ضروری اقدامات اٹھانے اور ایسی تمام دستاویزات جمع کروانے کا اختیار دیا جائے اور بذریعہ ہذا دیا جاتا ہے، جو مذکورہ بالا قرارداد پر عمل درآمد کے مقصد کے لیے ضروری یا اتفاقی ہو، اس کے علاوہ کوئی اور عمل یا قدم جو مذکورہ بالا کاموں کے لیے تائیدی اور ایسا اتفاقی ہو اور مذکورہ بالا قراردادوں کا مقصد کلی طور پر حاصل کرنے کے لیے ضروری ہو۔

11. مندرجہ ذیل قرارداد پر غور کرنا اور اگر مناسب سمجھا جائے تو کسی رد و بدل، اضافے یا تحریف کے ساتھ یا بغیر عام قرارداد کی حیثیت سے اسے منظور کرنا:

قرار طے پایا کہ نارگٹ کمپنی یعنی ٹاپ سرکل ہوزری ملز کمپنی، انکار پوریشن (ٹاپ)، یو ایس اے اور بعد میں اس کے 164% یکویٹی سٹیک کے حصول کے لیے، اُن شرائط و ضوابط پر جن پر دونوں فریق باہمی طور پر رضامند ہوں گے، طویل المدت ایکویٹی سرمایہ کاری کرنے کے لیے، جو ریاست ہائے متحدہ امریکا کے قوانین کے تحت انکار پوریشن ہے، جہاں یہ رجسٹرڈ ہے، تمام قابل اطلاق ریگولیشنز اور کارپوریٹ منظور یوں، جو بھی درکار ہوں، سے مشروط کمپنی کی منظوری حاصل کی جائے اور بذریعہ ہذا یہ منظوری دی جاتی ہے۔

مزید قرار طے پایا کہ ان مقاصد کے لیے کمپنی کے بورڈ آف ڈائریکٹرز کو بشمول ان کے مندوبین / ایجنٹس اور ایسا قانونی مشیر، یہ اختیار دیا جا رہا ہے کہ وہ ایسے تمام کام، افعال، اور معاملات انجام دیں اور بشمول معاہدے (معاہدوں) پر دستخط کرنے اور ان پر عمل کرانے، بشمول شیئر پریچر ایگریمنٹس، شیئر ہولڈرز ایگریمنٹس ("ایگریمنٹس") اور کسی بھی دوسری دستاویز جو دونوں ملکوں کے قابل اطلاق قانون کے حوالے سے ان کے مخصوص فارمیٹس کے مطابق درکار ہو اور جیسا کہ ریگولیشنز کی طرف سے منظور دی گئی ہو پر دستخط اور عمل کرانے سمیت تمام ضروری اقدامات کریں، ایسی تمام قانونی کارروائیاں مکمل کریں جو مذکورہ بالا قراردادوں پر عمل درآمد کے مقصد کے لیے ضروری یا ناگزیر ہوں اور کمپنی اور اس کے شیئر ہولڈرز کے بہترین مفاد میں ہوں۔

مزید قرار طے پایا کہ کمپنی کے بورڈ آف ڈائریکٹرز کو بشمول کمپنی کے چیف ایگزیکٹو آفیسر اور ان کے مندوبین / ایجنٹس اور ایسا قانونی مشیر کو مزید یہ اختیار دیا جا رہا ہے کہ وہ معاہدوں کو موثر بنانے اور ایسا کمپنی کی طرف سے ان پر عمل کرانے اور فراہم کرنے کے لیے تمام ضروری یا اتفاقی امور انجام دیں اور معاہدوں کو موثر بنانے اور حصول کے لیے ضروری یا درکار کسی یا تمام دستاویزات اور سمجھوتوں کو جو دونوں ملکوں کے ریگولیشنز کی طرف سے ضرورت ہوں جمع یا پیش کریں اور حصول کو مکمل کریں، بشمول معاہدوں کی شرائط اور ایسا معاہدوں میں کسی ترمیم، تبدیلی یا رد و بدل پر بات چیت کریں، بشرطیکہ یہ ترمیم، تبدیلیاں، یا رد و بدل کمپنی اور اس کے شیئر ہولڈرز کے بہترین مفاد میں ہوں۔

12.

کمپنیز ایکٹ، 2017 کے سیکشنز 207 اور ایسا 208 کے مطابق مندرجہ ذیل قرارداد پر غور کرنا اور اگر مناسب سمجھا جائے تو کسی رد و بدل کے ساتھ یا بغیر اسے خصوصی قرارداد کی حیثیت سے منظور کرنا

قرار طے پایا کہ کمپنیز ایکٹ، 2017 کے سیکشنز 207 اور 208 کی دفعات کے مطابق، کمپنی کے ممبرز کی طرف سے منظوری دی جائے اور بذریعہ ہذا دی جاتی ہے کہ کمپنی کا بورڈ آف ڈائریکٹرز، انٹرویو لپٹڈ (پرائیویٹ) لمیٹڈ (انٹرویو لپٹڈ کے ایسوسی ایٹ) کی کل ملکیتی سبڈری میسز سوکس اینڈ سوکس (پرائیویٹ) لمیٹڈ کے ساتھ مشینری، زمین اور عمارت اور دوسرے گسٹڈ اثاثوں سمیت اس کا پراڈکشن پلانٹ خریدنے کے لیے تمام متعلقہ ریگولیشنز اور تصدیق کی منظوری سے مشروط، ایک ایسیٹ پریچر ایگریمنٹ (APA) کرے۔

