FINANCIAL STATEMENTS

OF

SG ALLIED BUSINESSES LIMITED

FOR THE YEAR ENDED JUNE 30, 2023

DIRECTOR'S REPORT

The Board of Directors of SG Allied Businesses Limited is pleased to present the Annual Financial Statements of the Company for the year ended June 30, 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. 12.374 million, whereas, net loss reported Rs. 8.359million in current year June 30, 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. 8,359,464 whereas, for the corresponding period the loss was Rs.10, 793,585. The accumulated loss as on June 30, 2023 stood at Rs. 772.107 million.

FUTURE OUTLOOK

Alhamdo Lilllah 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 in December and inshallh will result in additional revenue.

Company also got KE connection on 5th November which will also increase company profitability. One cold store was stopped because of gas outages, power generation was done with expensive diesel and now that 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 **September 30, 2023**

On behalf of the Board
of Directors

Sohail Ahmed
Chief Executive

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Independent Auditors' Report
to the members of SG ALLIED BUSINESSES LIMITED

Report on the Audit of Financial Statements

Qualified Opinion

We have audited the annexed financial statements of **SG ALLIED BUSINESSES LIMITED** (the Company), which comprise the statement of financial position as at **30 June 2023**, and statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that except for the matters as stated in the basis for Qualified Opinion paragraph, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in the Basis for Qualified Opinion section of our report, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

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

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

Material Uncertainty relating to Going Concern

Without qualifying our opinion, we draw attention to note 1.2 in the financial statements, which indicates that during the year, the Company incurred loss after tax Rs. 8.359 million (2022: 10.793 million) and the accumulated loss of the Company has reached to Rs. 772.107 million as at June 30, 2023. Moreover, the reported current liabilities have exceeded from current assets of the Company by Rs. 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

Key Audit Matters

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

Key Audit Matters	How our audit addressed the Key Audit Matters
1.Contingencies	
The Company is subject to material litigations involving different courts pertaining to taxation and other matters, which requires management to make assessment and judgements with respect to likelihood and impact of such litigations. Management have engaged independent legal counsel on these matters.	In response to this matter, our audit procedures included: Discussing legal cases with the legal department to understand the management's view point and obtaining and reviewing the litigation documents in order to assess the facts and circumstances.
The accounting for, and disclosure of, contingencies is complex and is a matter of most significance in our audit because of the judgements required to determine the level of certainty on these matters.	Obtaining independent opinion of legal advisors dealing with such cases in the form confirmations. We also evaluated the legal cases in line with the requirements of IAS 37: Provisions, contingent liabilities and contingent assets.
The details of contingencies along with management's assessment and the related provisions are disclosed in note 19 to the financial statements.	The disclosures of legal exposures and provisions were assessed for completeness and accuracy.

Information other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include in the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) except for the matter as disclosed in Basis of Qualified Opinion paragraph, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Muhammad Moin Khan.

Chartered Accountants

Karachi

Date: September 30, 2023

UDIN: AR2023101532DA0oxgON

MUNIFF ZIAUDDIN & CO.
Chartered Accountants

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BKR INTERNATIONAL

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF SG ALLIED BUSINESSES LIMITED

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **SG Allied Businesses Limited** (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Note reference	**Description**
2	The executive directors are more than one third of the Board.

Based on our review, except for the above instance of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Regulations as applicable to the Company for the year ended June 30, 2023.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the note/paragraph reference where these are stated in the Statement of Compliance:

Reg.	Explanation
24	Same person holds office of chief financial officer and the company secretary of the company as the company is not operating sufficiently yet and the company believes that there is no need of separate person for both positions.
31	The board is in the process of setting up an effective internal audit function, as the operations of the company are being revived.

Chartered Accountants
Karachi

Date: September 30, 2023

UDIN: CR202310153GJjoMtVml

SG ALLIED BUSINESSES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	NOTE	2023 RUPEES	2022 RUPEES
NON-CURRENT ASSETS			
Property and equipment	5	1,420,026,981	1,143,607,253
Investment property	6	65,151,206	68,580,217
Long term deposits	7	95,714	95,714
		1,485,273,901	1,212,283,184
CURRENT ASSETS			
Inventory	8	3,917,182	1,225,305
Loans, advances, prepayments and other receivables	9	22,068,844	7,202,834
Cash and bank balances	10	8,489,329	13,091,286
		37,139,301	21,519,425
		1,522,413,202	1,233,802,609
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	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	1,236,418,859	964,497,676
Revenue Reserves			
Accumulated loss		(772,107,516)	(770,515,235)
		951,711,342	681,382,441
Loan from directors	13	261,574,406	261,574,406
NON-CURRENT LIABILITIES			
Deferred liabilities	14	64,246,534	62,675,466
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	16	110,770,965	125,779,737
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	40,830,410	9,500,000
Provision for taxation		1,240,054	851,069
		244,880,920	228,170,297
CONTINGENCIES AND COMMITMENTS	19		
		1,522,413,202	1,233,802,609

