

Tomorrow's Denim Today

AZGARD  
NINE

AZGARD NINE LIMITED  
ANNUAL REPORT  
2024



There's pride before fashion.  
Commitment before fashion.  
Courage imagination and passion  
before fashion.  
There's innovation. There's trust.  
There's an entire world outthere that  
needs us to care... before fashion.  
We come before fashion.  
And because we do, the future comes  
too.

AZGARD9. Future Before Fashion.





## AHMED HUMAYUN SHAIKH

*Chief Executive Officer  
Azgard Nine Limited*

This year, we have made significant progress in redefining our sustainability strategy at Azgard9. Our commitment to responsible innovation ensures that we adopt cutting-edge technologies and sustainable practices that align with our core values of environmental stewardship, social responsibility and product excellence. We continue to develop an inclusive and diverse workplace where mutual respect and different perspectives are key to driving impactful progress. This report highlights the key developments in our sustainability efforts, outlining our initiatives, challenges and accomplishments. Your continued confidence in our efforts reinforces our commitment to lead by example and set the highest industry standards

A stylized, handwritten signature in black ink.

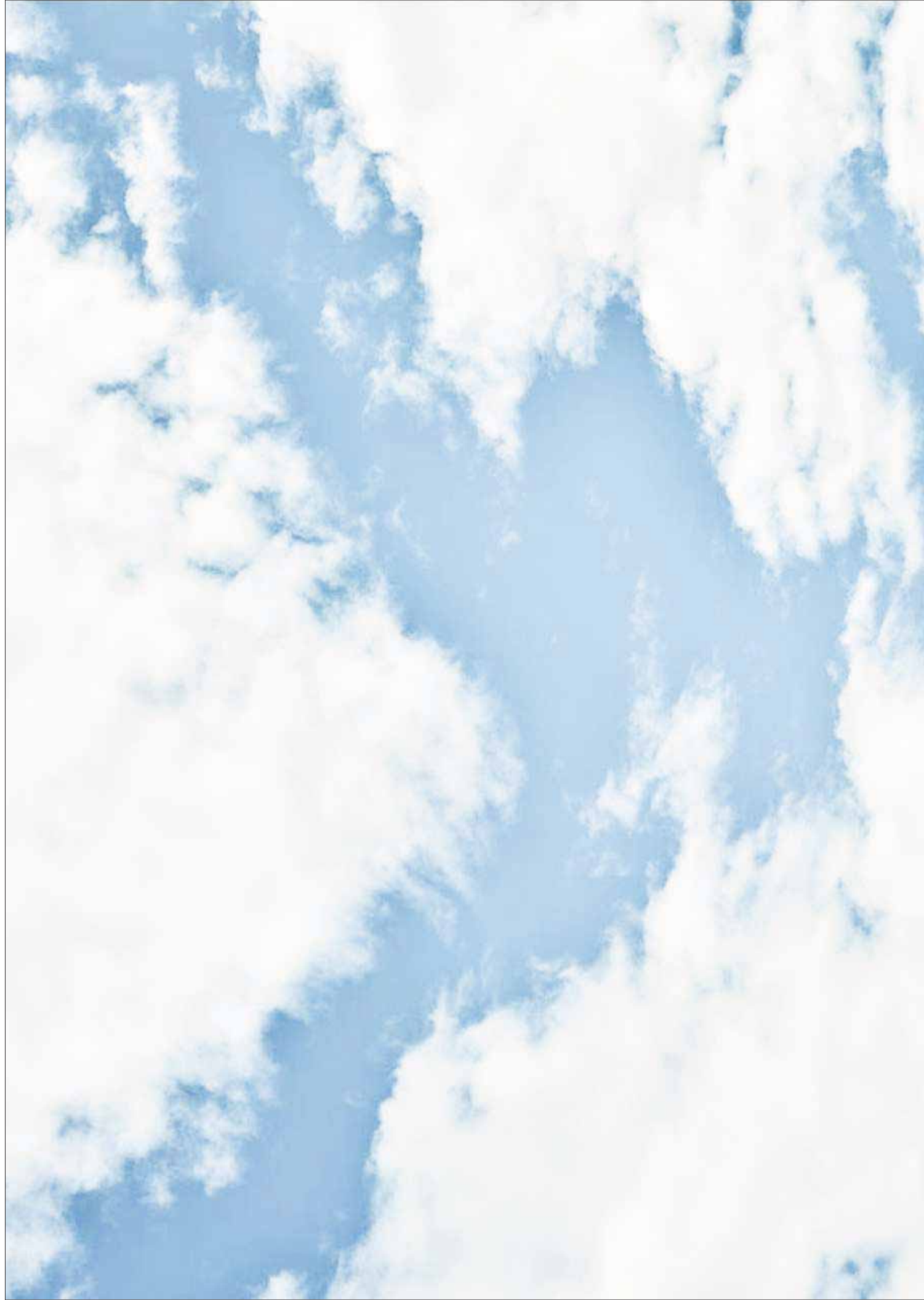
“Leading with purpose, forging a sustainable path”

**AHMED HUMAYUN SHAIKH**



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# VISION

To go down in history as one of the leading names in the success story of denim.

# MISSION

Because the world cannot wait for a more sustainable denim, we are here to accelerate the change: Faster, cleaner and smarter.



## 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

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

## **E-MAIL**

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

## **PROJECT LOCATIONS**

Textile & Apparel

### **Unit I**

2.5 KM Off: Manga Raiwind Road,  
District Kasur, Pakistan.

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, Pakistan.

Ph: +92(0)333 0427020-1

## **WEB PRESENCE**

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



## CHAIRMAN'S REVIEW

I feel honoured to present to you the annual review of audited financial statements of the Company for the year ended June 30, 2024 and the overall performance of Board. I would like to take this opportunity to invite you for the 31<sup>st</sup> Annual General Meeting of the Company.

### Review of the Company's performance

During the year under review, the Company achieved a 16% increase in sales. However, the profitability growth trend of previous years could not be maintained due to challenges such as the global economic slowdown, rising energy prices, and higher finance costs. Additionally, the increase in the minimum wage and elevated freight costs contributed to an overall rise in production costs.

I am pleased to announce that the Company has made further progress in regularizing its dues, with the settlement plan for the outstanding preference shares being approved by the preference shareholders at their meeting on January 18, 2024. Following this approval, all outstanding dividends have been paid, and the remaining principal amount along with the accrued mark-up is now being settled as per the approved plan.

The final aspect of the creditors' scheme of arrangement, approved by the Honorable Lahore High Court on July 31, 2019, and concluded on April 29, 2021, is the receipt of funds from the sale of the Spinning Unit located on Alipur Road, Muzaffargarh. We anticipate that the remaining funds will be received in accordance with the timelines agreed upon by the agent banks and the buyer. Once the full proceeds are received, they will be distributed among the creditors in line with the terms of the scheme of arrangement.

### Review of the Board's performance

Throughout the year, the Board has diligently fulfilled its responsibilities in the best interest of the Company. Recognizing the significance of its role in achieving the objectives of the Company. The Board and its individual members remain dedicated and committed to the Company's success. The Board stays aligned with the Company's values and mission, acknowledging its accountability for the corporate and financial reporting framework. The Board members are committed to upholding strong corporate governance. They also possess the necessary knowledge, diverse expertise, and experience required to effectively govern the business.

Annual evaluation of the Board, Members of the Board and Committees of the Board was carried out by M/s. PKF F.R.A.N.T.S., Chartered Accountants (PKF) for the year ended June 30, 2024. The appropriate disclosure regarding appointment of the same is made in the Directors' Report. The overall performance is assessed as good. However, improvement is an ongoing process and continues. The overall assessment of the Board is based on an evaluation of the integral components including the Board's structure & composition, compliance of statutory limitations & ascendancy, strategy & planning, operations & effectiveness, monitoring & evaluation of performance, compliance, risk management & risk contingency planning, transparency & disclosures and relationship with stakeholders. Individual Directors' performance evaluation is based on qualification, competence & integrity and commitment & teamwork. Board Committees' performance evaluation is based on competence & task efficiency, effectiveness and facilitation & support to the Board.

On behalf of the Board, I extend our heartfelt gratitude to all our customers for their ongoing trust in the Company. I also commend the dedication and hard work of our workers, staff, and management. Finally, we sincerely appreciate the financial institutions for their vital support during these challenging times.

Date: September 30, 2024




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CHAIRMAN

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of Azgard Nine Limited ("the Company") along with the management team hereby present the Company's Annual Report accompanied by the Audited Financial Statements for the year ended June 30, 2024.

Financial statements have been endorsed by the Chief Executive Officer and the Chief Financial Officer having been recommended for approval by the Audit Committee of the Board and approved by the Board of Directors for presentation.

### Principal Activities

Your Company's main business 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 for the year ended June 30, 2024:

	Year ended June 30, 2024 Rupees	Year ended June 30, 2023 Rupees
Sales – net	<b>36,738,685,105</b>	31,571,122,964
Operating profit	<b>1,995,385,458</b>	2,907,224,958
Finance cost	<b>(1,091,439,455)</b>	(814,184,296)
Profit before taxes	<b>1,066,109,121</b>	1,914,427,047
Net Profit after taxes	<b>529,575,672</b>	1,470,453,498
Earnings per share	<b>1.08</b>	2.99



## Review for the year

During the fiscal year under review, the Company achieved a sales growth of over 16% compared to the previous year. However, operational challenges impacted profitability. Operating profits decreased from Rs. 2,907.22 million in 2023 to Rs. 1,995.39 million in 2024. Similarly, profit after tax declined, dropping from Rs. 1,470.45 million in 2023 to Rs. 529.58 million in 2024.

The year was characterized by significant global economic challenges. The global economy experienced persistent slowdowns and rising inflation, exacerbated by the ongoing conflict in Ukraine and further intensified by increased raw material and energy costs. Although the textile industry is export-oriented, the Pakistani government discontinued regionally competitive energy pricing, which has raised energy costs substantially. While the SBP Refinance Rate showed a slight decrease towards the year-end, it remained at 19% for most of the year, significantly increasing the Company's finance costs, in previous years this was much lower. Additionally, delayed refunds from the government impacted the Company's daily operations and hindered its growth potential.

During the year, energy prices surged significantly like natural gas rate increased from Rs. 1,100 per MMBTU to Rs. 2,400 in November 2023 and 2,750 in February 2024, while RLNG rate closed Rs. 4,074 in June 2024 starting from 2,808 at start of the year.

Minimum wages rose from Rs. 25,000 to Rs. 32,000.

Sea freight costs also spiked due to attacks on commercial ships passing through the lower Red Sea, driven by Houthi rebels in Yemen in response to Israel's bombardment of Gaza. These factors have collectively led to a substantial increase in our overall costs.

On the taxation front, budgetary measures effective July 1, 2024, are impacting the Company in several ways. One major change is the withdrawal of zero-rating on sales tax for local supplies, which is causing a substantial buildup of dues from the government and exacerbating existing financial pressures. Additionally, the elimination of the presumptive tax regime for exports and the increase in the deduction from 1% to 2% are likely to impose an extra, unnecessary burden on Pakistan's export industry. Furthermore, the Company will have to pay super tax at the rate of 10%.

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 is being settled according to the approved settlement plan.

## Financial Restructuring of Debts

The creditors' scheme of arrangement approved by the Honorable Lahore High Court (LHC) vide order dated July 31, 2019 was finalized on 29 April, 2021.

Part of the funds pertaining to the sale of the spinning unit located at Alipur Road, Muzaffargarh have been received. It is expected that the full amount will be received as per the timelines agreed between the agents and the buyer of this unit. Once the complete proceeds are received, the same will be distributed among the creditors as per the creditors' scheme of arrangement.

Post-restructuring, the Company remains committed to ensuring timely debt repayments. Despite financial challenges during the year under review, the Company has successfully met both principal and markup payments as per schedule.

### Future Business Outlook

Looking ahead, the future remains uncertain and challenging. The global economic slowdown, persistent inflationary pressures, and geopolitical conflicts are expected to continue impacting the business environment. Domestically, the discontinuation of regionally competitive energy prices, along with rising input costs, presents a significant challenge for the textile sector.

The Company will remain focused on enhancing operational efficiency and cost management to navigate these complexities. Our strategy will aim to differentiate our offerings by expanding services, improving product development, and shortening lead times. We must work towards de-commoditizing our products, extracting additional value, and strengthening customer loyalty to build a resilient business for the future.

To support these efforts, we have launched a rebranding and digital marketing initiative to improve the Company's image and better position it to target growth sectors, including online retailers.

### CSR and Sustainable practices

The Company is focused on maintaining Corporate Social Responsibility (CSR) by incorporating sustainable and ethical practices in its core operations. The Management works towards empowering people by helping them develop the skills they need to succeed in a global economy. The Company works with local communities and tries to increase their capacity and knowledge regarding health, education, and general well-being.

The key to this approach are the employees of the Company who generously give of their time, experience and talent to serve these communities; the Company encourages and facilitates them to do so.

The Company has many internationally recognized certifications focused on high standards for labor welfare and keeping the environment clean for a sustainable planet.

Sustainability Disclosure is also given separately in the Annual Report.

### Earnings per share

The earnings per share for the Company for the year ended June 30, 2024 is Rs 1.08 per share.

### Dividends

The Company has recently started debt servicing of its restructured debt under the Lahore High Court approved Creditors' Scheme of Arrangement and has to manage its cash flows to make payments in a timely manner.

In addition, amid increasing power and other costs, the margins of the company are reducing, resultantly, the Company has to fund its working capital needs and maintain liquidity as borrowing is not a viable option in this high interest rate environment.

Consequently, the Company does not have surplus cash at the moment from which it may pay dividends. However, the Board may consider the declaration of dividends whenever conditions become favorable.

### Principal Risks and Uncertainties

Performance of the Company has gradually improved. Still the business of the Company is surrounded by risk and uncertainties. Following are some of the major risks and uncertainties for the Company:

1. Growing competition domestically and from neighboring countries can impact the future profitability of the Company.

2. Technological advancements present increasing challenges for the Company to stay competitive both nationally and internationally.
3. Unpredictable and severe taxation measures, including the continuation of the super tax, the withdrawal of zero rating of sales tax on local supplies, and the shift from the Final Tax Regime (FTR) to the Normal Tax Regime (NTR) for exporters, create considerable challenges.
4. The textile policy has still not been implemented by the Government of Pakistan. Government policy greatly impacts the textile sector's ability to compete in export markets.

### Post balance sheet events

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Director's Report.

### Related party transactions

The Company has presented all related party transactions before the Audit Committee and Board for their review and approval. These transactions have been approved by the Audit Committee and the Board in their respective meetings. The details of all related party transactions have been provided in Note 42 to the annexed financial statements for the year ended June 30, 2024.

### Corporate briefing session

The Company has carried out a corporate briefing session on November 23, 2023. Presentation is available on the website of the Company [www.azgard9.com](http://www.azgard9.com)

### Corporate governance, financial reporting and internal control systems

We are pleased to report that:

- The financial statements, prepared by the management of the Company present the state of affairs of the company fairly, the result of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departure from them has been adequately disclosed and explained.
- The system of internal controls is sound in design and has been effectively implemented and monitored. Emphasis is being done on control procedures to ensure that policies of the Company are adhered with and in case of any anomaly, timely rectification is done.
- The Board is satisfied that the Company is a going concern.
- Key operating and financial data for the last six years is annexed.
- There are no statutory payments on account of taxes, duties, levies, and charges which are outstanding as on June 30, 2024 except for those disclosed in the financial statements.
- Directors, Executives and their spouses and minor children did not carry any transaction in shares of the Company during the year.
- All Directors\* have acquired certification under a Directors' Training Program (DTP) or have obtained exemption from the Securities and Exchange Commission of Pakistan.

\* Mr. Ihsan Ahmad was elected as Director in April 2024 and acquired DTP certification in July 2024.

Under the creditors' scheme of arrangement approved by the Honorable Lahore High Court (“LHC”) vide order dated July 31, 2019, the Company has issued Sukuk certificates to Faisal Bank Limited (“FBL”) amounting to Rs. 193.52 million. Shariah Advisor has exempted the Sukuk issue from the requirement of external Shariah Audit under Regulation 12(1) of the Sukuk (Privately Placed) Regulations, 2017.

The statement of compliance with the best practices of Listed Companies (Code of Corporate Governance) Regulations, 2019 is provided in this annual report.

### Board of Directors

The Board of directors of the Company is predominantly independent/non-executive which ensures transparency and good corporate governance. The non-executive directors bring to the Company their vast experience of business, governance and law, contributing valuable input and ensuring the Company's operations at a high standard of the principles of legal and corporate compliance. Election of Directors was held on April 03, 2024 wherein Mr. Ihsan Ahmad and Syed Hasan Akbar Kazmi were elected (new) and other present Directors were re-elected except Mr. Muhammad Wasim Butt and Mr. Abdul Hamid Ahmad Dagia who retired. Chief Executive Officer was re-appointed after election on April 17, 2024 and Audit Committee & Human Resource and Remuneration Committee were also reconstituted.

Following is information/composition of directors and names of members of the Board's Committees.

The total numbers of Directors are eight (including Chief Executive Officer) as per the following:

- a) Male 7      b) Female 1

The composition of Board is as follows:

i.	Independent Directors	Mr. Abid Hussain
		Mr. Ihsan Ahmad
ii.	Non-executive Directors	Mr. Zahid Mahmood
		Ms. Maliha Sarda Azam
		Mr. Nasir Ali Khan Bhatti
		Syed Hasan Akbar Kazmi
		Mr. Usman Rasheed
iii.	Executive Director	Mr. Ahmed H. Shaikh
iv.	Female Director	Ms. Maliha Sarda Azam

The names of members of the Board's Committees are as follows:

i.	Audit Committee	Mr. Ihsan Ahmad - Chairman
		Mr. Nasir Ali Khan Bhatti - Member
		Mr. Usman Rasheed - Member
ii.	Human Resource and Remuneration Committee	Mr. Ihsan Ahmad – Chairman
		Ms. Maliha Sarda Azam - Member
		Mr. Ahmed H. Shaikh – Member

Following are names of directors who served on the Board during the year and number of Board and Committees' meetings held during the year ended June 30, 2024 along with status of attendance by each director:



## Board of Directors' Meetings

Seven (7) meetings were held during the period from July 1, 2023 to June 30, 2024:

Name of Directors	Eligibility	Attended
Mr. Zahid Mahmood	7	7
Mr. Nasir Ali Khan Bhatti	7	7
Mr. Usman Rasheed	7	7
Ms. Maliha Sarda Azam	7	7
Mr. Abid Hussain	7	7
Mr. Ihsan Ahmad*	3	3
Syed Hasan Akbar Kazmi*	3	3
Mr. Abdul Hamid Ahmed Dagia**	4	4
Mr. Muhammad Wasim Butt**	4	4
Mr. Ahmed H. Shaikh***	7	7

\* Elected (new) on April 03, 2024

\*\* Retired on April 03, 2024

\*\*\* Re-appointed (CEO) on April 17, 2024

- All other Directors were re-elected on April 03, 2024

## Human Resource and Remuneration Committee (HRRC) Meetings

One (1) meeting was held during the period from July 1, 2023 to June 30, 2024:

Name of Directors	Eligibility	Attended
Mr. Ihsan Ahmad*	0	0
Ms. Maliha Sarda Azam	1	1
Mr. Ahmed H. Shaikh	1	1
Mr. Usman Rasheed**	1	1

\* Appointed (new)      \*\* Retired

## Audit Committee Meetings

Four (4) meetings were held during the period from July 1, 2023 to June 30, 2024:

Name of Directors	Eligibility	Attended
Mr. Ihsan Ahmad*	1	1
Mr. Nasir Ali Khan Bhatti	4	4
Mr. Usman Rasheed	4	4
Ms. Maliha Sarda Azam**	3	3

\* Appointed (new)      \*\* Retired

## Board's Evaluation

A formal and effective mechanism is in place for annual evaluation of the performance of the Board, Members of the Board and Committees of the Board. M/s. PKF F.R.A.N.T.S., Chartered Accountants (PKF) were appointed for performing independent evaluation for the year ended June 30, 2024. PKF has a satisfactory rating under the Quality Control Review (QCR) program of the Institute of Chartered Accountants of Pakistan and is also registered with Audit Oversight Board of Pakistan. PKF was required to evaluate the performance of the Board as a whole, Members of the Board (individual Directors) and Committees of the Board (Audit Committee & Human Resource and Remuneration Committee) on the basis of Mechanism for Evaluation of Board's Own Performance devised by the Company and in accordance with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 and to submit report of findings along with recommendations for overall improvement in the governance structure of the Company.

Review report by the Chairman on the overall performance of the Board is attached.

### Directors' Remuneration

The Company has a formal remuneration policy for its Directors (Executive and Independent/Non-Executive) and members of senior management duly approved by the Board of Directors. The Policy has been designed as a component of HR strategy and both are required to support business strategy. The Board believes that the Policy is appropriate and effective in its ability to attract and retain the best executives and Directors to run and manage the Company as well as to create congruence between Directors, executives, and shareholders. The policy aims to make Directors and senior management accountable for their governance and performance vis-à-vis determination and payment of compensation.

Following is detail of remuneration of Chief Executive:

	<b>Chief Executive</b>
	-----Rupees-----
Managerial remuneration	26,174,997
Medical	2,617,497
Utilities and house rent	10,470,006
Post-employment benefits	2,333,333
	41,595,833

The Company is paying fees to Non-Executive Independent Directors for attending the Board and Committee meetings. The relevant information of remuneration/meeting fees paid to Directors is also disclosed in Note 48 to the annexed financial statements for the year ended June 30, 2024.

### Auditors' observations

The auditors qualified their opinion in the audit report due to absence of being able to make a definite determination of claims regarding litigation with M/S Taybah Capital Limited. As mentioned in Note 20.1.6, the proceedings of the Italian Courts are going on and details will be available once the proceedings are concluded.

### Appointment of Auditors

M/s. Grant Thornton Anjum Rahman, Chartered Accountants, an independent correspondent firm to Grant Thornton, a reputable Chartered Accountants firm completed its tenure of appointment with the Company and being eligible has offered its services for another term. The Board of Directors of the Company, based on the recommendation of the audit committee of the Board, has proposed M/s. Grant Thornton, Anjum Rahman, for reappointment as auditors of the Company for the ensuing year. The audit committee has authorized the Board to fix the remuneration of auditors. Further, the Board has recommended to authorize Chief Executive Officer for the same.

### Audit committee

The Board of Directors constituted a fully functional Audit Committee comprising three members; two are non-executive Directors and one is independent Director. The terms of reference of the Committee determined by the Board of Directors in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, inter alia, consist of ensuring transparent internal audits, accounting and control systems, adequate reporting structure as well as determining appropriate measures to safeguard the Company's assets.

### Internal audit function

The Board has outsourced the internal audit function to M/s. PKF F.R.A.N.T.S, Chartered Accountants (a member firm of PKF International Limited) who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. Further, a fulltime employee of

the Company has been designated as Head of Internal Audit as required under the Regulations. Internal audit findings are reviewed by the Audit Committee, and where necessary, action is taken on the basis of recommendations contained in the internal audit reports.

### **Risk framework and internal control system**

There is a Board's approved 'Governance of Risks and Internal Control Measures' policy that sets out how the Company manages risk throughout the organization and how the Risk and Internal Controls framework will be maintained.

The policy is intended to:

- Outline the risk management framework that The Company operates in pursuit of its business objectives;
- Provide the tools, processes and procedures to support the management of risk within the company's risk appetite;
- Create clear ownership and accountability for risk management throughout the organization;
- Set out the Company's risk policy categorization and enterprise-wide approach to managing risk;
- Identify the governance structures that will provide oversight of the risk management process.

### **Shareholding pattern**

The shareholding pattern as at June 30, 2024 is annexed.

### **Classes/kinds of share capital**

The Company's paid up/issued share capital consist of ordinary shares and non-voting ordinary shares. Ordinary shares have all rights and privileges including voting rights as provided in the applicable laws. Non-voting ordinary shares do not have any voting rights and any right to receive notice of, attend, or vote at any general meeting of the Company except as otherwise provided in the applicable laws. However, non-voting ordinary shares have all other rights of ordinary shares including the right to dividend and to share in the assets of the Company upon winding up.

### **Web presence**

Annual and periodic financial statements of the Company are also available on the website of the Company [www.azgard9.com](http://www.azgard9.com) for information of the shareholders and others.

### **Acknowledgment**

We would like to acknowledge the continued confidence of our valued customers, the support and cooperation of the financial institutions and the hard work of all the employees of the Company. We would like to thank all the stakeholders who's support has been invaluable to the company.

It is hoped that with the continued backing of all stakeholders, the Company's financial may continue to improve.

