

# AZGARD9

Tomorrow's Denim Today

**AZGARD NINE LIMITED**  
Interim Financial Report  
for the half year ended  
December 31, 2025 (Un-audited)

# Contents

Company Information	2
Directors' Review - English	3
Directors' Review - Urdu	5
Independent Auditors' Review Report	7
Condensed Interim Statement of Financial Position (Un-audited)	8
Condensed Interim Statement of Profit or Loss (Un-audited)	9
Condensed Interim Statement of Comprehensive Income (Un-audited)	10
Condensed Interim Statement of Cash Flows (Un-audited)	11
Condensed Interim Statement of Changes in Equity (Un-audited)	12
Condensed Interim Selected Explanatory Notes to the Financial Statements (Un-audited)	13

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Zahid Mahmood  
Chairman  
Mr. Ahmed H. Shaikh  
Chief Executive  
Mr. Abid Hussain  
Mr. Ihsan Ahmad  
Ms. Maliha Sarda Azam  
Mr. Nasir Ali Khan Bhatti  
Syed Hasan Akbar Kazmi  
Mr. Usman Rasheed

### COMPANY SECRETARY

Mr. Muhammad Awais

### CHIEF FINANCIAL OFFICER

Mr. Muhammad Zahid Rafiq, FCA

### AUDIT COMMITTEE

Mr. Ihsan Ahmad  
Chairman  
Mr. Nasir Ali Khan Bhatti  
Mr. Usman Rasheed

### HR & REMUNERATION COMMITTEE

Mr. Ihsan Ahmad  
Chairman  
Mr. Ahmed H. Shaikh  
Ms. Maliha Sarda Azam

### AUDITORS

Rahman Sarfaraz Rahim Iqbal Rafiq  
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

### BANKERS

#### *Relationship with conventional side*

JS Bank Limited  
MCB Bank Limited  
Habib Bank Limited  
United Bank Limited  
National Bank of Pakistan  
Bank Makramah Limited  
Bank Al Habib Limited

#### *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, Pakistan.  
Ph: +92(0)42 35384081

#### Unit II

Atta Buksh Road, 18-KM, Off: Ferozepur Road,  
Mouza Atari Saroba, Tehseel Cantt, Lahore,  
Pakistan.  
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") hereby present the Company's Condensed Interim Financial Report for the six months ended December 31, 2025.

### 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:

	Six Months Ended December 31, 2025 (Rs. in millions)	Six Months Ended December 31, 2024 (Rs. in millions)
Sales – net	21,479.43	21,819.36
Profit from operations	1,243.13	1,269.42
Finance cost	(416.45)	(618.89)
Profit before tax	661.36	492.73
Profit after tax	322.11	201.82
Earnings per share (Rs.)	0.66	0.41

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

According to Pakistan Bureau of Statistics (PBS) data, textile exports during FY 2025–26 recorded a generally declining trend in recent months, with contractions of 7.3% in August, 2.0% in September, 0.6% in October, 9.0% in November, and 8.6% in December. However, when viewed in totality, the sharp increase of 32% in July helped offset subsequent declines, resulting in an overall broadly flat performance during the period.

During the first quarter, sales of the Company showed decline of 6.7% while for 2nd quarter sales increased by 2.8% as compared same period of last year. The profit from operations of this half year is Rs. 1,243.13 million as compared with Rs. 1,269.42 million for the same period of last year. With reduction in finance cost, the Company has been able to achieve a net profit before tax of Rs. 661.36 million as compared to a profit of Rs. 492.73 million during the same quarter of last year. This shows a growth of 34%.

The Company's performance during the six-month period remained under pressure amid a challenging operating environment. Elevated input costs, tariff burdens and increasingly stringent compliance requirements adversely impacted operations. Energy tariffs—already significantly higher than those of regional competitors—further weakened cost competitiveness. Additionally, the upward revision in the minimum wage increased operating expenses. Intensifying competition from new market entrants seeking market share has further compressed margins and has eroded the Company's traditional cost advantage while placing additional downward pressure on profitability.

The transition to the Normal Tax Regime in July 2024 has significantly increased the overall tax burden. When combined with the super tax, the effective tax rate exceeds 40%, placing the sector among the highest-taxed in the region. Meanwhile, sales tax refunds continue to accumulate, with older claims still pending and locking up critical working capital. These delays are straining liquidity, elevating financing costs, and disrupting procurement and production planning. Rationalization of the tax burden, along with timely processing of refunds, remains essential to sustain export momentum and restore the sector's competitiveness.

Despite these headwinds, the Company delivered improved earnings, reflecting disciplined cost management and sustained focus on operational efficiency.

Following the finalization of the India–EU Free Trade Agreement on January 27, 2026, Pakistan's textile sector is expected to face heightened competitive pressure as the tariff advantage previously enjoyed under GSP+ diminishes, effectively leveling the playing field for regional exporters. In addition, concessions being extended by the USA to regional competitors, particularly Bangladesh and India, are further intensifying the competitive landscape for Pakistani textile exports.

Furthermore, global trade conditions remain subject to ongoing policy changes in key export markets. Recent announcements regarding potential tariff adjustments in the United States, along with related legal and regulatory developments, may contribute to some uncertainty in international trade flows and sourcing decisions in the near term. At this stage, the precise implications for the Company and the broader textile sector remain uncertain. Management continues to monitor developments closely and is maintaining focus on operational efficiency, market diversification, and prudent working capital management to mitigate potential risks.

Against this broader backdrop of industry challenges and margin pressures, the Company is undertaking strategic initiatives to strengthen competitiveness, including enhanced production planning, improved capacity utilization, and greater process automation. Management is also prioritizing cost optimization through supply chain rationalization, waste reduction, and tighter working capital management.

The Board extends its sincere appreciation to all stakeholders for their continued trust and cooperation. Their support remains critical as the Company navigates current challenges and pursues sustainable growth. With collective commitment, the Company remains confident of delivering stronger and progressively improved performance going forward.

**On behalf of the Board of Directors**



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

Date: February 27, 2026



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

## ڈائریکٹرز کا جائزہ

ایز کارڈ ٹائن لمیٹڈ (کمپنی) کے ڈائریکٹرز کمپنی کی کثیف عبوری مالیاتی رپورٹ برائے شش ماہی مئی 31 2025 پیش کرتے ہیں۔

اہم سرگرمیاں

آپ کی کمپنی کا بنیادی کاروبار دھاگہ سے لے کر خوردہ تیار سامان، ڈیٹیم پیڑ اور تیار ڈیٹیم بلوسات کی مصنوعات کی پیداوار اور مارکیٹنگ پر مرکوز ہے۔ ایز کارڈ ٹائن لمیٹڈ کے عملی مالیاتی نتائج درج ذیل ہیں۔

شش ماہی مئی 31 2024 (روپے ملین میں)	شش ماہی مئی 31 2025 (روپے ملین میں)	
21,819.36	21,479.43	فروختگی (Net)
1,269.42	1,243.13	آپریٹنگ منافع
(618.89)	(416.45)	مالیاتی اخراجات
492.73	661.36	منافع قبل از ٹیکس
201.82	322.11	منافع بعد از ٹیکس
0.41	0.66	منافع فی شیئر (روپے)