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 JUNE 30, 2023

	NOTE	2023 RUPEES	2022 RUPEES
Sales	20	22,138,658	14,247,055
Cost of sales	21	(9,763,782)	(9,854,338)
Gross profit		12,374,876	4,392,717
Administrative and selling expenses	22	(96,539,005)	(68,066,440)
Operating loss		(84,164,129)	(63,673,723)
Other income	23	77,065,700	53,838,429
		(7,098,429)	(9,835,294)
Financial charges	24	(20,980)	(107,222)
Loss before taxation		(7,119,410)	(9,942,516)
Taxation	25	(1,240,054)	(851,069)
Loss after taxation		(8,359,464)	(10,793,585)
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	1,386,247
Remeasurement of Revaluation surplus-net of tax		277,507,712	-
Total comprehensive income / (loss)		270,328,900	(9,407,338)
Loss per share - basic and diluted	26	(0.56)	(0.72)

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 JUNE 30, 2023

	Share Capital and Share Premium		Capital Reserve	Revenue Reserve	
	Issued, subscribed and paid-up capital	Share premium	Revaluation Surplus	Accumulated loss	Total
			Rupees		
Balance as at July 1, 2021	**150,000,000**	**337,400,000**	**969,970,459**	**(766,580,680)**	**690,789,779**
Total comprehensive income for the year ended June 30, 2022					
Loss for the year	-	-	-	(10,793,585)	(10,793,585)
Other comprehensive income (net of tax)	-	-		1,386,247	1,386,247
Total comprehensive loss for the year	-	-	-	(9,407,338)	(9,407,338)
Transferred on account of incremental depreciation-net of tax	-	-	(5,472,783)	5,472,783	-
Balance as at June 30, 2022	**150,000,000**	**337,400,000**	**964,497,676**	**(770,515,235)**	**681,382,441**
Total comprehensive income for the year ended June 30, 2023					
Loss for the year	-	-	-	(8,359,464)	(8,359,464)
Other comprehensive income (net of tax)	-	-	277,507,712	1,180,652	278,688,365
Total comprehensive income for the year	-	-	277,507,712	(7,178,812)	270,328,901
Transferred on account of incremental depreciation-net of tax	-	-	(5,586,530)	5,586,530	-
Balance as at June 30, 2023	**150,000,000**	**337,400,000**	**1,236,418,858**	**(772,107,516)**	**951,711,342**

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 JUNE 30, 2023

	2023 RUPEES	2022 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(7,119,410)	(9,942,516)
Adjustment for:		
-Depreciation	10,809,478	8,907,326
Impairment of assets	-	-
-Gratuity expense	2,600,773	2,849,132
-Finance charges	20,980	107,222
	13,431,231	11,863,680
CASH FLOW FROM OPERATING ACTIVITIES - BEFORE WORKING CAPITAL CHANGES	6,311,822	1,921,164
(Increase) / decrease in current assets		
Inventory	(2,691,877)	1,469,706
Loans, advances, prepayments and other receivables	(14,283,636)	1,454,393
	(10,663,691)	4,845,262
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	(15,008,772)	5,539,721
Finance charges paid	(20,980)	(107,222)
Tax paid	(6,771,916)	(12,629,039)
Repaid deferrred liability of KE	-	(5,738,428)
Net cash used on operating activities	(32,465,360)	(8,089,706)
CASH FLOW FROM INVESTING ACTIVITIES		
Addition in property,plant and equipment	-	-
Addition in capital work in progress	(3,467,007)	(82,046,561)
Net cash used in investing activities	(3,467,007)	(82,046,561)
CASH FLOW FROM FINANCING ACTIVITIES		
Loans received from directors	41,921,891	91,700,000
Loans repaid to directors	(10,591,481)	(3,850,000)
Net cash generated from / (used on) financing activities	31,330,410	(87,850,000)
Net decrease in cash and cash equivalent	(4,601,957)	(2,286,267)
Cash and cash equivalent at the beginning of the year	13,091,286	15,377,553
Cash and cash equivalent at the end of the year	8,489,329	13,091,286

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 YEAR ENDED JUNE 30,2023

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 During the year, the Company incurred loss after tax Rs. 8.359 million (2022: 10.793 million) and the accumulated loss has reached to Rs. 772.107 million as at June 30, 2023 (2022: 770.515 million). Moreover, the reported current liabilities have exceeded to current assets of the Company by Rs. 207.741 million (2022: 206.651 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 4.7)
- 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 4.8.1.3)
- Obligation of defined benefit obligation(refer note 4.13 & 15.1)
- 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, 2022. However, these do not have any significant impact on the Company's financial statements.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of Financial Statements (Amendments)	01-Jan-23
IAS 8	Accounting Policies, Changing in Accounting Estimates and Errors (Amendments)	01-Jan-23
IAS 12	Income Taxes (Amendments)	01-Jan-23
IFRS 4	Insurance Contracts (Amendments)	01-Jan-23
IAS 7	Statement of Cash Flows (Amendments)	01-Jan-23
IFRS 7	Financial Instruments	01-Jan-23
IFRS 16	Leases	01-Jan-24

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2023;

IFRS 1 First-time Adoption of International Financial Reporting Standards
IFRS 17 Insurance Contracts
IFRIC 12 Service Concession Arrangement

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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 unappropriate 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 carring amount of the assets and as recognised on as other income in the statement of profit or loss. In the case of dereognition of a revalued property, the attributable revaluation surplus remaining on the surplus on revaluation is transfered 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 estimateis accounted for on a propective basis.

