

Tomorrow's Denim Today

AZGARD

AZGARD NINE LIMITED

Interim Financial Report
for the nine months ended
March 31, 2024 (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
Syed Hasan Akbar Kazmi
Mr. Abid Hussain
Mr. Ihsan Ahmad

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

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
Bank Makramah 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 nine months ended March 31, 2024.

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:

	Nine Months Ended March 31, 2024 (Rupees)	Nine Months Ended March 31, 2023 (Rupees) Restated
Sales – net	26,166,297,756	21,898,056,014
Operating profit	1,371,293,155	1,465,271,914
Finance cost	(764,881,588)	(606,778,623)
Profit before tax	761,759,983	711,292,017
Profit after tax	368,720,476	453,840,704
Earnings per share	0.75	0.92

Review of business during this period and future outlook

During the nine months, sales of the Company were Rs. 26,166 million; registering a growth of more than 19% as compared to the same period of last year.

The operating profit of this period is Rs. 1,371.29 million as compared with the operating profit of Rs. 1,465.27 million for the same period of last year. The Company has a net profit after tax of Rs. 368.72 million compared to a profit of Rs. 453.84 million during the same period last year.

The settlement plan for the outstanding preference shares was approved by the preference shareholders in their meeting held on January 18, 2024. Following the approval, outstanding dividends have been paid. The outstanding principal amount and the accrued mark-up will be settled according to the approved settlement plan.

The textile industry is facing challenges due to global economic slowdown and increasing inflation. There are high cost of inputs such as raw materials, gas and electricity tariffs, costly financing, and a further increase in costs due to the implementation of minimum wages. All these factors have contributed to the reduction of the margins of your Company.

Sea freight has significantly increased as a result of attacks on commercial ships passing through the lower Red Sea. This stems from the Houthi rebels in Yemen reacting to Israel's bombardment of Gaza.

Despite being an export-oriented sector, the Pakistani government has ceased providing regionally competitive energy prices to the textile industry. Consequently, the cost of energy has become a major issue. The political landscape of the country remained very volatile until the conclusion of the general elections. Delayed refunds and unexpected rupee appreciation has hurt margins. The SBP Refinance Rate surged from 11% to 19%, elevating the company's finance costs. Additionally, the imposition of the super tax raised the tax incidence of the Company. All these factors have reduced the profitability of the company.

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The deterioration of global economic conditions and increased local costs as mentioned in the above paragraph have put pressure on margins. Hence, the future look including the next quarter of fiscal year 2023-24 is very challenging.

We are grateful to our all stakeholders for their ongoing support and confidence in our management. We look forward to their continued support in the future as well. We also extend our gratitude to all our employees for their diligent efforts.

On behalf of the Board of Directors



Chief Executive Officer

Date: April 30, 2024



Director

ڈائریکٹرز کا جائزہ

ایزگارڈ ٹائن لمیٹڈ (کمپنی) ہمراہ انتظامیہ ٹیم کمپنی کی کثیف عبوری مالیاتی رپورٹ برائے نو ماہی ختمہ 31 مارچ 2024 پیش کرتے ہیں۔

اہم سرگرمیاں

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

نو ماہی ختمہ 31 مارچ 2023 (روپے) (ریسٹریٹڈ)	نو ماہی ختمہ 31 مارچ 2024 (روپے)	
21,898,056,014	26,166,297,756	فروٹنگ (Net)
1,465,271,914	1,371,293,155	آپریٹنگ منافع
(606,778,623)	(764,881,588)	مالیاتی اخراجات
711,292,017	761,759,983	منافع قبل از ٹیکس
453,840,704	368,720,476	منافع بعد از ٹیکس
0.92	0.75	منافع فی شیئر