اس معیاد کے دوران کاروبار کا جائزہ اور مستقبل پر نظر

پاکستان بیورو آف سٹیٹسٹکس (پی بی ایس) کے اعداد و شمار کے مطابق، مالی سال 2025-26 کے دوران ٹیکسٹائل کی برآمدات میں حالیہ مہینوں میں عام طور پر کمی کار۔ جتان ریکارڈ کیا گیا، اگست میں 7.3 فیصد، ستمبر میں 2.0 فیصد، اکتوبر میں 0.6 فیصد، نومبر میں 9.0 فیصد اور دسمبر میں 8.6 فیصد کمی ہوئی۔ تاہم، جب مجموعی طور پر دیکھا جائے تو، جولائی میں 32 فیصد کے نیز اضافے نے بعد میں آنے والی کمی کو پورا کرنے میں مدد کی، جس کے نتیجے میں اس مدت کے دوران مجموعی طور پر وسیع پیمانے پر معمول کی کارکردگی دکھائی دی۔

پہلی سہ ماہی کے دوران، کمپنی کی فروخت میں 6.7 فیصد کمی واقع ہوئی جبکہ دوسری سہ ماہی کے لیے گزشتہ سال کی اسی مدت کے مقابلے میں فروخت میں 2.8 فیصد کا اضافہ ہوا۔ اس سہ ماہی کے آپریٹرز سے منافع گزشتہ سال کی اسی مدت کے لیے 1,269.42 ملین روپے کے مقابلے میں 1,243.13 ملین روپے ہے۔ مالیاتی لاگت میں کمی کے ساتھ، کمپنی ٹیکس سے پہلے خالص منافع گزشتہ سال کی اسی سہ ماہی کے دوران 492.73 ملین روپے کے مقابلے میں 661.36 ملین روپے منافع حاصل کرنے میں کامیاب ہو گئی ہے۔ یہ 34 فیصد کے اضافہ کو ظاہر کرتا ہے۔

چھ ماہ کی مدت کے دوران کمپنی کی کارکردگی ایک چیلنجنگ آپریٹنگ ماحول کے درمیان دباؤ میں رہی۔ ان پٹ کے بڑھتے ہوئے اخراجات، ٹیرف کے بوجھ اور تیزی سے سخت تقبیل کی ضروریات نے آپریٹرز کو بری طرح متاثر کیا۔ توانائی کے ٹیرف۔ پہلے سے ہی علاقائی حریفوں کے مقابلے میں نمایاں طور پر زیادہ ہیں۔ مزید کمزور لاگت کی مسابقت۔ مزید برآں، کم از کم جرمن میں اضافے نے آپریٹنگ اخراجات میں اضافہ کیا۔ حصص کی تلاش میں نئے مارکیٹ میں داخل ہونے والوں سے مسابقت میں شدت نے مارجن کو مزید کم کر دیا ہے، کمپنی کے روایتی لاگت کے فائدہ کو ختم کر دیا ہے اور منافع پر نیچے کی طرف دباؤ

برقرار رکھا ہے۔

جولائی 2024 میں نارٹل ٹیکس ریزیم میں منتقلی نے ٹیکس کے مجموعی بوجھ میں نمایاں اضافہ کیا ہے۔ جب سپرنٹیکس کے ساتھ ملایا جائے تو، ٹیکس کی موثر شرح 40% سے تجاوز کر جاتی ہے، جس سے اس شعبے کو خٹکے میں سب سے زیادہ ٹیکس لگایا جاتا ہے۔ دریں اثنا، سٹریٹجک ریفائنڈرز جمع ہوتے رہتے ہیں، پرانے دعوے ابھی بھی زیر التوا ہیں اور اہم ورکنگ کپینٹل کو محدود کر دیا گیا ہے۔ یہ تاخیر لیکویڈیٹی کو دبا رہی ہیں، مالیاتی اخراجات کو بڑھا رہی ہیں، اور خبریاداری اور پیداوار کی منصوبہ بندی میں خلل ڈال رہی ہیں۔ برآمدات کی رفتار کو برقرار رکھنے اور شعبے کی مسابقت کو بحال کرنے کے لیے ریفائنڈر کی بروقت پروسیسنگ کے ساتھ ٹیکس کے بوجھ کو معقول بنانا ضروری ہے۔

ان مشکلات کے باوجود، کمپنی نے بہتر آمدنی فراہم کی، جس سے لاگت کے نظم و ضبط اور آپریشنل کارکردگی پر مستقل توجہ کی عکاسی ہوتی ہے۔

27 جنوری 2026 کو بھارت-EU آزاد تجارتی معاہدے کو حتمی شکل دینے کے بعد، خدشہ ہے کہ پاکستان کے ٹیکسٹائل سیکٹر کو زیادہ مسابقتی دباؤ کا سامنا کرنا پڑے گا کیونکہ +GSP کے تحت پہلے سے حاصل کردہ ٹیرف کا فائدہ کم ہو رہا ہے، جو علاقائی برآمد کنندگان کے لیے مؤثر طریقے سے مسابقتی بنا رہا ہے۔ اس کے علاوہ، امریکہ کی طرف سے علاقائی حربوں، خاص طور پر بنگلہ دیش اور بھارت کو دی جانے والی رعایتیں پاکستانی ٹیکسٹائل کی برآمدات کے لیے مسابقتی منظر نامے کو مزید تیز کر رہی ہیں۔

مزید برآں، عالمی تجارتی حالات کلیدی برآمدی منڈیوں میں جاری پالیسی تبدیلیوں سے مشروط ہیں۔ ریاست ہائے متحدہ امریکہ میں مکمل ٹیرف ایڈجسٹمنٹ کے بارے میں حالیہ اعلانات، متعلقہ قانونی اور ریگولیٹری پیش رفت کے ساتھ، مستقبل قریب میں بین الاقوامی تجارتی بہاؤ اور سروسنگ کے فیصلوں میں کچھ غیر یقینی صورتحال پیدا کر سکتے ہیں۔ اس مرحلے پر، کمپنی اور وسیع تر ٹیکسٹائل سیکٹر کے لیے قطعی مضمرات غیر یقینی ہیں۔ انتظامیہ قریب سے نگرانی جاری رکھے ہوئے ہے اور مکمل خطرات کو کم کرنے کے لیے آپریشنل کارکردگی، مارکیٹ کے تنوع، اور سمجھدار ورکنگ کپینٹل مینجمنٹ پر توجہ مرکوز رکھے ہوئے ہے۔

