3 1 9	Where indications exist that the carrying amount of an asset is greater than it's estimated reco amount. Assets under finance lease	overable amount it is written down	n immediately to its recoverable		Liability as on
5.19	Assets under Infance rease The company accounts for fixed assets acquired under finance leases by recording the asset basis of the discounted value of minimum lease payments. Financial charges in respect of leas Financial liabilities	ts and the related liability. These a ses entered into are allocated in a r	amounts are determined on the nanner so as to produce a		<b>11.2</b> This rep
3.20	Financial liabilities are classified according to the substances of the contractual agreement	entered into. Significant financial	liabilities are loans, short-term		
	rcces, running finance, deposits, creditors, accrued and other liabilities. All financial liabilities are initially recognized at cost, which is the fair value of the consi- ur value and all other financial liabilities are	ideration received at initial recog	nition. After initial recognition		
3.21	Compensated absences accounts for these benefits in the period in which the absences are earned.				
3.22	Taxation Current				eal is still
	Provision for current taxation is based on taxable income at the rate of taxation after taking in	nto account tax credit and tax reba	te available, if any, or minimum		11.3 Taxable T
	taxs, whichever is higher. Deferred Deferred tax is provided using liability method providing for all temporary differences bet	tween the carrying amounts of a	ssets and liabilities for financial		Fixed Assets
3.23	Deferred tax is provided using liability method providing for all temporary differences be- reporting purposes and the amounts used for taxation purposes. The amount of deferred tax p Staff retirement benefits				Deferred tax a
	The Company operates an unfunded gratuity scheme covering all employees. Provision adjusted periodically to agree with actuarial estimates. The actuarial valuation is normally car 8 Rate of discount $^{9\%}_{}$	rried out once in every three years	Actuarial gains and losses are		
	Expected rate of increment of salary 8% Expected retirement age 60 years				Less: Tax Los
3.24	Revenue recognised to the extent that it is probable that the economic benefits will flo	nw to the Company and the reve	mue can be reliably measured,		
	regardless of when the payment is being made. Revenue is measured at fair value of the consi as follows:	ideration received or receivable. T	he basis of recording revenue is		
	<ul> <li>a) Sale of agricultural products is recognized on the billing of invoice.</li> <li>b) Service income on cold storage is recognized on accrual basis.</li> <li>comprises of rental income and the same is recognized on accrual basis.</li> </ul>	solo		10	the extent of s
3.25	Foreign exchange translation				LONG TERI Fibre Venture
3.26	Transactions in foreign currencies are recorded at the rates prevailing on the date of transacti Pak Rupees at the rate of exchange ruling on the balance sheet date except foreign exchange fe Borrowing cost	ions. Assets and liabilities in foreig orward contracts which are record	pn currencies are translated into led at contractual rates.		Less :Current
	All borrowing costs are capitalized up to the date of commissioning of the respected ass				Less: Overdue
	borrowing costs are charged to income. Related party transactions and transfer pricing Transactions with related parties are stated at arm's length prices determined in accordanc	ce with the methods prescribed u	nder the Companies Act, 2017.		
3.28	Transactions with related parties are stated at arm's length prices determined in accordance to apportioned on cost basis whereas store and spares are sold at as <b>Provisions, contingent assets and contingent liabilities</b>				12.1
	Provisions are recognized when the company has a present legal or constructive obligation as ic benefits will be required to settle the obligation and a reliable estimate Contingent assets are not recognized and are also not disclosed unless an inflow of economic		ble that an outflow of resources ent liabilities are not recognized		
3.29	Contingent assets are not recognized and are also not disclosed unless an inflow of economic ability of an outflow of resources embodying economic bene Dividends and appropriation to general reserve	rfits are remote. 1 the period in which these are app	haved		
3.29	Investment property				position of the
	Investment properties comprise of freehold land and buildings that are held for rental subsequently carried at cost less accumulated depreciation and accumulated impairment losse	yields. Investment properties is es. Depreciation is calculated using	initially measured at cost and g a straight line method to	13.	LOAN FOR
		2019	2018		
5.	NOTES INVESTMENT PROPERTY	RUPEES	RUPEES		decided by th
5.1	Reconciliation of carrying amount				
0.1	COST			14.	CREDITOR
	As on 1 July Reclassification from property, plant and equipment	194,310,081	194,310,081		
	As at 30 June	194,310,081	194,310,081		
	DEPRECIATION				Trade creditor
	As on 1 July For the year	121,444,803 1,821,632	113,348,661 2,024,035		Security depo
	As at 30 June	123,266,435	115,372,696		Others
	Written down value as at June 30	71,043,646	78,937,385		Due to associa
	Rate of depreciation	10%	10%		Due to associa
		10/0	1070		14.1
6.	LONG TERM DEPOSITS Security deposits	95,714	95,714		undertaking S
		95,714	95,714	15.	INTEREST
7.	LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES				Financial cha
	Loans:				
	Advances - considered good:				
	Advance to Staff Advance income tax				Accrued inte Limited
	Income tax refundable Less: provision against income tax refundable	9,903,094 (9,903,094)	9,903,094		Linned
		(5,505,051)		16.	CURRENT I
	Prepayments: Other receivables:			10.	Long term loa
	Margin - letter of gurantee	150,000	150,000		Current portio
	Sales tax claims receivable Less: Provision against sales tax claims receivable	21,070,506 (21,070,506)	21,070,506 (21,070,506)		
	Others 8,1	150,000 9,571,471	150,000 9,571,471	í.	