On behalf of the Board of Directors

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

  
 \_\_\_\_\_  
**Chairman**

Lahore  
 Date: September 30, 2024

## ممبران کیلئے ڈائریکٹرز رپورٹ:-

ایزگار ڈائنن لمیٹڈ (کمپنی) کے ڈائریکٹرز انتظامی ٹیم کے ہمراہ کمپنی کی سالانہ رپورٹ ساتھ آڈیٹڈ فنانشل اسٹیٹمنٹس برائے سال 30 جون 2024 پیش کر رہے ہیں۔

کمپنی کے حسابات تصدیق شدہ منجانب چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر جس کی بورڈ آڈٹ کمیٹی نے سفارش کی اور بورڈ آف ڈائریکٹرز نے پیش کرنے کی اجازت دی۔

### اہم سرگرمیاں

آپ کی کمپنی کی توجہ دھاگہ، ڈینیم کپڑا اور تیار ڈینیم ملبوسات کی مصنوعات کی پیداوار اور مارکیٹنگ پر مرکوز ہے، جس میں دھاگے سے لے کر ریڈی گڈز شامل ہیں۔ ایزگار ڈائنن لمیٹڈ کے آپریٹنگ مالیاتی نتائج برائے سال 30 جون 2024 درج ذیل ہیں۔

تفصیلات	سال ختمہ 30 جون 2024 (روپے)	سال ختمہ 30 جون 2023 (روپے)
فروختگی (Net)	36,738,685,105	31,571,122,964
آپریٹنگ منافع	1,995,385,458	2,907,224,958
مالیاتی اخراجات	(1,091,439,455)	(814,184,296)
منافع قبل از ٹیکسز	1,066,091,121	1,914,427,047
منافع بعد از ٹیکسز	529,575,672	1,470,453,498
منافع فی شیئر	1.08	2.99

### سالانہ جائزہ

زیر نظر مالی سال کے دوران، کمپنی کی سیلز میں پچھلے سال کے مقابلے 16 فیصد سے زیادہ کی فروخت میں اضافہ حاصل کیا۔ تاہم، آپریٹنگ چیلنجز نے منافع کو متاثر کیا۔ آپریٹنگ منافع سال 2023 کے 2,907.22 ملین روپے کے مقابلے سال 2024 میں کم ہو کر 1,995.39 ملین روپے ہو گیا ہے۔ اسی طرح، بعد از ٹیکس منافع سال 2023 کے 1,470.45 ملین روپے کے مقابلے سال 2024 میں کم ہو کر 529.58 ملین روپے ہو گیا ہے۔

مذکورہ سال اہم عالمی اقتصادی چیلنجوں کے ساتھ نمایاں تھا۔ عالمی معیشت کو مسلسل سست روی اور بڑھتی ہوئی افراط زر کا سامنا کرنا پڑا، جو یوکرائن میں جاری تنازعہ سے بڑھ گیا اور خام مال اور توانائی کی قیمتوں میں اضافے سے مزید شدت اختیار کر گیا۔ اگرچہ ٹیکسٹائل کی صنعت برآمدات پر مبنی ہے، پاکستانی حکومت نے علاقائی سطح پر مسابقتی توانائی کی قیمتوں کا تعین بند کر دیا ہے، جس سے توانائی کی قیمتوں میں خاطر خواہ اضافہ ہوا ہے۔ جب کہ SBP ری فنانس ریٹ میں سال کے آخر میں معمولی کمی ہوئی ہے، جو کہ اس سال کے بیشتر حصے میں 19 فیصد پر رہی، جس سے کمپنی کے مالیاتی اخراجات میں نمایاں اضافہ ہوا، پچھلے سالوں میں یہ بہت کم تھا۔ مزید برآں، حکومت کی جانب سے قابل اداروں میں تاخیر نے کمپنی کے روزمرہ کے کاموں کو متاثر کیا اور اس کی ترقی کی صلاحیت کو روک دیا۔

سال کے دوران، توانائی کی قیمتوں میں نمایاں اضافہ ہوا ہے، جیسے قدرتی گیس کی قیمت 1,100 روپے سے نومبر 2023 میں 2,400 روپے اور فروری 2024 میں 2,750 روپے فی MMBTU تک بڑھ گئی۔ جبکہ RLNG کی قیمت سال کے شروع میں 2,808 روپے سے بڑھ کر جون 2024 میں 4,074 روپے پر بند ہوئی۔

کم از کم اجرت 25,000 روپے سے بڑھ کر 32,000 روپے ہو گئی ہے۔

غزہ پر اسرائیل کی بمباری کے جواب میں یمن میں حوثی باغیوں کی طرف سے بحیرہ احمر سے گزرنے والے تجارتی بحری جہازوں پر حملوں کی وجہ سے سمندری مال برداری کے اخراجات میں بھی اضافہ ہوا ہے۔ ان عوامل نے اجتماعی طور پر ہمارے مجموعی اخراجات میں خاطر خواہ اضافہ کیا ہے۔

ٹیکس کے محاذ پر، 1 جولائی 2024 سے لاگو ہونے والے بجٹ کے اقدامات کمپنی پر کئی طریقوں سے اثر انداز ہو رہے ہیں۔ ایک بڑی تبدیلی مقامی سپلائرز کے لئے سیلز ٹیکس پر زیورینٹنگ کو ختم کرنا ہے، جس کی وجہ سے حکومت کی جانب سے واجبات میں کافی اضافہ ہو رہا ہے اور موجودہ مالیاتی دباؤ میں اضافہ ہو رہا ہے۔ مزید برآں، برآمدات کے لئے مکہ ٹیکس نظام کے خاتمے اور کٹوتی میں 1 فیصد سے 2 فیصد اضافے نے پاکستان کی برآمدی صنعت پر اضافی، غیر ضروری بوجھ پڑنے کا امکان ہے۔ مزید برآں، کمپنی 10 فیصد کی شرح سے سپر ٹیکس ادا کرنا ہوگا۔

بقایا ترجیحی حصص کے تصفیہ کے منصوبے کو ترجیحی حصص داران نے 18 جنوری 2024 کو ہونے والی اپنی میٹنگ میں منظور کیا تھا۔ منظوری کے بعد بقایا منافع کی ادائیگی کردی گئی ہے۔ بقایا اصل رقم اور جمع شدہ مارک اپ منظور شدہ سٹیٹمنٹ پلان کے مطابق کیا جا رہا ہے۔

## قرضہ جات کی مالیاتی تنظیم نو

31 جولائی 2019 کو لاہور ہائی کورٹ (LHC) سے قرض دہنگان کے انتظامات کی اسکیم کی منظوری کے بعد اب مالیاتی تنظیم نو 29 اپریل 2021 کو لاگو ہو چکی ہے۔

علی پور روڈ، مظفر گڑھ میں واقع سپننگ یونٹ سے متعلق کچھ فنڈز موصول ہو گئے ہیں اور توقع ہے کہ ایجنٹ بینکوں اور اس یونٹ کے درمیان طے شدہ وقت کے مطابق پوری رقم موصول ہو جائے گی۔ مکمل رقم موصول ہونے کے بعد، قرض دہنگان کے انتظامات کی اسکیم کے مطابق اسے قرض دہنگان میں تقسیم کیا جائے گا۔ تنظیم نو کے بعد، کمپنی قرض کی بروقت ادائیگی کو یقینی بنانے کے لئے پر عزم ہے۔ زیر نظر سال کے دوران مالی چیلنجوں کے باوجود، کمپنی نے شیڈول کے مطابق پرنسپل اور مارک اپ دونوں ادائیگیوں کو کامیابی سے پورا کیا ہے۔

## مستقبل کے نقطہ نظر سے ٹیکسٹائل کاروبار

آگے دیکھتے ہوئے، مستقبل غیر یقینی اور چیلنجنگ ہے۔ عالمی اقتصادی سست روی، مہنگائی کے مسلسل دباؤ، اور جغرافیائی سیاسی تنازعات سے کاروباری ماحول پر اثر انداز ہونے کی توقع ہے۔ مقامی طور پر، علاقائی سطح پر مسابقتی توانائی کی قیمتوں کا ختم ہونا، ان پٹ کی بڑھتی ہوئی لاگت کے ساتھ، ٹیکسٹائل کے شعبے کے لئے ایک اہم چیلنج پیش کرتا ہے۔

کمپنی ان پیچیدگیوں کو حل کرنے کے لئے اپنی توجہ آپریشنل کارکردگی اور لاگت میں کمی پر مرکوز رکھے گی۔ ہماری حکمت عملی کا مقصد خدمات کو بڑھا کر، اپنی مصنوعات کو بہتر بنا کر اور لیڈ ٹائم کو کم کر کے ہماری پیشکشوں کو نمایاں کرنا ہے۔ ہمیں اپنی مصنوعات کو کموڈیٹائز کرنے، اضافی قیمت نکالنے اور مستقبل کے لئے ایک چکدار کاروبار کی تعمیر کے لئے صارفین کی وفاداری کو مضبوط کرنے کے لئے کام کرنا ہے۔

ان کوششوں کو سپورٹ کرنے کے لئے، ہم نے کمپنی کے امیج اور بہتر مقام کے لئے ان لائن خوردہ فروشوں کو ہدف بنانے کے لئے ری برانڈنگ اور ڈیجیٹل مارکیٹنگ کو شروع کیا ہے۔

## کارپوریٹ سماجی ذمہ داری اور پائیدار طرز عمل

کمپنی اپنے بنیادی کاموں میں پائیدار اور اخلاقی طریقوں کو شامل کر کے کارپوریٹ سماجی ذمہ داری (CSR) کو برقرار رکھنے پر مرکوز ہے۔ انتظامیہ لوگوں کو ضروری مہارت اور عالمی معیشت کی کامیابی میں بااختیار بنانے کی طرف کام کر رہی ہے۔ کمپنی مقامی کمیونٹیز کے ساتھ کام کرتی ہے اور صحت، تعلیم اور عمومی بہبود کے حوالے سے ان کی صلاحیت اور علم کو بڑھانے کی کوشش کرتی ہے۔

اس تقلیدی نقطہ نظر سے کمپنی کے ملازمین دل کھول کر اپنا وقت، تجربہ اور مہارت سماج کی خدمت میں صرف کرتے ہیں، کمپنی ایسا کرنے میں ان کی حوصلہ افزائی کرتی ہے۔ اضافی طور پر کمپنی ماحول کو صاف ستھرا رکھنے اور مزدوروں کی فلاح و بہبود کیلئے بہت سے عالمی اداروں کے منظور شدہ سرٹیفکیٹ رکھتی ہے۔ پائیداری کا انکشاف الگ سے سالانہ رپورٹ میں دی گئی ہے۔

## کمائی فی شیئر

منتہ سال 30 جون 2024 میں کمپنی کی کمائی فی شیئر مبلغ 1.08 روپے ہے۔

## منافع

کمپنی نے حال ہی میں لاہور ہائی کورٹ سے قرض دہنگان کے انتظامات کی اسکیم کے تحت اپنے قرضوں میں تنظیم نو کے بعد ادائیگی شروع کی ہے اور اسے بروقت ادائیگی کرنے کے لیے اپنے کیش فلوکا انتظام کرنا ہے۔

اس کے علاوہ، توانائی اور دیگر اخراجات میں اضافہ کی وجہ سے کمپنی کو اپنی ورکنگ کیپٹل کی ضروریات کو پورا کرنا ہوگا کیونکہ اس بلند شرح سود کے ماحول میں قرض لینا ایک قابل عمل آپشن نہیں ہے۔

نتیجتاً، کمپنی کے پاس اس وقت اضافی نقد رقم نہیں ہے جس سے وہ منافع کی ادائیگی کر سکتے ہیں، جب حالات سازگار ہوں تو بورڈ منافع کے اعلان پر غور کر سکتا ہے۔

## اہم خطرات اور غیر یقینی صورتحال

کمپنی کی کارکردگی میں بتدریج بہتری آرہی ہے۔ کمپنی کا کاروبار خطرات اور غیر یقینی صورتحال سے دوچار ہے۔ مندرجہ ذیل کچھ اہم خطرات اور غیر یقینی صورتحال ہیں:

- 1- مقامی اور ہمسایہ ممالک سے بڑھتا ہوا مقابلہ مستقبل میں کمپنی کے منافع پر اثر انداز ہو سکتا ہے۔
- 2- تکنیکی ترقی کمپنی کے لئے قومی اور بین الاقوامی سطح پر مسابقتی رہنے کے لئے بڑھتے ہوئے چیلنجز پیش کرتی ہے۔
- 3- غیر متوقع اور زیادہ ٹیکس کے اقدامات، بشمول سپرنیکس کا تسلسل، مقامی سپلائرز پر سٹریٹجکس کی زیوریننگ ختم کرنا اور ایکسپورٹرز کے لئے فائل ٹیکس رجیم (FTR) سے نارمل ٹیکس رجیم (NTR) میں شفٹ کرنا قابل ذکر چیلنجز ہیں۔
- 4- حکومت پاکستان نے ابھی تک ٹیکسٹائل پالیسی کو بھی ابھی تک لاگو نہیں کیا ہے۔ حکومتی پالیسی برآمدی منڈیوں میں مقابلہ کرنے کی صلاحیت کو بہت متاثر کرتی ہے۔

## بیلنس شیٹ کے بعد کے معاملات

مالیاتی سال کے اختتام جس سے یہ بیلنس شیٹ متعلقہ ہے سے لیکر ڈائریکٹرز رپورٹ کی تیاری کی تاریخ تک کوئی بڑی تبدیلی جس کا مالیاتی حالت پر اثر ہو، نہیں ہے۔

## متعلقہ پارٹیز سے لین دین

کمپنی نے اپنے تمام متعلقہ پارٹیز لین دین کو جائزہ اور منظوری کے لئے آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز کے سامنے پیش کیا۔ تمام لین دین کو متعلقہ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز کے اجلاس میں منظور کیا گیا ہے۔ متعلقہ پارٹیز کے ساتھ لین دین کی تفصیلات منسلک شدہ سال مختتمہ 30 جون 2024 کے مالیاتی اسٹیٹمنٹس کے نوٹ 42 میں مہیا کی گئیں ہیں۔

## کارپوریٹ بریفنگ سیشن

کمپنی نے 23 نومبر 2023 کو کارپوریٹ بریفنگ سیشن کا انعقاد کیا ہے۔ پریزنٹیشن کمپنی کی ویب سائٹ [www.azgard9.com](http://www.azgard9.com) پر موجود ہے۔

## کارپوریٹ گورننس، مالیاتی رپورٹنگ اور انٹرنل کنٹرول سسٹمز

ہم رپورٹ پیش کرنے میں خوش محسوس کرتے ہیں:

☆ کمپنی کی انتظامیہ کی طرف سے تیار شدہ مالیاتی اسٹیٹمنٹس کمپنی کی حالت، اس آپریشنز، کیش فلوا اور ایکویٹی میں ہونے والی تبدیلیوں کے متعلق نتائج صحیح طور پر بتاتی ہیں۔

- ☆ کمپنی کے اکاؤنٹس کو مناسب طریقے میں رکھا گیا ہے۔
  - ☆ مالیاتی اسٹیٹمنٹس کی تیاری کیسے متعلقہ اکاؤنٹنگ پالیسی کے تحت ہے اور اکاؤنٹنگ حسابات، مناسب اور محتاط فیصلہ پر کئے گئے ہیں۔
  - ☆ عالمی مالیاتی رپورٹنگ معیارات جیسا کہ پاکستان میں لاگو ہیں مالیاتی اسٹیٹمنٹس کی تیاری میں ان کو اپنایا گیا ہے اور کسی قسم کی کمی کی صورت میں مناسب وضاحت کی گئی ہے۔
  - ☆ کمپنی کے اندرونی کنٹرول میں موثر طریقہ سے عمل درآمد اور نگرانی کی گئی ہے تاکہ کمپنی کی پالیسیوں و طریقہ کار پر قابو پانے کو یقینی بنانے پر زور دیا ہے تاکہ کسی بے قاعدگی کی صورت میں کمپنی بروقت طور پر اس کو درست کر سکے۔
  - ☆ بورڈ مطمئن ہے کہ کمپنی کی حیثیت ایسی ہے کہ یہ کام کرتی رہے گی۔
  - ☆ پچھلے چھ سال کے قلیدی آپریٹنگ اور مالیاتی اعداد و شمار منسلک کئے گئے ہیں۔
  - ☆ 30 جون 2024 تک ٹیکسز، ڈیوٹیز، لیویز اور اخراجات کی مد میں کوئی ادائیگی بقایا نہیں ہے ماسوائے ان کے جو مالیاتی اسٹیٹمنٹس میں بیان کی گئی ہیں۔
  - ☆ ڈائریکٹرز، ایگزیکٹوز اور ان کی شریک حیات اور نابالغ بچوں نے سال کے دوران کمپنی کے حصص میں کوئی لین دین نہیں کیا۔
  - ☆ تمام ڈائریکٹرز\* نے ڈائریکٹرز ٹریننگ پروگرام (DTP) کی سرٹیفیکیشن حاصل کی ہے یا سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے چھوٹ حاصل کی ہے۔
  - \* جناب احسان احمد اپریل 2024 میں ڈائریکٹر منتخب ہوئے اور جولائی 2024 میں DTP سرٹیفیکیشن حاصل کی۔
- 31 جولائی 2019 کو معزز لاہور ہائی کورٹ کے حکم نامے کے ذریعے منظور شدہ قرض دہندگان کی اسکیم کے تحت کمپنی نے فیصل بینک لمیٹڈ کو 193.52 ملین روپے کے سلوک سرٹیفیکیشن جاری کئے شریعہ ایڈوائزر نے سلوک کے اجراء کو بیرونی آڈٹ سے سلوک (پرائیویٹ پبلسڈ) ریگولیشنز 2017 کے ضابطہ (1) کے تحت منبھی قرار دیا ہے۔
- لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت بہترین طریقوں کی اسٹیٹمنٹ آف کمپلائنس اس سالانہ رپورٹ میں مہیا کی گئی ہے۔

## بورڈ آف ڈائریکٹرز

کمپنی کے بورڈ کے زیادہ ڈائریکٹرز بنیادی طور پر غیر جانبدار / نان ایگزیکٹو ہیں جو شفافیت اور اچھی کارپوریٹ گورننس کی وجہ بنتے ہیں۔ نان ایگزیکٹو ڈائریکٹرز کمپنی کیلئے کاروبار، گورننس اور قانون کا وسیع تجربہ رکھتے ہیں۔ قیمتی مشورے دیتے ہیں اور کمپنی کے اونچے درجے کے معاملات کے قانونی اصولوں اور کارپوریٹ کمپلائنس کو یقینی بناتے ہیں۔ ڈائریکٹرز کا انتخاب 03 اپریل 2024 کو ہوا جس میں جناب احسان احمد اور سید حسن اکبر کاظمی نئے منتخب ہوئے اور دیگر موجودہ ڈائریکٹرز کو دوبارہ منتخب کیا گیا سوائے جناب محمد وسیم بٹ اور جناب عبدالحمید احمد ڈاگیا جو ریٹائر ہو گئے تھے۔ چیف ایگزیکٹو آفیسر کو 17 اپریل 2024 کو انتخاب کے بعد دوبارہ تعینات کیا گیا اور آڈٹ کمیٹی اور ہیومن ایسورس اور معاوضہ کمیٹی کی بھی تشکیل نو کی گئی۔

ڈائریکٹرز کی معلومات / تشکیل اور بورڈ کمیٹیوں کے ممبران کے نام درج ذیل ہیں۔

بورڈ آف ڈائریکٹرز کی مجموعی تعداد آٹھ ہے (بشمول چیف ایگزیکٹو آفیسر) تفصیل مندرجہ ذیل ہے۔

(اے) مرد 7 (بی) خاتون 1  
بورڈ کی ترتیب مندرجہ ذیل ہے:

اے	آزاد ڈائریکٹرز	جناب عابد حسین جناب احسان احمد
بی	نان ایگزیکٹو ڈائریکٹرز	جناب زاہد محمود محترمہ ملیحہ صاروہ اعظم جناب ناصر علی خان بھٹی سید حسن اکبر کاظمی جناب عثمان رشید
سی	ایگزیکٹو ڈائریکٹرز	جناب احمد ایچ شیخ - سی ای او
ڈی	خاتون ڈائریکٹر	محترمہ ملیحہ صاروہ اعظم

بورڈز کمیٹیوں کے ممبران کے نام مندرجہ ذیل ہیں:

اے	آڈٹ کمیٹی	جناب احسان احمد۔ چیئر مین جناب ناصر علی خان بھٹی۔ ممبر جناب عثمان رشید۔ ممبر
بی	ہیومن ریسورس اینڈ معاوضہ کمیٹی	جناب احسان احمد۔ چیئر مین محترمہ ملیحہ صاروہ اعظم۔ ممبر جناب احمد ایچ شیخ۔ ممبر

سال ختمہ 30 جون 2024 کے دوران ڈائریکٹرز کے نام جنہوں نے بورڈ اور کمیٹیوں میں خدمات انجام دیں، کے میٹنگز کی تعداد اور ہر ڈائریکٹر کی حاضری کی تفصیل مندرجہ ذیل ہے۔

بورڈ آف ڈائریکٹرز کی میٹنگز

بورڈ آف ڈائریکٹرز کی سال کے دوران سات میٹنگز 01 جولائی 2023 تا 30 جون 2024 تک منعقد ہوئی ہیں۔

ڈائریکٹرز کے نام	اہلیت	حاضری
جناب زاہد محمود	7	7
جناب ناصر علی خان بھٹی	7	7
جناب عثمان رشید	7	7
محترمہ ملیحہ صاروہ اعظم	7	7
جناب عابد حسین	7	7
جناب احسان احمد*	3	3
سید حسن اکبر کاظمی*	3	3
جناب عبدالحمید احمد ڈاگیا**	4	4
جناب محمد وسیم بٹ**	4	4
جناب احمد ایچ شیخ***	7	7

\* 03 اپریل 2024 کو منتخب ہوئے (نئے)

\*\* 03 اپریل 2024 کو ریٹائر ہوئے۔

\*\*\* 17 اپریل 2024 کو دوبارہ تعینات ہوئے (سی ای او)

- دیگر تمام ڈائریکٹرز 03 اپریل 2024 کو دوبارہ منتخب ہوئے۔

ہیومن ریسورس اور معاوضہ کمیٹی (HRRC) کی میٹنگز

سال 01 جولائی 2023 تا 30 جون 2024 تک ایک میٹنگ منعقد ہوئی ہے۔



حاضری	اہلیت	ڈائریکٹرز کے نام
0	0	جناب احسان احمد *
1	1	محترمہ ملیحہ صارہ اعظم
1	1	جناب احمد ایچ شیخ
1	1	جناب عثمان رشید **

\* منتخب (نئے) \*\* ریٹائرڈ

### آڈٹ کمیٹی کی میٹنگز

سال 01 جولائی 2023 تا 30 جون 2024 تک چار میٹنگز منعقد ہوئی ہیں۔

حاضری	اہلیت	ڈائریکٹرز کے نام
1	1	جناب احسان احمد *
4	4	جناب ناصر علی خان بھٹی
4	4	جناب عثمان رشید
3	3	محترمہ ملیحہ صارہ اعظم **

\* منتخب (نئے) \*\* ریٹائرڈ

### بورڈ کی کارکردگی کا جائزہ

بورڈ اور بورڈ کی کمیٹیوں کے ارکان کی سالانہ کارکردگی کے جائزہ کیلئے رسمی اور موثر طریقہ کار موجود ہے۔ (PKF) M/S PKF F.R.A.N.T.S۔ چارٹرڈ اکاؤنٹنٹس کو 30 جون 2024 کے لئے آزادانہ کارکردگی کے جائزہ کیلئے مقرر کیا گیا ہے۔ PKF کا آئی کیپ کے QCR میں تسلی بخش درجہ ہے اور آڈٹ اور سائٹ بورڈ میں رجسٹرڈ ہے جس کا تقرر کیا گیا ہے تاکہ بورڈ کی کارکردگی مجموعی طور پر اور بورڈ ممبران کی کارکردگی انفرادی طور پر اور بورڈ کمیٹیوں (آڈٹ کمیٹی اور HRR کمیٹی) کی طے کردہ اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے وضع کردہ طریقہ کار کے مطابق کارکردگی کا جائزہ لیں اور اپنی سفارشات کے ساتھ اپنی رپورٹ پیش کریں تاکہ کمپنی کے گورننگ سٹرکچر میں بہتری لائی جاسکے۔ بورڈ کی مجموعی کارکردگی پر چیئرمین کی طرف سے جائزہ رپورٹ منسلک ہے۔

### ڈائریکٹرز کا مشاہرہ

کمپنی میں اپنے (ایگزیکٹو اور آزادانہ ایگزیکٹو) ڈائریکٹرز اور سینئر مینجمنٹ کے ممبران کے لئے بورڈ آف ڈائریکٹرز سے منظور شدہ مشاہرہ پالیسی موجود ہے۔ پالیسی کو ایسے تیار کیا گیا ہے کہ یہ HR کی حکمت عملی کا حصہ ہے اور دونوں کاروبار کی حکمت عملی کے لئے مددگار ہیں۔ بورڈ کو یقین ہے کہ متعلقہ پالیسی کارآمد ہے اور بہترین ایگزیکٹوز اور ڈائریکٹرز کو راغب کرتی ہے۔ تاکہ وہ کمپنی کے ساتھ منسلک رہیں اور اس کو بہتر انداز میں چلا سکیں اور ڈائریکٹرز، ایگزیکٹوز اور حصہ داران کے درمیان رابطہ کا باعث بنیں۔ پالیسی کا مقصد ڈائریکٹرز اور سینئر انتظامیہ کو گورننس اور کارکردگی کے لئے جواب دہ بنانا ہے جس میں معاوضہ کا تعین اور ادائیگی شامل ہے۔

چیف ایگزیکٹو کے مشاہرے کی تفصیلات مندرجہ ذیل ہیں۔

چیف ایگزیکٹو روپے	
26,174,997	مینیجرل مشاہرہ
2,617,497	میڈیکل
10,470,006	یوٹیلیٹی اور ہاؤس ریٹنٹ
2,333,333	بعد از ملازمت فوائد
<b>41,595,833</b>	

کمپنی اپنے نان ایگزیکٹو، آزاد ایگزیکٹوز کو بورڈ اور کمیٹیوں کی مینٹننس میں شرکت کیلئے معاوضہ ادا کر رہی ہے۔ متعلقہ مشاہرہ/ مینٹنگ فیس کی معلومات جوڈ ایگزیکٹوز کو ادا کی گئیں منسلک شدہ مالیاتی اسٹیٹمنٹس 30 جون 2024 کے نوٹ 48 میں بھی بیان کی گئی ہیں۔

### آڈیٹرز کے مشاہدات

آڈیٹرز نے آڈٹ رپورٹ میں میسرز طیبہ کنسٹریبل لمیٹڈ کے ساتھ قانونی چارہ جوئی کے حوالے سے دعووں کا قطعاً تعین کرنے کے قابل نہ ہونے کی وجہ سے اپنی رائے دی ہے۔ جیسا کہ نوٹ 20.1.6 میں ذکر کیا گیا ہے کہ اطالوی عدالتوں کی کارروائی جاری ہے اور کارروائی مکمل ہونے کے بعد تفصیلات دستیاب ہوں گی۔

### آڈیٹرز کی تعیناتی

میسرز گرانٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس، آزاد نامہ نگار فرم برائے گرانٹ تھورنٹن توہما توہما لمیٹڈ، ایک معروف چارٹرڈ اکاؤنٹنٹس فرم نے کمپنی کے ساتھ اپنی تقرری کی مدت مکمل کی ہے اور اہل ہونے کے ساتھ اپنی خدمات کو اگلی مدت کیلئے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر آنے والے سال کے لئے دوبارہ تعیناتی کیلئے کمپنی کے آڈیٹرز کے طور پر میسرز گرانٹ تھورنٹن انجم رحمان کا نام تجویز کیا ہے۔ آڈٹ کمیٹی نے بورڈ آف ڈائریکٹرز کو آڈیٹرز کو اور مزید بورڈ آف ڈائریکٹرز نے چیف ایگزیکٹو آفیسر کو آڈیٹرز کے مشاہرہ کے تعین کے لئے مجاز کیا ہے۔

### آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز پر مشتمل ایک مکمل فعال آڈٹ کمیٹی تین ممبران پر مشتمل ہے جس میں سے دونوں ایگزیکٹو ڈائریکٹرز ہیں اور ایک غیر جانبدار ڈائریکٹر ہے۔ کمیٹی کی ٹرم آف ریفرنس لیکچرینیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق بورڈ آف ڈائریکٹرز نے وضع کی ہے، پس اس میں یقینی شفاف انٹرنل آڈٹ، اکاؤنٹنگ اور انتظامی کنٹرول رپورٹنگ سٹرکچر اور کمپنی کے اثاثہ جات کو محفوظ کرنا شامل ہیں۔

### انٹرنل آڈٹ فنکشن

بورڈ نے انٹرنل آڈٹ فنکشن کو M/s PKF F.R.A.N.T.S، چارٹرڈ اکاؤنٹنٹس (PKF) انٹرنیشنل لمیٹڈ کی ایک رکن فرم) کو آؤٹ سورس کر دیا ہے جنہیں اس مقصد کے لئے موزوں اور تجربہ کار سمجھا جاتا ہے اور کمپنی کی پالیسیوں اور طریقہ کار سے واقف ہیں۔ مزید برآں، کمپنی کے ایک کل وقتی ملازم کو ضابطوں کے تحت مطلوبہ انٹرنل آڈٹ کے سربراہ کے طور پر نامزد کیا گیا ہے۔ انٹرنل آڈٹ کے نتائج کا آڈٹ کمیٹی جائزہ لیتی ہے اور جہاں ضروری ہو، انٹرنل آڈٹ رپورٹس میں موجود سفارشات کی بنیاد پر کارروائی کی جاتی ہے۔

### رسک فریم ورک اور انٹرنل کنٹرول سسٹم

رسک گورننس اینڈ انٹرنل کنٹرول اقدامات کی پالیسی بورڈ آف ڈائریکٹرز سے منظور شدہ ہے جو کہ تعین کرتی ہے کہ تمام تر تنظیم میں کمپنی کیسے رسک اور انٹرنل کنٹرول فریم ورک کو لاگو کئے ہوئے ہے۔

