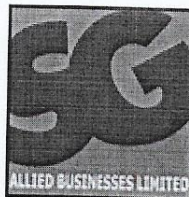


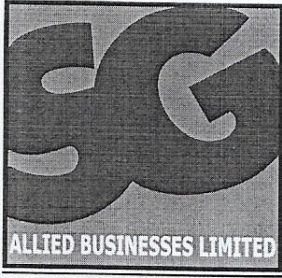
**SG ALLIED BUSINESSES
LIMITED**

**CONDENSED INTERIM STATEMENT
OF FINANCIAL POSITION**

**FOR THE HALF YEARLY ENDED
DECEMBER 31st, 2023**



**B-40, SINDH INDUSTRIAL TRADING ESTATES, KARACHI.
Ph No: 32593410-11**



DIRECTOR'S REPORT

The Board of Directors of **SG Allied Businesses Limited** is pleased to present the Statements of the Company for the period ended **December 31, 2023**.

FINANCIAL RESULTS

The performance of the company during the year under review has been on track of growth. The Company has reported the gross profit of Rs. 19.487million, whereas, net loss reported Rs. 0.714million in current period December 31, 2023 as business activities of SG Allied Businesses Limited is growing, management is hopeful of increased sale of the company in future.

During the period, under review, the Company has suffered a loss of Rs. 714,775 whereas, for the corresponding period the loss was Rs.7, 956,553. The accumulated loss as on December 31, 2023 stood at Rs. 770.738 million.

FUTURE OUTLOOK

Alhamdo Lillah Financial results show an increasing trend of sales from vertical farm, Mushroom Production and overall revenue. Company has launched mushroom project a successful trial was performed in the production of White Button Mushroom full production has started. 6 additional hydroponic rooms started production as this is first year of operation we are facing some challenges in Production quality and Technical issues and managing production as well as sales but we are very hopeful in future months sales of Hydroponics products will further increase resulting in improved profitability of the company.

Company also utilised KE connection which will also increase company profitability. One cold store was stopped because of gas outages, now power generation was done with expensive diesel and the company has KE supply, we have more cold storage capacity.

ACKNOWLEDGEMENT.

The directors of your Company offer their sincere gratitude to the shareholders for their support and assistance. The directors also thank employees of the Company for their dedication and hard work and hope to get the same cooperation from them in future.

Karachi February 28, 2024

On behalf of the Board of
Directors

Sohail Ahmed
Chief Executive



MUNIFF ZIAUDDIN & CO.
Chartered Accountants

Business Executive Centre
F/17/3, Block 8, Clifton
Karachi – 75600 – Pakistan
Tel: +92-21-35375127-8,
+92-21-35872283
E-mail: info@mzco.com.pk
Web: bkrpakistan.com

INDEPENDENT AUDITOR’S REVIEW REPORT

To the members of SG Allied Businesses Limited Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **SG Allied Businesses Limited** as at December 31, 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the ‘interim financial statements’). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures for the quarters ended December 31, 2023 and December 31, 2022 in the condensed interim statement of profit and loss and other comprehensive income have not been reviewed, as we are required to review only the cumulative figures for the six month ended December 31, 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Statements Performed by the Independent Auditor of the Entity”. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

- i. The Company has not complied with the requirements of IAS 41 – Agriculture in relation to the biological assets held by the Company.

