

Annual Report 2024



CONTENTS

2024

COMPANY INFORMATION	2
REVIEW REPORT BY THE CHAIRMAN ON BOARD'S OVERALL	3
NOTICE OF ANNUAL GENERAL MEETING	5
DIRECTOR'S REPORT	6
VISION/ MISSION STATEMENT	16
CORPORATE OBJECTIVES & DEVELOPMENT STRATEGY	16
STATEMENT OF COMPLIANCE WITH THE CODE OF	16
CORPORATE GOVERNANCE	17
REVIEW REPORT OF CORPORATE GOVERNANCE	19
AUDITORS' REPORT TO THE MEMBERS	20
BALANCE SHEET	24
PROFIT & LOSS ACCOUNT	25
STATEMENT OF CHANGES IN EQUITY	26
CASH FLOW STATEMENT	27
NOTES TO THE ACCOUNTS	28
PATTERN OF SHAREHOLDING	51
FORM OF PROXY	55

COMPANY INFORMATION

BOAR OF DIRECTORS

Mrs. Saba Sohail	Director/Chairperson
Mr. Sohail Ahmed	Chief Executive
Mr. Asim Ahmed	Director
Ms. Sana Sohail	Director
Mr. Farhan Sohail	Director
Mr. Salim Razak Tabani	Indepandant Director
Mr. Mansoor Mubeen	Indepandant Director
Mr. Tahir Abbas	NBP Nominee Director
Mr. Muhammad Zaheer Abbas	NBP Nominee Director

AUDIT COMMITTEE

Mr. Mansoor Mubeen	Chairman
Mrs. Saba Sohail	Member
Mrs. Sana Sohail	Member

HR AND REMUNERATION COMMITTEE

Mr. Salim Razak Tabani	Chairman
Mrs. Saba Sohail	Member
Mrs. Sana Sohail	Member

CHIEF FINANCIAL OFFICER

Mr. Farrukh Naveed

AUDITORS

Muniff Ziauddin & Co.
Chartered Accountants

LEGAL ADVISOR

Mohsin Tayab & Co.,

BANKERS

Bank Islamic Limited
Bank Al Habib Limited
Summit Bank Limited
Meezan Bank Limited

SHARES REGISTRAR

M/S. F.D. Registrar
Services (SMC-Pvt.) Limited, Office #
1705, 17th Floor, Saima Trade Tower,
'A', I. I. Chundrigar Road, Karachi.

REGISTERED OFFICE

B-40, S.I.T.E., Karachi.

Review Report by the Chairman on Board’s overall

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of (the "Board") of SG Allied Businesses Limited (the"Company") is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and bench marked against expectations in the context of objectives set for the Company. Areas where improvements are required are duly considered and action plans are framed.

The Board has recently completed its annual self-evaluation for the year ended June 30, 2024 and I report that:

The overall performance of the Board measured on the basis of approved criteria for the year was satisfactory. The overall assessment as Satisfactory is based on an evaluation of the following integral components, which have a direct bearing on Board's role in achievement of Company's objectives:

I am pleased to present Review Report on the overall performance of the Board of Directors (the Board) and the role played by them in achieving the objectives of SG Allied Businesses Limited (the Company) during the Financial Year ended June 30, 2024. The Board’s primary responsibility is to provide strategic directions to a company and oversee the management’s role in achieving a company’s objective. The Board meets as and when needed and had held [four] meetings during the year under review.

The members are aware that the Board, with approval of members, had entered into a new lines of businesses moving from manufacturing of fiber to the growing of herbs and high value plants under controlled conditions, establishment of cold storage and warehouses facilities. During the year, all these projects have been operational.

After successful operations of the cold storage facilities, vertical farming of herbs and mushrooms and establishment of warehouse, new hydroponic facilities have also been established so as to add new agricultural products for production of agricultural products. I am pleased to note that with the keen interest of the Board, the Company’s products have been very well received in the market. Due to successful indoor production of herbs and vegetables, the Company is now on path of recovery.

Alhamdulillah, Component-wise brakeup of the Company’s revenue during the last three years is as follows:

Heads	2022	2023	2024
Mushroom	14,247,055	22,138,658	48,166,021
Cold Store	5,691,156	3,667,791	9,032,255
Warehouse-	53,838,429	77,065,700	83,049,302

This shows a very healthy growth in all the aforesaid Three areas.

On the adoption of new lines of businesses, initially, the Company faced lot of challenges in all areas but now with the foresight of the Board have overcome the impediments, the Company has established a good customer base and sales are showing a healthy trend. The Board is committed to achieve greater heights in its new lines of businesses and growth in

sales. I offer my gratitude to the Board of Directors as well as the shareholders for their consistent support and assistance

1. Vision, mission and values: Board members are familiar with the current vision, mission and values and support them. The Board revisits the mission and vision statement from time to time,

2. Engagement in strategic planning: Board has a clear understanding of the stakeholders (shareholders, customers, employees, vendors, Society at large) whom the Company serves. The Board has a strategic vision of how the organization should be evolving over the next three to five years. Further Board sets annual goals and targets for the management in all major performance areas.

3. Diligence: The Board members diligently performed their duties and thoroughly reviewed, discussed and approved Business Strategies, Corporate Objectives, plans, budgets, financial statements and other reports. It received clear and succinct agendas and supporting written material in sufficient time prior to board and committee meetings. The board met frequently enough to adequately discharge its responsibilities.

4. Monitoring of organization's business activities: The Board remained updated with respect to achievement of Company's objectives, goals, strategies and financial performance through regular presentations by the management, internal and external auditors and other independent consultants. The Board provided appropriate direction and oversight on a timely basis.

5. Diversity and Mix: The Board members effectively bring the diversity to the Board and constitute a mix of independent and non-executive directors. The non-executive and independent directors were equally involved in important board decisions.

6. Governance and Control Environment: The Board has effectively set the tone-at-the-top, by putting in place transparent and robust system of governance. This is reflected by setting up an effective control environment, compliance with best practices of corporate governance and by promoting ethical and fair behavior across the company.



Saba Sohail
Chairperson.

Karachi Dated: 07 October 2024

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 56th Annual General Meeting of the members of **M/s SG Allied Businesses Limited** will be held on **Monday October 28, 2024 at 11:00 AM** at Company Registered Office at B-40, S.I.T.E., Karachi to transact the following business:

1. To confirm the minutes of 55th Annual General Meeting held on **October 27, 2023**.
2. To receive, consider and adopt audited annual accounts of the company for the year ended June 30, 2024 together with the Directors' and Auditors' report thereon.
3. To appoint auditors for the year 2024-25 and fix their remunerations.
4. To transact any other business with the permission of the Chair.

Karachi: October 07, 2024

By Order of the Board



Farrukh Naveed
(Company Secretary)

Notes

5. The Shares Transfer 'gooks of the Company will remain closed from **October 22, 2024 to October 28, 2024** (both days inclusive) for the purpose of the Annual General Meeting.
6. A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend the meeting and vote instead of him/her. In case of corporate entity, the Board of Director's resolution/power of attorney with specimen signature shall be submitted along with proxy from the Company. Proxies in order to be effective must reach at the Registered Office of the Company not less than 48 hours before the time of the meeting.
7. Members are requested to notify change in their mailing address, if any, immediately to the Share 11,), registrar of the Company M/S F.D. Registrar Services (Private) Limited, Office No. 1705, 17th Floor, Saima Trade Tower, I.I. Chundrigar Road, Karachi.
8. Members, who have deposited their shares with the Central Depository Company of Pakistan Ltd. (CDC), are requested to bring their original Computerized National Identity Cards along with their account numbers in CDC for verification at the time of the meeting. 5. CDC account holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
9. CDC account holders will further have to follow the guidelines as laid down in Circular I dated January 26, 2000 issued by teh Securities and Exchange Commission of Pakistan.

SG Allied Businesses Limited

DIRECTOR' REPORT

The Board of Directors of SG Allied Businesses Limited (SGABL) is pleased to present the 56th Annual Report and Audited Financial Statements of the Company together with Auditor's Report for the year ended 30th June 2024.

The Auditors have issued a qualified report. The directors would like to comment on the qualifications as under:

- i) The Company is pursuing to fulfil the requirements of IAS 41 — Agriculture in relation to the biological assets held by the Company.

FINANCIAL RESULTS

The performance of the Company during the year under review has been on track of growth as projected. The Company achieved good growth in sales of agricultural products which stood at Rs. 48,166,021 as compared to previous year's sales of Rs.18,470,867. In addition, service income from cold storage has been Rs. 9,032,755 as compared to previous year's sales of Rs. 3,667,791. Combined sales on the two accounts have been Rs. 57,198,776 as compared to Rs. 22,138,658 of the previous year. The cost of sales during the year went up substantially and were Rs. 39,196,015 as compared to previous year's cost of sales of Rs. 25,179,883. The major increases in the cost have been on account of procurement of special soil for indoor farming, supplies and materials for indoor farming and procurement of raw materials. Although the Company was able to earn gross profit of Rs. 15,639,661 for the year, its operating loss has been Rs. 99,867,573 The Company earned rental income of Rs. 83,049,302 for the year which reduced the losses to Rs. 18,607,059. Net loss has been Rs.16,138,497. The accumulated loss stand at Rs. 782,202,292.

