AZGARD NINE

October 07, 2015

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

Subject: **FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2015**

Dear Sir,

We have to inform you that the Board of Directors of our company in their meeting held on October 07, 2015 at 4:00 P.M at the Registered Office of the Company Aiwan-i-Science Off Shahrah-i-Roomi Lahore recommended the following:

(i)	CASH DIVIDEND	NIL
(ii)	BONUS SHARES	NIL
(iii)	RIGHT SHARES	NIL

The Stand alone financial results of the Company are as follows:

	30-06-2015 Rupees	30-06-2014 Rupees
SALES-Net	**10,701,888,196**	13,301,847,243
COST OF SALES	**(9,638,729,320)**	(12,339,516,394)
GROSS PROFIT	**1,063,158,876**	962,330,849
SELLING AND DISTRIBUTION EXPENSES	**(559,249,474)**	(598,469,013)
ADMINSTRATIVE AND GENERAL EXPENSES	**(388,789,753)**	(394,864,679)
OPERATING PROFIT	**115,119,649**	(31,002,843)
OTHER INCOME	**342,306,588**	60,378,407
OTHER EXPENSES	**(2,102,964,945)**	(492,446,208)
FINANCE COST	**(1,182,711,373)**	(1,529,841,093)
LOSS BEFORE TAXATION	**(2,828,250,081)**	(1,992,911,737)
TAXATION	**(105,988,898)**	(132,644,196)
LOSS AFTER TAXATION	**(2,934,238,979)**	(2,125,555,933)
LOSS PER SHARE –Basic and diluted	**(6.451)**	(4.673)

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AZGARD NINE LIMITED
ISMAIL AIWAN-I-SCIENCE, OFF SHAHRAH-I-ROOMI, LAHORE-54600, PAKISTAN
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WEBSITE: WWW.AZGARD9.COM

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The Auditors have qualified their opinion in the Audit Report as follows:

a) as stated in notes 2.4 and 40.2.2 to the financial statements, the Company could not make timely repayments of principal and interest / mark-up related to long term debts and as at reporting date certain financial and other covenants imposed by the lenders could not be complied with. International Accounting Standard on Presentation of financial statements (IAS – 1) requires that if an entity breaches a provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it should classify the liability as current. In these financial statements the long term debts have been classified as long term according to the individual loan repayment schedules. Had these liabilities been classified as per IAS – 1, current liabilities of the Company would have increased by Rs. 3,749.98 million as at the reporting date;

b) the Company has investment in term finance certificates ("TFC") of Agritech Limited ("AGL"). As per AGL latest available financial statements, its equity has completely eroded. Further, the Company has not received due amount of principal and mark-up since October 2012 against which full amount of impairment loss to the tune of Rs. 66.39 million has been recorded in these financial statements. Accordingly, the carrying value of the Company's investment in TFCs of AGL at the year-end amounting to Rs. 231.86 million and the related markup thereon amounting to Rs. 45.39 million as appearing in notes 18.3 and 24 respectively of these financial statements also appear doubtful of recovery. Had an impairment allowance against these balances been provided in these financial statements, non-current assets and current assets would have been lower by Rs. 231.86 million and Rs. 45.39 million respectively with a corresponding increase of Rs. 277.26 in loss after taxation and accumulated losses;

c) as stated in note 25.2 to the financial statements, the Company has investment in preference shares ("shares") of AGL, designated as available for sale, and National Bank of Pakistan has agreed to purchase these shares at Rs. 5.25 per share at a future date as defined in the put option agreement. The market value of these shares is Rs. 3.00 per share as at 30 June 2015. International Accounting Standard on Financial Instruments: Recognition and Measurement (IAS-39) requires investment classified as available for sale to be re-measured at market rate prevailing as at the balance sheet date with a resultant gain or loss to be recognised in other comprehensive income and to account for the derivative at fair value. However, the Company has not complied with the requirements of IAS-39. Had these shares been accounted for under IAS-39, carrying values of short term investment and available for sale reserve would have been lower by Rs. 131.15 million with corresponding increase in other comprehensive loss for the year by the same amount. Had the derivative been accounted for at the reporting date under IAS-39, loss after tax and the balance of accumulated losses would have decreased by Rs. 131.15 million with corresponding increase in current assets at the balance sheet date. However, this adjustment would have no impact on equity of the Company;

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d) as stated in note 18.1.1 to the financial statements that on 18 December 2014, the Court of Vicenza, Italian Republic ("the Court") approved bankruptcy proposal of public prosecutor and appointed Trustee to manage the affairs of the wholly owned subsidiary, Montebello S.r.l. ("MBL"). The Company has disclosed the details in the aforesaid note and have resultantly booked full impairment allowance of Rs. 1,449.41 million against its balance amount of investment in MBL and Rs. 452.53 million against its balance amount of trade receivables from MBL. The management has represented through its legal counsel that the last date for submissions of claims against MBL is 04 March 2016 according to the Italian Bankruptcy Law and accordingly the claims against MBL have not been exactly determined and finalised as yet. In view of the absence of a definite determination of the claims against MBL we are unable to satisfy ourselves as to the adequacy of the impairment allowances booked against the related balances;

Notwithstanding the matters as discussed in paragraphs (a) to (d) above, auditors has drawn attention to the matter that during the year ended 30 June 2015, the Company has incurred loss before tax of Rs. 2,828.25 million and its current liabilities exceeded its current assets by Rs. 9,253.59 million, and its accumulated losses stood at Rs. 11,513.25 million. These conditions, along with other matters as set forth in note 2.3 to the financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements have however been prepared on a going concern basis for the reasons more fully explained in note 2.3 to the financial statements. Their opinion is not qualified in respect of this matter.

The Annual General Meeting of the Company will be held on Saturday, October 31, 2015 at 10:00 A.M at Aiwan-i-Science Off Shahrah-i-Roomi, Lahore.

The Share Transfer Books of the Company will be closed from October 24, 2015 to October 31, 2015 (both days inclusive).

We will be sending you 200 copies of printed audited accounts for distribution amongst the members of the Exchange in due course of time.

Thank You

Yours Sincerely,
For **AZGARD NINE LIMITED**

(Muhammad Ijaz Haider)
COMPANY SECRETARY

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Cc:.

Executive Director
Enforcement Department
Securities and Exchange Commission of Pakistan,
NIC Building, Jinnah Avenue,
Islamabad