اس معیاد کے دوران کاروبار کا جائزہ اور مستقبل پر نظر

اس نو ماہی کی مدت کے دوران، کمپنی کی بیلز 26,166 ملین روپے رہی جس میں پچھلے سال کی اسی مدت کی نسبت 19 فیصد سے زیادہ کی نمو ہوئی ہے۔ پچھلے سال اسی مدت کے لئے 1,465.27 ملین روپے آپریٹنگ منافع کے مقابلے اس نو ماہی کا آپریٹنگ منافع 1,371.29 ملین روپے ہے۔ کمپنی پچھلے سال اسی مدت کے دوران 453.84 ملین روپے کے مقابلے 368.72 ملین روپے منافع بعد از ٹیکس حاصل کیا ہے۔

بقایا تہجی حصص کے تصفیہ کے منصوبے کو تہجی حصص داران نے 18 جنوری 2024 کو ہونے والی اپنی میٹنگ میں منظور کیا تھا۔ منظوری کے بعد واجب الادا منافع کی ادائیگی کر دی گئی ہے۔ واجب الادا اصل رقم اور جمع شدہ مارک اپ منظور شدہ سٹیٹمنٹ پلان کے مطابق ادا کیا جائے گا۔

عالمی اقتصادی سست روی اور بڑھتی ہوئی مہنگائی کی وجہ سے ٹیکسٹائل انڈسٹری کو چیلنجز کا سامنا ہے۔ ان پٹ کی زیادہ قیمتوں جیسا کہ خام مال، گیس اور بجلی کے ٹیرف، مہنگی فنڈنگ اور کم از کم اجرت کے نفاذ کی وجہ سے اخراجات میں مزید اضافہ ہوا ہے۔ ان تمام عوامل نے آپ کی کمپنی کے مارجن کو کم کیا ہے۔

بحرہ احمر سے گزرنے والے تجارتی بحری جہازوں پر حملوں کے نتیجے میں سمندری مال برداری کے اخراجات میں نمایاں اضافہ ہوا ہے۔ یہ بین میں حوثی باغیوں کی جانب سے غزہ پراسرائیل کی بمباری پر رد عمل کا نتیجہ ہے۔

برآمدات پر مبنی شعبہ ہونے کے باوجود، پاکستانی حکومت نے ٹیکسٹائل انڈسٹری کو علاقائی سطح پر مسابقتی توانائی کی قیمتیں فراہم کرنا بند کر دیا ہے۔ اس کے نتیجے میں، توانائی کی قیمت ایک بڑا مسئلہ بن گیا ہے۔ عام انتخابات کے اختتام تک ملک کا سیاسی منظر نامہ انتہائی اتار چڑھاؤ کا شکار رہا۔ رقم کی واپسی میں تاخیر اور روپے کی غیر متوقع قدر نے منافع کو نقصان پہنچایا ہے۔ ایس بی پی ری فنانس کی شرح 11 فیصد سے بڑھ کر 19 فیصد ہو گئی، جس سے کمپنی کے مالیاتی


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اخراجات میں اضافہ ہوا ہے۔ مزید برآں، سپرنٹنڈنٹس کے نفاذ سے کمپنی کے ٹیکس کے اخراجات میں اضافہ ہوا ہے۔ ان تمام عوامل نے کمپنی کے منافع کو کم کیا ہے۔


عالمی اقتصادی حالات کی خرابی اور مقامی لاگت میں اضافہ جیسا کہ اوپر پیرا گراف میں بتایا گیا ہے نے منافع پر دباؤ ڈالا ہے۔ لہذا، مالی سال 2023-24 کی اگلی سہ ماہی سمیت مستقبل بہت چیلنجنگ ہے۔

ہم اپنے تمام اسٹیک ہولڈرز کے شکر گزار ہیں کہ ان کی مسلسل حمایت اور ہماری انتظامیہ پر اعتماد ہے۔ ہم مستقبل میں بھی ان کی مسلسل حمایت کے منتظر ہیں۔ ہم اپنے تمام ملازمین کا ان کی مستعد کوششوں کیلئے بھی شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