Following are the financial results for the year ended June 30, 2024.

	2024	2023
Sale	57,198,776	22,138,658
Cost of Sales	41,559,115	22,365,706
Gross Profit	15,639,661	(227,048)
Admin & Selling Expenses	115,507,235	85,302,056
Other Income	83,049,302	77,065,700
Financial Charges	35,687	(20,980)
Loss before taxation	18,607,059	9,724,439)
Loss after taxation	16,138,497	8,359,464
Earnings per share	(1.08)	(0.56)

During the financial year following were the Directors of the Company:

S.No.	Name of Directors	
1	Mr. Sohail Ahmed	
2	Mr. Asim Ahmed	
3	Mr. Farhan Sohail	
4	Ms. Saba Sohail	
5	Mr. Mansoor Mubeen	
6	Ms. Sana Sohail	
7	Mr. Salim Razak Tabani	
8	Mr. Tahir Abbas	NBP Nominee Director
9	Mr. Muhammad Zaheer Abbas	NBP Nominee Director

Company were involved in the businesses of Hi-tech Agriculture product, cold storage and providing services of tenancy.

During the year there was no such risk was faced by the company.

FUTURE OUTLOOK

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

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

COMPLIANCE WITH THE CODE OF CORPORATE (GOVERNANCE)

In accordance with the requirement of the Listed Companies (Code of Corporate Governance) Regulation 2019 the Directors hereby confirm that:

- The financial Statements for the year ended June 30, 2024 prepared by the management present fairly its state of affairs, the results of its operation, cash flow and change in equity.
- Proper books of accounts of the Company have been maintained.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- The Company is in the process of implementing internal control.
- There has been no material departure from the best practice of Code of Corporate Governance as detailed in the listing regulations.
- The Directors, Chief Executive and their spouses and minor children did not carry out any transaction in the shares of the Company during the year.
- Compliance of Code of Corporate Governance is annexed.
- Certain non-compliance's mentioned in the Auditors' Review Report are due to the fact that the Company is in the process of revamping its business process and certain compliance's remained unshered as at the year end.

The Board held four meeting during the year. The attendance by each Director was as follows:

COMPLIANCE WITH THE CODE OF CORPORATE (GOVERNANCE)

In accordance with the requirement of the Code of Corporate Governance Regulation 2019 of Securities and Exchange Commission of Pakistan, the Directors hereby confirm that:

- The financial Statements for the year ended June 30, 2024 prepared by the management present fairly its state of affairs, the results of its operation, cash flow and change in equity.
- Proper books of accounts of the Company have been maintained.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.



Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.

The Company is in the process of implementing internal control.

There has been no material departure from the best practice of Code of Corporate Governance as detailed in the listing regulations.

The Directors, Chief Executive and their spouses and minor children did not carry out any transaction in the shares of the Company during the year.

Compliance of Code of Corporate Governance is annexed.

Certain non-compliance mentioned in the Auditors' Review Report are due to the fact that the Company is in the process of revamping its business process and certain compliance remained unshered as at the year end.

The Board held four meeting during the year. The attendance by each Director was as follows:

Name of Director	No. of meeting attended
Mr. Sohail Ahmed	4
Mr. Asim Ahmed	4
Mr. Farhan Sohail	4
Ms. Saba Sohail	4
Ms. Sana Sohail	4
Mr. Mansoor Mubeen	4
Mr. Salim Razak Tabani	4
Mr. Tahir Abbas	3
Mr. Muhammad Zaheer Abbas	3

Leave of absence was granted to director who could not attend some of the Board meeting.

AUDITORS

The present Auditors M/S Muniff Ziauddin & Co., Chartered Accountants, retires and being eligible, offers themselves for re-appointment. Audit, Committee recommended for their re-appointment for the year ending June 30, 2025.

AUDIT COMMITTEE

The meetings of Audit Committee were held during the year ended June 30, 2024 as required by Code of Corporate Governance for review of Quarterly/Half Yearly, Annual Account and the related matters. The meetings were also attended by the External Auditors as and when required. The composition of the Committee is as follows:

Mr. Mansoor Mubeen	Chairman
Ms. Sana Sohail	Member
Ms. Saba Sohail	Member

ACKNOWLEDGEMENT

The Directors of your Company offer their sincere gratitude to the shareholders, institutions for their support and assistance.

SHARE HOLDINGS PATTERN

The Pattern of Shareholding as on June 30, 2024 is annexed.

On behalf of the
Board of Directors



Farhan Sohail
Director



Sohail Ahmed
Chief Executive

Karachi October 07, 2024

ایس جی الائیڈ بزنسز لمیٹڈ

ڈائریکٹر کی رپورٹ ایس جی الائیڈ بزنسز لمیٹڈ (SGABL) کے بورڈ آف ڈائریکٹرز کو 30 جون 2024 کو ختم ہونے والے سال کے لئے آڈیٹر کی رپورٹ کے ساتھ کمپنی کی 56th سالانہ رپورٹ اور آڈٹ شدہ مالیاتی بیانات پیش کرنے پر خوشی ہے۔

آڈیٹرز نے مستند رپورٹ جاری کر دی ہے، ڈائریکٹرز مندرجہ ذیل قابلیت پر تبصرہ کرنا چاہیں گے:

(i) کمپنی، کمپنی کے پاس موجود حیاتیاتی اثاثوں کے سلسلے میں 1AS 41، زراعت کی ضروریات کو پورا کرنے کی کوشش کر رہی ہے۔

مالیاتی نتائج

زیر نظر سال کے دوران آپ کی کمپنی کی کارکردگی اوپر بیان کئے گئے عوامل کی وجہ سے بحالی کے راستے پر رہی ہے، کمپنی نے روپے کی فروخت کی ہے، فروخت کے پچھلے سال کے مقابلے میں سال کے لئے 57.198 ملین 22.138 ملین تھا، تاہم 30 جون 2024 کو جمع شدہ نقصان 782.202 ملین روپے رہا جو پچھلے سال کے 772.107 ملین روپے کے مقابلے میں ہے، موجودہ میں کوئی ڈیویڈنڈ کا مقصد نہیں ہے۔ سال، دوبارہ تشخیص کی سرگرمی انجام دی گئی جس کے نتیجے میں اثاثوں کا دوبارہ جائزہ لیا گیا، لہذا، مالیاتی بیانات دوبارہ تشخیص کے ریزرو کو ظاہر کرتے ہیں۔ نقصان کی بڑی وجہ ایسے اخراجات کی ادائیگی تھی جو پیشہ دارانہ اور لگن کی نوعیت کے ہوتے ہیں۔ 30 جون 2024 کو ختم ہونے والے سال کے مالی نتائج درج ذیل ہیں:

2024	2023	
57,198,776	22,138,658	سیلز
41,559,115	22,365,706	فروخت کی لاگت
15,639,661	(227,048)	مجموعی منافع
115,507,235	85,302,056	ایڈمن اور سیلنگ اخراجات
83,049,302	77,065,700	دیگر آمدنی
35,687	(20,980)	مالیاتی چارجز
18,607,059	9,724,439	ٹیکس سے پہلے نقصان
16,138,497	8,359,464	ٹیکس کے بعد نقصان
(1.08)	(0.56)	فی شیئر آمدنی

مالی سال کے دوران کمپنی کے ڈائریکٹرز درج ذیل تھے۔

سیریل نمبر	ڈائریکٹر کا نام
1-	جناب سہیل احمد
2-	جناب عاصم احمد
3-	جناب فرحان سہیل
4-	محترمہ صبا سہیل
5-	جناب منصور مبین
6-	محترمہ ثناء سہیل
7-	جناب سلیم رزاق تابانی
8-	جناب طاہر عباس
9-	جناب محمد ظہیر عباس

کمپنی ہائی ٹیک زرعی مصنوعات، کولڈ اسٹوریج اور کرایہ داری کی خدمات فراہم کرنے کے کاروبار میں ملوث تھی۔ سال کے دوران کمپنی کو اس طرح کے کسی خطرے کا سامنا نہیں کرنا پڑا مستقبل کا آؤٹ لک کمپنی اپنی کاروباری سرگرمیوں کو بڑھا رہی ہے۔ الحمد للہ کاروبار کی تمام موجودہ لائسنس بشمول کولڈ اسٹوریج اور عمودی فارم بہتر آمدنی دکھا رہے ہیں، کمپنی نئی ہائیڈرو پونک۔ سہولت کی تعمیر کے عمل میں ہے جس کی پیدوار جنوری 2024 میں شروع ہو چکی ہے اور اس سے کمپنی کے پورٹ فولیو میں نئی مصنوعات شامل ہوں گی، لہذا سہولت سے حاصل ہونے والی آمدنی اسی طرح سال 2024-25 میں بتائی گئی ہے، اسی طرح، پاکستان میں ایس جی الائیڈ برنسر لمیٹڈ کی جانب سے عمودی فارم کا ایک نیا تصور متعارف کرایا گیا ہے، اس طبقے کو مارکیٹ میں کافی پذیرائی حاصل ہے، اس لئے کچھ ٹی وی چینلز نے مناسب انداز میں میڈیا کورٹج فراہم کی، جس میں نمایاں ٹی وی چینلز بشمول سماء ٹی وی، عرب نیوز اور جیو ٹی وی ایک پروگرام ٹیلی کاسٹ کیا۔ مالیاتی نتائج ہمارے عمودی فارم سے نے ہمارے عمودی فارم کا فروخت کے بڑھتے ہوئے رجحان کو ظاہر کرتے ہیں۔ نئی زرعی مصنوعات کی منصوبہ بندی کرنے والی کمپنی بنائی جائے گی، اس لئے ایک نیا عمودی فارم کا ڈھانچہ بنایا جا رہا ہے، اور اس لئے آئندہ سال کمپنی