پالیسی کا مقصد مندرجہ ذیل ہے۔

- ☆ رسک مینجمنٹ کا ڈھانچہ ایسا ہے کہ کمپنی اپنے کاروباری مقاصد حاصل کر سکے۔
- ☆ ایسا طریقہ کار رسک انتظامیہ کو وضع کرنا، جس کی کمپنی کو خطرہ پر قابو کرنے کے لئے ضرورت ہو۔
- ☆ تنظیم میں رسک انتظامیہ کے لئے واضح ملکیت اور جوابدہی پیدا کرنا۔
- ☆ کمپنی کی رسک پالیسی کی نوعیت کا تعین اور رسک مینجمنٹ کے لئے وسیع سوچ۔
- ☆ ایسے گورننس ڈھانچے کی تشخیص جو کہ رسک مینجمنٹ عمل کا احاطہ کرے۔

## شیر ہولڈنگ پیٹرن

شیر ہولڈنگ پیٹرن 30 جون 2024 منسلک کیا گیا ہے۔

## شیر کیپیٹل کی نوعیت اور اقسام

کمپنی نے ادا شدہ حصص سرمایہ عمومی حصص اور نان وونگ عمومی حصص پر مشتمل ہے۔ عمومی حصص کو تمام حقوق اور مراعات، بشمول حق رائے دہی لاگو قوانین کے مطابق حاصل ہیں۔ نان وونگ عمومی حصص داران کو حق رائے دہی، حاضری اور اجلاس کا نوٹس وصول کرنے کا حق حاصل نہیں، سوائے وہ حقوق جو کسی اور قوانین میں مہیا کیے گئے ہیں۔ البتہ نان وونگ حصص داران کو تمام عمومی حصص والے دیگر حقوق حاصل ہیں، بشمول منافع کا حق اور کمپنی کے اثاثوں میں حصہ کا حق، وائنڈنگ اپ پر۔

## ویب موجودگی

کمپنی کی سالانہ اور عبوری مالیاتی سٹیٹمنٹس، شیر ہولڈرز اور دیگر کی معلومات کیلئے ایگزیکٹو نائن کی ویب سائٹ [www.azgard9.com](http://www.azgard9.com) پر موجود ہے۔


## اعتراف

ہم اپنے قابل قدر صارفین کے مسلسل اعتماد، مالیاتی اداروں کی مدد، تعاون اور تمام ملازمین کی ان تھک محنت کو تسلیم کرنا چاہیں گے۔ اور کمپنی کے تمام شراکت داروں کے شکر گزار ہیں جن کا تعاون کمپنی کے لئے انمول ہے۔

یہ امید کی جاتی ہے کہ شراکت داروں کی حمایت سے کمپنی میں مالی بہتری آئے گی۔

بورڈ آف ڈائریکٹرز کی جانب سے

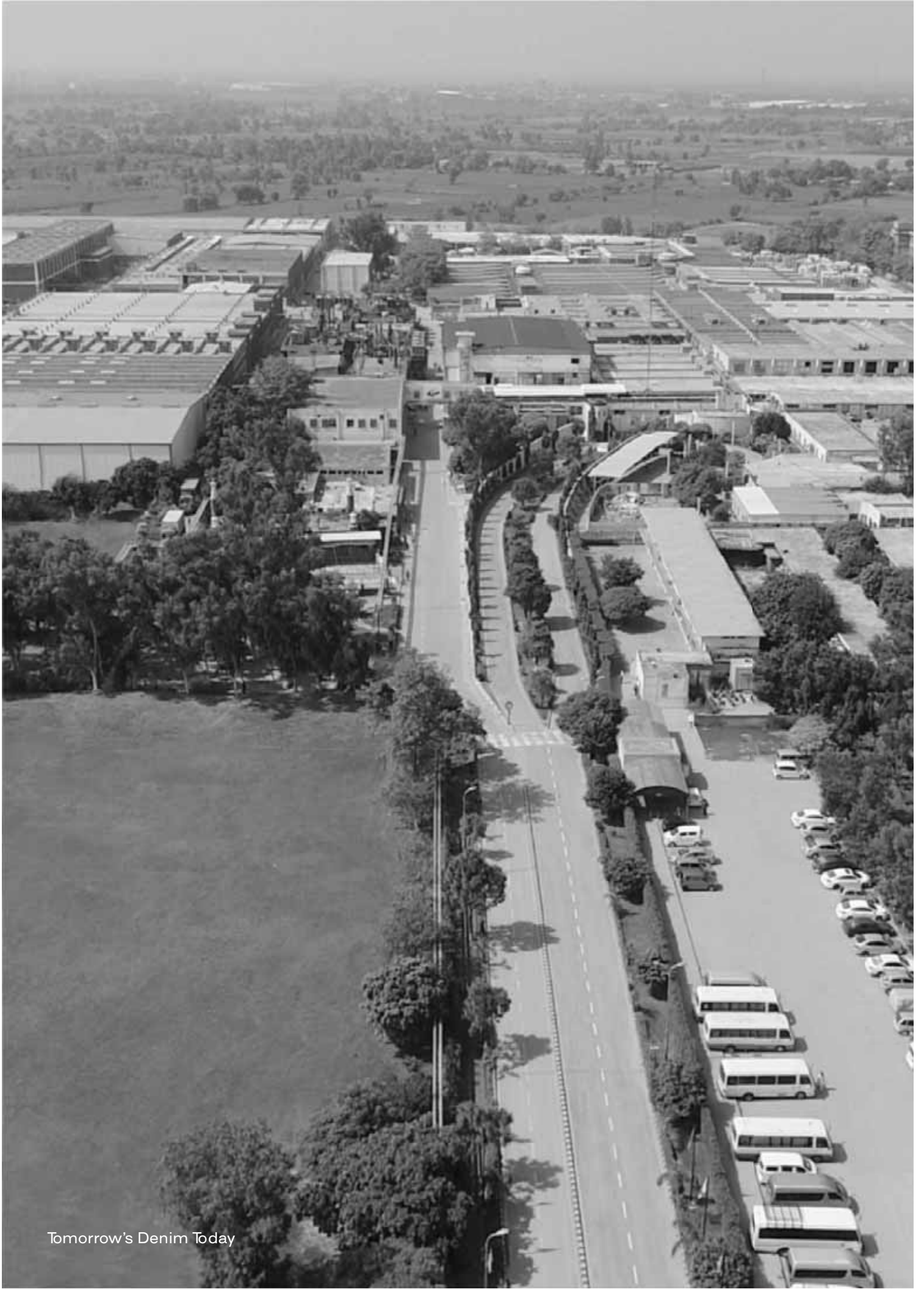
  
چیرمین

  
چیف ایگزیکٹو آفیسر  
30 ستمبر 2024

**AZGARD9**  
Continued Commitment  
**SUSTAINABILITY DISCLOSURE 2024**

This report highlights the impact we have made in fulfilling our commitment to the planet and its people.

AZ  
GO



Tomorrow's Denim Today

# OVER 120 YEARS OF EXCELLENCE

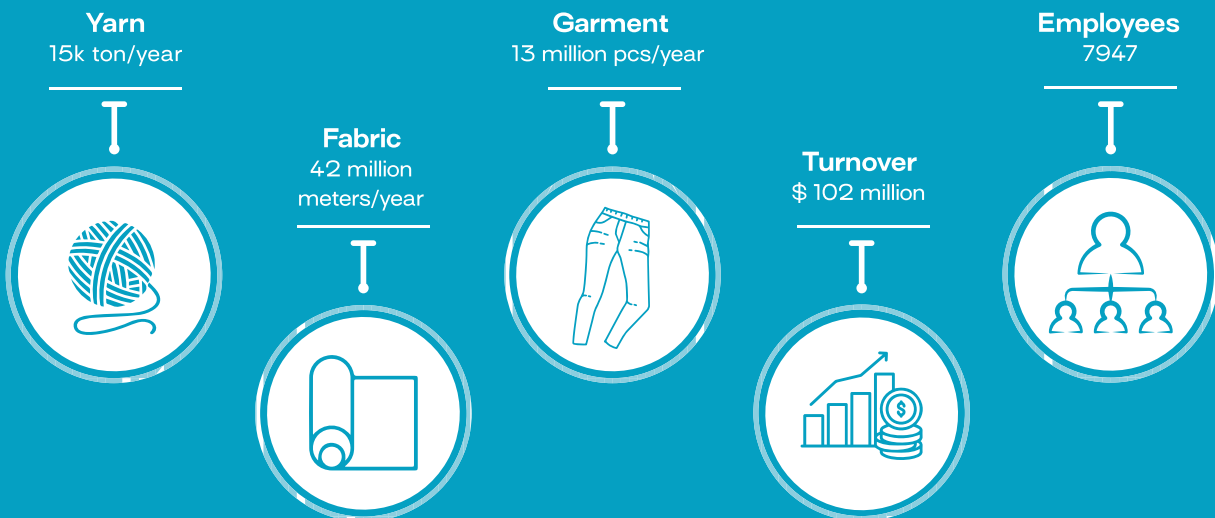
## OUR COMMITMENT

Our commitment to sustainability has been acknowledged by leading global accreditation bodies, proving our leadership in eco-friendly practices. This commitment is integral to our design principles, where our state-of-the-art technology guarantees that every product, we manufacture, is optimized for water efficiency, energy reduction and use of recycled materials. The impact of our efforts extends beyond environmental benefits, as we prioritize the well-being of planet, the quality of products and the welfare of people.

## MISSION

Our goal is to become a zero waste and carbon neutral company by 2030. We intend to recycle all our industrial waste and offset the total CO<sub>2</sub> emissions from the facility.

## CAPACITIES



**WE ARE A WORLD LEADING MANUFACTURER**  
 ESTABLISHING THE STANDARDS THAT OTHERS ASPIRE TO

# HOLISTIC IMPACT

Our approach to main stream sustainability is focused on **Planet, Product and People.**



## 3Ps'

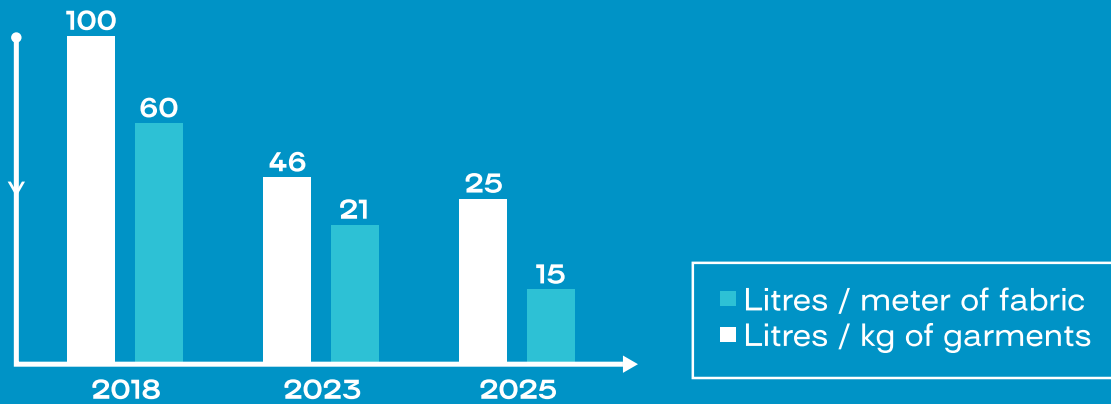


**We continue to meet the highest level of sustainable productions standard by OEKO TEX STeP**



## WATER STEWARDSHIP

We are taking proactive measures to minimise the water consumption in producing fabrics & garments.



Over **50%** REDUCTION IN WATER CONSUMPTION



Reduced-water dyeing



Re-using non contact water



Water-less finishing

### HOW DO WE DO THIS?



Laser



Nano bubble washing



Ozone

One of the lowest water consumption in the country acknowledged by "GREEN TO WEAR"

# RENEWABLE - THE WAY FORWARD

Tomorrow's Denim Today

# 2.5 MW SOLAR ENERGY



# 99%

OF THERMAL ENERGY FROM  
**RENEWABLE**  
SOURCES.

Delivering and moving ahead of our commitment

# CHEMICALS AND WASTE MANAGEMENT

## CHEMICALS

Ranked among top 3% manufacturers globally.

100% of our chemicals comply with the top level of ZDHC - Level 3.



## CHEMISTRY

Using REACH & BlueSign approved chemistry.

Our products meet RSL & MRSL requirements of the customers worldwide.



## EFFLUENT QUALITY

Target achieved for Aspirational level before 2025.

Our ultimate goal is to achieve ZERO liquid discharge by 2030.



We are establishing the standards that others aspire to.

## GLOBALLY RECOGNISED

Our achievements have been acknowledged by globally renowned third-party accrediting bodies.



First in Pakistan to be entitled for "CARE FOR WATER" & "CARE FOR PLANET"



STeP

Achieved the HIGHEST LEVEL (3)



Committed to maintaining a leading position, globally

# TRADE MARKS

## INDUSTRY LEADING INNOVATIONS



Solution-based recycling of textile waste using RENEWCELL fibers.



Made from regenerative cotton.



Recycled fibres from post-consumer and industrial waste.



100% Bio-degradable Jeans.



A shape memory denim, engineered for the best fit.



Energy efficient, zero salt, zero steam dyeing technology.

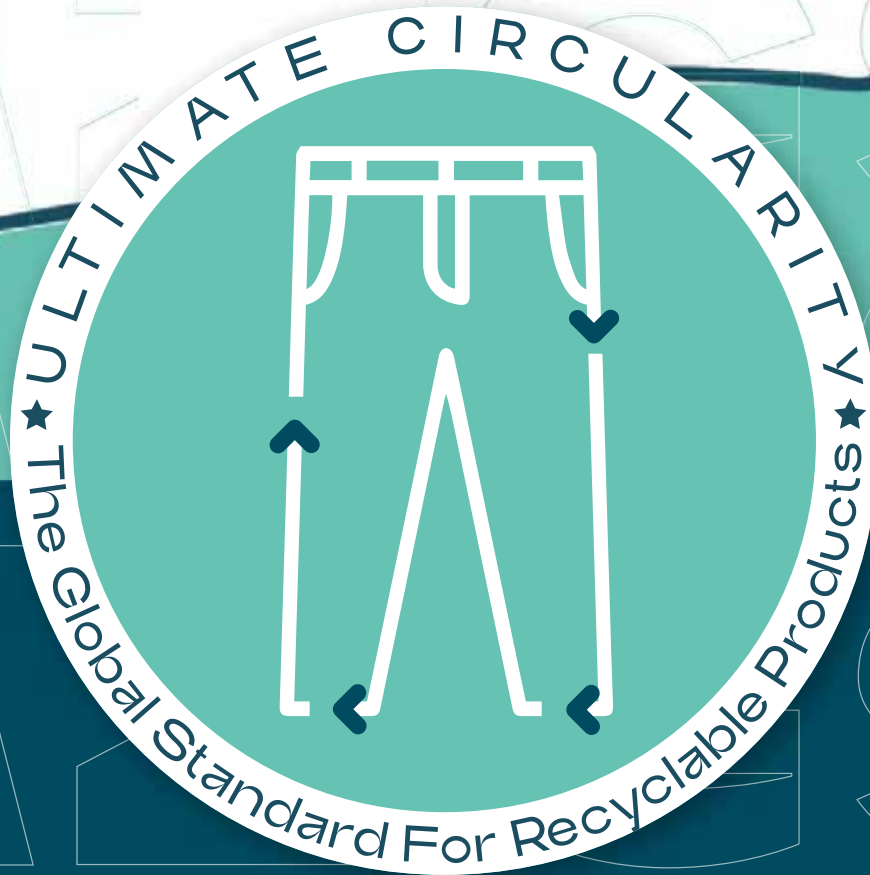


Denim free from the elastane slippage.

Commitment delivered

# 9.0<sup>TM</sup> DENIM

Our Denim 9.0<sup>TM</sup> collection is carefully crafted to ensure its longevity and recyclability. Every detail, from the fabric to the linings and patches, is designed with recyclability in mind.



- ★ Low EIM score (less than 25)
- ★ 100% Biodegradable denim
- ★ Recyclable sewing threads & linings
- ★ Metal trims can be detached at the time of recycling process
- Made of REVIVE<sup>TM</sup> fibers & laser friendly indigo color
- ★ Special fusing used inside the waist band
- ★ Main label & back patches are recyclable
- ★ Resource efficient (Minimum water & energy consumption)



The global standard for recyclable products

# REVIVE™

State-of-the-art process for recycling post-industrial and post-consumer cotton waste. We are producing high-quality materials that the industry could use to create new yarns and fabrics.

## PRODUCT OFFERINGS

### YARNS



upto 60% recycled content

### FABRICS



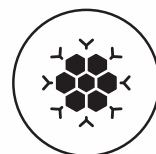
upto 30% recycled content

### GARMENTS



upto 30% recycled material

### RECYCLED POLYESTER



through collaboration we offer recycled polyester with embedded translucent tracer

PIONEER IN CIRCULAR FASHION TECHNOLOGY

C·O<sub>2</sub>·A·T

## GARMENT OF THE FUTURE

“A living, breathing piece of clothing that produces oxygen”

# WE WON GOLD



## WORLD'S FIRST DENIM COMPANY TO WIN GOLD

(In creative design category at CANNES LIONS INTERNATIONAL FESTIVAL OF CREATIVITY)

<https://co2at.life/>

# GLOBAL PARTNERSHIPS & ACCREDITATIONS

Our commitment to maintaining the highest levels of quality and excellence.



Achieving excellence and driving progress in all that we do.



## MAJOR INTERNATIONAL CUSTOMERS


**G-STAR  
RAW**

**ZARA**

**PULL&BEAR**

**Stradivarius**

**FOREVER 21**

**ONLY®**

**NEW YORKER**

**LANDS' END**

**next**

**MUSTANG®**

**MANGO**

**LPP**

**DKNY**  
DONNA KARAN NEW YORK


**CALZEDONIA**

**FASHION NOVA**

**TALLY WEIJL**

**BLEND**

**TAKKO**  
FASHION


**ICHI**

**El Corte Inglés**

**Ernsting's family**
**Tomorrow's Denim Today**

# WOMEN EMPOWERMENT



8 MARCH



WOMEN'S DAY



EMPOWERING



BREAST CANCER DAY



PINKTOBER



AWARENESS SESSION

## Gender Pay Gap

### Mean Gap



The Mean pay for women is 43% higher than that of men.

### Median Gap



The Median pay for men is 6% higher than that of women.

# WELFARE COMMUNITY CENTRE

We established a community welfare center with a dedicated focus on empowering women. This center offers free operational training opportunities, equipping women with the tools they need to succeed.

Our mission goes beyond skill-building; we are committed to fostering an environment where:

- Honesty is paramount
- Self-esteem is nurtured
- Mentorship is encouraged
- Every individual's worth is recognized
- Girls remain in school
- Negativity is challenged
- Injustice is confronted
- Female colleagues are fully supported

# PEOPLE AT THE HEART OF OUR COMMUNITY

## CELEBRATIONS



## IFTAR DINNER



## INDEPENDENCE DAY



## CHRISTMAS DAY



## EXHIBITIONS



## CUSTOMER CENTRICITY



## HAJJ LUCKY DRAW



## PERFORMANCE REWARDS



## AZG9 × PIFD



## AZG9 × ACADEMY FOR THE DEAF (CONVOCATION)



### JOB FAIR ( UOL & UMT )



### STUDENTS WORKSHOP ( NCA,NTU & PU )



### AUTO SECTION INAUGURATION



### FREE EDUCATIONAL CAMP



### PLANTATION DRIVE



### GO PLASTIC FREE



### SUBSIDIZED FOOD



### DORMITORIES



### TRANSPORT FACILITY



Championing social fairness and strengthening communities

# AZGARD9

For any inquiries regarding this report please reach out to us at [info@azgard9.com](mailto:info@azgard9.com)

We appreciate your feedback.

**Thank you.**

## NOTICE OF THIRTY FIRST ANNUAL GENERAL MEETING

Notice is hereby given that Thirty First Annual General Meeting of the Members of AZGARD NINE LIMITED ('the Company') will be held on Monday, October 28, 2024 at 11:30 am at the Registered Office of the Company Ismail Aiwan-i-Science, Off: Shahrah-i-Roomi, Lahore, Pakistan; to transact the following businesses:

1. To confirm the minutes of Extraordinary General Meeting of the Company held on April 03, 2024;
2. To receive, consider and adopt the audited financial statements of the Company for the financial year ended June 30, 2024, together with the Directors' and Auditors' Reports thereon and Chairman's Review Report;
3. To appoint the Statutory Auditors for the year ending June 30, 2025 and to fix their remuneration. The Board of Directors on the recommendation of Audit Committee has recommended the appointment of retiring auditors, Messers Grant Thornton Anjum Rahman, Chartered Accountants who being eligible have offered themselves for re-appointment;
4. To transact any other business with the permission of the Chair.

By order of the Board

**MUHAMMADAWAIS**  
Company Secretary

October 04, 2024  
Lahore

**NOTES:**

1. The Share Transfer Books of the Company will remain closed for the period from October 22, 2024 to October 28, 2024 (both days inclusive). Transfers received in order at the Office of Company's Share Registrar M/s. Hameed Majeed Associates (Private) Limited, H. M. House, 7-Bank Square, Lahore, Pakistan ('Registrar') at the close of business on October 21, 2024 will be considered in time to attend and vote at the Meeting.
2. Financial Statements for the year ended June 30, 2024 will be available at the website of the Company [www.azgard9.com](http://www.azgard9.com) twenty one days before the date of meeting.

Further, the Company is transmitting Annual Report for the year ended June 30, 2024 through email to those members whose email addresses are available with the Company and through CD/DVD to those members whose email addresses are not available with the Company. However, the members may request a hard copy of Annual Report free of cost and in this respect standard request form is available at the website of the Company [www.azgard9.com](http://www.azgard9.com) for convenience of members.

3. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
4. In pursuance of Circular No. 4 of 2021 dated February 15, 2021 issued by the Securities and Exchange Commission of Pakistan; the members shall also be entitled to attend this meeting through video link facility/electronic means after completing verification and identification requirements. Members interested in attending this meeting through video link facility/electronic means are requested to register themselves by submitting following particulars at email address [companysecretary@azgard9.com](mailto:companysecretary@azgard9.com) before the close of business (i.e. 05.00 pm) on October 24, 2024:

Name	*CNIC No. / Passport No. (in case of foreigner)	Folio No./ CDC Account No.	Mobile No.	No. of Shares Held

\* Please also attach legible scanned copy of CNIC/Passport (in case of foreigner).

Registration request must be sent through email address available/registered with the Company i.e. provided by CDC in case of shares held in book entry form in CDS or available with the Company in case of shares held in physical form.

The Company will send the link of video/electronic facility and other relevant information to respective members in order to enable them to access the video/electronic facility and attend this meeting. Please note that requirements of Note 5 below shall be followed in case of proxy / representative of corporate body and link of video/electronic facility shall only be sent upon receipt of original documents.

It is clarified that members attending this meeting by availing above facility shall only vote through postal ballot (if required) in accordance with the relevant requirements.

5. The CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

**A. FOR ATTENDING THE MEETING:**

- i. In case of individuals, the account holders and/or sub-account holders and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or Passport at the time of attending the Meeting.
- ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

**B. FOR APPOINTING PROXIES:**

- i. In case of individuals, the account holders and/or sub-account holders and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirements.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his/her original CNIC or original Passport at the time of meeting.
- v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
6. Members may avail video conference facility for this Annual General Meeting at Karachi, provided the Company receives consent (standard format is given below) atleast 07 days prior to the date of the Meeting from members holding in aggregate 10% or more shareholding residing at above location.

The Company will intimate respective members regarding venue of the video-link facility before the date of Meeting along with complete information necessary to enable them to access the facility.

“I/we \_\_\_\_\_ of \_\_\_\_\_ being member(s) of Azgard Nine Limited, holder of \_\_\_\_\_ Ordinary Share(s) as per Registered Folio No./CDC Account No. \_\_\_\_\_ hereby opt for video conference facility at Karachi in respect of 31<sup>st</sup> Annual General Meeting of the Company.

\_\_\_\_\_  
Signature of Member”

7. Members can exercise their right to poll subject to meeting of requirement of Section 143 to 145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018.
8. For any query/problem/information, Members may contact the Company at email [companysecretary@azgard9.com](mailto:companysecretary@azgard9.com) and/or the Share Registrar of the Company at address given herein above and at (+92 42) 37235081-82, email [info@hmaconsultants.com](mailto:info@hmaconsultants.com). Members may also visit website of the Company [www.azgard9.com](http://www.azgard9.com) for notices/information.

## IMPORTANT NOTICES TO SHAREHOLDERS

Members are requested to notify/submit the following information/documents; in case of book entry securities in CDS to their respective participants/investor account services and in case of physical shares to the Registrar of the Company, at the address given herein above, by quoting their folio numbers and name of the Company, if not earlier notified/submitted:

- **Change in Address:** Change in their addresses, if any
- **Submission of copy of CNIC/NTN:** Valid and legible copy of CNIC/Passport (in case of individual) and NTN Certificate (in case of corporate entity). Please note that CNIC number is mandatory for payment of cash dividend and in the absence of this information payment of dividend shall be withheld.
- **Dividend Mandate Information:** Dividend mandate information mentioning title of bank account, International Bank Account Number (IBAN), bank name, branch name, code and address towards direct transfer/credit of cash dividend in your accounts. Please note that all future dividends shall only be paid through online bank transfer as required under Section 242 of the Companies Act, 2017. For convenience, a Standard Request Form has also been made available on the Company's website [www.azgard9.com](http://www.azgard9.com).
- **Email Address:** Valid email addresses as pursuant to Section 223 of the Companies Act, 2017, the Company is allowed to send audited financial statements and reports to its members electronically. For convenience, a Standard Request Form has also been made available on the Company's website [www.azgard9.com](http://www.azgard9.com).

### Unclaimed Dividend/Shares

Information of unclaimed dividend/shares has been placed at the website of the Company [www.azgard9.com](http://www.azgard9.com). Respective shareholders are requested to contact Share Registrar of the Company to collect their unclaimed dividend/shares.

### Deposit of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017; after the commencement of Act from a date notified by the Commission, a company having share capital, shall have shares in book-entry form only. Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission. Therefore, members having shares in physical form are informed to make necessary arrangements to replace their physical shares with book-entry form in CDS. The benefits of holding shares in book-entry form in CDS include safe custody, no loss of shares, instant credit of bonus and right shares entitlements, instant sale of shares as trading of physical shares is not permitted as per exiting regulations of the stock exchange, no requirement of transfer deed for transfer/sale of book-entry shares and easy pledge of shares for availing any finance facility.