ڈائریکٹر



چیف ایگزیکٹو آفیسر

تاریخ: 130 اپریل 2024ء

Condensed Interim Statement of Financial Position
As at March 31, 2024

		(Un-audited) March 31 2024 Rupees	(Audited) June 30 2023 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital		15,000,000,000	15,000,000,000
Issued, subscribed and paid up capital		4,913,753,370	4,913,753,370
Reserves	4	3,144,396,737	3,124,649,596
Surplus on revaluation of fixed assets		2,885,903,357	2,959,427,045
Unappropriated profit		2,749,496,487	2,326,999,464
		13,693,549,951	13,324,829,475
Non-current liabilities			
Redeemable capital - secured		1,118,607,031	1,443,390,367
New zero coupon PPTFCs		2,859,303,880	2,694,277,169
Preference shares liability	5	254,509,914	-
Lease liabilities		414,923	774,351
Deferred liability		837,402,782	720,547,969
		5,070,238,530	4,858,989,856
Current liabilities			
Current portion of non-current liabilities		1,577,798,604	1,651,719,546
Short term borrowings	6	2,193,759,732	1,728,379,734
Trade and other payables		3,091,758,987	3,794,318,349
Contract liabilities		135,716,466	123,516,148
Interest/ mark-up accrued on borrowings		263,995,214	322,106,193
Dividend payable on preference shares	5	-	9,413,535
Unclaimed dividend on ordinary shares		3,753,252	3,753,252
Unclaimed dividend on preference shares		516,419	-
Provision for income tax - net		231,423,456	173,409,067
		7,498,722,131	7,806,615,824
Contingencies and commitments	7	26,262,510,613	25,990,435,155
ASSETS			
Non-current assets			
Property, plant and equipment	8	10,259,249,906	10,164,750,644
Long term investments		12,608,052	12,608,052
Long term deposits and receivables		85,936,972	73,936,972
		10,357,794,930	10,251,295,668
Current assets			
Store, spares and loose tools		233,599,782	187,876,173
Stock-in-trade		6,579,934,994	4,904,462,814
Trade receivables		4,763,842,650	6,537,675,524
Receivable against non-current assets held for sale		718,952,356	718,952,356
Advances, deposits, prepayments and other receivables		1,911,802,405	1,542,163,306
Short term investments		172,072,310	142,399,891
Funds for restructuring scheme		800,721,765	747,065,820
Cash and bank balances		723,789,421	958,543,603
		15,904,715,683	15,739,139,487
		26,262,510,613	25,990,435,155

The annexed notes 1 to 15 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 nine months and quarter ended March 31, 2024**

	2024		2023	
	July to March	January to March	July to March	January to March
	Rupees	Rupees	Rupees (Restated)	Rupees (Restated)
Note				
Sales - net	26,166,297,756	9,240,911,504	21,898,056,014	7,604,836,354
Cost of sales	(22,824,461,987)	(8,058,742,425)	(19,031,230,719)	(6,315,123,553)
Gross profit	3,341,835,769	1,182,169,079	2,866,825,295	1,289,712,801
Selling and distribution expenses	(1,305,777,530)	(559,784,618)	(789,285,543)	(279,076,397)
Administrative expenses	(664,765,084)	(217,338,036)	(612,267,838)	(202,124,491)
Profit from operations	1,371,293,155	405,046,425	1,465,271,914	808,511,913
Other income	397,262,288	144,153,681	190,464,348	91,489,222
Other expenses	(40,092,631)	(11,057,080)	(53,492,984)	(37,323,434)
Finance cost	10 (764,881,588)	(260,784,753)	(606,778,623)	(174,434,483)
Amortization of notional income	(201,821,241)	(67,273,747)	(284,172,638)	(94,724,213)
Profit before taxation	761,759,983	210,084,526	711,292,017	593,519,005
Taxation	(393,039,507)	(138,007,437)	(257,451,313)	(90,678,070)
Profit after taxation	368,720,476	72,077,089	453,840,704	502,840,935
Earnings per share - basic and diluted	0.75	0.15	0.92	1.02