کی مصنوعات کی لائن میں مزید مصنوعات شامل کی جائیں گی۔ کمپنی آئندہ سال 2024 میں کاشتکاری کی سہولت کو مزید بڑھانے کے عمل میں زرعی مصنوعات میں ایک نئی لائن تیار کی جا رہی ہے۔

کوڈ آف کارپوریٹ گورننس کے ساتھ تعمیل سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے کوڈ آف کارپوریٹ گورننس ریگولیشن 2019 کی ضرورت کے مطابق، ڈائریکٹرز اس بات کی تصدیق کرتے ہیں:

30 جون 2024 کو ختم ہونے والے سال کے مالیاتی بیانات جو انتظامی کے ذریعہ تیار کئے گئے ہیں ان میں اس کی حالت، اس کے کام کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کو پیش کیا گیا ہے۔

کمپنی کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئی ہیں۔

بین الاقوامی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں پیروی کی گئی ہے۔ مالیاتی گواشاہروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

کمپنی اندرونی کنٹرول کو نافذ کرنے کے عمل میں ہے۔

کوڈ آف کارپوریٹ گورننس کے بہترین عمل سے کوئی مادی اخراج نہیں ہوا ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل سے بتایا گیا ہے۔

ڈائریکٹرز، چیف ایگزیکٹو اور ان کی شریک حیات اور نابالغ بچوں نے سال کے دوران کمپنی کے حصص میں کوئی لین دین نہیں کیا۔ کوڈ آف کارپوریٹ گورننس کی تعمیل منسلک ہے۔

آڈیٹرز کی جائزہ رپورٹ میں ذکر کردہ کچھ غیر تعمیلات اس حقیقت کی وہ سے ہیں کہ کمپنی اپنے کاروباری عمل کو بہتر بنانے کے عمل میں ہے اور سال کے آخر میں کچھ تعمیلات کو برقرار رکھا گیا ہے۔

بورڈ نے سال کے دوران چار اجلاس منعقد کئے، ہر ڈائریکٹر کی حاضری حسب ذیل تھی:

اجلاس میں شریک ڈائریکٹر کے نام اور نمبر

4	جناب سہیل احمد
4	جناب عاصم احمد
4	جناب فرحان سہیل
4	محترمہ صبا سہیل
4	محترمہ ثناء سہیل
4	جناب منصور مبین
3	جناب سلیم رزاق تابانی
3	جناب طاہر عباس
3	جناب محمد ظہیر عباس

ڈائریکٹر کو غیر حاضری کی چھٹی دی گئی جو بورڈ کے کچھ اجلاس میں شرکت نہیں کر سکے۔


آڈیٹرز موجودہ آڈیٹرز M/S مصنف ضیاء الدین اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو رہے ہیں اور اہل ہیں، خود کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔ آڈٹ کمپنی نے 30 جون 2024 کو ختم ہونے والے سال کے لئے ان کی دوبارہ تقرری کی سفارش کی۔ حساب کتاب کا گروہ یا لوگ آڈٹ کمیٹی کے اجلاس 30 جون 2024 کو ختم ہونے والے سال کے دوران منعقد کئے گئے تھے جیسا کہ کوڈ آف کارپوریٹ گورننس کے مطابق سہ ماہی/اشتمالی، سالانہ اکاؤنٹ اور متعلقہ امور کا جائزہ لیا گیا تھا۔ اجلاسوں میں ضرورت پڑنے پر بیرونی آڈیٹرز نے بھی شرکت کی کمیٹی کی تشکیل حسب ذیل ہے:


منصور مبین	چیئر مین
جناب ثناء سہیل	ممبر
محترمہ صبا سہیل	ممبر

اعتراف:

آپ کی کمپنی کے ڈائریکٹرز، ہولڈرز، اداروں کے تعاون اور مدد کے لئے ان کا تہہ دل سے شکریہ ادا کرتے ہیں۔
شیئر ہولڈنگز پیٹرن 30 جون 2024 تک شیئر ہولڈنگ کا پیٹرن منسلک ہے، کی جانب سے

بورڈ آف ڈائریکٹرز


فرحان سہیل
ڈائریکٹر


سہیل احمد
چیف ایگزیکٹو

کراچی 07 اکتوبر 2024

VISION STATEMENT

To be nationally & internationally recognized as trendsetter of polyester filament yarn. Producing and introducing new varieties of highly value added Products to our customers both in Pakistan & abroad.

MISSION STATEMENT

Our mission is to exceed the expectations of our customers in producing highest quality product. With determination of greater returns to shareholders and good opportunities to employees. To make the company a high flyer of all times.

CORPORATE OBJECTIVES

&

DEVELOPMENT STRATEGY

From the beginning we have been producing exceptionally high quality products. Every time we introduced new varieties in the market which was followed by others later on. Alhamdulillah we become the only exporter of polyester filament yarn from Pakistan. We wish to strive continuously to achieve higher levels of excellence by employing most Modern manufacturing technology Operational & Financial Management. To extend our maximum contribution to our beloved Country in almost all possible Fields specially to National exchequer.

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE ON TRANSFER PRICING

The Company has fully complied with the best practice on Transfer Pricing as contained in the regulation No. 38 of the Karachi Stock Exchange (G) Limited.

On behalf of the Board of Directors



Sohail Ahmed
(Chief Executive)

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

For the year ended June 30, 2023

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations 2019 (CCG / Regulations) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

SG Allied Businesses Limited ("the company") has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 9 (Nine) as per the following:

- | | |
|-----------|----|
| a. Male | :7 |
| b. Female | :2 |

2. The composition of the Board is as follows:

CATEGORY	NAMES
Independent Director	Mr. Mansoor Mubeen Mr. Saleem Razzak Tabani
Executive Director	Mr. Sohail Ahmed Mr. Farhan Sohail Mr. Asim Ahmed
Non-Executive Director	Ms. Saba Sohail Ms. Sana Sohail Mr. Muhammad Zaheer Abbas Mr. Tahir Abbas
Female Directors	Ms. Saba Sohail Ms. Sana Sohail

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. No Director's Training Program were held during the year.

10. The Board has approved appointment of chief financial officer and company secretary, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below.
 - a) Audit Committee

Ms. Mansoor Mubeen	Chairman
Ms. Saba Sohail	Member
Ms. Sana Sohail	Member
 - b) HR and Remuneration Committee

Mr. Salim Razzak Tabani	Chairman
Ms. Sana Sohail	Member
Ms. Saba Sohail	Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
 - a) Audit Committee; 4 Quarterly Meetings
 - b) HR and Remuneration Committee; 2 Half Yearly Meetings
15. The board is in the process of setting up an effective internal audit function, as the operations of the company are being revived;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Reg.	Explanation
31	The board is in the process of setting up an effective internal audit function, as the operations of the company are being revived.
29(1)	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.
30(1)	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board
10A (1)(3)(4)	The Board is responsible for governance and oversight of sustainability risks and opportunities and takes appropriate measures to address it. Further, the Board ensures that the Company's sustainability and DE&I related strategies are periodically reviewed and monitored.
10A (5)	The Board may establish a dedicated sustainability committee or assign additional responsibilities to an existing Board committee.



Chief Executive



MUNIFF ZIAUDDIN & CO.
Chartered Accountants

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

INDEPENDENT AUDITOR'S MODIFIED 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, 2024 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.

Following instances of non-compliance with the requirements of the Regulations were observed which are not appropriately stated in the Statement of Compliance:

Note reference Description

2	The executive directors are more than one third of the Board.
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.

Based on our review, except for the above instances 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, 2024.

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
31	The board is in the process of setting up an effective internal audit function, as the operations of the company are being revived.
29(1)	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.
30(1)	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board
10A (1)(3)(4)	The Board is responsible for governance and oversight of sustainability risks and opportunities and takes appropriate measures to address it. Further, the Board ensures that the Company's sustainability and DE&I related strategies are periodically reviewed and monitored.
10A (5)	The Board may establish a dedicated sustainability committee or assign additional responsibilities to an existing Board committee.

