

**Tomorrow's Denim Today**

**AZGARD**

**AZGARD NINE LIMITED**

Interim Financial Report  
for the quarter ended  
September 30, 2023 (Un-audited)

## Contents

Company Information	2
Directors' Review - English	3
Directors' Review - Urdu	5
Condensed Interim Statement of Financial Position (Un-audited)	7
Condensed Interim Statement of Profit or Loss (Un-audited)	8
Condensed Interim Statement of Comprehensive Income (Un-audited)	9
Condensed Interim Statement of Cash Flows (Un-audited)	10
Condensed Interim Statement of Changes in Equity (Un-audited)	11
Condensed Interim Selected Explanatory Notes to the Financial Statements (Un-audited)	12

## 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

### 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, 2023.

### 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, 2023 (Rupees)	Quarter ended September 30, 2022 (Rupees)
Sales – net	8,738,287,775	7,980,758,906
Operating profit	576,157,223	626,378,428
Finance cost	(248,316,040)	(234,818,734)
Profit before tax	346,210,606	411,935,792
Profit after tax	219,847,694	320,341,168
Earnings per share	0.45	0.65

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

During this first quarter, sales of the Company were Rs. 8,738.29 million; registering a growth of more than 9% as compared to the same quarter of last year.

The operating profit of this quarter is Rs. 576.16 million as compared with the operating profit of Rs. 626.38 million for the same quarter of last year.

The Company has been able to achieve a net profit after tax of Rs. 219.85 million as compared to a profit of Rs. 320.34 million during the same quarter of last year.

During the quarter, the slowdown of the world's economies persists. Prices of raw materials and energy remained elevated during the quarter. Economic and political uncertainties have impacted all businesses. In the later part of the quarter, the rupee's strengthening against the US dollar impacted margins.

In addition to this, continuing devaluation in the value of the Turkish Lira is making Turkey very competitive against us.

The Government of Pakistan has already increased the rate of mark-up charged on export finance. These are expected to be phased out completely in the future.

Super tax is placing an additional tax burden on the Company.

## 4 | Azgard Nine Limited

For the future it is very difficult to forecast with any degree of accuracy given that there are currently two conflicts ongoing in the world today. We do however, expect a gradual normalization of the market in the second half of next year provided these conflicts do not escalate much farther.

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

On behalf of the Board of Directors

On behalf of the Board of Directors



Chief Executive Officer

Date: October 27, 2023



Director

## ڈائریکٹرز کا جائزہ

ایگزیکٹو ڈائریکٹرز (کمپنی) کے ڈائریکٹرز ہمراہ انتظامیہ ٹیم کمپنی کی کثیف عبوری مالیاتی رپورٹ برائے سہ ماہی ختمہ 30 ستمبر 2023 پیش کرتے ہیں۔

### اہم سرگرمیاں

آپ کی کمپنی کا بنیادی کاروبار دھواگہ سے لے کر خوردہ تیار سامان، ڈینم کپڑ اور تیار ڈینم بلوسات کی مصنوعات کی پیداوار اور مارکیٹنگ پر مرکوز ہے۔ ایگزیکٹو ڈائریکٹرز (اشیڈ لون) کے عملی مالیاتی نتائج درج ذیل ہیں۔

سہ ماہی ختمہ 30 ستمبر 2022 (روپے)	سہ ماہی ختمہ 30 ستمبر 2023 (روپے)	
7,980,758,906	8,738,287,775	فروختگی (Net)
626,378,428	576,157,223	آپریٹنگ منافع
(234,818,734)	(248,316,040)	مالیاتی اخراجات
411,935,792	346,210,606	منافع قبل از ٹیکس
320,341,168	219,847,694	منافع بعد از ٹیکس
0.65	0.45	منافع فی شیئر

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

اس پہلی سہ ماہی کے دوران کمپنی کی بیلرز 8,738.29 ملین روپے رہیں، جو کہ پچھلے سال کی سہ ماہی کی نسبت تقریباً "9 فیصد سے زیادہ اضافہ ہوا ہے۔