مزید قرار طے پایا کہ چیف ایگزیکٹو آفیسر جناب نوید فاضل اور کمپنی سیکریٹری جناب رانا علی رضا مشترکہ طور پر اور / یا الگ الگ یا اختیار ہوں اور بذریعہ ہذا انھیں یہ اختیار دیا جاتا ہے کہ وہ اثاثوں کی خریداری، تمام مطلوبہ ریگولیشنز منظور یوں کے حصول، مذکورہ بالا کے مقاصد کے حصول کے لیے قانونی مشیر (مشیروں) اور دوسرے کسٹلنٹس کی خدمات حاصل کرنے، مطلوبہ درخواست (درخواستیں)، دیگر قانونی فارم اور تمام دوسری دستاویزات داخل کرنے جو ایس ای سی پی یا کسی دوسری اتھارٹی کے پاس جمع کرانے کی ضرورت ہو، ایسی تمام دستاویزات جمع کرانے، جن کی ضرورت ہو، اثاثوں کے حصول اور ان کی رجسٹریشن کے لیے تمام ضروری سمجھوتوں، ڈیڈز اور دستاویزات کو رو بہ عمل لانے (قابل اطلاق حد تک) اور دوسرے تمام معاملات اتفاقی یا تائیدی کے لیے تمام ضروری اقدامات کریں۔

مزید قرار طے پایا کہ اگر ایس ای سی پی اور ایسا کسی دوسری مجاز اتھارٹی کی طرف سے کسی غلطی، صرف نظر یا کوتاہی کی نشان دہی کی جائے یا ایس ای سی پی اور / یا کسی مجاز اتھارٹی کو مذکورہ بالا قرارداد (قراردادوں) میں کسی ترمیم، رد و بدل، اضافے یا احواف کی ضرورت ہو تو چیف ایگزیکٹو اور / یا کمپنی سیکریٹری کو مشترکہ طور پر اور الگ الگ یا اختیار حاصل ہو اور بذریعہ ہذا یہ اختیار دیا جاتا ہے کہ وہ ممبرز کی منظوری کی ضرورت کے بغیر ایسی ترمیم، تبدیلی، اضافے یا تحریف کریں، جیسا کہ ضرورت ہو۔

13.

کمپنیز ایکٹ، 2017 کے سیکشنز 207 اور ایسا 208 (جس حد تک بھی قابل اطلاق ہو) کے ضمن میں تعلق دار فریقوں سے لین دین کیے جانے والے انتظامات ایسا کیے جانے ہیں، کے حوالے سے مندرجہ ذیل قرارداد پر غور کرنا اور اگر مناسب سمجھا جائے تو کسی رد و بدل کے بغیر یا ساتھ اس کی توثیق کرنا اور منظوری دینا (جو بھی صورت ہو)۔

قرار طے پایا کہ 30 جون، 2023 کو ختم ہونے والے سال کے دوران تعلق دار فریقوں کے ساتھ کیے جانے والے لین دین کی، جیسا کہ مذکورہ مدت کے لیے کمپنی کے آڈٹ شدہ مالی حسابات کے Note 43 میں منکشف کیا گیا ہے، توثیق کی جائے اور منظوری دی جائے اور بذریعہ ہذا یہ توثیق کی جاتی ہے اور منظوری دی جاتی ہے۔

مزید قرار طے پایا کہ کمپنی 30 جون، 2024 کو ختم ہونے والے مالی سال کے دوران تعلق دار فریقوں کے ساتھ اس حد تک گڈز، کموڈٹیز، اور مشینری خرید و فروخت، بشمول مگر ایسا حد تک محدود نہیں، خدمات کی فراہمی یا شیئر ہولڈرز کے لیے، جسے بورڈ آف ڈائریکٹرز مناسب سمجھے اور ایسا کی منظوری دے، انتظامات کرنے یا وقتاً فوقتاً لین دین کرنے کی مجاز ہو اور بذریعہ ہذا سے یہ اختیار دیا جاتا ہے۔ ممبرز نے یہ بات نوٹ کی کہ مذکورہ بالا انتظامات اور

مزید قرار طے پایا کہ چیف ایگزیکٹو آفیسر جناب نوید فاضل اور کمپنی سیکریٹری جناب رانا علی رضا کو ایسے تمام کام، افعال، اور چیزیں کرنے، تمام قانونی کارروائیوں کی تکمیل کے لیے کوئی یا تمام ضروری اقدامات اٹھانے اور ایسی تمام دستاویزات جمع کروانے کا اختیار دیا جائے اور بذریعہ ہذا دیا جاتا ہے، جو مذکورہ بالا قرارداد پر عمل درآمد کے مقصد کے لیے ضروری یا اتفاقی ہو، اس کے علاوہ کوئی اور عمل یا قدم جو مذکورہ بالا کاموں کے لیے تائیدی اور ایسا اتفاقی ہو اور مذکورہ بالا قراردادوں کا مقصد کلی طور پر حاصل کرنے کے لیے ضروری ہو۔

8. بورڈ آف ڈائریکٹرز کی سفارش پر، محفوظات کے استعمال سے متعلق کمپنی کے آرٹیکلز آف ایسوسی ایشن کی دفعات کو کسی تبدیلی، اضافے یا احذف کے ساتھ یا بغیر، درکار منظور یوں سے مشروط، اگر کوئی ہو، مندرجہ ذیل قرارداد پر غور اور اگر مناسب سمجھا جائے تو اس کو خصوصی قرارداد کی حیثیت سے منظور کرنا۔