The annexed notes 1 to 15 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 nine months and quarter ended March 31, 2024**

	2024		2023	
	July to March	January to March	July to March	January to March
	Rupees	Rupees	Rupees (Restated)	Rupees (Restated)
Profit after taxation	368,720,476	72,077,089	453,840,704	502,840,935
<i>Items that may not be subsequently reclassified to statement of profit or loss</i>	-	-	-	-
Total comprehensive income for the period	368,720,476	72,077,089	453,840,704	502,840,935

The annexed notes 1 to 15 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 nine months ended March 31, 2024

	Note	July 2023 to	July 2022 to
		March 2024	March 2023
		Rupees	Rupees
Cash flow from operating activities			(Restated)
Profit before taxation		761,759,983	711,292,017
Adjustments		1,433,865,459	1,073,293,231
Operating profit before working capital changes		2,195,625,442	1,784,585,248
Changes in working capital		(989,824,399)	505,193,343
Cash generated from operations		1,205,801,043	2,289,778,591
Payments for:			
Interest / markup on financings		(296,658,590)	(227,628,505)
Income taxes		(335,025,117)	(254,295,594)
WPPF		(100,759,318)	(70,985,799)
Long term deposits		(12,000,000)	-
Post retirement benefits		(66,134,103)	(138,424,565)
		(810,577,128)	(691,334,463)
Net cash from operating activities		395,223,915	1,598,444,128
Cash flows from investing activities			
Capital expenditure incurred during the period		(680,111,248)	(178,238,751)
Proceeds from sale of assets		1,935,000	298,525,056
Increase in short term investments		(29,672,419)	306,022,500
Net cash (used in)/ from investing activities		(707,848,667)	426,308,805
Cash flows from financing activities			
Repayment of redeemable capital		(323,863,171)	(228,670,000)
Repayment of new zero coupon PPTFCs		-	(132,290,000)
Repayment of lease liabilities		(398,681)	(332,801)
Dividend paid		(9,591,632)	-
Increase/ (decrease) short term borrowings-net		465,071,488	(1,304,412,105)
Net cash from/(used in) financing activities		131,218,004	(1,665,704,906)
Net (decrease) / increase in cash and cash equivalents		(181,406,748)	359,048,027
Cash and cash equivalents at the beginning of period		1,704,098,690	1,125,302,080
Cash and cash equivalents at the end of period	11	1,522,691,943	1,484,350,107

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

Lahore


 Chief Executive Officer


 Director


 Chief Financial Officer

**Condensed Interim Statement of Changes in Equity (Un-audited)
For the nine months ended March 31, 2024**

	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	Unappropriated profit	Total equity
As at Jul 01, 2022 - Audited (Restated)	4,913,753,370	2,358,246,761	105,152,005	661,250,830	-	3,124,649,596	3,121,943,764	731,130,233	11,891,476,963
Total Comprehensive income for the period:									
Income for the period ended Mar 31, 2023 (Restated)	-	-	-	-	-	-	-	453,840,704	453,840,704
Other comprehensive income for the period ended Mar 31, 2023	-	-	-	-	-	-	-	(37,106,629)	-
Total comprehensive income for the period ended Mar 31, 2023	-	-	-	-	-	-	-	416,734,075	416,734,075
Transfer to unappropriated profit	-	-	-	-	-	-	-	37,106,629	-
As at Mar 31, 2023 - Unaudited (Restated)	4,913,753,370	2,358,246,761	105,152,005	661,250,830	-	3,124,649,596	3,084,837,135	1,222,077,566	12,345,317,667
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:									
Income for the period ended Mar 31, 2024	-	-	-	-	-	-	-	368,720,476	368,720,476
Other comprehensive income for the period ended Mar 31, 2024	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period ended Mar 31, 2024	-	-	-	-	-	-	-	368,720,476	368,720,476
Transfer to unappropriated profit	-	-	-	(512,883,575)	-	(512,883,575)	(73,523,688)	586,407,263	-
Transfer to New Zero Coupon PPTFCs Redemption Reserve	-	-	-	-	532,630,716	532,630,716	-	(532,630,716)	-
As at Mar 31, 2024 - Unaudited	4,913,753,370	2,358,246,761	105,152,005	148,367,255	532,630,716	3,144,396,737	2,885,903,357	2,749,496,487	13,683,549,951