Muniff Ziauddin
Chartered Accountants
Karachi

Date: October 07, 2024

UDIN: CR2024101534WrnXd5Ys



MUNIFF ZIAUDDIN & CO.
Chartered Accountants

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

**Independent 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 2024**, 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 2024 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. 16.138 million (2023: 8.359 million) and the accumulated loss of the Company has reached to Rs. 782.202 million as at June 30, 2024 (2023: 772.107 million). Moreover, the reported current liabilities have exceeded from current assets of the Company by Rs. 214.913 million (2023: 207.741). 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
<p>1.Contingencies</p> <p>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.</p> <p>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.</p> <p>The details of contingencies along with management's assessment and the related provisions are disclosed in note 19 to the financial statements.</p>	<p>In response to this matter, our audit procedures included:</p> <p>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.</p> <p>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.</p> <p>The disclosures of legal exposures and provisions were assessed for completeness and accuracy.</p>

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: 07 October, 2024

UDIN: AR202410153sAp6MqQYE

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

	NOTE	2024 RUPEES	2023 RUPEES
NON-CURRENT ASSETS			
Property and equipment	5	1,413,770,629	1,420,026,981
Investment property	6	61,893,646	65,151,206
Long term deposits	7	95,714	95,714
		<u>1,475,759,989</u>	<u>1,485,273,901</u>
CURRENT ASSETS			
Inventory	8	1,554,082	3,917,182
Loans, advances, prepayments and other receivables	9	41,206,869	22,068,844
Cash and bank balances	10	19,513	8,489,329
		<u>42,780,464</u>	<u>37,139,301</u>
		<u>1,518,540,452</u>	<u>1,522,413,202</u>
SHARE CAPITAL AND RESERVES			
Authorized share capital 15,000,000 ordinary shares of Rs. 10 each		<u>150,000,000</u>	<u>150,000,000</u>
Issued, subscribed and paid-up capital	11	150,000,000	150,000,000
Share premium		337,400,000	337,400,000
		<u>487,400,000</u>	<u>487,400,000</u>
Capital Reserves			
Surplus on revaluation of fixed assets	12	1,231,111,655	1,236,418,859
Revenue Reserves			
Accumulated loss		(782,202,292)	(772,107,516)
		<u>936,309,363</u>	<u>951,711,342</u>
Loan from directors	13	261,574,406	261,574,406
		<u>1,197,883,770</u>	<u>1,213,285,748</u>
NON-CURRENT LIABILITIES			
Deferred liabilities	14	62,962,987	64,246,534
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	16	114,387,035	110,770,965
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	49,514,068	40,830,410
Provision for taxation		1,753,101	1,240,054
		<u>257,693,696</u>	<u>244,880,920</u>
CONTINGENCIES AND COMMITMENTS			
	19	<u>1,518,540,452</u>	<u>1,522,413,202</u>

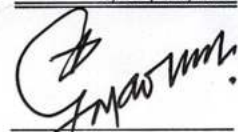
The annexed notes form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

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

	NOTE	2024 RUPEES	2023 RUPEES
Sales	20	57,198,776	22,138,658
Cost of sales	21	(41,559,115)	(22,365,706)
Gross profit		15,639,661	(227,048)
Administrative and selling expenses	22	(115,507,235)	(85,302,056)
Operating loss		(99,867,573)	(85,529,104)
Other income	23	83,049,302	77,065,700
		(16,818,271)	(8,463,404)
Financial charges	24	(35,687)	(20,980)
Loss before levy and income tax		(16,853,958)	(8,484,384)
Levy	25	(1,753,101)	(1,240,054)
Loss before income tax		(18,607,059)	(9,724,439)
Income tax expense	26	2,468,562	1,364,975
Loss after levy and income tax		(16,138,497)	(8,359,464)
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		736,518	1,180,652
Remeasurement of Revaluation surplus-net of tax		-	277,507,712
Total comprehensive income for the year		(15,401,979)	270,328,900
Loss per share - basic and diluted	27	(1.08)	(0.56)

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, 2024

	Share Capital and Share Premium	Capital Reserve	Revenue Reserve	Total	
	Issued, subscribed and paid-up capital	Share premium	Revaluation Surplus Rupees	Accumulated loss	
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	277,507,712	1,180,652	278,688,365
Total comprehensive income for the year	-	277,507,712	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
Total comprehensive income for the year ended June 30, 2024					
Loss for the year	-	-	-	(16,138,497)	(16,138,497)
Other comprehensive income (net of tax)	-	-	-	736,518	736,518
Total comprehensive income for the year	-	-	-	(15,401,979)	(15,401,979)
Transferred on account of incremental depreciation-net of tax	-	-	(5,307,203)	5,307,203	-
Balance as at June 30, 2024	150,000,000	337,400,000	1,231,111,655	(782,202,292)	936,309,363

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


Chief Executive

Chief Financial Officer

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

	2024 RUPEES	2023 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before levy and income tax	(16,853,958)	(8,484,384)
Adjustment for:		
-Depreciation	10,851,682	10,809,478
Impairment of assets	-	-
-Gratuity expense	3,484,684	2,600,773
-Finance charges	35,687	20,980
	<u>14,372,053</u>	<u>13,431,231</u>
CASH FLOW FROM OPERATING ACTIVITIES - BEFORE WORKING CAPITAL CHANGES	(2,481,905)	4,946,847
(Increase) / decrease in current assets		
Inventory	2,363,100	(2,691,877)
Loans, advances, prepayments and other receivables	(14,983,939)	(14,283,636)
	<u>(15,102,744)</u>	<u>(12,028,666)</u>
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	3,616,071	(15,008,772)
Finance charges paid	(35,687)	(20,980)
Tax paid	(4,293,345)	(5,406,941)
Repaid deferrred liability of KE	-	-
Net cash used in operating activities	(15,815,705)	(32,465,360)
CASH FLOW FROM INVESTING ACTIVITIES		
Addition in property, plant and equipment	(108,470)	-
Addition in capital work in progress	(1,229,300)	(3,467,007)
Net cash used in investing activities	(1,337,770)	(3,467,007)
CASH FLOW FROM FINANCING ACTIVITIES		
Loans received from directors	25,042,480	41,921,891
Loans repaid to directors	(16,358,822)	(10,591,481)
Net cash generated from financing activities	8,683,658	31,330,410
Net decrease in cash and cash equivalent	(8,469,817)	(4,601,957)
Cash and cash equivalent at the beginning of the year	8,489,329	13,091,286
Cash and cash equivalent at the end of the year	<u>19,513</u>	<u>8,489,329</u>

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


Chief Executive


Director


Chief Financial Officer

**SG ALLIED BUSINESSES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

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. 16.138 million (2023: 8.359 million) and the accumulated loss has reached to Rs. 782.202 million as at June 30, 2024 (2023: 772.107 million). Moreover, the reported current liabilities have exceeded to current assets of the Company by Rs. 214.913 million (2023: 207.741 million). These conditions indicate the existence of a material uncertainty that may cast significant doubt on Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. 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 other than stock in trade (refer note 4.6)
- Fair value of investment property (refer note 4.2 & 6)
- Fair value of biological assets (refer note 4.4)
- Provision for expected credit loss (refer note 4.8)
- Obligation of defined benefit obligation (refer note 4.13 & 14.1)
- Estimation of provisions (refer note 4.19)
- Estimation of contingent liabilities (refer note 4.17 and 20)
- Current income tax expense, provision for current tax recognition of deferred tax (refer note 4.12 & 26)

3 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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

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

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

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

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

MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Property and equipment

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



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

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

Judgements and estimates

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

Impairment

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

Capital work-in-progress

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

4.2 Investment property

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

Judgement and estimates

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

4.3 Biological assets

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

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

4.4 Trade and other receivables

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



4.5 Cash and cash equivalent

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

4.6 Impairment of non-financial assets

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

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

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

4.7 Financial instruments

4.7.1 Financial assets

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

4.7.1.1 Financial assets at amortised cost

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on de-recognition are recognised directly in profit or loss.

4.7.1.2 Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4.7.1.3 Financial assets at fair value through profit or loss

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

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

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

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

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

4.7.2 Financial liabilities

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

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

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

4.8 Off setting of financial assets and liabilities

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

4.9 Trade and other payables

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

4.10 Compensated absences

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

4.11 Share capital

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

4.12 Income tax and levy

Current

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



Deferred

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

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

Levy

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

Judgements and estimate

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

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

Off-setting

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

13 Staff retirement benefits

Defined benefit plan

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

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

Judgements and estimates

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



4.14 Revenue recognition

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

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

4.15 Foreign exchange translation

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

4.16 Borrowing cost

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

4.17 Contingent liabilities

Contingent liability is disclosed when:

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

4.18 Dividend distribution

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

4.19 Provisions

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

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

4.20 Segment reporting

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relates to transactions with any of the company's other components. The company has only four reportable segments

4.21 Related party transactions

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

4.22 Basic and diluted earnings per share

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



5.18 Reclassification

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

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

	2024			2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
----- (Rupees) -----						
Effect on statement of profit or loss						
Loss before income tax	(16,853,958)	715,461	(16,138,497)	(8,484,384)	124,920	(8,359,464)
Levies - Minimum tax	-	(1,753,101)	(1,753,101)	-	(1,240,054)	(1,240,054)
Current tax expense	(2,468,562)	2,468,562	-	(1,364,975)	1,364,975	(0)



5 PROPERTY AND EQUIPMENT
 Operating fixed assets
 Capital work in progress

 NOTE
 5.1
 5.7

2024	2023
1,413,770,629	1,314,602,351
1,413,770,629	105,422,630
1,413,770,629	1,420,025,981

