

**SG ALLIED BUSINESSES  
LIMITED**

**CONDENSED INTERIM STATEMENT  
OF FINANCIAL POSITION**

**FOR THE PERIOD ENDED  
DECEMBER 31<sup>st</sup>, 2021**



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

## **DIRECTOR'S REPORT**

The Board of Directors of SG Allied Businesses Limited is pleased to present the Quarterly Financial Statements of the Company for the period ended December 31<sup>st</sup>, 2020.

### **Financial Results.**

During the period, under review, the Company has suffered a loss of Rs. 2,794,488 while for the corresponding period the net profit of Rs.7,031,703. The accumulated loss as on December 31<sup>st</sup>, 2020 stood at Rs. 770,628,150.

### **FUTURE OUTLOOK**

Financial results shows an increasing trend of sales from vertical farm. A successful trail was performed regarding the production of Tulip in vertical farm the production of mushroom will also start in vertical farm. Company is in the process of further expanding the farming facility in upcoming year 2021.

### **Review on Auditor's Report**

Auditor expressed qualified opinion on two points as mentioned in auditors report, however, Company has appointed independent actuary for the valuation of employee gratuity the report from actuary received late, hence, the qualification will be resolved at fiscal yearend regarding employee benefit.

Likewise second qualification Company appointed for the valuation of yield of crop and valuation of plant, however, the valuator provide report late, therefore, second qualification will also be resolved at fiscal yearend.

### **KNOWLEDGEMENT.**

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

Karachi February 28, 2021

On behalf of the Board of Directors

Sohail Ahmed  
Chief Executive

**SG ALLIED BUSINESSES LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

	Notes	<b>Un-audited December 31, 2020</b>	Audited June 30, 2020 (Restated)
		<b><i>Rupees</i></b>	<i>Rupees</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<b>5</b>	<b>1,056,163,799</b>	1,053,091,149
Investment property	<b>6</b>	<b>70,693,892</b>	71,407,972
Long term deposits		<b>95,714</b>	95,714
<b>CURRENT ASSETS</b>			
Loans, advances, prepayments and other receivables	<b>7</b>	<b>7,970,966</b>	7,775,045
Cash and bank balances	<b>8</b>	<b>23,343,840</b>	15,933,475
		<b>31,314,806</b>	23,708,520
		<b>1,158,268,211</b>	1,148,303,355
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>		<b>150,000,000</b>	150,000,000
15,000,000 Ordinary shares of Rs. 10 each			
Issued, subscribed and paid-up capital		<b>150,000,000</b>	150,000,000
Surplus on revaluation of fixed assets	<b>9</b>	<b>814,775,337</b>	818,894,807
Share premium		<b>337,400,000</b>	337,400,000
Accumulated loss		<b>(770,628,151)</b>	(771,953,133)
		<b>531,547,186</b>	534,341,674
<b>NON CURRENT LIABILITIES</b>			
Deferred liabilities		<b>221,801,646</b>	223,484,247
Loan from directors	<b>10</b>	<b>84,934,033</b>	89,543,203
Deferred Income		<b>52,689,753</b>	55,198,789
		<b>359,425,432</b>	368,226,239
<b>CURRENT LIABILITIES</b>			
Creditors, accrued and other liabilities	<b>11</b>	<b>114,126,456</b>	102,832,874
Interest on short term and long term loan	<b>12</b>	<b>20,617,394</b>	20,617,394
Loan from associated company	<b>13</b>	<b>71,422,097</b>	71,422,097
Current maturity of long term loan		<b>13,166,271</b>	13,166,271
Overdue of loan from director		<b>38,822,333</b>	30,270,094
Provision for taxation		<b>9,141,042</b>	7,426,712
		<b>267,295,592</b>	245,735,442
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>14</b>	<b>1,158,268,211</b>	1,148,303,355