قرار طے پایا کہ کمپنی کے ممبرز اس بارے میں منظوری دیں اور بذریعہ ہذا دی جاتی ہے کہ کمپنی کا بورڈ آف ڈائریکٹرز یہ قراردادے کسی ایسی رقم کے کسی حصے کو استعمال کرنا ضروری ہے جو فی الوقت کمپنی کے کسی محفوظ اکاؤنٹ میں ہے یا جو جمع و نقصان کھاتے میں ہے یا کسی دوسری تقسیم کے لیے دستیاب ہے اور اس رقم کو ایسے ممبرز میں تقسیم کے لیے الگ کر دیا جائے، جو اس صورت میں اس کے مستحق ہونے کے لیے ان میں منافع منقسمہ کی حیثیت سے تقسیم کی گئی اور اسی تناسب سے اور اس شرط کے ساتھ تقسیم کی گئی کہ یہ نقد میں تقسیم نہیں کی جائے گی بلکہ یہ کمپنی کے بونس شیئرز یا debentures کی حیثیت سے ایسے ممبرز میں مذکورہ بالا تناسب سے مکمل غیر جاری شدہ شیئرز کے لیے استعمال میں لائی گئی یا اس مقصد کے لیے ادا کی گئی اور ڈائریکٹرز اس قرارداد کو موثر بنائیں گے۔

مزید قرار طے پایا کہ جب بھی کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے اس قسم کی قرارداد، جس کا اوپر ذکر کیا گیا ہے، منظور کی جائے گی ڈائریکٹرز کو اس غیر تقسیم شدہ منافع، جو استعمال کیا جائے گا کی تمام تر تخصیص اور اطلاق اور تمام الاٹمنٹس اور مکمل ادا شدہ شیئرز یا debentures اگر کوئی ہوں، جاری کرنے کا اختیار حاصل ہوگا اور وہ عام طور سے ایسے تمام افعال اور کام انجام دے گا جو اسے موثر بنانے کے لیے ضروری ہوں گے۔

مزید قرار طے پایا کہ کمپنی کے بورڈ آف ڈائریکٹرز کو مذکورہ بالا اختیارات ملنے کے بعد کمپنی کے آرٹیکلز آف ایسوسی ایشن کے موجودہ آرٹیکل 129 کو 129A اور 129B سے تبدیل کر دیا جائے اور بذریعہ ہذا تبدیل کیا جاتا ہے، اب یہ مندرجہ ذیل کی طرح پڑھا جائے گا۔

#### آرٹیکلز آف ایسوسی ایشن کا آرٹیکل 129A:

" کمپنی کے بورڈ آف ڈائریکٹرز یہ قراردادے سکتے ہیں کہ ایسی رقم کے کسی حصے کو استعمال کرنا ضروری ہے جو فی الوقت کمپنی کے کسی محفوظ اکاؤنٹ میں ہے یا جو جمع و نقصان کھاتے میں ہے یا کسی دوسری تقسیم کے لیے دستیاب ہے اور اس رقم کو ایسے ممبرز میں تقسیم کے لیے الگ کر دیا جائے، جو اس صورت میں اس کے مستحق ہونے کے لیے ان میں منافع منقسمہ کی حیثیت سے تقسیم کی گئی اور اسی تناسب سے اور اس شرط کے ساتھ تقسیم کی گئی کہ یہ نقد میں تقسیم نہیں کی جائے گی بلکہ یہ کمپنی کے بونس شیئرز یا debentures کی حیثیت سے ایسے ممبرز میں مذکورہ بالا تناسب سے مکمل غیر جاری شدہ شیئرز کے لیے استعمال میں لائی گئی یا اس مقصد کے لیے ادا کی گئی اور ڈائریکٹرز اس قرارداد کو موثر بنائیں گے۔"

#### آرٹیکلز آف ایسوسی ایشن کا آرٹیکل 129B:

" کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے جب بھی اس قسم کی قرارداد، جس کا اوپر ذکر کیا گیا ہے، منظور کی جائے گی ڈائریکٹرز کو اس غیر تقسیم شدہ منافع، جو استعمال کیا جائے گا، کی تمام تر تخصیص اور اطلاق اور تمام الاٹمنٹس اور مکمل ادا شدہ شیئرز یا debentures اگر کوئی ہوں، جاری کرنے کا اختیار حاصل ہوگا اور وہ عام طور پر ایسے تمام افعال اور کام انجام دے گا جو اسے موثر بنانے کے لیے ضروری ہوں گے۔"

مزید قرار طے پایا کہ چیف ایگزیکٹو آفیسر جناب نوید فاضل اور کمپنی سیکریٹری جناب رانا علی رضا کو ایسے تمام کام، افعال، اور چیزیں کرنے، تمام قانونی کارروائیوں کی تکمیل کے لیے کوئی یا تمام ضروری اقدامات اٹھانے اور ایسی تمام دستاویزات جمع کروانے کا اختیار دیا جائے اور بذریعہ ہذا دیا جاتا ہے، جو مذکورہ بالا قرارداد پر عمل درآمد کے مقصد کے لیے ضروری یا اتفاقی ہو، اس کے علاوہ کوئی اور عمل یا قدم جو مذکورہ بالا کاموں کے لیے تائیدی اور ایسا اتفاقی ہو اور مذکورہ بالا قراردادوں کا مقصد کلی طور پر حاصل کرنے کے لیے ضروری ہو۔

9. کمپنی کو کمپنیز ایکٹ، 2017 کے سیکشن (6) 223(6) S.R.O389(I)/2023، مورخہ 21 مارچ، 2023 کے ساتھ ملا کر پڑھا جائے کی مطابقت سے کمپنی کے ممبرز کو سالانہ رپورٹ (بشمول آڈٹ شدہ مالی حسابات، آڈیٹرز رپورٹ، ڈائریکٹرز کی رپورٹ، چیئرمین کی جائزہ رپورٹ) بذریعہ QR enabled کوڈ اور ویب لنک بھیجنے کے قابل بنانے کے لیے مندرجہ ذیل قرارداد پر غور کرنا اور اگر مناسب سمجھا جائے تو اس کو کسی ردو بدل، اضافے یا احذف کے ساتھ یا بغیر خصوصی قرارداد کی حیثیت سے منظور کرنا۔

