



DIRECTOR'S REPORT

The Board of Directors of SG Allied Businesses Limited is pleased to present the First Quarterly Financial Statements of the Company for the period ended **September 30, 2024**.

FUTURE OUTLOOK

Alhamdo Lillah, the performance of the company during the first quarter under review has been on track of growth. The Company has reported the Profit in current period September 30, 2024 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 profit of Rs. 2,744,086 whereas, for the corresponding period the loss was Rs. 4,114,844. The accumulated loss as on September 30, 2024 stood at Rs. 778.131 million.

FINANCIAL RESULTS

Financial results show a continuous upward trend in sales from vertical farming, Mushrooms Production and cold storage earnings and renting of warehouse. Company has further launched mushroom project of white button mushrooms successfully and as a result white button mushroom production has started. It is planned to enhance production and one more hydroponic room for mushroom production will be added soon.

It is further added that the Company has started purchasing power from K-E electric instead of its associated company M/s SG Power Limited. As a result, the Company has been able to achieve increase its production and resultantly achieve increase in sales. New Products like Hydroponic fodder, edible flowers, more variety of Micro green will further result in increased sale as Company now has large network of sale markets and restaurants..

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 October 30, 2024

On behalf of the Board of
Directors

Sohail Ahmed
Chief Executive

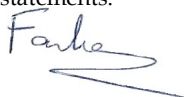
SG ALLIED BUSINESSES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEP 30, 2024

	#	NOTE	Un-Audited Sep-30 2024 RUPEES	Audited Jun-30 2024 RUPEES
NON-CURRENT ASSETS				
Property and equipment	5		1,418,580,110	1,413,770,629
Investment property	6		61,893,646	61,893,646
Long term deposits	7		95,714	95,714
			<u>1,480,569,470</u>	<u>1,475,759,989</u>
CURRENT ASSETS				
Inventory	8		5,436,398	1,554,082
Loans, advances, prepayments and other receivables	9		40,575,241	41,206,869
Cash and bank balances	10		280,912	19,513
			46,292,551	42,780,464
			<u>1,526,862,021</u>	<u>1,518,540,452</u>
SHARE CAPITAL AND RESERVES				
Authorized share capital 15,000,000 ordinary shares of Rs. 10 each			<u>150,000,000</u>	<u>150,000,000</u>
Issued, subscribed and paid-up capital	11		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	12		1,229,784,854	1,231,111,655
Revenue Reserves				
Accumulated loss			(778,131,404)	(782,202,292)
			<u>939,053,450</u>	<u>936,309,363</u>
Loan from directors	13		261,574,406	261,574,406
			<u>1,200,627,856</u>	<u>1,197,883,769</u>
NON-CURRENT LIABILITIES				
Deferred liabilities	14		64,868,389	62,962,987
CURRENT LIABILITIES				
Creditors, accrued and other liabilities	16		112,349,355	114,387,035
Interest on short term and long term loan	17		20,617,394	20,617,394
Loan from associated undertaking	18		71,422,097	71,422,097
Loan from directors	15		56,976,930	49,514,068
Provision for taxation			-	1,753,101
			261,365,776	257,693,695
CONTINGENCIES AND COMMITMENTS				
	19		<u>1,526,862,021</u>	<u>1,518,540,452</u>

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



Chief Executive



Director



Chief Financial Officer

SG ALLIED BUSINESSES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEP 30, 2024

	NOTE	<u>Un-Audited</u> Sep-30 <u>2024</u> RUPEES	<u>Audited</u> Sep-30 <u>2023</u> RUPEES
Sales	20	20,784,416	12,271,835
Cost of sales	21	(3,491,137)	(4,041,153)
Gross profit		17,293,280	8,230,682
Administrative and selling expenses	22	(41,514,076)	(32,913,528)
Operating loss		(24,220,796)	(24,682,845)
Other income	23	24,572,128	19,791,631
		351,331	(4,891,214)
Financial charges	24	(15,255)	(3,489)
Gain/Loss before Levy amd Income Tax		336,076	(4,894,703)
Levy		-	-
Gain/Loss after Levy amd Income Tax		336,076	(4,894,703)
Income Tax expense	25	2,408,010	(400,793)
Loss after levy and income Tax		2,744,086	(5,295,496)
Other comprehensive income			
Items that will not be subsequently reclassified in profit or loss (net of tax)			
Remeasurement of staff retirement benefits-net of tax			1,180,652
Surplus on revaluation of fixed assets-net of tax		-	-
Total comprehensive Gain/loss		<u>2,744,086</u>	<u>(4,114,844)</u>
Gain/Loss per share - basic and diluted	26	<u>0.18</u>	<u>(0.35)</u>

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



Chief Executive



Director



Chief Financial Officer

SG ALLIED BUSINESSES LIMITED
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED SEP 30, 2024

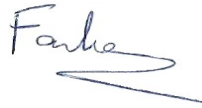
	Share Capital and Share Premium		Capital Reserve	Revenue Reserve	
	Share capital	Share premium	Revaluation Surplus	Accumulated loss	Total
Balance as at June 30, 2023	<u>150,000,000</u>	<u>337,400,000</u>	<u>1,236,418,858</u>	<u>(772,107,516)</u>	<u>951,711,342</u>
Total comprehensive income for the year ended June 30, 2024					
Loss for the year	-	-	-	(16,138,497)	(16,138,497)
Other comprehensive income (net of tax)	-	-	-	736,518	736,518
Total comprehensive income for the year	-	-	-	(15,401,979)	(15,401,979)
Transferred on account of incremental depreciation-net of tax	-	-	(5,307,203)	5,307,203	-
Balance as at June 30, 2024	<u>150,000,000</u>	<u>337,400,000</u>	<u>1,231,111,655</u>	<u>(782,202,292)</u>	<u>936,309,363</u>
Total comprehensive income for the year ended Sep 30, 2024					
Profit for the year	-	-	-	2,744,086	2,744,086
Other comprehensive income (net of tax)	-	-	-	-	-
Total comprehensive income for the year	-	-	-	2,744,086	2,744,086
Transferred on account of incremental depreciation-net of tax	-	-	(1,326,801)	1,326,801	-
Balance as at Sep 30, 2024	<u>150,000,000</u>	<u>337,400,000</u>	<u>1,229,784,854</u>	<u>(778,131,404)</u>	<u>939,053,450</u>

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

Chief Executive



Director



Chief Financial Officer



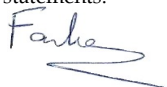
SG ALLIED BUSINESSES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEP 30, 2024