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

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**CHIEF EXECUTIVE**

\_\_\_\_\_  
**DIRECTOR**

\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

**SG ALLIED BUSINESSES LIMITED**

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	Notes	Half year ended		Quarter ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Sales		<b>6,535,540</b>	5,265,429	<b>4,573,427</b>	3,713,182
Cost of sales		<b>(1,979,928)</b>	(4,801,621)	<b>(1,173,922)</b>	(2,308,655)
Gross profit		<b>4,555,612</b>	463,808	<b>3,399,505</b>	1,404,526
Administrative and selling expenses		<b>(33,602,967)</b>	(26,113,494)	<b>(17,870,111)</b>	(15,741,409)
Operating loss		<b>(29,047,355)</b>	(25,649,686)	<b>(14,470,607)</b>	(14,336,883)
Other income	15	<b>32,432,397</b> <b>3,385,042</b>	18,139,541 (7,510,145)	<b>17,832,504</b> <b>3,361,897</b>	11,330,563 (3,006,320)
Financial charges		<b>(4,465,201)</b>	-	<b>(4,463,424)</b>	-
Loss before taxation		<b>(1,080,159)</b>	(7,510,145)	<b>(1,101,527)</b>	(3,006,320)
<b>Taxation</b>					
Current		<b>(1,714,330)</b>	(3,117,240)	<b>(1,714,330)</b>	(1,558,620)
Prior year		-	-	-	-
Deferred		-	-	-	-
		<b>(1,714,330)</b>	(3,117,240)	<b>(1,735,698)</b>	(1,558,620)
Loss after taxation		<b>(2,794,488)</b>	(10,627,385)	<b>(2,794,488)</b>	(4,564,940)
Other comprehensive loss		-	-	-	-
Total comprehensive loss		<b>(2,794,488)</b>	(10,627,385)	<b>(2,815,857)</b>	(4,564,940)
Loss per share - basic and diluted	16	<b>(0.19)</b>	(0.71)	<b>(0.19)</b>	(0.30)

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

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CHIEF EXECUTIVE

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DIRECTOR

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CHIEF FINANCIAL OFFICER

**SG ALLIED BUSINESSES LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE PERIOD ENDED DECEMBER 31, 2020**

	<u>Share Capital</u>	<u>Revenue Reserve</u>		<u>Capital reserve</u>	
	<b>Issued subscribed and paid up capital</b>	<b>Share Premium</b>	<b>Accumulated loss</b>	<b>Revaluation Surplus</b>	<b>Total</b>
	----- R u p e e s -----				
Balance as at July 01, 2019	150,000,000	337,400,000	(762,768,147)	408,077,469	132,709,321
Loss for the half year ended December 31, 2019	-	-	(10,627,385)	-	(10,627,385)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-		6,737,807	(6,737,807)	-
<b>Balance as at December 31, 2019</b>	<b>150,000,000</b>	<b>337,400,000</b>	<b>(766,657,726)</b>	<b>401,339,662</b>	<b>122,081,936</b>
Correction of error			(13,079,283)		(13,079,283)
Balance as at July 01, 2020	150,000,000	337,400,000	(758,873,850)	818,894,807	547,420,957
Loss for the half year ended December 31, 2020	-	-	(2,794,488)	-	(2,794,488)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-		4,119,470	(4,119,470)	-
<b>Balance as at December 31, 2020</b>	<b>150,000,000</b>	<b>337,400,000</b>	<b>(770,628,151)</b>	<b>814,775,337</b>	<b>531,547,186</b>

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

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**CHIEF EXECUTIVE**

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**DIRECTOR**

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**IEF FINANCIAL OFFIC**

**SG ALLIED BUSINESSES LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)**  
**FOR THE PERIOD ENDED DECEMBER 31, 2020**

	<b>Un-audited December 31, 2020</b>	Un-audited December 31, 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	<b>(1,080,159)</b>	(7,510,145)
Adjustment for:		
Depreciation	<b>3,955,100</b>	7,828,303
	<b>2,874,942</b>	318,158
<b>(Increase) / decrease in current assets</b>	-	-
<b>Increase / (decrease) in current liabilities</b>		
Creditors, accrued and other liabilities	<b>9,603,777</b>	3,970,547
<b>Cash out flow from operations</b>	<b>12,478,719</b>	4,288,705
Income tax paid	<b>(459,184)</b>	(1,486,000)
<b>Net cash from operating activities</b>	<b>12,019,535</b>	2,802,705
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	-	-
<b>Net cash used in investing activities</b>	<b>12,019,535</b>	2,802,705
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loan from directors	<b>(4,609,170)</b>	(5,088,098)
<b>Net cash out flow from financing activities</b>	<b>7,410,365</b>	(2,285,392)
<b>Net increase in cash and cash equivalents</b>	<b>7,410,365</b>	(2,285,392)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>15,933,475</b>	13,331,752
<b>Cash and cash equivalents at the end of the period</b>	<b>23,343,840</b>	11,046,359