## FINANCIAL HIGHLIGHTS

### Six Years at a glance

	Year ended 30 June 2024	Year ended 30 June 2023	Year ended 30 June 2022 (Restated)	Year ended 30 June 2021	Year ended 30 June 2020	Year ended 30 June 2019
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#### Operating performance (Rs. 000)

Sales - net	36,738,685	31,571,123	33,768,786	22,070,231	16,909,299	20,214,971
Export sales-gross	34,461,014	28,983,688	31,480,292	19,377,821	15,574,022	18,064,934
Local sales-gross	2,045,341	2,366,169	2,082,986	2,017,655	1,046,623	1,557,833
Gross profit	4,805,128	5,087,307	4,658,174	3,188,597	2,462,318	3,488,280
Operating profit	1,995,385	2,907,225	2,147,303	1,600,552	1,027,353	2,063,507
Profit / (loss) before tax	1,066,109	1,914,427	1,146,663	7,773,229	(223,264)	501,301
Profit / (loss) after tax	529,576	1,470,453	693,051	7,559,400	(389,449)	305,312

#### Financial position (Rs. 000)

Equity without surplus	11,015,259	10,365,402	8,769,533	4,579,736	(3,622,304)	(3,786,216)
Surplus on revaluation of property plant and equipment	2,685,790	2,959,427	3,121,944	3,414,941	4,742,276	4,849,769
Equity with surplus	13,701,049	13,324,829	11,891,477	7,994,677	1,119,972	1,063,554
Long term debt	5,655,762	5,890,870	6,176,878	10,007,499	8,067,856	8,065,357
Property, plant and equipment	10,969,445	10,164,751	10,623,690	10,232,591	10,254,009	10,167,665

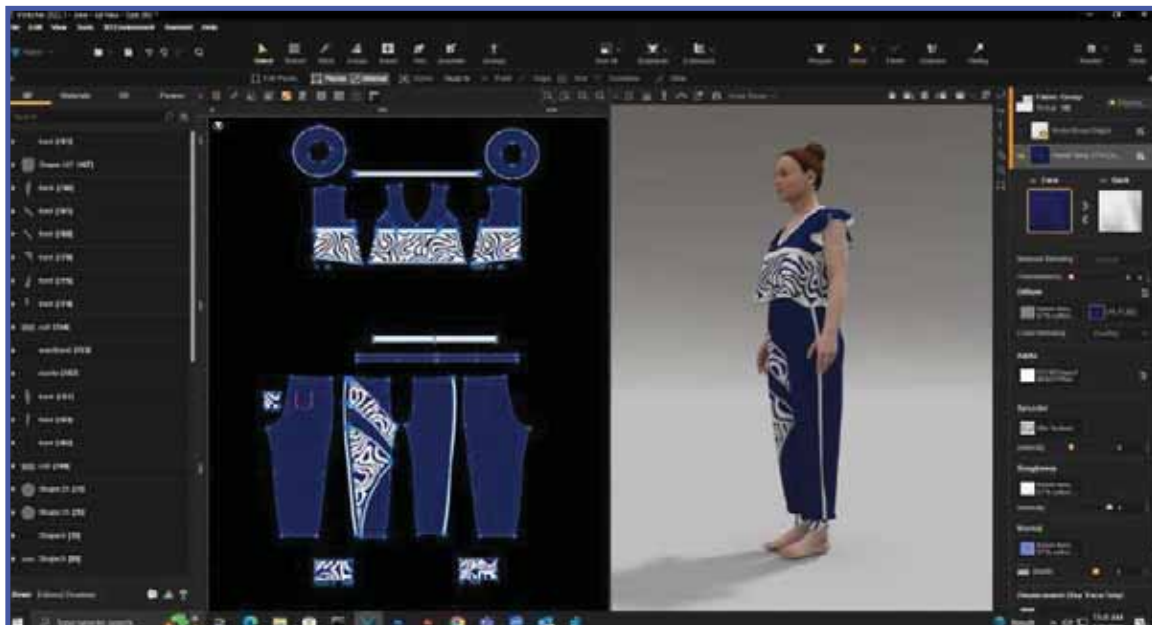
#### Financial analysis

Current ratio (times)*	2.39	2.56	2.09	2.62	0.71	0.69
Debt to equity (ratio)	30:70	31:69	34:66	56:44	88:12	88:12

#### Profitability analysis

Operating profit to sales (%)	5.43	9.21	6.36	7.25	6.08	10.21
Earnings per share (Rs.)	1.08	2.99	1.41	15.38	(0.84)	0.67

\* (excluding current portion of long term debt)



## STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

**Name of Company:** Azgard Nine Limited (the Company)  
**Year ended:** 30-06-2024

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total numbers of Directors are eight (including Chief Executive Officer) as per the following:

a) Male 7      b) Female 1

2. The composition of Board is as follows:

i.	Independent Directors*	Mr. Abid Hussain
		Mr. Ihsan Ahmad
ii.	Non-executive Directors	Mr. Zahid Mahmood
		Ms. Maliha Sarda Azam
		Mr. Nasir Ali Khan Bhatti
		Syed Hasan Akbar Kazmi
		Mr. Usman Rasheed
iii.	Executive Director	Mr. Ahmed H. Shaikh
iv.	Female Director	Ms. Maliha Sarda Azam

\* Election of Directors was held in April 2024. The Board comprised of seven elected Directors and appointed Chief Executive Officer (deemed Director). Fraction for independent Directors has not been rounded up as the Company has two independent Directors and comply with the minimum requirement of independent Directors. Both independent Directors have requisite competencies, diversity, skill, knowledge and experience to discharge and execute their duties competently, therefore, appointment of a third independent Director is not warranted.

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations.

9. All Directors\* have acquired certification under a Directors' Training Program (DTP) or have obtained exemption from the Securities and Exchange Commission of Pakistan.

\* Mr. Ihsan Ahmad elected as Director in April 2024 and acquired DTP certification in July 2024.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
  - a) **Audit Committee**
    - Mr. Ihsan Ahmad - Chairman
    - Mr. Nasir Ali Khan Bhatti - Member
    - Mr. Usman Rasheed - Member
  - b) **HR and Remuneration Committee**
    - Mr. Ihsan Ahmad - Chairman
    - Mr. Ahmed H. Shaikh - Member
    - Ms. Maliha Sarda Azam - Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following:
  - a) **Audit Committee** Quarterly - Four meetings were held during the financial year with at least one meeting in each quarter
  - b) **HR and Remuneration Committee** Yearly - One meeting was held during the financial year
15. The Board has outsourced the internal audit function to M/s. PKF F.R.A.N.T.S, Chartered Accountants (a member firm of PKF International Limited) who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. Further, a fulltime employee of the Company has been designated as Head of Internal Audit as required under the Regulations.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than Regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Regulation No.	Non-Mandatory Requirements	Explanation
10	<b>Responsibilities of the Board and its members</b>  <b>Significant Policies</b> (4)(xvi) Anti-Harassment Policy	The Company already has mechanism/policy in place for Grievance Handling. However, the Company will review the requirements and take necessary steps in due course as this Regulation was notified at the end of financial year i.e. on June 12, 2024.

Regulation No.	Non-Mandatory Requirements	Explanation
	(6) All directors of a company shall attend its general meeting(s), (ordinary and extraordinary) unless precluded from doing so due to any reasonable cause.	Three Directors were not able to attend EOGM held on April 03, 2024 and reasons were disclosed at EOGM & incorporated in relevant minutes.
10A	<b>Role of the Board and its members to address Sustainability Risks and Opportunities</b>	The Company believes in sustainable business practices and publishes separate Sustainability Disclosure in its Annual Report. The Company also encourages gender mainstreaming, gender equality and participation of women on the Board, management and workforce. However, the Company will review the requirements and take necessary steps in due course as this Regulation was notified at the end of financial year i.e. on June 12, 2024.
19	<b>Directors' Training:</b> (3) Companies are also encouraged to arrange training for:  (i) at least one female executive every year under the Directors' Training program from year July 2020; and  (ii) at least one head of department every year under the Directors' Training program from July 2022.	The Company is committed to arrange such trainings/courses for its officers that are more relevant to their job descriptions and beneficial for the Company. However, the Company may/will consider required training, if and when necessary, on case-to-case basis.
29	<b>Nomination Committee:</b>  (1) The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The Board takes care of the responsibilities prescribed for Nomination Committee, therefore, separate Nomination Committee is not considered necessary.
30	<b>Risk Management Committee:</b>  (1) The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has devised Risk and Internal Controls Governance Framework and responsibilities have been assigned to Audit Committee through relevant Policy. Therefore, separate Risk management Committee is not considered necessary.
35	<b>Disclosure of significant policies on website</b>  (1)(vii) Policies for promoting DE & I and protection against harassment at the workplace.	This Regulation was notified at the end of financial year i.e. on June 12, 2024 and relates to Regulation 10(4)(xvi) and 10A as explained above and will be complied accordingly.



**AHMED H. SHAIKH**  
Chief Executive Officer

Date: September 30, 2024



**ZAHID MAHMOOD**  
Chairman

**INDEPENDENT AUDITORS' REVIEW REPORT  
TO THE MEMBERS OF AZGARD NINE LIMITED**

**REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED  
IN LISTED COMPANIES  
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **AZGARD NINE LIMITED** (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.



**Chartered Accountants**

**Engagement Partner:** Imran Afzal  
Lahore

**UDIN:** CR202410212uj3mMca2V

**Dated:** September 30, 2024

## SHARIAH REVIEW REPORT FOR AZGARD NINE LIMITED SUKUK-1 UNDER SHARIAH GOVERNANCE REGULATIONS, 2023

### For the Year Ended June 30, 2024

In pursuance to sub-regulation (3) of regulation 23 under SECP, Shariah Governance Regulations 2023, this Shariah Review Report is for the year ended June 30, 2024, with reference to Azgard Nine Limited SUKUK-1 amounting to Rs. 193,520,000/- with redemption in 20 Quarterly instalments after the grace period of 2 years, and profit @ 5% p.a.

This Shariah Review Report was concluded after a detailed review of the relevant documents, procedures and Shariah guidelines, mechanism and SUKUK structure.

- (a) In my opinion, the transactions, the relevant documentation, and the procedures adopted have been in accordance with the Shariah principles and rules;
- (b) In my opinion, the affairs have been carried out in accordance with Shariah principles and rules and relevant Shariah opinions issued from time to time; and
- (c) In my opinion, no charity for any earnings that have been realized from sources or by means prohibited by Shariah was due for credit to the charity account.

Issued by:



---

Mufti Muhammad Abdullah  
Shariah Advisor  
SECP/IFD/SA/115

Date: - 21-August-2024





# FINANCIAL STATEMENTS



## **INDEPENDENT AUDITOR'S REPORT**

**To the members of Azgard Nine Limited**

### **Report on the Audit of the Financial Statements**

#### **Qualified Opinion**

We have audited the annexed financial statements of Azgard Nine Limited (“the Company”) which comprise the statement of financial position as at June 30, 2024, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and we state that except as stated in Basis for Qualified Opinion section of our report, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

Except for the possible effect of the matter discussed in the Basis for Qualified Opinion section of our report, in our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

#### **Basis for Qualified Opinion**

The Company made investment in Italian Company Montebello s.r.l ("MBL") which is fully impaired and gone into liquidation process. 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 in the Court of Venice which is being defended by the Company. The Court of Vicenza also awarded Taybah's claim of EUR 2.049 million. The Company filed an appeal against this order which the Court of Appeal of Venice decided in favour of Taybah. The Company has filed appeal against this order in the Italian Supreme Court. The Company has not made any provision on account of claim of EUR 7 million as well as Court order for EUR 2.049 million against the Company in these financial statements as it expects relief in these cases. In absence of definite determination of these claims, we are unable to satisfy ourselves as to the appropriateness of related liabilities and disclosures made in these financial statements, by the Company.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in Basis for Qualified Opinion, we have determined the matters described below to be the Key audit matters to be communicated in our report:

Key audit matter	How the matter was addressed in our audit
<p><b>Revenue Recognition</b></p> <p>Revenue from sale of goods is recognized when the Company satisfies the performance obligation under the contract by transferring the promised goods to the customers.</p> <p>Revenue recognition criteria has also been explained in Note 3.11 to the financial statements.</p> <p>We have identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and there is inherent risk that revenue transactions may not have been recognized in accordance with revenue recognition criteria.</p>	<p>Our audit procedures to assess the recognition of revenue, amongst others, included the followings:</p> <ul style="list-style-type: none"> <li>• obtaining an understanding of and assessing the design and implementation of controls to ensure that revenue is recognized in the appropriate accounting period and based on stated accounting policy;</li> <li>• assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting &amp; reporting standards;</li> <li>• comparing, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period;</li> <li>• checked on a sample basis recorded sales transactions with underlying supporting documents; and</li> <li>• assessed adequacy of related disclosures in the financial statements.</li> </ul>
<p><b>Inventory</b></p> <p>Stock in trade as at 30 June 2024 amounts to Rs. 7,566.7 million.</p> <p>We have identified existence and valuation of inventory as a key audit matter due to its size representing 27% of total assets of Company as at 30 June 2024, and the judgments involved in valuation.</p> <p>For further information on inventory, refer to Note 3.4 and 24 of financial statements.</p>	<p>Our audit procedures to assess existence and valuation of inventory, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• to test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management;</li> <li>• for a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets;</li> <li>• on a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write-down, if any;</li> <li>• in the context of our testing of the calculation, we analysed individual cost components and traced them back to the corresponding underlying documents; and</li> <li>• we also made enquires of management and considered the results of our testing above to determine whether any specific write-down is required.</li> </ul>

Key audit matter	How the matter was addressed in our audit
<p data-bbox="245 247 662 275"><b>Surplus on Revaluation of Fixed assets</b></p> <p data-bbox="245 296 760 323">(Refer Note 3.2, 8 and 21 of the financial statements)</p> <p data-bbox="245 348 821 432">During the year, the Company's freehold land, buildings on freehold land and plant and machinery are revalued resulting into a surplus of Rs. 405 million.</p> <p data-bbox="245 457 821 541">We have identified such fresh revaluation as a key audit matter because it has material impact on surplus on revaluation of fixed assets as on 30 June 2024.</p>	<p data-bbox="857 296 1383 348">Our audit procedures to as sessvaluation of fixed assets included the followings:</p> <ul data-bbox="857 373 1383 873" style="list-style-type: none"> <li data-bbox="857 373 1383 516">• Evaluating qualifications, experience and competence of the external valuer engaged by management and holding discussions with the external valuer to understand their valuation methods and the assumptions applied;</li> <li data-bbox="857 541 1383 768">• Obtaining valuation report and assessing the key assumptions adopted in the valuations, including those relating to sales prices, useful life, and the discount rates applied to determine forced sale value, by comparing them with historical rates and available data and considering the possibility of error or biasness in the selection of assumptions adopted; and</li> <li data-bbox="857 793 1383 873">• Assessing surplus recorded during the year, and reviewing adequacy of related disclosures made in these financial statements.</li> </ul>

#### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance opinion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of directors are responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) except for the possible effects of the matter discussed in Basis for Qualified Opinion section of our report, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) except for the possible effects of the matter discussed in the Basis for Qualified Opinion section of our report, the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Imran Afzal.

  
Chartered Accountants  
Lahore

UDIN: AR202410212SoTAXJli7

Date: September 30, 2024

# STATEMENT OF FINANCIAL POSITION

## As at June 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital	6	15,000,000,000	15,000,000,000
Issued, subscribed and paid up capital	6	4,913,753,370	4,913,753,370
Reserves	7	3,321,940,307	3,124,649,596
Surplus on revaluation of fixed assets - net of tax	8	2,685,789,742	2,959,427,045
Unappropriated profit		2,779,565,258	2,326,999,464
		13,701,048,677	13,324,829,475
<b>Non-current liabilities</b>			
Redeemable capital - secured	9	1,030,263,477	1,443,390,367
New zero coupon privately placed term finance certificates	10	2,914,312,783	2,694,277,169
Preference shares liability	11	216,848,846	-
Long term finances - secured	12	-	-
Lease liabilities	13	-	774,351
Deferred liabilities	14	1,499,899,473	720,547,969
		5,661,324,579	4,858,989,856
<b>Current liabilities</b>			
Current portion of non-current liabilities	15	1,577,458,577	1,651,719,546
Short term borrowings	16	2,205,419,916	1,728,379,734
Trade and other payables	17	4,313,920,816	3,794,318,349
Contract liabilities (advances from customers)		113,353,052	123,516,148
Interest / mark-up accrued on borrowings	18	201,801,459	322,106,193
Dividend payable on preference shares	19	-	9,413,535
Unclaimed dividend on ordinary shares		3,753,252	3,753,252
Provision for income tax - net	28	6,874,376	2,746,652
Levies payable - net	28	242,422,945	170,662,415
		8,665,004,393	7,806,615,824
<b>Contingencies and Commitments</b>			
	20	28,027,377,649	25,990,435,155
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	21	10,969,445,216	10,164,750,644
Long term investments	22	13,410,515	12,608,052
Long term deposits and receivables	23	73,380,372	73,936,972
		11,056,236,103	10,251,295,668
<b>Current assets</b>			
Stores, spares and loose tools		218,355,085	187,876,173
Stock-in-trade	24	7,566,679,744	4,904,462,814
Trade receivables	25	4,229,804,959	6,537,675,524
Receivable against sale of Muzaffargarh unit	5	713,716,646	718,952,356
Advances, deposits, prepayments and other receivables	26	2,334,705,054	1,542,163,306
Short term investments	27	154,643,646	142,399,891
Funds for restructuring scheme	29	842,684,023	747,065,820
Cash and bank balances	30	910,552,389	958,543,603
		16,971,141,546	15,739,139,487
		28,027,377,649	25,990,435,155

The annexed notes from 1 to 53 form an integral part of these financial statements.

Lahore

Chief Executive Officer

Director

Chief Financial Officer

## STATEMENT OF PROFIT OR LOSS

### For the year ended June 30, 2024

		2024	2023
	Note	Rupees	Rupees
<b>Sales - net</b>	31	36,738,685,105	31,571,122,964
Cost of sales	32	(31,933,557,060)	(26,483,815,875)
<b>Gross profit</b>		<b>4,805,128,045</b>	<b>5,087,307,089</b>
Selling and distribution expenses	33	(1,898,651,915)	(1,332,491,292)
Administrative expenses	34	(911,090,672)	(847,590,839)
<b>Profit from operations</b>		<b>1,995,385,458</b>	<b>2,907,224,958</b>
Other income	35	495,556,160	304,621,823
Other expenses	36	(64,204,682)	(104,338,587)
Finance cost	37	(1,091,439,455)	(814,184,296)
Amortization of notional income	9.7 & 10.1	(269,188,360)	(378,896,851)
<b>Profit before income tax and final taxes</b>		<b>1,066,109,121</b>	<b>1,914,427,047</b>
Final taxes	38	(463,207,973)	(395,674,611)
<b>Profit before income tax</b>		<b>602,901,148</b>	<b>1,518,752,436</b>
Taxation	38	(73,325,476)	(48,298,938)
<b>Net profit after tax</b>		<b>529,575,672</b>	<b>1,470,453,498</b>
<b>Earning per share - basic and diluted</b>	39	<b>1.08</b>	<b>2.99</b>

The annexed notes from 1 to 53 form an integral part of these financial statements.

Lahore   
 Chief Executive Officer

  
 Director

  
 Chief Financial Officer

## STATEMENT OF COMPREHENSIVE INCOME For the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>Profit after taxation</b>		<b>529,575,672</b>	1,470,453,498
<b>Other comprehensive income:</b>			
<b>Items that may not be subsequently reclassified to profit or loss :</b>			
Re-measurement of post retirement benefits obligation-net of deferred tax	14	(26,766,542)	(37,100,986)
Surplus on revaluation of fixed assets during the year-net of deferred tax	8	287,939,630	-
<b>Other comprehensive income / (loss) for the year</b>		<b>261,173,088</b>	(37,100,986)
<b>Total comprehensive income for the year</b>		<b>790,748,760</b>	<b>1,433,352,512</b>

The annexed notes from 1 to 53 form an integral part of these financial statements.

			
Lahore	_____ Chief Executive Officer	_____ Director	_____ Chief Financial Officer

## STATEMENT OF CASH FLOWS

### For the year ended June 30, 2024

		2024	2023
	Note	Rupees	Rupees
<b><u>Cash flows from operating activities</u></b>			
Cash generated from operations	40	2,321,723,636	2,409,970,812
Interest / mark-up / return paid		(425,194,851)	(304,890,117)
Taxes paid		(460,645,195)	(355,078,685)
Post retirement benefits paid	14.1.3	(91,993,833)	(178,856,189)
Decrease in long term deposits		556,600	(33,000,000)
WPPF paid	17.1	(100,759,318)	(70,985,799)
<b>Net cash from operating activities</b>		<b>1,243,687,039</b>	<b>1,467,160,022</b>
<b><u>Cash flows from investing activities</u></b>			
Capital expenditure incurred during the year	21	(1,203,509,226)	(362,484,662)
Proceeds from disposal of property, plant and equipment	21.4	13,160,000	413,223
Proceeds from restructuring of long term investments	22	1,746,939	-
Proceeds against receivable from sale of Muzaffargarh unit		5,235,710	349,205,941
Proceeds from disposal of short term investments	27	(12,243,755)	-
Proceeds from National Bank of Pakistan		-	306,022,500
<b>Net cash (used in) / from investing activities</b>		<b>(1,195,610,332)</b>	<b>293,157,002</b>
<b><u>Cash flows from financing activities</u></b>			
Repayment of redeemable capital	9	(429,261,667)	(228,670,000)
Repayment of zero coupon PPTFCs		-	(132,290,000)
Repayment of lease liabilities	13	(549,765)	(454,575)
Increase / (decrease) in short term borrowings - net		470,457,331	(820,105,841)
Repayment of preference shares liability	16	(38,264,933)	-
Payment of dividend on preference shares		(9,413,535)	-
<b>Net cash used in financing activities</b>		<b>(7,032,569)</b>	<b>(1,181,520,416)</b>
<b>Net increase in cash and cash equivalents</b>		<b>41,044,138</b>	<b>578,796,608</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>1,704,098,690</b>	<b>1,125,302,082</b>
<b>Cash and cash equivalents at end of the year</b>	41	<b>1,745,142,828</b>	<b>1,704,098,690</b>

The annexed notes from 1 to 53 form an integral part of these financial statements.

Lahore


  
 Chief Executive Officer


  
 Director


  
 Chief Financial Officer



# STATEMENT OF CHANGES IN EQUITY

## For the year ended June 30, 2024

	Capital Reserves							Rupees	
	Issued, subscribed and paid-up capital	Share premium	Reserve on merger	Preference share redemption reserve	New Zero Coupon PPTFCs Redemption Reserve	Total Reserves	Surplus on revaluation of fixed assets		Unappropriated profit
As at July 01, 2022 - restated	4,913,753,370	2,358,246,761	105,152,005	661,250,830	-	3,124,649,596	3,121,943,764	751,130,233	11,891,476,963
<b>Total comprehensive income for the year:</b>									
Profit for the year ended June 30, 2023	-	-	-	-	-	-	-	1,470,453,498	1,470,453,498
Other comprehensive income for the year ended June 30, 2023	-	-	-	-	-	-	-	(37,100,986)	(37,100,986)
Total comprehensive income for the year ended June 30, 2023	-	-	-	-	-	-	-	1,433,352,512	1,433,352,512
Transfer of incremental depreciation from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	(161,933,097)	161,933,097	-
Transfer of revaluation surplus upon disposal of operating fixed assets	-	-	-	-	-	-	(583,622)	583,622	-
As at June 30, 2023	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
<b>Total comprehensive income for the year:</b>									
Profit for the year ended June 30, 2024	-	-	-	-	-	-	-	529,575,672	529,575,672
Other comprehensive Income for the year:									
Re-measurement gain on employee retirement benefits	-	-	-	-	-	-	-	(37,699,355)	(37,699,355)
Related deferred tax liability on re-measurement gain	-	-	-	-	-	-	-	10,932,813	10,932,813
Revaluation surplus on property, plant and equipment	-	-	-	-	-	-	405,548,775	-	405,548,775
Related deferred tax liability on revaluation surplus	-	-	-	-	-	-	(117,609,145)	-	(117,609,145)
Total comprehensive income for the year ended June 30, 2024	-	-	-	-	-	-	287,939,630	502,809,130	790,748,760
Deferred tax liability on revaluation surplus of property, plant & equipment	-	-	-	-	-	-	(457,173,297)	-	(457,173,297)
Transfer of incremental depreciation from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	(147,047,375)	147,047,375	-
Deferred tax on incremental depreciation from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	42,643,739	-	42,643,739
Transfer to unappropriated profit	-	-	-	(512,883,575)	-	(512,883,575)	-	512,883,575	-
Transfer to New Zero Coupon PPTFCs Redemption Reserve	-	-	-	710,174,286	710,174,286	710,174,286	-	(710,174,286)	-
As at June 30, 2024	4,913,753,370	2,358,246,761	105,152,005	148,367,255	710,174,286	3,321,940,307	2,685,789,742	2,779,565,258	13,701,048,677

The annexed notes from 1 to 53 form an integral part of these financial statements.



**Lahore**

**Chief Executive Officer**



**Director**



**Chief Financial Officer**

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended June 30, 2024

### 1 Legal status and nature of business

Azgard Nine Limited ("the Company") was incorporated in Pakistan as a Public Limited Company and 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. The registered office of the Company is situated at Ismail Aiwan-e-Science, off Shahrah-e-Roomi, Lahore. The Company has two production units with Unit I located at 2.5 km off Manga, Raiwind Road, District Kasur; and Unit II (rented facility) located at Atta Buksh Road, 18-km, off Ferozepur road, Mouza Atari Saroba, Tehseel Cantt, Lahore.

### 2 Basis of preparation

#### 2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 2.2 Investment in Montebello s.r.l. ("MBL")

The Company had the following subsidiary at the start of the year ended June 30, 2018:

Name of company	Country of incorporation	Shareholding
Montebello s.r.l. ("MBL")	Italy	100%

As mentioned in previous financial statements of the Company, in the financial year 2015, the Court of Vicenza, Italian Republic (the Court) granted bankruptcy proposal of the Italian Public Prosecutor and appointed trustee to manage affairs of MBL.

In the financial year 2018, the management, based on advice from the Company's legal counsel, has concluded that as result of ongoing bankruptcy proceedings and management of affairs of MBL by the Court appointed trustee, the Company has ceased to exercise control over activities of MBL. Further, in view of the guidance in International Financial Reporting Standard 10 'Consolidated Financial Statements', the management has concluded that the Company does not have the power to direct the relevant activities of MBL. Resultantly, the Company has ceased recognizing and presenting MBL as its subsidiary. Accordingly, the Company's investment in MBL has been presented as other investment-unquoted (Note 20.1.5).

In the financial year 2021, M/S Taybah Capital Limited, a company based in United Arab Emirates, has purchased liquidation process of MBL, and resultantly the bankruptcy/liquidation process of MBL has been completed.

#### 2.3 Financial restructuring

The creditor's scheme of arrangement approved by the Honorable Lahore High Court (LHC) vide order dated July 31, 2019 was finalized on April 29, 2021. The financial restructuring of the Company has significantly reduced debt burden and finance cost of the Company.

During last years, a bid pertaining to spinning unit located at Alipur road, Muzaffargarh has been finalized by the agent banks and the unit has been sold, as part of the scheme of arrangement. Funds are also being received and it is expected that full amount will be received in near future. Once complete proceeds are received, the same will be distributed among creditors as per creditors' scheme of arrangement.

## 2.4 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain financial instruments measured at fair value and/ or amortized cost and certain items of property, plant and equipment at revalued amounts. In these financial statements, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

## 2.5 Use of estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates, associated assumptions and judgments 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 judgments 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 estimates are revised and in any future periods affected. Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent years are as follows:

### 2.5.1 Depreciation method, rates and useful lives of property, plant and equipment

The management of the Company reassesses useful lives, depreciation method and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from that item and the maximum period up to which such benefits are expected to be available. The rates of depreciation are specified in Note 21.1.

### 2.5.2 Recoverable amount of assets / cash generating units and impairment

The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

### 2.5.3 Fair values based on inputs from other than active market

Fair values of financial instruments, which are based on inputs from other than active market are determined using valuation techniques which incorporate all factors that market participants would consider in setting a price and use inputs that reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

### 2.5.4 Taxation

The Company takes into account the current and deferred income tax law and decisions taken by appellate authorities while estimating its tax liabilities.

### 2.5.5 Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

### 2.5.6 Revaluation of property, plant and equipment

Revaluation of fixed assets is carried out by independent professional valuer. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values.

The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair values. Instead, it may be necessary to revalue the item only every three or five years. The Company uses accumulated depreciation elimination method for appropriate adjustment in financial statements.