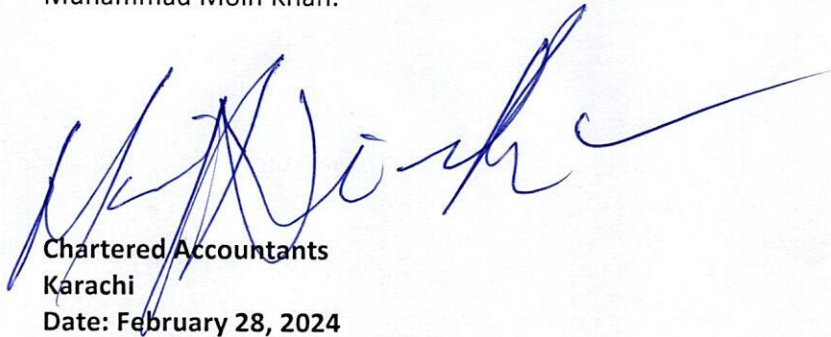
Qualified Conclusion

Based on our review, except for the matter described in the paragraph (i) above, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Material Uncertainty relating to Going Concern

We draw attention to note 1.2 in the interim financial statements, which indicates that during the year, the Company incurred loss after tax of Rs. 0.714 million as at December 31, 2023 (December 31, 2022: 7.956 million) and accumulated loss of the Company has reached to Rs. 770.738 million as at December 31, 2023 (June 30, 2023: 772.107 million). Moreover, the reported current liabilities have exceeded from current assets of the Company by Rs. 208.537 million (June 30, 2023: 207.741 million). These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Moin Khan.



**Chartered Accountants
Karachi**

Date: February 28, 2024

UDIN: RR202310153HAQDIJKn


SG ALLIED BUSINESSES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Note	Un-audited December 31, 2023 Rupees	Audited June 30, 2023 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,415,720,915	1,420,026,981
Investment property	5	63,522,426	65,151,206
Long term deposits		95,714	95,714
CURRENT ASSETS			
Inventories		4,035,049	3,917,182
Account receivables		-	2,663,946
Loans, advances, prepayments and other receivables	6	31,314,907	22,068,844
Cash and bank balances	7	3,326,735	8,489,329
		38,676,691	37,139,301
		<u>1,518,015,745</u>	<u>1,522,413,202</u>
SHARE CAPITAL AND RESERVES			
Authorized share capital 15,000,000 Ordinary shares of Rs. 10 each		150,000,000	150,000,000
Issued, subscribed and paid-up capital		150,000,000	150,000,000
Share premium		337,400,000	337,400,000
		487,400,000	487,400,000
Capital Reserves			
Surplus on revaluation of fixed assets	8	1,234,335,388	1,236,418,859
Revenue Reserves			
Accumulated loss		(770,738,821)	(772,107,516)
		950,996,567	951,711,343
Loan from directors	9	261,574,406	261,574,406
NON CURRENT LIABILITIES			
Deferred liabilities		58,230,584	64,246,534
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	10	107,466,533	110,770,965
Interest on short term and long term loan	11	20,617,394	20,617,394
Loan from associated undertaking	12	71,422,097	71,422,097
Loan from directors		47,159,765	40,830,410
Provision for taxation		548,399	1,240,054
		247,214,188	244,880,920
CONTINGENCIES AND COMMITMENTS			
	13	<u>1,518,015,745</u>	<u>1,522,413,202</u>

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


CHIEF EXECUTIVE



DIRECTOR


CHIEF FINANCIAL OFFICER


SG ALLIED BUSINESSES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023

	Note	Six Months ended		Quarter ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Sales		27,387,476	8,094,473	15,115,641	5,094,294
Cost of sales		(7,899,490)	(2,905,193)	(3,858,337)	(1,842,883)
Gross profit		19,487,986	5,189,280	11,257,305	3,251,411
Administrative and selling expenses		(61,164,882)	(50,040,672)	(28,251,353)	(34,818,127)
Operating loss		(41,676,895)	(44,851,392)	(16,994,049)	(31,566,716)
Other income	14	40,463,870	36,259,076	20,672,239	30,820,215
		(1,213,026)	(8,592,316)	3,678,190	(746,501)
Financial charges		(10,401)	(14,602)	(6,912)	(20,081)
Loss before taxation		(1,223,426)	(8,606,919)	3,671,278	(766,582)
Taxation					
Current		(342,343)	(467,315)	(188,946)	(467,315)
Deferred		850,995	1,117,681	850,995	1,117,681
		508,651	650,366	662,049	650,366
Loss after taxation		(714,775)	(7,956,553)	4,333,328	(116,216)
Other comprehensive income		-	-	-	-
Total comprehensive (loss) / income for the period		(714,775)	(7,956,553)	4,333,328	(116,216)
Loss per share - basic and diluted	15	(0.05)	(0.53)	0.29	(0.01)