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

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**CHIEF EXECUTIVE**

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**DIRECTOR**

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**CHIEF FINANCIAL OFFICER**

**SG ALLIED BUSINESSES LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE PERIOD ENDED DECEMBER 31, 2020**

**1. THE COMPANY AND ITS OPERATIONS**

**1.1** SG Allied Businesses Limited (the Company) was incorporated as a public limited company in the year 1968, under repealed Companies Ordinance, 1984 (now Companies Act, 2017). Currently, the shares of the Company are listed on Pakistan Stock Exchange Limited. The registered office and production facility of the company are situated at B-40, S.I.T.E., Karachi. The principal activity of the Company is manufacturing of polyester filament yarn.

**1.2 GOING CONCERN**

The Company has made a loss before tax of Rs. 1.08 million (December 2019: 7.51 million) during the period and the accumulated loss as at December 31, 2020 stood at Rs. 770.628 million (June 30, 2020: 771.953 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 in 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 OF FINANCIAL STATEMENTS**

**2.1 Statement of compliance**

These condensed interim financial statements for the six months ended December 31, 2019 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2** These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2020.

**2.3 New standards, amendments to approved accounting standards and new interpretations**

**2.3.1 Amendments to approved accounting standards which are effective during the year ending June 30, 2021**

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

**2.3.2 New standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2021**

There is a new standard and certain amendments to approved accounting standards that will be mandatory for accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or expected to have any significant effect on the Company's financial reporting.

**2.4** The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements for the year ended June 30, 2020.

**3. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISKMANAGEMENT**

The preparation of these condensed interim financial statements in conformity with the approved accounting and reporting standards as applicable in Pakistan for interim reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied to financial statements as at and for the year ended June 30, 2020.

	December 31, 2020	June 30, 2020
	----- Rupees -----	
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>		
Operating Fixed Assets	5.1 1,049,136,049	1,053,091,149
Capital Work-in Progress	5.2 7,027,750	-
	<u>1,056,163,799</u>	<u>1,053,091,149</u>
<b>5.1 Operating Fixed Assets</b>		
Opening written down value	1,053,091,149	1,061,446,448
Addition/(Deletion/Transfer)	-	-
Depreciation	<u>(3,955,100)</u>	<u>(8,355,299)</u>
Closing written down value	<u>1,049,136,049</u>	<u>1,053,091,149</u>
<b>5.2 Capital Work-in Progress</b>		
Opening balance	-	-
Capital expenditure incurred during the prior/year	<u>7,027,750</u>	-
Closing balance	<u>7,027,750</u>	-
<b>6 INVESTMENT PROPERTY</b>		
<b>COST</b>	194,310,081	194,310,081
<b>DEPRECIATION</b>		
Opening	(122,902,109)	(121,444,803)
Depreciation for the period/year	<u>(714,080)</u>	<u>(1,457,306)</u>
Closing	<u>(123,616,189)</u>	<u>(122,902,109)</u>
<b>Written down value</b>	<u>70,693,892</u>	<u>71,407,972</u>
<b>Rate of depreciation</b>	<u>2%</u>	<u>2%</u>
<b>7 LOANS, ADVANCES, PREPAYMENTS &amp; OTHER RECEIVABLES</b>		
Income tax refundable	9,903,094	9,903,094
Less: provision against income tax refundable	<u>(9,903,094)</u>	<u>(9,903,094)</u>
	-	-
Advance income tax	1,222,954	1,027,033
Margin - Letter of credit	150,000	150,000
Loan to Staff	630,000	630,000
Sales tax claim receivable	21,070,506	21,070,506
Less: Provision against sales tax claims receivable	<u>(21,070,506)</u>	<u>(21,070,506)</u>
	<u>780,000</u>	<u>780,000</u>
Other receivables	7.1 9,571,471	9,571,471
Less: provision for doubtful debts	<u>(3,459)</u>	<u>(3,459)</u>
	<u>5,968,012</u>	<u>5,968,012</u>
	<u>7,970,966</u>	<u>7,775,045</u>
<b>7.1</b>		
This includes receivables from S.G. Power Limited on account of rent and utilities amounting to Rs 8.550 million. However as disclosed in note 11, 12 and 13 a sum of Rs. 156.61 million is payable to S.G Power Limited.		
<b>8 CASH AND BANK BALANCES</b>		
Cash in hand	54,198	104,198
Cash with banks - current account	<u>23,289,642</u>	<u>15,829,277</u>
	<u>23,343,840</u>	<u>15,933,475</u>