صنعتی چیلنجوں اور مارجن کے دباؤ کے اس وسیع پس منظر میں، کمپنی مسابقت کو مضبوط بنانے کے لیے اسٹریٹجک اقدامات کر رہی ہے، بشمول بہتر پیداواری منصوبہ بندی، بہتر صلاحیت کا استعمال، اور زیادہ سے زیادہ عمل آؤٹیشن۔ مینجمنٹ سپلائی چین ریشٹلائزیشن، ویسٹ میں کمی، اور سخت ورکنگ کپینٹل مینجمنٹ کے ذریعے لاگت کی اصلاح کو بھی ترجیح دے رہی ہے۔

بورڈ تمام اسٹیک ہولڈرز کو ان کے مسلسل اعتماد اور تعاون کے لیے ان کی مخلصانہ تعریف کرتا ہے۔ ان کا تعاون اہم ہے کیونکہ کمپنی موجودہ چیلنجوں کا سامنا کرتی ہے اور پائیدار ترقی کو آگے بڑھاتی ہے۔ اجتماعی عزم کے ساتھ، کمپنی آگے بڑھتے ہوئے مضبوط اور تدریجاً بہتر کارکردگی کی فراہمی کے لیے پراعتماد ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

  
ڈائریکٹر

  
چیف ایگزیکٹو آفیسر

27 فروری 2026ء

## INDEPENDENT AUDITORS' REVIEW REPORT

### To the members of AZGARD NINE LIMITED Report on the Review of Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **AZGARD NINE LIMITED** [the 'Company'] as at **31 December 2025** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the 'interim financial statements'). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

#### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

#### Other Matters

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the six-month period, presented in the second quarter financial statements are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-month period ended 31 December 2025 have not been reviewed by us.

The engagement partner on the review resulting in this independent auditor's review report is ALI RAZA JAFFERY.



**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants

Lahore | 27 February 2026

UDIN: RR202510704pJ9hlcH2z

**Condensed Interim Statement of Financial Position (Un-audited)  
AS AT 31 DECEMBER 2025**

	Note	31-Dec-25 <i>Rupees</i> [Un-audited]	30-Jun-25 <i>Rupees</i> [Audited]
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<i>Authorized share capital</i>		15,000,000,000	15,000,000,000
Issued share capital		4,913,753,370	4,913,753,370
Capital reserves		4,387,201,736	4,032,114,593
Revaluation surplus		2,842,540,753	2,902,237,912
Retained earnings		2,982,918,408	2,955,922,841
<b>TOTAL EQUITY</b>		<b>15,126,414,267</b>	<b>14,804,028,716</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Redeemable capital		3,704,935,377	3,804,126,757
Long term borrowings	6	237,692,437	-
Employees retirement benefits		1,436,960,616	1,265,980,758
Deferred mark-up		94,369,666	112,709,911
Deferred taxation		318,334,493	296,168,063
		<b>5,792,292,589</b>	<b>5,478,985,489</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,909,175,270	3,652,044,818
Unclaimed dividend on ordinary shares		3,753,252	3,753,252
Short term borrowings	7	3,023,987,647	2,686,388,660
Accrued mark-up/profit on borrowings		119,110,049	205,014,237
Levies payable		539,689,061	778,907,920
Income taxes payable		41,105,968	114,340,654
Current maturity of non-current liabilities		927,363,364	1,500,053,224
		<b>8,564,184,611</b>	<b>8,940,502,765</b>
<b>TOTAL LIABILITIES</b>		<b>14,356,477,200</b>	<b>14,419,488,254</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,482,891,467</b>	<b>29,223,516,970</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	13,583,645,881	12,093,040,142
Long term investments		124,333,580	124,333,580
Long term deposits		224,724,056	163,264,370
		<b>13,932,703,517</b>	<b>12,380,638,092</b>
<b>CURRENT ASSETS</b>			
Stores, spares and lose tools		310,193,572	347,673,265
Stock in trade		5,396,636,679	5,667,465,821
Trade receivables		4,507,714,080	3,859,253,072
Receivable against sale of spinning unit		718,276,287	706,412,075
Deposits and prepayments		503,500,536	1,362,269,330
Advances and other receivables		1,334,652,476	1,464,966,869
Short term investments		465,715,238	138,603,560
Tax refunds due from government		1,435,973,280	1,152,040,570
Funds for restructuring scheme		130,319,723	892,167,454
Cash and bank balances		747,206,079	1,252,026,862
		<b>15,550,187,950</b>	<b>16,842,878,878</b>
<b>TOTAL ASSETS</b>		<b>29,482,891,467</b>	<b>29,223,516,970</b>

*The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements*

Lahore

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

## Condensed Interim Statement of Profit or Loss (Un-audited) For the six months period ended 31 December 2025

Note	Six-month period ended		Three-month period ended	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	Rupees	Rupees [restated]	Rupees	Rupees [restated]
Revenue from contracts with customers	21,479,429,966	21,819,360,095	12,057,251,702	11,721,457,749
Cost of sales	(19,147,944,875)	(19,321,644,017)	(10,799,123,629)	(10,416,074,147)
<b>Gross profit</b>	<b>2,331,485,091</b>	<b>2,497,716,078</b>	<b>1,258,128,073</b>	<b>1,305,383,602</b>
Other income	380,210,065	435,334,834	194,427,662	249,964,017
Selling and distribution expenses	(819,499,147)	(1,108,496,590)	(441,863,805)	(543,078,844)
Administrative expenses	(549,515,780)	(494,426,429)	(271,136,242)	(267,794,596)
Other expenses	(87,005,631)	(26,700,314)	(41,186,470)	(13,004,266)
	(1,456,020,558)	(1,629,623,333)	(754,186,517)	(823,877,706)
Impairment allowance for expected credit losses	(12,540,764)	(34,007,191)	(1,601,850)	(34,007,191)
<b>Operating profit</b>	<b>1,243,133,834</b>	<b>1,269,420,388</b>	<b>696,767,368</b>	<b>697,462,722</b>
Finance cost	11 (416,449,941)	(618,891,399)	(213,998,075)	(310,114,496)
Notional interest expense	(165,325,446)	(157,799,203)	(78,421,922)	(88,591,934)
<b>Profit before levies and income taxes</b>	<b>661,358,447</b>	<b>492,729,786</b>	<b>404,347,371</b>	<b>298,756,292</b>
Provision for levies	(268,500,467)	(275,185,015)	(150,723,239)	(148,961,236)
<b>Profit before income taxes</b>	<b>392,857,980</b>	<b>217,544,771</b>	<b>253,624,132</b>	<b>149,795,056</b>
Provision for income taxes	(70,747,720)	(15,729,014)	(46,131,029)	(15,772,600)
<b>Profit after income taxes</b>	<b>322,110,260</b>	<b>201,815,757</b>	<b>207,493,103</b>	<b>134,022,456</b>
<b>Basic earnings per share</b>	<b>0.66</b>	<b>0.41</b>	<b>0.43</b>	<b>0.27</b>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements

Lahore

  
 Chief Executive Officer

  
 Director

  
 Chief Financial Officer

**Condensed Interim Statement of Comprehensive Income (Un-audited)  
For the six months period ended 31 December 2025**

	Six-month period ended		Three-month period ended	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	Rupees	Rupees [restated]	Rupees	Rupees [restated]
<b>Profit after income taxes</b>	<b>322,110,260</b>	201,815,757	<b>207,493,103</b>	134,022,456.00
<b>Other comprehensive income:</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Revaluation surplus	-	-	-	-
Remeasurements of defined benefit obligation	-	-	-	-
Income tax relating to items that will not be reclassified	<b>275,291</b>	-	<b>275,291</b>	-
	<b>275,291</b>	-	<b>275,291</b>	-
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-	-	-
<b>Other comprehensive income after income taxes</b>	<b>275,291</b>	-	<b>275,291</b>	-
<b>Total comprehensive income</b>	<b>322,385,551</b>	201,815,757	<b>207,768,394</b>	134,022,456

*The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements*

Lahore

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

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Chief Financial Officer

## Condensed Interim Statement of Cash Flows (Un-audited) For the six months period ended 31 December 2025

Note	31-Dec-25 Rupees	31-Dec-24 Rupees <i>[restated]</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before income taxes</b>	<b>392,857,980</b>	217,544,771
Adjustments for non-cash and other items	<b>1,349,053,138</b>	1,293,096,066
<b>Profit before changes in working capital</b>	<b>1,741,911,118</b>	1,510,640,837
Changes in working capital	<b>298,942,770</b>	91,865,607
<b>Cash generated from operations</b>	<b>2,040,853,888</b>	1,602,506,444
<b>Payments for:</b>		
Mark-up on borrowings - <i>Conventional instruments</i>	<b>(233,085,744)</b>	(307,627,033)
Profit on borrowings - <i>Shariah compliant instruments</i>	-	(8,974,821)
Income taxes and levies under Income Tax Ordinance, 2001	<b>(448,583,471)</b>	(462,278,485)
Employees retirement benefits	<b>(79,277,827)</b>	(76,405,289)
<b>Net cash generated from operating activities</b>	<b>1,279,906,846</b>	747,220,816
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<b>(1,918,662,889)</b>	(480,924,160)
Proceeds from disposal of property, plant and equipment	-	2,200,000
Proceeds against receivable from sale of Muzaffargarh unit	-	7,304,571
Purchase of short term investments	<b>(325,000,000)</b>	-
Proceeds from disposal of short term investments	-	17,405,517
<b>Net cash used in investing activities</b>	<b>(2,243,662,889)</b>	(454,014,072)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of redeemable capital	<b>(266,048,493)</b>	(222,549,764)
Long term borrowings obtained	<b>252,310,537</b>	-
Repayment of long term borrowings	<b>(625,020,793)</b>	-
Repayment of lease liabilities	-	(217,355)
Repayment of preference shares liability	-	(36,940,850)
Net increase in short term borrowings	<b>54,193,437</b>	35,884,917
<b>Net cash used in financing activities</b>	<b>(584,565,312)</b>	(223,823,052)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,548,321,355)</b>	69,383,692
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>1,777,922,683</b>	1,745,142,828
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENT</b>	<b>(1,752,709)</b>	(339,681)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b> 10	<b>227,848,619</b>	1,814,186,839



Lahore

Chief Executive Officer



Director



Chief Financial Officer

**Condensed Interim Statement of Changes in Equity (Un-audited)  
For the six months period ended 31 December 2025**

	Share Capital		Capital reserves		New zero coupon PPFTCs		Total Rupees	Retained earnings (restated) Rupees	Total equity Rupees
	Issued share capital Rupees	Share premium Rupees	Reserve on merger Rupees	Preference redemption reserve Rupees	Preference redemption reserve Rupees	coupon redemption reserve Rupees			
As at 01 July 2024 - [Audited] - (restated)	4,913,753,370	2,358,246,761	105,152,005	148,367,255	710,174,286	3,321,940,307	2,882,665,721	13,804,149,140	
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	201,815,757	201,815,757	
Profit after income taxes	-	-	-	-	-	-	-	-	
Other comprehensive income after income taxes	-	-	-	-	-	-	-	-	
<b>Other transactions</b>	-	-	-	-	-	-	-	-	
Transfer of incremental depreciation to retained earnings	-	-	-	-	-	-	51,841,367	51,841,367	
Transfer from preference share redemption reserve to retained earnings	-	-	-	-	-	-	(51,841,367)	(51,841,367)	
Transfer from retained earnings to new zero coupon PPFTCs redemption reserve	-	-	-	-	365,087,143	365,087,143	(365,087,143)	(365,087,143)	
<b>As at 31 December 2024 - [Un-audited] - (restated)</b>	4,913,753,370	2,358,246,761	105,152,005	148,367,255	1,065,261,429	3,677,027,450	2,761,235,702	14,005,964,897	
As at 01 January 2025 - [Un-audited] - (restated)	4,913,753,370	2,358,246,761	105,152,005	148,367,255	1,065,261,429	3,677,027,450	2,761,235,702	14,005,964,897	
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	499,987,097	499,987,097	
Profit after income taxes	-	-	-	-	-	-	(50,266,664)	(50,266,664)	
Other comprehensive income after income taxes	-	-	-	-	-	-	298,076,722	298,076,722	
<b>Other transactions</b>	-	-	-	-	-	-	-	-	
Incremental depreciation	-	-	-	-	-	-	348,343,406	348,343,406	
Transfer of revaluation surplus upon disposal of operating fixed assets	-	-	-	-	-	-	(79,537,364)	(79,537,364)	
Transfer from retained earnings to new zero coupon PPFTCs redemption reserve	-	-	-	-	-	-	(516,505)	(516,505)	
<b>As at 30 June 2025 - [Audited]</b>	4,913,753,370	2,358,246,761	105,152,005	148,367,255	1,420,348,672	4,032,114,593	2,965,922,841	14,804,028,716	
As at 01 July 2025 - [Audited]	4,913,753,370	2,358,246,761	105,152,005	148,367,255	1,420,348,672	4,032,114,593	2,965,922,841	14,804,028,716	
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	322,110,260	322,110,260	
Profit after income taxes	-	-	-	-	-	-	275,291	275,291	
Other comprehensive income after income taxes	-	-	-	-	-	-	-	-	
<b>Other transactions</b>	-	-	-	-	-	-	-	-	
Incremental depreciation	-	-	-	-	-	-	(59,972,450)	(59,972,450)	
Transfer of revaluation surplus upon disposal of operating fixed assets	-	-	-	-	-	-	355,087,143	355,087,143	
Transfer from retained earnings to new zero coupon PPFTCs redemption reserve	-	-	-	-	-	-	(355,087,143)	(355,087,143)	
<b>As at 31 December 2025 - [Un-audited]</b>	4,913,753,370	2,358,246,761	105,152,005	148,367,255	1,775,435,715	4,387,201,736	2,982,918,408	15,126,414,267	

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements



Lahore

Chief Executive Officer



Director



Chief Financial Officer

## Condensed Interim Selected Explanatory Notes to the Financial Statements (Un-audited) For the six months period ended 31 December 2025

### 1 LEGAL STATUS AND OPERATIONS

Azgard Nine Limited [the 'Company'] was incorporated under the repealed Companies Ordinance, 1984 on 20 January 1993. The Company is a 'Public Company Limited by Shares' and is listed on Pakistan Stock Exchange Limited. The Company is a composite of spinning, weaving, dyeing and stitching units engaged in the manufacturing of yarn, denim and denim products.