	Less: Provision for irrecoverable rent	(3,600,000)	(3,600,000)		OVERDUE A Overdue amo
	Less: provision for doubtful debts	(3,459) 5,968,012	(3,459) 9,568,012	ļ.	Less: Reversal
		6,118,012 6,118,012	30,788,518 40,691,612		
	8.1 •m S.G. Power Limited on account			17.	CONTINGE
	million.		0		(i)
					amounting to
	NOTES	2016 RUPEES	2015 RUPEES		(ii)
8.	CASH AND BANK BALANCES Cash in hand	106,198	8,119		alleged "Buy underwriting
	Cash in hand Cash with banks - current account	8,346,723	1,682,850		of Pakistan
~	ICCLIED CLIDCODIRED AND BAID VD CANTA-	8,452,921	1,690,969		shares of Rs
9.	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		condition on them . Corpo
	5,415,610 Ordinary shares of Rs. 10 each as fully paid bonus shares	54,156,100	54,156,100		letter dated
	2,384,390 Ordinary shares of Rs. 10 each as fully paid right shares	23,843,900	23,843,900		Back Agreem
	2,000,000 Ordinary shares of Rs. 10 each fully paid in cash	20,000,000	20,000,000		be deleted arrangement.
10	(foreign placement) SURPLUS ON REVALUATION OF PROPERTY, PLANT ANI		20,000,000		arrangement.
	Balance at the begning of the year	452,660,871	469,742,635		1 1
	Surplus arisen on revaluation carried out during the year: - freehold land		-		(a) The object
	- building on freehold land				produce high plants and m
	- plant and machinery including generators	452,660,871	469,742,635		sum of Rs.45
	Less: Transferred to unappropriated profit on account of: - incremental depreciation for the year	(3,843,397)	(17,081,763)		depreciation a
	Related deferred tax of:	448,817,474	452,660,871		million sustai
	-balance at beginning of the year -surplus arising during the year	44,583,403	51,245,290		(b) Subsequer
	-incremental depreciation for the year	(1,114,585)	(4,953,711) (1,708,176)		October 21, 20
	-Effect of change in tax rate -balance at year end	(1,486,113) 41,982,704	(1,708,176) 44,583,403		"Buy Back Ag date of suit
	Balance at end of the year	406,834,770	408,077,469		
11.	<b>DEFERRED LIABILITIES</b> Deferred tax liability attributable to revaluation surplus	41,982,704	55,910,005		
	Provision for gratuity 11.1	5,363,785	5,363,785		
	Deferred Karachi Electric Supply Corporation bill 11.2	5,738,428 53,084,917	5,738,428 67,012,218		(c)
	11.1 •k-up of amount recognized as liability in the balan				emoluments
	liation of the recognized liability with the last year figur				
	Liability as on Sep 30, 2019 Provision for the year	5,363,785	5,363,785		
	Actuarial loss recognized during the year	-	-		
	Excess of book provision over transitional liability recognized Charge for the year reported as salaries and benefits				
		5 363 785	5 363 785		

iability as on Sep 30, 2019		5,363,785	5,363,785		(iii) Two appe
he company was d ing a relief of Rs.4,7	ween the expected liabilit period from Oct, 1988 to N ecided by the Electrical In: 85,376 to the Company bu er, Government of Sindh b	Jov,1990 due toexcessbil spector, Government of tt decision has been app	lling. Sindh ealed		of Sales Tax Bench, Karacl appeal no. 32 pending befor likelihood of l
cal is still awaited and the company	expects a further relief of	Rs. 7,690,996.			Incentiood of 1
1.3 Taxable Temporary Differences					
ixed Assets referred tax assets on gratuity				18.	SALES Sale of agricult Service income
ess: Tax Losses	_				
	ed as management is of th	e view that future earni	ngs to	19.	COST OF SA Electricity, gas
e extent of such asset may not be availa	able.				Packing mate Depreciation
ONG TERM LOAN ibre Venture Capital Limited		-	302,316,902		Depreciation
ess :Current portion of long term loan.	12.1	-	(60,463,381)	20.	ADMINIST
ess: Overdue amount of long term loan		-	(241,853,521)		Directors' rem