**2.5.7 Contingencies**

The Company has disclosed its contingent liabilities for pending litigations and claims against the Company based on its judgment and advice of the legal advisors for estimated financial outcome. The actual outcome of these litigations and claims can have an effect on carrying amounts of the liabilities recognized at reporting date. However, based on the best judgment of the Company and its legal advisors, likely outcome of these litigations and claims is remote and there is no need to recognize any liability at reporting date.

**2.5.8 Provision for doubtful debts, advances and other receivables**

The Company reviews recoverability of its trade receivables, advances and other receivables at each reporting date to assess whether provision should be recorded in the statement of profit or loss. In particular, judgement by management is required in estimates of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on certain assumptions about a number of factors and actual results may differ, resulting in future changes to the provision.

**2.5.9 Stores, spare parts, loose tools, stock in trade and NRVs**

The Company reviews its stores, spare parts, loose tools and stock in trade for possible impairment on an annual basis. Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. A review is made for excess inventories, obsolescence and declines in net realizable value and an allowance is recorded against the inventory balances for any such declines.

**2.5.10 Accounting for defined benefit obligation**

The present value of defined benefit obligation is determined using certain actuarial assumptions, as detailed in Note 14.1.6 of the financial statements. Any future adjustments to these assumptions could influence the gains or losses reported in those periods.

**2.6 Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

**2.7 Adoption of new accounting policy**

For the year ended June 30, 2024, the Company is subject to final taxes.

In May 2024, the Institute of Chartered Accountants of Pakistan (ICAP) issued the IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes (the "Guide"). In light of clarifications from ICAP, it has been established that final taxes do not meet the definition of an income tax expense under IAS 12. Therefore, such taxes should be accounted for under IFRIC 21 Levies and IAS 37 Provisions, Contingent Liabilities, and Contingent Assets. Any amounts deducted as final taxes will be classified as a levy in the statement of profit or loss, with no deferred tax liability or asset recognized.

Similarly, super tax, as charged to the Company under provisions of the Income Tax Ordinance, 2001, will also be classified as a levy in accordance with IFRIC 21 and IAS 37.

These changes have been accounted for in these financial statements in line with the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The application of this guide resulted into following reclassifications, which are presented below:

	<b>Current classification</b>	<b>Previous classification</b>
	-----Rupees-----	
<b>Effect on statement of financial position as at June 30, 2023</b>		
Levies payable	170,662,415	-
Provision for income tax - net	2,746,652	173,409,067
	<u><u>173,409,067</u></u>	<u><u>173,409,067</u></u>
<b>Effect on statement of profit or loss for the year ended June 30, 2023</b>		
Final taxes	395,674,611	-
Current tax	48,298,938	-
Current tax (including super tax)	-	443,973,549
	<u><u>443,973,549</u></u>	<u><u>443,973,549</u></u>

## 2.8 Adoption of Amendment of IAS & IFRS during the year

During the year, the Company adopted the Disclosure of Accounting Policies (Amendment to IAS 1). This amendment requires the disclosure of "material" accounting policies instead of "significant" accounting policies. The amendments did not lead to any changes in the accounting policies themselves. The terminology in the disclosures has been updated accordingly.

## 3 Summary of material accounting policies

Material accounting policies set out below have been applied consistently in presentation of these financial statements.

### 3.1 Property, plant and equipment

#### Owned

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses with the exception of freehold land, which is measured at revalued amount less accumulated impairment losses, plant and machinery and building which are measured at revalued amount less accumulated depreciation and accumulated impairment losses and capital work in progress, which is stated at cost less accumulated impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation.

Parts of an item of property, plant and equipment having different useful lives are recognized as separate items.

Major renewals and improvements to an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit or loss as incurred.

The Company recognizes depreciation in the statement of profit or loss by applying reducing balance method over the useful life of each item of property, plant and equipment using rates specified in Note 21.1 to the financial statements. Depreciation on additions to property, plant and equipment is charged from the month in which the item becomes available for use. Depreciation is discontinued from the month in which it is disposed off or classified as held for disposal.

An item of property, plant and equipment is de-recognized when permanently retired from use. Any gain or loss on disposal of property, plant and equipment is recognized in the statement of profit or loss.

### 3.2 Surplus / (deficit) arising on revaluation of fixed assets

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognized, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of remaining surplus attributable to the assets; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the assets charged to the statement of profit or loss and depreciation based on the assets original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to unappropriated profit.

### 3.3 Stores, spares and loose tools

These are stated at lower of cost and net realizable value. Cost is determined using weighted average method. Items in transit are valued at cost comprising invoice value and other charges paid thereon.

### 3.4 Stock-in-trade

These are valued at lower of cost and net realizable value, with the exception of stock of waste which is valued at net realizable value. Cost is determined using the following basis:

Raw materials	Weighted average cost
Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost
Stock in transit	Invoice price plus related expense incurred up to the reporting date

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labour and a proportion of appropriate manufacturing overheads based on normal operating capacity.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

### 3.5 Employee benefits

#### Short-term employee benefits

The Company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in the statement of profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the approved accounting standards. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

#### Post-employment benefits-Defined benefit plan

The Company operates an unfunded gratuity scheme for all employees according to the terms of employment subject to a minimum qualifying period of service. Annual provision is made on the basis of actuarial valuation to cover obligations under the scheme for all employees eligible to gratuity benefits.

The latest actuarial valuation for gratuity scheme was carried out as at June 30, 2024.

### 3.6 Financial instruments

Financial assets and financial liabilities are recognized in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair values. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from fair values of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit or loss.

#### 3.6.1 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on classification of the financial assets.

#### **Classification of financial assets**

##### **a) Debt instruments measured at amortized cost**

Debt instruments that meet the following conditions are measured subsequently at amortized cost.

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

As at reporting date, the Company carries cash and cash equivalents, trade receivables, due from related parties and employees' advances at amortized cost.

**b) Debt instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

Debt instruments that meet specified conditions and are measured subsequently FVTOCI.

**c) Equity instruments designated as at FVTOCI**

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

**d) Financial assets measured subsequently at Fair Value Through Profit or Loss (FVTPL)**

By default, all other financial assets are measured subsequently through FVTPL.

**Impairment of financial assets**

The Company recognizes a loss allowance for Expected Credit Losses (ECL) on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company recognizes lifetime ECL for trade receivables using simplified approach. The expected credit losses on these financial assets are determined using probability based estimation of future expected cash flows under different scenarios, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money, where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

**(I) Definition of default:**

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of above analysis, the Company considers that default has occurred when a financial asset is more than 180 days past due unless the Company has reasonable and supportable information to demonstrate that a different default criterion is more appropriate.

**(ii) Credit-impaired financial assets:**

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

#### **Write-off policy**

The Company writes off financial assets when there is information indicating that the amount is not recoverable due to the conflict in invoices with customer. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made against financial assets written-off are recognized in the statement of profit or loss.

#### **Derecognition of financial assets**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the statement of profit or loss.

### **3.6.2 Financial liabilities**

Financial liabilities that are not:

- contingent consideration of the Company in a business combination,
- held-for-trading, or
- designated as at FVTPL,

are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

#### **Derecognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the statement of profit or loss.

### **3.7 Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.



### 3.8 Loans and borrowings

Loans and borrowings are classified as 'financial liabilities at amortized cost. On initial recognition, these are measured at fair values at the date the liability are incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in the statement of profit or loss over the period of the borrowings on an effective interest rate basis.

### 3.9 Leases

#### 3.9.1 Right-of-use asset

The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the reducing balance method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

#### 3.9.2 Lease liability

The lease liability is initially measured at present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of the following:

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index, or a rate, initially measured using the index or rate as at commencement date;
- amount expected to be payable under a residual guarantee; and
- the exercise under purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if there is a change in Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in the statement of profit or loss if the carrying amount of the right of use asset has been reduced to zero.

### 3.10 Trade and other payables

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and/or services received, whether or not billed to the Company.

### 3.11 Revenue

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods and services provided in normal course of business.

Revenue from local sales is recognized when goods are dispatched to customers and export sales are recognized on shipment of goods (when performance obligation met). Export rebate is recognized on accrual basis at the time of making the export sales.

Dividend income from investment is recognized when the Company's right to receive dividend is established.

### 3.12 Levy

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government, other than those levies within the scope of other standards e.g., Income taxes and fines or penalties imposed for breaches of legislation. A liability to pay levies is recognized when an obligating event takes place, such as the generation of revenue in the current period.

In these financial statements, levies include final taxes and super taxes, which are based on sales of the Company. Final taxes include taxes charged, withheld, or paid under various provisions of the Income Tax Ordinance, 2001 (the Ordinance). These taxes are computed under the Ordinance without reference to income taxable at the general rate, and the final tax charged, withheld, or paid for a tax year is deemed the final tax liability under the Ordinance. The payment of final tax is considered a full and final discharge of the Company's tax liability for that tax year.

### 3.13 Income tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in the statement of comprehensive income.

#### Current tax

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

#### Deferred taxation

Deferred tax is accounted for using the statement of financial position liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

### 3.14 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

### 3.15 Cash and cash equivalents

Cash and cash equivalents comprise running finances, cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair values, and are used by the Company in the management of its short-term commitments.

### 3.16 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which can not be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has three reportable business segments. Spinning (production of different qualities of yarn using natural and artificial fibers), Weaving (production of different qualities of fabric), and Garments (manufacturing of garments).

### **3.17 Foreign currency transactions and balances**

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rates at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rates at the dates of the transactions.

### **3.18 Dividend recognition**

Dividend is recognized as a liability in the period in which it is declared.

### **3.19 Non-current assets held for sale**

Non-current assets held for sale are presented separately in the statement of financial position when the following criteria are met: the Company is committed to selling the assets, an active plan of sale has commenced, and in the judgement of the management it is highly probable that the sale will be completed within 12 months. Assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell. Non-current assets classified as held for sale are no longer depreciated from date of classification as non-current assets held for sale.

## **4 Amendments of standards, IFRS & IFRS interpretations**

**4.1** The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or have no significant impact on the Company's financial statements other than certain amendments in disclosures.

- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS practice statement 2 - Disclosure of accounting policies
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction. Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract
- Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules

### **4.2 New accounting standards, amendments and IFRS interpretations that are not yet effective**

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them.

	<b>Effective Date (Annual periods beginning on or after)</b>
- Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 1, 2024
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants	January 1, 2024
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 1, 2024
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 1, 2025
- IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 1, 2026
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 1, 2026

**4.3 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)**

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

- IFRS 18 - Presentation and Disclosures in Financial Statements
- 'IFRS 19 - Subsidiaries without Public Accountability: Disclosures

**5 Receivable against sale of Muzaffargarh unit**

As mentioned in Note 2.3, the Spinning Unit at Alipur road, Muzaffargarh unit was sold. An amount of Rs. 714 million is receivable as at 30 June 2024 (2023: Rs. 719 million). Title of land and building is in the name of Azgard Nine Limited while original property documents are with agent bank.

6	Share capital	Note	2024 Rupees	2023 Rupees
	<b><u>Authorized share capital</u></b>			
	Ordinary shares of Rs. 10 each			
	900,000,000 (2023: 900,000,000) voting shares		9,000,000,000	9,000,000,000
	300,000,000 (2023: 300,000,000) non-voting shares		3,000,000,000	3,000,000,000
			<b>12,000,000,000</b>	12,000,000,000
	Preference shares of Rs. 10 each			
	300,000,000 (2023: 300,000,000) non-voting shares		3,000,000,000	3,000,000,000
			<b>15,000,000,000</b>	15,000,000,000
	<b><u>Issued, subscribed and paid up capital</u></b>			
	Voting ordinary shares of Rs. 10 each			
	359,773,025 (2023: 359,773,025) shares fully paid in cash		3,597,730,250	3,597,730,250
	62,548,641 (2023: 62,548,641) shares issued as paid bonus shares		625,486,410	625,486,410
	12,276,073 (2023: 12,276,073) shares issued as consideration for machinery		122,760,730	122,760,730
	50,811,992 (2023: 50,811,992) shares issued as consideration on merger		508,119,920	508,119,920
			<b>4,854,097,310</b>	4,854,097,310

	Note	2024 Rupees	2023 Rupees
Non-voting ordinary shares of Rs. 10 each 5,196,894 (2023: 5,196,894) shares fully paid in cash 768,712 (2023: 768,712) shares issued as fully paid bonus shares		51,968,940	51,968,940
		7,687,120	7,687,120
		59,656,060	59,656,060
	6.1	4,913,753,370	4,913,753,370

**6.1** As at June 30, 2024, Jahangir Siddiqui & Co. Limited holds 121,158,363 (2023: 121,158,363) number of voting ordinary shares of the Company.

	Note	2024 Rupees	2023 Rupees
<b>7 Reserves</b>			
Share premium	7.1	2,358,246,761	2,358,246,761
Merger reserve	7.2	105,152,005	105,152,005
Redemption of preference shares	7.3	148,367,255	661,250,830
New Zero Coupon PPTFCs Redemption Reserve	7.4	710,174,286	-
		3,321,940,307	3,124,649,596

**7.1 Share premium**

This represents excess of consideration received on issue of ordinary shares over face value of ordinary shares issued.

**7.2 Merger reserve**

This represents reserve arising on merger of Nafees Cotton Mills Limited into Legler Nafees Denim Mills (presently Azgard Nine Limited) on December 19, 2002.

**7.3 Preference shares redemption reserve**

This reserve has been created for redemption of preference shares issued by the Company as required to be created and maintained under the terms of issue. During the year, the Company has transferred an amount of Rs. 512.88 million from preference shares redemption reserve to unappropriated profit.

**7.4 New Zero Coupon PPTFCs Redemption Reserve**

There is outstanding amount of Rs. 4,971 million in respect of new zero coupon PPTFCs which are payable on April 29, 2031. During the year, the Company has decided to create a reserve for the redemption of these PPTFCs and accordingly an amount of Rs. 710.17 million has been transferred to this reserve from unappropriated profit.

8	<b>Surplus on revaluation of fixed assets - net of tax</b>	Note	<b>2024 Rupees</b>	2023 Rupees
	As at beginning of the year		2,959,427,045	3,121,943,764
	Add: surplus on fresh revaluation during the year		405,548,775	-
	Less: revaluation surplus transferred to unappropriated profit on sale of operating fixed assets		-	(583,622)
	Less: incremental depreciation transferred to unappropriated profit		(147,047,376)	(161,933,097)
	As at end of the year		3,217,928,444	2,959,427,045
	Deferred tax liability on revaluation surplus as at July 01		-	-
	Deferred tax liability on revaluation balance of property, plant & equipment	14.2	(574,782,441)	-
	Reduction in deferred tax liability due to incremental depreciation charged during the year		42,643,739	-
	Deferred tax liability on revaluation surplus as at end of the year		(532,138,702)	-
	Revaluation surplus as at year end - net		2,685,789,742	2,959,427,045
			<b>2024 Rupees</b>	2023 Rupees
9	<b>Redeemable capital - secured</b>			
	Privately Placed Term Finance Certificates	9.1	200,481,966	250,602,457
	Privately Placed Term Finance Certificates	9.2	133,385,994	166,732,493
	Sub-Privately Placed Term Finance Certificates	9.3	1,190,024,323	1,497,115,000
	Sub-Sukuk certificates - Islamic	9.4	154,816,000	193,520,000
			1,678,708,283	2,107,969,950
	Less: transaction costs	9.5	(133,726,945)	(100,708,976)
			1,544,981,338	2,007,260,974
	Less: unamortized notional income on liabilities	9.7	(93,123,871)	(142,276,617)
	Less: current maturity presented under current liabilities	15	(421,593,990)	(421,593,990)
			1,030,263,477	1,443,390,367

9.1 These Privately Placed Term Finance Certificates ("PPTFCs") were issued in 2012 by way of Settlement Agreement ("the Agreement") between the Company and JS Global Capital Limited dated October 22, 2012 effective from October 19, 2012. These PPTFCs were restructured during financial year 2021 as per the terms of Lahore High Court Approved Creditors' Scheme of Arrangement (the "Approved Scheme"). The total issue comprised of 12 PPTFCs having face value of Rs. 27.21 million each. Major terms and conditions of the issue are as follows:

#### **Principal redemption**

The principal redemption of these PPTFCs has been structured in twenty equal quarterly installments starting from July 29, 2023 and ending on April 29, 2028 however as per the terms of Approved Scheme the maximum tenor for redemption of these PPTFCs is ten years from Time Zero Date (Time Zero Date is April 29, 2021). An amount of Rs. 50.12 million has been redeemed during the year.

#### **Return on PPTFCs**

The issue carries a fixed mark-up rate at 5% per annum.

#### **Trustee**

In order to protect the interests of PPTFC holders, JS Bank Limited has been appointed as Trustee under a Trust Deed for the issue of PPTFCs entered on October 23, 2012.

#### **Securities**

For detail of securities, refer to Note 9.6.

- 9.2 These Privately Placed Term Finance Certificates ("PPTFCs") were issued by way of Settlement Agreement ("the Agreement") between the Company and lenders dated October 22, 2012 effective from October 19, 2012. These PPTFCs were restructured during financial year 2021 as per the terms of Approved Scheme. Total issue comprised of 21,720 PPTFCs having face value of Rs. 10,000 each. Major terms and conditions of the issue are as follows:

**Principal redemption**

The principal redemption of these PPTFCs has been structured in twenty equal quarterly installments starting from July 29, 2023 and ending on April 29, 2028 however as per the terms of Approved Scheme the maximum tenor for redemption of these PPTFCs is ten years from Time Zero Date. An amount of Rs. 33.35 million has been redeemed during the year.

**Return on PPTFCs**

The issue carries a fixed mark-up rate at 5% per annum.

**Trustee**

In order to protect the interests of PPTFC holders, JS Bank Limited has been appointed as Trustee under a Trust Deed for the issue of PPTFCs entered on October 23, 2012.

**Securities**

For detail of securities, refer to Note 9.6.

- 9.3 These Privately Placed Term Finance Certificates ("Sub PPTFCs") had been issued as per the terms of Approved Scheme to the secured creditors of the Company with effect from Time Zero Date. Major terms and conditions of such issue are as follows:

**Principal redemption**

The principal redemption of these PPTFCs has been structured in twenty equal quarterly installments starting from July 29, 2023 and ending on April 29, 2028, however, as per the terms of Approved Scheme the maximum tenor for redemption of these PPTFCs is ten years from Time Zero Date. An amount of Rs. 307.09 million has been redeemed during the year.

**Return on Sub PPTFCs**

The issue carries a fixed mark-up rate at 5% per annum, payable only if excess cash is available with the Company. In case excess cash is not available, the annual mark-up payable will be converted into Unsecured Zero Coupon PPTFCs. The Unsecured Zero Coupon PPTFCs shall be paid at a future date as per the Company's available cash flows within 10 years from time zero date after payment of all other long term liabilities (except New Zero Coupon PPTFCs) as per clause 13(v) of the Approved Scheme.

**Investment Agent**

In order to safeguard the rights and interests of Sub PPTFC holders, Pak Brunei Investment Company Limited has been appointed as Investment agent under the Sub PPTFCs Issuance Agreement.

**Securities**

For detail of securities, refer to Note 9.6.

- 9.4 These Privately Placed Sukuk Certificates ("Sub Sukuk Certificates") had been issued to Faysal Bank Limited as per the terms of the Approved Scheme. The total issue comprises of 38,704 Sub Sukuk Certificates having face value of Rs. 5,000 each. Major terms and conditions of the issue are as follows:

**Principal redemption**

The principal redemption of Sukuk has been structured in twenty equal quarterly installments starting from July 29, 2023 and ending on April 29, 2028. However, as per the terms of Approved Scheme, the maximum tenor for redemption of these certificates is ten years from Time Zero Date. An amount of Rs. 38.70 million has been redeemed during the year.

**Return on Sub Sukuks**

The issue carries a fixed profit rate at 5% per annum, payable only if excess cash is available with the Company. In case excess cash is not available, the annual mark-up payable will be converted into Unsecured Zero Coupon Sukuk Certificates. These Unsecured Zero Coupon Sukuk Certificates shall be paid at a future date as per the Company's available cash flows within 10 years from time zero date after payment of all other long term liabilities (except the New Zero Coupon PPTFCs) as per clause 13(v) of the Approved Scheme.

In order to protect the rights and interests of Sub Sukuk Certificates holder, Pak Brunei Investment Company Limited has been appointed as the Investment Agent under the Sub Sukuk Investment Agency Agreement.

**Securities**

For detail of securities, refer to Note 9.6.

		<b>2024</b>	2023
	<b>Note</b>	<b>Rupees</b>	Rupees
<b>9.5 Transactions costs</b>			
As at beginning of the year		<b>100,708,976</b>	108,522,102
Capitalized / transferred during the year		<b>53,987,924</b>	7,764,000
Less: amortized during the year	37	<b>(20,969,955)</b>	(15,577,126)
As at end of the year		<b>133,726,945</b>	100,708,976
<b>9.6 Common securities</b>			

All redeemable capital and long term finances are secured by way of common security which is as follows:

- First priority hypothecation and mortgage charge of Rs. 23,809 million each in favor of National Bank of Pakistan, as security trustee; and
- Personal Guarantee of Sponsor Director.

**9.7** During the year, amount of Rs. 49.15 million (2023: Rs. 110.59 million) was charged on redeemable capital, as amortization of notional income.

**10 New zero coupon privately placed term finance certificates**

		<b>2024</b>	2023
	<b>Note</b>	<b>Rupees</b>	Rupees
New zero coupon privately placed term finance certificates		<b>4,971,220,000</b>	4,971,220,000
Less: unamortized notional income	10.1	<b>(2,056,907,217)</b>	(2,276,942,831)
		<b>2,914,312,783</b>	2,694,277,169

These New Zero Coupon Privately Placed Term Finance Certificates ("New Zero Coupon PPTFCs") had been issued as per the terms of the Approved Scheme. The total issue comprised of 1,020,702 PPTFCs having face value of Rs. 5,000 each. Major terms and conditions of the issue are as follows:

**Principal redemption**

The principal redemption of New Zero Coupon PPTFCs is structured to be in one time bullet payment on April 29, 2031.

**Return on New Zero Coupon PPTFCs**

The issue carries nil return.

**Investment Agent**

In order to protect the rights and interests of New Zero Coupon PPTFC holders, Pak Brunei Investment Company Limited has been appointed as the Investment agent.



**Security**

The issue is secured by:

- Ranking hypothecation and Mortgage charges in favor of the Security Agent i.e. National Bank of Pakistan over the hypothecated & mortgaged assets of the company with amount of up to Rs. 7,000 million each.
- Personal Guarantee of Sponsor Director in favor of Security Agent.

10.1 During the year, amount of Rs. 220.04 million (2023: Rs. 268.31 million) have been charged on zero coupon privately placed term finance certificates, as amortization of notional income.

11 Preference shares liability	2024 Rupees	2023 Rupees
Preference shares liability	290,730,546	148,367,255
Less: Current portion	(73,881,700)	(148,367,255)
	<b>216,848,846</b>	-

11.1 These represent non-voting, non-participatory, partly convertible and cumulative preference shares which were redeemable on September 24, 2010. Amounts of Rs. 9.41 million in respect of preference dividend and markup amounting to Rs. 180.63 million was due. During the year, such liability has been rescheduled as a result of settlement plan approved by the preference shareholders in their meeting held on January 18, 2024

11.2 In accordance with such settlement plan, full payment of outstanding dividend has been made. For preference shareholders holding up to 2,500 preference shares, outstanding amount of Rs. 1.32 million has also been paid. For preference shareholders holding more than 2,500 preference shares, their outstanding principal amount will be settled in equal bi-annual instalments over two years, starting from June 30, 2024. The first instalment amounting to Rs. 36.94 million has been paid on June 26, 2024. Similarly, accrued mark-up for preference shareholders having more than 2,500 preference shares will be paid off within three years in equal bi-annual instalments commencing from June 30, 2026.

12 Long term finances - secured	Note	2024 Rupees	2023 Rupees
Settlement finance under restructuring scheme	12.1 & 12.2	1,081,208,932	1,081,208,932
Less: current maturity presented under current liabilities	15	(1,081,208,932)	(1,081,208,932)
		-	-

12.1 This Settlement Finance was created as per Clause 5.2(c) & 5.3(c) of the Approved Scheme. Major terms and conditions of the Settlement Finance are as follows:

**Principal repayment**

The Settlement Finance is to be settled from sale proceeds of ANL Unit-II (Muzaffargarh unit) and 28,022 AGL PPTFCs held by the Company. In case net proceeds (net of mark-up on Settlement Finance and Restructuring expenses) received in Escrow account are more than outstanding settlement finance amount then after total repayments of settlement finance, exposure of remaining creditors will be adjusted from these excess funds.

**Return on Term Loan**

The issue carries a fixed mark-up rate at 5% per annum.

**Securities**

The issue is secured by:

- The original title deeds of Muzaffargarh property documents are held as security with Escrow Agent Bank i.e. Bank Makramah Limited (Summit Bank Limited).
- Common Security (refer to Note 9.6)

12.2 This has not been amortized as its impact is immaterial.

13	<b>Lease liabilities</b>	Note	2024 Rupees	2023 Rupees
	As at beginning of the year		1,323,720	1,778,294
	Interest expense for the year		137,607	202,867
	Payments made during the year		(687,372)	(657,441)
	As at end of the year		<u>773,955</u>	<u>1,323,720</u>
	Current portion of lease liability	15	<u>773,955</u>	549,369
	Non-current portion of lease liability		-	774,351

**13.1** This represents vehicle acquired under finance lease arrangements. The lease is secured by 20% down payment, insurance in lessor's favor and post dated cheques in favor of lessor for entire principal along with markup amount. Rentals are payable monthly / annually. The leases is priced at six month KIBOR plus 4% per annum (2023: six month KIBOR plus 4% per annum). Under the terms of agreement, taxes, repairs, replacements and insurance costs in respect of assets subject to lease are borne by the Company. The Company also has the option to acquire these assets at the end of the respective lease terms and intends to exercise the option.

14	<b>Deferred liabilities</b>	Note	2024 Rupees	2023 Rupees
	Gratuity payable	14.1	978,693,584	720,547,969
	Deferred tax	14.2	521,205,889	-
			<u>1,499,899,473</u>	<u>720,547,969</u>

**14.1** The Company operates a defined benefit plan comprising an un-funded gratuity scheme for its permanent employees.