5.1 Statement of operating fixed assets-2024

Particulars	Cost			Rate %	Depreciation			Written-down value
	As on July 01, 2023	Addition / Transfer/ (disposal)	Transferred to Investment property		As on July 01, 2023	For the year / (adjustment for disposal)	Transferred to Investment property	
Owned assets:								
Leasehold land	1,168,960,000	-	-	-	-	-	-	1,168,960,000
Building on leasehold land	273,190,195	-	-	5%	155,811,596	5,868,930	-	111,509,669
Cold storage	21,431,852	4,100,080	-	5%	3,923,596	875,416	-	20,732,980
Vertical Farm	5,714,637	102,553,850	-	5%	1,060,029	232,730	-	106,975,728
Plant and machinery	715,112	-	-	5%	542,081	8,652	-	164,379
Factory equipment	10,270,720	33,000	-	10%	9,347,874	92,510	-	863,286
Office equipment	19,773,852	-	-	10%	17,870,416	190,344	-	1,713,092
Motor vehicles	13,035,155	-	-	20%	12,952,267	16,578	-	66,310
Furniture and fixtures	3,126,566	-	-	10%	2,859,514	26,705	-	286,219
Trolleys and fork lifters	4,242,562	-	-	10%	4,054,809	18,775	-	168,978
K-Electric Sub Station	2,717,357	15,470	-	10%	2,732,827	246,276	-	2,216,469
OTIS lifts	1,266,982	60,000	-	10%	1,150,437	17,156	-	159,389
Total owned assets	1,524,444,990	106,762,400	-		209,842,641	7,994,132	-	1,413,770,629

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

Particulars	Location	Usage of Immovable Property	Total Area (Square feet)	Forced sale Value	
				Rupees	As on June 30, 2024
a) lease hold	B-40, SITE, Karachi	Owned Purpose	4,669 acres	719,360,000	-
b) Building	B-40, SITE, Karachi	Rental & Owned Purpose	4,669 acres	172,504,440	-
Total				891,864,440	

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
Lease hold land
Building

2023	2022
1,139,118	7,011,974
6,455,004	7,011,974
7,594,122	7,011,974

5.5 The revaluation of land and building were performed by Messrs. Amir Evaluators & Consultants who are independent valuer not related to the company. M/S Amir Evaluators & Consultants have appropriate qualifications and experience in the fair value of properties in the relevant locations. The revaluation of land was determined based on market comparable approach that reflects recent transaction prices of similar 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 fair value hierarchy.

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

Particulars	2023	2022
Cost of sales	1,139,118	7,011,974
Administrative and selling expenses	6,455,004	7,011,974
Total	7,594,122	7,011,974

5.7 Capital work in progress

Particulars	Balance as on July 01, 2022	Capital expenditure incurred during the year, 2023	Transferred to operating Fixed assets, 2023	Balance as on June 30, 2023	Capital expenditure incurred during the year, 2024	Transferred to operating Fixed assets, 2024	Balance as on June 30, 2024
CMP - Cold storage	4,066,080	-	-	4,066,080	31,000	(4,100,080)	-
CMP - Vertical Farm+Mushroom	101,694,633	(339,083)	-	101,355,550	1,198,300	(102,553,850)	-
Total	105,760,713	(339,083)	-	105,426,630	1,229,300	(106,653,930)	-

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	
	Rupees-----									
Owned assets:										
Leasehold land	899,200,000	-	-	268,760,000	-	-	-	-	-	1,168,960,000
Building on leasehold land	262,277,924	-	-	10,912,271	5%	150,208,105	5,603,491	-	155,811,596	117,378,599
Cold storage	21,151,852	280,000	-	-	5%	3,016,783	906,753	-	3,923,536	17,508,316
Vertical Farm	5,714,637	-	-	-	5%	815,050	244,979	-	1,060,029	4,654,608
Plant and machinery	715,112	-	-	-	5%	532,974	9,107	-	542,081	173,031
Factory equipment	10,270,720	-	-	-	10%	9,245,335	102,559	-	9,347,874	922,846
Office equipment	19,593,604	380,248	-	-	10%	17,701,174	169,242	-	17,870,416	1,903,436
Motor vehicles	13,035,155	-	-	-	20%	12,931,545	20,722	-	12,952,267	82,888
Furniture and fixtures	3,107,164	19,402	-	-	10%	2,831,996	27,518	-	2,859,514	267,052
Trolleys and fork lifters	4,242,562	-	-	-	10%	4,033,947	20,662	-	4,054,609	187,753
K-Electric Sub Station	-	2,717,357	-	-	10%	-	270,082	-	270,082	2,447,275
OTIS lifts	1,196,982	70,000	-	-	10%	1,145,265	5,172	-	1,150,437	116,545
Total owned assets	1,240,305,712	3,467,007	-	360,757,995		202,462,174	7,380,467	-	209,842,641	1,314,602,351
				280,672,271						



	NOTE	2024 RUPEES	2023 RUPEES
6 INVESTMENT PROPERTY			
Cost		194,310,081	194,310,081
Less: Accumulated depreciation and impairment		<u>(129,158,875)</u>	<u>(125,729,864)</u>
Carrying amount as at 1 July		65,151,206	68,580,217
Additions through new purchases		-	-
Depreciation charge for the year		<u>(3,257,560)</u>	<u>(3,429,011)</u>
Transfer (to)/from property, plant and equipment		-	-
Carrying amount as at 30 June		<u>61,893,646</u>	<u>65,151,206</u>
Rate of depreciation (%)		<u>5%</u>	<u>5%</u>
6.1 Reconciliation of carrying amount			
COST			
As on 1 July		194,310,081	194,310,081
Reclassification from property, plant and equipment		-	-
As at 30 June		<u>194,310,081</u>	<u>194,310,081</u>
DEPRECIATION			
As on 1 July		129,158,875	125,729,864
Reclassification from property, plant and equipment		-	-
For the year		<u>3,257,560</u>	<u>3,429,011</u>
As at 30 June		<u>132,416,435</u>	<u>129,158,875</u>
Written down value as at June 30		<u>61,893,646</u>	<u>65,151,206</u>
Rate of depreciation		<u>5%</u>	<u>5%</u>
6.2 This represents building owned by the company. The fair value of the investment property is Rs. 215.630 million. Forced sale value of the investment property assessed at Rs. 172.504 million.			
7 LONG TERM DEPOSITS			
Security deposits		<u>95,714</u>	<u>95,714</u>
8 INVENTORY			
Diesel		91,178	-
Vertical farm		1,185,298	3,216,899
Packing material		<u>277,606</u>	<u>700,283</u>
		<u>1,554,082</u>	<u>3,917,182</u>
9 LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Loans and advances			
Advance to Staff		529,505	480,705
Advance income tax		14,964,115	10,810,028
Account receivables-cold storage		2,110,414	299,945
Account receivables-ware house		4,935,448	2,364,001
Account receivables-Vertical Farm		4,211,011	4,124,632
Income tax refundable		11,980,753	10,497,524
Less: provision against income tax refundable		<u>(9,903,094)</u>	<u>(9,903,094)</u>
		<u>28,828,152</u>	<u>18,673,741</u>
Prepayments and other receivables			
Letter of guarantee		150,000	150,000
Sales tax claims receivable		9,275,248	23,191,909
Less: Provision against sales tax claims receivable		-	<u>(21,070,506)</u>
		<u>9,425,248</u>	<u>2,271,403</u>
Others	9.1 & 9.2		
Less: Provision for irrecoverable rent		11,453,241	9,623,471
Less: Provision for doubtful debts		<u>(8,496,312)</u>	<u>(8,496,312)</u>
		<u>(3,459)</u>	<u>(3,459)</u>
		<u>2,953,470</u>	<u>1,123,700</u>
		<u>41,206,869</u>	<u>22,068,844</u>
9.1 This includes receivables from S.G. Power Limited on account of rent and utilities amounting to Rs 11.331 million. However as disclosed in note 16 ,17 and 18 a sum of Rs.156.613 million is payable to S.G Power Limited.			
9.2 Ageing analysis of receivables from S.G Power Limited (associated company)			
Past due less than one year		899,787	-
Past due over one year		<u>8,550,000</u>	<u>8,550,000</u>