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

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Condensed Interim Selected Explanatory Notes to the Financial Statements (Un-audited) For the nine months ended March 31, 2024

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 Aiwana-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, 2023.

Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2023 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 nine month ended on March 31, 2023.

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

3. Material accounting policy information and estimates

3.1 The accounting policies and methods of computation adopted in the preparation of this condensed interim unconsolidated financial statements 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 statements are the same as those applied in preparation of annual published financial statements of the Company for the year ended June 30, 2023.

4. Reserves

- 4.1** There is outstanding amount of Rs. 4,971 million in respect of new zero coupon PPTFCs which are payable on 29 April 2031. During the period, the Company has decided to create a reserve for redemption of these PPTFCs and accordingly an amount of Rs. 532.63 million has been transferred to this reserve from general reserve/unappropriated profit.
- 4.2** During the period, the Company has also transferred Rs. 512.88 million from Preference Shares Redemption Reserve to unappropriated profit.

5. Preference share

The settlement plan for the outstanding preference shares was approved by the preference shareholders in their meeting held on January 18, 2024. In accordance with the settlement plan, the payment of outstanding dividend has been made. For preference shareholders holding up to 2,500 preference shares, both the outstanding principal amount and the accrued mark-up will be settled by June 30, 2024. Those preference shareholders holding more than 2,500 preference shares will have their outstanding principal amount settled in equal bi-annual installments over two years, starting from June 30, 2024. Similarly, the accrued mark-up for preference shareholders having more than 2,500 preference shares will be paid off within the following three years in equal bi-annual installments, after the settlement of their principal amount, commencing from June 30, 2026.

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	Rupees	Rupees
6 Short term borrowings		
Export refinances	2,138,251,091	1,724,551,091
Bills Payable	53,689,398	2,317,910
Running finance	1,819,243	1,510,733
	<u>2,193,759,732</u>	<u>1,728,379,734</u>

7. Contingencies and commitments

7.1 Contingencies

There is no material change in status of contingencies as disclosed in the annual financial statements for the year ended June 30, 2023 except that during the period, next hearing of Court of Venice is fixed on 18 December 2024, while the Company has also filed appeal in Italian Supreme Court against the decision of the Court of Appeal of Venice, however, its date has not been fixed for hearing.

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	Rupees	Rupees
7.2 Commitments		
7.2.1 Commitments under irrevocable letters of credit for:		
- purchase of plant, machinery and loose tools	125,254,969	65,278,411
- purchase of raw material	168,244,618	56,673,717
	<u>293,499,587</u>	<u>121,952,128</u>
7.2.2 Commitments for capital expenditure	<u>211,911,292</u>	<u>79,218,435</u>

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7.2.3 Counter Guarantees given by the Company to its bankers as at the reporting date amount to Rs. 285.78 million (June 30, 2023: Rs. 228.56 million).

