



Third Quarterly Report
March 31, 2016



Contents

Company Information	2
Directors' Review	3
Condensed Interim Balance Sheet	5
Condensed Interim Profit and Loss Account	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Cash flow Statement	8
Condensed Interim Statement of Changes in Equity	9
Condensed Interim Notes to the Financial Information	10

Company Information

BOARD OF DIRECTORS

Mr. Farrukh Hussain
Chairman
Mr. Ahmed H. Shaikh
Chief Executive
Mr. Aehsun M.H. Shaikh
Mr. Nasir Ali Khan Bhatti
Mr. Usman Rasheed
Mr. Saghir Ahmed
Mr. Munir Alam

COMPANY SECRETARY

Mr. Muhammad Ijaz Haider

CHIEF FINANCIAL OFFICER

Mr. Zahid Rafiq, FCA

AUDIT COMMITTEE

Mr. Nasir Ali Khan Bhatti
Chairman
Mr. Aehsun M.H. Shaikh
Mr. Farrukh Hussain

HR & REMUNERATION COMMITTEE

Mr. Nasir Ali Khan Bhatti
Chairman
Mr. Ahmed H. Shaikh
Mr. Aehsun M.H. Shaikh

BANKERS

JS Bank Limited
MCB Bank Limited
Citibank N.A
Faysal Bank Limited
Habib Bank Limited
Meezan Bank Limited
United Bank Limited
Standard Chartered Bank (Pakistan) Limited
NIB Bank Limited
National Bank of Pakistan
Allied Bank Limited
Silk Bank Limited
Summit Bank Limited
Al Baraka Bank Pakistan Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Al Falah Limited
Bank Islami Pakistan
Bank of Khyber

BANKERS (Cont'd)

Bank Islamic Pakistan
Habib Metropolitan Bank
Bank of Khyber

AUDITORS

Deloitte Yousuf Adil
Chartered Accountants

SHARES REGISTRAR

M/s Hameed Majeed Associates (Pvt.) Ltd.
H. M. House, 7-Bank Square, Lahore
Ph: +92(0)42-37235081-82
Fax : +92(0)42-37358817

REGISTERED OFFICE

Ismail Aiwan-e-Science
Off Shahrah-e-Roomi Lahore, 54600.
Ph: +92(0)42 111-786-645
Fax: +92(0)42 3576-1791

PROJECT LOCATIONS

Unit I

2.5 KM off Manga, Raiwind Road,
District Kasur.
Ph: +92(0)42 35384081
Fax: +92(0)42 35384093

Unit II

Alipur Road, Muzaffargarh.
Ph: +92(0)661 422503, 422651
Fax: +92(0)661 422652

Unit III

20 KM off Ferozpur Road,
6 KM Badian Road on Ruhi Nala,
Der Khurd, Lahore.
Ph: +92(0)42 38460333, 38488862

WEB PRESENCE

www.azgard9.com

Directors' Review

The Directors of Azgard Nine Limited ("the Company") along with the management team hereby presents the Company's Condensed Interim Financial Report for nine months period ended 31 March 2016.

Principal Activities

The main business of your Company is the production and marketing of Denim focused Textile and Apparel products, starting from yarn to retail ready goods.

Following are the operating financial results of Azgard Nine Limited (Standalone):

	Nine Months ended 31 March 2016	Nine Months ended 31 March 2015
Sales - Net	9,633,326,344	7,818,292,679
Operating profit	373,407,002	21,433,784
Other income	36,474,117	318,036,125
Other expenses	(8,626,000)	(44,148,127)
Finance Cost	(936,484,577)	(903,430,395)
Loss before Tax	(535,229,458)	(608,108,613)
Loss after Tax	(631,960,193)	(687,664,588)
Loss per share	(1.39)	(1.51)

Review of business during this period and future outlook

During this period despite the continuing crisis in the textile industry, the operating performance of the Company has continued to improve. It can now clearly be seen that the efforts of the management regarding cost reduction and improvement in the operating efficiencies are taking the company in the right direction. The growth in sales is almost 23 % which is quite an achievement when over all, there is a slump in the textile sector and generally sales/ exports are declining for the whole industry. The operating profit of the company has also increased to Rs.373.41 million, which is an increase of almost 17 times. This clearly shows the performance of the management compared with the overall position of the industry which is suffering from reducing or negative margins. Initiatives of the management to reduce costs and improve efficiencies are becoming successful.