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

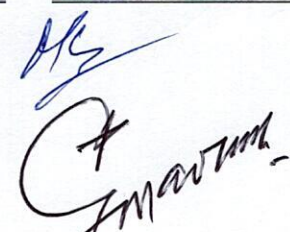
SG ALLIED BUSINESSES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023

	Un-audited December 31. 2023	Un-audited December 31. 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(1,223,426)	(8,606,919)
Adjustment for:		
Depreciation	5,425,952	4,373,490
CWIP write off	245,281	339,083
	<u>5,671,233</u>	<u>4,712,573</u>
	4,447,807	(3,894,346)
(Increase) / decrease in current assets		
Stock in trade	(117,867)	149,800
Loans, advances, prepayments and other receivables	(9,246,064)	(11,645,968)
	(9,363,930)	(11,496,168)
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	(3,304,432)	2,371,260
Cash out flow from operations	<u>(8,220,556)</u>	<u>(13,019,254)</u>
Income tax paid	(3,195,923)	(3,683,255)
Net cash used in operating activities	<u>(11,416,479)</u>	<u>(16,702,509)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(75,470)	(2,649,927)
Net cash outflows from investing activities	<u>(75,470)</u>	<u>(2,649,927)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Loan paid during the period	(5,615,715)	(45,391,813)
Loan received during the period	11,945,070	62,409,931
Net cash inflows from financing activities	<u>6,329,355</u>	<u>17,018,118</u>
Net decrease in cash and cash equivalents during the period	<u>(5,162,594)</u>	<u>(2,334,318)</u>
Cash and cash equivalents at the beginning of the period	<u>8,489,329</u>	<u>13,091,286</u>
Cash and cash equivalents at the end of the period	<u>3,326,735</u>	<u>10,756,970</u>

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

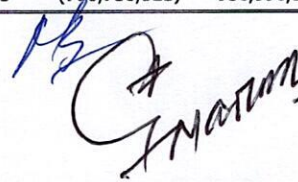
SG ALLIED BUSINESSES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023

	Share Capital	Capital Reserves		Revenue Reserve	Total
	Issued subscribed and paid up capital	Share Premium	Revaluation Surplus	Accumulated loss	
----- R u p e e s -----					
Balance as at July 01, 2022	150,000,000	337,400,000	964,497,676	(770,515,235)	681,382,441
Comprehensive income for the period					
Loss for the six month period ended December 31, 2022	-	-	-	(7,956,553)	(7,956,553)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period ended December 31, 2022	-	-	-	(7,956,553)	(7,956,553)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(1,989,239)	1,989,239	-
Balance as at December 31, 2022	150,000,000	337,400,000	962,508,437	(776,482,549)	673,425,888
Balance as at July 01, 2023	150,000,000	337,400,000	1,236,418,858	(772,107,516)	951,711,342
Comprehensive income for the period					
Loss for the six month period ended December 31, 2023	-	-	-	(714,775)	(714,775)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period ended December 31, 2023	-	-	-	(714,775)	(714,775)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(2,083,470)	2,083,470	-
Balance as at December 31, 2023	150,000,000	337,400,000	1,234,335,388	(770,738,821)	950,996,567

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

SG ALLIED BUSINESSES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023

1. LEGAL STATUS AND OPERATIONS

- 1.1** S.G Allied Businesses Limited (the company) is a public limited company incorporated in the year 1957 under the repealed Companies Act, 1913 (repealed with the enactment of the Companies Ordinance, 1984, and thereafter, with the enactment of the the Companies Act, 2017). The shares of the company are listed on Pakistan Stock Exchange Limited.