Impairment

An asset's carring amount is writtendown immediately to its recoverable amount if the assets carring 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.

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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 bilogical assets of similar attributes. Gain or loss arising from changes in the fair value less cost to sell of biological asstes 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 bilogical assets of similar attributes. Gain or loss arising from changes in the fair value less cost to sell of biological asstes 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 Taxation

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.

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 ulitmate tax determination is uncertain as these matters are being contested at various forums. The Company recognizes liablities 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 liabilties in the period in which such determination is made.

Futher, 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 deffered tax assets to be utilizied. Any such reduction shall be reveresed 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 transfered 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 with in the control of the Company' or

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 distrbution

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 amoiunt 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 as 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	**PROPERTY AND EQUIPMENT**	**NOTE**	**2023**	**2022**
	Operating fixed assets	5.1	1,314,602,351	1,037,843,540
	Capital work in progress	5.7	105,424,630	105,763,713
			1,420,026,981	1,143,607,253

5.1 Statement of operating fixed assets-2023

Particulars	Cost					Rate %	Depreciation				Written-down value
	As on July 01, 2022	Addition / Transfer/ (disposal)	Transferred to investment property	Revaluation Surplus / (Deficit)	As at June 30, 2023		As on July 01, 2022	For the year / (adjustment for disposal)	Transferred to investment property	As at June 30, 2023	As at June 30, 2023
	|---------Rupees---------|						|---------Rupees---------|				Rupees
Owned assets:											
Leasehold land	899,200,000	-		269,760,000	1,168,960,000	-	-	-		-	1,168,960,000
Building on leasehold land	262,277,924	-	-	10,912,271	273,190,195	5%	150,208,105	5,603,491	-	155,811,596	117,378,599
Cold storage	21,151,852	280,000			21,431,852	5%	3,016,783	906,753	-	3,923,536	17,508,316
Vertical farm	5,714,637	-			5,714,637	5%	815,050	244,979	-	1,060,029	4,654,608
Plant and machinery	715,112			-	715,112	5%	532,974	9,107	-	542,081	173,031
Factory equipment	10,270,720	-		-	10,270,720	10%	9,245,335	102,539	-	9,347,874	922,846
Office equipment	19,393,604	380,248		-	19,773,852	10%	17,701,174	169,242	-	17,870,416	1,903,436
Motor vehicles	13,035,155	-		-	13,035,155	20%	12,931,545	20,722	-	12,952,267	82,888
Furniture and fixtures	3,107,164	19,402		-	3,126,566	10%	2,831,996	27,518	-	2,859,514	267,052
Trollies and fork lifters	4,242,562	-		-	4,242,562	10%	4,033,947	20,862	-	4,054,809	187,753
K-Electric Sub Station	-	2,717,357		-	2,717,357	10%	-	270,082	-	270,082	2,447,275
OTIS lifts	1,196,982	70,000		-	1,266,982	10%	1,145,265	5,172	-	1,150,437	116,545
Total owned assets	1,240,305,712	3,467,007		360,757,995	1,524,444,990		202,462,174	7,380,467		209,842,641	1,314,602,351
			-	280,672,271				-	-		

5.2 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 feets)
a) Lease hold	B-40, SITE, Karachi	Owned Purpose	4.669 acres
b) Building	B-40, SITE, Karachi	Rental & Owned Purpose	4.669 acres

5.3 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.

5.4 Forced sale value of revalued land and building

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

5.5 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 value of properties in the relevant locations. The revaluation of land wad determined based on market comparable approach that reflects recent transaction prices of similiar properties. The revaluation of building was determined on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking account of the age, condition and obsolescence. The fair value of assets subject to revaluation model fall under level 2 of fiar value hierarchy.

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

	2023 RUPEES	2022 RUPEES
Cost of sales	1,107,070	-
Administrative and selling expenses	6,273,397	7,011,974
	7,380,467	7,011,974

5.7 Capital work in progress

	Balance as on July 01, 2021	Capital expenditure Incurred during the year, 2022	Transferred to operating Fixed assets, 2022	Balance as on June 30,2022	Capital expenditure Incurred during the year, 2023	Transferred to operating Fixed assets, 2023	Balance as on June 30,2023
				Rupees			
CWIP - Cold storage	182,882	3,886,198	-	4,069,080	-	-	4,069,080
CWIP - Vertical farm+Mushroom	23,534,270	78,160,363	-	101,694,633	(339,083)	-	101,355,550
	23,717,152	82,046,561	-	105,763,713	(339,083)	-	105,424,630

Ny

5.8 Had there been no revaluation the related figures of leasehold land and buildings would have been as mentioned in note 12.2.