آپریٹنگ منافع گزشتہ سال کے اس سہ ماہی کے لئے 626.38 ملین روپے کے مقابلے اس سہ ماہی کے لئے 576.16 ملین روپے رہا۔

کمپنی بعد از ٹیکس منافع 219.85 ملین روپے حاصل کرنے میں کامیاب رہی، جبکہ پچھلے سال کی اسی سہ ماہی کے دوران قبل از ٹیکس منافع 320.34 ملین روپے تھا۔

اس سہ ماہی کے دوران، دنیا کی معیشتوں کی سست روی برقرار ہے۔ سہ ماہی کے دوران خام مال اور توانائی کی قیمتیں بلند رہیں۔ معاشی اور سیاسی غیر یقینی صورتحال نے تمام کاروباروں کو متاثر کیا ہے۔ سہ ماہی کے آخری حصے میں، امریکی ڈالر کے مقابلے میں روپے کی مضبوطی نے مارجن کو متاثر کیا ہے۔

اس کے علاوہ، ترک لیرا کی قدر میں مسلسل کمی کی ترقی کو ہمارے مقابلے میں بہت زیادہ مسابقتی بنا رہی ہے۔

## 6 Azgard Nine Limited


حکومت پاکستان نے پہلے ہی ایکسپورٹ فنانس پر لگنے والے مارک اپ کی شرح میں اضافہ کر دیا ہے۔ مستقبل میں ان کے مکمل طور پر ختم ہونے کی امید ہے۔

سپر ٹیکس کمپنی پر اضافی ٹیکس کا بوجھ ڈال دیا ہے۔


مستقبل کے لیے کسی بھی حد تک درستی کے ساتھ پیش گوئی کرنا بہت مشکل ہے کیونکہ اس وقت دنیا میں دو تنازعات جاری ہیں۔ تاہم، ہم اگلے سال کے دوسرے نصف میں مارکیٹ کے بتدریج معمول پر آنے کی توقع کرتے ہیں بشرطیکہ یہ تنازعات زیادہ بڑھ نہ جائیں۔

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  
تاریخ: 27 اکتوبر 2023ء

**Condensed Interim Statement of Financial Position (Un-audited)  
As at September 30, 2023**

		(Un-audited) September 30 2023 Rupees	(Audited) June 30 2023 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	4	3,302,189,596	3,124,649,596
Surplus on revaluation of fixed assets		2,922,665,201	2,959,427,045
Unappropriated profit		2,406,069,002	2,326,999,464
		<b>13,544,677,169</b>	<b>13,324,829,475</b>
<b>Non-current liabilities</b>			
Redeemable capital - secured	5	1,352,062,903	1,443,390,367
New Zero Coupon PPTFCs		2,749,286,072	2,694,277,169
Lease liabilities		613,327	774,351
Deferred liability		766,873,075	720,547,969
		<b>4,868,835,377</b>	<b>4,858,989,856</b>
<b>Current liabilities</b>			
Current portion of non-current liabilities		1,651,756,471	1,651,719,546
Short term borrowing	6	2,263,726,731	1,728,379,734
Trade and other payables		3,063,817,741	3,794,318,349
Contract Liabilities		140,740,992	123,516,148
Interest / mark-up accrued on borrowings		396,646,622	322,106,193
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		196,811,696	173,409,067
		<b>7,726,667,040</b>	<b>7,806,615,824</b>
<b>Contingencies and commitments</b>	7	<b>26,140,179,586</b>	<b>25,990,435,155</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	10,141,458,278	10,164,750,644
Long term investments		12,608,052	12,608,052
Long term deposits and receivables		73,936,972	73,936,972
		<b>10,228,003,302</b>	<b>10,251,295,668</b>
<b>Current assets</b>			
Store,spares and loose tools		188,778,503	187,876,173
Stock-in-trade		5,440,229,773	4,904,462,814
Trade receivables		6,291,241,754	6,537,675,524
Receivable against non-current assets held for sale		718,952,356	718,952,356
Advances, deposits, prepayments and other receivables		1,523,393,644	1,542,163,306
Short term investments		244,919,660	142,399,891
Funds for restructuring scheme		779,573,302	747,065,820
Cash and bank balances		725,087,292	958,543,603
		<b>15,912,176,284</b>	<b>15,739,139,487</b>
		<b>26,140,179,586</b>	<b>25,990,435,155</b>

