

# AZGARD9

Tomorrow's Denim Today

**AZGARD NINE LIMITED**  
Interim Financial Report  
for the nine months ended  
March 31, 2026 (Un-audited)

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

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

### COMPANY SECRETARY

Mr. Muhammad Awais

### CHIEF FINANCIAL OFFICER

Mr. Muhammad Zahid Rafiq, FCA

### AUDIT COMMITTEE

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

### HR & REMUNERATION COMMITTEE

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

### AUDITORS

Rahman Sarfaraz Rahim Iqbal Rafiq  
Chartered Accountants

### SHARES REGISTRAR

M/s. Hameed Majeed Associates (Pvt.) Ltd.  
H. M. House, 7-Bank Square, Lahore.  
Ph: +92(0)42 37235081-82  
Fax: +92(0)42 37358817

### REGISTERED OFFICE

Ismail Aiwan-i-Science  
Off: Shahrah-i-Roomi, Lahore-54600.  
Ph: +92(0)42 35761794-5

### BANKERS

#### *Relationship with conventional side*

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

#### *Relationship with Islamic window operations*

Al Baraka Bank Pakistan Limited  
Faysal Bank Limited

### PROJECT LOCATIONS

Textile & Apparel

#### Unit I

2.5 KM Off: Manga Raiwind Road,  
District Kasur, Pakistan.  
Ph: +92(0)42 35384081

#### Unit II

Atta Buksh Road, 18-KM, Off: Ferozepur Road,  
Mouza Atari Saroba, Tehseel Cantt, Lahore,  
Pakistan.  
Ph: +92(0)333 0427020-1

### E-MAIL

info@azgard9.com

### WEB PRESENCE

www.azgard9.com

## Directors' Review

The Directors of Azgard Nine Limited ("the Company") hereby present the Company's Condensed Interim Financial Report for the nine months ended March 31, 2026.

### Principal Activities

The main business of your Company is the production and marketing of denim-focused textile and apparel products, ranging from yarn to retail-ready goods.

Following are the operating financial results of Azgard Nine Limited:

	Nine Months Ended March 31, 2026 (Rs. in millions)	Nine Months Ended March 31, 2025 (Rs. in millions)
Sales – net	30,874.98	31,007.83
Profit from operations	1,952.36	2,016.49
Finance cost	(590.66)	(871.77)
Profit before tax	980.46	888.73
Profit after tax	499.47	414.04
Earnings per share (Rs.)	1.02	0.84

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

During the first quarter, sales of the Company showed a decline of 6.7%, while for the second and third quarter, sales increased by 2.8% and 2.4% respectively, as compared to the same period of last year, resulting in an overall slight decrease in sales as compared to the same period last year nine months period. The profit from operations for this nine months' period is Rs. 1,952.36 million, as compared to profit from operations of Rs. 2,016.49 million for the same period of last year. Due to the reduction in finance cost, the Company was able to achieve a net profit before tax of Rs. 980.46 million as compared to a net profit before tax of Rs. 888.73 million during the same period of last year. This shows a growth of 10.32%.

Pakistan's textile exports remained stagnant with a -0.15% growth over the last nine months i.e., the massive 32% surge in textile sales in July was entirely offset by persistent contractions during the subsequent eight months. This lack of momentum was further exacerbated by the Iran–Israel conflict's "supply shock," that triggered a massive spike in freight rates, soaring petrochemical prices, and increase in cotton prices. Amid these volatile logistics and shipping delays, the Company's performance faced pressure from elevated input costs, a higher minimum wage, and energy tariffs that significantly exceed those of regional competitors. These macroeconomic burdens, coupled with increasingly stringent compliance requirements and intensifying competition from new market entrants, have compressed margins and eroded traditional cost advantages. Sustaining the export target now depends on stabilizing external supply chains and securing consistent energy pricing to protect global market share and restore profitability.

The transition to the Normal Tax Regime (NTR) in July 2024 has fundamentally restructured the industry's financial landscape, significantly increasing the overall tax burden. When combined with the Super Tax, the effective tax rate now exceeds 40%, placing Pakistan's textile sector among the highest-taxed in the region compared to competitors like Bangladesh and Vietnam. On the other hand, the recent withdrawal of zero-rating on local inputs, has intensified the liquidity constraints as backlog/balance of Sales Tax refunds has continued to accumulate; older claims remain pending, locking up huge working capital. These delays are severely straining liquidity and disrupting essential procurement and production planning. Rationalization of the tax burden, alongside the automated and timely processing of refunds, remains essential to sustain export momentum and restore the sector's global competitiveness.

The industry continues to voice concerns over the absence of a long-term Textile Policy, leading to ad-hoc decision-making that discourages long-term investment in automation and AI-driven production.

Despite these systemic challenges and the aforementioned "liquidity squeeze," the Company achieved improved earnings during this period. This performance is a direct result of disciplined cost management and a relentless focus on operational efficiency, allowing the Company to partially insulate its bottom line from broader macroeconomic volatility.