Owned assets:											
Leasehold land	899,200,000	-		-	899,200,000	-	-	-		-	899,200,000
Building on leasehold land	262,277,924	-	-	-	262,277,924	5%	144,309,693	5,898,412	-	150,208,105	112,069,819
Cold storage	21,151,852	-			21,151,852	5%	2,062,306	954,477	-	3,016,783	18,135,069
Vertical farm	5,714,637	-			5,714,637	5%	557,177	257,873	-	815,050	4,899,587
Plant and machinery	715,112			-	715,112	5%	523,388	9,586	-	532,974	182,138
Factory equipment	10,270,720	-		-	10,270,720	10%	9,131,403	113,932	-	9,245,335	1,025,385
Office equipment	19,393,604	-		-	19,393,604	10%	17,513,126	188,048	-	17,701,174	1,692,430
Motor vehicles	13,035,155	-		-	13,035,155	20%	12,905,642	25,903	-	12,931,545	103,610
Furniture and fixtures	3,107,164	-		-	3,107,164	10%	2,801,422	30,574	-	2,831,996	275,168
Trollies and fork lifters	4,242,562	-		-	4,242,562	10%	4,010,768	23,179	-	4,033,947	208,615
OTIS lifts	1,196,982	-		-	1,196,982	10%	1,139,519	5,746	-	1,145,265	51,717
Total owned assets	1,240,305,712	-		-	1,240,305,712		194,954,444	7,507,730		202,462,174	1,037,843,540

	2023 RUPEES	2022 RUPEES

6 INVESTMENT PROPERTY

	2023 RUPEES	2022 RUPEES
Cost	194,310,081	194,310,081
Less: Accumulated depreciation and impairment	(125,729,864)	(124,330,268)
Carrying amount as at 1 July	68,580,217	69,979,813
Additions through new purchases	-	-
Depreciation charge for the year	(3,429,011)	(1,399,596)
Transfer (to)/from property, plant and equipment	-	-
Carrying amount as at 30 June	65,151,206	68,580,217
Rate of depreciation (%)	5%	2%

6.1 Reconciliation of carrying amount

	2023 RUPEES	2022 RUPEES
COST		
As on 1 July	194,310,081	194,310,081
Reclassification from property, plant and equipment	-	-
As at 30 June	194,310,081	194,310,081
DEPRECIATION		
As on 1 July	125,729,864	124,330,268
Reclassification from property, plant and equipment	-	-
For the year	3,429,011	1,399,596
	-	-
As at 30 June	129,158,875	125,729,864
Written down value as at June 30	65,151,206	68,580,217
Rate of depreciation	5%	2%

6.2 This represents building owned by the company. The fair value of the investment property is Rs. 132.951 million. Forced sale value of the investment property assessed at Rs. 106.361 million.

7 LONG TERM DEPOSITS

	2023 RUPEES	2022 RUPEES
Security deposits	95,714	95,714

8 INVENTORY

	2023 RUPEES	2022 RUPEES
Vertical farm	3,216,899	402,722
Packing material	700,283	822,583
	3,917,182	1,225,305

	NOTE	2023 RUPEES	2022 RUPEES

9 LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

	NOTE	2023 RUPEES	2022 RUPEES
Loans and advances			
Advance to Staff		480,705	300,000
Advance income tax		10,810,028	5,681,134
Account receivables-cold storage		299,945	-
Account receivables-ware house		2,364,001	-
Account receivables-Vertical Farm		4,124,632	
Income tax refundable		10,497,524	9,903,094
Less: provision against income tax refundable		(9,903,094)	(9,903,094)
		18,673,741	5,981,134
Prepayments and other receivables			
Letter of guarantee		150,000	150,000
Sales tax claims receivable		23,191,909	21,070,506
Less: Provision against sales tax claims receivable		(21,070,506)	(21,070,506)
		2,271,403	150,000
Others	9.1 & 9.2	9,623,471	9,571,471
Less: Provision for irrecoverable rent		(8,496,312)	(8,496,312)
Less: Provision for doubtful debts		(3,459)	(3,459)
		1,123,700	1,071,700
		22,068,844	7,202,834

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)

	2023 RUPEES	2022 RUPEES
Past due less than one year	-	-
Past due over one year	8,550,000	8,550,000

10 CASH AND BANK BALANCES

	2023 RUPEES	2022 RUPEES
Cash on hand	16,129	8,185
Cash with banks - current account	8,473,200	13,083,101
	8,489,329	13,091,286

11 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2023 RUPEES	2022 RUPEES
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
	150,000,000	150,000,000