	NOTE	2024 RUPEES	2023 RUPEES				
10 CASH AND BANK BALANCES							
Cash on hand		11,355	16,129				
Cash with banks - current account		8,158	8,473,200				
		<u>19,513</u>	<u>8,489,329</u>				
11 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL							
5,200,000 Ordinary shares of Rs. 10 each fully paid in cash		52,000,000	52,000,000				
5,415,610 Ordinary shares of Rs. 10 each as fully paid bonus shares		54,156,100	54,156,100				
2,384,390 Ordinary shares of Rs. 10 each as fully paid right shares		23,843,900	23,843,900				
2,000,000 Ordinary shares of Rs. 10 each fully paid in cash (foreign placement)		20,000,000	20,000,000				
		<u>150,000,000</u>	<u>150,000,000</u>				
11.1 Shares held by the related parties of the Company							
Name of the shareholders		2024 Number of shares	2024 Percentage holding	2023 Number of shares	2023 Percentage holding		
Directors, CEO, & their spouse							
Mr. Sohail Ahmed		5,228,300	34.86%	5,228,300	0.00%		
Asim Ahmed		500	0.00%	500	0.00%		
Ghazala		1,306,850	8.71%	1,306,850	0.00%		
Saba Sohail		500	0.00%	500	0.00%		
Sana Sohail		500	0.00%	500	0.00%		
Bina Sohail		500	0.00%	500	0.00%		
Farhan Sohail		500	0.00%	500	0.00%		
Zubalda		500	0.00%	500	0.00%		
Aliya		2,614,200	17.43%	2614200	0.00%		
		1,304,450	8.70%	1304450	0.00%		
12 SURPLUS ON REVALUATION OF FIXED ASSET		2024	2023				
Revaluation surplus on property plant and equipment	12.1	1,231,111,655	1,236,418,859				
12.1 Revaluation surplus on property plant and equipment							
Balance at the beginning of the year		1,290,478,265	1,017,674,346				
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				
Less: Transferred to unappropriated profit on account of:		1,290,478,265	1,298,346,617				
- incremental depreciation for the year		(7,474,934)	(7,868,352)				
Related deferred tax of:		1,283,003,331	1,290,478,265				
-balance at beginning of the year		54,059,408	53,176,671				
-surplus arising during the year		-	3,164,559				
-incremental depreciation for the year		(2,167,731)	(2,281,822)				
Balance at end of the year		<u>51,891,677</u>	<u>54,059,408</u>				
		<u>1,231,111,655</u>	<u>1,236,418,858</u>				
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:							
		2024			2023		
		Cost	Accumulated depreciation	Book value	Cost	Accumulated depreciation	Book value
Leasehold land		64,893,485	-	64,893,485	64,893,485	-	64,893,485
Building on leasehold land		88,657,361	84,071,881	4,585,480	88,657,361	83,562,383	5,094,978
		<u>153,550,846</u>	<u>84,071,881</u>	<u>69,478,965</u>	<u>153,550,846</u>	<u>83,562,383</u>	<u>69,988,463</u>



	NOTE	2024 RUPEES	2023 RUPEES
13 LOAN FROM DIRECTORS		<u>261,574,406</u>	<u>261,574,406</u>
13.1 This represents interest free loan from sponsoring directors and the same is repayable at the discretion of the company.			
14 DEFERRED LIABILITIES			
Staff retirement benefit-gratuity	14.1	11,071,310	8,623,975
Deferred taxation	14.2	51,891,677	54,059,408
		<u>62,962,987</u>	<u>62,683,383</u>
14.1 Staff retirement benefit-gratuity			
14.1.1 Changes in present value of defined benefit obligation			
Present value at the beginning of the year		8,623,975	7,686,092
Current service cost		2,126,408	1,563,151
Interest cost on defined benefit obligation		1,358,276	1,037,622
Benefits paid		-	-
Remeasurements:			
Acturial (gain)/losses from changes in demographic assumptions		-	-
Acturial (gain)/losses from changes in financial assumptions		-	-
Experience adjustments		(1,037,349)	(1,662,890)
Present value at the end of the year		<u>11,071,310</u>	<u>8,623,975</u>
14.1.2 The following amounts have been charged to statement of profit or loss during the year			
Current service cost		2,126,408	1,563,151
Past Service Cost		-	-
Interest cost on defined benefit obligation		1,358,276	1,037,622
		<u>3,484,684</u>	<u>2,600,773</u>
14.1.3 Charge for the year has been allocated as under:			
Administrative expenses		<u>3,484,684</u>	<u>2,600,773</u>
14.1.4 Total remeasurements chargeable in other comprehensive Income			
Acturial gain from changes in financial assumptions		<u>(1,037,349)</u>	<u>(1,662,890)</u>
14.1.5 Principal actuarial assumptions			
Contribution to the staff retirement benefit gratuity for the year 2025:		4,536,761	2,460,609
The latest actuarial valuation for gratuity fund was carried out as at June 30, 2024 using the Projected Unit Credit Method (PUCM). The following significant assumptions used for the actuarial valuation:			
		June 30,2024	June 30,2023
Discount rate		<u>14.00%</u>	<u>15.75%</u>
Expected rate of increase in salary		<u>14.00%</u>	<u>15.75%</u>
Average retirement age of an employee		<u>60</u>	<u>60</u>
Mortality rates		<u>SLIC 2001-2005 Set back 1 year</u>	<u>SLIC 2001-2005 Set back 1 year</u>



14.1.6 Sensitivity analysis

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

Impact on defined benefit obligation			
	Changes in assumption %	Increase in assumption	Decrease in assumption
		'----- Rupees----->	
Discount rate	plus (+) 100 bps minus (-) 100 bps	9,740,009	12,695,145
Salary increase	plus (+) 100 bps minus (-) 100 bps	12,780,331	9,654,453

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	2023	2022	2021	2020	2019
	'----- Rupees----->				
Present value of defined benefit obligation	8,623,975	7,686,092	6,789,420	5,363,785	5,363,785
Experience adjustment on obligation	-	-	-	-	-

14.1.8 Maturity profile

Years	Rupees
Year 1	1,263,956
Year 2	133,980
Year 3	159,273
Year 4	180,278
Year 5	194,335
Year 5 & onwards	7,447,713
Weighted average duration	7 years

14.2 Deferred Taxation

	2024 RUPEES	2023 RUPEES
Deferred tax liability attributable to Revaluation Surplus	<u>51,891,677</u>	<u>54,059,408</u>
Deferred tax liability arising on taxable temporary differences due to:		
Accelerated tax depreciation	51,539,740	(18,773,838)
Deferred tax assets arising on deductible		
Provision for gratuity	(3,210,680)	(1,877,325)
Unused tax losses	<u>(58,278,589)</u>	<u>(76,391,982)</u>
Deferred tax assets-net	<u>41,942,147</u>	<u>(42,983,737)</u>

14.2.1 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	2024 RUPEES	2023 RUPEES
15 LOAN FROM DIRECTORS - CURRENT		49,514,068	40,830,410
15.1 It is interest free loan from director which is repayable on demand			
16 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Trade creditors		1,339,066	1,244,066
Earnest money		189,006	189,006
Security deposit payable		23,166,029	21,758,618
Electricity bill payable	16.1	6,551,126	3,637,402
Provision for sale tax liability	16.2	1,857,546	908,906
Others	16.3	6,746,905	8,495,609
		39,849,677	36,233,607
Due to associated undertaking	16.4	74,537,358	74,537,358
		114,387,035	110,770,965
16.1 These relates to payable of the associated undertaking S.G. Power Limited.			
16.2 This represent provision for sale tax liability on income from cold storage.			
16.3 This represents advance received from scrap buyers.			
16.4 These are unsecured and the late payment surcharge has been waived by the associated undertaking S.G. Power Limited.			
17 INTEREST ON SHORT TERM AND LONG TERM LOAN			
Financial charges on loan from directors	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.			
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	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. In this matter issues have been settled by the Court and now the matter is at the stage of evidence of the parties. The Company has a good arguable case and a decree is likely to be passed in its favour and as such there is no likelihood of unfavourable outcome or any potential loss on account of this litigation. In this regard, National Bank of Pakistan filed a Suit No. 1296 of 2003 in the High Court of Sindh against the company. In this suit, National Bank of Pakistan before the high court of Sindh for recovery of Rs. 288,466,438 and sale of 3,754,900 shares in the market at the risk of the defendants. This matter has been settled by the court and now the matter is at the stage of evidence of the parties. The company has reasonable defence in the matter and in our view, a favourable outcome is expected and there is less likelihood of any potential loss being suffered by the company on account of the above litigation. However, final outcome would depend on conclusion of the evidence led by respective parties in support of their case and the sponsors are confident that they will succeed in their case in view of their sound legal position.	Pending
2	Special sales tax appeal No. 97 of 2004	Customs Appellate Tribunal, Bench, Karachi	Appeal dated March 18, 2008 passed by the Collector of Sales Tax and Federal Excise (Appeals). One appeal filed against the order of the Custom Appellate Tribunal before the High Court of Sindh at Karachi for refund of sales tax along with additional tax that was deposited by the company under protest with Custom and Sales tax Appellate Tribunal. The matter is at stage of Hearing of cases. In our view, the Company has a good arguable case and there is no likelihood of unfavourable outcome of this litigation.	Pending
			Legal advisor of the company is of the opinion that no Sindh sales tax liability on rental income is likely to arise and no provision is required to be made in this regard in view of the fact that matter is subjudice before the Honorable High Court of Sindh.	