	<u>Un-Audited</u> <u>Sep-30</u> <u>2024</u> <u>RUPEES</u>	<u>Audited</u> <u>Sep-30</u> <u>2024</u> <u>RUPEES</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/Loss before taxation	336,076	(4,894,703)
Adjustment for:		
-Depreciation	3,242,441	1,898,586
-Gratuity expense	-	305,000
-Finance charges	15,255	3,489
	<u>3,257,696</u>	<u>2,207,075</u>
CASH FLOW FROM OPERATING ACTIVITIES - BEFORE WORKING CAPITAL CHANGES	<u>3,593,772</u>	<u>(2,687,628)</u>
(Increase) / decrease in current assets		
Inventory	(4,809,481)	(591,546)
Loans, advances, prepayments and other receivables	(2,126,648)	(5,627,616)
	<u>(3,342,357)</u>	<u>(8,906,790)</u>
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	(2,037,680)	(6,927,362)
Finance charges paid	(15,255)	(3,489)
Tax paid	(1,348,371)	-
Repaid deferred liability of KE	-	-
Net cash generated from operating activities	<u>(6,743,663)</u>	<u>(15,837,641)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Addition in property, plant and equipment	(457,800)	-
Addition in capital work in progress		(75,470)
Net cash used in investing activities	<u>(457,800)</u>	<u>(75,470)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Loans received from directors	7,462,862	11,591,541
Loans repaid to directors	-	(1,667,366)
Net cash generated from financing activities	<u>7,462,862</u>	<u>9,924,175</u>
Net decrease in cash and cash equivalent	<u>261,400</u>	<u>(5,988,934)</u>
Cash and cash equivalent at the beginning of the year	<u>19,513</u>	<u>8,489,329</u>
Cash and cash equivalent at the end of the year	<u><u>280,913</u></u>	<u><u>2,500,395</u></u>

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



Chief Executive



Director



Chief Financial Officer

SG ALLIED BUSINESSES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEP 30,2024

1. LEGAL STATUS AND OPERATIONS

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- 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** During the Quarter, the Company has gain after tax Rs. 2.7 million (Sep 2023: -4.1 million) and the accumulated loss has reached to Rs. 778.131 million as at Sep 30, 2024 (June 2024: 782.202 million). Moreover, the reported current liabilities have exceeded to current assets of the Company by Rs. 215.073 million (June 2024: 214.913 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. 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

2.1 Statement of Compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- 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 Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees (Rs/Rupees), which is the functional currency of the Company. Amounts presented in the financial statements have been rounded off to the nearest of Rs./Rupees, unless otherwise stated.

2.4 Key judgements and estimates

The preparation of financial statements in confirmation with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition it require management to exercise judgement in the process of applying the company's accounting policies. The area involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes and related primarily to;

- Useful lives, residual values and depreciation method of Property,plant and equipment (refer note 4.1 & 5)
- Useful lives, residual values and depreciation method of investment property (refer note 4.2 & 6)
- Impairment loss of non financial assets otherthan stock in trade (refer note 4.6)
- Fair value of investment property(refer note 4.2 & 6)
- Fair value of biological assets(refer note 4.4)
- Provision for expected credit loss (refer note 4.8)
- Obligation of defined benefit obligation(refer note 4.13 & 14.1)
- Estimation of provisions (refer note 4.19)
- Estimation of contingent liabilities (refer note 4.17 and 20)
- Current income tax expense, provision for current tax recognition of deferred tax (refer note 4.12 & 26)

3 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

3.1 Standards, amendments to published standards and interpretations that are effective in the current year

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2023. However, these do not have any significant impact on the Company's financial statements.

Except that during the year certain amendments to IAS 1 Presentation of Financial Statements have become applicable to the Company which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

3.2 Standar ds,

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements, except the following,

4.1 Property and equipment

- a) Items of property and equipment, other than freehold land, buildings on freehold land and capital work-in-progress, are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount whereas buildings on freehold land, are stated at revalued amounts less accumulated depreciation and any identified impairment loss. Borrowing costs are also capitalized for the period up to the date of commencement of commercial production of the respective plant & machinery, acquired out of the proceeds of such borrowings.

Any revaluation increase arising on the revaluation of land, buildings is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land, buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation of land and buildings to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

- b) Depreciation is charged to income applying diminishing balance method at the rates specified in note 6.
- c) Depreciation is charged on assets from the month of purchase or from the month of commercial production for additions in respect of additions made during the year while proportionate depreciation is charged on assets disposed off during the year till the month of disposal.
- d) Major renewals and replacement are capitalized.
- e) An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of an item of property plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and as recognised on as other income in the statement of profit or loss. In the case of derecognition of a revalued property, the attributable revaluation surplus remaining on the surplus on revaluation is transferred directly to the unappropriated profit.

Judgements and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimates is accounted for on a prospective basis.

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss (if any).

4.2 Investment property

Investment property which is property held to earn rentals is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and any impairment loss.

Judgement and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis. Further, determining adjustments for any differences in nature, location and condition of the investment property involves significant judgement.

4.3 Biological assets

Biological assets are measured at fair value less cost to sell. Fair value is determined by an independent valuer on the basis of best available estimate for biological assets of similar attributes. Gain or loss arising from changes in the fair value less cost to sell of biological assets are recognised on the statement of profit or loss.

Biological assets are measured at fair value less cost to sell. Fair value is determined by an independent valuer on the basis of best available estimate for biological assets of similar attributes. Gain or loss arising from changes in the fair value less cost to sell of biological assets are recognised on the statement of profit or loss.

4.4 Trade and other receivables

Trade debts and other receivables represents the company's right to an amount of consideration (i.e, only the passage of time is required before payment of the consideration is due)

4.5 Cash and cash equivalent

Cash and cash equivalents on the statement of financial position comprises cash at banks and on hand. For cash flow statement, cash and cash equivalents comprise cash on hand and deposit held with banks.

4.6 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non financial assets (other than investment property, biological assets, stock in trade and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The increase in the carrying amounts shall be treated as reversals of impairment losses for individual assets and recognized in profit or loss unless the asset is measured at revalued amount. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

4.7 Financial instruments

4.7.1 Financial assets

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

4.7.1.1 Financial assets at amortised cost

Financial assets at amortised cost are 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. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on de-recognition are recognised directly in profit or loss.