We are continually looking for opportunities for the continuing betterment of Company. We are working on exploring new markets and ramping up product development in an effort to counter regional competition which is gradually increasing. Due to tough competition margins are continuously under pressure.

The future outlook for textile sector is expected to remain tough. In this scenario, the whole industry is looking to the Government to support the textile industry of Pakistan and help it to become competitive globally. Domestic costs in Pakistan are much higher than input costs for our competitors in the region.

On the restructuring side progress continues to be made. The management continues to make efforts to complete this expeditiously. We are hopeful that post restructuring, the Company will have sustainable debt levels. The Company's position with respect to availability of working capital post restructuring should also be better, allowing it to achieve greater operational utilization levels of the manufacturing facilities. It is expected that the company should be able to maintain positive cash flows post restructuring.

Update on status of Montebello S.R.L (subsidiary)

As mentioned in financial statements of the Company for the year ended 30 June 2015, the Court of Vicenza, Italian Republic, granted bankruptcy proposal of public prosecutor and appointed trustee to manage affairs of MBL. The creditors and other parties had been asked to file their claims before 4 March 2016. On 29 February 2016, the Company has filed its claim of Euro 4,296,076.93 with Court of Vicenza being the company's receivable from Montebello. To date there has been no after updates as to the total claims filed. The entire process of determination of claims and subsequent outcomes will be a product of the due legal procedure. The Company shall keep its members updated regarding developments related to this.

The board appreciates the cooperation of all the stakeholders in regards and hopes for their continued support in the future in order to continue to improve the Company's performance.

on behalf of the Board

Lahore
27 April 2016



Chief Executive Officer

Condensed Interim Balance Sheet (Un-audited)

As at 31 March 2016

	Note	Un-Audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital		15,000,000,000	15,000,000,000
Issued, subscribed and paid up capital		4,548,718,700	4,548,718,700
Reserves		3,125,220,038	3,125,220,038
Accumulated loss		(12,049,442,275)	(11,513,250,435)
		(4,375,503,537)	(3,839,311,697)
Surplus on revaluation of fixed assets		4,910,718,771	4,568,030,126
		535,215,234	728,718,429
Non-current liabilities			
Redeemable capital - secured	5	800,754,786	2,460,680,747
Long term finances - secured	6	683,223,488	956,454,823
Liabilities against assets subject to finance lease - secured		19,894,660	10,947,796
		1,503,872,934	3,428,083,366
Current liabilities			
Current portion of non-current liabilities			
Short term borrowing		6,195,496,530	4,097,460,846
Trade and other payables		4,798,943,405	4,813,695,083
Interest / mark-up accrued on borrowings		2,025,095,520	2,444,298,488
Current taxation		3,442,460,276	2,919,538,952
Dividend payable		80,279,789	73,332,563
		13,415,572	13,415,572
		16,555,691,092	14,361,741,504
Contingencies and commitments	7		
		18,594,779,260	18,518,543,299
ASSETS			
Non-current assets			
Property, plant and equipment		13,239,155,801	13,097,752,858
Long term investments	8	231,897,310	231,897,310
Trade debts - unsecured, considered good		26,126,056	61,949,527
Long term deposits - unsecured, considered good		18,982,607	18,791,047
		13,516,161,774	13,410,390,742
Current assets			
Stores, spares and loose tools		117,141,191	126,176,080
Stock-in-trade		1,843,077,183	1,940,504,163
Trade receivables	9	1,444,874,267	1,361,141,139
Advances, deposits, prepayments and other receivables		1,216,626,051	1,240,984,428
Short term investments	10	306,022,500	306,022,500
Cash and bank balances		150,876,294	133,324,247
		5,078,617,486	5,108,152,557
		18,594,779,260	18,518,543,299

The annexed notes 1 to 17 form an integral part of this condensed interim unconsolidated financial information.

Lahore



CHIEF EXECUTIVE



DIRECTOR

Condensed Interim Profit and Loss Account (Un-audited)

For the nine months ended 31 March 2016

	2016		2015	
	July 15 to March 16	January 16 to March 16	July 14 to March 15	January 15 to March 15
	Rupees	Rupees	Rupees	Rupees
Sales - net	9,633,326,344	3,287,136,931	7,818,292,679	2,851,380,213
Cost of sales	(8,612,513,787)	(2,870,137,921)	(7,096,267,211)	(2,639,514,274)
Gross profit	1,020,812,557	416,999,010	722,025,468	211,865,939
Selling and distribution expenses	(343,288,920)	(116,245,251)	(405,696,603)	(126,193,862)
Administrative expenses	(304,116,635)	(102,562,409)	(294,895,081)	(83,198,914)
Profit from operations	373,407,002	198,191,350	21,433,784	2,473,163
Other income	36,474,117	4,097,983	318,036,125	11,402,985
Other expenses	(8,626,000)	4,052,662	(44,148,127)	(45,533,113)
Finance cost	11 (936,484,577)	(338,619,676)	(903,430,395)	(246,313,435)
Loss before taxation	(535,229,458)	(132,277,681)	(608,108,613)	(277,970,401)
Taxation	(96,730,735)	(33,268,841)	(79,555,975)	(28,668,180)
Loss after taxation	(631,960,193)	(165,546,522)	(687,664,588)	(306,638,581)
Loss per share - basic and diluted	(1.39)	(0.36)	(1.51)	(0.67)

The annexed notes 1 to 17 form an integral part of this condensed interim unconsolidated financial information.

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the nine months ended 31 March 2016

	2016		2015	
	July 15 to March 16	January 16 to March 16	July 14 to March 15	January 15 to March 15
	Rupees	Rupees	Rupees	Rupees
Loss after taxation	(631,960,193)	(165,546,522)	(687,664,588)	(306,638,581)
<i>Other comprehensive loss for the period:</i>				
Changes in fair value of available for sale financial assets	-	-	-	-
Gain realized on sale of available for sale financial assets	-	-	(292,434,977)	-
	-	-	(292,434,977)	-
Total comprehensive loss for the period	<u>(631,960,193)</u>	<u>(165,546,522)</u>	<u>(980,099,565)</u>	<u>(306,638,581)</u>

The annexed notes 1 to 17 form an integral part of this condensed interim unconsolidated financial information.




Condensed Interim Cash flow Statement (Un-audited)

For the nine months ended 31 March 2016

	July 15 to March 16	July 14 to March 15
	Rupees	Rupees
Cash flow from operating activities		
Loss before taxation	(535,229,458)	(608,108,613)
Adjustments	1,274,864,026	925,047,931
Operating profit before working capital changes	739,634,568	316,939,319
Changes in working capital	(322,273,377)	(135,871,622)
Cash generated from operations	417,361,191	181,067,697
Payments for:		
Interest / mark-up paid	(201,619,802)	(293,078,485)
Taxes paid	(89,783,509)	(80,020,507)
Net cash generated from/(used) in operating activities	125,957,880	(192,031,295)
Cash flows from investing activities		
Capital expenditure	(70,531,432)	(45,914,859)
Proceeds from disposal of fixed assets	10,447,738	17,662,770
Short term investments	-	393,977,500
Net cash (used in)/generated from investing activities	(60,083,694)	365,725,411
Cash flows from financing activities		
Repayment of liabilities against assets subject to finance lease and long term finance	(28,418,521)	(10,677,373)
Net decrease in short term borrowings	(19,903,618)	(90,477,310)
Net cash used in financing activities	(48,322,139)	(101,154,683)
Net increase in cash and cash equivalents	17,552,047	72,539,433
Cash and cash equivalents at the beginning of period	133,324,247	22,759,809
Cash and cash equivalents at the end of period	150,876,294	95,299,242

The annexed notes 1 to 17 form an integral part of this condensed interim unconsolidated financial

Condensed Interim Statement of Changes in Equity (Un-audited)

For the nine months ended 31 March 2016

	Capital reserves				Revenue reserves		Total equity Rupees
	Issued, subscribed and paid-up capital Rupees	Share premium Rupees	Reserve on merger Rupees	Preference share redemption reserve Rupees	Available for sale financial assets Rupees	Accumulated loss Rupees	
As at 30 June 2014 - Audited	4,548,718,700	2,358,246,761	105,152,005	661,250,830	293,005,123	(8,714,668,872)	(748,295,453)
Total comprehensive income for the period	-	-	-	-	-	(687,664,588)	(687,664,588)
Loss for the period ended 31 March 2015	-	-	-	-	(292,434,977)	-	(292,434,977)
Other comprehensive (loss) / income for the period ended 31 March 2015	-	-	-	-	(292,434,977)	(980,099,565)	(980,099,565)
Total comprehensive (loss) / income for the period ended 31 March 2015	-	-	-	-	(292,434,977)	(980,099,565)	(980,099,565)
Transfer of incremental depreciation from surplus on revaluation of fixed assets	-	-	-	-	-	100,868,191	100,868,191
Reversal of revaluation surplus on disposal of fixed assets	-	-	-	-	-	4,720,035	4,720,035
As at 31 March 2015 - unaudited	4,548,718,700	2,358,246,761	105,152,005	661,250,830	570,146	(9,296,745,234)	(1,622,806,792)
As at 30 June 2015 - Audited	4,548,718,700	2,358,246,761	105,152,005	661,250,830	570,442	(11,513,250,435)	(3,839,311,697)
Total comprehensive income for the period	-	-	-	-	-	(631,960,193)	(631,960,193)
Loss for the period ended 31 March 2016	-	-	-	-	-	-	-
Other comprehensive (loss) / income for the period ended 31 March 2016	-	-	-	-	-	(631,960,193)	(631,960,193)
Total comprehensive (loss) / income for the period ended 31 March 2016	-	-	-	-	-	(631,960,193)	(631,960,193)
Transfer of incremental depreciation from surplus on revaluation of fixed assets	-	-	-	-	-	94,340,502	94,340,502
Reversal of revaluation surplus on disposal of revalued assets	-	-	-	-	-	1,427,852	1,427,852
As at 31 March 2016 - Unaudited	4,548,718,700	2,358,246,761	105,152,005	661,250,830	570,442	(12,049,442,275)	(4,375,503,537)

The annexed notes 1 to 17 form an integral part of this condensed interim unaudited financial information.

Lahore

CHIEF EXECUTIVE



DIRECTOR



Condensed Interim Notes to the Financial Information (Un-audited)

For the nine months ended 31 March 2016

1 Status and nature of business

Azgard Nine Limited ("the Company") was incorporated in Pakistan as a Public Limited Company and is listed on Karachi Stock Exchange (Guarantee) Limited. The Company is a composite spinning, weaving, dyeing and stitching unit engaged in the manufacture and sale of yarn, denim and denim products. The registered office of the Company is situated at Ismail Aiwan-e-Science, off Shahrah-e-Roomi, Lahore. The Company has three production units with Unit I located at 2.5 K.M off Manga, Raiwand Road, District Kasur, Unit II at Alipur Road, Muzaffargarh and Unit III at 20 K.M off Ferozpur Road, 6 K.M Bandian Road on Ruhi Nala, Der Khud, Lahore.

2 Basis of preparation

2.1 Seperate financial statements

This condensed interim financial report is the separate financial report of the Company. Consolidated financial report of the Company is not prepared as exemption has been granted by Securities and Exchange Commission of Pakistan from consolidation of financial report of Company's subsidiary for the period ended 31 March 2016.

2.2 Statement of compliance

This condensed interim financial report of the Company for the nine months ended 31 March 2016 has been prepared in accordance with the requirements of the International Accounting Standards 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2015.

This condensed interim financial information is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

2.3 Going concern assumption

During this periods, current liabilities exceeded its current assets by Rs. 11,477.07 million, including Rs. 8,564.44 million relating to overdue principal and mark-up thereon, and its accumulated loss stood at Rs. 12,049.44 million. These conditions cast a significant doubt about the Company's ability to continue as a going concern. These financial statements have however, been prepared on a going concern basis. The assumption that the Company would continue as a going concern is based on the measures as explained in the succeeding paragraph and expectation of future profitability and more positive cash flows from operating activities.

The remaining funds of Rs. 306 million from the sale of Agritech shares are expected to be received in short span of time. These funds will be used for enhancing the operational capacities and bring them to sustainable levels. The second round of financial restructuring of the Company is at advance stages. The Company is hopeful that subsequent to restructuring and receipt of remaining working capital, the target of sustainable capacity utilization should be achieved. Management is confident that through these measures the Company should become a profitable entity, subject to impact, if any, of uncontrollable external factors as the power crisis and global market conditions.

2.4 Financial liabilities

Due to factors mentioned in note 2.3 and note 13, the Company could not make timely repayments of principal and related mark-up of long term debts. Consequently, there has been non-compliance with

Condensed Interim Notes to the Financial Information (Un-audited)

For the nine months ended 31 March 2016

certain financial and other covenants imposed by the lenders. As per the agreed terms of long term debts, the lenders have unconditional right to call the loans if timely repayments are not made or covenants are not complied with. International Accounting Standard on Presentation of financial statements (IAS - 1) requires that if an entity breaches a provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it should classify the liability as current.

However, the management considers that since event of default has not been declared by the lenders and the Company has commenced discussions with its lenders for reprofiling of its debts, the long term debts of Rs. 1,648.14 million have been classified as long term as per the repayment schedules in the financial information.

3 Estimates

The preparation of the condensed interim unconsolidated financial information requires 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. Actual results may differ from these estimates. In preparing the condensed interim financial information, the significant judgments made by the management in applying accounting policies, key estimates and uncertainty includes:

- Residual value and useful life estimation of fixed assets
- Taxation
- Provisions and contingencies
- Fair value of investment in subsidiary

4 Significant accounting policies

- 4.1 The accounting policies and methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2015.

Condensed Interim Notes to the Financial Information (Un-audited)

For the nine months ended 31 March 2016

	(Un-audited) 31 March 2016 Rupees	(Audited) 30 June 2015 Rupees
5 Redeemable capital - secured		
Term Finance Certificates - II	651,066,836	651,066,836
Term Finance Certificates - IV	1,066,931,940	1,083,768,528
Term Finance Certificates - V	527,682,637	527,682,637
Privately Placed Term Finance Certificates - VI	3,218,670,000	3,218,670,000
Privately Placed Term Finance Certificates	326,456,184	326,456,184
Privately Placed Term Finance Certificates	<u>217,200,000</u>	<u>217,200,000</u>
	6,008,007,597	6,024,844,185
Deferred notional income	(113,997,179)	(276,319,941)
Transaction cost	<u>(32,483,106)</u>	<u>(37,909,372)</u>
	5,861,527,312	5,710,614,872
Less: Amount shown as current liability	<u>(5,060,772,526)</u>	<u>(3,249,934,125)</u>
	<u>800,754,786</u>	<u>2,460,680,747</u>
6 Long term finances		
Deutsche Investitions - Und MBH (Germany)	833,076,408	799,424,561
Saudi Pak Industrial and Agricultural Company Limited	43,251,155	43,251,155
Citi Bank N.A	565,781,488	567,539,466
Meezan Bank Limited	<u>234,568,765</u>	<u>234,602,579</u>
	1,676,677,816	1,644,817,761
Transaction costs	<u>(17,680,303)</u>	<u>(18,618,079)</u>
	1,658,997,513	1,626,199,682
Less: Amount shown as current liability	<u>(975,774,025)</u>	<u>(669,744,859)</u>
	<u>683,223,488</u>	<u>956,454,823</u>
7 Contingencies and commitments		
7.1 Contingencies		
7.1.1	There is no material change in the contingencies from preceding audited published financial statements of the Company for the year ended 30 June 2015.	

Condensed Interim Notes to the Financial Information (Un-audited)

For the nine months ended 31 March 2016

	(Un-audited) 31 March 2016 Rupees	(Audited) 30 June 2015 Rupees
7.2	Commitments	
7.2.1	Commitments under irrevocable letters of credit for:	
	-	824,409
	- purchase of stores, spare and loose tools	
	- purchase of raw material	
	<u>24,547,208</u>	<u>35,019,747</u>
	<u>24,547,208</u>	<u>35,844,156</u>
7.2.2	Commitments for capital expenditure	
	<u>74,345,907</u>	<u>-</u>

8 Long term investments

These represent investments in equity and debt securities. These have been classified as available for sale financial assets. Particulars of investments are as follows:

	(Un-audited) 31 March 2016 Rupees	(Audited) 30 June 2015 Rupees
Other investments	32,382	32,382
Investment in Agritech Limited TFC's	<u>231,864,928</u>	<u>231,864,928</u>
	<u>231,897,310</u>	<u>231,897,310</u>

9 Trade receivables

As mentioned in financial statements of the Company for the year ended 30 June 2015, the Court of Vicenza, Italian Republic granted bankruptcy proposal of public prosecutor and appointed trustee to manage affairs of Montebello S.R.L. (MBL). The creditors and other parties have been asked to file their claims before 4 March 2016. Considering the liquidation, the Company provided impairment of balance amount of Rs. 452.529 million. In this regard, on 29 February 2016, the Company has filed its claim of Euro 4,296,076.93 with Court of Vicenza being the receivable towards MBL. To date there has been no decision on the status of claim of Company.

10 Short term investments

Short term investment comprise 58.29 million preference shares with value of Rs. 5.25 per shares. (30 Jun 2015: 58.29 million preference shares with value of Rs. 5.25 Per share).

Condensed Interim Notes to the Financial Information (Un-audited)

For the nine months ended 31 March 2016

	(Un-audited) July 15 to March 16	(Un-audited) July 14 to March 15
	Rupees	Rupees
11 Finance cost		
<i>Interest / mark-up on:</i>		
Redeemable capital & long term financing	289,638,360	338,326,065
Liabilities against assets subject to finance lease	694,574	887,115
Short term borrowings	328,423,272	350,372,039
Provident Fund	1,267,076	1,669,124
Worker's Profit Participation Fund	-	5,361,345
Bank charges & commission	620,023,282	696,615,688
Amortization of transaction costs and deferred notional income	168,686,805	216,175,372
Foreign exchange loss / (gain) on long term loan	38,803,788	(176,812,072)
Bank discounting and other charges	108,970,702	167,451,407
	<u>936,484,577</u>	<u>903,430,395</u>

12 Transactions and balances with related parties

Related parties from the Company's perspective comprise subsidiary, associated undertakings, key management personnel (including chief executive and directors) post employment benefit plan and other related parties. The Company in the normal course of business carries out transactions with various related parties and continues to have a policy whereby all such transactions are carried out on permissible basis.

Detail of transactions and balances with related parties are as follows:

	(Un-audited) July 15 to March 16	(Un-audited) July 14 to March 15
	Rupees	Rupees
12.1 Transactions with related parties		
12.1.1 Subsidiary - Montebello s.r.l		
Sale of goods	-	30,641,588
12.1.2 Other related parties		
JS Bank Limited		
Mark-up expense	15,911,607	15,675,238
Fee paid to Trustee	1,500,000	1,500,000
Markup Paid	14,788,511	8,672,771
JS Value Fund Limited		
Mark-up expense	1,223,163	1,658,018
Unit Trust of Pakistan		
Mark-up expense	1,991,210	2,666,004
JS Large Cap Fund		

Condensed Interim Notes to the Financial Information (Un-audited)

For the nine months ended 31 March 2016

	(Un-audited) July 15 to March 16 <u>Rupees</u>	(Un-audited) July 14 to March 15 <u>Rupees</u>
Mark-up expense	6,892,027	6,866,965
Markup Paid	-	6,814,894
JS Global Capital Limited		
Mark-up expense	27,055,615	26,957,231
Markup Paid	-	26,752,817
JS Principal Secure Fund		
Mark-up expense	2,774,712	2,764,622
Markup Paid	-	2,743,659
JS Income Fund		
Mark-up expense	2,452,954	3,291,906
JS Growth Fund		
Mark-up expense	6,339,987	6,683,019
Markup Paid	-	5,261,138
12.1.3 Post-employment benefit plans		
Contribution to employees provident fund	-	90,504,256
12.1.4 Key management personnel		
Short-term employee benefits	250,411,788	215,854,021
	(Un-audited) 31 March 2016 <u>Rupees</u>	(Audited) 30 June 2015 <u>Rupees</u>
12.2 Balances with related parties		
12.2.1 Other related parties		
JS Bank Limited		
Redeemable capital - TFC IV	65,021,777	65,021,777
Short term borrowing	323,244,878	331,985,379
Mark-up payable	32,121,982	32,378,222
JS Value Fund Limited		
Redeemable capital - TFC II	19,523,024	19,523,024
Redeemable capital - TFC VI	12,900,000	12,900,000
Mark-up payable	10,261,356	8,574,031
Unit Trust of Pakistan		
Redeemable capital - TFC V	31,980,766	31,980,766
Redeemable capital - TFC VI	19,265,000	19,265,000
Mark-up payable	13,880,374	12,504,868

Condensed Interim Notes to the Financial Information (Un-audited)

For the nine months ended 31 March 2016

	(Un-audited) 31 March 2016 Rupees	(Audited) 30 June 2015 Rupees
JS Large Cap Fund		
Redeemable capital - PPTFCs	83,160,000	83,160,000
Mark-up payable	9,147,600	4,561,269
JS Global Capital Limited		
Redeemable capital - PPTFCs	326,456,184	326,456,184
Mark-up payable	35,910,180	17,905,898
JS Principal Secure Fund		
Redeemable capital - PPTFC	33,480,000	33,480,000
Mark-up payable	3,682,800	1,836,355
JS Pension Savings Fund		
Redeemable capital - TFC VI	3,850,000	3,850,000
JS Income Fund		
Redeemable capital - TFC II	7,369,942	7,369,942
Redeemable capital - TFC V	31,980,766	31,980,766
Redeemable capital - TFC VI	24,135,000	24,135,000
Mark-up payable	17,754,032	15,741,565
JS Growth Fund		
Redeemable capital - TFC II	16,269,187	16,269,187
Redeemable capital - TFC VI	10,750,000	10,750,000
Redeemable capital - PPTFCs	64,200,000	64,200,000
Mark-up payable	15,613,130	10,666,352
12.2.2 Post-employment benefit plans		
Payable to employees provident fund	-	46,236,228
12.2.3 Key Management Personnel		
Short term employee benefits payable	18,019,676	15,369,518

13 Overdue debt finances

The Company is facing liquidity shortfall due to the facts disclosed in note 2.3 as a result of which it was unable to meet its obligations in respect of various debt finances. The details are as follows:

Condensed Interim Notes to the Financial Information (Un-audited)

For the nine months ended 31 March 2016

	As at 31 March 2016		
	Principal	Interest / mark-up	Total
	Rupees	Rupees	Rupees
<u>Nature of liability</u>			
Redeemable Capital	2,962,895,216	1,187,457,924	4,150,353,140
Long term finances	1,225,814,581	593,707,909	1,819,522,490
Bills payable	389,723,874	192,531,298	582,255,172
Short term borrowings	561,729,216	1,292,795,751	1,854,524,967
Preference shares	148,367,250		148,367,250
Preference Dividend		9,413,535	9,413,535
	<u>5,288,530,137</u>	<u>3,275,906,417</u>	<u>8,564,436,554</u>

14 Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the financial statements for the year ended 30 June 2015.

15 Corresponding figures

Corresponding figures have been rearranged, where necessary, for the purpose of comparison.

16 Date of authorization

This condensed interim unconsolidated financial information was authorized for issue by the Board of Directors of the Company on 27 April 2016.

17 General

Figures have been rounded off to the nearest rupee.



AZGARD-9



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