The competitive landscape has been fundamentally altered following the finalization of the India–EU Free Trade Agreement on January 27, 2026. This deal has effectively narrowed the tariff advantages Pakistan previously held under the GSP+ status, leveling the playing field for regional rivals. Furthermore, recent trade concessions extended by the United States to Bangladesh and India have placed additional pressure on Pakistan's market share, requiring a swift pivot in our export strategy to remain a preferred supplier.

To counter industry-wide margin compression, the Company is accelerating several strategic initiatives aimed at reinforcing its market position. These include enhanced production planning, optimized capacity utilization and integration of advanced process automation. We are also prioritizing aggressive cost optimization through end-to-end supply chain rationalization, rigorous waste reduction and reuse protocols, and tighter inventory controls to ensure liquidity remains stable despite external pressures.

The Board of Directors extends its sincere appreciation to our shareholders, employees, and partners for their steadfast trust and cooperation during these turbulent times. Their support remains the cornerstone of our resilience as we navigate these regional and global challenges. With a collective commitment to excellence and innovation, the Company remains confident in its ability to navigate the current environment and deliver progressively stronger performance and sustainable value in the coming quarters.

**On behalf of the Board of Directors**



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



\_\_\_\_\_  
Director

Date: April 29, 2026

## ڈائریکٹرز کا جائزہ

ایگزکارڈنائن لمیٹڈ (کمپنی) کے ڈائریکٹرز کمپنی کی کثیف عبوری مالیاتی رپورٹ برائے نو ماہی تختہ 31 مارچ 2026 پیش کرتے ہیں۔

اہم سرگرمیاں

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

نو ماہی تختہ 31 مارچ 2025 (روپے ملین میں)	نو ماہی تختہ 31 مارچ 2026 (روپے ملین میں)	
31,007.83	30,874.98	فروختگی (Net)
2,016.49	1,952.36	آپریٹنگ منافع
(871.77)	(590.66)	مالیاتی اخراجات
888.73	980.46	منافع قبل از ٹیکس
414.04	499.47	منافع بعد از ٹیکس
0.84	1.02	منافع فی شیئر (روپے)

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

پہلی سہ ماہی کے لئے، فروخت میں 6.7 فیصد کمی ہوئی جبکہ دوسری اور تیسری سہ ماہی کی فروخت میں گزشتہ سال کی اسی مدت کے مقابلے میں بالترتیب 2.8 فیصد اور 2.4 فیصد کا اضافہ ہوا، جس کے نتیجے میں گزشتہ سال کی نو ماہ کی مدت کے مقابلے فروخت میں مجموعی طور پر معمولی کمی واقع ہوئی۔ اس نو ماہ کی مدت کے آپریٹرز سے گزشتہ سال کی اسی مدت کے لیے 2,016.49 ملین روپے منافع کے مقابلے میں 1,952.36 ملین روپے منافع حاصل ہوا۔ مالیاتی لاگت میں کمی کے ساتھ، کمپنی ٹیکس سے پہلے خالص منافع گزشتہ سال کی اسی مدت کے دوران 888.73 ملین روپے کے مقابلے میں 980.46 ملین روپے خالص منافع حاصل کرنے میں کامیاب ہو گئی ہے۔ یہ 10.32 فیصد کی ترقی کو ظاہر کرتا ہے۔

پاکستان کی ٹیکسٹائل برآمدات گزشتہ نو مہینوں کے دوران 0.15- فیصد اضافے کے ساتھ جمود کا شکار رہی، جولائی میں ٹیکسٹائل کی فروخت میں 32 فیصد کا زبردست اضافہ اس کے بعد کے آٹھ مہینوں کے دوران مسلسل ٹنگی کی وجہ سے مکمل طور پر ضائع ہوا۔ رفتار کی یہ کمی ایران-اسرائیل تنازعہ کے "سپلائی جھٹکا" سے مزید بڑھ گئی، جس نے مال برداری کی شرحوں میں بڑے پیمانے پر اضافہ کیا، پیٹر ویکٹیبل کی قیمتوں میں اضافہ اور کپاس کی قیمتوں میں اضافہ ہوا۔ ان غیر مستحکم لاجسٹکس اور شپنگ میں تاخیر کے درمیان، کمپنی کی کارکردگی کو بڑھے ہوئے ان پٹ اخراجات، زیادہ کم از کم اجرت، اور توانائی کے نرخوں کے دباؤ کا سامنا کرنا پڑا جو علاقائی حربیوں سے نمایاں طور پر زیادہ ہیں۔ یہ میکرو اکنامک بوجھ، تیزی سے سخت تعمیل کی ضروریات اور نئے مارکیٹ میں داخل ہونے والوں سے مسابقت کے ساتھ مل کر، مارجن کو کم کر دیا ہے اور روایتی لاگت کے فوائد کو ختم کر دیا ہے۔ برآمدی ہدف کو برقرار رکھنے کا انحصار اب بیرونی سپلائی چینز کو مستحکم کرنے اور عالمی منڈی میں حصص کی حفاظت اور منافع کی بحالی کے لیے توانائی کی مستقل قیمتوں کو حاصل کرنے پر ہے۔