The principal activities of the company are warehouse, cold Storage and vertical Farming.

Geographical location and addresses of major business units including mills/plants of the Company are as under:

Karachi	Purpose
B-40, S.I.T.E., Karachi.	The registered office and rental purpose for cold storage and vertical farming.

1.2 GOING CONCERN

During the year, the company incurred loss after tax of December 31, 2023: Rs. 0.714 million (December 31, 2022: 7.956 million) and the accumulated loss of the Company has reached to Rs. 770.738 million as at December 31, 2023 (June 30, 2023: 772.107 million). Moreover, the reported current liabilities have exceeded to current assets of the Company by December 31, 2023: Rs. 208.537 million (June 30, 2023: 207.741 million). These conditions indicate the existence of a material uncertainty that may cast significant doubt on Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. In the recent years the company has diversified its line of businesses from the production of polyester filament yarn to other line of businesses, as the filament yarn industry is still in crises. Further, the management of the Company has taken initiatives for the revival of the Company and developed new diversified business strategy, henceforth, the Company has extended its business activities after getting itself restyled as SG Allied Businesses Limited on 24th August, 2017. Primarily, the Company started the activities of cold storage facility and dealing in various agriculture produces. Moreover, the Directors will provide the finance to the Company as and when needed.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

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.

- 2.2** These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2023.

2.3 Change in accounting standards, interpretations and amendments to published accounting and reporting standards

2.3.1 Amendments to approved accounting & reporting standards which are effective during the period

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

2.3.2 Amendments to accounting and reporting standards that are not yet effective

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

2.4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2023.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from judgements, estimates and assumptions

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied in the annual audited financial statements of the company for the year ended June 30, 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2023.



	Un-audited December 31, 2023	Audited June 30, 2023
	----- Rupees -----	
4 PROPERTY, PLANT AND EQUIPMENT		
Operating Fixed Assets	4.1 1,310,880,649	1,314,602,351
Capital Work-in Progress	4.2 104,840,266	105,424,630
	<u>1,415,720,915</u>	<u>1,420,026,981</u>
4.1 Operating Fixed Assets		
Opening written down value	1,314,602,351	1,037,843,540
Addition/(Deletion/Transfer)	75,470	284,139,278
Depreciation	<u>(3,797,172)</u>	<u>(7,380,467)</u>
Closing written down value	<u>1,310,880,649</u>	<u>1,314,602,351</u>
4.2 Capital Work-in Progress		
Opening balance	105,085,547	105,424,630
Capital expenditure write off during the period / year	<u>(245,281)</u>	<u>(339,083)</u>
Closing balance	<u>104,840,266</u>	<u>105,085,547</u>
5 INVESTMENT PROPERTY		
Opening		
COST	194,310,081	194,310,081
Less: Accumulated depreciation and impairment	<u>(129,158,875)</u>	<u>(125,729,864)</u>
Carrying amount at beginning of the period / year	65,151,206	68,580,217
Additions through new purchases	-	-
Depreciation charge for the year	<u>(1,628,780)</u>	<u>(3,429,011)</u>
Transfer (to)/from property, plant and equipment	-	-
Carrying amount as at end of the period / year	<u>63,522,426</u>	<u>65,151,206</u>
Rate of depreciation (%)	<u>5%</u>	<u>5%</u>
5.1 Reconciliation of carrying amount COST		
As at beginning of the period / year	194,310,081	194,310,081
Reclassification from property, plant and equipment	-	-
As at end of the period / year	<u>194,310,081</u>	<u>194,310,081</u>
DEPRECIATION		
As at beginning of the period / year	<u>(129,158,875)</u>	<u>(125,729,864)</u>
Reclassification from property, plant and equipment	-	-
For the period / year	<u>(1,628,780)</u>	<u>(3,429,011)</u>
As at end of the period / year	<u>(130,787,655)</u>	<u>(129,158,875)</u>
Written down value as at end	<u>63,522,426</u>	<u>65,151,206</u>
Rate of depreciation	<u>5%</u>	<u>5%</u>
5.2	This represents building owned by the company. The fair value of the investment property is Rs. 130.787 million. Forced sale value of the investment property assessed at Rs. 91.55 million.	
6 LOANS, ADVANCES, PREPAYMENTS & OTHER RECEIVABLES		
Loans and advances		
Loan to Staff	421,505	480,705
Account receivables-cold storage	748,918	299,945
Account receivables-ware house	2,813,828	2,364,001
Account receivables-vertical farm	5,844,406	4,124,632
Advance income tax	12,998,811	10,810,028
Income tax refundable	10,844,769	10,497,524
Less: provision against income tax refundable	<u>(9,903,094)</u>	<u>(9,903,094)</u>
	23,769,143	18,673,741
Prepayments and other receivables		
Margin - Letter of credit	150,000	150,000
Sales tax claim receivable	25,777,586	23,191,909
Less: Provision against sales tax claims receivable	<u>(21,070,506)</u>	<u>(21,070,506)</u>
	4,857,080	2,271,403
Other receivables	11,188,455	9,623,471
Less:provision for irrecoverable rent	<u>(8,496,312)</u>	<u>(8,496,312)</u>
Less:provision for doubtful debts	<u>(3,459)</u>	<u>(3,459)</u>
	2,688,684	1,123,700
	<u>31,314,907</u>	<u>22,068,844</u>