The annexed notes from 1 to 14 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, 2023**

		July 2023 to September 2023	July 2022 to September 2022
	Note	Rupees	Rupees
<b>Sales - net</b>		<b>8,738,287,775</b>	7,980,758,906
Cost of sales		<b>(7,576,316,459)</b>	(6,760,299,181)
<b>Gross profit</b>		<b>1,161,971,316</b>	1,220,459,725
Selling and distribution expenses		<b>(380,269,651)</b>	(381,173,367)
Administrative expenses		<b>(205,544,442)</b>	(212,907,930)
<b>Profit from operations</b>		<b>576,157,223</b>	626,378,428
Other income		<b>103,864,780</b>	42,056,929
Other expenses		<b>(18,221,610)</b>	(21,680,831)
Finance cost	10	<b>(248,316,040)</b>	(234,818,734)
Amortization of notional income		<b>(67,273,747)</b>	-
<b>Profit before taxation</b>		<b>346,210,606</b>	411,935,792
Taxation		<b>(126,362,912)</b>	(91,594,624)
<b>Profit after taxation</b>		<b>219,847,694</b>	320,341,168
<b>Earnings per share - basic and diluted</b>		<b>0.45</b>	0.65

The annexed notes from 1 to 14 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, 2023**

	July 2023 to September 2023	July 2022 to September 2022
	Rupees	Rupees
<b>Profit after taxation</b>	<b>219,847,694</b>	<b>320,341,168</b>
<i>Items that may not be subsequently reclassified to statement of profit or loss</i>		
Re-measurement of post retirement benefits obligations	-	-
<b>Total comprehensive income for the period</b>	<b>219,847,694</b>	<b>320,341,168</b>

The annexed notes from 1 to 14 form an integral part of these interim financial statements.

Lahore	 _____ Chief Executive Officer	 _____ Director	 _____ Chief Financial Officer
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**Condensed Interim Statement of Cash Flows (Un-audited)**  
**For the quarter ended September 30, 2023**

	<u>July 2023 to</u> <u>September 2023</u>	<u>July 2022 to</u> <u>September 2022</u>
	Rupees	Rupees
<b>Cash flow from operating activities</b>		
Profit before taxation	346,210,606	411,935,792
Adjustments	484,128,487	262,443,085
<b>Operating profit before working capital changes</b>	<b>830,339,093</b>	<b>674,378,877</b>
Changes in working capital	<b>(1,005,282,733)</b>	<b>(396,070,506)</b>
Cash (used in) / generated from operations	<b>(174,943,640)</b>	<b>278,308,371</b>
<b>Payments for:</b>		
Interest/markup/return paid	<b>(63,478,839)</b>	<b>(60,533,135)</b>
Taxes paid	<b>(102,960,283)</b>	<b>(94,113,033)</b>
Post retirement benefits	<b>(16,414,325)</b>	<b>(5,663,956)</b>
	<b>(182,853,447)</b>	<b>(160,310,124)</b>
<b>Net cash (used in)/generated from operating activities</b>	<b>(357,797,087)</b>	<b>117,998,247</b>
<b>Cash flows from investing activities</b>		
Capital expenditure	<b>(170,456,375)</b>	<b>(51,148,884)</b>
Proceeds from sale of assets	-	30,600,000
Short term investment	<b>(102,519,768)</b>	-
<b>Net cash used in investing activities</b>	<b>(272,976,143)</b>	<b>(20,548,884)</b>
<b>Cash flows from financing activities</b>		
Repayment of redeemable capital	<b>(105,398,498)</b>	<b>(60,360,000)</b>
Repayment of new zero coupon PPTFCs	-	<b>(59,320,000)</b>
Repayment of lease liabilities	<b>(124,100)</b>	<b>(107,658)</b>
Short term borrowings-net	<b>530,216,701</b>	<b>(171,485,186)</b>
<b>Net cash generated from/(used in) financing activities</b>	<b>424,694,103</b>	<b>(291,272,844)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(206,079,127)</b>	<b>(193,823,481)</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>1,704,098,690</b>	<b>1,125,302,080</b>
<b>Cash and cash equivalents at the end of period</b>	<b>1,498,019,563</b>	<b>931,478,599</b>