4.7.1.2 Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

4.7.1.3 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Financial assets are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently premeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Equity instrument financial assets / mutual funds are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debtors, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

4.7.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

4.8 Off setting of financial assets and liabilities

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

4.9 Trade and other payables

Liabilities for trade and other payables are recognized initially at their fair value and subsequently measured at amortized cost using effective interest method.

4.10 Compensated absences

The company accounts for these benefits in the period in which the absences are earned.

4.11 Share capital

Share capital is classified as equity and recognized at the face value. Incremental costs net of tax and directly attributable to the issue of new shares are shown as a deduction in equity

4.12 Income tax and levy

Current

The current income tax is charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses and credits.

Levy

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

Judgements and estimate

Significant judgment is required on determining the income tax expenses and provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various forums. The Company recognizes liabilities are the anticipated tax issues based on estimates on whether additional taxes will be due. Where the final tax outcome of these matters is different from the amount that are initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of the deferred tax asset is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profit. If required, carrying amount of the deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profit to allow the benefit of part of all that recognized deferred tax assets to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Off-setting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.13 Staff retirement benefits

Defined benefit plan

The Company operates an unfunded gratuity scheme covering all eligible employees. A defined benefit plan is a plan that is not a defined contribution plan. The liability recognized in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligations at the end of the reporting period. The defined benefit obligations are calculated annually by independent actuary using the projected unit credit method.

The present value of the defined benefit obligations are determined by discounting the estimated future cash outflows. These are denominated in the currency in which the benefits will be paid. Remeasurement gain/losses are recognised in other comprehensive income

Judgements and estimates

In determining the liability for long-service payments management must make an estimate of salary increases over the following years, discounts rate to use in the present value calculation and the number of employees expected to leave before they receive the benefits

4.14 Revenue recognition

Revenue from contracts with customers is recognised at the point in time when performance obligation is satisfied i.e. control of the goods is transferred to the customers at an amount that reflects the consideration to which the Company expects to be entitled to on exchange of those goods.

- a) Sale of agricultural products is recognized when controls of goods are transferred to the customer and invoice is generated.
- b) Service income on cold storage and ware house is recognized on accrual basis.
- c) Other income comprises of rental income and the same is recognized on accrual basis.

4.15 Foreign exchange translation

Transactions in foreign currencies are accounted for in Pakistani Rupees at the foreign exchange rates prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies, except for those covered under forward foreign exchange contracts, if any, are retranslated into Pak Rupees at the foreign exchange rates approximately those prevailing at the reporting date. Forward foreign exchange contracts, if any, are translated at contracted rates exchange differences, if any, are charged on statement of profit or loss.

4.16 Borrowing cost

Borrowing costs are recognized as an expense on the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing cost, if any, are capitalized as part of the cost of the asset.

4.17 Contingent liabilities

Contingent liability is disclosed when:

- 4.17.1** There is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.
- 4.17.2** There is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.18 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as liability on the period in which the dividends are approved by the company's shareholders.

4.19 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amount of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of the cost of an asset.

4.20 Segment reporting

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 relates to transactions with any of the company's other components. The company has only four reportable segments

4.21 Related party transactions

Transactions with related parties are based at arms's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

4.22 Basic and diluted earnings per share

The company presents basic and diluted earnings per share (EPS) for its shareholders. 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 determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

5.18 Reclassification

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum tax (which is not adjustable against future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) — 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change.

	2024			2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
----- (Rupees) -----						
Effect on statement of profit or loss						
Loss before income tax	(16,853,958)	715,461	(16,138,497)	(8,484,384)	124,920	(8,359,464)
Levies - Minimum tax	-	(1,753,101)	(1,753,101)	-	(1,240,054)	(1,240,054)
Current tax expense	(2,468,562)	2,468,562	-	(1,364,975)	1,364,975	-

5	PROPERTY AND EQUIPMENT	NOTE	2024	2024
	Operating fixed assets	0.1	1,418,580,110	1,413,770,629
	Capital work in progress	0.7	-	-
			<u>1,418,580,110</u>	<u>1,418,267,146</u>

Statement of operating fixed assets-2024

18487203.84						Rate %	Depreciation				Written-down value
	As on July 01, 2024	Addition / Transfer / (disposal)	Transferred to investment property	Revaluation Surplus / (Deficit)	As at Sep 30, 2024		As on July 01, 2024	For the year / (adjustment for disposal)	Transferred to investment property	As at Sep 30, 2024	As at Sep 30, 2024
					-----Rupees-----					Rupees	
Owned assets:											
Leasehold land	1,168,960,000	-	-	-	1,168,960,000	-	-	-	-	1,168,960,000	
Building on leasehold land	273,190,195	-	-	-	273,190,195	5%	155,811,596	1,467,232	-	157,278,828	
Cold storage	25,531,932	-	-	-	25,531,932	5%	3,923,536	270,105	-	4,193,641	
Vertical farm	108,268,487	127,000	-	-	108,395,487	5%	1,060,029	1,341,693	-	2,401,722	
Plant and machinery	715,112	-	-	-	715,112	5%	542,081	2,163	-	544,244	
Factory equipment	10,303,720	-	-	-	10,303,720	10%	9,347,874	23,896	-	9,371,770	
Office equipment	19,773,852	128,900	-	-	19,902,752	10%	17,870,416	50,808	-	17,921,224	
Motor vehicles	13,035,155	-	-	-	13,035,155	20%	12,952,267	4,144	-	12,956,411	
Furniture and fixtures	3,126,566	-	-	-	3,126,566	10%	2,859,514	6,676	-	2,866,190	
Trollies and fork lifters	4,242,562	-	-	-	4,242,562	10%	4,054,809	4,694	-	4,059,503	
K-Electric Sub Station	2,732,827	201,900	-	-	2,934,727	10%	270,082	66,616	-	336,698	
OTIS lifts	1,326,982	-	-	-	1,326,982	10%	1,150,437	4,414	-	1,154,851	
Total owned assets	1,631,207,390	457,800	-	-	1,631,665,190		209,842,641	3,242,441	-	213,085,082	

5.1 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

	Location	Usage of Immovable Property	Total Area (Square feet)
a) Lease hold	B-40, SITE, Karachi	Rental purpose	4.669 acres
b) Building	B-40, SITE, Karachi	Rental purpose	4.669 acres

5.2 During the year ended June 30, 2017, the Company transferred a portion of building to the investment property as 48.35% of the total space which has been leased out on rent.