	Note	Un-audited December 31, 2023	Audited June 30, 2023
6.1	This includes receivables from S.G. Power Limited on account of rent and utilities amounting to Rs 8.550 million. However as disclosed in note 10, 11 and 12 a sum of Rs. 156.61 million is payable to S.G Power Limited.		
6.2	Ageing analysis of receivables from S.G Power Limited (associated company)		
	Past due less than one year	-	-
	Past due over one year	8,550,000	8,550,000
7	CASH AND BANK BALANCES		
	Cash on hand	40,918	16,129
	Cash with banks - current account	3,285,817	8,473,200
		<u>3,326,735</u>	<u>8,489,329</u>

	Note	Un-audited December 31, 2023	Audited June 30, 2023
8	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
	Opening balance	1,290,478,265	1,017,674,346
	Surplus arisen on revaluation carried out during the period/year	-	-
	- freehold land	-	269,760,000
	- building on freehold land	-	10,912,271
	- plant and machinery including generators	-	-
		<u>1,290,478,265</u>	<u>1,298,346,617</u>
	Less: Transferred to unappropriated profit on account of:		
	- incremental depreciation for the period	(2,934,465)	(7,868,352)
	- realized on disposal of plant & machinery	-	-
		<u>1,287,543,800</u>	<u>1,290,478,265</u>
	Related deferred tax of:		
	- balance at beginning of the period/year	54,059,408	53,176,671
	- surplus arising during the period/ year	-	3,164,559
	- incremental depreciation for the period/year	(850,995)	(2,281,822)
	- effect of change in tax rate	-	-
	- balance at year end	53,208,413	54,059,408
	Balance at end of the period/year	<u>1,234,335,388</u>	<u>1,236,418,859</u>

During the financial year ended June 30, 2023 the Company revalued its leasehold land and buildings on leasehold land to replace the carrying amounts of these assets with their market values / depreciated market values. The revaluation was carried-out on June 30, 2023 by an independent qualified valuers namely M/s. Sipra & Company (Private) Limited. The appraisal surplus arisen on these revaluations aggregates to Rs. 1,236.418 million.