The annexed notes from 1 to 14 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, 2023**

	Issued, subscribed and paid-up capital	Share premium	Reserve on merger	Capital Reserves	New Zero Coupon PPTFCs Redemption Reserve	Total reserves	Surplus on revaluation of fixed assets	Accumulated profit	Total equity
As at 01 Jul, 2022 - Audited	4,913,753,370	2,358,246,761	105,152,005	661,250,830	-	3,124,649,596	3,121,943,764	(2,066,986,066)	9,093,360,664
Total comprehensive income for the period	-	-	-	-	-	-	-	320,341,168	320,341,168
Income for the period ended Sep 30, 2022	-	-	-	-	-	-	-	320,341,168	320,341,168
Other comprehensive loss 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	-
<b>As at Sep 30, 2022 - Unaudited</b>	<b>4,913,753,370</b>	<b>2,358,246,761</b>	<b>105,152,005</b>	<b>661,250,830</b>	<b>-</b>	<b>3,124,649,596</b>	<b>3,103,427,449</b>	<b>(1,728,128,583)</b>	<b>9,413,703,832</b>
As at Jul 01, 2023 - Audited	4,913,753,370	2,358,246,761	105,152,005	661,250,830	-	3,124,649,596	2,959,427,045	2,326,999,464	13,324,829,475
Total comprehensive income for the period	-	-	-	-	-	-	-	219,847,694	219,847,694
Income for the period ended September 30, 2023	-	-	-	-	-	-	-	219,847,694	219,847,694
Other comprehensive income for the period ended Sep 30, 2023	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period ended Sep 30, 2023	-	-	-	-	-	-	-	219,847,694	219,847,694
Transfer of incremental depreciation from surplus on revaluation of fixed assets	-	-	-	-	-	-	(36,761,844)	36,761,844	-
Transfer of reserve from accumulated profits to new zero coupon PPTFCs redemption reserve	-	-	-	-	177,540,000	177,540,000	-	(177,540,000)	-
<b>As at Sep 30, 2023 - Unaudited</b>	<b>4,913,753,370</b>	<b>2,358,246,761</b>	<b>105,152,005</b>	<b>661,250,830</b>	<b>177,540,000</b>	<b>3,302,189,596</b>	<b>2,922,665,201</b>	<b>2,406,069,002</b>	<b>13,544,677,169</b>

The annexed notes from 1 to 14 form an integral part of these interim financial statements.



**Lahore**  
Chief Executive Officer



Chief Financial Officer

## 12 Azgard Nine Limited

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

#### For the quarter ended September 30, 2023

##### 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, 2022.

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, 2023.

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, 2023.

4 As on July 01, 2023, there is an outstanding amount of Rs. 4,971 million of new zero coupon PPTFCs payable on 29 April 2031. During the period, the Company has created a New Zero Coupon PPTFCs Redemption Reserve. The Company would transfer equal amount of Rs. 710.17 million annually for the next seven years with the aim of accumulating this reserve.

5 During the period, redeemable capital amounting to Rs. 105.39 million has been redeemed through settlement.

	<b>(Un-audited)</b> <b>September 30,</b> <b>2023</b>	<b>(Audited)</b> <b>June 30,</b> <b>2023</b>
<b>6 Short term borrowing</b>		
Running finance	6,641,031	1,510,733
Export refinances/term Loan	2,249,551,091	1,724,551,091
Bills Payable	7,534,610	2,317,910
	<b><u>2,263,726,732</u></b>	<b><u>1,728,379,734</u></b>

## 7 Contingencies and commitments

### 7.1 Contingencies

7.1.1 There is no material change in the status of contingencies as disclosed in the financial statements for the year ended Jun 30, 2023

