

Interim Financial Report
for the quarter ended **September 30, 2016**
(Un-audited)



AZGARD-9



AZGARD NINE LIMITED

Contents

Company Information	2
Directors' Review - English	3
Directors' Review - Urdu	4
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. Zahid Mahmood
Chairman

Mr. Ahmed H. Shaikh
Chief Executive

Mr. Nasir Ali Khan Bhatti

Mr. Usman Rasheed

Mr. Munir Alam

Mr. Aamer Ghias

Mr. Saghir Ahmad

COMPANY SECRETARY

Mr. Muhammad Ijaz Haider

CHIEF FINANCIAL OFFICER

Mr. Zahid Rafiq, FCA

AUDIT COMMITTEE

Mr. Nasir Ali Khan
Chairman

Mr. Usman Rasheed

Mr. Zahid Mahmood

HR & REMUNERATION COMMITTEE

Mr. Nasir Ali Khan Bhatti
Chairman

Mr. Ahmed H. Shaikh

Mr. Usman Rasheed

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

Company Website

www.azgard9.com

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
Askari bank Limited
Bank Al Habib Limited
Bank Al Falah Limited
Bank Islami Pakistan
Habib Metropolitan Bank
Bank of Khyber
Al Baraka Bank Pakistan Limited

REGISTERED OFFICE

Ismail Aiwan-e-Science
Off Shahrah-e-Romi Lahore - 54600.
Ph: +92 (0) 42 35761794-5
Fax: +92 (0) 42 35761791

Project Locations

Textile & Apparel

Unit I

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

Unit II

Alipur Road, Muzaffargarh.
Ph: +92 (0) 661 42503, 422651
Fax: +92 (0) 661 422652

Unit III

20 Km Off Ferozepur Road, 6 Km Badian Road on
Ruhi Nala, Der Khurd, Lahore.
Ph: +92(0) 42 38460333, 38488862

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 three months period ended 30 September 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):

	Three months ended September 30, 2016	Three Months ended September 30, 2015
Sales - Net	2,768,847,426	2,768,888,208
Operating profit / (loss)	114,851,176	(13,120,407)
Other income	24,277,086	98,388,897
Finance cost	(278,633,200)	(323,101,485)
Loss before Tax	(139,504,938)	(248,605,366)
Loss after Tax	(167,020,082)	(276,354,691)
Loss per share	(0.37)	(0.61)

Review of business during this period and future outlook

This quarter has remained a low period in terms of sales as there has been no increase in sales as compared to last years first quarter. However, the efforts of the management regarding cost reduction and improvement in the operating efficiencies have resulted in huge improvement in the operating profit. The overall outlook for the textile industry is not optimistic due to the rising cost of raw materials however, the Company is committed to performing better even in this environment by exploring new markets and upgrading our products and looking for ways to reduce costs.

On the financial restructuring side, the scheme is being finalized expeditiously. Once we have completed this financial restructuring, post restructuring debt levels should be such that the Company can start to service its debts in a timely manner.

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

As mentioned in note 19.1.1 to financial statements of the Company for the year ended 30 June 2016, the Court of Vicenza, Italian Republic, accepted claims of 48 parties including claim of the Company. The process of settlement of claims through disposal of assets of MBL would take time as it would be done through legal formalities. The Company shall keep its members updated regarding development related to this.

The board appreciates the cooperation of all the stakeholders and would like to thank them in this regard and hopes for their continued support in the future in order to continue to improve the Company's performance.

On behalf of the Board of Directors



Chief Executive Officer

ڈائریکٹرز کا جائزہ

ایگزارد نائن لیٹیڈ (کمپنی) ہمارا انتظامیہ ٹیم کمپنی کی کلیفٹن عبوری مالیاتی رپورٹ برائے سہ ماہی ختم شدہ 30 ستمبر 2016ء پیش کرتے ہیں۔

اہم سرگرمیاں

آپ کی کمپنی کی توجہ دھاگہ ڈنیم کپڑا اور تیار ڈنیم ملبوسات کی مصنوعات کی پیداوار اور مارکیٹنگ پر مرکوز ہے۔