#### 1.1 Location of business units

<b>Registered Office</b>	Ismail Aiwan-e-Science, off Shahrah-e-Roomi, Lahore, Pakistan.
<b>Manufacturing Unit - 1</b>	2.5 KM, off Manga, Raiwind Road, District Kasur, Pakistan.
<b>Manufacturing Unit - 2</b>	18 KM, Atta Buksh Road, off Ferozepur Road, Mouza Atari Saroba, Tehseel Cantt, Lahore.

### 2 BASIS OF PREPARATION

These interim financial statements are un-audited and have been presented in condensed form and do not include all information as is required to be provided in a full set of annual financial statements. These interim financial statements should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2025.

These interim financial statements have been subjected to limited scope review by auditors of the company, as required under section 237 of the Companies Act, 2017. The comparative condensed interim statement of financial position as at 30 June 2025 and the related notes to the interim financial statements are based on audited financial statements. The comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and related notes to the condensed interim financial statements for the six-month period ended 31 December 2025 are based on unaudited, reviewed interim financial statements. The condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-month period ended 31 December 2025 and 31 December 2024 are neither audited nor reviewed.

#### 2.1 Statement of compliance

These 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 comprises of:

- International Accounting Standard 34 'Interim Financial Reporting' [IAS 34], issued by 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.

#### 2.2 Basis of measurement

These interim financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

<b>Items</b>	<b>Measurement basis</b>
Financial liabilities	Amortized cost
Employee retirement benefits	Present value
Freehold land, buildings on freehold land, plant and machinery	Revalued amounts
Investments	Fair value
Other financial assets	Amortized cost

### 2.3 Judgments, estimates and assumptions

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

There were no changes in key judgements applied and, estimates and assumptions made by the Company during the period.

### 2.4 Functional currency

These interim financial statements have been prepared in Pak Rupees which is the Company's functional currency. The amounts reported in these interim financial statements have been rounded to the nearest Rupees unless specified otherwise.

### 2.5 Date of authorization for issue

These interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on 27 February 2026.

## 3. NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE YEAR.

The following new and revised International Financial Reporting Standards [IFRS] and International Accounting Standards [IAS], interpretations of and amendments to IFRS and IAS are effective in the current period but are either not relevant to the Company or their application does not have any material impact on the financial statements of the Company other than presentation and disclosures, except as stated otherwise.

### 3.1 Lack of Exchangeability (Amendments to IAS 21)

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

## 4. NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

**Effective date**  
**(annual periods beginning**  
**on or after)**

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	01 July 2025
IFRS S2 Climate-related Disclosures	01 July 2025
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	01 January 2026
Amendments IFRS 9 and IFRS 7 regarding the power purchase agreements	01 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	01 January 2026
IFRS 17 Insurance Contracts	01 January 2027
IFRS 18 Presentation and Disclosures in Financial Statements	01 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027

Other than aforementioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan for adoption.

**IFRS 1 First Time Adoption of International Financial Reporting Standards**

The Company intends to adopt these new standards on their effective dates, subject to notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will not have a material impact on the Company's interim financial statements other than in presentation/disclosures.

## 5 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended 30 June 2025.

	<b>[Un-audited]</b> <b>31-Dec-25</b>	<b>[Audited]</b> <b>30-Jun-25</b>
<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
<b>6 LONG TERM BORROWINGS</b>		
As at beginning of the period/year	<b>1,081,208,932</b>	1,081,208,932
Obtained during the period/year	<b>252,310,537</b>	-
Repayments made during the period/year	<b>(625,020,793)</b>	-
As at end of the period/year	<b>708,498,676</b>	1,081,208,932
Current maturity presented under current liabilities	<b>(470,806,239)</b>	(1,081,208,932)
	<b>237,692,437</b>	-

		[Un-audited] 31-Dec-25	[Audited] 30-Jun-25
	Note	Rupees	Rupees
<b>6.1 Facility wise breakup of long term borrowings</b>			
Settlement finance facility	6.1.1	456,188,139	1,081,208,932
Long term finance facility	6.1.2	150,000,000	-
Diminishing Musharakah facility	6.1.3	102,310,537	-
		<b>708,498,676</b>	<b>1,081,208,932</b>

**6.1.1** This represents settlement finance created pursuant to the Lahore High Court Approved Creditors' Scheme of Arrangement ['Approved Scheme']. The finance carries mark-up at 5% per annum. During the period, the agents' bank distributed proceeds held in the escrow account from the sale of building and machinery of the Company's Spinning Unit, resulting in settlement of Rs. 625.02 million. The remaining balance will be settled through proceeds from the sale of land of the Muzaffargarh Unit and 13,805,427 preference shares held in Agritech Limited.. The finance is secured by equitable mortgage over the spinning unit, charge and right over actual proceeds from disposal of spinning unit and preference shares, first hypothecation charge and equitable mortgage over the Company's assets and personal guarantee of sponsor director, each for Rs. 1.441.61 million, in favour of Bank Makramah Limited, as security agent. In case sales proceeds received by the Company are insufficient making any payment due under the settlement finance facility, the treatment and settlement terms will be mutually settled between the Company and the agents appointed pursuant to the Approved Scheme.

**6.1.2** This represents term loan facility of Rs. 250 million sanctioned by Pak Libya Holding Company (Private) Limited to finance capex requirements relating to biomass power project. The facility is secured by charge over all present and future current and fixed assets of the Company, including biomass power plant and personal guarantee of the Company's directors. This facility carries interest at three months KIBOR plus 1.90% per annum, payable quarterly. The principal is repayable in sixteen equal quarterly installments with the first installment due in March 2027.

**6.1.3** These loans has been obtained from a financial institution against diminishing musharakah facility to finance acquisition of vehicles and is secured by specific charge over vehicles acquired in the form of lien marking. This finance carries profit at three months KIBOR plus 2% per annum, payable monthly. This finance is repayable in sixty unequal monthly installments with the final maturity due in November 2030.

		[Un-audited] 31-Dec-25	[Audited] 30-Jun-25
		Rupees	Rupees
<b>7 SHORT TERM BORROWINGS</b>			
<b>Secured</b>			
Export refinances		2,370,094,441	2,250,245,565
Bills payable		4,216,023	69,871,462
		<b>2,374,310,464</b>	<b>2,320,117,027</b>
<b>Unsecured</b>			
Book overdraft		649,677,183	366,271,633
		<b>3,023,987,647</b>	<b>2,686,388,660</b>

## 8. CONTINGENCIES AND COMMITMENTS

### 8.1 Contingencies

- 8.1.1** Counter Guarantees given by the Company to its bankers as at the reporting date amount to Rs. 285.79 million (30-Jun-25: Rs. 285.79 million).
- 8.1.2** Bills discounted as at reporting date aggregate to Rs. 2,169.19 million (30-Jun-25: Rs. 1,951.11 million).
- 8.1.3** There is no material change in the status of other contingencies as disclosed in the financial statements for the year ended 30 June 2025.

	<b>[Un-audited] 31-Dec-25</b>	<b>[Audited] 30-Jun-25</b>
	<i>Rupees</i>	<i>Rupees</i>
<b>8.2 Commitments</b>		
<b>8.2.1 Commitments under irrevocable letters of credit for:</b>		
- Purchase of plant, machinery and loose tools	<b>280,272,681</b>	526,388,662
- Purchase of raw material	<b>11,692,088</b>	18,712,155
	<b>291,964,769</b>	545,100,817
<b>8.2.2 Commitments for capital expenditure</b>		
- Commitments for capital expenditure	<b>376,920,136</b>	592,370,479
	<b>376,920,136</b>	592,370,479

### 8.2.3 Commitments under short term leases

The Company has various rented premises under short term lease arrangements. Lease agreement covers a period of upto one year and is renewable/extendable on mutual consent. Lease rentals are payable monthly/quarterly in advance. Commitments for payments in future periods under the lease agreement are as follows:

	<b>[Un-audited] 31-Dec-25</b>	<b>[Audited] 30-Jun-25</b>
<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
Payments not later than one year	<b>85,280,400</b>	44,281,403
Payments later than one year	-	-
	<b>85,280,400</b>	44,281,403

## 9 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	9.1	<b>11,357,370,160</b>	10,746,389,854
Capital work in progress	9.2	<b>2,226,275,721</b>	1,346,650,288
Right of use assets	9.3	-	-
		<b>13,583,645,881</b>	12,093,040,142

	[Un-audited] 31-Dec-25	[Audited] 30-Jun-25
Note	Rupees	Rupees
<b>9.1 Operating fixed assets</b>		
Net book value at beginning of the period/year	10,746,389,854	10,277,401,479
Additions during the period/year		
Buildings on freehold land	22,964,192	219,749,421
Plant and machinery	858,357,771	961,191,259
Office equipment and fixtures	12,257,709	16,527,936
Electrical installations	11,939,465	29,223,638
Computer hardware and allied items	4,167,926	21,758,353
Vehicles	129,350,393	77,834,805
	<b>1,039,037,456</b>	1,326,285,412
Net book value of assets disposed during the period/year	-	(8,942,564)
Depreciation for the period/year	<b>(428,057,150)</b>	(848,354,473)
Net book value at end of the period/year	<b>11,357,370,160</b>	10,746,389,854

<b>9.2 Capital work in progress</b>		
As at beginning of the period/year	1,346,650,288	691,074,808
Additions during the period/year	1,760,947,396	1,802,303,693
Transferred to operating fixed assets during the period/year	<b>(881,321,963)</b>	(1,146,728,213)
As at end of the period/year	<b>2,226,275,721</b>	1,346,650,288

	[Un-audited] 31-Dec-25	[Audited] 30-Jun-25
Note	Rupees	Rupees
<b>9.3 Right of use assets</b>		
Net book value at beginning of the period/year	-	968,929
Additions during the period/year	-	-
Depreciation for the period/year	-	(48,446)
Net book value of assets transferred to operating fixed assets during the period/year	-	(920,483)
As at end of the period/year	-	-

**10 CASH AND CASH EQUIVALENTS**

Funds for restructuring scheme		130,319,723	892,167,454
Short term borrowings - book overdraft	7	<b>(649,677,183)</b>	(366,271,633)
Cash and bank balances		<b>747,206,079</b>	1,252,026,862
		<b>227,848,619</b>	1,777,922,683

	[Un-audited]	[Un-audited]	[Un-audited]	[Un-audited]
	<b>Six-month period ended</b>		<b>Three-month period ended</b>	
	<b>31-Dec-25</b>	31-Dec-24	<b>31-Dec-25</b>	31-Dec-24
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
<b>11 FINANCE COST</b>				
Mark-up/profit on borrowings:				
- redeemable capital and long term borrowings	<b>50,815,850</b>	66,274,544	<b>22,448,159</b>	32,416,028
- short term borrowings	<b>96,365,706</b>	176,191,140	<b>48,437,140</b>	80,544,916
	<b>147,181,556</b>	242,465,684	<b>70,885,299</b>	112,960,944
Interest on lease liabilities	-	11,780	-	1,230
Amortization of transaction cost	<b>20,904,252</b>	16,283,407	<b>10,752,328</b>	8,386,347
Bank charges and commission	<b>248,364,133</b>	360,130,528	<b>132,360,448</b>	188,765,976
	<b>416,449,941</b>	618,891,399	<b>213,998,075</b>	310,114,497

## 12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The details of the Company's related parties, with whom the Company had transactions during the period or has balances outstanding as at the reporting date, are as follows:

Name of related party	Nature and basis of relationship
Jahangir Siddiqui and Company Limited ['JSCL']	Significant shareholder [Beneficial shareholding of 20% or more] <i>(JSCL holds and controls 121,158,363 ordinary shares in the Company)</i>
JSCL's associated entities	Other related parties [Associated companies of significant shareholder]
Mr. Zahid Mahmood	Key Management Personnel [Chairman]
Mr. Ahmed Humayun Shiekh	Key Management Personnel [Chief Executive]
Mr. Abid Hussain	Key Management Personnel [Director]
Mr. Ihsan Ahmad	Key Management Personnel [Director]
Ms. Maliha Sarda Azam	Key Management Personnel [Director]
Mr. Nasir Ali Khan Bhatti	Key Management Personnel [Director]
Mr. Syed Hassan Akbar Kazmi	Key Management Personnel [Director]
Mr. Usman Rasheed	Key Management Personnel [Director]

The Company continues to have a policy whereby all transactions with related parties entered into in the ordinary course of business are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction with the exceptions as approved by the Board of Directors. Detail of transactions with related parties during the reporting period and balances with them as at the reporting date are as follows:

	[Un-audited] 31-Dec-25	[Un-audited] 31-Dec-24
	<i>Rupees</i>	<i>Rupees</i>
<b>12.1 Transactions with related parties</b>		
<b>12.1.1 Key Management Personnel</b>		
Short term employe benefits	21,000,000	21,000,000
Meeting fee	1,580,000	1,580,000
Post employements benefits	2,692,307	2,692,307
<b>12.1.2 Other related parties</b>		
<b>JS Bank Limited</b>		
Mark-up expense	4,649,644	349,608
Mark-up paid/settled	4,904,328	-
Fee paid to trustee	1,500,000	1,500,000
Return on bank deposits	9,806,521	12,873,417
<b>Unit Trust of Pakistan</b>		
Mark-up expense	459,438	615,070
Mark-up paid/settled	893,305	-
<b>JS Large Cap Fund</b>		
Mark-up expense	1,223,003	1,638,181
Mark-up paid/settled	3,242,829	1,240,019
<b>JS Global Capital Limited</b>		
Mark-up expense	4,801,069	6,430,908
Mark-up paid/settled	12,730,178	4,867,867
<b>JS Principal Secure Fund</b>		
Mark-up expense	492,378	659,527
Mark-up paid/settled	1,305,555	499,228
<b>JS Income Fund</b>		
Mark-up expense	565,272	756,753
Mark-up paid/settled	1,099,166	-
<b>JS Growth Fund</b>		
Mark-up expense	1,458,284	1,952,956
Mark-up paid/settled	3,503,251	957,302
<b>12.2 Balances with related parties</b>	[Un-audited] 31-Dec-25	[Audited] 30-June-25
<b>12.2.1 Key Management Personnel</b>	<i>Rupees</i>	<i>Rupees</i>
Short term employe benefits payable	3,500,000	3,500,000
Bonus payable	-	28,354,655
Post employements benefits payable	29,615,383	26,923,076