7.2.4 Bills discounted as at reporting date aggregated to Rs. 1,956.04 million (June 30, 2023: Rs. 682.38 million).

8 Property, plant and equipment	Note	(Un-audited)	(Audited)
		March 31, 2024	June 30, 2023
		Rupees	Rupees
Operating fixed assets	8.1	9,626,609,085	10,056,855,140
Right of use assets		1,029,487	1,211,162
Capital work in progress		631,611,334	106,684,342
		<u>10,259,249,906</u>	<u>10,164,750,644</u>
8.1 Operating fixed assets			
Net book value as at the beginning of the period/ year	8.1.1	10,056,855,140	10,317,504,205
Additions during the period/ year		155,184,289	560,472,153
Disposals during the period/ year - Net book value		(893,368)	(2,892,385)
Depreciation charged during the period/ year	8.2	(584,536,976)	(818,228,834)
Net book value as at the end of the period/ year		<u>9,626,609,085</u>	<u>10,056,855,140</u>
8.1.1 Additions- Cost			
<u>Assets owned by the Company</u>			
Building on freehold land		23,490,630	258,893,815
Plant and Machinery		77,233,591	182,904,048
Others		54,460,068	118,674,290
		<u>155,184,289</u>	<u>560,472,153</u>

8.2 This includes depreciation for the period amounting to Rs. 584.54 million (March 2023: Rs. 291.95 million). Increase in depreciation reflects changes in estimates made in useful life of certain assets w.e.f 30 June 2023.

9. Transactions and balances with related parties

Related parties comprise associated undertakings, key management personnel (including Chief Executive Officers and directors), post employment benefit plans 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. However, there is no common directorship with JSCL or any of other related parties.

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

	(Un-audited) July to March <u>2024</u> Rupees	(Un-audited) July to March <u>2023</u> Rupees
9.1 Transactions with related parties		
9.1.1 <u>Other related parties</u>		
JS Bank Limited		
Conversion of PPTFC to short term borrowing	-	111,305,000
Markup expense	8,884,464	4,960,790
Fee paid to Trustee	1,500,000	1,500,000
Mark up paid	12,665,628	2,867,871
Unit Trust of Pakistan		
Markup expense	1,076,046	1,147,500
Markup paid	-	894,692
JS Large Cap Fund		
Markup expense	2,869,784	3,061,927
Markup paid	2,284,153	2,404,832
JS Global Capital Limited		
Markup expense	11,265,738	12,020,021
Markup paid	8,966,762	9,440,504
JS Principal Secure Fund		
Markup expense	1,155,368	1,232,724
Markup paid	919,594	968,179
JS Income Fund		
Markup expense	1,323,910	1,411,821
Markup paid	-	1,100,753
JS Growth Fund		
Markup expense	3,419,588	3,647,876
Markup paid	1,763,379	2,857,657
	(Un-audited) March 31, <u>2024</u> Rupees	(Audited) June 30, <u>2023</u> Rupees
9.2 Balances with related parties		
9.2.1 <u>Other related parties</u>		
JS Bank Limited		
Sub PPTFCs	-	-
Settlement Finance under restructuring Scheme	13,870,315	13,870,315
Balance at bank accounts	564,833,222	207,355,582
Short Term Borrowings	-	111,305,000
Mark-up payable	2,029,246	5,810,412
Unit Trust of Pakistan		
Sub PPTFCs	20,187,500	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	2,022,094	946,048

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	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	Rupees	Rupees
JS Large Cap Fund		
Redeemable capital - PPTFCs	54,261,754	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	3,063,603	2,477,972
JS Global Capital Limited		
Redeemable capital - PPTFCs	213,012,089	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	12,026,602	9,727,625
JS Principal Secure Fund		
Redeemable capital - PPTFCs	21,845,642	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	1,233,399	997,625
JS Pension Savings Fund		
New Zero Coupon PPTFCs	3,850,000	3,850,000
JS Income Fund		
Sub PPTFCs	24,837,000	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	2,487,947	1,164,037
JS Growth Fund		
Redeemable capital - PPTFCs	41,890,388	49,282,809
Sub PPTFCs	22,588,750	26,575,000
Settlement Finance under restructuring Scheme	21,330,137	21,330,137
New Zero Coupon PPTFCs	107,080,000	107,080,000
Mark-up payable	4,627,967	2,971,759
	(Un-audited) July to March 2024	(Un-audited) July to March 2023
	Rupees	Rupees
10 Finance Cost		
Interest/ mark-up on:		
Redeemable capital & long term finances	117,715,216	137,497,784
Lease liabilities	116,859	155,380
Short term borrowings	301,343,761	144,396,493
	419,175,836	282,049,657
Amortization of transaction costs	14,623,230	11,589,270
Bank discounting and other charges	331,082,521	313,139,696
	764,881,588	606,778,623
	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	Rupees	Rupees
11 Cash and cash equivalents at the end of period		
Short term borrowings - running finance	(1,819,243)	(1,510,733)
Cash and bank balances	723,789,421	958,543,603
Funds for restructuring scheme	800,721,765	747,065,820
	1,522,691,943	1,704,098,690