قرار طے پایا کہ کمپنی، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ S.R.O389(I)/2023 کے مطابق سالانہ رپورٹ بشمول آڈٹ شدہ مالی حسابات، آڈیٹرز رپورٹ، ڈائریکٹرز کی رپورٹ، چیئرمین کی جائزہ رپورٹ اور اس میں شامل دیگر پورٹس کمپنی کے ممبرز کو QR enabled کوڈ اور ویب لنک کے ذریعے ارسال کرنے کی مجاز ہو اور بذریعہ ہذا اسے یہ اختیار دیا جاتا ہے اور یہ کہ سالانہ رپورٹ CD / USB کے ذریعے بھیجنے کا طریقہ ختم کر دیا جائے۔

مزید قرار طے پایا کہ چیف ایگزیکٹو آفیسر جناب نوید فاضل اور کمپنی سیکریٹری جناب رانا علی رضا کو ایسے تمام کام، افعال، اور چیزیں کرنے، تمام قانونی کارروائیوں کی تکمیل کے لیے کوئی یا تمام ضروری اقدامات اٹھانے اور ایسی تمام دستاویزات جمع کروانے کا اختیار دیا جائے اور بذریعہ ہذا دیا جاتا ہے، جو مذکورہ بالا قرارداد پر عمل درآمد کے مقصد کے لیے ضروری یا اتفاقی ہو، اس کے علاوہ کوئی اور عمل یا قدم جو مذکورہ بالا کاموں کے لیے تائیدی اور ایسا اتفاقی ہو اور مذکورہ بالا قراردادوں کا مقصد کلی طور پر حاصل کرنے کے لیے ضروری ہو۔

10. انٹرویو لیمٹڈ ایپلائنسز اسٹاک آپشن سکیم، (ESOS) 2016 میں ترمیم پر غور کرنا اور اگر مناسب سمجھا جائے تو مندرجہ ذیل قرارداد کو کسی تبدیلی کے ساتھ یا بغیر خصوصی قرارداد کی حیثیت سے منظور کرنا۔

قرار طے پایا کہ تمام مطلوبہ منظور یوں، اگر کوئی ہوں، سے مشروط ESOS کی شق 10 میں مندرجہ ذیل نئی ذیلی شق شامل کرتے ہوئے اس میں ترمیم کی جائے اور بذریعہ ہذا یہ ترمیم کی جاتی ہے:

## 31 واں سالانہ اجلاس عام کی اطلاع

بذریعہ ہذا اطلاع دی جاتی ہے کہ انٹرنل لوپ لمیٹڈ ("کمپنی") کا 31 واں سالانہ اجلاس عام (AGM) بروز جمعہ 13 اکتوبر، 2023 کو صبح 10:00 بجے انٹرنل لوپ ایگزیکٹو کلب، انٹرنل لوپ انڈسٹریل پارک واقع 7-KM کھڑیا نوالہ-جزا نوالہ روڈ، کھڑیا نوالہ، فیصل آباد منعقد ہوگا جس میں مندرجہ ذیل امور نمٹائے جائیں گے۔

### عمومی امور:

1. کمپنی کے 18 اکتوبر، 2022 کو منعقد ہونے والے گزشتہ سالانہ اجلاس عام (AGM) کی کارروائی کی توثیق کرنا۔
2. 30 جون، 2023 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ آڈٹ شدہ مالی گوشواروں کی وصولی، غور و خوض اور منظوری دینا اور اس کے ساتھ اس بارے میں آڈیٹرز اور ڈائریکٹرز رپورٹ اور چیئرمین کی جائزہ رپورٹ۔
3. 30 جون، 2023 کو ختم ہونے والے سال کے لیے بورڈ آف ڈائریکٹرز کی سفارش کے مطابق 20% کی شرح یعنی 2 روپے فی شیئر کی شرح سے حتمی نقد منافع منقسمہ کی منظوری دینا۔
4. مالی سال 2023-24 کے لیے آڈیٹرز کا تقریر اور ان کا معاوضہ طے کرنا۔ ممبرز کو مطلع کیا جاتا ہے کہ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے سبکدوش ہونے والے آڈیٹرز، میسرز کریسن جی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو دوبارہ کمپنی کے آڈیٹرز کی حیثیت سے مقرر کرنے کی سفارش کی ہے۔
5. کمپنیز ایکٹ، 2017 کے سیکشن (1) 159 کے مطابق 22 اکتوبر، 2023 سے شروع ہونے والی تین (3) سالہ مدت کے لیے بورڈ آف ڈائریکٹرز کی طرف سے مقرر کردہ کمپنی کے نو (9) ڈائریکٹرز کو منتخب کرنا۔ سبکدوش ہونے والے ڈائریکٹرز کے نام جو دوبارہ انتخاب کے لیے اہل ہیں، مندرجہ ذیل ہیں:

- |     |                        |
|-----|------------------------|
| (1) | جناب مصدق ذوالقرنین    |
| (2) | جناب نوید فاضل         |
| (3) | جناب جہانزیب خان بانٹھ |
| (4) | جناب محمد مقصود        |
| (5) | محترمہ شیریں آفتاب     |
| (6) | جناب سعید احمد جنیل    |
| (7) | جناب طارق اقبال خان    |

(کمپنیز ایکٹ، 2017 کے سیکشن (3) 166 کے تحت ڈائریکٹرز کے انتخاب سے متعلق سٹیٹمنٹ اس نوٹس کے ساتھ منسلک ہے)

6.

عبوری بونس شیئرز کی توثیق کرنا، جو 30 جون، 2023 کو ختم ہونے والے سال کے لیے ہر سو (100) ملکیٹی شیئرز پر پچاس (50) شیئرز یعنی 50% کے تناسب سے جو پہلے ہی جاری اور کریڈٹ کیے جا چکے ہیں اور ممبرز کے فریکیشنل اسٹھاق جو سالہ شیئرز میں مربوط کیے گئے اور سٹاک مارکیٹ میں فروخت کر دیئے گئے اور جن کی فروخت سے حاصل شدہ رقم ایک خیراتی ادارے کو عطیہ کر دی گئی، جیسا کہ قانون کے تحت اجازت ہے۔

قرار طے پایا کہ ہر ایک سو (100) ملکیٹی شیئرز پر پچاس (50) شیئرز یعنی پچاس فیصد (50%) کے تناسب سے عبوری بونس شیئرز جو 30 جون، 2023 کو ختم ہونے والے سال کے لیے پہلے ہی جاری اور CDS میں کریڈٹ کیے جا چکے ہیں اور ممبرز کے فریکیشنل اسٹھاق جو سالہ شیئرز میں مربوط اور سٹاک مارکیٹ میں فروخت کر دیئے گئے، جن کی فروخت سے حاصل ہونے والی رقم ایک خیراتی ادارے کو عطیہ کر دی گئی، جس کی قانون کے تحت اجازت ہے اور جس کی بورڈ آف ڈائریکٹرز نے 09 جون، 2023 کو منعقدہ اپنے اجلاس میں منظوری دی تھی، کی توثیق و تصدیق کی جائے اور بذریعہ ہذا کی جاتی ہے۔

### خصوصی امور:

7.

کمپنی کو انٹرنل لوپ لمیٹڈ کا منظور شدہ شیئر کیپیٹل بڑھانے کا اختیار دینے اور دیگر درکار منظور یوں، اگر کوئی ہوں، سے مشروط، کمپنی کے میمورینڈم آف ایسوسی ایشن میں ضروری ترامیم کرنے کے لیے کمپنیز ایکٹ، 2017 کے سیکشن 85 کے حوالے سے خصوصی قرارداد پر غور کرنا اور اگر مناسب خیال کیا جائے تو کسی رو بہ بدل کے ساتھ یا بغیر اس کو منظور کرنا:

قرار طے پایا کہ کمپنی کا منظور شدہ شیئر کیپیٹل 10 روپے (دس روپے) نی کے 1,500,000,000 (ایک بلین پانچ سو بلین) آرڈینری شیئرز میں منقسم 15,000,000,000 روپے (مبلغ پندرہ بلین روپے صرف) سے بڑھا کر 10 روپے (دس روپے) نی کے 5,000,000,000 (پانچ بلین) آرڈینری شیئرز میں منقسم 50,000,000,000 (مبلغ پچاس بلین روپے صرف) کر دیا جائے اور کیا جاتا ہے۔ یہ ہر لحاظ سے کمپنی کے موجودہ آرڈینری شیئرز کے برابر ہوں ہوں گے۔

مزید قرار طے پایا کہ کمپنی کے منظور شدہ کیپیٹل میں اس اضافے کے بعد کسی بھی ایسی تبدیلیوں سے مشروط جو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ضرورت ہوں اور قابل اطلاق قوانین کے تحت درکار رسمی کارروائیوں اور لائقہ و کار کی تکمیل سے مشروط، کمپنی کے میمورینڈم آف ایسوسی ایشن (MOA) کی موجودہ شق 7 کو تبدیل کر دیا جائے اور بذریعہ ہذا کیا جاتا ہے۔ تبدیلی کے بعد مندرجہ ذیل شق 7 کو اس طرح بڑھا جائے گا:

### میمورینڈم آف ایسوسی ایشن کی شق 7:

"کمپنی کا مجاز سرمایہ - 10 روپے (دس روپے) نی کے 5,000,000,000 (پانچ بلین) آرڈینری شیئرز میں منقسم - 50,000,000,000 روپے (مبلغ پچاس بلین روپے صرف) ہے، جس کے ساتھ ایسے ترجیحی، التوائی، کوالیفائیڈ یا خصوصی حقوق، مراعات اور شرائط منسلک ہیں، جن کا ذکر کمپنی کے آرٹیکلز آف ایسوسی ایشن میں کیا گیا ہے یا وہ کمپنیز ایکٹ، 2017 سے مطابقت رکھتی ہیں اور ان حقوق، مراعات اور شرائط کو اس طریقے سے مختلف، تبدیل یا منسوخ کرتی ہیں جیسا کہ کمپنیز ایکٹ، 2017 کی رو سے اجازت دی گئی ہے اور سرمائے کو بڑھانا اور ایام کم کرنا اور شیئرز کو کیپیٹل میں تقسیم کرنا، ان کی کئی لحاظ سے درجہ بندی کرنا اور شیئرز کو مربوط یا ان کی ذیلی تقسیم کرنا اور زیادہ یا کم فرق کے شیئرز جاری کرنا۔"

# PATTERN OF SHAREHOLDING AS ON JUNE 30, 2023

SHAREHOLDING			
Number of Shareholders	From	To	Total Shares Held
742	1	100	23,597
726	101	500	195,531
1,340	501	1,000	1,052,458
1,945	1,001	5,000	4,545,063
400	5,001	10,000	2,870,492
209	10,001	15,000	2,562,081
98	15,001	20,000	1,649,826
74	20,001	25,000	1,677,573
42	25,001	30,000	1,186,341
34	30,001	35,000	1,100,792
35	35,001	40,000	1,311,619
28	40,001	45,000	1,180,221
23	45,001	50,000	1,098,048
24	50,001	55,000	1,258,048
12	55,001	60,000	685,285
17	60,001	65,000	1,071,219
6	65,001	70,000	403,445
8	70,001	75,000	598,806
10	75,001	80,000	775,155
13	80,001	85,000	1,062,346
9	85,001	90,000	796,947
9	90,001	95,000	830,827
6	95,001	100,000	590,844
5	100,001	105,000	510,159
5	105,001	110,000	538,369
6	110,001	115,000	672,837
5	115,001	120,000	590,898
5	120,001	125,000	610,977
3	125,001	130,000	378,288
2	130,001	135,000	268,270
4	135,001	140,000	553,143
3	140,001	145,000	430,608
6	145,001	150,000	891,897
2	150,001	155,000	307,198
1	155,001	160,000	159,072
5	160,001	165,000	807,492
2	165,001	170,000	334,287
4	170,001	175,000	691,140
2	175,001	180,000	360,000
2	185,001	190,000	372,276
2	195,001	200,000	396,954
7	200,001	205,000	1,414,452
2	205,001	210,000	418,386
1	210,001	215,000	214,864
3	215,001	220,000	657,088
2	220,001	225,000	448,500
3	230,001	235,000	697,866
4	240,001	245,000	967,738
2	245,001	250,000	497,256
2	250,001	255,000	506,872
1	255,001	260,000	259,162
1	260,001	265,000	261,448
1	270,001	275,000	273,156
1	275,001	280,000	278,797
1	280,001	285,000	281,190