11.1 Shares held by the related parties of the Company

Name of the shareholders	2023 Number of shares	2023 Percentage holding	2022 Number of shares	2022 Percentage holding
Directors, CEO, & their spouse				
Mst. Zubaida Khatoon	2,614,000	17.43%	2,614,000	17.43%
Mr. Sohail Ahmed	2,614,000	17.43%	2,614,000	17.43%
Mr. Asim Ahmed	2,614,000	17.43%	2,614,000	17.43%
Mst. Ghazala Ahmed	1,306,850	8.71%	1,306,850	8.71%
Mrs. Tania Asim	500	0.003%	500	0.003%

12 SURPLUS ON REVALUATION OF FIXED ASSET

	Note	2023 RUPEES	2022 RUPEES
Revaluation surplus on property plant and equipment	12.1	1,236,418,859	964,497,676

12.1 Revaluation surplus on property plant and equipment

	2023	2022
Balance at the beginning of the year	1,017,674,346	1,025,382,492
Surplus arisen on revaluation on land carried out during the year:	269,760,000	-
Surplus arisen on revaluation on building carried out during the year	10,912,271	
	1,298,346,617	1,025,382,492
Less: Transferred to unappropriated profit on account of:		
- incremental depreciation for the year	(7,868,352)	(7,708,146)
	1,290,478,265	1,017,674,346
Related deferred tax of:		
-balance at beginning of the year	53,176,671	55,412,033
-surplus arising during the year	3,164,559	-
-incremental depreciation for the year	(2,281,822)	(2,235,362)
	54,059,408	53,176,671
Balance at end of the year	1,236,418,858	964,497,676

12.2 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 (Pvt) Ltd. The appraisal surplus arisen on these revaluations aggregates to Rs. 233.210 millions.

Previously, the revaluation of its leasehold land and buildings on leasehold land was carried out on June 30, 2020 by the valuers namely M/s. Amir Evaluators & Consultants. The appraisal surplus arisen on these revaluations aggregates to Rs. 587.156 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:

	2023			2022		
	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
	153,550,846	83,562,383	69,988,463	153,550,846	82,681,769	70,869,077

	NOTE	2023 RUPEES	2022 RUPEES
13 LOAN FROM DIRECTORS			
Opening balance		269,274,406	173,724,406
Add: Transfer of loan from liability portion		-	3,850,000
Add: Loan received during the year		-	91,700,000
		269,274,406	269,274,406

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

	NOTE	2023 RUPEES	2022 RUPEES
14 DEFERRED LIABILITIES			
Staff retirement benefit-gratuity	14.1	8,623,975	7,686,092
Deferred taxation	14.3	54,059,408	53,176,671
		62,683,383	60,862,763

14.1 Staff retirement benefit-gratuity

14.1.1 Changes in present value of defined benefit obligation

	2023 RUPEES	2022 RUPEES
Present value at the beginning of the year	7,686,092	6,789,420
Current service cost	1,563,151	1,812,703
Past Service Cost	-	357,487
Interest cost on defined benefit obligation	1,037,622	678,942
Benefits paid	-	-
Gain and loss arrising on plan settlements		
Remeasurements:		
Acturial (gain)/losses from changes in demographic assumptions	-	-
Acturial (gain)/losses from changes in financial assumptions	-	(52,423)
Experience adjustments	(1,662,890)	(1,900,037)
	-	-
Present value at the end of the year	8,623,975	7,686,092

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

	2023 RUPEES	2022 RUPEES
Current service cost	1,563,151	1,812,703
Past Service Cost	-	357,487
Interest cost on defined benefit obligation	1,037,622	678,942
	2,600,773	2,849,132

14.1.3 Charge for the year has been allocated as under:

	2023 RUPEES	2022 RUPEES
Administrative expenses	2,600,773	2,849,132

14.1.4 Total remeasurements chargeable in other comprehensive Income

	2023 RUPEES	2022 RUPEES
Actuarial gain from changes in financial assumptions	(1,662,890)	(1,952,460)

14.1.5 Principal actuarial assumptions

	2023 RUPEES	2022 RUPEES
Contribution to the staff retirement benefit gratuity for the year 2023:	2,460,609	2,460,609

The latest actuarial valuation for gratuity fund was carried out as at June 30, 2023 using the Projected Unit Credit Method (PUCM). The following significant assumptions used for the actuarial valuation:

	June 30,2023	June 30,2022
Discount rate	15.75%	13.25%
Expected rate of increase in salary	15.75%	10%
Average retirement age of an employee	60	60
Mortality rates	SLIC 2001-2005 Set back 1 year	SLIC 2001-2005 Set back 1 year

14.1.6 **Sensitivity analysis**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected rate of salary ir analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end c while holding all other assumptions constant:

	Impact on defined benefit obligation		
	Changes in assumption %	Increase in assumption	Decrease in assumption
			'<---------------
Discount rate	plus (+) 100 bps	7,552,067	
	minus (-) 100 bps		9,930,045
Salary increase	plus (+) 100 bps	9,998,897	
	minus (-) 100 bps		7,482,927

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	**2022**	**2021**	**2020**	**2019**	**2018**
	<----------------- Rupees---------------------->				
Present value of defined benefit	7,686,092	6,789,420	5,363,785	5,363,785	5,363,785
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	2022 RUPEES	2022 RUPEES
14.3	**Deferred Taxation**			
	Deferred tax liability attributable to Revaluation Surplus		54,059,408	53,176,671
	Deferred tax liability arising on taxable temporary differences due to:			
	Accelerated tax depreciation		(18,773,838)	(6,063,728)
	Deferred tax assets arising on deductible			
	Loan, advances, prepayments and other receivable		-	(11,447,278)
	Provision for gratuity		(1,877,325)	(2,228,967)
	Unused tax losses		(76,391,982)	(70,290,867)
	Deffered tax assets-net		(42,983,737)	(36,854,169)

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.