**9 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - Net**

<b>Opening balance</b>	<b>1,031,276,841</b>	<b>452,660,871</b>
Surplus arisen on revaluation carried out during the period/year	-	<b>587,156,852</b>
	<b>1,031,276,841</b>	<b>1,039,817,723</b>
<b>Less: Transferred to unappropriated profit on account of:</b>		
- incremental depreciation for the period	<b>(5,802,071)</b>	<b>(8,540,882)</b>
	<b>1,025,474,770</b>	<b>1,031,276,841</b>
Related deferred tax of:		
- balance at beginning of the period/year	<b>212,382,034</b>	<b>44,583,403</b>
- surplus arising during the period/ year	-	<b>170,275,487</b>
- incremental depreciation for the period/year	<b>(1,682,601)</b>	<b>(2,476,856)</b>
- effect of change in tax rate	-	-
- balance at year end	<b>210,699,433</b>	<b>212,382,034</b>
Balance at end of the period/year	<b>814,775,337</b>	<b>818,894,807</b>

During the financial year ended June 30, 2015 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 on June 30, 2015 by an independent valuers namely M/s. Amir Evaluators & Consultants. The appraisal surplus arisen on these revaluations aggregates to Rs. 533.242 million.

**10 LOAN FROM DIRECTORS**

Loan from directors	<b>10.1</b>	<b>84,934,033</b>	<b>141,889,262</b>
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**10.1** This represents interest free loan from sponsoring directors. Repayment will be made over the period of 15 years.

During the year ended June 30, 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 for the year ended June 30, 2019. However, considering the financial position of the Company, the directors forfeited the interest of the last quarter as of June 30, 2019 in the benefit of the Company. Hence, as at the year ended June 30, 2019, the loan has become interest free.

**11 CREDITORS, ACCRUED AND OTHER LIABILITIES**

Trade creditors		<b>1,244,066</b>	<b>1,244,066</b>
Earnest money	<b>11.1</b>	<b>3,479,006</b>	<b>189,006</b>
Security deposit payable		<b>21,853,446</b>	<b>20,127,266</b>
Electricity bill payable		<b>7,898,028</b>	<b>4,424,085</b>
Others		<b>5,114,552</b>	<b>2,311,093</b>
		<b>39,589,098</b>	<b>28,295,516</b>
Due to associated undertaking	<b>11.2</b>	<b>74,537,358</b>	<b>74,537,358</b>
		<b>114,126,456</b>	<b>102,832,874</b>

**11.1** This represents advance received from scrap buyers.

**11.2** These are unsecured and the late payment surcharge has been waived by the associated undertaking S.G. Power Limited. Furthermore, SECP vide order dated 19th July, 2013 directed the Associated Company to make provision against this amount being doubtful. Accordingly the same has been provided for during the year ended June 30, 2013 by the associated company.

**12 INTEREST ON SHORT AND LONG TERM LOANS**

Financial charges on loan from directors		<b>9,963,151</b>	<b>9,963,151</b>
Accrued interest on long term loan to S.G. Power Limited	<b>12.1</b>	<b>10,654,243</b>	<b>10,654,243</b>
		<b>20,617,394</b>	<b>20,617,394</b>

**12.1** This represents mark-up of 10.654 million provided on the loan payable to S.G. Power Limited as per direction of SECP in earlier financial years. During the year ended June 30, 2013 SECP, vide order dated 19th July, 2013, directed the Associated Company to make provision against this amount. Accordingly the same has been provided for by the associated company and the company has not provided for any interest from then on.