	[Un-audited] 31-Dec-25	[Un-audited] 31-Dec-24
	<i>Rupees</i>	<i>Rupees</i>
<b>12.2.2 Other related parties</b>		
<b>JS Bank Limited</b>		
Settlement finance	5,795,748	13,870,315
Short term borrowings	112,000,000	112,000,000
Mark-up payable	2,258,411	5,408,758
Bank balances	490,748,760	458,750,036
<b>Unit Trust of Pakistan</b>		
Settlement finance	2,850,621	6,822,073
Redeemable capital	61,360,000	63,735,000
Mark-up payable	1,113,337	1,547,204
<b>JS Large Cap Fund</b>		
Settlement finance	7,412,507	17,739,525
Redeemable capital	91,663,679	98,047,415
Mark-up payable	2,014,159	4,033,985
<b>JS Global Capital Limited</b>		
Settlement finance	29,098,831	69,638,980
Redeemable capital	359,846,229	384,906,474
Mark-up payable	7,906,861	15,835,970
<b>JS Principal Secure Fund</b>		
Settlement finance	2,984,256	7,141,887
Redeemable capital	36,900,378	39,470,453
Mark-up payable	810,895	1,624,072
<b>JS Pension Savings Fund</b>		
Redeemable capital	3,850,000	3,850,000
<b>JS Income Fund</b>		
Settlement finance	3,507,544	8,394,214
Redeemable capital	76,650,000	79,572,000
Mark-up payable	1,369,845	1,903,739
<b>JS Growth Fund</b>		
Settlement finance	8,912,854	21,330,137
Redeemable capital	145,008,905	152,594,685
Mark-up payable	2,800,862	4,845,829

## 13 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual published financial statements of the Company for the year ended 30 June 2025.

## 14 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as follows:

	[Un-audited] 31-Dec-25	[Un-audited] 31-Dec-24
	<i>Rupees</i>	<i>Rupees</i>
<b>14.1 Financial assets</b>		
<b><i>Cash in hand</i></b>	<b>5,223,484</b>	6,049,867
<b><i>Financial assets at amortized cost</i></b>		
Long term deposits	224,724,056	163,264,370
Trade receivables	4,507,714,080	3,859,253,072
Receivable against sale of spinning unit	718,276,287	706,412,075
Security deposits	12,665,055	15,655,055
Margin deposits	42,252,010	471,987,693
Advances to employees	51,887,889	51,224,955
Insurance claims	106,708	7,670,889
Receivable under novation agreement	33,000,000	33,000,000
Dividend receivable	-	-
Funds for restructuring scheme	130,319,723	892,167,454
Bank balances	741,982,595	1,245,976,995
	<b>6,462,928,403</b>	7,446,612,558
<b><i>Financial assets classified at fair value through OCI</i></b>		
Investment in debt securities	262,387,853	262,387,853
	<b>262,387,853</b>	262,387,853
	<b>6,730,539,740</b>	7,715,050,278
<b>14.2 Financial liabilities</b>		
<b><i>Financial liabilities at amortized cost</i></b>		
Redeemable capital	4,126,529,369	4,218,458,764
Long term borrowings	6 708,498,676	1,081,208,932
Deferred interest	129,332,799	117,222,196
Trade creditors	1,821,551,168	2,267,799,524
Accrued liabilities	1,652,932,141	1,127,661,200
Unclaimed dividend on ordinary shares	3,753,252	3,753,252
Short term borrowings	7 3,023,987,647	2,686,388,660
Accrued mark-up/profit on borrowings	119,110,049	205,014,237
	<b>11,585,695,101</b>	11,707,506,765

15 SEGMENT INFORMATION

	Spinning segment		Weaving segment		Garment segment		Elimination		Total	
	31-Dec-25 Rupees	31-Dec-24 Rupees								
Revenue										
External	957,018,274	1,447,464,605	4,779,555,284	6,883,924,372	15,742,856,428	13,687,971,118	-	-	21,719,429,966	21,819,380,095
Inter-segment	476,341,699	392,251,215	5,432,293,603	4,252,579,998	2,158,121	14,389,900	(5,910,739,423)	(4,659,215,113)	-	-
	1,433,359,973	1,839,715,820	10,211,794,867	10,896,498,370	15,745,014,549	13,702,361,018	(5,910,739,423)	(4,659,215,113)	21,719,429,966	21,819,380,095
Cost of sales										
External	(897,268,011)	(1,396,639,248)	(3,549,444,737)	(5,214,908,800)	(14,701,242,127)	(12,710,065,969)	-	-	(19,147,944,875)	(19,321,644,017)
Inter-segment	(476,341,699)	(392,251,215)	(5,432,293,603)	(4,252,579,998)	(2,158,121)	(14,389,900)	5,910,739,423	4,659,215,113	-	-
	(1,373,599,710)	(1,788,890,463)	(8,981,684,340)	(9,467,482,798)	(14,703,400,248)	(12,724,465,869)	5,910,739,423	4,659,215,113	(19,147,944,875)	(19,321,644,017)
Gross profit	59,760,263	50,825,357	1,230,110,327	1,469,015,572	1,041,614,301	977,875,149	-	-	2,331,485,091	2,497,716,078
Selling and distribution expenses	(21,571,602)	(25,414,735)	(163,549,817)	(282,459,945)	(634,431,928)	(800,621,910)	-	-	(819,469,147)	(1,108,456,590)
Administrative expenses	(83,886,686)	(66,035,201)	(285,001,711)	(201,709,221)	(200,607,383)	(226,693,007)	-	-	(549,515,780)	(494,426,429)
(Less)/profit from operations	(105,324,288)	(105,324,288)	(428,651,328)	(484,168,166)	(835,039,311)	(1,027,304,917)	-	-	(1,369,014,927)	(1,602,923,019)
Adjustments for common items										
Other income										
Other expenses										
Impairment allowance for expected credit losses										
Finance cost										
Notional interest expense										
Provision for levies										
Provision for income taxes										
Profit after income taxes	(45,594,025)	(40,624,579)	801,459,199	894,847,406	206,574,990	(49,429,788)	-	-	962,470,164	884,793,059
Inter-segment sales and purchases										
Inter-segment sales and purchases, which are priced at regulated rates, have been eliminated from company totals.										
Geographical information										
The segments of the Company are managed on a worldwide basis, but manufacturing facilities and sales offices are operated 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.										