Previously, the revaluation of its leasehold land and buildings on leasehold land was carried out on June 26, 2020 by the valuers namely M/s. Amir Evaluators & Consultants. The appraisal surplus arisen on these revaluations aggregates to Rs. 587.156 million.

The surplus on revaluation of fixed assets is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

	Note	Un-audited December 31, 2023	Audited June 30, 2023
9	LOAN FROM DIRECTORS		
	Opening balance	261,574,406	261,574,406
	Loan received during the year	-	-
	Repayment of loan during the year	-	-
		<u>261,574,406</u>	<u>261,574,406</u>

9.1 This represents interest free loan from sponsoring directors which is repayable at the discretion of the company.

	Note	Un-audited December 31, 2023	Audited June 30, 2023
10	CREDITORS, ACCRUED AND OTHER LIABILITIES		
	Trade creditors	1,244,066	1,244,066
	Earnest money	189,006	189,006
	Security deposit payable	21,321,931	21,758,618
	Electricity bill Payable	2,431,079	3,637,402
	Provision for sale tax liability	908,906	908,906
	Others	6,834,187	8,495,609
		<u>32,929,175</u>	<u>36,233,607</u>
	Due to associated undertaking	74,537,358	74,537,358
		<u>107,466,533</u>	<u>110,770,965</u>

10.1 This represent provision for sale tax liability on income from cold storage.

10.2 This represents advance received from scrap buyers.

10.3 These are unsecured and the late payment surcharge has been waived by the associated undertaking S.G. Power Limited.

	December 31, 2023	December 31, 2022
11 INTEREST ON SHORT AND LONG TERM LOANS	----- Rupees -----	
Accrued financial charges on loan from directors	9,963,151	9,963,151
Accrued interest on long term loan to S.G. Power Limited	<u>10,654,243</u>	<u>10,654,243</u>
	<u>20,617,394</u>	<u>20,617,394</u>

11.1 Earlier the year ended 30 June 2019, the Board of Directors had decided in their meeting to charge the interest on outstanding balance of loan from directors from the beginning of the financial year. Therefore, an interest amounting to Rs. 9,963,151 was charged for three quarters. However, considering the financial position of the company, the directors forfeited the interest thereafter.

12 LOAN FROM ASSOCIATED COMPANY

SG Power Limited	12.1	<u>71,422,097</u>	<u>71,422,097</u>
------------------	-------------	-------------------	-------------------