**13 LOAN FROM ASSOCIATED COMPANY**

Loan payable to S.G. Power Limited		<b>71,422,097</b>	<b>71,422,097</b>
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This is unsecured loan payable to the associated undertaking. SECP vide order dated 19th July, 2013 directed the Associated Company to make provision against this amount being doubtful. Accordingly the same has been provided for during the year ended June 30, 2013 by the associated company.

## 14 CONTINGENCIES AND COMMITMENTS

### 14.1 Contingencies

S.NO.	WRIT PETITIO	FORUM	ISSUE INVOLVED	STATUS
1			Legal claim filed against the company from suppliers were not acknowledged as debts amounting to Rs.0.418million (2019:0.418million)	Pending
2	CCD: BE 096/48 dated March 01, 1995	Sindh High Court	A dispute is persisting between the company and National Bank of Pakistan regarding the alleged "Buy Back Agreement" and declaration of dividend. Brief facts of the dispute are that underwriting of public floatation of the shares of the company was jointly undertaken by National Bank of Pakistan and Allied Bank of Pakistan. National Bank of Pakistan agreed to underwrite 3,851,200 shares of Rs 10 each at a premium of Rs. 48.50 per share. However the Bank insisted to impose a condition on the sponsors to enter into a "Buy Back Agreement" in respect of the share underwritten by them. Corporate Law Authority (Securities and Exchange Commission of Pakistan) desired with their letter dated September 18, 1995 to furnish an unqualified underwriting commitment without any "Buy Back Agreement" and the NBP vide its letter dated October 27, 1994 confirmed that this condition will be deleted. The Corporate Law Authority through its various letter emphasized for unconditional arrangement. National Bank of Pakistan vide its letter No. CCD: BE 096/48 dated March 01, 1995 confirmed that they have no objection to the publication of the prospectus of the company in the newspaper also mentioning in the said letter that Bank has not made any buy back agreement with the sponsors or any other person. The prospectus of the Company published in the newspaper also contained this fact that "their underwriter has not entered any buy back/ repurchase agreement with the sponsors or any other person". After public floatation, National Bank of Pakistan imposed the alleged condition of declaration of dividend at the rate of 15 to 16 percent and the undertaking from the sponsors to buy back the shares of the Company after 3 years within a period of one year was also obtained by the bank. The Company declared dividend for 1996,1997 and 1998 at 15 percent, 20 percent and 16 percent respectively. However, due to the following reason Company could not declare dividend for the year 1999: (a) The object for public floatation was to raise funds for investment in new plants and machineries to produce high quality value added products for which a new Hot Channel Stretching plant along with other plants and machineries was imported. After completion of process of installation and commissioning, the sum of Rs.454.8 million being the cost of the plant, was capitalized which resulted in the charge of depreciation amounting to Rs.93.170 million which can be attributed as a major reason of loss of Rs.97.60 million sustained during the year 1999. (b) Subsequent to filing of the above suit, National Bank of Pakistan also filed a Suit No. B-200 of 2000 dated October 21, 2000 in the High Court of Sindh against the company and the sponsors seeking enforcement of "Buy Back Agreement" and payment of resultant amount with profit at 18 percent per annum from the date of suit till the payment by the company and a direction that shares of the company be sold in the market and the net sale proceeds be applied towards the adjustment of the decretal amount. The sponsors are confident that they will succeed in their case in view of their sound legal position.	Pending
3	K-137/2008 and K-138/2008	Customs Appellate Tribunal, Bench, Karachi	Two appeals bearing no. K-137/2008 and K-138/2008 both dated March 18, 2008 passed by the Collector of Sales Tax and Federal Excise (Appeals) Karachi is pending before the Customs Appellate Tribunal, Bench, Karachi. One appeal filed against the order of the Custom Appellate Tribunal before the High Court of Sind at Karachi for refund of sales tax along with additional tax that was deposited by the company under protest with Custom and Sales tax Appellate Tribunal. In this matter summons have been reserved upon the respondents and as such the service held good. the matter is pending for regular hearing.	Pending