SHAREHOLDING			
Number of Shareholders	From	To	Total Shares Held
2	295,001	300,000	598,863
4	310,001	315,000	1,247,432
2	315,001	320,000	633,078
4	320,001	325,000	1,292,883
1	330,001	335,000	330,796
1	350,001	355,000	354,120
2	360,001	365,000	726,310
1	365,001	370,000	369,564
1	370,001	375,000	372,787
1	380,001	385,000	382,500
1	395,001	400,000	397,803
1	475,001	480,000	477,360
1	505,001	510,000	509,640
1	520,001	525,000	525,000
1	525,001	530,000	528,593
1	530,001	535,000	531,676
2	545,001	550,000	1,091,928
1	560,001	565,000	562,371
1	570,001	575,000	570,337
1	595,001	600,000	600,000
2	600,001	605,000	1,204,498
1	610,001	615,000	615,000
1	640,001	645,000	641,760
2	685,001	690,000	1,373,307
1	690,001	695,000	694,500
2	700,001	705,000	1,405,431
1	745,001	750,000	750,000
2	775,001	780,000	1,560,000
1	800,001	805,000	803,400
1	865,001	870,000	866,601
1	870,001	875,000	870,033
1	880,001	885,000	881,180
1	905,001	910,000	906,099
1	1,060,001	1,065,000	1,064,496
1	1,065,001	1,070,000	1,066,034
1	1,110,001	1,115,000	1,115,000
1	1,160,001	1,165,000	1,161,697
1	1,170,001	1,175,000	1,173,597
1	1,290,001	1,295,000	1,293,642
1	1,395,001	1,400,000	1,395,900
1	1,495,001	1,500,000	1,499,998
1	1,505,001	1,510,000	1,508,973
1	1,535,001	1,540,000	1,537,500
2	2,015,001	2,020,000	4,031,661
1	2,190,001	2,195,000	2,191,423
1	2,245,001	2,250,000	2,250,000
1	3,345,001	3,350,000	3,348,651
1	3,560,001	3,565,000	3,563,107
1	3,655,001	3,660,000	3,659,325
1	3,685,001	3,690,000	3,685,966
1	4,130,001	4,135,000	4,130,905
1	4,915,001	4,920,000	4,916,203
1	6,000,001	6,005,000	6,001,398
1	6,160,001	6,165,000	6,163,940
1	6,330,001	6,335,000	6,334,904

# INFORMATION FOR SHAREHOLDERS

SHAREHOLDING			
Number of Shareholders	From	To	Total Shares Held
1	6,340,001	6,345,000	6,340,021
2	6,425,001	6,430,000	12,854,400
1	6,595,001	6,600,000	6,596,641
1	6,710,001	6,715,000	6,712,834
2	6,970,001	6,975,000	13,949,262
1	7,140,001	7,145,000	7,143,722
1	8,505,001	8,510,000	8,505,004
1	9,715,001	9,720,000	9,719,745
1	9,835,001	9,840,000	9,836,802
1	11,140,001	11,145,000	11,144,488
2	11,565,001	11,570,000	23,137,920
1	13,460,001	13,465,000	13,461,957
1	20,900,001	20,905,000	20,902,500
1	27,435,001	27,440,000	27,438,351
1	29,995,001	30,000,000	30,000,000
1	31,760,001	31,765,000	31,760,311
1	89,155,001	89,160,000	89,155,912
1	460,810,001	460,815,000	460,812,685
1	479,625,001	479,630,000	479,627,935
<b>5,997</b>			<b>1,401,446,864</b>

Categories of Shareholders	Shareholders	Share Held	Percentage
Director, Chief Executive Officer and their Spouse(s) and minor children.	13	1,101,659,023	78.61
Associated Companies, undertakings and related parties.	-	-	-
NIT and ICP	-	-	-
Banks Development Financial Institutions, Non-Banking Financial Institutions	9	30,268,621	2.16
Insurance Companies.	11	14,993,899	1.07
Modarabas and Mutual Funds.	46	39,323,574	2.81
General Public			
a. Local	5,585	168,454,257	12.02
b. Foreign	205	840,733	0.06
Foreign Companies	2	30,010,920	2.14
Others	126	15,895,837	1.13
<b>Totals</b>	<b>5,997</b>	<b>1,401,446,864</b>	<b>100</b>
Shareholders holding 10% or more	2	940,440,620	67.10

## COMPANY REGISTERED OFFICE

Established on	April 25, 1992
Line of Business	Textile Composite
Registered Office	Al- Sadiq Plaza, P-157, Railway Road, Faisalabad, Pakistan
Fiscal Year-End	30th June
External Auditors	Kreston Hyder Bhimji & Co. Chartered Accountants
Share Registrar	CDC Share Registrar Services Limited
Website	www.interloop-pk.com

## STOCK INFORMATION

Exchange Listing	Listed on Pakistan Stock Exchange (PSX) on April 05, 2019.
Stock Symbol	ILP
Number of Shares Authorized	1,500,000,000
Number of Shares Issued	1,401,446,864
Number of Shareholders	5,997 (as on June 30, 2023)

## ANNUAL LISTING FEE

The Annual listing fee for the financial year 2023-24 has been paid within the prescribed time limit.