12.1 This represents loan from S.G Power Limited (the associated undertaking) which is repayable on demand.

CONTINGENCIES AND COMMITMENTS

Contingencies

S.NO.	WRITE PETITION	FORUM	ISSUE INVOLVED	STATUS
1				Pending.
2	Suite no 10 of 2000 Suite no 1296 of 2003	Sindh High Court	<p>Legal claim filed against the company from suppliers were not acknowledged as debts amounting to Rs.0.418million (2020:0.418million)</p> <p>A dispute is persisting between the company and National Bank of Pakistan regarding the alleged "Buy Back Agreement" and declaration of dividend. Brief facts of the dispute are that underwriting of public floatation of the shares of the company was jointly undertaken by National Bank of Pakistan and Allied Bank of Pakistan. National Bank of Pakistan agreed to underwrite 3,851,200 shares of Rs 10 each at a premium of Rs. 48.50 per share. However the Bank insisted to impose a condition on the sponsors to enter into a "Buy Back Agreement" in respect of the share underwritten by them. Corporate Law Authority (Securities and Exchange Commission of Pakistan) desired with their letter dated September 18, 1995 to furnish an unqualified underwriting commitment without any "Buy Back Agreement" and the NBP vide its letter dated October 27, 1994 confirmed that this condition will be deleted. The Corporate Law Authority through its various letter emphasized for unconditional arrangement.</p> <p>National Bank of Pakistan vide its letter No. CCD- BE 096/48 dated March 01, 1995 confirmed that they have no objection to the publication of the prospectus of the company in the newspaper also mentioning in the said letter that Bank has not made any buy back agreement with the sponsors or any other person. The prospectus of the Company published in the newspaper also contained this fact that "their underwriter has not entered any buy back/repurchase agreement with the sponsors or any other person". After public floatation, National Bank of Pakistan imposed the alleged condition of declaration of dividend at the rate of 15 to 16 percent and the undertaking from the sponsors to buy back the shares of the Company after 3 years within a period of one year was also obtained by the bank. The Company declared dividend for 1996,1997 and 1998 at 15 percent, 20 percent and 16 percent respectively. However, In this matter issues have been settled by the court and now the matter is at the stage of evidence of the parties. The management believes that, the company has a good arguable case and a decree is likely to be passed in its favour and as such there is no likelihood of unfavourable outcome or any potential loss on account of this litigation.</p> <p>Subsequent to filing of the above suit, National Bank of Pakistan also filed a Suit No. 1296 of 2003 in the High Court of Sindh against the company and the sponsors seeking enforcement of "Buy Back Agreement" and payment of resultant amount with profit at 18 percent per annum from the date of suit till the payment by the company and a direction that shares of the company be sold in the market and the net sale proceeds be applied towards the adjustment of the decretal amount. In this suit, National Bank of Pakistan before the high court of Sindh for recovery of Rs. 288,466,438 and sale of 3,754,900 shares in the market at the risk of the defendants. This matter has been settled by the court and now the matter is at the stage of evidence of the parties. The company has reasonable defence in the matter and in our view, a favourable outcome is expected and there is less likelihood of any potential loss being suffered by the company on account of the above litigation. However, final outcome would depend on conclusion of the evidence led by respective parties in support of their case and the sponsors are confident that they will succeed in their case in view of their sound legal position.</p>	Pending
3	Special sales tax appeal No. 97 of 2004	Customs Appellate Tribunal, Bench, Karachi	<p>Two appeals bearing no. K-137/2008 and K-138/2008 both dated March 18, 2008 passed by the Collector of Sales Tax and Federal Excise (Appeals) Karachi is pending before the Customs Appellate Tribunal, Bench, Karachi.</p> <p>One appeal filed against the order of the Custom Appellate Tribunal before the High Court of Sindh at Karachi for refund of sales tax along with additional tax that was deposited by the company under protest with Custom and Sales tax Appellate Tribunal. The matter is at the stage of hearing of cases. The management believes that, the company has a good arguable case and an there is no likelihood of unfavourable outcome of this litigation.</p>	Pending
4	Appeal under section 33	Appellate bench SECP Islamabad	<p>Appeal u/s 33 of the SECP Act 1997, Directors-S.G. Allied Businesses Limited against the order dated March 19, 2021 of Additional Director, Adjudication Department-1, SECP, Islamabad, has been filed before Appellate bench SECP and is pending adjudication. We are hopeful of favourable decision in favour of the company.</p>	Pending

The management is of view that the aforesaid cases involve certain law points and there is every likelihood of having a favorable verdict in these matters.

Commitments

There are no commitments as at December 31, 2023 (June 30, 2023: nil)

14 OTHER INCOME	December 31, 2023		December 31, 2022	
	----- Rupees -----			
Rental income	40,463,870		36,248,384	
15 LOSS PER SHARE - BASIC AND DILUTED	For the Half Year Ended		For the Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- Rupees in '000-----			
Loss after taxation	(714,775)	(7,956,553)	4,333,328	(116,216)
Weighted average number of ordinary shares outstanding during the period	15,000,000	15,000,000	15,000,000	15,000,000
Loss per share - basic & dilutive	(0.05)	(0.53)	0.29	(0.01)

There are no dilutive potential ordinary shares outstanding as at December 31, 2023 and 2022.