5.3 Forced sale value of revalued land and building

Asset class	Forced sale value
Lease hold land	719,360,000
Building	104,570,074
Total	823,930,074

5.4 The revaluation of land and building were performed by Mesers. Amir Evaluators & Consultants who are independant valuer not related to the company. M/S Amir Evaluators & Consultants have appropriate qualifications and eperience in the fair

5.5 Depreciation charge for the year has been allocated as follows:

	2024 RUPEES	2024 RUPEES
Cost of sales	486,366	-
Administrative and selling expenses	2,756,075	7,011,974

3,242,441 7,011,974

Statement of operating fixed assets-2023

Particulars	Cost				Rate %	Depreciation				Written-down value
	As on July 01, 2023	Addition/Transfer/(disposal)		Revaluation Surplus/(Deficit)		As at Sep 30, 2023	As on July 01, 2023	For the year/(adjustment for disposal)	Transferred to investment property	As at Sep 30, 2023
-----Rupees-----					-----Rupees-----					Rupees
Owned assets:										
Leasehold land	1,168,960,000	-	-	-	1,168,960,000	-	-	-	-	1,168,960,000
Building on leasehold land	273,190,195	-	-	-	273,190,195	5%	155,811,596	1,467,232	-	157,278,828
Cold storage	21,431,852	-	-	-	21,431,852	5%	3,923,536	218,854	-	4,142,390
Vertical farm	5,714,637	-	-	-	5,714,637	5%	1,060,029	58,183	-	1,118,212
Plant and machinery	715,112	-	-	-	715,112	5%	542,081	2,163	-	544,244
Factory equipment	10,270,720	-	-	-	10,270,720	10%	9,347,874	23,071	-	9,370,945
Office equipment	19,773,852	-	-	-	19,773,852	10%	17,870,416	47,586	-	17,918,002
Motor vehicles	13,035,155	-	-	-	13,035,155	20%	12,952,267	4,144	-	12,956,411
Furniture and fixtures	3,126,566	-	-	-	3,126,566	10%	2,859,514	6,676	-	2,866,190
Trollies and fork lifters	4,242,562	-	-	-	4,242,562	10%	4,054,809	4,694	-	4,059,503
K-Electric Sub Station	2,717,357	15470	-	-	2,732,827	10%	270,082	61,569	-	331,651
OTIS lifts	1,266,982	60,000	-	-	1,326,982	10%	1,150,437	4,414	-	1,154,851
Total owned assets	1,524,444,990	75,470	-	-	1,524,520,460		209,842,641	1,898,586	211,741,227	1,312,779,235

5.1 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

	Location	Usage of Immovable Property	Total Area (Square feet)
a) Lease hold	B-40, SITE, Karachi	Rental purpose	4.669 acres
b) Building	B-40, SITE, Karachi	Rental purpose	4.669 acres

5.2 During the year ended June 30, 2017, the Company transferred a portion of building to the investment property as 48.35% of the total space which has been leased out on rent.

5.3 Forced sale value of revalued land and building

Asset class	Forced sale value
Lease hold land	719,360,000
Building	104,570,074
Total	823,930,074

5.4 The revaluation of land and building were performed by Mesers. Amir Evaluators & Consultants who are independant valuer not related to the company. M/S Amir Evaluators & Consultants have appropriate qualifications and eperience in the fair

5.5 Depreciation charge for the year has been allocated as follows:

	2023 RUPEES	2022 RUPEES
Cost of sales	284,788	-
Administrative and selling expenses	1,613,798	7,011,974
	1,898,586	7,011,974

NOTE	2024 RUPEES	Jun-24 RUPEES
6 INVESTMENT PROPERTY		
18,487,204	194,310,081	194,310,081
Less: Accumulated depreciation and impairment	<u>(132,416,435)</u>	<u>(129,158,875)</u>
Carrying amount as at 1 July	61,893,646	65,151,206
Additions through new purchases	-	-
Depreciation charge for the year	(3,094,682)	(3,257,560)
Transfer (to)/from property, plant and equipment	-	-
Carrying amount as at 30 June	<u>58,798,964</u>	<u>61,893,646</u>
Rate of depreciation (%)	<u>5%</u>	<u>5%</u>
6.1 Reconciliation of carrying amount		
COST		
As on 1 July	194,310,081	194,310,081
Reclassification from property, plant and equipment	-	-
As at 30 June	<u>194,310,081</u>	<u>194,310,081</u>
DEPRECIATION		
As on 1 July	132,416,435	129,158,875
Reclassification from property, plant and equipment	-	-
For the year	3,094,682	3,257,560
	-	-
As at 30 June	<u>135,511,117</u>	<u>132,416,435</u>
Written down value as at June 30	<u>58,798,964</u>	<u>61,893,646</u>
Rate of depreciation	<u>5%</u>	<u>5%</u>
6.2 This represents building owned by the company. The fair value of the investment property is Rs. 125.729 million. Forced sale value of the investment property assessed at Rs. 97.89 million.		
7 LONG TERM DEPOSITS		
Security deposits	<u>95,714</u>	<u>95,714</u>

8 INVENTORY			
Diesel		120,959,44	91178
Vertical farm+Mushroom		5,079,577	1,185,298
Packing material		235,861	277,606
		<u>5,436,398</u>	<u>1,554,082</u>
		2024	Jun-24
	NOTE	RUPEES	RUPEES
9 LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Loans and advances			
Advance to Staff		500,505	529,505
Advance income tax		11,574,210	14,964,115
Account receivables-cold storage		1,570,261	2,110,414
Account receivables-ware house		6,032,350	4,935,448
Account receivables-vf & Mushroom		5,819,718	4,211,011
Income tax refundable		11,916,657	11,980,753
Less: provision against income tax refundable		(9,903,094)	(9,903,094)
		<u>27,510,606</u>	<u>28,828,152</u>
Prepayments and other receivables			
Letter of guarantee		150,000	150,000
Sales tax claims receivable		32,509,345	9,275,248
Less: Provision against sales tax claims receivable		(21,070,506)	-
		<u>11,588,839</u>	<u>9,425,248</u>
Others	9.1 & 9.2		
Less: Provision for irrecoverable rent		9,975,567	11,453,241
Less: Provision for doubtful debts		(8,496,312)	(8,496,312)
		(3,459)	(3,459)
		<u>1,475,796</u>	<u>2,953,470</u>
		<u>40,575,241</u>	<u>41,206,869</u>
9.1	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 16 ,17 and 18 a sum of Rs.156.61 million is payable to S.G Power Limited.		
9.2 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
		<u>8,550,000</u>	<u>8,550,000</u>
10 CASH AND BANK BALANCES			
Cash on hand		42,619	11,355
Cash with banks - current account		238,293	8,158
		<u>280,912</u>	<u>19,513</u>
11 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
5,200,000 Ordinary shares of Rs. 10 each fully paid in cash		52,000,000	52,000,000
5,415,610 Ordinary shares of Rs. 10 each as fully paid bonus shares		54,156,100	54,156,100
2,384,390 Ordinary shares of Rs. 10 each as fully paid right shares		23,843,900	23,843,900
2,000,000 Ordinary shares of Rs. 10 each fully paid in cash (foreign placement)		20,000,000	20,000,000
		<u>150,000,000</u>	<u>150,000,000</u>

11.1 Shares held by the related parties of the Company

Name of the shareholders	2024		2023	
	Number of shares	Percentage holding	Number of shares	Percentage holding
Directors, CEO, & their spouse				
Mst. Zubaida Khatoon	2,614,000	17.43%	2,614,000	17.43%
Mr. Sohail Ahmed	5,228,300	34.86%	5,228,300	34.86%
Mr. Asim Ahmed	500	0.00%	500	0.00%
Mst. Ghazala Ahmed	1,306,850	8.71%	1,306,850	8.71%
Mst. Saba Sohail	500	0.00%	500	0.00%
Mst. Sana Sohail	500	0.00%	500	0.00%
Mst. Bina Sohail	500	0.00%	500	0.00%
Mst. Aliya	1,304,450	8.70%	1,304,450	8.70%
Mr. Farhan Sohail	500	0.003%	500	0.003%

12 SURPLUS ON REVALUATION OF FIXED ASSET

Revaluation surplus on remeasurement of staff retirement benefits			
Revaluation surplus on property plant and equipment	13.1	1,229,784,853	1,231,111,655
		<u>1,229,784,853</u>	<u>1,231,111,655</u>

12.1 Revaluation surplus on property plant and equipment

Balance at the beginning of the year		1,283,003,331	1,290,478,265
Surplus arisen on revaluation carried out during the year:		-	-
		<u>1,283,003,331</u>	<u>1,290,478,265</u>
Less: Transferred to unappropriated profit on account of:			
- incremental depreciation for the year		(1,868,734)	(7,474,934)
		<u>1,281,134,597</u>	<u>1,283,003,331</u>
Related deferred tax of:			
-balance at beginning of the year		51,891,677	54,059,408
-surplus arising during the year			
-incremental depreciation for the year		(541,933)	(2,167,731)
		<u>51,349,744</u>	<u>51,891,677</u>
Balance at end of the year		<u>1,229,784,853</u>	<u>1,231,111,655</u>

12.2 During the financial year ended June 30, 2020 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, 2020 by an independent qualified valuers namely M/s. Amir Evaluators & Consultants. The appraisal surplus arisen on these revaluations aggregates to Rs. 587.156 million.

Previously, the revaluation of its leasehold land and buildings on leasehold land was carried out on June 26, 2015 by the same valuers namely M/s. Amir Evaluators & Consultants. The appraisal surplus arisen on these revaluations aggregates to Rs. 533.242 million.

12.3 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.

12.4 Had there been no revaluation the related figures of leasehold land and buildings would have been as follows:

	2024			2023		
	Cost	Accumulated depreciation	Book value	Cost	Accumulated depreciation	Book value
Leasehold land	64,893,485	-	64,893,485	64,893,485	-	64,893,485
Building on leasehold land	88,657,361	83,562,383	5,094,978	88,657,361	82,681,769	5,975,592
	<u>153,550,846</u>	<u>83,562,383</u>	<u>69,988,463</u>	<u>153,550,846</u>	<u>82,681,769</u>	<u>70,869,077</u>

	NOTE	2024 RUPEES	Jun-24 RUPEES
13 LOAN FROM DIRECTORS			
Opening balance		261,574,406	261,574,406
Add: Transfer of loan from liability portion			
Add: Loan received during the year			
		<u>261,574,406</u>	<u>261,574,406</u>

13.1 This represents interest free loan from sponsoring directors and repaid at the discretion of the company.

14 DEFERRED LIABILITIES

Staff retirement benefit-gratuity	14.1	13,518,645	11,071,310
Deferred	14.3	51,349,744	51,891,677
		<u>64,868,389</u>	<u>62,962,987</u>

14.1 Staff retirement benefit-gratuity

14.1.1 Changes in present value of defined benefit obligation

Present value at the beginning of the year		11,071,310	8,623,975
Current service cost		2,126,408	2,126,408
Past Service Cost			
Interest cost on defined benefit obligation		1,358,276	1,358,276
Benefits paid		-	-
Gain and loss arising on plan settlements			
Remeasurements:			
Actuarial (gain)/losses from changes in demographic assumptions		-	-
Actuarial (gain)/losses from changes in financial assumptions			
Experience adjustments		(1,037,349)	(1,037,349)
		-	-
Present value at the end of the year		<u>13,518,645</u>	<u>11,071,310</u>

14.1.2 The following amounts have been charged to statement of profit or loss during the year

Current service cost		2,126,408	2,126,408
Past Service Cost		-	-
Interest cost on defined benefit obligation		1,358,276	1,358,276
		<u>3,484,684</u>	<u>3,484,684</u>

14.1.3 Charge for the year has been allocated as under:

Administrative expenses		<u>3,484,684</u>	<u>3,484,684</u>
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14.1.4 Total remeasurements chargeable in other comprehensive Income

Actuarial gain from changes in financial assumptions		<u>(1,037,349)</u>	<u>(1,037,349)</u>
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14.1.5 Principal actuarial assumptions

Contribution to the staff retirement benefit gratuity for the year 2024:		4,536,761	2,460,609
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The latest actuarial valuation for gratuity fund was carried out as at June 30, 2022 using the Projected Unit Credit Method (PUCM). The following significant assumptions used for the actuarial valuation:

	Sep 30,2024	Sep 30,2023
Discount rate	<u>13.25%</u>	<u>13.25%</u>
Expected rate of increase in salary	<u>10%</u>	<u>10%</u>
Average retirement age of an employee	<u>60</u>	<u>60</u>
Mortality rates	<u>SLIC 2001-2005 Set back 1 year</u>	<u>SLIC 2001-2005 Set back 1 year</u>

14.1.6 Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected rate of salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

Impact on defined benefit obligation			
	Changes in assumption %	Increase in assumption	Increase in assumption
Discount rate	plus (+) 100 bps	7,187,638	7,187,638
	minus (-) 100 bps	-	-
Salary increase	plus (+) 100 bps	8,241,737	8,241,737
	minus (-) 100 bps	-	-

14.1.7 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 staff retirement gratuity recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous method.

Historical information	2021	2020	2019	2018	2018
	<----- Rupees ----->				
Present value of defined benefit	6,789,420	5,363,785	5,363,785	Present value of defined obligation	-
Experience adjustment on obligation	-	-	-	-	-

14.1.8 Maturity profile

Years	Rupees	Rupees
2023	1,535,528	1,535,528
2024	858,662	858,662
2025	1,260,019	1,260,019
2026	765,037	765,037
2027	758,915	758,915
2028	1,061,156	1,061,156
2029	1,308,824	1,308,824
2030	751,586	751,586
2031	1,923,935	1,923,935
2032	1,357,363	1,357,363
2033 & onwards	88,419,751	88,419,751
Weighted average duration	7 years	7 years

14.2 This represents the difference between the expected liability of KESC bills to be finally settled and payment made by the Company for the period from Oct, 1988 to Nov,1990 due to excess billing. The petition filed by the company was decided by the Electrical Inspector, Government of Sindh Karachi region allowing a relief of Rs.4,785,376 to the Company but decision has been appealed before the Secretary Irrigation and Power, Government of Sindh by both the parties. Judgment on appeal is still awaited and the company expects a further relief of Rs. 7,690,996.

	NOTE	2024 RUPEES	Jun-24 RUPEES
14.3 Deferred Taxation			
Deferred tax liability attributable to Revaluation Surplus		51,349,744	51,891,677
Deferred tax liability arising on taxable temporary differences due to:			
Accelerated tax depreciation		51,539,740	51,539,740
Deferred tax assets arising on deductible temporary differences due to:			
Unused tax losses		(58,278,589)	(3,210,680)
Provision for gratuity		(802,670)	(58,278,589)
Deferred tax asset - net		43,808,225	41,942,148
14.3.1	Deferred tax asset has not been recognized as management is of the view that future earnings to the extent of such asset may not be available.		
15 LOAN FROM DIRECTORS		261,574,406	261,574,406
15.1	It is interest free loan from director which is repayable on demand	-	- #
16 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Trade creditors		1,244,066	1,244,066
Earnest money		189,006	189,006
Security deposit payable		24,552,636	20,958,110
Electricity bill payable		8,006,699	3,095,472
Provision for sale tax liability	16.1	908,906	908,906
Others	16.2	2,910,685	2,910,685
		37,811,997	29,306,245
Due to associated undertaking	16.3	74,537,358	74,537,358
		112,349,355	103,843,602
16.1	This represent provision for sale tax liability on income from cold storage.		
16.2	This represents advance received from scrap buyers.		
16.3	These are unsecured and the late payment surcharge has been waived by the associated undertaking S.G. Power Limited.		
17 INTEREST ON SHORT TERM AND LONG TERM LOAN			
Financial charges on loan from directors		9,963,151	9,963,151
Accrued interest on long term loan payable to S.G.Power Limited		10,654,243	10,654,243
		20,617,394	20,617,394
17.1	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.		
18 LOAN FROM ASSOCIATED UNDERTAKING			
SG Power Limited		71,422,097	71,422,097
18.1	This represents loan from S.G Power Limited (the associated undertaking) which is repayable on demand.		

	NOTE	2024 RUPEES	2023 RUPEES
20 SALES			
Sale of agricultural products		18,487,204	11,406,411
Service income from cold storage		2,297,213	865,425
		<u>20,784,416</u>	<u>12,271,836</u>
21 COST OF SALES			
Electricity, gas, steam and water		1,482,608	1,125,884
Packaging		669,054	306,715
Fertilizer		74,068	16,000
Pesticides and Chemical		246,449	234,209
Seeds		32,300	-
Chicken Manure		231,000	200,000
Spawn		986,002	684,500
Testing		138,000	136,137
Casing Soil		782,072	936,000
Frieght Charges		317,863	140,200
Compost		91,584	85,457
Loader Expense		870,000	-
Wheat Straw		1,167,665	-
Depreciation expense (IP)		284,788	284,788
Cost of goods available for sale		<u>7,373,453</u>	<u>4,149,890</u>
Opening Inventory- VF+Mushroom		1,554,082	3,216,899
Less: Ending inventory of vertical farming		<u>(5,436,398)</u>	<u>(1,554,082)</u>
		<u>3,491,137</u>	<u>5,812,707</u>
22 ADMINISTRATIVE AND SELLING EXPENSES			
Directors' remuneration and amenities		1,515,000	1,515,000
Salaries, allowances and benefits		14,715,769	12,051,841
Advertisement expense		268,300	281,223
Auditor's remuneration	22.1	790,000	790,000
Bad debts against irrecoverable from Customers		64,000	-
EOBI		-	15,600
Commission expense		980,768	222,551
Rent Expense		90,000	
Conveyance		130,304	97,795
Labour Expense		352,500	120,000
Depreciation expense (PPE)		1,613,798	1,613,798
Wages Expense		-	
Entertainment		55,710	51,474
Electricity expense		9,208,819	6,348,779
Fuel for generator		2,729,430	457,692
Generator fuel		621,630	472,703
Generator repairment		196,634	440,139
Graduity expense		-	305,000
Insurance		-	150,433
Legal and professional		1,337,933	377,925
Printing & stationery		220,928	225,829
Property Tax		508,288	508,288
Utilities		-	2,316,190
Repairs and maintenance		1,093,252	892,354
Audit Fee		517,500	
Postage		7,140	13,115
Telephone and fax		125,995	72,204
Travelling expenses		351,391	434,386
Professional Fee		547,629	339,815
Interest Expense		-	
Water Charges		1,074,296	694,135
Miscellaneous Expense		795,831	1,000,378
Computer & Internet Expense		153,182	-
Fuel Expense		366,378	250,590
Building Maintenance		1,081,671	854,291
		<u>41,514,076</u>	<u>32,913,528</u>

22.1 Auditor's remuneration				
Audit fee		500,000	500,000	
Out of pocket expenses		15,000	15,000	
Tax consultancy services		175,000	175,000	
Review fee		100,000	100,000	
		<u>790,000</u>	<u>790,000</u>	
		2024	2023	
	NOTE	RUPEES	RUPEES	
23 OTHER INCOME				
Rental income		24,572,128	19,791,631	
		<u>24,572,128</u>	<u>19,791,631</u>	
24 FINANCIAL CHARGES				
Bank charges and commission		15,255	3,489	
		<u>15,255</u>	<u>3,489</u>	
		2024	2023	
	NOTE	RUPEES	RUPEES	#
25 Levy				
Minimum tax	25.1	566,957	-	#
		<u>566,957</u>	<u>-</u>	<u>#</u>
25.1	These represent minimum tax under section 113 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21/IAS 12.			
26 TAXATION				
Current		-	400,793	
Deferred		(2,408,010)	-	
		<u>(2,408,010)</u>	<u>(2,468,562)</u>	
26.1	The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available which can be analysed as follows:			
		Provision for	Tax assessed	Difference
		taxation		
		(Rupees '000)		
	2023	1,240,054	1,240,054	-
	2022	851,069	851,069	-
	2021	10,941,937	10,941,937	-
26.2	Tax expense on items recognized in other comprehensive income			
Remeasurement gain on staff gratuity		1,037,349	1,037,349	
		<u>1,037,349</u>	<u>1,037,349</u>	
27 (LOSS) PER SHARE - BASIC AND DILUTED				
27.1 Loss per share - basic				
Loss after taxation		-	(5,295,496)	
Weighted average number of shares		15,000,000	15,000,000	
Loss per share		-	(0.35)	
27.2	There is no dilution effect on the basic loss per share of the company as there are no such commitments. (2021: Nil)			

28 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of the associated companies, key management personnel and retirement benefit funds. Detail of transactions / balances with related parties during the year other than those which have been disclosed elsewhere in these financial statements are as follows:

NAME OF RELATED PARTY	RELATIONSHIP WITH THE COMPANY	NATURE OF TRANSACTIONS	2024	2023
			RUPEES	RUPEES
S.G. Power Limited	Associated Company by virtue of common directorship	Purchase of electricity	17,302,191	3,348,238
S.G. Power Limited	Associated Company by virtue of common directorship	Electricity bills payment	11,444,726	3,348,238
S.G. Power Limited	Associated Company by virtue of common directorship	Rent Receivable	1,071,700	-
S.G. Power Limited	Associated Company by virtue of common directorship	Electricity bills receivable	1,881,770	-
Directors	Key management personnel	Directors' remuneration	5,740,000	-
Mrs.Zubaida Khatoon	Key management personnel	Loan repaid	-	-
Aliya Shahid	Key management personnel	Loan repaid	155,000	155,000
Asim Ahmed	Key management personnel	Loan transferred	-	41,287,253
Ghazala Saleem	Key management personnel	Loan repaid	175,000	1,525,000
Asim Ahmed	Key management personnel	Loan repaid	-	-
Asim Ahmed	Key management personnel	Loan received	-	-
Sohail Ahmed	Key management personnel	Loan repaid	16,008,824	7,541,481
Sohail Ahmed	Key management personnel	Loan received	25,042,480	41,921,891
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

29 REMUNERATION OF DIRECTORS AND EXECUTIVES

Chief Executive		Directors	
2024	2023	2024	2023
3,000,000	3,000,000	3,000,000	3,000,000
-	-	-	-
-	-	-	-
-	-	-	-
3,000,000	3,000,000	3,000,000	3,000,000
1	1	2	1

	NOTE	2024 RUPEES	2023 RUPEES
30 FINANCIAL INSTRUMENTS BY CATEGORY			
<i>Financial Assets</i>			
At amortized cost			
Long term deposits		95,714	95,714
Loans and other receivables		29,001,031	26,242,754
Cash and bank balances		280,912	2,500,392
		<u>29,377,657</u>	<u>28,838,879</u>
<i>Financial Liabilities</i>			
At amortized cost			
Creditors, accrued and other liabilities		112,349,355	103,843,603
Short term and long term loan		92,039,491	92,039,491
Loan from directors		56,976,930	43,710,244
		<u>261,365,776</u>	<u>239,593,339</u>

31 FINANCIAL RISK MANAGEMENT

The company's activities expose it to a verity of financial risk, market risk, credit risk and liquidity risk. The company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earning volatility and provide maximum return to shareholders

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management framework. The board is also responsible for developing and monitoring the Company's risk management policies.

30.1 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 returns.

30.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered in foreign currencies. As at June 30, 2022, the company is not exposed to currency risk.

30.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate risk arises from long and Short term borrowings from financial institutions. As at June 30, 2022, the interest rate risk profile of the Company's doesn't have any interest-bearing financial instrument.

30.4 Price risk

Price risk is the risk that the fair value or future cash flows of a 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 traded in the market. As at June 30, 2022 the Company is not exposed to price risk.

30.5 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company does not have any significant exposure to customers from any single customer

Credit risk of the Company arises principally from trade debts, advances, deposits, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2024 RUPEES	2023 RUPEES
Long term deposits		95,714	95,714
Account receivables	30.5.1	-	-
Loans and other receivables		26,242,754	16,122,250
Cash and bank balances		238,293	2,500,392
		<u>26,576,761</u>	<u>18,718,356</u>

30.5.1 Set out below

	June 30, 2024	June 30, 2023
30 days	-	-
31 to 90 days	-	-
91 to 180 days	-	-
180 days to 1 year	-	-
Over 1 year	-	-
	<u>-</u>	<u>-</u>

Concentration of credit risks exists when changes on economic and industry factors similarly affect the group of counter parties whose aggregated credit exposure is significant on relation to the company's total credit exposure. The company's financial assets are broadly diversified and transactions are entered into with diverse credit worthy parties, thereby mitigating any significant concentration risk. Therefore, the company believes that it is not exposed to major concentration of credit risk.

However, impairment analysis is always performed as each reporting date using a provision matrix to measure expected credit losses. Generally trade debtors are written off if past due for more than one year and are not subject to enforcement activity.