	<b>(Un-audited)</b> <b>September 30</b> <b>2023</b>	<b>(Audited)</b> <b>June 30,</b> <b>2023</b>
<b>7.2 Commitments</b>		
<b>7.2.1 Commitments under irrevocable letters of credit for:</b>	<b>Rupees</b>	<b>Rupees</b>
- purchase of plant, machinery and loose tools	<b>44,542,418</b>	65,278,411
- purchase of raw material	<b>136,411,535</b>	56,673,717
	<b><u>180,953,953</u></b>	<u>121,952,128</u>
<b>7.2.2 Commitments for capital expenditure</b>	<b><u>101,600,994</u></b>	<u>79,218,435</u>

7.2.3 Counter Guarantees given by the Company to its bankers as at the reporting date amount to Rs. 228.56 million (June 30, 2023: Rs. 228.56 million).

7.2.4 Bills discounted as at reporting date aggregated to Rs. 1,120.09 million (June 30, 2023: Rs. 682.38 million).

## 8 Property, plant and equipment

Operating fixed assets	<b>9,887,812,579</b>	10,056,855,140
Right of use assets	<b>1,150,603</b>	1,211,162
Capital work in progress	<b>252,495,096</b>	106,684,342
	<b><u>10,141,458,278</u></b>	<u>10,164,750,644</u>

14 | Azgard Nine Limited

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
<b>8.1 Operating fixed assets</b>		
Net book value as at the beginning of the period / year	10,056,855,139	10,317,504,205
Additions during the period / year	24,645,623	560,472,153
Disposals during the period / year - Net book value	-	(2,892,385)
Depreciation charged during the period / year	(193,688,183)	(818,228,834)
<b>Net book value as at the end of the period / year</b>	<b>9,887,812,579</b>	<b>10,056,855,139</b>
<b>8.1.1 Additions- Cost</b>		
<b><u>Assets owned by the Company</u></b>		
Building on freehold land	2,178,373	258,893,815
Plant and Machinery	11,041,962	182,904,048
Others	11,425,288	118,674,290
	<b>24,645,623</b>	<b>560,472,153</b>

**9 Transactions and balances with related parties**

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. Other related parties are group companies of M/s. Jahangir Siddiqui & Co. (JSCL) which holds more than twenty (20%) shareholding in the Company. Further, there is no common directorship with JSCL or any of these 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 with the exceptions as approved by the Board of Directors.

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

	(Un-audited) July to September 2023	(Un-audited) July to September 2022
<b>9.1 Transactions with related parties</b>		
<b>9.1.1 Other related parties</b>	<b>Rupees</b>	<b>Rupees</b>
<b>JS Bank Limited</b>		
Mark-up expense	4,781,957	776,651
Markup Paid	4,303,677	1,018,510
Profit received on deposit accounts	7,582,654	14,268,862
<b>Unit Trust of Pakistan</b>		
Mark-up expense	374,881	385,292
Markup Paid	-	296,062
<b>JS Large Cap Fund</b>		
Mark-up expense	1,000,109	1,028,092
Markup Paid	795,781	795,781
<b>JS Global Capital Limited</b>		
Mark-up expense	3,926,066	4,035,919
Markup Paid	3,123,948	3,123,948
<b>JS Principal Secure Fund</b>		
Mark-up expense	402,641	413,907
Markup Paid	320,379	320,379