ایگزارد نائن لیٹیڈ (سٹیٹڈ الون) کے عملی مالیاتی نتائج درج ذیل ہیں۔

سہ ماہی	سہ ماہی	
ختم شدہ 30 ستمبر 2015	ختم شدہ 30 ستمبر 2016	
2,768,888,208	2,768,847,426	فروڈنگلی (Net)
(13,120,407)	114,851,176	آپریٹنگ منافع (خسارہ)
98,388,897	24,277,086	دیگر کمائی
(323,101,485)	(278,633,200)	مالیاتی اخراجات
(248,605,366)	(139,504,938)	خسارہ قبل از ٹیکس
(276,354,691)	(167,020,082)	خسارہ بعد از ٹیکس
(0.61)	(0.37)	خسارہ فی شیئر

اس معیار کے دوران کاروبار کا جائزہ اور مستقبل پر نظر

پچھلے سال کی سہ ماہی کی سبز کے مقابلے میں اس سال کی سہ ماہی کی سبز قدرے کم رہی ہے۔ پچھلے سال کی فروڈنگلی اس سال کی فروڈنگلی کی جیسے ہی ہے البتہ انتظامیہ کی کوششوں کی وجہ سے اخراجات کی کمی اور عملی بہتر کارکردگی کا نتیجہ ہے کہ پچھلے سال کا آپریٹنگ خسارہ اس سال آپریٹنگ منافع کی صورت میں سامنے آیا ہے۔ ٹیکسٹائل انڈسٹری مجموعی طور پر بڑھتی ہوئی خام مواد کی لاگت کی وجہ سے پرامید نہیں ہے جبکہ کمپنی اس ماحول میں بھی بہتر کارکردگی کے لئے پرعزم ہے اور نئی مصنوعات کی تلاش میں ہے اور اپنی مصنوعات کو بہتر کر رہی ہے اور اخراجات میں کمی کیلئے طریقہ تلاش کر رہی ہے۔

مالیاتی تنظیم نو کی سہ ماہی سے آخری مراحل پر ہے۔ بعد از مالیاتی تنظیم نو، قرضہ کی باہت اس سطح پر آجائیں گے کہ کمپنی قرضہ جات کی ادائیگی کر سکے۔ بعد از تنظیم نو کمپنی کام چلانے کیلئے سرمایہ بھی کمپنی کی حالت بہتر ہو جائے گی۔ نتیجتاً اینٹی چیکنگ پر گٹ کی سہولت کی آپریشنل افادیت میں بہتری ہو جائے گی۔

Montebello S.R.L (MBL) (Subsidiary) کی تازہ ترین حالت

جیسا کہ کمپنی کی مالیاتی سٹیٹمنٹ سال ختم شدہ 30 جون 2016ء کے نوٹ نمبر 19.1 میں بیان کیا گیا ہے کہ جمہوریہ اٹلی Vicenza کی عدالت نے بشمول ہماری کمپنی 48 فریقین کے کلیم کو قبول کیا ہے۔ کلیم کی ادائیگی کے مرحلہ میں وقت لگے گا کیونکہ MBL کے اثاثہ جات کی فروخت کے بعد ہوگی جو کہ تمام قانونی پہلوؤں کو پورا کر کے ہوگی۔ کمپنی اپنے ممبران کو تمام معاملات کے متعلق آگاہ کرے گی۔

ہوڈ اس معاملہ میں اسٹیک ہولڈرز کے تعاون کا شکر ادا کرتا ہے اور مستقبل میں بھی کمپنی کی کارکردگی کو بہتر بنانے میں ان کے تعاون کی امید کرتا ہے۔

ہوڈ آف ڈائریکٹرز کی جانب سے

چیف ایگزیکٹو آفیسر

لاہور

29 اکتوبر 2016

Condensed Interim Balance Sheet (Un-audited)

As at 30 September 2016

		(Un-audited) 30 September 2016	(Audited) 30 June 2016
	Note	Rupees	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		3,125,219,206	3,125,219,206
Accumulated loss		(12,336,281,617)	(12,199,924,175)
		(4,662,343,711)	(4,525,986,269)
Surplus on revaluation of fixed assets		4,848,351,257	4,879,013,896
		186,007,546	353,027,627
Non-current liabilities			
Redeemable capital - secured	5	474,055,774	569,990,116
Long term finances - secured	6	606,447,046	645,410,117
Deferred liability		88,390,096	72,304,556
		1,168,892,916	1,287,704,789
Current liabilities			
Current portion of non-current liabilities		6,688,600,752	6,496,782,456
Short term borrowing		4,740,783,632	4,782,488,627
Trade and other payables		1,470,731,806	1,659,746,105
Interest / mark-up accrued on borrowings		3,767,318,603	3,599,534,431
Dividend payable		13,415,572	13,415,572
Current taxation		82,783,734	78,264,470
		16,763,634,099	16,630,231,661
Contingencies and commitments	7	18,118,534,561	18,270,964,077
ASSETS			
Non-current assets			
Property, plant and equipment		13,196,383,114	13,194,251,156
Long term investments		231,896,478	231,896,478
Long term deposits - unsecured, considered good		18,632,707	18,632,696
		13,446,912,299	13,444,780,330
Current assets			
Stores, spares and loose tools		127,901,218	128,867,511
Stock-in-trade		1,760,564,307	1,769,136,595
Trade receivables		1,305,528,454	1,177,074,507
Advances, deposits, prepayments and other receivables		1,045,642,121	1,301,764,543
Short term investments		306,022,500	306,022,500
Cash and bank balances		125,963,662	143,318,091
		4,671,622,262	4,826,183,747
		18,118,534,561	18,270,964,077

The annexed notes 1 to 14 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 quarter ended 30 September 2016

	Note	(Un-audited) July 2016 to September 2016 Rupees	(Un-audited) July 2015 to September 2015 Rupees
Sales - net		2,768,847,426	2,768,888,208
Cost of sales		(2,431,163,259)	(2,572,944,781)
Gross profit		337,684,167	195,943,427
Selling and distribution expenses		(109,026,279)	(106,323,018)
Administrative expenses		(113,806,712)	(102,740,816)
Profit / (loss) from operations		114,851,176	(13,120,407)
Other income		24,277,086	98,388,897
Other expenses		-	(10,772,371)
Finance cost	8	(278,633,200)	(323,101,485)
Loss before taxation		(139,504,938)	(248,605,366)
Taxation		(27,515,144)	(27,749,325)
Loss after taxation		(167,020,082)	(276,354,691)
Loss per share - basic and diluted		(0.37)	(0.61)

The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the quarter ended 30 September 2016

	(Un-audited) July 2016 to September 2016 <u>Rupees</u>	(Un-audited) July 2015 to September 2015 <u>Rupees</u>
Loss after taxation	(167,020,082)	(276,354,691)
Other comprehensive (loss) / income for the period:		
Changes in fair value of available for sale financial assets	-	-
Gain realized on sale of available for sale financial assets	-	-
	-	-
Total comprehensive loss for the period	<u>(167,020,082)</u>	<u>(276,354,691)</u>

The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

Condensed Interim Cash flow Statement (Un-audited)

For the quarter ended 30 September 2016

	(Un-audited) July 2016 to September 2016	(Un-audited) July 2015 to September 2015
	Rupees	Rupees
Cash flow from operating activities		
Loss before taxation	(139,504,938)	(248,605,366)
Adjustments	385,778,041	405,110,938
Operating profit before working capital changes	246,273,103	156,505,572
Changes in working capital	(54,992,323)	(154,358,993)
Cash generated from operations	191,280,780	2,146,579
Payments for:		
Interest / mark-up paid	(49,570,186)	(50,514,118)
Taxes paid	(22,995,883)	(23,868,098)
Net cash generated from / (used in) operating activities	118,714,711	(72,235,637)
Cash flows from investing activities		
Capital expenditure	(114,762,745)	(16,935,448)
Proceeds from disposal of fixed assets	-	6,632,718
Net cash used in investing activities	(114,762,745)	(10,302,730)
Cash flows from financing activities		
Repayment of long term finances	(8,299,628)	-
Liabilities against assets subject to finance lease - net	17,766,346	(2,760,321)
Short term borrowings-net	(30,773,113)	7,049,708
Net cash (used in)/generated from financing activities	(21,306,395)	4,289,387
Decrease in cash and cash equivalents	(17,354,429)	(78,248,980)
Cash and cash equivalents at the beginning of period	143,318,091	133,324,247
Cash and cash equivalents at the end of period	125,963,662	55,075,267

The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

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

For the quarter ended 30 September 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		Total reserves Rupees
As at 01 July 2015	4,548,718,700	2,358,246,761	105,152,005	661,250,830	570,442	(11,513,250,435)	(8,388,030,397)	(3,839,311,697)
Total comprehensive income for the period	-	-	-	-	-	(276,354,691)	(276,354,691)	(276,354,691)
Loss for the quarter ended 30 September 2015	-	-	-	-	-	-	-	-
Other comprehensive loss for the quarter ended 30 September 2015	-	-	-	-	-	-	-	-
Total comprehensive loss for the quarter ended 30 September 2015	-	-	-	-	-	(276,354,691)	(276,354,691)	(276,354,691)
Transfer of incremental depreciation from surplus on revaluation of fixed assets	-	-	-	-	-	30,756,368	30,756,368	30,756,368
Transfer from surplus on revaluation of fixed assets on disposal	-	-	-	-	-	1,427,852	1,427,852	1,427,852
As at 30 September 2015	4,548,718,700	2,358,246,761	105,152,005	661,250,830	570,442	(11,757,420,906)	(8,532,200,868)	(4,083,482,168)
As at 01 July 2016	4,548,718,700	2,358,246,761	105,152,005	661,250,830	569,610	(12,199,934,175)	(9,074,704,969)	(4,525,986,269)
Total comprehensive loss for the period	-	-	-	-	-	(167,020,082)	(167,020,082)	(167,020,082)
Loss for the quarter ended 30 September 2016	-	-	-	-	-	-	-	-
Other comprehensive loss for the quarter ended 30 September 2016	-	-	-	-	-	-	-	-
Total comprehensive loss for the quarter ended 30 September 2016	-	-	-	-	-	(167,020,082)	(167,020,082)	(167,020,082)
Transfer of incremental depreciation from surplus on revaluation of fixed assets	-	-	-	-	-	30,662,640	30,662,640	30,662,640
As at 30 September 2016	4,548,718,700	2,358,246,761	105,152,005	661,250,830	569,610	(12,336,281,617)	(9,211,062,411)	(4,662,343,711)

The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

Lahore

Chief Executive




Director

Notes to the Condensed Interim Financial Information (Un-audited) For the quarter ended 30 September 2016

1 Reporting entity

Azgard Nine Limited ("the Company") was incorporated in Pakistan as a Public Limited Company and is listed on Pakistan Stock Exchange 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 productions 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 Badian Road on Ruhi Nala, Der Khurd, Lahore.

2 Basis of preparation

2.1 Separate 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 quarter ended 30 September 2016.

2.2 Statement of compliance

This condensed interim financial report of the Company for the quarter ended 30 September 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 2016.

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 quarter, current liabilities exceeded its current assets by Rs. 12,092.01 million, including Rs. 10,076.15 million relating to overdue principal and mark-up thereon, and its accumulated loss stood at Rs. 12,336.28 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 within 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 local and global market conditions.

2.4 Financial liabilities

Due to factors mentioned in note 2.3 and note 10, the Company could not make timely repayments of principal and related mark-up of long term debts. Consequently, there has been non-compliance with 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

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

For the quarter ended 30 September 2016

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. 1,165.63 million have been classified as long term as per the repayment schedules in the financial statements.

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 2016.

(Un-audited)	(Audited)
30 September	30 June
2016	2016
Rupees	Rupees

5 Redeemable capital - secured

Term Finance Certificates - II	651,066,836	651,066,836
Term Finance Certificates - IV	1,050,095,352	1,058,513,646
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	217,200,000	217,200,000
	5,991,171,009	5,999,589,303
Deferred notional income	(38,777,698)	(76,387,438)
Transaction cost	(29,196,944)	(30,655,195)
	5,923,196,367	5,892,546,670
Less: Amount shown as current liability	(5,449,140,593)	(5,322,556,554)
	474,055,774	569,990,116

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

For the quarter ended 30 September 2016

	(Un-audited) 30 September 2016 Rupees	(Audited) 30 June 2016 Rupees
6 Long term finances - secured		
Deutsche Investitions - Und MBH (Germany)	825,418,681	817,128,665
Saudi Pak Industrial and Agricultural Company Limited	43,251,155	43,251,155
Citi Bank N.A	565,781,488	565,781,488
Meezan Bank Limited	<u>234,568,765</u>	<u>234,568,765</u>
	<u>1,669,020,089</u>	<u>1,660,730,073</u>
Transaction costs	<u>(17,155,549)</u>	<u>(17,369,984)</u>
	<u>1,651,864,540</u>	<u>1,643,360,089</u>
Less: Amount shown as current liability	<u>(1,045,417,494)</u>	<u>(997,949,972)</u>
	<u><u>606,447,046</u></u>	<u><u>645,410,117</u></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 quarter ended 30 September 2016		
7.2 Commitments		
7.2.1 Commitments under irrevocable letters of credit for:		
	(Un-audited) 30 September 2016 Rupees	(Audited) 30 June 2016 Rupees
- purchase of stores, spare and loose tools	712,300	-
- purchase of raw material	33,878,200	27,823,502
- purchase of machinery	<u>3,336,288</u>	<u>47,105,550</u>
	<u><u>37,926,788</u></u>	<u><u>74,929,052</u></u>
7.2.2 Commitments for capital expenditure	<u><u>66,052,727</u></u>	<u><u>71,038,991</u></u>