جولائی 2024 میں نارل ٹیکس رجیم (NTR) میں تبدیلی نے صنعت کے مالیاتی منظر نامے کو بنیادی طور پر اسز نو تشکیل دیا ہے، جس سے ٹیکس کے مجموعی بوجھ میں نمایاں اضافہ ہوا ہے۔ پرنٹیکس کے ساتھ مل کر، موثر ٹیکس کی شرح اب 40 فیصد سے تجاوز کر گئی ہے، جس سے پاکستان کے ٹیکسٹائل سیکٹر کو بنگلہ دیش اور ویتنام جیسے بریفوں کے مقابلے میں خطے میں سب سے زیادہ ٹیکس لگا دیا گیا ہے۔ دوسری طرف، مقامی ان پٹس پر زبردستی ٹیکس کی حالیہ واپسی نے لیکو پڈ بیٹی کی رکاوٹوں کو مزید تیز کر دیا ہے کیونکہ سٹیز ٹیکس ریفرنڈم کا بیک لاگ/تینلس جمع ہونا جاری ہے۔ پرانے عموں زیر التوا انہوں، سرمائے کو محدود کر دیا گیا ہے۔ یہ تاخیر لیکو پڈ بیٹی کو شدید دباؤ کا شکار کر رہی ہیں اور ضروری خریداری اور پیداواری منصوبہ بندی میں خلل ڈال رہی ہیں۔ ریفرنڈم کی خود کار اور بروقت پروسیڈنگ کے ساتھ ساتھ ٹیکس کے بوجھ کو معقول بنانا، برآمدی رفتار کو برقرار رکھنے اور شعبے کی عالمی مسابقت کو بحال کرنے کے لیے ضروری ہے۔

صنعت طویل مدتی ٹیکسٹائل پالیسی کی عدم موجودگی پر نشوونما کا اظہار کرتی رہتی ہے، جس کے نتیجے میں ایڈ ہاک فیصلہ سازی ہوتی ہے جو آٹومیشن اور AI سے چلنے والی پیداوار میں طویل مدتی سرمایہ کاری کی حوصلہ شکنی کرتی ہے۔


ان انفا جی چینوں اور مذکورہ بالا "لیکو پڈ بیٹی ٹیچرز" کے باوجود کمپنی نے اس مدت کے دوران بہتر آمدنی حاصل کی۔ یہ کارکردگی نظم و ضبط لاگت کے انتظام اور آپریشنل کارکردگی پر انتھک توجہ کا براہ راست نتیجہ ہے، جس سے کمپنی جزوی طور پر وسیع تر معاشی اتار چڑھاؤ سے اپنی نچلی سطح کو محفوظ رکھ سکتی ہے۔

27 جنوری 2026 کو بھارت - EU آزاد تجارتی معاہدے کو حتمی دینے کے بعد مسابقتی منظر نامے کو بنیادی طور پر تبدیل کر دیا گیا ہے۔ اس معاہدے نے پاکستان کو پہلے GSP+ سٹیٹس کے تحت حاصل ٹیرف فوائد کو مؤثر طریقے سے محدود کر دیا ہے، جس سے علاقائی حریفوں کے لیے کھیل کا میدان برابر ہو گیا ہے۔ مزید برآں، امریکہ کی طرف سے بنگلہ دیش اور بھارت کو دی جانے والی حالیہ تجارتی مراعات نے پاکستان کے مارکیٹ شیئر پر اضافی دباؤ ڈالا ہے، جس کی ضرورت ہے کہ ہماری برآمدی حکمت عملی کو ترقی فرما ہم کنندہ رہنے کے لیے تیز رفتاری کا مرکز بنایا جائے۔

صنعت بھر میں مارجن کمپریشن کا مقابلہ کرنے کے لیے، کمپنی کئی اسٹریٹجک اقدامات کو تیز کر رہی ہے جس کا مقصد اپنی مارکیٹ کی پوزیشن کو مضبوط کرنا ہے۔ ان میں بہتر پیداواری منصوبہ بندی، صلاحیت کا بہتر استعمال اور جدید عمل آٹومیشن کا انضمام شامل ہے۔ ہم آخر سے آخر تک سپلائی چین ریٹینا نیشن، ویسٹ میں کمی اور دوبارہ استعمال کے پروٹوکولز، اور انوینٹری کنٹرولز کے ذریعے لاگت کو بہتر بنانے کو بھی ترجیح دے رہے ہیں تاکہ یہ یقینی بنایا جاسکے کہ بیرونی دباؤ کے باوجود لیکو پڈ بیٹی مستحکم رہے۔

بورڈ آف ڈائریکٹرز ہمارے شیئر ہولڈرز، ملازمین اور شرکاء کو ان مشکل وقتوں میں ان کے ثابت قدم اعتماد اور تعاون کے لیے اپنی مخلصانہ تعریف کا اظہار کرتا ہے۔ ان کی حمایت ہماری پلک کی بنیاد بنی ہوئی ہے جب کہ ہم ان علاقائی اور عالمی چینوں کا مقابلہ کرتے ہیں۔ عمدگی اور اختراع کے لیے اجتماعی عزم کے ساتھ، کمپنی موجودہ ماحول سے نپٹنے اور آنے والی سہ ماہیوں میں بتدریج مضبوط کارکردگی اور پائیدار قدر فرماہم کرنے کی اپنی صلاحیت پر اعتماد ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