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

### 14 Commitments

There are no commitments as at December 31, 2020 (June 30, 2020 : Nil)

	December 31, 2020	December 31, 2019
<b>15 OTHER INCOME</b>		
15.1 Rental income	29,923,361	18,109,541
Less: Amenities charges	-	(636,440)
Other income	-	30,000
	<u>29,923,361</u>	<u>17,503,101</u>
15.2 Amenities charges	-	636,440
Less: Expenses incurred	-	-
	<u>-</u>	<u>636,440</u>
<b>16 LOSS PER SHARE - BASIC AND DILUTED</b>	<b>Quarter ended</b>	
<b>16.1 Basic loss per share</b>	<b>'December 31, 2020</b>	<b>'December 31, 2019</b>
Loss after taxation - rupees	7,031,703	(4,564,940)
Weighted average number of shares	15,000,000	15,000,000
loss per share - rupees	<u>0.47</u>	<u>(0.30)</u>

### 16.2 Diluted loss per share

There is no dilution effect on the basic loss per share of the company as there are no such commitments.

## 17 TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

The related parties comprise of associated companies, staff retirement funds, directors and key management personnel. Transaction with related parties are carried out on an arm's length basis and the related price is determined in accordance with the Comparable Uncontrolled Price Method. Significant transactions with associated undertakings and related parties other than those which have been specifically disclosed elsewhere in these interim financial statements are given below.

	December 31, 2020	December 31, 2019
	----- R u p e e s -----	----- R u p e e s -----
<b>TRANSACTIONS:</b>		
Repayment of loan to directors	<u>4,614,032</u>	<u>5,088,098</u>
Purchase of electricity from S.G. Power Limited	<u>8,233,337</u>	<u>450,000</u>
Directors' remuneration	<u>950,000</u>	<u>950,000</u>

	December 31, 2020	December 31, 2019
<b>BALANCES:</b>	----- R u p e e s -----	
Due to directors	<b>84,934,033</b>	<b>148,515,965</b>
S.G. Power Limited	<b>74,537,358</b>	<b>74,537,358</b>

## 18 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

### Fair value hierarchy;

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

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

As at December 31, 2020 the Company has no financial instruments that falls into any of the above category.

## 19 Segment Information

Segment revenue, segment result, cost, assets and liabilities for the year ended are as follows:

	December 31, 2020				Total
	Vertical farming	Cold Storage	Unallocated	Income from property	
	----- Rupees -----				
<b>Segment revenue</b>	4,550,728	1,984,812	-	29,923,361	36,458,901
<b>Cost of sale</b>	1,218,986	760,942	-	-	1,979,928
<b>Gross profit</b>	3,331,742	1,223,870	-	-	4,555,612
Administrative and selling expense	18,817,662	14,785,305	-	2,981,236	36,584,203
Operating loss	(15,485,920)	(13,561,435)	-	-	(29,047,355)
<b>(Loss) / profit for the year</b>	<b>(15,485,920)</b>	<b>(13,561,435)</b>	<b>-</b>	<b>-</b>	<b>(29,047,355)</b>
<b>Other information</b>					
Segment assets	20,094,259	5,428,905	-	214,097,115	239,620,279
<b>Total assets</b>	<b>20,094,259</b>	<b>5,428,905</b>	<b>-</b>	<b>-</b>	<b>239,620,279</b>
Segment liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>20,094,259</b>	<b>5,428,905</b>	<b>-</b>	<b>-</b>	<b>239,620,279</b>

## 20 DATE OF AUTHORIZATION

These interim financial statements were approved and authorized for issue in the Board of Directors' meeting held February 28, 2021.

## 21 GENERAL

**20.1** Corresponding figures have been reclassified/ re-arranged wherever necessary to facilitate comparison on the presentation on the current period. However, there are no material reclassifications / re-arrangements to report.

**20.2** Figures for the quarters ended December 31, 2019 and December 31, 2018, as reported in these interim financial statements have not been subject to limited scope review by the external auditors.

\_\_\_\_\_  
CHIEF EXECUTIVE

\_\_\_\_\_  
CHIEF FINANCIAL OFFICER