		NOTE	2022 RUPEES	2022 RUPEES
15	LOAN FROM DIRECTORS - CURRENT		40,830,410	9,500,000
15.1	It is interest free loan from director which is repayble 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		21,758,618	33,455,015
	Electricity bill payable		3,637,402	5,908,214
	Provision for sale tax liability	16.1	908,906	908,906
	Others	16.2	8,495,609	9,537,172
			36,233,607	51,242,379
	Due to associated undertaking	16.3	74,537,358	74,537,358
			110,770,965	125,779,737

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.

		NOTE	2022 RUPEES	2022 RUPEES
17	INTEREST ON SHORT TERM AND LONG TERM LOAN			
	Financial charges on loan from directors	17.1	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 During 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.

			2022 RUPEES	2022 RUPEES
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.

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

S.NO.	WRIT PETITION	FORUM	ISSUE INVOLVED	STATUS
1			Legal claim filed against the company from suppliers were not acknowledged as debts amounting to Rs.0.418million (2020:0.418million)	Pending
2	Suite no 10 of 2000 Suite no 1296 of 2003	Sindh High Court	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. 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 beleives 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. 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.	Pending
3	Special sales tax appeal No. 97 of 2004	Customs Appellate Tribunal, Bench, Karachi	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. One appeal filled against the order of the Custom Appellate Tribunal before the High Court of Sind 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 beleives that, the company has a good arguable case and an there is no likelihood of unfavourable outcome of this litigation.	Pending
4	Appeal under section 33	Appellate bench SECP Islamabad	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 fikle before Appelate bench SECP and is pending adjudication. We are hopeful of favourablen decision in favour of the company.	Pending
			Legal advisor of the companyis 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 June 30, 2023 (2022: nil)

		NOTE	2023 RUPEES	2022 RUPEES
20	**SALES**			
	Sale of agricultural products		18,470,867	8,555,899
	Service income from cold storage		3,667,791	5,691,156
			22,138,658	14,247,055
21	**COST OF SALES**			
	Electricity, gas, steam and water		3,124,697	1,568,533
	Packaging		1,090,147	1,474,873
	Nutrient		65,600	20,000
	Pesticides and Chemical		213,916	146,570
	Seeds		2,550	192,377
	Soil		1,167,180	26,000
	Testing		321,000	712,040
	Fertilizers		104,691	29,400
	Frieght Charges - VF		328,440	99,820
	Compost		2,311,503	269,708
	Supplies & Material		127,458	
	Raw Material		1,934,498	
	Wheat Straw Mixing		336,308	
	Depreciation expense		1,449,971	1,126,160
	Cost of goods available for sale		12,577,959	5,665,481
	Opening Inventory - VF		402,722	-
	Less: Ending inventory of vertical farming		(3,216,899)	(402,722)
			9,763,782	5,262,758
22	**ADMINISTRATIVE AND SELLING EXPENSES**			
	Directors' remuneration and amenities		5,740,000	4,525,000
	Salaries, allowances and benefits		42,006,412	26,193,629
	Advertisement expense		513,100	153,832
	Auditor's remuneration	22.1	790,000	79,000
	Bad debts against irrecoverable from staff		190,539	300,000
	Commission expense		957,088	1,131,487
	Conveyance		226,857	242,928
	Custom Duty		-	5,876,309
	Courier & Postage		96,435	-
	Depreciation expense - Investing Property		3,086,110	1,399,596
	Depreciation expense - Property, Plant & equipment		6,273,397	6,381,571
	Entertainment		236,119	90,401
	Electricity expense		10,153,338	8,353,049
	Fuel for generator		2,193,703	3,169,295
	Generator fuel		640,343	832,097
	Graduity expense		2,600,773	2,849,132
	Insurance		1,049,281	319,385
	Legal and professional		4,258,359	2,468,548
	Printing & stationery		812,135	116,716
	Property Tax		535,042	508,300
	Repairs and maintenance		4,425,991	707,199
	Rent, rates and taxes		413,800	35,000
	Safety and security		751,372	304,360
	Telephone and fax		391,313	240,458
	Travelling expenses		861,396	70,698
	Tax - Professional		524,448	150,000
	Utilities		-	311,530
	Water Charges		3,496,919	545,920
	Misc Supplies & Tools		3,314,735	-
			96,539,005	68,066,440
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
			790,000	790,000

		2022 RUPEES	2022 RUPEES
23	**OTHER INCOME**		
	Rental income	77,065,700	53,838,429
		77,065,700	53,838,429
24	**FINANCIAL CHARGES**		
	Bank charges and commission	20,980	107,222
		20,980	107,222
25	**TAXATION**		
	Current	1,240,054	851,069
	Deferred	-	-
		1,240,054	851,069

25.1 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 taxation	Tax assessed	Tax assessed
	------------------ (Rupees '000) ------------------		
2022	851,069	851,069	851,069
2021	10,941,937	10,941,937	10,941,937
2020	7,426,712	7,427,589	7,427,589

25.2 No numeric tax rate reconciliation is presented in these financial statements as the Company is liable to pay tax due under section 113 (Minimum tax on the income of certain persons) of the Income Tax Ordinance, 2001.

25.3 Tax expense on items recognized in other comprehensive income

Remeasurement gain on staff gratuity	1,662,890	1,952,460

26	**LOSS PER SHARE - BASIC AND DILUTED**		
26.1	**Loss per share - basic**		
	Loss after taxation	(8,359,464)	(10,793,585)
	Weighted average number of shares	15,000,000	15,000,000
	Loss per share	(0.56)	(0.72)

26.2 There is no dilution effect on the basic loss per share of the company as there are no such commitments. (2022: Nil)

27 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	2023	2022
			RUPEES	RUPEES
S.G. Power Limited	Associated Company by virtue of common directorship	Purchase of electricity	3,348,238	8,317,868
S.G. Power Limited	Associated Company by virtue of common directorship	Electricity bills payment	3,348,238	8,317,868
Directors	Key management personnel	Directors' remuneration	5,470,000	4,525,000
Mrs.Zubaida Khatoon	Key management personnel	Loan repaid	-	-
Aliya Shahid	Key management personnel	Loan repaid	1,525,000	1,500,000
Ghazala Saleem	Key management personnel	Loan repaid	1,525,000	1,650,000
Asim Ahmed	Key management personnel	Loan transferred	41,287,253	-
Asim Ahmed	Key management personnel	Loan received	-	-
Sohail Ahmed	Key management personnel	Loan repaid	7,541,481	700,000
Sohail Ahmed	Key management personnel	Loan received	41,921,891	91,700,000
BALANCES:				
Mrs.Zubaida Khatoon.	Key management personnel	Balance payable	49,890,714	49,890,714
Aliya Shahid	Key management personnel	Balance payable	19,238,817	20,763,817
Asim Ahmed	Key management personnel	Balance payable	-	41,287,253
Ghazala Saleem	Key management personnel	Balance payable	18,088,126	19,613,126
Sohail Ahmed	Key management personnel	Balance payable	215,187,159	139,519,496
S.G. Power Limited	Associated Company by virtue of common directorship	Balance payable	74,537,358	74,537,358
S.G. Power Limited	Associated Company by virtue of common directorship	Rent receivable	1,071,700	1,071,700

28 REMUNERATION OF DIRECTORS AND EXECUTIVES

	Chief Executive		Directors	
	2023	2022	2023	2022
	Rupees			
Remuneration	3,000,000	2,400,000	2,740,000	2,125,000
House Rent	-	-	-	-
Retirement Benefits	-	-	-	-
Utilities	-	-	-	-
	3,000,000	2,400,000	2,740,000	2,125,000
	1	1	2	1

	2023 RUPEES	2022 RUPEES
29 FINANCIAL INSTRUMENTS BY CATEGORY		
Financial Assets		
At amortized cost		
Long term deposits	95,714	95,714
Loans and other receivables	11,258,816	1,521,700
Cash and bank balances	8,489,329	13,091,286
	19,843,859	14,708,700
Financial Liabilities		
At amortized cost		
Creditors, accrued and other liabilities	110,770,965	125,779,737
Short term and long term loan	92,039,491	92,039,491
Loan from directors	40,830,410	9,500,000
	243,640,866	227,319,228

30 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, 2023, 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, 2023, 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, 2023 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	2023	2022
		<------------Rupees	------------>
Long term deposits		95,714	95,714
Account receivables	30.5.1	-	2,076,181
Loans and other receivables		11,258,816	1,851,700
Bank balances		8,473,200	13,083,101
		19,827,730	17,106,696

30.5.1 Set out below

	June 30, 2023	June 30, 2022
30 days	-	-
31 to 90 days	-	-
91 to 180 days	-	-
180 days to 1 year	-	-
Over 1 year	-	-
	-	-

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 assets at amortised cost includes advances, deposits and other receivables

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	2023	2022
			--------(Rupees)	--------
Summit Bank Ltd	JCR - VIS	A-3	106	106
BankIslami Pakistan Limited	PACRA	A-1	142,242	353,397
Samba Bank Limited	JCR - VIS	A-1	1,855	1,855
Bank Al-Habib Limited	PACRA	A-1+	6,710,447	5,986,672
Habib Metro	PACRA	A-1+	764,225	2,878,797
Standard Chartered Bank	PACRA	A-1+	854,326	3,862,274
			7,618,875	13,083,101

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	-	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	107,133,563	92,039,491	-	243,640,866

2022	Less than 3 months	3 to 12 months	1 to 5 years	Greater than 5	Total
Loan from directors	-	9,500,000		-	9,500,000
Creditors, accrued and other liabilities	5,908,214	119,871,523	-	-	125,779,737
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	5,908,214	119,871,523	92,039,491	-	227,319,228

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.