14.1.1	<b>Amounts recognized in the statement of financial position</b>	2024 Rupees	2023 Rupees
	Present value of the defined benefit obligation	1,004,139,626	729,061,347
	Benefits due but not paid - recognized as current liability	(25,446,042)	(8,513,378)
	Net liability recognized in the statement of financial position	<u>978,693,584</u>	<u>720,547,969</u>
14.1.2	<b>Movement in the present value of the defined benefit obligation</b>		
	Obligation at the beginning of the year	729,061,347	605,826,001
	Current service cost	221,133,990	198,941,981
	Interest cost	108,238,767	66,048,568
	Benefits paid during the year	(91,993,833)	(178,856,189)
	Actuarial (gain) / loss during the year	(38,294,912)	27,627,141
	Experience adjustments	75,994,267	9,473,845
	Obligation at the end of the year	<u>1,004,139,626</u>	<u>729,061,347</u>
14.1.3	<b>Movement in liability</b>		
	At the beginning of the year	729,061,347	605,826,001
	Charge for the year	329,372,757	264,990,549
	Remeasurements chargeable in other comprehensive income	37,699,355	37,100,986
	Benefits paid	(91,993,833)	(178,856,189)
	At the end of the year	<u>1,004,139,626</u>	<u>729,061,347</u>

	2024 Rupees	2023 Rupees
<b>14.1.4 Amount recognized in the Statement of Profit or Loss</b>		
Current service cost	221,133,990	198,941,981
Interest cost	108,238,767	66,048,568
	<b>329,372,757</b>	<b>264,990,549</b>
<b>14.1.5 Amount chargeable to other comprehensive income</b>		
Actuarial (gains) / losses from changes in financial assumptions	(38,294,912)	27,627,141
Experience adjustments	75,994,267	9,473,845
	<b>37,699,355</b>	<b>37,100,986</b>
<b>Expense recognized in following line items in the Statement of Profit or Loss</b>		
Cost of sales	289,288,673	213,411,298
Administrative expenses	25,693,851	37,137,009
Selling and distribution expenses	14,390,233	14,442,240
	<b>329,372,757</b>	<b>264,990,547</b>
<b>14.1.6 Principal actuarial assumptions used were as follows:</b>		
Discount rate used for interest cost in profit and loss statement	16.25%	13.25%
Discount rate used for year end obligation	14.75%	16.25%
Future salary increase per annum	14.25%	15.25%
Mortality rates	SLIC 2001-2005	SLIC 2001-2005
Withdrawal factor	Age Based	Age Based
Retirement age of the employee	60 years	60 years

14.1.7 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2024	
	Impact on defined benefit obligation	
	1% Increase in assumption	1% Decrease in assumption
	Rupees	Rupees
Discount rate	918,505,263	1,047,056,931
Salary growth rate	1,044,062,235	920,282,720
	2023	
	Impact on defined benefit obligation	
	1% Increase in assumption	1% Decrease in assumption
	Rupees	Rupees
Discount rate	672,111,333	775,982,022
Salary growth rate	777,945,708	669,499,490

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognized within the statement of financial position.

14.1.8 Estimated expense to be charged to P & L in FY 2025

	Rupees
Current service cost	274,358,552
Interest cost on defined benefit obligation	129,190,090
<b>Amount chargeable to P &amp; L</b>	<b>403,548,642</b>

**14.1.9 Historical information**

Comparison of present value of defined benefit obligation for five years is as follows:

	June 2024	June 2023	June 2022	June 2021	June 2020	June 2019
	-----Rupees-----					
Present value of defined benefit obligations	<b>1,004,139,626</b>	729,061,347	605,826,001	519,739,945	419,524,491	383,204,296

**14.2 Deferred taxation - net**

The liability for deferred taxation comprises temporary differences related to:

Deferred tax liability arising on:

	2024 Rupees	2023 Rupees
Accelerated tax depreciation	(703,106,772)	-
Surplus on revaluation of fixed assets	(532,138,702)	-
Redeemable capital	(38,780,814)	-

Deferred tax asset arising on:

Long term investments	300,326,985	-
Trade receivables	143,202,531	-
Other receivables	25,469,744	-
Gratuity	283,821,139	-
	<b>(521,205,889)</b>	-

**14.2.1 Movement in deferred tax balances in as follows:**

	2024			
	Opening balance	Profit & loss	Equity / OCI	Closing balance
	Rs.	Rs.	Rs.	Rs.
Deferred taxation on:				
Taxable / (deductible) temporary differences:				
Accelerated tax depreciation	-	(703,106,772)	-	(703,106,772)
Surplus on revaluation of fixed assets	-	-	(532,138,702)	(532,138,702)
Redeemable capital	-	(38,780,814)	-	(38,780,814)
Long Term Investments	-	300,326,985	-	300,326,985
Trade receivables	-	143,202,531	-	143,202,531
Due from AGL	-	25,469,744	-	25,469,744
Gratuity	-	272,888,326	10,932,813	283,821,139
		-	(521,205,889)	(521,205,889)

**14.2.2** The Company has not recognized deferred tax asset on deductible temporary difference on investments amounting to Rs. 492.95 million as it is not probable that taxable profits will be available against which these deductible temporary differences can be utilized in future years as income tax laws restrict utilization of such losses as deduction against income of other sources of future years.

	Note	2024 Rupees	2023 Rupees
<b>15 Current portion of non-current liabilities</b>			
Preference shares liability	11	73,881,700	148,367,255
Long term finances	15.1	1,081,208,932	1,081,208,932
Redeemable capital	9	421,593,990	421,593,990
Lease liabilities	13	773,955	549,369
		<b>1,577,458,577</b>	<b>1,651,719,546</b>

**15.1** The Settlement Finance has been reported under current liabilities as the assets relating to Muzaffargarh unit of the Company have been sold and their proceeds are being received in the Escrow account for onward distribution among Settlement Finance creditors.

**16 Short term borrowings****Secured**

These represent short term finances utilized under interest/ mark-up arrangements from banking companies and financial institutions.

	Note	2024 Rupees	2023 Rupees
Export refinances/ term loans	16.1&16.2	2,138,251,091	1,724,551,091
Bills payable	16.1&16.2	59,075,241	2,317,910
Bank overdraft	16.3	8,093,584	1,510,733
		<b>2,205,419,916</b>	<b>1,728,379,734</b>

- 16.1** Export refinances are post shipment refinance facilities under EFS of State Bank of Pakistan. Mark-up on these finances is payable at SBP refinance rate plus banks' spread of 1.00% per annum ranging from 18% to 19% (2023: SBP refinance rate plus banks' spread of 1.00% per annum ranging from 10% to 18%). Bills payable are letters of credit and these carry commission at rates ranging from 0.10% to 0.40% per quarter (2023: 0.10% to 0.40% per quarter).

These facilities have been obtained from various banking companies and financial institutions for working capital requirements and are secured by way of Securities mentioned in Note 9.6, lien over firm export orders/ documents, demand promissory notes and pledge of stocks.

- 16.2** The aggregate available short term funded facilities amount to Rs. 3,744.91 million (2023: Rs. 3,778.93 million) out of which Rs. 546.82 million (2023: Rs. 1,990.11 million) remained unavailed as at the reporting date. Limits available for opening of letters of credit amount to Rs. 700 million (2023: Rs. 600 million) of which the limits remaining unutilized as at the reporting date amount to Rs. 538.40 million (2023: Rs. 597.68 million).

- 16.3** These have arisen due to issuance of cheques near balance sheet date. However, relevant bank statements show favorable balances.

	Note	2024 Rupees	2023 Rupees
<b>17 Trade and other payables</b>			
Trade and other creditors		3,215,967,672	2,831,427,445
Accrued liabilities		1,011,460,669	836,940,450
Tax deducted at source		21,730,534	15,742,439
Workers' profits participation fund	17.1	56,111,006	100,759,318
Other payables		8,650,935	9,448,697
		<b>4,313,920,816</b>	<b>3,794,318,349</b>

**17.1 Workers' profits participation fund**

Balance at the beginning of the year		100,759,318	70,985,799
Charge for the year	36	56,111,006	100,759,318
Less: payments during the year		(100,759,318)	(70,985,799)
Balance at the end of the year		<b>56,111,006</b>	<b>100,759,318</b>

**18 Interest / mark-up accrued on borrowings**

Preference shares	11	-	176,215,518
Redeemable capital - <i>secured</i>		14,502,002	18,206,591
Long term finances - <i>secured</i>		156,093,858	111,557,010
Short term borrowings - <i>secured</i>		31,205,599	16,127,074
		<b>201,801,459</b>	<b>322,106,193</b>

**19 Dividend payable on preference shares**

Preference dividend was due for payment on November 21, 2010, however, no payments were made until 30 June 2023. During the year 2013, the Company had partially adjusted the preference dividend against the new issue of PPTFCs. During the year, this has also been restructured by way of settlement plan approved by preference shareholders in their meeting held on January 18, 2024 (Refer to Note 11).

## 20 Contingencies and commitments

### 20.1 Contingencies

- 20.1.1** The Company has not accrued expense relating to Gas Infrastructure Development Cess ("GIDC") billed to the Company prior to the promulgation of The Gas Infrastructure Development Cess, 2015. Total amount billed to the Company is Rs. 98.19 million. On appeal of the Company, the Honorable Lahore High Court decided the case of GIDC arrears in SNGPL bills in favor of the Company. SNGPL has filed appeal in division bench of Honorable Lahore High Court. SNGPL's appeal is pending adjudication. The management of the Company expect favorable outcome of the case.
- 20.1.2** EOBI contribution for employees is being calculated based on a basic salary of Rs. 13,000 instead of Rs. 32,000 (minimum wage notified for FY 2024). The Company believes that the statutory increase in the minimum wage does not apply based on Supreme Court judgment (PLD 2017 SC 28) dated 27-09-2016, which has declared amendments made in EOBI Act (and other welfare laws) as ultra vires to the Constitution of Pakistan as a result of which any statutory increase in Contributions after 2005 is not legally binding on entities operating in Pakistan. The Company is contesting EOBI demands in different courts. The management, based on legal opinion, has not made any further provision in these financial statements and expects favorable outcome of such cases.
- 20.1.3** The Company has issued indemnity bonds amounting to Rs. 1.01 billion (2023: Rs. 679.32 million) in favour of Collector of Customs and Sales Tax department in lieu of levies under various statutory notifications and these are likely to be released after the fulfilment of the terms of related notifications.
- 20.1.4** The assessments of the Company up to and including tax year 2023 have been completed except for tax years 2003, 2007, 2008 and 2009. Orders of CIR Appeal and Appellate Tribunal Inland Revenue (ATIR) for mentioned tax years are in the favor of the Company however, Income Tax Department has referred to Honorable Lahore High Court ("Court"). Another case for tax year 2009, the department has filed reference in Supreme court against favorable order of the Court which is pending adjudication. Even in case of unfavorable decision of the Court, no material impact is expected on these financial statements.
- 20.1.5** Other multiple cases involving points of law are subject to adjudication before Honorable Lahore High Court and other forums. However, individually these are not so significant and the management expects favorable outcome of such cases.
- 20.1.6** M/S Montebello S.R.L (MBL) had gone into liquidation process and bankruptcy/liquidation process of MBL is completed. During the process, Taybah Capital Limited ("TCL"), a company based in United Arab Emirates, took over the liquidation process of MBL. Through writ of summon dated March 31, 2021, TCL instituted claim of EUR 7 million on account of quantification of damages against the Company. The Company engaged legal advisor for contesting this case in the Court of Venice, Italy. The next hearing of Court of Venice has now been postponed for December 18, 2024.

During liquidation process, all creditors of the MBL filed their claims and Azgard Nine Limited also filed its claim in Court of Vicenza. TCL also joined the liquidation proceedings in the Court of Vicenza, Italy. The Court of Vicenza accepted and awarded last year TCL's claim of Euro 2,048,783. The Company filed an appeal against this order. The Court of Appeal of Venice partially accepted Company's grounds of appeal in the part in which the Company was able to put forward some important questions of law. It is important to note that no new evidence or documents can be introduced in an appeal and only law points may be discussed. On merits, the decision remains that of the Court of Vicenza. Consequent to this decision, it appears that chances of any recovery from counter claim filed by the Company have vanished. The Company has filed appeal in Italian Supreme Court against this decision of the Court of Appeal of Venice. Date of hearing has not yet been fixed.

Since the matter is sub-judice and it may take several years for a final decision, consequently, the Company has not recorded any provision in these financial statements.

<b>20.2 Commitments</b>		<b>2024</b>	<b>2023</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>20.2.1 Commitments under irrevocable letters of credit for:</b>			
-	Purchase of plant, machinery and loose tools	<b>182,475,526</b>	65,278,411
-	Purchase of raw material	<b>52,774,586</b>	56,673,717
		<b>235,250,112</b>	121,952,128
<b>20.2.2 Commitments for capital expenditure</b>		<b>158,676,099</b>	79,218,435
<b>20.2.3 Counter Guarantees given by the Company to its bankers as at the reporting date amount to Rs. 285.79 million (2023: Rs. 228.56 million).</b>			
<b>20.2.4 Bills discounted as at reporting date aggregated to Rs. 2,767.17 million (2023: Rs. 682.38 million).</b>			
<b>21</b>	<b>Property, plant and equipment</b>	<b>2024</b>	<b>2023</b>
		<b>Rupees</b>	<b>Rupees</b>
	<b>Note</b>		
	Operating fixed assets	<b>10,277,401,479</b>	10,056,855,140
	Capital work in progress - <i>at cost</i>	<b>691,074,808</b>	106,684,342
	Right of use assets	<b>968,929</b>	1,211,162
		<b>10,969,445,216</b>	10,164,750,644

21.1 Operating fixed assets

Particulars	2024										Net Book Value as at June 30, 2024
	Cost / Revalued amount					Depreciation					
	As at July 01, 2023	Additions during the year	Disposals during the year	Revaluation Adjustment	As at June 30, 2024	Rate %	As at July 01, 2023	For the year	Disposals adjustments	As at June 30, 2024	
Rupees											
<b>Owned assets</b>											
Freehold land	1,316,405,000	-	-	257,545,000	1,573,950,000	-	-	-	-	-	1,573,950,000
Buildings on freehold land	2,493,854,794	63,371,599	-	58,572,297	2,615,798,690	5	167,123,679	117,405,011	-	284,528,690	2,331,270,000
Plant and machinery	6,891,009,366	323,115,372	(4,055,138)	89,431,478	7,299,501,078	10	931,131,337	602,573,665	(876,924)	1,532,828,078	5,766,673,000
Furniture, fixtures and equipment	549,903,556	60,310,208	-	-	610,213,764	10	338,360,708	23,505,625	-	361,866,333	248,347,431
Electrical installations	268,006,064	21,473,595	-	-	289,479,659	10	135,681,874	14,154,291	-	149,836,165	139,643,494
Computer Equipment	166,246,443	12,565,709	-	-	178,812,152	30	124,756,831	13,718,716	-	138,475,547	40,136,605
Vehicles	131,285,823	138,482,276	(12,839,740)	-	256,928,359	20	62,801,477	20,232,044	(3,486,111)	79,547,410	177,380,949
<b>Grand Total</b>	<b>11,816,711,046</b>	<b>619,118,759</b>	<b>(16,894,878)</b>	<b>405,548,775</b>	<b>12,824,483,702</b>		<b>1,759,855,906</b>	<b>791,589,352</b>	<b>(4,363,035)</b>	<b>2,547,082,223</b>	<b>10,277,401,479</b>
Rupees											
Particulars	2023										Net Book Value as at June 30, 2023
	Cost / Revalued amount					Depreciation					
	As at July 01, 2022	Additions during the year	Disposals during the year	Revaluation Adjustment	As at June 30, 2023	Rate %	As at July 01, 2022	For the year	Disposals adjustments	As at June 30, 2023	
Rupees											
<b>Owned assets</b>											
Freehold land	1,316,405,000	-	-	-	1,316,405,000	-	-	-	-	-	1,316,405,000
Buildings on freehold land	2,234,960,979	258,893,815	-	-	2,493,854,794	5	55,838,141	111,285,538	-	167,123,679	2,326,731,115
Plant and machinery	6,711,415,807	182,904,048	(3,310,489)	-	6,891,009,366	10	281,495,762	650,053,679	(418,104)	931,131,337	5,959,878,029
Furniture, fixtures and equipment	519,891,501	30,012,055	-	-	549,903,556	10	316,957,145	21,403,563	-	338,360,708	211,542,848
Electrical installations	240,289,854	27,716,210	-	-	268,006,064	10	123,446,792	12,235,082	-	135,681,874	132,324,190
Computer Equipment	155,391,658	10,854,785	-	-	166,246,443	30	110,365,629	14,391,202	-	124,756,831	41,489,612
Vehicles	81,194,583	50,091,240	-	-	131,285,823	20	53,941,707	8,859,770	-	62,801,477	68,484,346
<b>Grand Total</b>	<b>11,259,549,382</b>	<b>560,472,153</b>	<b>(3,310,489)</b>	<b>-</b>	<b>11,816,711,046</b>		<b>942,045,176</b>	<b>818,228,834</b>	<b>(418,104)</b>	<b>1,759,855,906</b>	<b>10,056,855,140</b>
Rupees											



21.1.1 Particulars of immovable property (i.e. land and building) in the name of the Company at the manufacturing facility of Manga have a total area of 71.54 Acres with covered area of 1,389,022 square feet.

21.1.2 The depreciation charge for the year has been allocated as follows:	Note	2024 Rupees	2023 Rupees
Cost of sales	32	753,002,006	791,151,895
Administrative expenses	34	38,829,580	27,379,730
		<b>791,831,586</b>	<b>818,531,625</b>

21.1.3 The Company follows the revaluation model for its Freehold land, Building on freehold land, and Plant & Machinery. The fair value measurement of Freehold land, Building on freehold land and Plant & Machinery as at June 30, 2024 was performed by Hamid Mukhtar & Co. (Pvt) Limited, independent valuer not related to the Company. Hamid Mukhtar & Co. (Pvt) Limited possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations. Forced sale value of revalued assets are estimated to be in range of 75% to 80% of such assets.

The fair value of the assets was determined using the comparable price method after performing detailed enquiries and verification from various estate agents, brokers, builders and importer of machinery supplier keeping in view the location of the property / project, condition, size, utilization, and other relevant factors.

Had there been no revaluation, net book value of revalued property plant and equipment as at June 30, 2024 would be as follows:

	2024 Rupees	2023 Rupees
Freehold land	190,982,598	190,982,598
Buildings on freehold land	1,582,479,610	1,600,159,936
Plant and machinery	4,680,502,348	4,852,444,565

Details of the Company's assets and information about fair value hierarchy as at June 30, 2024 are as follows :

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Land	-	1,573,950,000	-	1,573,950,000
Buildings	-	2,331,270,000	-	2,331,270,000
Plant and machinery	-	5,766,673,000	-	5,766,673,000
Total	-	9,671,893,000	-	9,671,893,000

Details of the Company's assets and information about fair value hierarchy as at June 30, 2023 are as follows :

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Land	-	1,316,405,000	-	1,316,405,000
Buildings	-	2,326,731,115	-	2,326,731,115
Plant and machinery	-	5,959,878,029	-	5,959,878,029
Total	-	9,603,014,144	-	9,603,014,144

## 21.2 Capital work in progress

	2024			
	As at July 01, 2023	Additions during the year	Transfers during the year	As at June 30, 2024
	-----Rupees-----			
Buildings	69,940,589	131,013,752	(63,371,599)	137,582,742
Plant and machinery	36,743,753	748,994,060	(232,245,747)	553,492,066
	<b>106,684,342</b>	<b>880,007,812</b>	<b>(295,617,346)</b>	<b>691,074,808</b>
	2023			
	As at July 01, 2022	Additions during the year	Transfers during the year	As at June 30, 2023
	-----Rupees-----			
Buildings	133,912,132	108,491,224	(172,462,767)	69,940,589
Plant and machinery	170,759,700	149,442,204	(283,458,151)	36,743,753
	<b>304,671,832</b>	<b>257,933,428</b>	<b>(455,920,918)</b>	<b>106,684,342</b>

21.3 Right of use assets

Particulars	2024				Net Book Value as at June 30, 2024
	Cost / Revalued amount		Depreciation		
	As at July 01, 2023	As at June 30, 2024	Rate %	For the year	
				Transfers to operating fixed assets	As at June 30, 2024
Vehicles	2,783,000	2,783,000	20	242,233	1,814,071
<b>Grand Total</b>	<b>2,783,000</b>	<b>2,783,000</b>		<b>242,233</b>	<b>1,814,071</b>

Particulars	2023				Net Book Value as at June 30, 2023
	Cost / Revalued amount		Depreciation		
	As at July 01, 2022	As at June 30, 2023	Rate %	For the year	
				Transfers to operating fixed assets	As at June 30, 2023
Vehicles	2,783,000	2,783,000	20	302,790	1,571,838
<b>Grand Total</b>	<b>2,783,000</b>	<b>2,783,000</b>		<b>302,790</b>	<b>1,571,838</b>

21.3.1 The depreciation charge for the year has been allocated to cost of sales.

21.4 Disposal of property, plant and equipment

Particulars of assets	Particulars and Relationship	Cost / Revalued Amount	Accumulated depreciation	Book value	Sale proceeds	Gain/(loss)	Mode of disposal
<b>Plant &amp; Machinery:</b>							
Textile Machines	Ideal Trading Co.	4,055,138	876,924	3,178,214	3,500,000	321,786	Negotiations
<b>Vehicles:</b>							
Toyota Corolla	Mr. Asif Javed	1,935,000	1,041,632	893,368	1,935,000	1,041,632	Negotiations
Toyota Fortuner	Mr. Shahzad Akram Gill - Executive	10,904,740	2,444,479	8,460,261	7,725,000	(735,261)	Company policy
<b>Grand Total</b>		<b>16,894,878</b>	<b>4,363,035</b>	<b>12,531,843</b>	<b>13,160,000</b>	<b>628,157</b>	

**22 Long term investments**

These represent investments in equity and debt securities, classified as fair value through other comprehensive income financial assets. Particulars of investments are as follows:

	Note	2024 Rupees	2023 Rupees
<b><u>Other investments</u></b>			
Unquoted	22.1	<b>13,410,515</b>	12,608,052
<b>22.1 Other investments - unquoted</b>			
<b><u>Agritech Limited</u></b>			
25,237 (2023: 25,237) Term Finance Certificates of Rs. 5,000 each (AGLTFC2)	22.1.1		
Cost		<b>124,333,580</b>	126,080,519
Impairment		<b>(110,923,065)</b>	(113,472,467)
		<b>13,410,515</b>	12,608,052
<b><u>Montebello s.r.l. ("MBL")</u></b>			
6,700,000 ordinary shares with a capital of Euro 6,700,000	20.1.6		
Cost		<b>2,625,026,049</b>	2,625,026,049
Accumulated impairment		<b>(2,625,026,049)</b>	(2,625,026,049)
		-	-
		<b>13,410,515</b>	12,608,052

**22.1.1** These represented Term Finance Certificates ("TFCs") issued by AGL and carried return at six months KIBOR plus 1.75% and were redeemable in thirteen unequal semi-annual installments starting from July 14, 2013. Since majority of TFCs are pledged as security with providers of debt finance, therefore, these have been presented as long term investment.

**22.1.2** Agritech Limited (AGL) got approval of restructuring scheme from Lahore High Court which is in process of implementation by the management of AGL. AGL has paid Rs. 1.75 million as part of restructuring of these TFCs, while 12.43 million non-convertible preference shares are in process of issuance which carry preference dividend @ KIBOR plus 4%. Related adjustments would be made in the financial statements when restructuring is implemented by AGL in all material aspects.

**22.1.3** These are secured by way of charge over property, plant and equipment of AGL.

**23 Long term deposits and receivables**

	Note	2024 Rupees	2023 Rupees
Utility companies, regulatory authorities and others	23.1	<b>40,380,372</b>	40,380,372
Financial institutions	23.2	-	556,600
Other receivables - AGL	23.3	<b>33,000,000</b>	33,000,000
		<b>73,380,372</b>	73,936,972

**23.1** These have been deposited with various utility companies and regulatory authorities. These are classified as amortized cost under IFRS 9 - 'Financial Instruments - Recognition and Measurement'. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as its amortized cost is impracticable to determine.

23.2 These have been deposited with financial institutions.

23.3 As per the Novation Agreement dated June 26, 2014, the Company, Dubai Islamic Bank (DIB), and Agritech Limited (AGL) agreed to novate a receivable of Rs. 33 million. The agreement would take effect when the Company will exercise its buy-back option under the Put Option Agreement dated June 25, 2014 and sell preference shares of AGL to National Bank of Pakistan. During last year, the Company has transferred Rs. 33 million to DIB and recorded a receivable from AGL.

24	<b>Stock-in-trade</b>	<b>2024</b>	2023
		<b>Rupees</b>	Rupees
	Raw material	2,205,932,149	1,494,080,647
	Work in process	3,679,053,342	1,943,813,444
	Finished goods	1,681,694,253	1,466,568,723
		<b>7,566,679,744</b>	<b>4,904,462,814</b>

24.1 Details of stock in trade pledged as security are referred to in Note 47 to the financial statements.

24.2 Finished goods include stock in transit amounting to Rs. 289.08 million (2023: Rs. 422.24 million).

25	<b>Trade receivables</b>		<b>2024</b>	2023
		<b>Note</b>	<b>Rupees</b>	Rupees
	<b><u>Local</u></b>			
	- secured, considered good	25.1	376,154,642	1,011,886,582
	- unsecured, considered good		415,342,010	568,809,896
	- unsecured, considered doubtful		13,090,668	13,090,668
			<b>804,587,320</b>	1,593,787,146
	<b><u>Foreign</u></b>			
	- secured, considered good	25.1	2,667,507,791	4,472,144,334
	- unsecured, considered good		770,800,516	484,834,712
	- unsecured, considered doubtful		480,711,162	479,611,055
			<b>3,919,019,469</b>	5,436,590,101
		25.3	<b>4,723,606,789</b>	7,030,377,247
	Less: Provision against trade receivables / impairment	25.2	<b>(493,801,830)</b>	(492,701,723)
			<b>4,229,804,959</b>	<b>6,537,675,524</b>

25.1 These are secured against letters of credit of local and international banks.

25.2	<b>Movement in Provision against Trade Receivables / Impairment (ECL)</b>	<b>2024</b>	2023
		<b>Rupees</b>	Rupees
	As at beginning of the year	492,701,723	491,601,616
	Provision recognized during the year	1,100,107	1,100,107
	As at end of the year	<b>493,801,830</b>	492,701,723

25.3 This includes an amount of Rs. 452.53 million (2023: 452.53 million) receivable from MBL, previously a related party, and this amount have been fully provided for due to facts mentioned in Note 20.1.6.

26	<b>Advances, deposits, prepayments and other receivables</b>	<b>Note</b>	<b>2024 Rupees</b>	<b>2023 Rupees</b>
	Advances to suppliers - <i>unsecured, considered good</i>		<b>894,939,568</b>	429,785,457
	Advances to employees - <i>secured, considered good</i>			
	- against salaries and post employment benefits	26.1	<b>31,125,193</b>	22,175,272
	- against purchases and expenses		<b>65,506,205</b>	71,561,299
	Security deposits		<b>52,870,845</b>	13,783,650
	Margin deposits	26.2	<b>45,309,925</b>	45,307,605
	Rebate receivable		<b>499,264,399</b>	390,321,115
	Sales Tax / FED recoverable		<b>702,430,038</b>	489,067,834
	Due from AGL - <i>secured</i>	26.3	<b>87,826,702</b>	100,492,120
	Less: impairment		<b>(87,826,702)</b>	(78,283,733)
			-	22,208,387
	Letters of credit		<b>35,105,595</b>	55,235,747
	Insurance claims		-	106,708
	Other receivables		<b>8,153,286</b>	2,610,232
			<b>2,334,705,054</b>	1,542,163,306

26.1 These includes advances to employees against future salaries and post employment benefits in accordance with the Company policy. Reconciliation of carrying amount of advances to executive employees is as follows:

	<b>2024 Rupees</b>	<b>2023 Rupees</b>
As at beginning of the year	<b>12,804,900</b>	6,727,715
Given during the year	<b>20,784,670</b>	17,446,770
Less: recovered during the year	<b>(14,715,279)</b>	(11,369,585)
As at end of the year	<b>18,874,291</b>	12,804,900

26.2 These include deposits held against bank guarantees and L/Cs.

26.3 This represented markup receivable on AGL TFCs which have been restructured during the year by AGL. As part of such restructuring, Rs. 12.67 million has been received, while dividend amounting to Rs. 342.02 million is receivable on preference shares. Considering uncertainty of recoverability of such receivable, the Company has not recognized such dividend income in these financial statements.