Other financial

The credit quality of balances with banks can be assessed by reference to external credit ratings as shown below:

Bank	Rating agency	Short-term Rating	2024	2023
			—————(Rupees)—————	
Summit Bank Ltd	JCR - VIS	A-3	106	106
BankIslami Pakistan Limited	PACRA	A-1	1,201	142,242
Samba Bank Limited	JCR - VIS	A-1	1,855	1,855
Bank Al-Habib Limited	PACRA	A-1+	7,168	6,710,447
Habib Metro	PACRA	A-1+	(3,310)	764,225
Standard Chartered Bank	PACRA	A-1+	285	854,326
Meezan Bank	JCR - VIS	A-1+	853	-
			<u>8,158</u>	<u>8,473,201</u>

30.6 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The following are the contractual maturities of financial liabilities, including interest payments, excluding the impact of netting agreements:

Financial liabilities in accordance with their contractual maturities are presented below:

2023	Less than 3 months	3 to 12 months	1 to 5 years	Greater than 5 years	Total
Loan from directors	-	49,514,068	-	-	49,514,068
Creditors, accrued and other liabilities	6,551,126	107,835,910	-	-	114,387,036
Current maturity of loan from directors	-	-	-	-	-
Current portion of long term loan	-	-	71,422,097	-	71,422,097
Interest on short term and long term loan	-	-	20,617,394	-	20,617,394
Overdue of loan from directors	-	-	-	-	-
Total	6,551,126	157,349,978	92,039,491	-	255,940,595

2023	Less than 3 months	3 to 12 months	1 to 5 years	Greater than 5	Total
Loan from directors	-	40,830,410	-	-	40,830,410
Creditors, accrued and other liabilities	3,637,402	107,133,563	-	-	110,770,965
Current maturity of loan from directors	-	-	-	-	-
Current portion of long term loan	-	-	71,422,097	-	71,422,097
Interest on short term and long term loan	-	-	20,617,394	-	20,617,394
Overdue of loan from directors	-	-	-	-	-
Total	3,637,402	147,963,973	92,039,491	-	243,640,866

The Company's approach to managing liquidity 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 Company manages liquidity risk by maintaining sufficient cash and bank balances and availability of financing through banking arrangements, which includes Short term finances.

32 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of all the financial instruments reflected in the financial statements approximates to their 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. The carrying values of all financial assets and liabilities reflected in the financial statements approximate to 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 30 June, 2024, the company has no financial instruments that falls into any of the above category. There were no transfer between level 1, 2 and 3 in the year.

33 CAPITAL RISK MANAGEMENT

The objective of the company when managing capital i-e its shareholder's equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits to other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The company manage its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions consistent with others in the industry. The company manages its capital risk by monitoring its liquid assets and keeping in view future investment requirements and expectation of the shareholders.

As at June 30, 2021 and 2020, the company had surplus reserves to meet its requirements.

The gearing ratio as at June 30, 2022 and June 30, 2021 is as follows:

	June 30, 2024	June 30, 2023
Total Debts*	92,039,491	92,039,491
Cash and bank balances	19,513	(8,489,329)
Net Debts	<u>92,059,004</u>	<u>83,550,162</u>
Share capital	150,000,000	150,000,000
Surplus on revaluation of property, plant and equipment	1,231,111,655	1,236,418,859
Share premium	337,400,000	337,400,000
Revenue reserve	(782,202,292)	(772,107,516)
Loan from directors	261,574,406	261,574,406
Equity	<u>1,197,883,769</u>	<u>1,213,285,749</u>
Capital	<u>1,289,942,773</u>	<u>1,296,835,911</u>
Gearing ratio (debt/ (debt + Equity)	7%	6%

*These comprise of long term loan, interest on short term and long term,overdue of loan from directors.

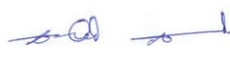
	NOTE	2023 RUPEES	2023 RUPEES
34 CAPACITY & PRODUCTION			
Production capacity for vertical farming		6000 KG	6000 KG
Actual production for vertical farming		3800 KG	3500 KG
Capacity cold storage(tonnes)		450	425
Actual usage for cold storage(tonnes)		315	297.5

Actual production was sufficient to meet the demand.

35 Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan.

36 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on **Karachi October 30, 2024** by the Board of Directors of the Company.



Chief Executive



Director



Chief Financial Officer

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

S.NO.	WRIT PETITION	FORUM	ISSUE INVOLVED	STATUS
1	Suite no 10 of 2000 Suite no 1296 of 2003	Sindh High Court	<p>A dispute is persisting between the company and National Bank of Pakistan regarding the alleged "Buy Back Agreement" and declaration of dividend. In this matter issues have been settled by the Court and now the matter is at the stage of evidence of the parties. 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>In this regard, National Bank of Pakistan filed a Suit No. 1296 of 2003 in the High Court of Sindh against the company. 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
2	Special sales tax appeal No. 97 of 2004	Customs Appellate Tribunal, Bench, Karachi	<p>Appeal dated March 18, 2008 passed by the Collector of Sales Tax and Federal Excise (Appeals).</p> <p>One appeal filled 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 stage of Hearing of cases. In our view, the Company has a good arguable case and there is no likelihood of unfavourable outcome of this litigation.</p>	Pending
			Legal advisor of the company is of the opinion that no Sindh sales tax liability on rental income is likely to arise and no provision is required to be made in this regard in view of the fact that matter is subjudice before the Honorable High Court of Sindh.	

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.

19.2

Commitments

There are no commitments as at Sep 30, 2024 (2023: nil)



	Sales	Cold Storage	Rental	Total
------(Rupees)-----				
Turnover	18,487,204			
Cost of sales and services	(1,745,568)	(1,396,455)	(349,114)	(3,491,137)
Gross profit	16,741,635	(1,396,455)	(349,114)	14,996,067
Administrative and selling expenses	(20,757,038)	(16,605,630)	(4,151,408)	(41,514,076)
Other income	-	-	-	-
Operating profit / (loss)	(4,015,403)	(18,002,085)	(4,500,521)	(26,518,009)
Finance costs	(7,628)	(6,102)	(1,526)	(15,255)
Profit / (loss) before taxation	(4,023,030)	(18,008,187)	(4,502,047)	(26,533,264)
Taxation	1,204,005	963,204	240,801	2,408,010
Profit / (loss) after taxation	(2,819,025)	(17,044,983)	(4,261,246)	(24,125,254)
OTHER INFORMATION				
Segment assets	1,397,241,817	21,338,291	61,893,646	1,480,473,754
Unallocated assets				46,388,267
Total assets				1,526,862,021
Segment liabilities	114,181,958	48,935,125	130,493,666	290,845,762
Unallocated liabilities				35,388,403
Total liabilities				326,234,165
Capital expenditure	-	-	-	-
Unallocated capital expenditure				-
Total capital expenditure				-
Depreciation	949,293	569,576	379,717	1,898,586