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

19.2

Commitments

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

	NOTE	2024 RUPEES	2023 RUPEES
20 SALES			
Sale of agricultural products		48,166,021	18,470,867
Service income from cold storage		9,032,755	3,667,791
		<u>57,198,776</u>	<u>22,138,658</u>
21 COST OF SALES			
Electricity, gas, steam and water		5,351,013	3,124,697
Packaging		1,205,103	1,090,147
Salaries & wages		16,226,220	12,601,924
Nutrient		-	65,600
Loader Expense		3,523,500	-
Pesticides and Chemical		854,576	213,916
Seeds		15,450	2,550
Soil		979,000	1,167,180
Testing		359,647	321,000
Fertilizers		971,000	104,691
Freight Charges		1,090,188	328,440
Compost		1,023,528	2,311,503
Supplies & Material		-	127,458
Raw Material		6,039,072	1,934,498
Wheat Straw Mixing		418,600	336,308
Depreciation expense		1,139,118	1,449,971
Cost of goods available for sale		39,196,015	25,179,883
Add: Opening Inventory - vertical farming		3,917,182	402,722
Less: Ending inventory of vertical farming		(1,554,082)	(3,216,899)
		<u>41,559,115</u>	<u>22,365,706</u>
22 ADMINISTRATIVE AND SELLING EXPENSES			
Directors' remuneration and amenities		6,060,000	5,740,000
Salaries, allowances and benefits		30,278,443	29,404,488
Advertisement expense		672,643	513,100
Auditor's remuneration	22.1	790,000	790,000
Bad debts against irrecoverable from staff		232,855	190,539
Commission expense		1,381,815	957,088
Conveyance		295,784	226,857
Wages Expense		2,091,755	-
Courier & Postage		31,445	96,435
Depreciation expense - Investing Property		3,257,560	3,086,110
Depreciation expense - Property, Plant & equipment		6,455,004	6,273,397
Entertainment		283,712	236,119
Electricity expense		31,224,479	10,153,338
Fuel for generator		1,785,715	2,193,703
Generator fuel		1,445,223	640,343
Gratuity expense		3,484,684	2,600,773
Insurance		273,768	1,049,281
Legal and professional		2,726,709	4,258,359
Printing & stationery		1,296,728	812,135
Property Tax		508,288	535,042
Repairs and maintenance		8,286,317	4,425,991
Rent, rates and taxes		318,750	413,800
Safety and security		933,184	751,372
Telephone and fax		402,243	391,313
Travelling expenses		1,064,242	861,396
Tax - Professional		1,588,483	524,448
Delivery Expense		1,028,877	-
Water Charges		2,665,371	3,496,919
Labour Expenses		1,102,500	-
Interest Expense		5,500	-
Misc Supplies & Tools		3,535,158	3,314,735
		<u>115,507,235</u>	<u>83,937,081</u>
22.1 Auditor's remuneration			
Audit fee		600,000	500,000
Out of pocket expenses		15,000	15,000
Tax consultancy services		75,000	175,000
Review fee		100,000	100,000
		<u>790,000</u>	<u>790,000</u>
23 OTHER INCOME			
Rental income		83,049,302	77,065,700
24 FINANCIAL CHARGES			
Bank charges and commission		35,687	20,980



	NOTE	2024 RUPEES	2023 RUPEES
25	Levy		
	Minimum tax	25.1 <u>1,753,101</u>	<u>1,240,054</u>
		<u>1,753,101</u>	<u>1,240,054</u>
25.1	These represent minimum tax under section 113 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21/IAS 12.		
26	TAXATION		
	Current	-	-
	Deferred	<u>(2,468,562)</u>	<u>(1,364,975)</u>
		<u>(2,468,562)</u>	<u>(1,364,975)</u>
26.1	The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available which can be analysed as follows:		
	Provision for taxation	Tax assessed	Difference
	----- (Rupees '000) -----		
	2023	1,240,054	-
	2022	851,069	-
	2021	10,941,937	-
26.2	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.		
26.3	Tax expense on items recognized in other comprehensive income		
	Remeasurement gain on staff gratuity	<u>1,037,349</u>	<u>1,662,890</u>
27	LOSS PER SHARE - BASIC AND DILUTED		
27.1	Loss per share - basic		
	Loss after taxation	<u>(16,138,497)</u>	<u>(8,359,464)</u>
	Weighted average number of shares	<u>15,000,000</u>	<u>15,000,000</u>
	Loss per share	<u>(1.08)</u>	<u>(0.56)</u>
27.2	There is no dilution effect on the basic loss per share of the company as there are no such commitments. (2023: Nil)		
28	TRANSACTIONS WITH RELATED PARTIES		
	The related parties comprise of the associated companies, key management personnel and retirement benefit funds. Detail of transactions / balances with related parties during the year other than those which have been disclosed elsewhere in these financial statements are as follows:		

NAME OF RELATED PARTY	RELATIONSHIP WITH THE COMPANY	NATURE OF TRANSACTIONS	2024	2023
			RUPEES	RUPEES
S.G. Power Limited	Associated Company by virtue of common directorship	Purchase of electricity	<u>17,302,191</u>	<u>3,348,238</u>
S.G. Power Limited	Associated Company by virtue of common directorship	Electricity bills payment	<u>11,444,726</u>	<u>3,348,238</u>
S.G. Power Limited	Associated Company by virtue of common directorship	Rent Receivable	<u>1,071,700</u>	-
S.G. Power Limited	Associated Company by virtue of common directorship	Electricity bills receivable	<u>1,881,770</u>	-
Directors	Key management personnel	Directors' remuneration	<u>6,097,650</u>	<u>5,470,000</u>
Mrs.Zubaida Khatoon	Key management personnel	Loan repaid	-	-
Asim Ahmed	Key management personnel	Loan repaid	<u>155,000</u>	<u>155,000</u>
Ghazala Saleem	Key management personnel	Loan repaid	<u>175,000</u>	<u>1,525,000</u>
Asim Ahmed	Key management personnel	Loan transferred	-	<u>41,287,253</u>
Asim Ahmed	Key management personnel	Loan received	-	-
Sohail Ahmed	Key management personnel	Loan repaid	<u>16,008,824</u>	<u>7,541,481</u>
Sohail Ahmed	Key management personnel	Loan received	<u>25,042,480</u>	<u>41,921,891</u>
BALANCES:				
Mrs.Zubaida Khatoon.	Key management personnel	Balance payable	<u>49,890,714</u>	<u>49,890,714</u>
Aliya Shahid	Key management personnel	Balance payable	<u>19,063,817</u>	<u>19,238,817</u>
Asim Ahmed	Key management personnel	Balance payable	-	-
Ghazala Saleem	Key management personnel	Balance payable	<u>17,913,126</u>	<u>18,088,126</u>



29 REMUNERATION OF DIRECTORS AND EXECUTIVES

	Chief Executive		Directors	
	2024	2023	2024	2023
	-----Rupees-----			
Remuneration	3,000,000	3,000,000	2,460,000	2,740,000
House Rent	-	-	-	-
Retirement Benefits	-	-	-	-
Utilities	-	-	-	-
	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,460,000</u>	<u>2,740,000</u>
	1	1	2	1

29.1 There are no executives hired or promoted during the year

2024	2023
RUPEES	RUPEES

30 FINANCIAL INSTRUMENTS BY CATEGORY
Financial Assets
At amortized cost

Long term deposits	95,714	95,714
Loans and other receivables	26,242,754	11,258,816
Cash and bank balances	19,513	8,489,329
	<u>26,358,000</u>	<u>19,843,859</u>

Financial Liabilities
At amortized cost

Creditors, accrued and other liabilities	114,387,035	110,770,965
Short term and long term loan	92,039,491	92,039,491
Loan from directors	49,514,068	40,830,410
	<u>255,940,595</u>	<u>243,640,866</u>

31 FINANCIAL RISK MANAGEMENT

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

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

31.1 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.

31.1.1 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, 2024, the company is not exposed to currency risk.

31.1.2 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, 2024, the interest rate risk profile of the Company's doesn't have any interest-bearing financial instrument.

31.1.3 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, 2024 the Company is not exposed to price risk.



31.5 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:

	2024	2023
Long term deposits	95,714	95,714
Loans and other receivables	26,242,754	11,258,816
Bank balances	8,158	8,473,200
	<u>26,346,626</u>	<u>19,827,730</u>

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

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

Other financial 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	2024	2023
			----- (Rupees) -----	
Summit Bank Ltd	JCR - VIS	A-3	106	106
BankIslami Pakistan Limited	PACRA	A-1	1,201	142,242
Samba Bank Limited	JCR - VIS	A-1	1,855	1,855
Bank Al-Habib Limited	PACRA	A-1+	7,168	6,710,447
Habib Metro	PACRA	A-1+	(3,310)	764,225
Standard Chartered Bank	PACRA	A-1+	285	854,326
Meezan Bank	JCR - VIS	A-1+	853	-
			<u>8,158</u>	<u>8,473,200</u>

31.6 Liquidity risk

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

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

2023	Less than 3 months	3 to 12 months	1 to 5 years	Greater than 5 years	Total
Loan from directors	-	49,514,068	-	-	49,514,068
Creditors, accrued and other liabilities	6,551,126	107,835,910	-	-	114,387,035
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	<u>6,551,126</u>	<u>157,349,978</u>	<u>92,039,491</u>	<u>-</u>	<u>255,940,595</u>

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	<u>3,637,402</u>	<u>147,963,973</u>	<u>92,039,491</u>	<u>-</u>	<u>243,640,866</u>

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining sufficient cash and bank balances and availability of financing through banking arrangements, which includes Short term finances.



32 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of all the financial instruments reflected in the financial statements approximates to their fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

Fair value hierarchy;

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

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2024, the company has no financial instruments that falls into any of the above category. There were no transfer between level 1, 2 and 3 in the year.