	<b>(Un-audited) July to September 2023</b>	<b>(Un-audited) July to September 2022</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>JS Income Fund</b>		
Mark-up expense	461,233	474,042
Markup Paid	-	364,249
<b>JS Growth Fund</b>		
Mark-up expense	1,191,582	1,224,834
Markup Paid	614,347	945,625
	<b>(Un-audited) September 30, 2023</b>	<b>(Audited) June 30, 2023</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>9.2 Balances with related parties</b>		
<b>JS Bank Limited</b>		
Settlement Finance under restructuring Scheme	13,870,315	13,870,315
Balance at bank accounts	136,201,718	162,317,642
Short Term Borrowings	111,300,000	111,300,000
Mark-up payable	3,463,426	5,810,412
<b>Unit Trust of Pakistan</b>		
Sub PPTFCs	22,562,500	23,750,000
Settlement Finance under restructuring Scheme	6,822,073	6,822,073
New Zero Coupon PPTFCs	49,485,000	49,485,000
Mark-up payable	1,320,929	946,048
<b>JS Large Cap Fund</b>		
Redeemable capital - PPTFCs	60,645,490	63,837,358
Settlement Finance under restructuring Scheme	17,739,525	17,739,525
New Zero Coupon PPTFCs	59,745,000	59,745,000
Mark-up payable	2,682,300	2,477,972
<b>JS Global Capital Limited</b>		
Redeemable capital - PPTFCs	238,072,334	250,602,457
Settlement Finance under restructuring Scheme	69,638,980	69,638,980
New Zero Coupon PPTFCs	234,545,000	234,545,000
Mark-up payable	10,529,743	9,727,625
<b>JS Principal Secure Fund</b>		
Redeemable capital - PPTFCs	24,415,717	25,700,755
Settlement Finance under restructuring Scheme	7,141,887	7,141,887
New Zero Coupon PPTFCs	24,050,000	24,050,000
Mark-up payable	1,079,887	997,625
<b>JS Pension Savings Fund</b>		
New Zero Coupon PPTFCs	3,850,000	3,850,000
<b>JS Income Fund</b>		
Sub PPTFCs	27,759,000	29,220,000
Settlement Finance under restructuring Scheme	8,394,214	8,394,214
New Zero Coupon PPTFCs	62,040,000	62,040,000
Mark-up payable	1,625,271	1,164,037



**16** | Azgard Nine Limited

	<b>(Un-audited)</b> <b>September 30,</b> <b>2023</b>	<b>(Audited)</b> <b>June 30,</b> <b>2023</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>JS Growth Fund</b>		
Redeemable capital - PPTFCs	<b>46,818,669</b>	49,282,809
Sub PPTFCs	<b>25,246,250</b>	26,575,000
Settlement Finance under restructuring Scheme	<b>21,330,137</b>	21,330,137
New Zero Coupon PPTFCs	<b>107,080,000</b>	107,080,000
Mark-up payable	<b>3,548,993</b>	2,971,759

	<b>(Un-audited)</b> <b>July to September</b> <b>2023</b>	<b>(Un-audited)</b> <b>July to September</b> <b>2022</b>
	<b>Rupees</b>	<b>Rupees</b>

**10 Finance Cost**

Interest / mark-up on:		
Redeemable capital & Long term finances	<b>42,615,353</b>	49,152,118
Lease liabilities	<b>47,725</b>	53,312
Short term borrowings	<b>95,356,191</b>	39,980,152
	<b>138,019,269</b>	89,185,582
Amortization of transaction costs	<b>4,125,691</b>	3,807,108
Bank discounting and other charges	<b>106,171,079</b>	141,826,044
	<b>248,316,039</b>	234,818,734