  
ڈائریکٹر

  
چیف ایگزیکٹو آفیسر

تاریخ: 12 اپریل 2026ء

## Condensed Interim Statement of Financial Position (Un-audited) AS AT MARCH 31 2026

		31-Mar-26	30-Jun-25
		Rupees	Rupees
		[Un-audited]	[Audited]
<b>EQUITY AND LIABILITIES</b>			
Authorized share capital	Note	15,000,000,000	15,000,000,000
Issued, subscribed and paid up capital		4,913,753,370	4,913,753,370
Reserves		4,564,745,309	4,032,114,593
Surplus on revaluation of fixed assets		2,802,577,518	2,902,237,912
Retained earnings		3,022,700,656	2,955,922,841
		15,303,776,853	14,804,028,716
<b>Non-current liabilities</b>			
Redeemable capital		3,694,380,071	3,804,126,757
Long term borrowings		246,460,055	-
Employees retirement benefits		1,521,047,050	1,265,980,758
Deferred mark-up		99,124,683	112,709,911
Deferred taxation		318,334,493	296,168,063
		5,879,346,353	5,478,985,489
<b>Current liabilities</b>			
Trade and other payables		3,926,223,435	3,652,044,818
Unclaimed dividend on ordinary shares		3,753,253	3,753,252
Short term borrowings		2,397,233,141	2,686,388,660
Accrued mark-up/profit on borrowings		151,012,021	205,014,237
Levies payable		542,614,099	778,907,920
Income taxes payable		62,483,961	114,340,654
Current maturity of non-current liabilities		907,269,419	1,500,053,224
		7,990,589,328	8,940,502,765
Contingencies and commitments	4	29,173,712,533	29,223,516,970
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	13,886,134,223	12,093,040,142
Long term investments		124,333,580	124,333,580
Long term deposits and receivables		220,228,752	163,264,370
		14,230,696,556	12,380,638,092
<b>Current assets</b>			
Store, spares and loose tools		293,458,423	347,673,265
Stock-in-trade		5,571,552,655	5,667,465,821
Trade receivables		3,688,587,626	3,859,253,072
Receivable against sale of spinning unit		706,412,075	706,412,075
Deposits and prepayments		714,179,463	1,362,269,330
Advances and other receivables		1,194,083,577	1,464,966,869
Short term investments		715,636,916	138,603,560
Tax refunds due from government		1,076,469,826	1,152,040,570
Funds for restructuring scheme		132,308,363	892,167,454
Cash and bank balances	8	850,327,054	1,252,026,862
		14,943,015,977	16,842,878,878
		29,173,712,533	29,223,516,970

The annexed notes from 1 to 12 form an integral part of these interim financial statements.

Lahore

  
 Chief Executive Officer

  
 Director

  
 Chief Financial Officer

**Condensed Interim Statement of Profit or Loss (Un-audited)  
For The Nine Months Period Ended March 31, 2026**

	Nine months period ended		Three months period ended	
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
	Rupees	Rupees <i>[restated]</i>	Rupees	Rupees <i>[restated]</i>
<b>Notes</b>				
Sales - net	30,874,976,649	31,007,825,414	9,395,546,683	9,183,656,830
Cost of sales	(27,311,893,397)	(27,346,215,309)	(8,163,948,522)	(8,024,571,293)
<b>Gross profit</b>	<b>3,563,083,252</b>	<b>3,661,610,105</b>	<b>1,231,598,161</b>	<b>1,159,085,537</b>
Other income	557,734,267	583,552,497	177,524,202	187,033,343
Selling and distribution expenses	(1,346,511,470)	(1,492,745,417)	(527,012,323)	(384,248,827)
Administrative expenses	(821,947,015)	(735,922,481)	(272,431,235)	(241,496,052)
<b>Profit from operations</b>	<b>1,952,359,034</b>	<b>2,016,494,704</b>	<b>609,678,805</b>	<b>720,374,001</b>
Other expenses	(107,873,307)	(48,377,116)	(20,867,676)	(21,471,816)
Impairment for expected credit loss	(33,126,206)	-	(20,585,442)	-
Finance cost	7 (590,659,119)	(871,765,736)	(174,209,178)	(252,874,337)
Notional interest expense	(240,240,278)	(207,621,807)	(74,914,832)	(69,207,269)
<b>Profit before taxation</b>	<b>980,460,124</b>	<b>888,730,045</b>	<b>319,101,677</b>	<b>376,820,579</b>
Taxation	(480,987,278)	(474,689,319)	(141,739,091)	(162,600,648)
<b>Profit after taxation</b>	<b>499,472,846</b>	<b>414,040,726</b>	<b>177,362,586</b>	<b>214,219,932</b>
<b>Earnings per share - basic and diluted</b>	<b>1.02</b>	<b>0.84</b>	<b>0.36</b>	<b>0.44</b>

The annexed notes from 1 to 12 form an integral part of these interim financial statements.