## FINANCIAL CALENDAR

September 2023	Audited annual results for the year ended June 30, 2023
September 2023	Mailing of annual reports
October 2023	Annual General Meeting
October 2023	Unaudited first quarter financial results
January 2024	Unaudited half year financial results duly reviewed by Auditor
April 2024	Unaudited third quarter financial results
June 2024	Annual Business Plan & Budgets for next fiscal year

## STATUTORY COMPLIANCE

During the year, the Company has complied with all applicable provisions, filed all returns/forms and furnished all the relevant particulars as required under the Companies Act, 2017 and allied rules, the Securities and Exchange Commission of Pakistan (SECP) Regulations and the Listing regulations of PSX.

## SHARE TRANSFER SYSTEM

Share transfers received by the Company's Share Registrar are registered within the prescribed period.

## ANNUAL GENERAL MEETINGS

Pursuant to Section 132 of the Companies Act, 2017, the Company holds a General Meeting of shareholders at least once a year. Every shareholder has a right to attend the General Meeting. The notice of such meeting is sent to all the shareholders at least 21 days before the meeting and also advertised in at least one English and one Urdu newspaper having circulation nationwide.

AGM 2023 will be held as on:

**Date:** October 13, 2023

**Time:** 10:00 A.M.

**Venue:** Interloop Executive Club, Interloop Industrial Park, 7 KM, Khurrianwala –Jaranwala Road, Khurrianwala, Faisalabad.

## DATES OF BOOK CLOSURE

The register of the members and shares transfer books of the Company will remain closed from October 06, 2023 to October 13, 2023 (both days inclusive).

## Dividend & Bonus

The Board of Directors in their meeting held on September 07, 2023 has proposed a final dividend on ordinary shares at Rs. 2.0 per ordinary share and nil bonus share issue, in addition to the interim dividend of Rs. 3.0 per share and 50% interim bonus shares.

## DATE OF DIVIDEND PAYMENT

The payment of dividend, upon approval by shareholders at the forthcoming Annual General Meeting, will be made after October 13, 2023.

Last year, the Company has credited the final cash dividend on October 25, 2022 after approval from shareholders at the 30th Annual General Meeting.

## PROXIES

Pursuant to Section 137 of the Companies Act, 2017 and according to the Memorandum and Articles of Association of the Company, every shareholder of the Company who is entitled to attend and vote at a general meeting of the Company can appoint another person as his/her proxy to attend and vote on his/her behalf. Every notice calling a general meeting of the Company contains a statement that a shareholder entitled to attend and vote is entitled to appoint a proxy who sought to be a member of the Company. The instrument appointing a proxy (duly signed by the shareholder appointing that proxy) should be deposited at the registered office of the Company not less than forty-eight hours before the said general meeting.

### CIRCULATION OF ANNUAL REPORTS

As notified by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 470(1)/2016, dated May 31, 2016, and in continuation with the SRO 787(1)/2014 dated September 8, 2014, further supported by Section 223(6) of the Companies Act 2017 and approved by the Shareholders. The Company shall circulate Annual Report 2023 to its shareholders in the form of CD. Any member requiring printed copy of Annual Report 2023 may send a request using a Standard Request Form placed on Company website.

Starting from the fiscal year 2024, Subject to the approval of Shareholders, as per the new S.R.O. 389(I)/2023 dated March 21, 2023, the Company will be introducing a QR code and weblink option for accessing the Annual Reports, making it more accessible and convenient. SECP has also permitted that the circulation of annual financial statements through CD/DVD/USB may be discontinued. Whereas the Company will continue to provide printed copies to members upon request via a Standard Request Form on our website. This change reflects our commitment to compliance and innovation, ensuring our shareholders have diverse access to vital information.

### DIVIDEND MANDATE (MANDATORY)

As per provisions 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. Company shall be constrained to withhold the payment of Dividend to the shareholders, in case of non-availability of IBAN of the shareholder or authorized person.

### UNCLAIMED DIVIDEND

Shareholders, who by any reason, could not claim their dividends / shares, if any, are advised to contact our Share Registrar to collect / enquire about their unclaimed dividend/ shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure,

all such dividend outstanding for a period of 3 years or more from the date due and payable shall be deposited to the Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

### WITHHOLDING TAX/ZAKAT ON DIVIDENDS:

Pursuant to the requirements under Section 150 of the Income Tax Ordinance, 2001, withholding tax is deductible at source on the amount of dividend paid by the Company at the rate of 15% for filers and at the rate of 30% for non-filers.

In the light of clarification from Federal Board of Revenue, all the shareholders who intend to seek exemption from withholding of taxes on payment of dividend under clause 47B of Part – IV of the Second Schedule of the Income Tax Ordinance, 2001, are requested to provide valid Exemption Certificate under section 159(1) of the Income Tax Ordinance, 2001 duly issued by the concerned Commissioner of Inland Revenue in order to claim the said exemption. Zakat is also deductible at source from the dividend at the rate of 2.5% of the face value of the share, other than corporate holders or individuals who have provided an undertaking for non-deduction of zakat.

### REDRESSAL OF INVESTOR COMPLAINTS

Investors approach the Company for their queries and complaints generally through Company Secretarial Section. Various means of filing a complaint are available on Company's website. Investors' complaints /queries are usually related to receipt of latest dividends, request for hard copies of annual/ quarterly reports, updation of bank account details to receive dividends, change of address, transfer/transmission of shares and unclaimed dividends etc. These queries / complaints are handled with utmost priority meeting the expectations of investors to their satisfaction.