II Segment information

II.1 Information about reportable segments

	Spinning segment		Weaving segment		Garment segment		Elimination		Total	
	September-23 Rupees	September-22 Rupees	September-23 Rupees	September-22 Rupees	September-23 Rupees	September-22 Rupees	September-23 Rupees	September-22 Rupees	September-23 Rupees	September-22 Rupees
<b>Revenues</b>										
External	927,735,639	1,072,005,692	3,348,835,903	2,109,085,213	4,461,736,332	4,844,315,046	(1,091,378,026)	(1,792,576,423)	8,738,887,775	7,980,758,905
Inter-segment	0	44,647,046	1,091,295,470	1,747,538,989	82,556	390,388	(1,091,378,026)	(1,792,576,423)	-	-
	927,735,640	1,072,005,692	4,440,131,373	3,856,624,202	4,461,808,789	4,844,705,434	(1,091,378,026)	(1,792,576,423)	8,738,887,775	7,980,758,905
<b>Cost of sales</b>										
External	(900,513,283)	(995,610,130)	(2,620,765,979)	(1,613,177,551)	(4,055,037,197,000)	(4,151,511,501)	1,091,378,026	-	(7,576,316,459)	(6,760,299,181)
Inter-segment	(0)	(44,647,046)	(1,091,295,470)	(1,747,538,989)	(82,556)	(390,388)	-	-	-	-
	(900,513,283)	(1,040,257,176)	(3,712,061,449)	(3,360,716,540)	(4,055,119,753)	(4,151,901,889)	1,091,378,026	1,792,576,423	(7,576,316,459)	(6,760,299,181)
<b>Gross profit</b>	27,222,356	31,748,516	728,059,924	495,907,652	406,689,035	692,803,545	-	-	1,161,971,316	1,220,459,724
Selling and distribution expenses	(16,314,465)	(17,399,281)	(123,294,189)	(49,468,615)	(246,600,899)	(214,305,472)	-	-	(380,569,651)	(381,173,367)
Administrative expenses	(43,034,165)	(43,369,863)	(79,906,517)	(71,738,191)	(91,603,760)	(97,799,876)	-	-	(205,544,442)	(212,907,930)
	(59,348,630)	(60,769,144)	(203,200,706)	(121,206,806)	(338,204,659)	(312,105,348)	-	-	(586,114,093)	(594,081,297)
<b>Profit / (Loss) from operations</b>	(32,126,274)	(29,020,628)	533,858,718	274,700,856	74,424,766	380,698,197	-	-	576,157,223	626,378,428
Other income									103,864,780	42,056,929
Other expenses									(18,221,610)	(21,680,831)
Finance cost									(248,316,040)	(234,818,734)
Amortization of notional income									(6,273,747)	-
Taxation									(126,862,912)	(91,594,654)
<b>Profit after taxation</b>									219,847,694	320,341,168

II.1.2 Inter-segment sales and purchases

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

II.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-23	June-23	September-23	June-23	September-23	June-23	September-23	June-23	September-23	June-23
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>11.1.4 ASSETS</b>										
Total assets for reportable segments	3,472,655,771	3,139,160,288	11,538,403,116	11,710,541,753	9,939,409,545	10,349,626,102	(928,408,777)	(1,128,816,128)	24,022,059,655	24,070,512,015
Property, plant and equipment - common	-	-	-	-	-	-	-	-	1,084,018,918	1,017,849,377
Long term investments	-	-	-	-	-	-	-	-	12,608,052	12,608,052
Receivable from National Bank of Pakistan	-	-	-	-	-	-	-	-	-	-
Short term investments	-	-	-	-	-	-	-	-	244,919,660	142,399,891
Funds for restructuring scheme	3,472,655,771	3,139,160,288	11,538,403,116	11,710,541,753	9,939,409,545	10,349,626,102	(928,408,777)	(1,128,816,128)	26,140,179,886	25,990,435,155
<b>11.1.5 Liabilities</b>										
Total liabilities for reportable segments	531,640,813	610,024,845	1,749,601,171	2,592,930,381	2,631,765,600	2,577,410,333	(928,408,777)	(1,128,816,128)	3,984,598,807	4,651,549,451
Corporate liabilities - common	-	-	-	-	-	-	-	-	8,610,903,610	8,014,056,229
	531,640,813	610,024,845	1,749,601,171	2,592,930,381	2,631,765,600	2,577,410,333	(928,408,777)	(1,128,816,128)	12,595,502,417	12,665,605,680
<b>11.1.6 Geographical information</b>										

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	July to September	
	2023	2022
	Rupees	Rupees
<b>Laachra revenue</b>		
Asia	1,395,405,920	667,392,697
Europe	4,943,115,522	4,839,404,667
North America	33,134,291	-
South America	3,229,592	267,512
Africa	16,737,204	-
Other countries	1,636,980,113	1,773,642,809
	8,028,602,552	7,280,707,685
<b>Local revenue</b>		
Pakistan	709,685,223	700,051,221
	8,738,287,775	7,980,758,906
(Un-audited)		
September-23		(Audited)
June-23		Rupees
	10,228,003,302	10,251,295,668

**11.1.7 Non-current assets**

Pakistan	10,228,003,302
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**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 27 October 2023.

**14 General**

Figures have been rounded off to the nearest rupee.

Lahore



Chief Executive Officer



Director



Chief Financial Officer



# AZGARD9

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