## 27 Short term investments

Particulars of these investments are as follows:

	<b>Note</b>	<b>2024 Rupees</b>	<b>2023 Rupees</b>
28,022 Term Finance Certificates - TFCs (Rs. 5,000 each) of Agritech Limited (AGLTFC2)	27.1 & 27.2	<b>138,054,273</b>	139,993,989
Investment in mutual funds	27.4	<b>16,589,373</b>	2,405,902
		<b>154,643,646</b>	142,399,891

27.1 These TFCs issued by AGL had been classified as fair value through other comprehensive income. During the year 2021, the Company's creditors' scheme of arrangement for restructuring of liabilities has been implemented on April 29, 2021. A part of this scheme, these TFCs were due to be settled with lenders of the Company and accordingly, these TFCs have been classified as short term investments.

27.2 During the year, AGL has implemented restructuring scheme of its creditors (duly approved by Lahore High Court) effective from December 31, 2013 and has made a partial payment of Rs. 1.94 million to the Company which has been transferred to escrow account while 13.81 million non-convertible preference shares carrying dividend @ KIBOR plus 4% have been allotted to Azgard Nine Limited. Currently, registration of title of such shares in name of Azgard Nine Limited in CDC records is in process. Related adjustments would be made in the financial statements when the restructuring is implemented by AGL in all material aspects.

27.3 Impairment has not been made in respect of such investment/preference shares as these shares would be settled with its lenders at their carrying amounts.

27.4 This represent investments in mutual funds. This have been classified as fair value through profit and loss financial assets.

		2024 Rupees	2023 Rupees
<b>28 Levies payable - net</b>	<b>Note</b>		
As at beginning of the year		170,662,415	84,643,079
Provision for final taxes for the year	38	463,207,973	396,099,182
Less: paid / adjusted during the year		(391,447,443)	(310,079,846)
As at end of the year		<u>242,422,945</u>	<u>170,662,415</u>
<b>Provision for income tax - net</b>			
As at beginning of the year		2,746,652	(128,876)
Provision for taxation for the year	38	73,325,476	47,874,367
Less: paid / adjusted during the year		(69,197,752)	(44,998,839)
As at end of the year		<u>6,874,376</u>	<u>2,746,652</u>
<b>29 Funds for restructuring scheme</b>			
Cash in escrow account against sale of assets	29.1	<u>842,684,023</u>	<u>747,065,820</u>

29.1 These carry return under mark-up arrangement at 18.32% to 21.46% per annum (2023: 9.07% to 20.06% per annum)

**30 Cash and bank balances**

Cash in hand		4,996,884	3,369,881
Cash at banks:			
- current accounts in local currency		114,288,678	74,021,474
- deposit accounts in local currency	30.1	642,728,504	692,093,343
- retention accounts in foreign currency	30.2	148,538,323	189,058,905
		<u>905,555,505</u>	955,173,722
		<u>910,552,389</u>	958,543,603

30.1 These carry return under mark-up arrangement at 20.5% to 20.65% per annum (2023: 19.50% to 19.93% per annum)

30.2 These accounts are maintained to retain a portion of the foreign currency proceeds as per SBP regulations and carries nil return.

		2024 Rupees	2023 Rupees
<b>31 Revenue from customers</b>	<b>Note</b>		
Local	31.1	2,045,341,267	2,366,168,879
Exports	31.2 & 31.3	35,438,593,362	30,096,741,599
Less: Sales Tax on indirect export sales		(977,579,142)	(1,113,053,840)
		<u>34,461,014,220</u>	28,983,687,759
		<u>36,506,355,487</u>	31,349,856,638
Discount		(11,504,846)	(12,851,657)
Rebate on exports		243,834,464	234,117,983
		<u>36,738,685,105</u>	<u>31,571,122,964</u>

31.1	Local	Note	2024 Rupees	2023 Rupees
	Sales		2,254,865,524	2,695,339,737
	Processing income		151,964,445	73,122,324
	Waste		14,570,240	16,293,848
			<b>2,421,400,209</b>	2,784,755,909
	Less: Sales Tax on local sales and processing income		<b>(376,058,942)</b>	(418,587,030)
			<b>2,045,341,267</b>	2,366,168,879

31.2 These include indirect exports, taxable under Section 154 (3b) of the Income Tax Ordinance, 2001, amounting to Rs. 7,766.21 million (2023: Rs. 6,476.93 million) and exchange loss amounting to Rs. 162.06 million (2023: gain amounting to Rs. 918.04 million).

31.3 Export Development Surcharge applicable under SRO 10(1)/2003 dated January 04, 2003 amounting Rs. 69.55 million (2023: Rs. 50.45 million) has been deducted from gross export sales.

32	Cost of sales	Note	2024 Rupees	2023 Rupees
	Raw, chemical and packing materials consumed		23,424,386,781	18,553,926,905
	Salaries, wages and benefits	32.1	5,083,977,682	4,161,335,917
	Fuel and power		2,516,908,262	1,643,820,626
	Stores, spares and loose tools consumed		573,067,576	357,503,027
	Traveling, conveyance and entertainment		492,634,227	377,579,060
	Rent, rates and taxes		70,902,129	67,210,647
	Insurance		66,850,858	52,595,719
	Repair and maintenance		66,496,663	49,136,089
	Processing charges		808,222,601	121,599,936
	Depreciation	21.1.2	753,002,006	791,151,895
	Printing and stationery		18,434,429	12,931,118
	Communications		3,671,524	4,186,233
	Miscellaneous		5,013,390	5,914,811
			<b>33,883,568,128</b>	26,198,891,983
	<i>Work in process:</i>			
	As at beginning of the year		1,944,167,804	2,300,135,116
	As at end of the year		(3,679,053,342)	(1,944,167,804)
			<b>(1,734,885,538)</b>	355,967,312
	<b>Cost of goods manufactured</b>		<b>32,148,682,590</b>	26,554,859,295
	<i>Finished goods:</i>			
	As at beginning of the year		1,466,568,723	1,395,525,303
	As at end of the year		(1,681,694,253)	(1,466,568,723)
			<b>(215,125,530)</b>	(71,043,420)
			<b>31,933,557,060</b>	26,483,815,875

32.1 These include charge in respect of employees retirement benefits amounting Rs. 289.29 million (2023: Rs. 213.41 million).

		2024 Rupees	2023 Rupees
<b>33</b>	<b>Selling and distribution expenses</b>		
	Salaries, wages and benefits	436,251,395	376,208,062
	Commission	191,393,148	234,023,097
	Traveling, conveyance and entertainment	158,193,461	117,073,808
	Repair and maintenance	1,681,556	5,902,533
	Rent, rates and taxes	1,953,372	2,725,926
	Insurance	2,534,481	2,353,882
	Freight and other expenses	786,617,096	390,407,244
	Communication	947,971	1,317,635
	Advertisement and marketing	296,078,411	186,344,109
	Fee and subscription	21,850,203	15,319,887
	Miscellaneous	1,150,821	815,109
		<b>1,898,651,915</b>	<b>1,332,491,292</b>
<b>33.1</b>	These include charge in respect of employees retirement benefits amounting Rs 14.39 million (2023: Rs. 14.44 million).		
<b>34</b>	<b>Administrative expenses</b>		
	Salaries and benefits	538,176,665	527,667,649
	Traveling, conveyance and entertainment	92,119,294	86,428,092
	Fuel and power	67,885,482	43,088,613
	Repair and maintenance	71,343,539	60,096,446
	Rent, rates and taxes	11,415,809	8,940,306
	Insurance	3,222,733	3,015,163
	Printing and stationery	5,564,293	4,644,232
	Communication	10,566,481	9,728,180
	Legal and professional	25,430,276	32,185,700
	Depreciation	38,829,580	27,379,730
	Fee and subscription	39,114,975	38,349,967
	Miscellaneous	7,421,545	6,066,761
		<b>911,090,672</b>	<b>847,590,839</b>
<b>34.1</b>	These include charge in respect of employees retirement benefits amounting Rs. 25.69 million (2023: Rs.37.14 million).		
<b>34.2</b>	These include following in respect of auditors' remuneration		
	Annual statutory audit	3,360,000	3,200,000
	Half yearly review	1,047,375	1,045,000
	Review report under Code of Corporate Governance	346,500	330,000
	Certifications	315,000	300,000
	Out of pocket expenses	472,500	450,000
		<b>5,541,375</b>	<b>5,325,000</b>
<b>35</b>	<b>Other income</b>		
	Profit / Return on bank deposits	465,779,461	301,233,073
	Gain on disposal of property, plant and equipment	628,157	-
	Return on mutual funds	28,451,142	2,830,473
	Miscellaneous	697,400	558,277
		<b>495,556,160</b>	<b>304,621,823</b>



	Note	2024 Rupees	2023 Rupees
<b>36 Other expenses</b>			
Provision against trade receivables	25.2	1,100,107	1,100,107
Loss on disposal of property, plant and equipment		-	2,479,162
Impairment of investment	36.1	6,993,569	-
Workers' profits participation fund		56,111,006	100,759,318
		<b>64,204,682</b>	<b>104,338,587</b>
<b>36.1</b>			
Impairment reversal on AGL TFCs (restructuring impact)	22.1	(2,549,400)	-
Impairment of markup receivable on AGL's TFCs	26.3	9,542,969	-
		<b>6,993,569</b>	<b>-</b>
<b>37 Finance cost</b>			
Interest / mark-up on:			
- Redeemable capital		98,315,377	126,532,533
- Long term finances		54,208,557	54,060,447
- Lease liabilities		137,607	202,867
- Short term borrowings		402,120,760	189,810,160
		<b>554,782,301</b>	<b>370,606,007</b>
Amortization of transaction costs	9.5	20,969,955	15,577,126
Bank discounting, factoring fee and other charges		515,687,199	428,001,163
		<b>1,091,439,455</b>	<b>814,184,296</b>
<b>38 Final taxes and Income tax</b>			
Final taxes and Income tax		<b>536,533,449</b>	<b>443,973,549</b>
<b>38.1 Final taxes</b>	38.1.1	<b>463,207,973</b>	<b>395,674,611</b>
<b>38.1.1</b>	This represents final tax in accordance with section 154 of the Income Tax Ordinance, 2001 ("the Ordinance") and Circular No. 20 of 1992, representing levy in terms of requirements of IFRIC 21/IAS 37. It also includes super tax provided at 10% under section 4 (c) of Income Tax Ordinance, 2001 in accordance with the rates for super tax introduced through Finance Act, 2023.		
<b>38.1.2</b>	Export sales, including indirect exports of the Company are expected to achieve threshold for the Company, with option to be taxed under the Final Tax Regime for the year ending June 30, 2024. The Government has abolished final tax regime in budget 2024-25. Consequently, from July 01, 2024, normal tax is applicable on the Company.		
		<b>2024 Rupees</b>	<b>2023 Rupees</b>
<b>38.2 Income Tax-Current tax</b>		<b>73,325,476</b>	<b>48,298,938</b>
<b>38.3 Relationship between taxes, levies and accounting profit</b>			
<b>Profit before income tax and final taxes</b>		<b>1,066,109,121</b>	<b>1,914,427,047</b>
Tax at applicable rate of 29% (2023: 29%)		<b>309,171,645</b>	<b>555,183,844</b>
Tax effect of final tax regime including super tax		<b>463,207,973</b>	<b>395,674,611</b>
Impact of deferred tax		-	-
<b>Tax charge for the year</b>		<b>536,533,449</b>	<b>443,973,549</b>

		2024	2023
		Rupees	Rupees
<b>38.4</b>	<b>Reconciliation between current tax and its categorization as 'Income Tax' under IAS-12 and 'Levy' under IFRIC-21/IAS-37</b>		
	Current tax liability for the year as per applicable tax laws	<b>536,533,449</b>	443,973,549
	Portion of current tax liability as per tax laws representing income tax under IAS 12	<b>(73,325,476)</b>	(48,298,938)
	Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	<b>(463,207,973)</b>	(395,674,611)
<b>38.4.1</b>	The aggregate of final tax and income tax, amounting to Rs. 536,533,449 represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.		
<b>39</b>	<b>Earning per share - basic and diluted</b>	<b>2024</b>	<b>2023</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>39.1</b>	<b>Basic earning per share</b>		
	Profit attributable to ordinary shareholders	<b>529,575,672</b>	1,470,453,498
	Weighted average number of ordinary shares outstanding during the year	<b>491,375,337</b>	491,375,337
	Earning per share	<b>1.08</b>	2.99
<b>39.2</b>	<b>Diluted earning per share</b>		
	There is no dilutive effect on the basic earning per share as the Company does not have any convertible instruments in issue as at June 30, 2024 and June 30, 2023.		
<b>40</b>	<b>Cash generated from operations</b>	<b>2024</b>	<b>2023</b>
		<b>Rupees</b>	<b>Rupees</b>
	<b>Profit before tax</b>	<b>1,066,109,121</b>	1,914,427,047
	Interest / mark-up expense	<b>554,782,301</b>	370,606,007
	(Gain) / Loss on disposal of non-current assets held for sale	<b>(628,157)</b>	2,479,162
	Provision against trade receivables	<b>1,100,107</b>	1,100,107
	Depreciation	<b>791,831,586</b>	818,531,624
	Provision for workers' profit participation fund	<b>56,111,006</b>	100,759,318
	Impairment of investment	<b>6,993,569</b>	-
	Provision for employee benefits	<b>329,372,757</b>	264,990,549
	Amortization of transaction costs and deferred notional income	<b>290,158,315</b>	394,473,977
		<b>2,029,721,484</b>	1,952,940,744
	<b>Operating profit before changes in working capital</b>	<b>3,095,830,605</b>	3,867,367,791
	<b><u>Changes in working capital</u></b>		
	<i>(Increase) / decrease in current assets:</i>		
	Stores, spares and loose tools	<b>(30,478,912)</b>	(21,976,495)
	Stock in trade	<b>(2,662,216,930)</b>	498,259,963
	Trade receivables	<b>2,306,770,458</b>	(2,104,335,301)
	Advances, deposits, prepayments and other receivables	<b>(792,541,748)</b>	746,200,097
		<b>(1,178,467,132)</b>	(881,851,736)
	<i>(Decrease) / Increase in current liabilities:</i>		
	Trade and other payables	<b>404,360,163</b>	(575,545,243)
	<b>Cash generated from operations</b>	<b>2,321,723,636</b>	2,409,970,812
<b>41</b>	<b>Cash and cash equivalents at the year end</b>		
	Short term borrowings - running finance	<b>(8,093,584)</b>	(1,510,733)
	Cash and bank balances	<b>910,552,389</b>	958,543,603
	Funds for restructuring scheme	<b>842,684,023</b>	747,065,820
		<b>1,745,142,828</b>	1,704,098,690

## 42 Transactions and balances with related parties

Related parties from the Company's perspective comprise associated undertakings, key management personnel (including chief executive and directors), post employment benefit plan and other related parties. Other related parties are group companies of M/s. Jahangir Siddiqui & Co. (JSCL) which holds more than (20%) shareholding in the Company. Further, there is no common directorship with JSCL or any of these other related parties. The Company in the normal course of business carries out transactions with various related parties and continues to have a policy whereby all such transactions are carried out on permissible basis with the exceptions as approved by the Board of Directors.

Detail of transactions and balances with related parties is as follows:

	2024 Rupees	2023 Rupees
<b>42.1 Transactions with related parties</b>		
<b>42.1.1 <u>Other related parties</u></b>		
<b>JS Bank Limited</b>		
Mark-up expense	9,072,940	3,107,516
Trusteeship fee paid	1,500,000	1,500,000
Mark-up paid	12,681,202	5,415,307
Mark-up Income	38,388,768	14,268,862
<b>Unit Trust of Pakistan</b>		
Mark-up expense	1,402,492	1,528,604
Markup Paid/ Settled	1,101,447	1,187,500
<b>JS Large Cap Fund</b>		
Mark-up expense	3,739,788	4,078,844
Markup paid	2,960,567	3,191,868
<b>JS Global Capital Limited</b>		
Mark-up expense	14,681,060	16,012,072
Markup Paid/ Settled	11,622,118	12,530,123
<b>JS Principal Secure Fund</b>		
Mark-up expense	1,505,629	1,642,132
Markup Paid/ Settled	1,191,917	1,285,038
<b>JS Income Fund</b>		
Mark-up expense	1,725,554	1,880,711
Markup Paid/ Settled	1,355,128	1,461,000
<b>JS Growth Fund (JS Value fund merged with JS Growth Fund)</b>		
Mark-up expense	4,456,532	4,859,397
Markup Paid/ Settled	3,518,036	3,792,890

### 42.1.2 Key management personnel

The remuneration paid to Chief Executive Officer, directors, executives and key management personnel in terms of their employment is disclosed in Note 48 to the financial statements. Sale of vehicle to an executive of the Company is disclosed in Note 21.4.

	2024 Rupees	2023 Rupees
<b>42.2 Balances with related parties</b>		
<b>42.2.1 <u>Other related parties</u></b>		
<b>JS Bank Limited</b>		
Settlement finance under restructuring scheme	13,870,315	13,870,315
Short Term Borrowings	-	111,300,000
Mark-up payable	2,202,150	5,810,412
Bank balances	549,253,273	207,355,582
<b>Unit Trust of Pakistan</b>		
Sub PPTFCs	19,000,000	23,750,000
Settlement finance under restructuring scheme	6,822,073	6,822,073
New Zero Coupon PPTFCs	49,485,000	49,485,000
Mark-up payable	1,247,094	946,048
<b>JS Large Cap Fund</b>		
Redeemable capital - PPTFCs	51,069,886	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	3,257,193	2,477,972
<b>JS Global Capital Limited</b>		
Redeemable capital - PPTFCs	200,481,966	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	12,786,567	9,727,625
<b>JS Principal Secure Fund</b>		
Redeemable capital - PPTFCs	20,560,604	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	1,311,338	997,625
<b>JS Pension Savings Fund</b>		
New Zero Coupon PPTFCs	3,850,000	3,850,000
<b>JS Income Fund</b>		
Sub PPTFCs	23,376,000	29,220,000
Settlement finance under restructuring scheme	8,394,214	8,394,214
New Zero Coupon PPTFCs	62,040,000	62,040,000
Mark-up payable	1,534,463	1,164,037
<b>JS Growth Fund (JS Value fund merged with JS Growth Fund)</b>		
Redeemable capital - PPTFCs	39,426,247	49,282,809
Sub PPTFCs	21,260,000	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	3,910,255	2,971,759

#### 43 Financial risk management

The Company's activities expose it to a variety of financial risks which affect its revenues, expenses, assets and liabilities. These risks are as follows:

- Credit risk
- Liquidity risk; and
- Market risk (including currency risk, interest rate risk and price risk)

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company's Board of Directors ("the Board") has overall responsibility for establishment and oversight of the Company's risk management framework. The Board has developed a risk policy that sets out fundamentals of risk management framework.

##### **Risk Management Framework**

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and control and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board reviews and agrees policies for managing each of these risks.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

#### 43.1 Credit risk and concentration of credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment in debt securities. To manage credit risk, the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed. The Company's financial assets do not carry significant credit risk, with the exception of trade receivables, which are exposed to losses arising from any non-performance by counterparties. In respect of trade receivables, the Company manages credit risk by limiting significant exposure to any single customer. Formal policies and procedures of credit management and administration of receivables are established and executed. In monitoring customer credit risk, the ageing profile of total receivables and individually significant balances, along with collection activities are reviewed on a regular basis. High risk customers are identified and restrictions are placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis or confirmed letters of credit.

##### 43.1.1 Exposure to credit risk

Credit risk of the Company arises principally from the investments, trade receivables, trade deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. The maximum exposure to credit risk at the reporting date is as follows:

	2024 Rupees	2023 Rupees
<b><u>Fair value through OCI</u></b>		
Long term investments	13,410,515	12,608,052
Short term investments	138,054,273	139,993,989
<b><u>Fair value through P&amp;L</u></b>		
Investment in mutual funds	16,589,373	2,405,902
<b><u>At amortized cost</u></b>		
Long term deposits	40,380,372	40,936,972
Trade receivables	4,229,804,959	6,537,675,524
Due from Agritech Limited	-	22,208,387
Other receivables	8,153,286	2,610,232
Security deposits	52,870,845	13,783,650
Margin deposits	45,309,925	45,307,605
Insurance claims	-	106,708
Cash at banks	905,555,505	955,173,722
Funds for restructuring scheme	842,684,023	747,065,820
	<b>6,124,758,915</b>	<b>8,364,868,620</b>
	<b>6,292,813,076</b>	<b>8,519,876,563</b>

#### 43.1.2 Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

	2024 Rupees	2023 Rupees
Customers	4,229,804,959	6,537,675,524
Banking companies and financial institutions	1,793,549,453	1,747,547,147
Others	252,869,291	232,247,990
	<b>6,276,223,703</b>	<b>8,517,470,661</b>

#### 43.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

##### 43.1.3(a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to cash deposits, security deposits, margin deposits and insurance claims. These are neither past due nor impaired. Credit risk is considered minimal since the counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

Bank	Rating		Rating agency	2024	2023
	Short term	Long term		Rupees	
<b><i>Bank balances</i></b>					
Albaraka Bank (Pakistan) Limited	A-1	A+	JCR-VIS	41,714	41,714
Askari Bank Limited	A-1+	AA+	PACRA	11,221,337	9,433,797
Bank Al-Habib Limited	A-1+	AAA	PACRA	208,670,468	215,720,412
Faysal Bank Limited	A-1+	AA	PACRA	5,700,604	5,700,733
Habib Bank Limited	A-1+	AAA	JCR-VIS	2,404,662	3,030,860
JS Bank Limited	A-1+	AA	PACRA	302,426,399	163,964,382
MCB Bank Limited	A-1+	AAA	PACRA	34,887,735	46,649,213
Meezan Bank Limited	A-1+	AAA	JCR-VIS	12,925	12,925
National Bank of Pakistan	A-1+	AAA	PACRA	1,944,935	1,360,727
Silk Bank Limited	A-2	A-	JCR-VIS	99,225,590	202,169,080
Bank Makramah (Summit Bank Limited)	N/A	N/A	JCR-VIS	1,072,610,932	978,010,925
United Bank Limited	A-1+	AAA	JCR-VIS	1,437,140	1,437,139
Bank of Khyber	A-1	A+	PACRA	7,655,088	74,707,634
				<b>1,748,239,529</b>	<b>1,702,239,541</b>
<b><i>Margin deposits (including advance L/C)</i></b>					
Bank Makramah (Summit Bank Limited)	N/A	N/A	JCR-VIS	<b>45,309,925</b>	<b>45,307,605</b>

#### 43.1.3(b) Counterparties without external credit ratings

These mainly include customers which are counter parties to trade receivables. The Company is exposed to credit risk in respect of trade receivables. The Company allows 15 to 180 days credit period to its customers. The analysis of ages of trade receivables of the Company as at the reporting date is as follows:

	2024		2023	
	Gross carrying amount	Accumulated impairment	Gross carrying amount	Accumulated impairment
	Rupees		Rupees	
Not yet due	4,010,732,468	-	6,338,920,884	-
Past due by 0 to 6 months	208,865,148	-	188,928,027	-
Past due by 6 to 12 months	8,963,142	-	8,569,941	-
Past due by more than one year	495,046,031	(493,801,830)	493,958,395	(492,701,723)
	<b>4,723,606,789</b>	<b>(493,801,830)</b>	<b>7,030,377,247</b>	<b>(492,701,723)</b>

43.1.3(c) The Company's five significant customers account for Rs. 2,012.91 million (2023: Rs. 2,827.73 million) of trade receivables as at the reporting date, apart from which, exposure to any single customer does not exceed 19.17% (2023: 11.21%) of trade receivables as at the reporting date. Further, trade receivables amounting to Rs. 3,043.66 million (2023: Rs. 5,484.03 million) are secured through confirmed letters of credit and thus do not carry any significant credit risk.

The Board has formulated a policy to create provision against trade receivables on a time based criteria. Provision against trade receivable has adequately been created in accordance with the approved policy. Further, based on historical default rates, the Company believes that no impairment allowance other than already provided is necessary in respect of trade receivables not past due or those past due by less than one year, since these relate to customers who have had good payment record with the Company.

The Company at the time of making investments also performs detailed due diligence process to mitigate the risk of failure of the counter party.

#### 43.1.4 Collaterals held

The Company does not hold any collateral to secure its financial assets with the exception of trade receivables, which are partially secured through confirmed letters of credit and investment in debt securities which are secured by charge over issuer's operating assets.

#### 43.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets, or that such obligations will have to be settled in a manner unfavorable to the Company. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

##### 43.2.1(a) Exposure to liquidity risk

The following are the remaining contractual maturities at the reporting date. The amounts are grossed, undiscounted, include estimated interest payments and exclude the impact of netting agreements.

	2024				
	Carrying amount	Contractual cash flows	One year or less	Two to three years	More than three years
----- Rupees -----					
<i>Non-derivative financial liabilities</i>					
Redeemable capital	1,451,857,467	1,848,784,534	497,646,174	932,053,250	419,085,110
New zero coupon privately placed term finance certificates	2,914,312,783	4,971,220,000	-	-	4,971,220,000
Lease liabilities	773,955	773,955	773,955	-	-
Preference shares	290,730,546	290,730,546	73,881,700	126,894,853	89,954,003
Long term finances - current portion	1,081,208,932	1,094,724,044	1,212,138,890	-	-
Short term borrowings	2,205,419,916	2,271,919,696	2,271,919,696	-	-
Trade creditors	3,215,967,672	3,215,967,672	3,215,967,672	-	-
Accrued liabilities	1,011,460,669	1,011,460,669	1,011,460,669	-	-
Other payables	8,650,935	8,650,935	8,650,935	-	-
Mark-up accrued on borrowings	201,801,459	201,801,459	201,801,459	-	-
Dividend payable	3,753,252	3,753,252	3,753,252	-	-
	<b>12,385,937,586</b>	<b>14,919,786,762</b>	<b>8,497,994,402</b>	<b>1,058,948,103</b>	<b>5,480,259,113</b>
-----					
	2023				
	Carrying amount	Contractual cash flows	One year or less	Two to three years	More than three years
----- Rupees -----					
<i>Non-derivative financial liabilities</i>					
Redeemable capital	1,864,984,357	2,904,363,886	519,354,706	1,494,334,123	890,675,057
New zero coupon privately placed term finance certificates	2,694,277,169	4,971,220,000	-	-	4,971,220,000
Lease liabilities	1,323,720	1,473,669	687,301	786,368	-
Preference shares	148,367,255	157,780,790	157,780,790	-	-
Long term finances	1,081,208,932	1,212,138,890	1,212,138,890	-	-
Short term borrowings	1,728,379,734	1,803,869,930	1,803,869,930	-	-
Trade creditors	2,831,427,445	2,831,427,445	2,831,427,445	-	-
Accrued liabilities	836,940,450	836,940,450	836,940,450	-	-
Other payables	9,448,697	9,448,697	9,448,697	-	-
Mark-up accrued on borrowings	322,106,193	322,106,193	322,106,193	-	-
Dividend payable	13,166,787	13,166,787	13,166,787	-	-
	<b>11,531,630,739</b>	<b>15,063,936,737</b>	<b>7,706,921,189</b>	<b>1,495,120,491</b>	<b>5,861,895,057</b>



### 43.2.2 Liquidity risk management

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The settlement plan for the outstanding preference shares was approved by the preference shareholders in their meeting held on January 18, 2024. The Company has started payments to preference shareholders in accordance with timelines agreed with them. Nothing is overdue at reporting date in this regard. Refer to Note 11.

	2024		
	Principal	Preference dividend / interest / mark-up	Total
----- Rupees -----			
<i><u>Nature of liability</u></i>			
Preference Shares	-	-	-
Dividend on Preference Shares	-	-	-
	-	-	-
	2023		
	Principal	Preference dividend / interest / mark-up	Total
----- Rupees -----			
<i><u>Nature of liability</u></i>			
Preference Shares	148,367,255	176,215,518	324,582,773
Dividend on Preference Shares	-	9,413,535	9,413,535
	<u>148,367,255</u>	<u>185,629,053</u>	<u>333,996,308</u>

### 43.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

#### 43.3.1 Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currency of the Company. The functional currency of the Company is Pak Rupee. The currencies in which these transactions are primarily denominated are Euros and US dollars.