Other income	380,210,065	435,334,834
Other expenses	(87,005,631)	(26,700,314)
Impairment allowance for expected credit losses	(12,540,764)	(34,007,191)
Finance cost	(416,449,941)	(618,891,399)
Notional interest expense	(165,325,446)	(157,759,203)
Provision for levies	(275,185,015)	(275,185,015)
Provision for income taxes	(70,477,720)	(15,729,014)
Profit after income taxes	322,110,280	201,815,757

15.3.1 Segment revenue

	31-Dec-25		31-Dec-24	
	Rupees	[Un-audited]	Rupees	[Un-audited]
<b>Foreign revenue</b>				
Asia	196,612,012		1,079,330,042	
Europe	15,059,066,603		14,387,896,680	
South America	-		240,749,444	
North America	966,611,193		-	
Other countries	4,674,961,549		5,441,749,910	
	20,888,251,257		21,149,716,076	
<b>Local revenue</b>				
Pakistan	591,178,709		669,644,019	
	591,178,709		669,644,019	
	21,479,429,966		21,819,360,095	
	13,932,703,517		12,380,638,082	
	13,932,703,517		12,380,638,082	

15.3.2 Non-current assets

Pakistan	12,380,638,082
	12,380,638,082

15.4 Segment assets and liabilities

	Spinning segment		Weaving segment		Garment segment		Elimination		Total	
	31-Dec-25	30-Jun-25	31-Dec-25	30-Jun-25	31-Dec-25	30-Jun-25	31-Dec-25	30-Jun-25	31-Dec-25	30-Jun-25
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Segment assets</b>										
Total assets for reportable segments	2,735,949,137	2,932,686,896	12,396,150,924	12,300,532,609	12,396,030,784	12,519,378,281	(2,062,262,095)	(1,959,533,518)	25,425,867,940	25,793,064,288
Property, plant and equipment	-	-	-	-	-	-	-	-	3,336,654,986	2,275,348,108
Long term investments	-	-	-	-	-	-	-	-	124,333,580	124,333,580
Short term investments	-	-	-	-	-	-	-	-	466,715,238	139,603,560
Funds for restructuring scheme	-	-	-	-	-	-	-	-	139,319,723	892,167,454
	2,735,949,137	2,932,686,896	12,396,150,924	12,300,532,609	12,396,030,784	12,519,378,281	(2,062,262,095)	(1,959,533,518)	29,462,891,467	29,223,516,970
<b>Segment liabilities</b>										
Total liabilities for reportable segments	892,343,210	682,167,787	3,909,319,910	2,695,506,937	3,796,821,328	4,717,670,284	(2,062,262,095)	(1,959,533,518)	6,536,221,943	6,105,811,470
Corporate liabilities - common	-	-	-	-	-	-	-	-	7,820,955,657	8,313,676,784
	892,343,210	682,167,787	3,909,319,910	2,695,506,937	3,796,821,328	4,717,670,284	(2,062,262,095)	(1,959,533,518)	14,356,477,200	14,419,488,254

## 16 FAIR VALUE MEASUREMENTS

### 16.1 Financial instruments

#### 16.1.1 Recurring fair value measurements

For recurring fair value measurements, the fair value hierarchy and information about how the fair values are determined is as follows:

Assets	Hierarchy	Valuation technique and key inputs	[Un-audited]	[Un-audited]
			31-Dec-25	31-Dec-24
			<i>Rupees</i>	<i>Rupees</i>
Investment in mutual funds	Level 1	Quoted prices in an active market	627,609	549,287

#### 16.1.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements of financial instruments as at the reporting date.

#### 16.1.3 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value at the end of each reporting period to approximate their fair values as at the reporting date.

### 16.2 Assets other than financial instruments

#### 16.2.1 Recurring fair value measurements

For recurring fair value measurements, the fair value hierarchy and information about how the fair values are determined is as follows:

Assets	Hierarchy	Valuation technique and key inputs	[Un-audited]	[Un-audited]
			31-Dec-25	31-Dec-24
			<i>Rupees</i>	<i>Rupees</i>
Freehold land	Level 2	Land is valued using market comparable approach that reflects recent transaction prices for similar properties. Significant inputs include estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition.	1,573,950,000	1,573,950,000
Buildings on freehold land	Level 2	Building is valued using cost approach that reflects the cost to the market participants to construct assets of comparable utility and age, adjusted for obsolescence and depreciation. Significant inputs include estimated construction costs and other ancillary expenditure.	2,395,557,729	2,433,540,301

Assets	Hierarchy	Valuation technique and key inputs	[Un-audited]	[Un-audited]
			31-Dec-25	31-Dec-24
			Rupees	Rupees
Plant and machinery	Level 2	Plant and machinery is valued using cost approach that reflects the cost to the market participants to construct or acquire machinery of comparable utility and age, adjusted for obsolescence and depreciation. Significant inputs include estimated construction/acquisition costs and other ancillary expenditure.	6,636,533,188	6,091,455,025

**16.2.2 Non-recurring fair value measurements**

There are no non-recurring fair value measurements of assets other than financial instruments.

17	SHAHRIAH DISCLOSURES	[Un-audited]	[Audited]
		31-Dec-25	30-Jun-25
		Rupees	Rupees
	Loans/advances obtained as per islamic mode	96,760,000	116,112,000
	Shariah compliant bank deposits/bank balances	5,760,929	5,853,674
	Profit earned from shariah compliant bank deposits/bank balances	107,378,914	309,891,334
	Revenue earned from a shariah compliant business segment	40,605,013,232	40,704,913,616
	Gain/loss or dividend earned from shariah compliant investments	2,033,356	864,154
	Exchange gain/(loss) earned/(incurred) from actual currency	28,146,700	77,717,390
	Profit paid on islamic mode of financing	-	6,003,244
	Mark-up paid on any conventional loan or advances	233,085,744	464,236,620

**17.1 Relationship with shariah compliant banks:**

Name of Bank	Relationship with Bank
Faysal Bank Limited	Sukuk certificates holder and bank balances
Al Baraka Bank (Pakistan) Limited	Bank Balances
Meezan Bank Limited	Bank balances

**18 RECOVERABLE AMOUNTS AND IMPAIRMENT**

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these interim financial statements.

**19 GENERAL**

Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.

Lahore

  
Chief Executive Officer

  
Director

  
Chief Financial Officer





[www.azgard9.com](http://www.azgard9.com)

# AZGARD9

## AZGARD NINE LIMITED

### Address

Ismail Aiwan-e-Science,  
Off Shahrah-e-Roomi,  
Lahore-54600, Pakistan.

### Contact

Phone:  
+92(0)4235761794-5

### Email

[info@azgard9.com](mailto:info@azgard9.com)