33 CAPITAL RISK MANAGEMENT

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

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

As at June 30, 2024 and 2023, the company had surplus reserves to meet its requirements.

The gearing ratio as at June 30, 2024 and June 30, 2023 is as follows:

	June 30, 2024	June 30, 2023
Total Debts*	92,039,491	92,039,491
Cash and bank balances	19,513	(8,489,329)
Net Debts	92,059,004	83,550,162
Share capital	150,000,000	150,000,000
Surplus on revaluation of property, plant and equipment	1,231,111,655	1,236,418,859
Share premium	337,400,000	337,400,000
Revenue reserve	(782,202,292)	(772,107,516)
Loan from directors	261,574,406	261,574,406
Equity	1,197,883,769	1,213,285,748
Capital	1,289,942,773	1,296,835,910
Gearing ratio (debt / (debt + Equity))	7%	6%

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

34 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Interest On Short Term And Long Term Loan	Loan from directors	Loan from associated undertaking	Total
	----- (Rupees) -----			
Balance as at 1 July 2023	20,617,394	302,404,816	71,422,097	394,444,307
Repayment of loans	--	25,042,480	--	25,042,480
Proceeds from loans	--	(16,358,822)	--	(16,358,822)
Total changes from financing cash flows	--	8,683,658	--	8,683,657
<i>Other changes including non-cash:</i>				
Deferred grant	--	--	--	--
Finance cost	--	--	--	--
Total liability related other changes	--	--	--	--
Balance as at 30 June 2024	20,617,394	311,088,474	71,422,097	403,127,964



Balance as at 1 July 2022	20,617,394	271,074,406	71,422,097	363,113,897
Cash flows:				
Repayment of loans	--	(10,591,481)	--	(10,591,481)
Proceeds from loans	--	41,921,891	--	41,921,891
Total changes from financing cash flows	--	31,330,410	--	31,330,410
Other changes including non-cash:				
Deferred grant	--	--	--	--
Others	--	--	--	--
Finance cost	--	-	--	-
Total liability related other changes	--	--	--	--
Balance as at 30 June 2023	20,617,394	302,404,816	71,422,097	394,444,307

	2023	2023
	RUPEES	RUPEES
35 CAPACITY & PRODUCTION		
Production capacity for vertical farming	6000 KG	5500 KG
Actual production for vertical farming	3800 KG	3500 KG
Capacity cold storage(tonnes)	450	425
Actual usage for cold storage(tonnes)	315	297.5

Actual production was sufficient to meet the demand.

36 Segment Report Disclosure

2024

	Sales	Cold Storage	Rental	Total
	(Rupees)			
Turnover	48,166,021	9,032,755	83,049,302	140,248,078
Cost of sales and services	(24,935,469)	(12,830,985)	(3,792,661)	(41,559,115)
Gross profit	23,230,552	(3,798,229)	79,256,641	98,688,963
Administrative and selling expenses	(57,753,617)	(23,101,447)	(34,652,170)	(115,507,235)
Other income	-	-	-	-
Operating profit / (loss)	(34,523,065)	(26,899,676)	44,604,470	(16,818,271)
Finance costs	(17,843)	(14,275)	(3,569)	(35,687)
Profit / (loss) before levy & taxation	(34,540,909)	(26,913,951)	44,600,901	(16,853,958)
Levy	(602,075)	(112,909)	(1,038,116)	(1,753,101)
Profit / (loss) before taxation	(35,142,984)	(27,026,860)	43,562,785	(18,607,059)
Taxation	-	-	2,468,562	2,468,562
Profit / (loss) after taxation	(34,540,909)	(26,913,951)	47,069,464	(16,138,497)
OTHER INFORMATION				
Segment assets	219,348,683	20,732,980	61,893,646	301,975,309
Unallocated assets				1,216,565,144
Total assets				1,518,540,452
Segment liabilities	112,229,839	48,098,502	128,262,673	290,845,762
Unallocated liabilities				29,810,920
Total liabilities				320,656,682
Capital expenditure	-	-	-	-
Unallocated capital expenditure				-
Total capital expenditure				-
Depreciation	6,718,706	875,416	3,257,560	10,851,682

May

2023	Sales	Cold Storage	Rental	Total
	----- (Rupees) -----			
Turnover	18,470,867	3,667,791	77,065,700	99,204,358
Cost of sales and services	(11,182,853)	(8,946,282)	(2,236,571)	(22,365,706)
Gross profit	7,288,014	(5,278,491)	74,829,129	76,838,652
Administrative and selling expenses	(42,651,028)	(34,120,822)	(8,530,206)	(85,302,057)
Other income	-	-	-	-
Operating profit / (loss)	(35,363,014)	(39,399,314)	66,298,924	(8,463,403)
Finance costs	(10,490)	(8,392)	(2,098)	(20,980)
Profit / (loss) before levy & taxation	(35,373,504)	(39,407,706)	66,296,826	(8,484,384)
Levy	(230,886)	(45,847)	(963,321)	(1,240,054)
Profit / (loss) before taxation	(35,604,390)	(39,453,553)	65,333,505	(9,724,438)
Taxation	-	-	1,364,975	1,364,975
Profit / (loss) after taxation	(35,373,504)	(39,407,706)	67,661,800	(8,359,463)
OTHER INFORMATION				
Segment assets	122,956,053	17,508,316	65,151,206	205,615,575
Unallocated assets				1,316,797,627
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

37 NUMBER OF EMPLOYEES

	2024	2023
Number of employees at the year-end	67	70
Average number of employees	67	70

38 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.

Following major reclassifications occur during the year

Description	Reclassified from	Reclassified to	Amount
Salaries, allowances and benefits	Administrative and selling expenses	Cost of sales	12,601,924

39 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on 07 OCT 2024 by the Board of Directors of the Company.



Chief Executive



Director



Chief Financial Officer

**NOTICE TO THE FINANCIAL STATEMENTS
DETAILS OF CATIGORIE OF SHAREHOLDERS
FOR THE YEAR ENDED JUNE 30, 2023**

	No. of Sharholders	Total
Financial Institution		
National Bank of Paksitan		3,754,900
Allied Bank Limited		788,800
		4,543,700

DIRECTORS, CEO, THEIR SPOUSES AND MINOR CHILDREN

Sohail Ahmed	5,228,300
Asim Ahmed	500
Ghazala	1,306,850
Saba Sohial	500
Sana Sohail	500
Bina Sohail	500
Farhan Sohail	500
	6,537,650

Individual

Zubaida Khatoon	2,614,200
Aliya Shahid	1,304,450
	3,918,650

Total 1,500,00

Shareholders Holding 10% or More Voting interest in the company
as at June 30, 2022

DIRECTOR, CEO, THEIR SPOUSES AND MINOR CHILDREN

Sohail Ahmed	5,228,300	34.86%
Asim Ahmed	500	0.003%

Financial Institutions

National Bank of Pakistan	3,754,900	25.03%
---------------------------	-----------	--------

NOTES TO THE FINANCIAL STATEMENTS
DETAILS OF CATEGORIES OF SHAREHOLDERS
FOR THE YEAR ENDED JUNE 30, 2023

No. of Share Holders	Shareholdings		Total Shares
	From	To	Total Shares Held
1	101	500	500
1	785001	790,000	788,800
2	1305001	1,310,000	2,613,000
3	2610001	2,615,000	7,842,800
1	3750001	3,755,000	3,754,900
8			15,000,000

Categories of Shareholders	Numbers	Share Held	Percentage
DIRECTORS, CEO, THEIR SPOUSES AND MINOR CHILDREN	7	6,537,650	43.58%
Financial Institutions	2	4,543,700	30.29%
Individual	1	3,918,650	26.12%
	10	15,000,000	100%

FORM OF PROXY

The Secretary
SG Allied Business Limited
B-40, S.I.T.E.,
Karachi.

I/We _____ of _____ being a member of SG Allied Business Limited, and holder of _____ Ordinary shares hereby appoint _____ of _____ as _____ me / our proxy to attend and vote for me / our behalf as the 55th Annual General Meeting of the Company to be held on Monday, October 28, 2024 at 11:00 a.m. and at Any adjournment thereof:

In witness my/our hand seal this _____ day of _____ 2024

Signed by _____

**Please affix
Rs. 5/-
Revenue
Stamp**

In the presence of _____

Signature of Member _____

Folio No. _____

IMPORTANT

1. This proxy form duly completed and signed, must be received at the Registered Office of the Company, B-40, S.I.T.E., Karachi, not less than 48 hours before the time of holding the meeting and must be duly signed and witnessed.
2. A Proxy need not be a member of the Company.
3. If a member appoint more than one proxy and more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders / Corporate Entities:

1. The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
2. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
3. The proxy shall produce his/her original passport at the time of the meeting.
4. In case of Government of Pakistan, State Bank of Pakistan, Corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with proxy form to the company.

**AFFIX
CORRECT
POSTAGE**

**The Company Secretary
SG Allied Business Limited
B-40, S.I.T.E.
Karachi**

**AFFIX
CORRECT
POSTAGE**

**The Company Secretary
SG Allied Businesses Limited
B-40, S.I.T.E.
Karachi**

Annual Report 2024