31 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, 2022, 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.

32 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, 2023 and 2022, the company had surplus reserves to meet its requirements.

The gearing ratio as at June 30, 2023 and June 30, 2022 is as follows:	June 30, 2023	June 30, 2022
Total Debts*	92,039,491	92,039,491
Cash and bank balances	(8,489,329)	(13,091,286)
Net Debts	83,550,162	78,948,205
Share capital	150,000,000	150,000,000
Surplus on revaluation of property, plant and equipment	1,236,418,859	964,497,676
Share premium	337,400,000	337,400,000
Revenue reserve	(772,107,516)	(770,515,235)
Loan from directors	261,574,406	261,574,406
Equity	1,213,285,748	942,956,847
Capital	1,296,835,910	1,021,905,052
Gearing ratio (debt/ (debt + Equity)	6%	8%

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

	2023	2022
	RUPEES	RUPEES
33 CAPACITY & PRODUCTION		
Production capacity for vertical farming	3000 KG	3000 KG
Actual production for vertical farming	2100 KG	2100 KG
Capacity cold storage(tonnes)	425	425
Actual usage for cold storage(tonnes)	297.5	297.5

Actual production was sufficient to meet the demand.

34 Segment Report Disclosure

	Sales	Cold Storage	Rental	Total
		(Rupees)		
Turnover	18,470,867	3,667,791	77,065,700	99,204,358
Cost of sales and services	(4,881,891)	(3,905,513)	(976,378)	(9,763,782)
Gross profit	13,588,975	(237,722)	76,089,322	89,440,576
Administrative and selling expenses	(48,269,502)	(38,615,602)	(9,653,900)	(96,539,005)
Other income	-	-	-	-
Operating profit / (loss)	(34,680,527)	(38,853,324)	66,435,421	(7,098,429)
Finance costs	(10,490)	(8,392)	(2,098)	(20,980)
Profit / (loss) before taxation	(34,691,017)	(38,861,716)	66,433,323	(7,119,410)
Taxation	(620,027)	(496,022)	(124,005)	(1,240,054)
Profit / (loss) after taxation	(35,311,044)	(39,357,738)	66,309,318	(8,359,464)
OTHER INFORMATION				
Segment assets	278,263,281	21,431,852	194,310,081	494,005,214
Unallocated assets				1,028,407,988
Total assets				1,522,413,202
Segment liabilities	108,194,609	46,369,118	123,650,981	290,845,762
Unallocated liabilities				18,281,692
Total liabilities				309,127,454
Capital expenditure	-	-	-	-
Unallocated capital expenditure				-
Total capital expenditure				-
Depreciation	4,059,257	3,321,210	3,429,011	10,809,478

2022	Sales	Cold Storage	Rental	Total
	(Rupees)			
Turnover	8,555,899	5,691,156	53,838,429	68,085,484
Cost of sales and services	(4,927,169)	(3,941,735)	(985,434)	(9,854,338)
Gross profit	3,628,730	1,749,421	52,852,995	58,231,146
Administrative and selling expenses	(34,033,220)	(27,226,576)	(6,806,644)	(68,066,440)
Other income	-	-	-	-
Operating profit/ (loss)	(30,404,490)	(25,477,155)	46,046,351	(9,835,294)
Finance costs	(53,611)	(42,889)	(10,722)	(107,222)
Profit/ (loss) before taxation	(30,458,101)	(25,520,044)	46,035,629	(9,942,516)
Taxation	(425,535)	(340,428)	(85,107)	(851,069)
Profit/ (loss) after taxation	(30,883,636)	(25,860,472)	45,950,522	(10,793,585)
OTHER INFORMATION				
Segment assets	431,830,913	185,070,391	493,521,044	519,825,448
Unallocated assets				713,977,161
Total assets				1,233,802,609
Segment liabilities	123,160,533	52,783,086	140,754,895	316,698,514
Unallocated liabilities				35,188,724
Total liabilities				351,887,238
Capital expenditure	-	-	-	-
Unallocated capital expenditure				-
Total capital expenditure				-
Depreciation	4,129,252	3,378,479	1,399,596	8,907,326

35 NUMBER OF EMPLOYEES

	2023	2022
Number of employees at the year-end	21	21
Average number of employees	21	21

36 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.

37 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on 30 SEP 2023 by the Board of Directors of the Company.

Chief Executive | Director | Chief Financial Officer