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

For the quarter ended 30 September 2016

	(Un-audited) July 2016 to September 2016 Rupees	(Un-audited) July 2015 to September 2015 Rupees
8 Finance cost		
<i>Interest / mark-up on:</i>		
Redeemable capital & long term financing	94,704,917	102,253,115
Liabilities against assets subject to finance lease	554,675	586,246
Short term borrowings	97,972,550	96,014,326
Workers' Profit Participation Fund	-	1,087,230
	193,232,142	199,940,917
Unwinding of receivable discounting	-	(11,726,215)
Amortization of transaction costs and deferred notional income	39,282,426	63,539,996
Foreign exchange loss on long term loan	8,201,467	27,921,473
Bank discounting and other charges	37,917,165	43,425,313
	278,633,200	323,101,485
9 Transactions and balances with related parties		
<p>Related parties from the Company's perspective comprise 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.</p> <p>Detail of transactions and balances with related parties are as follows:</p>		
	(Un-audited) July 2016 to September 2016 Rupees	(Un-audited) July 2015 to September 2015 Rupees
9.1 Transactions with related parties		
9.1.1 Other related parties		
JS Bank Limited		
Mark-up expense	5,355,067	5,073,027
Markup Paid	1,831,562	5,245,120
JS Value Fund Limited		
Mark-up expense	397,259	452,201
Unit Trust of Pakistan		
Mark-up expense	665,025	668,389
JS Large Cap Fund		
Mark-up expense	2,305,696	2,305,696
JS Global Capital Limited		
Mark-up expense	9,051,333	9,051,333
JS Principal Secure Fund		
Mark-up expense	928,267	928,267

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

For the quarter ended 30 September 2016

	(Un-audited) July 2016 to September 2016	(Un-audited) July 2015 to September 2015
	<u>Rupees</u>	<u>Rupees</u>
JS Income Fund		
Mark-up expense	814,990	839,095
JS Growth Fund		
Mark-up expense	2,111,060	2,156,845
9.1.2 Key management personnel		
Short-term employee benefits	83,315,880	76,176,719
	(Un-audited) 30 September 2016	(Audited) 30 June 2016
	<u>Rupees</u>	<u>Rupees</u>
9.2 Balances with related parties		
9.2.1 Other related parties		
JS Bank Limited		
Redeemable capital - TFC IV	65,021,777	65,021,777
Short term borrowing	332,308,333	329,702,630
Mark-up payable	42,686,007	35,517,561
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	11,059,521	10,261,356
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	16,179,046	15,514,021
JS Large Cap Fund		
Redeemable capital - PPTFCs	83,160,000	83,160,000
Mark-up payable	13,733,931	13,733,931
JS Global Capital Limited		
Redeemable capital - PPTFCs	326,456,184	326,456,184
Mark-up payable	53,914,462	53,914,462
JS Principal Secure Fund		
Redeemable capital - PPTFC	33,480,000	33,480,000
Mark-up payable	5,529,245	5,529,245
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	20,354,015	19,387,683

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

For the quarter ended 30 September 2016

	(Un-audited) 30 September 2016 Rupees	(Audited) 30 June 2016 Rupees
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	19,818,941	19,153,804

9.2.2 Key Management Personnel

Short term employee benefits payable	18,465,080	17,579,222
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10 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:

	As at 30 September 2016		
	Principal Rupees	Interest / mark-up Rupees	Total Rupees
Redeemable Capital	3,994,997,283	1,304,900,008	5,299,897,291
Long term finances	1,436,780,594	648,067,071	2,084,847,665
Bills payable	350,737,608	221,739,981	572,477,589
Short term borrowings	539,805,216	1,421,340,823	1,961,146,039
Preference shares	148,367,250	-	148,367,250
Preference Dividend	-	9,413,535	9,413,535
	<u>6,470,687,951</u>	<u>3,605,461,418</u>	<u>10,076,149,369</u>

11 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 2016.

12 Corresponding figures

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

13 Date of authorization

This condensed interim unconsolidated financial information was authorized for issue by the Board of Directors of the Company on 29 October 2016.

14 General

Figures have been rounded off to the nearest rupee.

Lahore


Chief Executive


Director



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