Lahore

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

**Condensed Interim Statement of Comprehensive Income (Un-audited)  
For The Nine Months Period Ended March 31, 2026**

	<u>Nine-months period ended</u>		<u>Three-months period ended</u>	
	<u>31-Mar-26</u>	<u>31-Mar-25</u>	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	Rupees	Rupees	Rupees	Rupees
<b>Profit after taxation</b>	<b>499,472,846</b>	414,040,726	<b>177,362,586</b>	214,219,932
<i>Items that may not be subsequently reclassified to statement of profit or loss</i>				
Income tax relating to items that will not be reclassified	275,291	-	-	-
<b>Total comprehensive income for the period</b>	<b>499,748,137</b>	414,040,726	<b>177,362,586</b>	214,219,932

The annexed notes from 1 to 12 form an integral part of these interim financial statements.

Lahore

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

  
\_\_\_\_\_  
Director

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

## Condensed Interim Statement of Cash Flows (Un-audited) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2026

Note	31-Mar-2026	31-Mar-2025
	Rupees	Rupees
<b>Cash flows from operating activities</b>		
Profit before taxation	980,460,124	888,730,046
Adjustments	1,648,947,644	1,534,953,861
<b>Operating profit before working capital changes</b>	<b>2,629,407,768</b>	<b>2,423,683,907</b>
Changes in working capital	1,567,214,476	15,567,827
Cash generated from operations	4,196,622,244	2,439,251,734
<b>Payments for:</b>		
Interest/markup/return paid	(270,227,130)	(348,574,077)
Taxes paid	(770,861,863)	(684,090,756)
Long term deposits	(56,964,382)	(109,223,236)
WPPF	(90,818,214)	(56,111,006)
Post retirement benefits	(110,707,538)	(116,547,376)
	(1,299,579,127)	(1,314,546,451)
<b>Net cash generated from operating activities</b>	<b>2,897,043,117</b>	<b>1,124,705,283</b>
<b>Cash flows from investing activities</b>		
Capital expenditure incurred during the period	(2,470,315,629)	(832,771,819)
Proceeds against receivable from sale of Muzaffargarh unit	-	7,304,571
Proceeds from disposal of fixed assets	24,202,081	4,700,000
Short term investment	(577,033,356)	16,224,816
<b>Net cash used in investing activities</b>	<b>(3,023,146,904)</b>	<b>(804,542,432)</b>
<b>Cash flows from financing activities</b>		
Repayment of redeemable capital	(353,136,325)	(330,217,290)
Preference Shares	-	(36,940,852)
Repayment of lease liabilities	(4,334,492)	(217,338)
Settlement Finance	(625,020,793)	-
Long term finances obtained	263,572,261	-
Transaction cost paid	(27,380,245)	-
Short term borrowings-net	76,880,640	161,712,640
<b>Net cash used in financing activities</b>	<b>(669,418,954)</b>	<b>(205,662,840)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(795,522,741)</b>	<b>114,500,011</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>1,777,922,683</b>	<b>1,745,142,828</b>
<b>Cash and cash equivalents at the end of period</b> 8	<b>982,399,942</b>	<b>1,859,642,840</b>

The annexed notes from 1 to 12 form an integral part of these interim financial statements.

Lahore

  
 Chief Executive Officer

  
 Director

  
 Chief Financial Officer

**Condensed Interim Statement of Changes in Equity (Un-audited)  
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2026**

	Issued, subscribed and paid-up capital	Share premium	Reserve on merger	Capital Reserves	New Zero Coupon PPTFCs Redemption Reserve	Total reserves	Surplus on revaluation of fixed assets	Unappropriated profit	Total equity
As at 01 Jul 2024 - Audited	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	2,779,955,258	13,701,048,677
Total comprehensive income for the period	-	-	-	-	-	-	-	-	414,040,726
Income for the period ended Mar 31, 2025	-	-	-	-	-	-	-	-	414,040,726
Other comprehensive income for the period ended Mar 31, 2025	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year, Mar 31, 2025	-	-	-	-	-	-	-	-	414,040,726
Transfer of incremental depreciation from surplus on revaluation of operating fixed assets	-	-	-	-	-	-	(109,509,936)	109,509,936	-
Deferred tax on incremental depreciation from surplus on revaluation of operating fixed assets	-	-	-	-	-	-	21,174,642	-	21,174,642
Transfer of reserve from accumulated profits to new zero coupon PPTFCs redemption reserve	-	-	-	-	532,630,716	532,630,716	-	(532,630,716)	-
Transfer of incremental depreciation from surplus on revaluation of disposal of fixed assets	-	-	-	-	-	(536,055)	-	536,055	-
As at Mar 31, 2025 - Unaudited	4,913,753,370	2,358,246,761	105,152,005	148,367,255	1,242,805,002	3,854,034,968	2,597,454,448	2,771,021,259	14,136,264,045
As at Jul 01, 2025 - Audited	4,913,753,370	2,358,246,761	105,152,005	148,367,255	1,420,348,572	4,032,114,599	2,902,237,912	2,955,922,841	14,804,028,716
Total comprehensive income for the period	-	-	-	-	-	-	-	-	499,472,846
Profit for the period ended Mar 31, 2026	-	-	-	-	-	-	-	-	499,472,846
Other comprehensive income for the period ended Mar 31, 2026	-	-	-	-	-	-	275,291	-	275,291
Total comprehensive income for the period ended Mar 31, 2026	-	-	-	-	-	-	275,291	-	499,472,846
Transfer of incremental depreciation from surplus on revaluation of fixed assets	-	-	-	-	-	-	(99,935,689)	99,935,685	-
Transfer of reserve from accumulated profits to new zero coupon PPTFCs redemption reserve	-	-	-	-	532,630,716	532,630,716	-	(532,630,716)	-
As at Mar 31, 2026 - Unaudited	4,913,753,370	2,358,246,761	105,152,005	148,367,255	1,952,979,288	4,564,745,309	2,802,157,518	3,022,700,656	15,303,776,833

The annexed notes from 1 to 12 form an integral part of these interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Lahore

**Condensed Interim Selected Explanatory Notes to the  
Financial Statements (Un-audited)  
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2026****1 LEGAL STATUS AND NATURE OF BUSINESS**

Azgard Nine Limited ("the Company") was incorporated in Pakistan as a Public Limited Company on April 7, 2004 and listed on Pakistan Stock Exchange Limited. The Company is a composite spinning, weaving, dyeing and stitching unit engaged in the manufacturing of yarn, denim and denim products. The registered office of the Company is situated at Ismail Aiwan-e-Science, off Shahrah-e-Roomi, Lahore. The Company has two production units with Unit I located at 2.5 km off Manga, Raiwind Road, District Kasur and Unit II (rented facility) located at Atta Buksh Road, 18-km, off Ferozepur road, Mouza Atari Saroba, Tehseel Cantt, Lahore.

**2 Basis of preparation****2.1 Statement of compliance**

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information required for annual financial statements including financial risk management information and therefore should be read in conjunction with the annual audited financial statements for the year ended June 30, 2025.

Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2025 whereas comparative statement of profit or loss, statement of changes in equity and statement of cash flows are extracted from un-audited condensed interim financial statements for the quarter ended on March 31, 2025.

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

**3 Accounting policies and estimates**

**3.1** The accounting policies and methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2025.

**3.2** Judgements and estimates made by the management in the preparation of the condensed interim financial information are the same as those applied in preparation of annual published financial statements of the Company for the year ended June 30, 2025.

#### 4 CONTINGENCIES AND COMMITMENTS

##### 4.1 Contingencies

4.2 There is no material change in the status of contingencies as disclosed in the financial statements for the year ended Jun 30, 2025.

	(Un-audited) March 31, 2026	(Audited) June 30, 2025
<b>4.2 Commitments</b>		
<b>4.2.1 Commitments under irrevocable letters of credit for:</b>	Rupees	Rupees
- purchase of plant, machinery and loose tools	176,002,687	526,388,662
- purchase of raw material	22,318,642	18,712,155
	<u>198,321,329</u>	<u>545,100,817</u>
<b>4.2.2 Commitments for capital expenditure</b>	<u>352,145,215</u>	<u>592,370,479</u>
<b>4.2.3</b> Counter Guarantees given by the Company to its bankers as at the reporting date amount to Rs. 285.79 million (June 30, 2025: Rs. 285.79 million).		
<b>4.2.4</b> Bills discounted as at reporting date aggregated to Rs. 909.98 million (June 30, 2025: Rs. 1,951.11 million).		
<b>5 Property, plant and equipment</b>		
Operating fixed assets	11,126,167,222	10,746,389,854
Right of use assets	111,511,353	-
Capital work in progress	2,648,455,648	1,346,650,288
	<u>13,886,134,223</u>	<u>12,093,040,142</u>

##### 5.1 Operating fixed assets

Net book value as at the beginning of the period / year	Note	10,746,389,854	10,277,401,479
Additions during the period / year	5.1.1	1,036,810,238	1,323,502,412
Assets transfer from leased to own		-	920,483
Disposals during the period / year - Net book value		(233,935)	(8,942,564)
Depreciation charged during the period / year		(656,798,935)	(846,491,956)
<b>Net book value as at the end of the period / year</b>		<u>11,126,167,222</u>	<u>10,746,389,854</u>

##### 5.1.1 Additions - Cost

###### Assets owned by the Company

Building on freehold land	39,081,000	219,749,414
Plant and Machinery	922,465,356	961,191,248
Others	75,263,882	142,561,750
	<u>1,036,810,238</u>	<u>1,323,502,412</u>

## 6 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

6.1 Transactions with related parties	(Un-audited)	(Un-audited)
	July to March	July to March
	2026	2025
<b>6.1.1 Key Management Personnel</b>		
Short term employee benefits	31,500,000	31,500,000
Meeting fee	3,060,000	2,320,000
Post employment benefits	2,692,307	2,692,307
<b>6.1.2 Other related parties</b>	<b>Rupees</b>	<b>Rupees</b>
<b>JS Bank Limited</b>		
Markup expense	5,793,277	883,730
Fee paid to trustee	1,500,000	1,500,000
Markup Paid	8,306,372	-
Profit received on deposit accounts	9,806,521	12,873,417
<b>Unit Trust of Pakistan</b>		
Markup expense	630,901	894,058
Markup Paid	893,305	-
<b>JS Large Cap Fund</b>		
Markup expense	1,680,799	2,380,704
Markup Paid	3,645,092	1,803,187
<b>JS Global Capital Limited</b>		
Markup expense	6,598,212	9,345,784
Markup Paid	14,309,317	7,078,661
<b>JS Principal Secure Fund</b>		
Markup expense	676,685	958,465
Markup Paid	1,467,505	725,958
<b>JS Income Fund</b>		
Markup expense	776,230	1,100,008
Markup Paid	1,099,166	-
<b>JS Growth Fund</b>		
Markup expense	2,003,571	2,838,380
Markup Paid	3,813,800	1,392,071

	(Un-audited) March 31, 2026	(Audited) June 30, 2025
	Rupees	Rupees
<b>6.2 Balances with related parties</b>		
<b>6.2.1 Key Management Personnel</b>		
Short term employee benefits payable	3,500,000	3,500,000
Post employment benefits payable	29,615,383	26,923,076
<b>6.2.2 Other related parties</b>		
<b>JS Bank Limited</b>		
Settlement Finance	5,795,748	13,870,315
Short Term Borrowings	-	112,000,000
Balance at bank accounts	277,543,352	458,750,036
Mark-up payable	1,427,501	5,408,758
<b>Unit Trust of Pakistan</b>		
Settlement Finance	2,850,621	6,822,073
Redeemable capital	60,172,500	63,735,000
Mark-up payable	1,284,800	1,547,204
<b>JS Large Cap Fund</b>		
Redeemable capital	88,471,811	98,047,415
Settlement Finance	7,412,507	17,739,525
Mark-up payable	2,069,692	4,033,985
<b>JS Global Capital Limited</b>		
Redeemable capital	347,316,106	384,906,474
Settlement Finance	29,098,831	69,638,980
Mark-up payable	8,124,864	15,835,970
<b>JS Principal Secure Fund</b>		
Redeemable capital	35,615,340	39,470,453
Settlement Finance	2,984,256	7,141,887
Mark-up payable	833,253	1,624,072
<b>JS Pension Savings Fund</b>		
Redeemable capital	3,850,000	3,850,000
<b>JS Income Fund</b>		
Redeemable capital	75,189,000	79,572,000
Settlement Finance	3,507,544	8,394,214
Mark-up payable	1,580,804	1,903,739
<b>JS Growth Fund</b>		
Redeemable capital	141,216,014	152,594,685
Settlement Finance	8,912,854	21,330,137
Mark-up payable	3,035,601	4,845,829
<b>7 Finance Cost</b>		
Interest / mark-up on:		
Redeemable capital & Long term finances	70,835,710	96,661,175
Lease liabilities	4,243,147	11,780
Short term borrowings	141,146,057	249,344,161
	216,224,914	346,017,116
Amortization of transaction costs	32,069,160	24,995,036
Bank discounting and other charges	342,365,045	500,753,583
	<u>590,659,119</u>	<u>871,765,736</u>

	(Un-audited) March 31, 2026	(Audited) June 30, 2025
	<u>Rupees</u>	<u>Rupees</u>
<b>8 Cash and cash equivalents at the period end</b>		
Short term borrowings - running finance	(235,474)	(286,908)
Cash and bank balances	<b>850,327,054</b>	951,908,831
Funds for restructuring	<b>132,308,363</b>	908,020,916
	<b><u>982,399,942</u></b>	<b><u>1,859,642,839</u></b>

9 Segment information

9.1 Information about reportable segments

	Spinning segment		Weaving segment		Garment segment		Elimination		Total	
	March-26 Rupees	March-25 Rupees	March-26 Rupees	March-25 Rupees	March-26 Rupees	March-25 Rupees	March-26 Rupees	March-25 Rupees	March-26 Rupees	March-25 Rupees
<b>Segment revenues and results</b>										
<b>Revenues</b>										
External	1,424,484,888	2,061,774,654	6,576,864,240	9,225,353,326	22,874,627,522	19,720,697,433	-	-	30,874,976,650	31,007,825,414
Inter-segment	816,569,970	583,921,633	7,515,325,914	6,310,556,985	9,334,915	37,232,883	(8,341,224,799)	(6,931,711,501)	-	-
	2,241,048,858	2,645,696,287	14,091,190,154	15,535,910,311	22,883,962,437	19,757,930,316	(8,341,224,799)	(6,931,711,501)	30,874,976,650	31,007,825,414
										[Restated]
<b>Cost of sales</b>										
External	(1,334,878,412)	(1,986,210,462)	(4,909,623,098)	(7,214,384,344)	(21,067,391,888)	(18,145,420,703)	8,341,224,799	-	(27,311,893,398)	(27,346,215,309)
Inter-segment	(816,569,970)	(583,921,633)	(7,515,325,914)	(6,310,556,985)	(9,334,915)	(37,232,883)	-	6,931,711,501	-	-
	(2,151,448,382)	(2,570,131,895)	(12,424,949,012)	(13,525,411,328)	(21,076,726,803)	(18,182,653,586)	8,341,224,799	6,931,711,501	(27,311,893,398)	(27,346,215,309)
<b>Gross profit</b>	89,606,475	75,564,392	1,666,241,141	2,010,768,984	1,807,235,634	1,575,276,731	-	-	3,563,083,250	3,661,610,104
Selling and distribution expenses	(34,397,784)	(35,739,468)	(262,160,415)	(373,354,338)	(1,049,953,271)	(1,083,451,611)	-	-	(1,346,511,471)	(1,492,745,417)
Administrative expenses	(121,637,415)	(94,898,311)	(998,488,787)	(326,376,329)	(301,820,812)	(314,647,811)	-	-	(821,947,014)	(735,922,481)
<b>Profit / (loss) from operations</b>	(156,035,199)	(130,637,779)	(660,649,202)	(699,930,667)	(1,351,774,083)	(1,338,099,452)	-	-	(2,168,458,485)	(2,228,667,898)
	(66,428,724)	(55,073,387)	1,005,591,939	1,310,838,316	455,461,550	177,177,279	-	-	1,394,624,765	1,432,942,206
Other income									557,734,268	583,552,497
Other expenses									(107,873,307)	(48,377,116)
Impairment for expected credit loss									(83,126,206)	
Finance cost									(590,659,119)	(871,765,736)
Amortization of notional income									(240,240,278)	(207,621,807)
Taxation									(480,987,278)	(474,689,319)
<b>Profit after taxation</b>									499,472,846	414,040,726
<b>Inter-segment sales and purchases</b>										
Inter-segment sales and purchases have been eliminated from total figures.										
<b>9.1.2 Basis of inter-segment pricing</b>										
All inter-segment transfers are made at negotiated rates.										

9.1.2 Inter-segment sales and purchases

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

9.1.3 Basis of inter-segment pricing

All inter-segment transfers are made at negotiated rates.

	Spinning segment		Weaving segment		Garment segment		Elimination		Total	
	March-26	June-25	March-26	June-25	March-26	June-25	March-26	June-25	March-26	June-25
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Assets</b>										
Total assets for reportable segments	3,079,568,529	2,932,686,896	13,277,436,903	12,300,532,609	10,162,030,473	12,519,378,281	(1,874,219,977)	(1,959,533,518)	24,644,815,928	25,793,064,268
Property, plant and equipment - common	-	-	-	-	-	-	-	-	3,556,617,747	2,275,348,108
Long term investments	-	-	-	-	-	-	-	-	124,333,580	124,333,580
Short term investments	-	-	-	-	-	-	-	-	715,636,916	138,693,560
Funds for restructuring scheme	3,079,568,529	2,932,686,896	13,277,436,903	12,300,532,609	10,162,030,473	12,519,378,281	(1,874,219,977)	(1,959,533,518)	132,308,363	892,167,454
	<b>3,079,568,529</b>	<b>2,932,686,896</b>	<b>13,277,436,903</b>	<b>12,300,532,609</b>	<b>10,162,030,473</b>	<b>12,519,378,281</b>	<b>(1,874,219,977)</b>	<b>(1,959,533,518)</b>	<b>29,179,712,533</b>	<b>29,223,516,976</b>
<b>Liabilities</b>										
Total liabilities for reportable segments	1,194,430,796	682,167,787	4,071,425,066	2,665,506,937	4,268,860,513	4,430,426,769	(1,874,219,977)	(1,672,290,023)	7,660,496,398	6,105,811,470
Corporate liabilities - common	-	-	-	-	-	-	-	-	7,394,593,015	8,313,676,784
	<b>1,194,430,796</b>	<b>682,167,787</b>	<b>4,071,425,066</b>	<b>2,665,506,937</b>	<b>4,268,860,513</b>	<b>4,430,426,769</b>	<b>(1,874,219,977)</b>	<b>(1,672,290,023)</b>	<b>15,055,089,413</b>	<b>14,419,488,254</b>

9.1.6 Geographical information

The segments of the Company are managed on a worldwide basis, but operate manufacturing facilities and sales offices in Pakistan. In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

Revenue	July to March		July to March
	2026	2025	
<i>Foreign revenue</i>	Rupees	Rupees	Rupees
Asia	406,941,312	1,496,837,684	(Restated)
Europe	21,633,780,932	20,359,363,691	
North America	1,622,799,258	377,022,056	
South America	-	-	
Africa	48,275,410	-	
Other countries	6,120,765,752	7,359,192,792	
	<b>29,832,562,664</b>	<b>29,392,406,223</b>	
<b>Local Revenue</b>			
Pakistan	1,042,413,985	1,415,419,191	
	<b>30,874,976,649</b>	<b>31,007,825,414</b>	
(Un-audited)			
March-25			(Audited)
Rupees			Rupees
<b>Non-current assets</b>			
Pakistan	14,230,696,556	12,380,638,092	

9.1.7

**10 CORRESPONDING FIGURES**

Corresponding figures have been rearranged, where necessary, for the purpose of comparison.

**11 Date of authorization**

This condensed interim unconsolidated financial information was authorized for issue by the Board of Directors of the Company on 29 April 2026.

**12 General**

Figures have been rounded off to the nearest rupee.



Lahore

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Chief Executive Officer

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Director

---

Chief Financial Officer





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# AZGARD9

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