### STOCK MARKET DATA OF HIGH AND LOW PRICE OF EQUITY SHARES ON PAKISTAN STOCK EXCHANGE DURING FISCAL YEAR 2023

Highest	Lowest
67.71	32.59

## INTERLOOP LIMITED FORM OF PROXY ANNUAL GENERAL MEETING

I/We \_\_\_\_\_ of \_\_\_\_\_

CDC A/C NO./ FOLIO NO. \_\_\_\_\_ being a shareholder of Interloop Limited ("The Company")

hold \_\_\_\_\_ Ordinary Shares do hereby appoint \_\_\_\_\_

Mr./Ms./Miss \_\_\_\_\_ of \_\_\_\_\_

CDC A/C NO./ FOLIO NO. \_\_\_\_\_ and or falling him/her \_\_\_\_\_

of \_\_\_\_\_ who is/are also a shareholder of the said Company, as my /our proxy in my /our absence to

attend and vote for me /us at the 31st Annual General Meeting of the Company to be held on October 13, 2023 (Friday) at

10:00 A.M. at Interloop Executive Club, Interloop Industrial Park, 7-KM Khurrianwala-Jaranwala Road, Faisalabad and/or any

adjournment thereof in the same manner as I/we myself /ourselves would vote if personally present at that meeting.

At witness my/our hand this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

#### Witness 1:

1. Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

C.N.I.C/Passport NO. \_\_\_\_\_

Affix  
Revenue Stamp of  
Rs. 5/-

Signature of Member(s) \_\_\_\_\_

(The signature should match with the  
specimen registered with the Company)

#### Witness 2:

1. Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

C.N.I.C/Passport NO. \_\_\_\_\_

#### Important:

- 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.
- 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.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC/SNIC (Computer National Identity Card/Smart National Identity Card) numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with proxy form.
- In case of corporate entity, the Board of Directors resolution/power of attorney with specimen shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

## پراکسی فارم انٹرویو لیٹڈ سالانہ اجلاس عام

میں ام کے \_\_\_\_\_  
سی ڈی سی اکاؤنٹ نمبر / فولیو نمبر \_\_\_\_\_ انٹرویو لیٹڈ ("کمپنی") کے \_\_\_\_\_ شیئرز ہولڈر ہونے کے ناطے، محترم / محترمہ \_\_\_\_\_ کے \_\_\_\_\_ سی ڈی سی اکاؤنٹ نمبر / فولیو نمبر \_\_\_\_\_ اور / یا اسے \_\_\_\_\_ کے \_\_\_\_\_ جو کہ مذکورہ کمپنی کے شیئر ہولڈر بھی ہے، کمپنی کے 31 واں سالانہ اجلاس عام میں جو 13 اکتوبر، 2023 بروز جمعہ وارکوچ 10:00 بجے انٹرویو لیٹڈ کے کلب، انٹرویو لیٹڈ پارک، KM-7 کھڑیا نوالہ - جڑانوالہ روڈ، فیصل آباد میں منعقد ہوگا یا اس کے التوا کی صورت میں، میری / ہماری غیر موجودگی میں میری / ہماری طرف سے شرکت کرنے اور اسی طرح سے ووٹ دینے کے لیے اپنا اپنی نمائندہ مقرر کرنا ہوں کرتے ہیں، جیسا کہ میں / ہم ذاتی طور پر اس اجلاس میں موجود ہوتے ہوئے ووٹ دینا دیکھتا ہوں۔

دستخط بروز \_\_\_\_\_ 2023 \_\_\_\_\_

### گواہان

(5/- روپے کار سیدی  
تکٹ یہاں چسپاں کریں)

(1) نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
شناختی کارڈ / پاسپورٹ نمبر: \_\_\_\_\_  
دستخط: \_\_\_\_\_

(2) نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
شناختی کارڈ / پاسپورٹ نمبر: \_\_\_\_\_  
دستخط: \_\_\_\_\_

مہران کے دستخط  
(دستخط اس نمونے کے مطابق ہوں جو کمپنی کے پاس رجسٹرڈ ہیں)

### نوٹس:

- 1- صحیح طریقے سے مکمل کیا ہوا اور دستخط شدہ پراکسی فارم، اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر، انٹرویو لیٹڈ، الصادق پلازہ، P-157، ریلوے روڈ، فیصل آباد کو مل جانا چاہیے۔
- 2- اگر کوئی ممبر ایک سے زیادہ نمائندے مقرر کرے گا اور کمپنی کو ایک سے زیادہ پراکسی فارم جمع کروانے کا تو ایسے تمام نمائندگی نامے غیر موثر سمجھے جائیں گے۔
- 3- پراکسی فارم کی گواہی دو افراد میں گے جن کے نام، پتہ اور شناختی کارڈ نمبر / سمارٹ قومی شناختی کارڈ نمبر اس فارم پر درج ہوں گے۔
- 4- اصل ماکان اور نمائندے کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں، پراکسی فارم کے ساتھ پیش کی جائیں۔
- 5- کاروباری ادارے کی صورت میں کمپنی کو پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد اختیار نامہ مع دستخط نمونہ پیش کیے جائیں گے (اگر اس سے پہلے فراہم نہیں کیے گئے)

### **CORPORATE OFFICE**

1-KM, Khurrianwala-Jaranwala Road  
Khurrianwala, Faisalabad, Pakistan  
Tel: +92 41 4360400  
Fax: +92 41 2428704

### **REGISTERED OFFICE**

Al-Sadiq Plaza, P-157, Railway Road,  
Faisalabad, Pakistan  
Tel: +92 41 2619724  
Fax: +92 41 2639400  
Email: [info@interloop.com.pk](mailto:info@interloop.com.pk)