16 TRANSACTIONS WITH RELATED PARTIES

NAME OF RELATED PARTY	RELATIONSHIP WITH THE COMPANY	NATURE OF TRANSACTIONS	UN-AUDITED	UN-AUDITED
			December 31, 2023	December 31, 2022
			RUPEES	RUPEES
TRANSACTIONS:				
S.G. Power Limited	Associated Company by virtue of common	Purchase of electricity	7,710,590	3,348,238
S.G. Power Limited	Associated Company by virtue of common	Electricity bills payment	7,710,590	3,348,238
Directors	Key management personnel	Directors' remuneration	2,735,000	5,470,000
Mrs.Zubaida Khatoon	Key management personnel	Loan repaid	-	-
Aliya Shahid	Key management personnel	Loan repaid	175,000	1,525,000
Asim Ahmed	Key management personnel	Loan repaid	-	-
Ghazala Saleem	Key management personnel	Loan repaid	175,000	1,525,000
Asim Ahmed	Key management personnel	Loan transferred	-	41,287,253
Asim Ahmed	Key management personnel	Loan received	-	-
Sohail Ahmed	Key management personnel	Loan repaid	5,265,715	7,541,481
Sohail Ahmed	Key management personnel	Loan received	11,945,070	41,921,891
			UN-AUDITED	AUDITED June
			December 31, 2023	30, 2023
BALANCES:				
Mrs.Zubaida Khatoon.	Key management personnel	Balance payable	49,890,714	49,890,714
Aliya Shahid	Key management personnel	Balance payable	19,063,817	19,238,817
Asim Ahmed	Key management personnel	Balance payable	-	-
Ghazala Saleem	Key management personnel	Balance payable	17,913,126	18,088,126
Sohail Ahmed	Key management personnel	Balance payable	221,866,514	215,187,159
S.G. Power Limited	Associated Company	Balance payable	74,537,358	74,537,358

17 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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.

The carrying values of all financial assets and liabilities reflected in these interim financial statements approximate their fair values.

Fair value hierarchy;

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: fair value measurements are those derived from 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: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2023 the Company has no financial instruments that falls into any of the above category.

18 SEGMENT REPORT DISCLOSURE

2023	Sales	Cold Storage	Rental	Total
	(Rupees)			
Turnover	23,994,830	3,408,078	40,448,439	67,851,346
Cost of sales and services	(3,949,745)	(3,159,796)	(789,949)	(7,899,490)
Gross profit	20,045,085	248,282	39,658,490	59,951,856
Administrative and selling expenses	(30,582,441)	(24,465,953)	(6,116,488)	(61,164,882)
Other income	-	-	-	-
Operating profit/(loss)	(10,537,356)	(24,217,671)	33,542,001	(1,213,026)
Finance costs	(5,200)	(4,160)	(1,040)	(10,401)
Profit/(loss) before taxation	(10,542,557)	(24,221,831)	33,540,961	(1,223,426)
Taxation	254,326	203,461	50,865	508,651
Profit/(loss) after taxation	(10,288,231)	(24,018,371)	33,591,827	(714,775)
OTHER INFORMATION				
Segment assets	303,603,149	242,882,519	60,720,630	607,206,298
Unallocated assets				910,809,447
Total assets				1,518,015,745
Segment liabilities	61,088,954	48,871,164	12,217,791	122,177,909
Unallocated liabilities				183,266,863
Total liabilities				305,444,772
Capital expenditure	-	-	-	-
Unallocated capital expenditure				-
Total capital expenditure				-
Depreciation	1,843,844	1,475,075	368,769	3,687,688

19 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue in the Board of Directors' meeting held

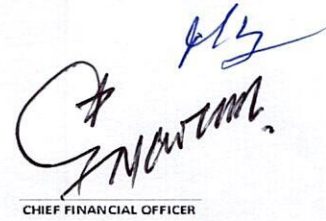
28 FEB 2024

20 GENERAL

Figures have been rounded off to the nearest rupee, unless otherwise stated.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER