

**Tomorrow's Denim Today**

**AZGARD**

**AZGARD NINE LIMITED**

Interim Financial Report  
for the quarter ended  
September 30, 2022 (Un-audited)

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Zahid Mahmood  
Chairman  
Mr. Ahmed H. Shaikh  
Chief Executive  
Mr. Nasir Ali Khan Bhatti  
Ms. Maliha Sarda Azam  
Mr. Usman Rasheed  
Mr. Abdul Hamid Ahmed Dagia  
Mr. Abid Hussain  
Mr. Muhammad Wasim Butt

### COMPANY SECRETARY

Mr. Muhammad Awais

### CHIEF FINANCIAL OFFICER

Mr. Muhammad Zahid Rafiq, FCA

### AUDIT COMMITTEE

Mr. Nasir Ali Khan Bhatti  
Chairman  
Ms. Maliha Sarda Azam  
Mr. Usman Rasheed

### HR & REMUNERATION COMMITTEE

Ms. Maliha Sarda Azam  
Chairperson  
Mr. Ahmed H. Shaikh  
Mr. Usman Rasheed

### AUDITORS

Grant Thornton Anjum Rahman  
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-i-Science  
Off: Shahrah-i-Roomi, Lahore-54600.  
Ph: +92(0)42 35761794-5  
Fax: +92(0)42 35761791

### KARACHI OFFICE

Suite 604, 6th Floor, Chappal Plaza,  
Hasrat Mohani Road, Karachi.  
Ph: +92(0)21 32400211

### BANKERS

#### *Relationship with conventional side*

JS Bank Limited  
MCB Bank Limited  
Habib Bank Limited  
United Bank Limited  
National Bank of Pakistan  
Silkbank Limited  
Summit Bank Limited  
Askari Bank Limited  
Bank Al Habib Limited  
Bank of Khyber

#### *Relationship with Islamic window operations*

Al Baraka Bank Pakistan Limited  
Faysal Bank Limited

### PROJECT LOCATIONS

Textile & Apparel

#### Unit I

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

#### Unit II

Atta Buksh Road, 18-KM, Off: Ferozepur Road,  
Mouza Atari Saroba, Tehseel Cantt, Lahore.  
Ph: +92(0)333 0427020-1

### E-MAIL

info@azgard9.com

### WEB PRESENCE

www.azgard9.com

## Directors' Review

The Directors of Azgard Nine Limited ("the Company") along with the management team hereby present the Company's Condensed Interim Financial Report for the quarter ended September 30, 2022.

### Principal Activities

The main business of your Company is the production and marketing of denim-focused textile and apparel products, ranging from yarn to retail-ready goods.

Following are the operating financial results of Azgard Nine Limited (stand-alone):

	Quarter ended September 30, 2022 (Rupees)	Quarter ended September 30, 2021 (Rupees)
Sales – net	7,980,758,906	7,467,329,510
Operating profit	626,378,428	427,327,147
Finance cost	(234,818,734)	(167,393,411)
Profit before tax	411,935,792	230,113,507
Profit after tax	320,341,168	155,913,550
Earnings per share	0.65	0.32

### Review of business during this period and future outlook

During this first quarter, sales of the Company were Rs. 7,980.76 million; registering a growth of almost 7% as compared to the same quarter of last year.

The operating profit of this quarter is Rs. 626.38 million as compared with the operating profit of Rs. 427.33 million for the same quarter of last year.

The Company has been able to achieve a net profit after tax of Rs. 320.34 million as compared to a profit of Rs. 155.91 million during the same quarter of last year.

During the quarter, demand for textiles experienced a massive slowdown. Post-COVID-19 huge stocks are piled up with the global retailers. High global inflation and recession along with economic and political uncertainties have impacted all businesses. The Russia-Ukraine conflict has also disturbed our sales. The overall textile industry is facing unprecedented challenges owing to low cotton crops and very high cotton prices. Moreover, increases in input costs such as raw materials, energy, freight, high cost of financing, and volatility in exchange rates have adversely impacted our margins.

Certain government policy changes are immediately needed. The sustainability of the Company is connected with competitive business and an enabling environment. There are inconsistent policies concerning competitive energy tariffs. The notification of DLT (Drawback of Local Taxes and Levies) is pending. Super tax is an additional burden on the Company which should be rationalized.

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The future outlook of the textile sector is very challenging. Developed economies are under pressure and most of them are in a recession. Retail sales are down. High inflation has disturbed purchasing power everywhere. The Company has taken some immediate steps for cost rationalization and refinement in the processes to improve efficiency and productivity. Moreover, we will continue to stay focussed on our sustainable projects. These measures will add value for the Company in the long run. However, the future depends upon political and economic stability not only in Pakistan but around the world. The coming few months are very crucial in this regard.

The Board would like to acknowledge the cooperation of all the stake holders. We hope that with their continued support, the Company's performance would remain in a positive direction.

**On behalf of the Board of Directors**



\_\_\_\_\_  
**Chief Executive Officer**

**Date: October 28, 2022**



\_\_\_\_\_  
**Director**

## ڈائریکٹرز کا جائزہ

ایزگارڈ ٹائٹن لیمیٹڈ (کمپنی) کے ڈائریکٹرز ہمراہ انتظامیہ ٹیم کمپنی کی کٹیف عبوری مالیاتی رپورٹ برائے سہ ماہی ختمہ 30 ستمبر 2022 پیش کرتے ہیں۔

### اہم سرگرمیاں

آپ کی کمپنی کا بنیادی کاروبار دھاکہ سے لے کر خوردہ تیار سامان، ڈیٹیم کیڑا اور تیار ڈیٹیم ہلبوسات کی مصنوعات کی پیداوار اور مارکیٹنگ پر مرکوز ہے۔ ایزگارڈ ٹائٹن لیمیٹڈ (سٹیٹڈ الون) کے عملی مالیاتی نتائج درج ذیل ہیں۔

سہ ماہی ختمہ 30 ستمبر 2021 (روپے)	سہ ماہی ختمہ 30 ستمبر 2022 (روپے)	
7,467,329,510	7,980,758,906	فروٹنگ (Net)
427,327,147	626,378,428	آپریٹنگ منافع
(167,393,411)	(234,818,734)	مالیاتی اخراجات
230,113,507	411,935,792	منافع قبل از ٹیکس
155,913,550	320,341,168	منافع بعد از ٹیکس
0.32	0.65	منافع فی شیئر

### اس معیاد کے دوران کاروبار کا جائزہ اور مستقبل پر نظر

اس پہلی سہ ماہی کے دوران کمپنی کی سیکلز 7,980.76 ملین روپے رہیں، جو کہ پچھلے سال کی سہ ماہی کی نسبت تقریباً 7 فیصد سے زیادہ اضافہ ہوا ہے۔

آپریٹنگ منافع گزشتہ سال کے اس سہ ماہی کے لئے 427.33 ملین روپے کے مقابلے اس سہ ماہی کے لئے 626.38 ملین روپے رہا۔

کمپنی بعد از ٹیکس منافع 320.34 ملین روپے حاصل کرنے میں کامیاب رہی، جبکہ پچھلے سال کی اسی سہ ماہی کے دوران بعد از ٹیکس منافع 155.91 ملین روپے تھا۔

اس سہ ماہی کے دوران، ٹیکسٹائل کی طلب کو بڑے پیمانے پر مست روئی کا سامنا کرنا پڑا۔ کووڈ 19 کے بعد بہت بڑا اسٹاک عالمی خوردہ فروشوں کے پاس جمع ہے۔ بلند عالمی افراط زر اور کساد بازاری کے ساتھ ساتھ اقتصادی اور سیاسی غیر یقینی صورتحال نے تمام کاروباروں کو متاثر کیا ہے۔ روس اور یوکرین تنازعہ نے بھی ہماری فروخت کو متاثر کیا ہے۔ کپاس کی کم فصل اور کپاس کی بہت زیادہ قیمت کی وجہ سے مجموعی طور پر ٹیکسٹائل انڈسٹری کو بے مثال چیلنجز کا سامنا ہے۔ مزید برآں، خام مال، توانائی، مال برداری، فنائنسنگ کی بلند قیمت اور شرح مبادلہ میں اتار چڑھاؤ جیسے ان ہٹ اخراجات میں اضافے نے ہمارے مارجن پر منفی اثر ڈالا ہے۔


حکومتی پالیسیوں میں تبدیلیوں کی فوری ضرورت ہے۔ کمپنی کی پائیداری مسابقتی کاروبار اور سازگار ماحول سے منسلک ہے۔ مسابقتی توانائی کے نرخوں سے متعلق متضاد پالیسیاں ہیں۔ DLTI (ڈراہیک آف لوکل ٹیکسز اینڈ لیویز) کا نوٹیفیکیشن زیر التوا ہے۔ سٹریٹجکس کمپنی پر ایک اضافی بوجھ ہے جسے معقول بنایا جانا چاہیے۔

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ٹیکسٹائل سیکٹر کا مستقبل کا نقطہ نظر بہت چیلنجنگ ہے۔ ترقی یافتہ معیشتیں دباؤ کا شکار ہیں اور ان میں سے بیشتر کساد بازاری کا شکار ہیں۔ خوردہ قیمت کم ہے۔ بہت زیادہ مہنگائی نے ہر جگہ قوت خرید کو متاثر کیا ہے۔ کمپنی نے کارکردگی اور پیداواری صلاحیت کو بہتر بنانے کے لئے لاگت کو درست کرنے اور عمل میں بہتری کے لئے کچھ فوری اقدامات کئے ہیں۔ مزید برآں، ہم اپنے پائیدار منصوبوں پر توجہ مرکوز کرتے رہیں گے۔ یہ اقدامات طویل مدت میں کمپنی کے لئے قدر میں اضافہ کریں گے۔ تاہم مستقبل کا انحصار نہ صرف پاکستان بلکہ دنیا بھر میں سیاسی اور معاشی استحکام پر ہے۔ آنے والے چند مہینے اس سلسلے میں بہت اہم ہیں۔

بورڈ اپنے تمام شراکت داروں کے تعاون کو تسلیم کرتا ہے۔ ہمیں امید ہے کہ ان کے مسلسل تعاون سے کمپنی کی کارکردگی مثبت سمت میں رہے گی۔

بورڈ آف ڈائریکٹرز کی جانب سے



ڈائریکٹر



چیف ایگزیکٹو آفیسر

لاہور

28 اکتوبر 2022ء

**Condensed Interim Statement of Financial Position (Un-audited)  
As at September 30, 2022**

		(Un-audited) September 30 2022 Rupees	(Audited) June 30 2022 Rupees
<b>EQUITY AND LIABILITIES</b>			
Authorized share capital	Note	15,000,000,000	15,000,000,000
Issued, subscribed and paid up capital		4,913,753,370	4,913,753,370
Reserves		3,124,649,596	3,124,649,596
Surplus on revaluation of fixed assets		3,103,427,449	3,121,943,764
Accumulated loss		(1,728,128,583)	(2,066,986,066)
		9,413,701,832	9,093,360,664
<b>Non-current liabilities</b>			
Redeemable capital - secured	4	2,169,839,956	2,531,607,848
New Zero Coupon PPTFCs	5	5,044,190,000	5,103,510,000
Lease liabilities		1,187,091	1,315,856
Deferred liability		624,293,837	578,503,081
		7,839,510,884	8,214,936,785
<b>Current liabilities</b>			
Current portion of non-current liabilities		1,230,059,734	1,230,038,625
Short term borrowing		2,468,298,513	2,366,715,528
Trade and other payables		2,969,983,157	4,412,071,724
Contract Liabilities		70,302,730	59,074,029
Interest / mark-up accrued on borrowings		285,042,751	256,390,303
Dividend payable on preference shares		9,413,535	9,413,535
Unclaimed dividend on ordinary shares		3,753,252	3,753,252
Provision for income tax - net		81,995,794	84,514,203
		7,118,849,466	8,421,971,199
<b>Contingencies and commitments</b>	6	24,372,062,182	25,730,268,648
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	10,578,549,093	10,623,689,989
Long term investments		12,608,052	12,608,052
Long term deposits and receivables		40,936,972	40,936,972
		10,632,094,117	10,677,235,013
<b>Current assets</b>			
Store,spares and loose tools		159,900,647	165,899,678
Stock-in-trade		5,082,768,300	5,402,722,777
Trade receivables		3,613,438,738	4,433,340,225
Receivable against non-current assets held for sale		1,037,558,297	1,068,158,297
Advances, deposits, prepayments and other receivables		2,375,998,137	2,288,363,403
Short term investments		139,993,989	139,993,989
Receivable from National Bank of Pakistan		306,022,500	306,022,500
Funds for restructuring scheme		390,368,216	354,579,214
Cash and bank balances		633,919,241	893,953,552
		13,739,968,065	15,053,033,635
		24,372,062,182	25,730,268,648

The annexed notes from 1 to 13 form an integral part of these interim financial statements.

Lahore

  
 Chief Executive Officer

  
 Director

  
 Chief Financial Officer



**Condensed Interim Statement of Profit or Loss (Un-audited)**  
**For the quarter ended September 30, 2022**

		July 2022 to September 2022	Jul 2021 to September 2021
	Note	Rupees	Rupees
<b>Sales - net</b>		<b>7,980,758,906</b>	7,467,329,510
Cost of sales		<b>(6,760,299,181)</b>	(6,474,715,154)
<b>Gross profit</b>		<b>1,220,459,725</b>	992,614,356
Selling and distribution expenses		<b>(381,173,367)</b>	(409,628,353)
Administrative expenses		<b>(212,907,930)</b>	(155,658,856)
<b>Profit from operations</b>		<b>626,378,428</b>	427,327,147
Other income		<b>42,056,929</b>	14,823,035
Other expenses		<b>(21,680,831)</b>	(44,643,264)
Finance cost	9	<b>(234,818,734)</b>	(167,393,411)
<b>Profit before taxation</b>		<b>411,935,792</b>	230,113,507
Taxation		<b>(91,594,624)</b>	(74,199,957)
<b>Profit after taxation</b>		<b>320,341,168</b>	155,913,550
<b>Earnings per share - basic and diluted</b>		<b>0.65</b>	0.32

The annexed notes from 1 to 13 form an integral part of these interim financial statements.

Lahore

  
 Chief Executive Officer

  
 Director

  
 Chief Financial Officer

**Condensed Interim Statement of Comprehensive Income (Un-audited)  
For the quarter ended September 30, 2022**

	<u>July 2022 to September 2022</u>	<u>July 2021 to September 2021</u>
	Rupees	Rupees
Profit after taxation	320,341,168	155,913,550
<i>Items that may not be subsequently reclassified to statement of profit or loss</i>		
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<u><u>320,341,168</u></u>	<u><u>155,913,550</u></u>

Lahore

  
\_\_\_\_\_  
Chief Executive Officer  
\_\_\_\_\_  
Director  
\_\_\_\_\_  
Chief Financial Officer

**Condensed Interim Statement of Cash Flows (Un-audited)**  
**For the quarter ended September 30, 2022**

	<b>2022</b>	<b>2021</b>
	<b>July to</b>	<b>July to</b>
	<b>September</b>	<b>September</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Cash flow from operating activities</b>		
Profit before taxation	411,935,792	230,113,507
Adjustments	262,443,085	252,843,544
<b>Operating profit before working capital changes</b>	<b>674,378,877</b>	482,957,051
Changes in working capital	(396,070,506)	(542,830,765)
Cash generated from operations	278,308,371	(59,873,714)
<b>Payments for:</b>		
Finance cost	(60,533,135)	(26,332,737)
Income tax	(94,113,033)	(66,301,282)
Post retirement benefits	(5,663,956)	(19,161,399)
<b>Net cash generated from operating activities</b>	<b>117,998,247</b>	(171,669,132)
<b>Cash flows from investing activities</b>		
Capital expenditure	(51,148,884)	(257,440,709)
Advance against sale asset	30,600,000	-
Proceeds from disposal of fixed assets	-	26,068,376
<b>Net cash used in investing activities</b>	<b>(20,548,884)</b>	(231,372,333)
<b>Cash flows from financing activities</b>		
Repayment of redeemable capital	(60,360,000)	(835,772)
Repayment of New Zero Coupon PPTFCs	(59,320,000)	111,881,854
Lease liabilities	(107,658)	-
Short term borrowings-net	(171,485,186)	-
Dividend paid	-	(10,652)
<b>Net cash generated from financing activities</b>	<b>(291,272,844)</b>	111,035,430
<b>Net increase in cash and cash equivalents</b>	<b>(193,823,481)</b>	(292,006,035)
<b>Cash and cash equivalents at the beginning of period</b>	<b>1,125,302,080</b>	915,970,513
<b>Cash and cash equivalents at the end of period</b>	<b>931,478,599</b>	623,964,478

The annexed notes from 1 to 13 form an integral part of these interim financial statements.

Lahore

  
 Chief Executive Officer

  
 Director

  
 Chief Financial Officer

**Condensed Interim Statement of Changes in Equity (Un-audited)**  
**For the quarter ended September 30, 2022**

	Issued, subscribed and paid-up capital	Share premium	Reserve on merger	Capital Reserves	Post retirement benefits obligation reserve	Total reserves	Surplus on revaluation of fixed assets	Accumulated loss	Total equity
As at 01 Jul, 2021 - Audited	4,913,753,370	2,358,246,761	105,152,005	661,250,830	89,787,812	3,214,437,408	3,414,941,220	(3,548,454,938)	7,994,677,060
Total comprehensive income for the period	-	-	-	-	-	-	-	155,913,550	155,913,550
Income for the period ended Sep 30, 2021	-	-	-	-	-	-	-	-	-
Other comprehensive loss for the period ended Sep 30, 2021	-	-	-	-	-	-	(19,335,552)	19,335,552	-
Total comprehensive income for the period ended Sep 30, 2021	-	-	-	-	-	-	-	155,913,550	155,913,550
Transfer of incremental depreciation from surplus on revaluation of fixed assets	-	-	-	-	-	-	-	-	-
Transfer of revaluation surplus on disposal of non-current assets held for sale	-	-	-	-	-	-	-	-	-
As at Sep 30, 2021 - Unaudited	4,913,753,370	2,358,246,761	105,152,005	661,250,830	89,787,812	3,214,437,408	3,395,605,668	(3,375,205,830)	8,150,590,610
As at Jul 01, 2022 - Audited	4,913,753,370	2,358,246,761	105,152,005	661,250,830	89,787,812	3,124,649,596	3,121,943,764	(2,066,996,066)	9,089,360,664
Total comprehensive income for the period	-	-	-	-	-	-	-	320,341,168	320,341,168
Income for the period ended September 30, 2022	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period ended Sep 30, 2022	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period ended Sep 30, 2022	-	-	-	-	-	-	-	320,341,168	320,341,168
Transfer of incremental depreciation from surplus on revaluation of fixed assets	-	-	-	-	-	-	(18,516,315)	18,516,315	-
As at Sep 30, 2022 - Unaudited	4,913,753,370	2,358,246,761	105,152,005	661,250,830	-	3,124,649,596	3,103,437,449	(1,728,128,883)	9,413,701,832

The annexed notes from 1 to 13 form an integral part of these interim financial statements.



**Lahore**  
**Chief Executive Officer**



**Director**



**Chief Financial Officer**

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### Condensed Interim Selected Explanatory Notes to the Financial Statements (Un-audited)

#### For the quarter ended September 30, 2022

##### 1 Legal status and nature of business

Azgard Nine Limited ("the Company") was incorporated in Pakistan as a Public Limited Company on April 7, 2004 and listed on Pakistan Stock Exchange Limited. The Company is a composite spinning, weaving, dyeing and stitching unit engaged in the manufacturing 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 two production units with Unit I located at 2.5 km off Manga, Raiwind Road, District Kasur and Unit II (rented facility) located at Atta Buksh Road, 18-km, off Ferozepur road, Mouza Atari Saroba, Tehseel Cantt, Lahore.

##### 2 Basis of preparation

###### 2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information required for annual financial statements including financial risk management information and therefore should be read in conjunction with the annual audited financial statements for the year ended June 30, 2022.

Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2022 whereas comparative statement of profit or loss, statement of changes in equity and statement of cash flows are extracted from un-audited condensed interim financial statements for the quarter ended on September 30, 2021.

These condensed interim financial statements are being submitted to the shareholders as required by Section 237 of the Companies Act, 2017.

##### 3 Accounting policies and estimates

3.1 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 June 30, 2022.

3.2 Judgements and estimates made by the management in the preparation of the condensed interim financial information are the same as those applied in preparation of annual published financial statements of the Company for the year ended June 30, 2022.

	Note	(Un-audited) September 30, 2022 Rupees	(Audited) June 30, 2022 Rupees
<b>4 Redeemable capital-secured</b>			
Privately Placed Term Finance Certificates		250,602,457	250,602,457
Privately Placed Term Finance Certificates		166,732,494	166,732,493
Sub-Privately Placed Term Finance Certificates	4.1	1,665,425,000	2,029,275,000
Sub-Sukuk certificates		193,520,000	193,520,000
		<u>2,276,279,951</u>	<u>2,640,129,950</u>
Less: transaction costs		(106,439,995)	(108,522,102)
		<u>2,169,839,956</u>	<u>2,531,607,848</u>

4.1 During the period, redeemable capital in respect of MCB Bank Limited and JS Bank Limited amounting to Rs. 303.49 million has been redeemed through settlement/ conversion into working capital facilities.

5 During the period, New Zero Coupon PPTFCs amounting to Rs. 59.32 million have been settled.

## 6 Contingencies and commitments

### 6.1 Contingencies

6.1.1 There is no material change in the status of contingencies as disclosed in the financial statements for the year ended Jun 30,2022

	(Un-audited) September 30, 2022 Rupees	(Audited) June 30, 2022 Rupees
<b>6.2 Commitments</b>		
<b>6.2.1 Commitments under irrevocable letters of credit for:</b>		
- purchase of plant, machinery and loose tools	-	5,932,467
- purchase of raw material	14,221,465	21,540,615
	<u>14,221,465</u>	<u>27,473,082</u>
<b>6.2.2 Commitments for capital expenditure</b>	<u>107,226,050</u>	<u>123,873,495</u>

6.2.3 Counter Guarantees given by the Company to its bankers as at the reporting date amount to Rs. 228.56 million (June 30, 2022: Rs. 228.56 million).

6.2.4 Bills discounted as at reporting date aggregated to Rs. 2,877.78 million (June 30, 2021: Rs. 4,216.53 million).

	(Un-audited) September 30, 2022 Rupees	(Audited) June 30, 2022 Rupees
<b>7 Property, plant and equipment</b>		
Operating fixed assets	10,256,105,410	10,317,504,205
Right of use assets	1,438,253	1,513,952
Capital work in progress	321,005,430	304,671,832
	<u>10,578,549,093</u>	<u>10,623,689,989</u>

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	Rupees	Rupees
<b>7.1 Operating fixed assets</b>		
Net book value as at the beginning of the period / year	10,317,504,205	9,938,195,993
Additions during the period / year	34,815,291	822,783,575
Assets transfer from leased to own	-	4,849,858
Disposals during the period / year - Net book value	-	(68,844,322)
Depreciation charged during the period / year	(96,214,086)	(379,480,898)
<b>Net book value as at the end of the period / year</b>	<b>10,256,105,410</b>	<b>10,317,504,205</b>
<b>7.1.1 Additions- Cost</b>		
<b><u>Assets owned by the Company</u></b>		
Building on freehold land	-	8,611,453
Plant and Machinery	16,744,156	739,500,150
Others	18,071,135	74,671,972
	<b>34,815,291</b>	<b>822,783,575</b>

## 8 Transactions and balances with related parties

Related parties from the Company's perspective comprise associated undertakings, key management personnel (including chief executive and directors) 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.

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

	(Un-audited) July to September 2022	(Un-audited) July to September 2021
	Rupees	Rupees
<b>8.1 Transactions with related parties</b>		
<b>8.1.1 Other related parties</b>		
<b>JS Bank Limited</b>		
Mark-up expense	776,651	783,264
Trusteeship Fee Paid	1,018,510	-
<b>Unit Trust of Pakistan</b>		
Mark-up expense	385,292	385,292
Markup Paid/ Settled	296,062	-
<b>JS Large Cap Fund</b>		
Mark-up expense	1,028,092	1,028,092
Markup Paid/ Settled	795,781	795,781
<b>JS Global Capital Limited</b>		
Mark-up expense	4,035,919	4,035,919
Markup Paid/ Settled	3,123,948	3,123,948
<b>JS Principal Secure Fund</b>		
Mark-up expense	413,907	413,907
Markup Paid/ Settled	320,379	320,379

	(Un-audited) July to September 2022	(Un-audited) July to September 2021
	Rupees	Rupees
<b>JS Income Fund</b>		
Mark-up expense	474,042	474,042
Markup Paid/ Settled	364,249	-
<b>JS Growth Fund</b>		
Mark-up expense	1,224,834	1,224,834
Markup Paid/ Settled	945,625	614,347
	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	Rupees	Rupees
<b>8.2 Balances with related parties</b>		
<b>JS Bank Limited</b>		
Sub PPTFCs	-	48,280,000
Term Loan	13,870,315	13,870,315
New Zero Coupon PPTFCs	63,025,000	63,025,000
Mark-up payable	988,022	1,229,881
<b>Unit Trust of Pakistan</b>		
Sub PPTFCs	23,750,000	23,750,000
Term Loan	6,822,073	6,822,073
New Zero Coupon PPTFCs	49,485,000	49,485,000
Mark-up payable	694,175	604,945
<b>JS Large Cap Fund</b>		
Redeemable capital - PPTFCs	63,837,358	63,837,358
Term Loan	17,739,525	17,739,525
New Zero Coupon PPTFCs	59,745,000	59,745,000
Mark-up payable	1,823,307	1,590,996
<b>JS Global Capital Limited</b>		
Redeemable capital - PPTFCs	250,602,457	250,602,457
Term Loan	69,638,980	69,638,980
New Zero Coupon PPTFCs	234,545,000	234,545,000
Mark-up payable	7,157,648	6,245,676
<b>JS Principal Secure Fund</b>		
Redeemable capital - PPTFCs	25,700,755	25,700,755
Term Loan	7,141,887	7,141,887
New Zero Coupon PPTFCs	24,050,000	24,050,000
Mark-up payable	734,059	640,531
<b>JS Pension Savings Fund</b>		
New Zero Coupon PPTFCs	3,850,000	3,850,000
<b>JS Income Fund</b>		
Sub PPTFCs	29,220,000	29,220,000
Term Loan	8,394,214	8,394,214
New Zero Coupon PPTFCs	62,040,000	62,040,000
Mark-up payable	854,119	744,327



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	<b>(Un-audited)</b> <b>September 30,</b> <b>2022</b>	<b>(Audited)</b> <b>June 30,</b> <b>2022</b>
	<u>Rupees</u>	<u>Rupees</u>
<b>JS Growth Fund</b>		
Redeemable capital - PPTFCs	<b>49,282,809</b>	49,282,809
Sub PPTFCs	<b>26,575,000</b>	26,575,000
Term Loan	<b>21,330,137</b>	21,330,137
New Zero Coupon PPTFCs	<b>107,080,000</b>	107,080,000
Mark-up payable	<b>2,184,462</b>	1,905,252
	<b>(Un-audited)</b> <b>July to</b> <b>September</b> <b>2022</b>	<b>(Un-audited)</b> <b>July to</b> <b>September</b> <b>2021</b>
	<u>Rupees</u>	<u>Rupees</u>
<b>9 Finance Cost</b>		
Interest / mark-up on:		
Redeemable capital & Long term finances	<b>49,152,118</b>	56,304,318
Lease liabilities	<b>53,312</b>	98,754
Short term borrowings	<b>39,980,152</b>	16,082,549
	<b>89,185,582</b>	72,485,621
Amortization of transaction costs	<b>3,807,108</b>	3,294,707
Bank discounting and other charges	<b>141,826,044</b>	91,613,083
	<b>234,818,734</b>	<b>167,393,411</b>

10 Segment information  
10.1 Information about reportable segments

10.1.1 Segment revenues and results

	Spinning segment		Weaving segment		Garment segment		Elimination		Total	
	September-22 Rupees	September-21 Rupees	September-22 Rupees	September-21 Rupees	September-22 Rupees	September-21 Rupees	September-22 Rupees	September-21 Rupees	September-22 Rupees	September-21 Rupees
<b>Revenues</b>										
External	1,027,358,645,800	719,940,984	2,109,085,213	3,035,029,241	4,844,315,046	3,712,350,285	-	-	7,980,758,906	7,467,329,510
Inter-segment	(44,647,045,680)	(415,528,472)	(1,747,538,989)	(999,910,898)	(390,388)	(322,497)	(1,792,576,423)	(1,415,761,867)	-	-
	1,072,065,691,510	1,135,478,456	3,856,624,202	4,034,940,139	4,844,705,434	3,712,672,782	(1,792,576,423)	(1,415,761,867)	7,980,758,906	7,467,329,510
<b>Cost of sales</b>										
External	(995,610,130)	(546,619,567)	(1,613,177,851)	(2,551,422,431)	(4,151,511,501)	(3,376,673,135)	1,792,576,423	-	(6,760,299,181)	(6,474,715,154)
Inter-segment	(44,647,046)	(415,528,472)	(1,747,538,989)	(999,910,898)	(390,388)	(322,497)	-	-	-	-
	(1,040,257,176)	(962,148,039)	(3,360,716,840)	(3,551,333,329)	(4,151,901,889)	(3,376,995,632)	1,792,576,423	1,415,761,867	(6,760,299,181)	(6,474,715,154)
<b>Gross profit</b>	31,748,516	173,330,417	495,907,362	483,606,810	693,203,546	335,677,130	-	-	1,220,459,725	992,614,356
Selling and distribution expenses	(17,399,281)	(12,133,837)	(149,468,614,670)	(210,726,207)	(214,905,472)	(186,768,310)	-	-	(381,173,367)	(409,628,335)
Administrative expenses	(43,369,863)	(25,290,951)	(71,738,191)	(59,686,406)	(97,999,876)	(70,681,499)	-	-	(212,907,930)	(155,658,856)
	(60,769,144)	(37,424,788)	(221,206,805,193)	(270,412,613)	(312,105,348)	(257,449,809)	-	-	(594,081,297)	(565,287,209)
<b>Profit from operation</b>	(29,020,628)	135,905,629	274,700,557,209	213,194,197	380,698,198	78,227,321	-	-	626,378,428	427,327,147
Other income									42,056,929	14,823,035
Other expenses									(21,680,831)	(44,643,264)
Finance cost									(234,818,734)	(167,393,411)
Taxation									(91,594,624)	(74,199,957)
<b>Profit after taxation</b>									320,344,168	155,913,550

10.1.2 Inter-segment sales and purchases

Inter-segment sales and purchases have been eliminated from total figures.

10.1.3 Basis of inter-segment pricing

All inter-segment transfers are made at negotiated rates.

	Spinning segment		Weaving segment		Garment segment		Elimination		Total	
	September-22 Rupees	June-22 Rupees	September-22 Rupees	June-22 Rupees	September-22 Rupees	June-22 Rupees	September-22 Rupees	June-22 Rupees	September-22 Rupees	June-22 Rupees
<b>10.1.4 Assets</b>										
Total assets for reportable segments	3,396,171,679	3,814,968,054	10,747,215,976	11,577,232,162	9,280,899,049	9,229,862,368	(1,017,321,982)	(826,643,165)	22,406,964,722	23,795,419,419
Property, plant and equipment - common	-	-	-	-	-	-	-	-	1,116,104,703	1,121,646,472
Long term investments	-	-	-	-	-	-	-	-	12,608,052	12,608,052
Receivable from National Bank of Pakistan	-	-	-	-	-	-	-	-	306,022,500	306,022,500
Short term investments	-	-	-	-	-	-	-	-	139,993,989	139,993,989
Funds for restructuring scheme	-	-	-	-	-	-	-	-	390,568,216	354,579,214
	<b>3,396,171,679</b>	<b>3,814,968,054</b>	<b>10,747,215,976</b>	<b>11,577,232,162</b>	<b>9,280,899,049</b>	<b>9,229,862,368</b>	<b>(1,017,321,982)</b>	<b>(826,643,165)</b>	<b>24,372,062,182</b>	<b>25,730,268,648</b>
<b>10.1.5 Liabilities</b>										
Total liabilities for reportable segments	444,071,668	652,054,945	1,567,791,241	2,904,562,790	2,713,805,796	2,370,221,958	(1,017,321,982)	(826,643,165)	3,708,346,723	5,100,196,528
Corporate liabilities - common	-	-	-	-	-	-	-	-	11,280,013,627	11,489,576,438
	<b>444,071,668</b>	<b>652,054,945</b>	<b>1,567,791,241</b>	<b>2,904,562,790</b>	<b>2,713,805,796</b>	<b>2,370,221,958</b>	<b>(1,017,321,982)</b>	<b>(826,643,165)</b>	<b>14,958,360,350</b>	<b>16,589,772,966</b>

#### 10.1.6 Geographical Information

The segments of the Company are managed on a worldwide basis, but operate manufacturing facilities and sales offices in Pakistan. In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

Revenue	September-22 Rupees	September-21 Rupees
<b>Foreign revenue</b>		
Asia	667,392,697	997,536,902
Europe	4,839,404,667	4,809,921,125
North America	-	16,799,134
South America	267,512	-
Africa	-	1,025,933
Other countries	1,773,642,809	1,121,159,100
	<b>7,280,707,685</b>	<b>6,946,442,194</b>
<b>Local revenue</b>		
Pakistan	637,140,400	479,973,116
	<b>7,917,848,085</b>	<b>7,426,415,310</b>
(Un-audited) September-22 Rupees		(Audited) June-22 Rupees
<b>10.1.7 Non-current assets</b>		
Pakistan	10,632,094,117	10,677,235,013

**11 Corresponding figures**

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

**12 Date of authorization**

This condensed interim unconsolidated financial information was authorized for issue by the Board of Directors of the Company on October 28, 2022.

**13 General**

Figures have been rounded off to the nearest rupee.

Lahore



Chief Executive Officer



Director



Chief Financial Officer



# AZGARD9

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