



February 27, 2023

FORM-7

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Financial Results for the Half Year Ended December 31, 2022

Dear Sir,

We have to inform you that the Board of Directors of our Company in their meeting held on February 27, 2023 at 11.30 am at Registered Office, Ismail Aiwan-i-Science, Off: Shahrah-e-Roomi, Lahore, recommended the following:

- | | | |
|--|--------|------|
| (i) CASH DIVIDEND | AND/OR | Nil |
| (ii) BONUS SHARES | AND/OR | Nil |
| (iii) RIGHT SHARES | AND/OR | Nil |
| (iv) ANY OTHER ENTITLEMENT/CORPORATE ACTION | AND/OR | None |
| (v) ANY OTHER PRICE-SENSITIVE INFORMATION | | None |

The financial results of the Company for the half year ended December 31, 2022 are attached.

The Half Yearly Report of the Company for the period ended December 31, 2022 will be transmitted through PUCARS separately, within the specified time.

Yours Sincerely,




MUHAMMAD AWAIS
Company Secretary

C.C.:

EXECUTIVE DIRECTOR/HEAD OF DEPARTMENT
Offsite-II Department, Supervision Division,
Securities & Exchange Commission of Pakistan
63, NIC Building, Jinnah Avenue, Blue Area, Islamabad.

AZGARD NINE LIMITED

ISMAIL AIWAN-I-SCIENCE, OFF SHAHRAH-I-ROOMI, LAHORE-54600, PAKISTAN.
PH: +92 (0) 42 35761794-5 FAX: + 92 (0) 42 35761791
WEBSITE: WWW.AZGARD9.COM



The financial results of Azgard Nine Limited for the half year ended December 31, 2022 are as follows:

	Half Year Ended (Jul-Dec)		Second Quarter Ended (Oct-Dec)	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	--- Rupees ---		--- Rupees ---	
Sales - net	14,449,181,476	14,932,350,183	6,468,422,569	7,465,020,673
Cost of sales	(12,715,609,666)	(12,803,505,573)	(5,955,310,485)	(6,328,790,419)
Gross Profit	1,733,571,810	2,128,844,610	513,112,084	1,136,230,254
Selling and distribution expenses	(666,170,962)	(845,187,565)	(284,997,595)	(435,559,212)
Administrative expenses	(410,640,847)	(320,897,068)	(197,732,918)	(165,238,212)
Profit from operations	656,760,001	962,759,977	30,381,571	535,432,830
Other income	98,975,126	58,764,048	56,918,196	43,941,013
Other expenses	(16,169,549)	(65,188,213)	5,511,282	(20,544,949)
Finance cost	(432,344,141)	(347,946,376)	(197,525,406)	(180,552,965)
Profit/(loss) before taxation	307,221,437	608,389,436	(104,714,357)	378,275,929
Taxation	(166,773,244)	(148,323,788)	(75,178,619)	(74,123,831)
Profit/(loss) after taxation	140,448,193	460,065,648	(179,892,976)	304,152,098
Earnings per share-basic and diluted	0.29	0.94	(0.37)	0.62



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The Auditors have expressed following qualifications in the Review Report:

QUOTE

Basis for Qualified Conclusion

- a) As stated in Note 10.1 to the annexed financial information that on December 18, 2014, the Court of Vicenza, Italian Republic had approved bankruptcy proposal of public prosecutor and appointed a Trustee to manage the affairs of Company's wholly owned subsidiary, Montebello s.r.l. ("MBL"). Resultantly, the Company has ceased recognizing and presenting MBL as its subsidiary and such investment is being presented as other investment against which impairment has also been recognized in full. During last year, the bankruptcy proceedings of MBL were purchased by Taybah Capital Limited (Taybah), a Company registered in United Arab Emirates. On March 31, 2021, Taybah filed suit for a claim of EUR 7 million which is being defended by the Company. During this period, the Court of Vicenza has also accepted and awarded TCL's claim to the extent of EUR 2.049 million. The Company has filed appeal against this Order which is pending for adjudication.

The Company has not made any provision on account of claim of EUR 7 million as well as recent Court order for EUR 2 million against the company in these interim financial statements. In absence of definite determination of these claims, we are unable to satisfy ourselves as to the appropriateness of amounts recorded and related disclosures made in these interim financial statements; and

- b) A creditors' scheme of arrangement (the Scheme) approved by the Honorable Lahore High Court (LHC) was implemented on April 29, 2021, during last year. As per this Scheme, new finances (sub Privately Placed Term Finance Certificates, New Zero Coupon Privately Placed Term Finance Certificates and Settlement Finance) replaced the existing liabilities (principal and mark-up) comprising of redeemable capital, long term finances and certain short-term borrowings of the Company. The new restructured finances are either zero coupon or at 5% markup i.e., below market rate. However, the Company has recognized these finances at their respective face values, instead of their fair values.

Had these finances been recognised at their fair value on the date of restructuring, equity of the Company would have increased by Rs. 2,565 million with a corresponding decrease in carrying value of such restructured finances as well as increase in finance cost of these six months by Rs. 128 million.

Qualified Conclusion

Based on our review, except for effects of the matters described in Basis for Qualified conclusion paragraph, 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.

UNQUOTE


MUHAMMAD AWAIS
Company Secretary



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