##### 43.3.1(a) Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	2024			
	EURO	USD	AED	Total
	In Rupees			
<i>Assets</i>				
Trade receivables	492,683,594	3,371,263,905	55,071,969	3,919,019,468
Cash and bank balances	14,565,179	133,973,144	-	148,538,323
	<b>507,248,773</b>	<b>3,505,237,049</b>	<b>55,071,969</b>	<b>4,067,557,791</b>
<i>Liabilities</i>				
Trade creditors	2,750,456	24,577,017	-	27,327,473
Bills payable	-	7,899,196	-	7,899,196
	<b>2,750,456</b>	<b>32,476,213</b>	<b>-</b>	<b>35,226,669</b>
Net balance sheet exposure	<b>509,999,229</b>	<b>3,537,713,262</b>	<b>55,071,969</b>	<b>4,102,784,460</b>
	2023			
	EURO	USD	AED	Total
	In Rupees			
<i>Assets</i>				
Trade receivables	476,952,769	4,959,637,332	-	5,436,590,101
Cash and bank balances	17,108,504	171,950,401	-	189,058,905
	494,061,273	5,131,587,733	-	5,625,649,006
<i>Liabilities</i>				
Trade creditors	(3,763,194)	(18,929,381)	-	(22,692,575)
Bills payable	-	(2,298,697)	-	(2,298,697)
	(3,763,194)	(21,228,078)	-	(24,991,272)
Net balance sheet exposure	490,298,079	5,110,359,655	-	5,600,657,734

**43.3.1(b) Exchange rates applied during the year**

The following significant exchange rates have been applied during the year:

	2024			2023		
	Reporting date spot rate		Average rate	Reporting date spot rate		Average rate
	Buying	Selling	for the year	Buying	Selling	for the year
	----- Rupees -----					
EURO	297.88	298.41	305.28	313.72	314.27	256.47
USD	278.30	278.80	282.65	286.60	287.10	248.54
AED	76.23	76.37	76.14	-	-	-

**43.3.1(c) Sensitivity analysis**

A reasonably possible strengthening / (weakening) of 10% in Pak Rupee against the following currencies would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	2024	2023
	Profit	Profit
	----- Rupees -----	
EURO	50,999,923	49,029,808
USD	353,771,326	511,035,966
AED	5,507,197	-
	<b>410,278,446</b>	<b>560,065,774</b>

**43.3.1(d) Currency risk management**

The Company manages its exposure to currency risk through continuous monitoring of expected / forecast committed and non-committed foreign currency payments and receipts. Reports on forecast foreign currency transactions, receipts and payments are prepared on monthly basis, exposure to currency risk is measured and appropriate steps are taken to ensure that such exposure is minimized while optimizing return. This includes matching of foreign currency liabilities / payments to assets / receipts, using source inputs in foreign currency. The Company maintains foreign currency working capital lines in order to finance production of exportable goods. Proceeds from exports are used to repay / settle / rollover the Company's obligations under these working capital lines which substantially reduces exposure to currency risk in respect of such liabilities. Balances in foreign currency are also maintained in current and saving / deposits accounts with banking companies.

**43.3.2 Interest / markup rate risk**

Interest/markup rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

**43.3.2(a) Interest / mark-up bearing financial instruments**

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	2024		2023	
	Financial asset	Financial liability	Financial asset	Financial liability
	----- Rupees -----		----- Rupees -----	
<i>Non-derivative financial instruments</i>				
Fixed rate instruments	-	2,759,917,215	-	3,337,546,137
Variable rate instruments	1,758,284,430	2,138,251,091	1,754,298,587	1,724,545,565

**43.3.2(b) Fair value sensitivity analysis for fixed rate instruments**

The Company does not account for any fixed rate financial assets and liabilities at fair value through statement of profit or loss. Therefore, a change in profit / mark-up / interest rates at the reporting date would not affect profit or loss.

**43.3.2(c) Cash flow sensitivity analysis for variable rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

	2024 Rupees	2023 Rupees
Increase of 100 basis points	(3,799,667)	297,530
Decrease of 100 basis points	3,799,667	(297,530)

**43.3.2(d) Interest/markup rate risk management**

The Company manages interest/markup rate risk by analyzing its interest rate exposure on a dynamic basis. Cash flow interest rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates impact on profit after taxation and equity of defined interest rate shift, mostly 100 basis points.

**43.3.3 Price risk**

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Company is not exposed to price risk in material aspects.

**43.4 Fair values**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

**Interest/ markup rates used for determining fair value**

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. For instruments carried at amortized cost, since the majority of the interest bearing investments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are short term in nature, fair value significantly approximates to carrying value.

**Fair value hierarchy of financial instruments**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2024			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<i>Long term investment</i>	-	13,410,515	-	13,410,515
<i>Short term investment</i>	-	16,589,373	138,054,273	154,643,646
	-	29,999,888	138,054,273	168,054,161
	-----			
	2023			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<i>Long term investment</i>	-	12,608,052	-	12,608,052
<i>Short term investment</i>	-	2,405,902	139,993,989	142,399,891
	-	15,013,954	139,993,989	155,007,943

**Determination of fair values**

**43.4.1**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods:

**Debt investments - level 2**

Debt investments are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments of the counterparties.

**43.4.2 Significance of fair value accounting estimates to the Company's financial position and performance**

The Company uses fair value accounting for its financial instruments in determining its overall financial position and in making decisions about individual financial instruments. This approach reflects the judgment of the Company about the present value of expected future cash flows relating to an instrument. The management believes that fair value information is relevant to many decisions made by users of financial statements as it permits comparison of financial instruments having substantially the same economic characteristics and provides neutral basis for assessing the management's stewardship by indicating effects of its decisions to acquire, sell or hold financial assets and to incur, maintain or discharge financial liabilities.

**43.5 Financial liabilities at amortized cost**

	<b>2024</b>	2023
	<b>Rupees</b>	Rupees
Redeemable capital - secured	<b>1,030,263,477</b>	1,443,390,367
New zero coupon privately placed term finance certificates	<b>2,914,312,783</b>	2,694,277,169
Long term finances - current portion	<b>1,081,208,932</b>	1,081,208,932
Preference shares	<b>73,881,700</b>	148,367,255
Lease liabilities	<b>773,955</b>	1,323,720
Trade and other payables	<b>3,215,967,672</b>	2,831,427,445
Interest / mark-up accrued on borrowings	<b>201,801,459</b>	322,106,193
Short-term borrowings	<b>2,205,419,916</b>	1,728,379,734
Dividend payable on preference shares	-	9,413,535
Unclaimed dividend on ordinary shares	<b>3,753,252</b>	3,753,252
	<b>10,727,383,146</b>	10,263,647,602

44 Reconciliation of liabilities arising from financing activities

	July 01, 2023	Availed / formed during the year	Repaid during the year	Adjusted during the year	June 30, 2024
Redeemable capital - secured	2,107,969,950	-	(429,261,669)	-	1,678,708,281
New zero coupon privately placed term finance certificates	4,971,220,000	-	-	-	4,971,220,000
Long term finances - current portion	1,081,208,932	-	-	-	1,081,208,932
Lease liabilities	1,323,720	-	(549,765)	-	773,955
Short term borrowings	1,728,379,734	588,340,182	(111,300,000)	-	2,205,419,916
	9,890,102,336	588,340,182	(541,111,434)	-	9,937,331,084

	July 01, 2022	Availed / formed during the year	Repaid during the year	Adjusted during the year	June 30, 2023
Redeemable capital - secured	2,640,129,950	(303,490,000)	(228,670,000)	-	2,107,969,950
New zero coupon privately placed term finance certificates	5,103,510,000	-	(132,290,000)	-	4,971,220,000
Long term finance	1,081,208,932	-	-	-	1,081,208,932
Lease liabilities	1,778,295	-	(454,575)	-	1,323,720
Short term borrowings	2,366,661,146	303,490,000	(941,771,412)	-	1,728,379,734
	11,193,288,323	-	(1,303,185,987)	-	9,890,102,336

45 Segment information  
45.1 Information about reportable segments

	Spinning segment		Weaving segment		Garment segment		Elimination		Total	
	2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees
<b>45.1.1 Segment revenues and results</b>										
<b>Revenue</b>										
Inter-segment revenues	2,957,602,459	3,643,723,789	12,235,810,973	10,523,792,743	21,545,271,673	17,403,606,432	-	-	36,738,685,105	31,571,122,964
External segment revenues	706,182,333	58,916,285	8,619,159,232	5,673,682,749	944,536	5,994,528	(9,326,286,101)	(5,738,593,562)	-	-
	3,663,784,792	3,702,640,074	20,854,970,205	16,197,475,492	21,546,216,209	17,409,600,960	(9,326,286,101)	(5,738,593,562)	36,738,685,105	31,571,122,964
<b>Cost of sales</b>										
- intersegment	(706,182,333)	(58,916,285)	(8,619,159,232)	(5,673,682,749)	(944,536)	(5,994,528)	9,326,286,101	5,738,593,562	-	-
- external	(2,802,951,285)	(3,377,255,208)	(9,528,942,219)	(7,850,712,164)	(19,601,663,553)	(15,255,848,504)	-	-	(31,933,557,060)	(26,483,815,876)
	(3,509,133,618)	(3,436,171,493)	(18,148,101,451)	(13,524,394,913)	(19,602,608,089)	(15,261,843,032)	9,326,286,101	5,738,593,562	(31,933,557,060)	(26,483,815,876)
<b>Gross profit</b>	154,651,174	266,468,581	2,706,868,754	2,673,080,579	1,943,608,120	2,147,757,928	-	-	4,805,128,045	5,087,307,088
Selling and distribution expenses	(60,418,898)	(67,289,351)	(526,008,506)	(490,088,965)	(1,312,224,511)	(775,112,977)	-	-	(1,898,651,915)	(1,332,491,293)
Administrative expenses	(177,121,151)	(166,339,709)	(359,259,428)	(328,622,941)	(374,710,093)	(352,628,188)	-	-	(911,090,672)	(847,598,838)
	(237,540,049)	(233,629,060)	(885,267,934)	(818,711,906)	(1,686,934,604)	(1,127,741,165)	-	-	(2,809,742,587)	(2,180,082,131)
<b>Profit from operations</b>	(82,888,875)	32,839,521	1,821,600,820	1,854,368,673	256,673,516	1,020,016,763	-	-	1,995,385,458	2,907,224,957
Other income	-	-	-	-	-	-	-	-	495,556,160	304,621,823
Other expenses	-	-	-	-	-	-	-	-	(64,204,682)	(104,338,587)
Finance cost	-	-	-	-	-	-	-	-	(1,091,439,455)	(814,184,296)
Amortization of notional income	-	-	-	-	-	-	-	-	(269,188,360)	(378,896,851)
Taxation	-	-	-	-	-	-	-	-	(536,533,449)	(443,973,549)
	106,789,417	95,778,458	400,369,525	368,222,733	284,672,644	244,209,868	-	-	529,575,672	1,470,453,498
<b>45.1.2 Inter-segment sales and purchases</b>										
Inter-segment sales and purchases have been eliminated from total figures.										
<b>45.1.3 Basis of inter-segment pricing</b>										
All inter-segment transfers are made at negotiated rates.										
<b>45.1.4 Assets</b>										
Total assets for reportable segments	2,764,789,341	3,139,160,288	11,888,317,168	11,710,541,753	13,292,639,498	10,349,626,102	(2,257,330,066)	(1,128,816,128)	25,688,415,941	24,070,512,015
Property, plant and equipment - common	-	-	-	-	-	-	-	-	1,328,223,524	1,038,876,864
Long term investments	-	-	-	-	-	-	-	-	13,410,515	12,608,052
Receivable from National Bank of Pakistan	-	-	-	-	-	-	-	-	-	-
Short term investments	-	-	-	-	-	-	-	-	154,643,646	142,399,891
Funds for restructuring scheme	-	-	-	-	-	-	-	-	842,684,023	747,065,820
	2,764,789,341	3,139,160,288	11,888,317,168	11,710,541,753	13,292,639,498	10,349,626,102	(2,257,330,066)	(1,128,816,128)	28,027,377,649	26,011,462,642
<b>45.1.5 Liabilities</b>										
Total liabilities for reportable segments	562,733,186	610,024,862	2,799,799,216	2,592,930,381	4,304,223,477	2,577,410,353	(2,257,330,066)	(1,128,816,128)	5,409,425,813	4,651,549,451
Corporate liabilities - common	-	-	-	-	-	-	-	-	8,404,479,575	8,014,056,212
	562,733,186	610,024,845	2,799,799,216	2,592,930,381	4,304,223,477	2,577,410,353	(2,257,330,066)	(1,128,816,128)	13,813,905,388	12,665,605,663

#### 45.1.6 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.

	2024 Rupees	2023 Rupees
<b>Revenue</b>		
<b><u>Foreign revenue</u></b>		
Asia	2,613,196,083	2,940,339,119
Europe	22,970,719,156	18,487,632,389
South America	3,229,502	34,589,268
North America	1,090,921,388	151,984,239
Africa	16,737,204	58,320,389
Indirect exports	7,766,210,887	6,476,928,579
	<b>34,461,014,221</b>	28,983,687,759
<b><u>Local revenue</u></b>		
Pakistan	2,045,341,267	2,366,168,879
	<b>36,506,355,488</b>	31,349,856,638
<b>45.1.7 Non-current assets</b>		
Pakistan	<b>11,056,236,103</b>	10,251,295,668

#### 46 Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

- i to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- ii to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

	Unit	2024	2023
Total debt	Rupees	5,872,610,628	5,890,870,409
Total equity including revaluation surplus	Rupees	13,701,048,677	13,324,829,475
Total capital employed	Rupees	<b>19,573,659,305</b>	19,215,699,884
Gearing	Percentage	<b>30%</b>	30.66%

Total debt comprises of redeemable capital, new zero coupon privately placed term finance certificates, long term finances, liabilities against assets subject to finance lease and current portion of non-current liabilities.

There were no changes in the Company's approach to capital management during the year. However, defaults / overdue relating to financial obligations of the Company may cause changes in the Company's approach to capital management. The Company is not subject to externally imposed capital requirements, except those, related to maintenance of debt covenants.



47	<b>Restriction on title and assets pledged as security</b>	2024	2023
		Rupees	Rupees
	<b><u>Mortgages and charges</u></b>		
	<b><u>First</u></b>		
	Hypothecation of all present and future assets and properties	23,809,949,179	23,809,949,179
	Mortgage over land and building	23,809,949,179	23,809,949,179
	<b><u>Ranking</u></b>		
	Hypothecation of all present and future assets and properties	11,666,666,667	11,666,666,667
	Mortgage over land and building	11,666,666,667	11,666,666,667
	Hypothecation of all present and future assets and properties	750,000,000	750,000,000
	Mortgage over land and building	750,000,000	750,000,000
	<b><u>Pledge</u></b>		
	Raw material	89,803,820	89,803,820
	Finished goods	184,812,098	184,812,098
	Investments in debt securities	124,333,582	126,080,519

#### 48 Remuneration of CEO, directors and executives

The aggregate amount in respect of chief executive, directors and executives on account of managerial remuneration, perquisites and benefits, post employment benefits and the number of such directors and executives are as follows:

	2024			
	Directors			Executives
Chief Executive Officer	Executive	Non-executives		
	Rupees			
Managerial remuneration	26,174,997	-	-	363,987,056
Medical	2,617,497	-	-	36,599,860
Utilities and house rent	10,470,006	-	-	146,659,314
Post employment benefits	2,333,333	-	-	36,674,866
	41,595,833	-	-	583,921,096
Number of persons as at year end	1	-	7	164
	2023			
	Directors			Executives
Chief Executive Officer	Executive	Non-executive		
	Rupees			
Managerial remuneration	20,700,000	-	-	269,072,181
Medical	2,070,000	-	-	27,312,535
Utilities and house rent	8,280,000	-	-	109,730,115
Post employment benefits	1,725,000	-	-	27,459,895
Bonus	36,225,000	-	-	-
	69,000,000	-	-	433,574,726
Number of persons as at year end	1	-	7	125

48.1 The Chief Executive officer is provided with Company maintained car while certain executives are provided with vehicles.

48.2 Aggregate amount charged in the financial statements for meeting fee for seven directors was Rs. 5.18 million (2023: Rs 3.78 million).

**49 Plant capacity and actual production**

<u>Spinning</u>	Unit	2024	2023
Number of rotors installed	No.	3,552	3,780
Annual installed capacity converted into 10s count	Kgs	13,099,005	13,939,820
Actual production converted into 10s count	Kgs	6,428,205	8,268,452
<u>Weaving</u>			
Number of looms installed	No.	242	242
Annual installed capacity converted into 48.5 picks	Mtrs.	40,037,984	40,037,984
Actual production converted into 48.5 picks	Mtrs.	23,776,176	17,520,323
<u>Garments</u>			
Number of stitching machines installed	No.	2,595	2,533
Annual installed capacity	Pcs	12,642,840	12,340,776
Actual production for the year	Pcs	10,625,572	8,847,388

It is difficult to precisely describe production capacity and the resultant production converted into base count in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw materials used, spindle speed and twist, picks etc. It would also vary according to the pattern of production adopted in a particular year.

**50 Number of employees**

The average and total number of employees are as follows:

	2024	2023
Average number of employees during the year	7,083	6,558
Total number of employees as at end of year	8,082	6,190

**51 Corresponding figures**

Corresponding figures have been rearranged, where necessary, for the purpose of comparison. However, except for reclassification of taxes into levies, as stated in Note 38 & 2.7 of these financial statements, there is no significant rearrangement.

**52 Date of authorization for issue**

These financial statements were authorized for issue on September 30, 2024 by the Board of Directors of the Company.

**53 General**

Figures have been rounded off to the nearest rupee.

Lahore  Chief Executive Officer  Director  Chief Financial Officer

**FORM 20**

**THE COMPANIES ACT, 2017  
COMPANIES REGULATIONS, 2024  
[Section 227(2)(f) and Regulation 30]**

**PATTERN OF SHAREHOLDING  
(ORDINARY SHARES)**

**PART-I**

1.1 Name of the Company **AZGARD NINE LIMITED**

**PART-II**

2.1 Pattern of holding of the shares held by the Shareholders as at 3 0 0 6 2 0 2 4

2.2	Number of Shareholders	Shareholdings		Total Shares held
		from	to	
	515	1	100	18,229
	953	101	500	383,475
	906	501	1000	831,541
	2021	1001	5000	5,750,434
	710	5001	10000	5,688,632
	301	10001	15000	3,862,842
	195	15001	20000	3,594,205
	135	20001	25000	3,165,943
	85	25001	30000	2,425,363
	50	30001	35000	1,659,229
	46	35001	40000	1,753,419
	39	40001	45000	1,681,047
	53	45001	50000	2,608,695
	25	50001	55000	1,338,489
	23	55001	60000	1,337,700
	15	60001	65000	947,235
	14	65001	70000	963,421
	10	70001	75000	732,447
	12	75001	80000	941,614
	11	80001	85000	914,018
	12	85001	90000	1,070,260
	7	90001	95000	648,244
	35	95001	100000	3,488,750
	7	100001	105000	724,430
	7	105001	110000	760,590
	8	110001	115000	898,308
	4	115001	120000	473,692
	3	120001	125000	371,495
	4	125001	130000	508,860
	2	130001	135000	267,500
	3	135001	140000	415,167

Number of Shareholders	Shareholdings		Total Shares held
	from	to	
2	140001	- 145000	290,000
7	145001	- 150000	1,048,000
2	150001	- 155000	307,000
2	155001	- 160000	320,000
2	160001	- 165000	323,608
1	165001	- 170000	170,000
5	170001	- 175000	868,000
3	175001	- 180000	527,697
3	180001	- 185000	550,500
3	185001	- 190000	565,700
1	190001	- 195000	192,000
12	195001	- 200000	2,400,000
2	200001	- 205000	406,000
2	210001	- 215000	423,500
2	215001	- 220000	437,000
1	230001	- 235000	234,000
4	235001	- 240000	948,215
4	245001	- 250000	998,000
2	255001	- 260000	515,813
2	260001	- 265000	526,228
1	265001	- 270000	267,550
1	270001	- 275000	275,000
2	290001	- 295000	590,000
5	295001	- 300000	1,500,000
2	300001	- 305000	605,678
1	320001	- 325000	325,000
1	330001	- 335000	333,854
1	335001	- 340000	336,102
2	345001	- 350000	700,000
1	355001	- 360000	357,843
1	370001	- 375000	375,000
2	395001	- 400000	800,000
1	400001	- 405000	400,136
1	430001	- 435000	432,500
1	435001	- 440000	437,789
1	440001	- 445000	444,000
2	445001	- 450000	900,000
1	450001	- 455000	451,903
1	455001	- 460000	459,500
1	470001	- 475000	475,000
1	475001	- 480000	478,523
1	485001	- 490000	490,000
4	495001	- 500000	2,000,000
1	535001	- 540000	540,000

Number of Shareholders	Shareholdings		Total Shares held
	from	to	
2	555001	- 560000	1,116,000
1	560001	- 565000	560,415
1	595001	- 600000	600,000
1	610001	- 615000	615,000
2	700001	- 705000	1,406,861
1	845001	- 850000	846,565
1	940001	- 945000	942,816
1	955001	- 960000	959,000
2	1185001	- 1190000	2,374,171
1	1205001	- 1210000	1,209,000
1	1250001	- 1255000	1,254,000
1	1260001	- 1265000	1,261,500
1	1370001	- 1375000	1,371,861
1	1395001	- 1400000	1,400,000
1	1495001	- 1500000	1,500,000
1	2570001	- 2575000	2,571,275
1	3895001	- 3900000	3,900,000
1	4130001	- 4135000	4,133,845
1	4585001	- 4590000	4,586,819
1	4995001	- 5000000	5,000,000
1	5595001	- 5600000	5,600,000
1	6595001	- 6600000	6,600,000
1	7195001	- 7200000	7,195,284
1	9495001	- 9500000	9,500,000
1	13675001	- 13680000	13,679,450
1	19585001	- 19590000	19,586,000
1	22425001	- 22430000	22,425,550
1	47135001	- 47140000	47,137,692
1	118665001	- 118670000	118,666,351
1	121155001	- 121160000	121,158,363
<b>6342</b>	<b>TOTAL</b>		<b>485,409,731</b>

2.3	Categories of Shareholders	Shares held	Percentage
2.3.1	Directors, Chief Executive Officer, and their spouse and minor children	118,839,485	24.48%
2.3.2	Associated Companies, undertakings and related parties	121,158,363	24.96%
2.3.3	NIT and ICP	8,398	0.00%
2.3.4	Banks, Development Financial Institutions, Non-Banking Financial Institutions	9,525,118	1.96%
2.3.5	Insurance Companies	7,158,094	1.47%
2.3.6	Modarabas and Mutual Funds	-	0.00%
2.3.7	Shareholders holding 10%	239,824,714	49.41%
2.3.8	<u>General Public</u>		
	a. Local	165,259,754	34.05%
	b. Foreign	112,417	0.02%
2.3.9	<u>Others</u>		
	Investment Companies	48,785	0.01%
	Joint Stock Companies	63,125,687	13.00%
	Provident/Pension Funds and Misc.	173,630	0.04%



## Form of Proxy Azzgard Nine Limited

I/We \_\_\_\_\_  
son of/daughter of/wife of \_\_\_\_\_  
a member of Azzgard Nine Limited and holder of \_\_\_\_\_ ordinary shares as  
per Registered Folio No. \_\_\_\_\_ do hereby appoint Mr./Ms./Mrs. \_\_\_\_\_  
son of/daughter of/wife of \_\_\_\_\_ or failing him/her  
Mr./Ms./Mrs. \_\_\_\_\_  
son of/daughter of/wife of \_\_\_\_\_  
who is also member of the Company vide Registered Folio No. \_\_\_\_\_

as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the Company to be held on Monday, the 28th October 2024 at 11:30 a.m. at the Registered Office of the Company, Ismail Aiwan-i-Science, Off: Shahrah-i-Roomi, Lahore and at any adjournment thereof.

In witness whereof on this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

### WITNESSES

1. Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
CNIC \_\_\_\_\_
2. Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
CNIC \_\_\_\_\_

Affix Revenue  
Stamp

Member's Signature  
Over Revenue Stamp

### NOTE:

1. The Form of Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting.
2. CDC Shareholders, entitled to attend and vote at this meeting, must bring with them their National Identity Cards/Passport in original to authenticate his/her identity, and in case of Proxy, must enclose an attested copy of his/her CNIC or Passport. Representative of corporate members should bring the usual documents for such purpose.



AFFIX  
CORRECT  
POSTAGE

The Company Secretary  
AZGARD NINE LIMITED  
Ismail Aiwan-i-Science  
Off: Shahrah-i-Roomi  
Lahore-54600, Pakistan.





# پراکسی فارم ایزگارڈ نائن لمیٹڈ

میں / ہم .....  
ولد / دختر / زوجہ .....  
ایزگارڈ نائن لمیٹڈ کا / کی ممبر اور ہولڈر .....  
عمومی شیئر ز اور رجسٹرڈ فوئیو نمبر ..... جناب / محترمہ .....  
ولد / دختر / زوجہ .....  
کا تقرر کرتا / کرتی ہوں یا اس کے ناکام ہونے پر جناب / محترمہ .....  
ولد / دختر / زوجہ .....  
جو کہ خود بھی کمپنی کا / کی رجسٹرڈ فوئیو نمبر ..... کے تحت ممبر ہے / میرے / ہمارے / پروکسی کے طور پر شرکت کرے، تقریر / ایمان کرے،  
میرے / ہمارے لئے ووٹ دے کمپنی کے اکتیسویں سالانہ اجلاس عام جو کہ بروز پیر 28 اکتوبر 2024 بوقت 11:30 بجے صبح  
بمقام کمپنی کے رجسٹرڈ آفس: اسماعیل ایوان سائنس، آف شاہراہ رومی، لاہور میں منعقد ہوگا اور اسکے کسی التواء کی صورت میں۔  
مورخہ ..... 2024 کو روبرو گواہان تحریر کیا ہے۔

ریونیوٹکٹ لگائیں  
ریونیوٹکٹ پر  
ممبر کے دستخط

گواہ شد .....  
دستخط .....  
نام .....  
پتہ .....  
شناختی کارڈ نمبر .....  
گواہ شد .....  
دستخط .....  
نام .....  
پتہ .....  
شناختی کارڈ نمبر .....

نوٹ:

- 1- پراکسی فارم کو لازمی طور پر کمپنی کے رجسٹرڈ آفس میں اجلاس سے 48 گھنٹے قبل جمع کروائیں۔
- 2- CDC شیئر ہولڈرز اجلاس میں شامل ہونے اور ووٹ دینے کے اہل اپنا شناختی کارڈ / پاسپورٹ اپنی شناخت کے طور پر پیش کریں گے اور پراکسی کی صورت میں لازمی تصدیق شدہ شناختی کارڈ یا پاسپورٹ کی کاپی منسلک کریں گے۔ کارپوریٹ ممبر کے نمائندگان اس مقصد کیلئے عمومی کاغذات ہمراہ لائیں گے۔



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POSTAGE

The Company Secretary  
AZGARD NINE LIMITED  
Ismail Aiwan-i-Science  
Off: Shahrah-i-Roomi  
Lahore-54600, Pakistan.

# AZGARD9

AZGARD NINE LIMITED

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

Phone: +92(0)4235761794-5

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



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