12.1.3 Basis of inter-segment pricing

All inter-segment transfers are made at negotiated rates.

	Spinning segment		Weaving segment		Garment segment		Eliminations		Total	
	March-24	June-23	March-24	June-23	March-24	June-23	March-24	June-23	March-24	June-23
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
12.1.4 Assets										
Total assets for reportable segments	2,863,882,011	3,139,160,288	11,117,839,476	11,689,514,265	11,549,222,570	10,349,626,102	(1,521,686,402)	(1,128,816,128)	24,009,257,656	24,049,484,527
Property, plant and equipment - common	-	-	-	-	-	-	-	-	1,267,850,830	1,038,876,864
Long term investments	-	-	-	-	-	-	-	-	12,608,052	12,608,052
Short term investments	-	-	-	-	-	-	-	-	172,072,310	142,399,891
Funds for restructuring scheme	-	-	-	-	-	-	-	-	800,721,765	747,065,820
	2,863,882,011	3,139,160,288	11,117,839,476	11,689,514,265	11,549,222,570	10,349,626,102	(1,521,686,402)	(1,128,816,128)	26,262,510,613	25,990,435,155
12.1.5 Liabilities										
Total liabilities for reportable segments	504,638,358	610,024,845	1,538,825,685	2,592,930,381	3,547,370,264	2,577,410,156	(1,521,686,402)	(1,128,816,128)	4,069,147,906	4,651,549,254
Corporate liabilities - common	-	-	-	-	-	-	-	-	8,499,812,754	8,014,056,426
	504,638,358	610,024,845	1,538,825,685	2,592,930,381	3,547,370,264	2,577,410,156	(1,521,686,402)	(1,128,816,128)	12,568,960,660	12,665,605,680

12.1.6 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	(Un-audited)	(Un-audited)
	July to March 2024	July to March 2023
	Rupees	Rupees
<u>Foreign revenue</u>		
Asia	1,827,249,481	1,708,907,536
Europe	16,466,876,246	13,386,614,541
North America	945,946,783	15,622,601
South America	3,229,502	19,918,263
Africa	16,737,204	25,596,360
Other countries	5,790,346,704	5,140,709,759
	25,050,385,920	20,297,369,060
<u>Local revenue</u>		
Pakistan	1,115,911,835	1,631,186,645
	26,166,297,756	21,928,555,705
	(Un-audited)	(Audited)
	March-24	June-23
	Rupees	Rupees
12.1.7 Non-current assets		
Pakistan	10,357,794,930	10,251,295,668

13. Corresponding figures

Except for following, no significant reclassification has been made:
In prior years, the Company had recognized redeemable capital and new zero coupon finance certifications on their respective face values. During the year ended June 30, 2023, to comply with IFRS-9- Financial Instruments, the Company recognized these finance at their amortized cost. The corresponding figures of nine months and quarter ended March 31, 2023 have been restated now to incorporate such change made in annual audited financial statements for the year ended June 30, 2023.

14. Date of authorization

This condensed interim unconsolidated financial statements was authorized for issue by the Board of Directors of the Company on 30 April 2024.

15. General

Figures have been rounded off to the nearest rupee.

Lahore


 Chief Executive Officer


 Director


 Chief Financial Officer

AZGARD9

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