1		-			Salaries, allow
	enture Capital Limited was nd loan was to be repaid ir				Building mair Generator Fue
•nstra	ints the repayment of the s	same could not be made	e. During the year		Repairs and n
Fibre Ver osition of the company.	nture Capital Limited, wa	ived off the loan due to	current financial		Rent, rates an
OAN FORM DIRECTORS					Depreciation Proffessional
	oonsoring directors. Repay	ment terms have not ye	t been		Security
ecided by the Company.					Postage and S
					Telephone an Printing & Sta
REDITORS, ACCRUED AND OT	HER LIABILITIES	2019	2018		Traveling exp
	NOTES	RUPEES	RUPEES		Advertisemer
rade creditors		1,403,072	16,826,999		Utility Commission
ecurity deposit payable		14,128,193	1,652,700		
thers		1,465,311	1,379,087	21.	OTHER INC
		16,996,576	19,858,786		Rental income
ue to associated undertaking	14.1	74,537,358 91,533,934	86,187,350 106,046,136		
4.1 sred and the late pa	yment surcharge has been			22.	FINANCIAI Bank charges
ndertaking S.G. Power Limited.	, ment surenaige nus seen	i marrea by the abbelat		22	EARNINGS
NTEREST ON SHORT TERM ANI	D LONG TERM LOAN			23.	
inancial charges on loan from direct	ors	9,963,151	-		23.1 Basic ear Loss after taxa
	normality to C Desum				Weighted ave
ccrued interest on long term loan ; imited	payable to 5.G.rower	10,654,243.00	10,654,243		Loss per share
		20,617,394	10,654,243		23.1 Diluted e
URRENT PORTION OF LONG TI					commitments
ong term loan payable to S.G. Power Li urrent portion of long loan	mited	71,422,097	71,422,097 60,463,381	24.	TRANSACT
	_	- 71,422,097	(60,463,381) 71,422,097		Transaction w
	_	11/144/051	11,122,077		S.G. Power Li
VERDUE AMOUNT LONG TERM Le verdue amount of long term loan	JAN	-	241,853,521		Payment of SI Repayment of
ess: Reversal of overdue amount due to	loan waiver 13.1	-	(241,853,521)		Purchase of el
	—	-	-	25.	RECONCIL
ONTINGENCIES AND COMMIT					The company required for the
a against the Comp mounting to Rs.0.418 million (2013 Rs.	any from suppliers were 0.418 million)	e not acknowledged as	6 debts	26	DATE OF A
Ŭ .	e company and National	Bank of Pakistan regard	ling the		These finance
leged "Buy Back Agreement" and					Directors of
nderwriting of public floatation of t F Pakistan and Allied Bank of Paki				27	CENEDAT
nares of Rs 10 each at a premium				27.	GENERAL Figures have
ondition on the sponsors to enter in					-0
nem . Corporate Law Authority (Secu tter dated September 18, 1995 to fui					
ack Agreement"and the NBP vide its					
e deleted .The Corporate Law Au	monty through its varie	ous letter emphasized	ior unconditional		

k of Pakistan vide its letter No. CCD: BE 096/48 dated March 01, 1995 confirmed t for public floatation while attoms of the prospective of the approximplance and the prospective of the pro a quality value added products for which a new Hot Channel Stretching plant along with other nachineries was imported. After completion of process of installation and commissioning, the 54.8 million being the cost of the plant, was capitalized which resulted in the charge of amounting to Rs.93.170 million which can be attributed as a major reason of loss of Rs.97.60 ined during the year 1999.

ent to filing of the above suit, National Bank of Pakistan also filed a Suit No. B-200 of 2000 dated Left to him or the above suit, National bank or Pakistan also filed a Suit No. b-Zu0 of Zu00 dated 2000 in the High Court of Sindh against the company and the sponsors seeking enforcement of Agreement<sup>\*</sup> and payment of resultant amount with profit at 18 percent per annum from the it till the payment by the company and a direction that shares of the company be sold in the sale proceeds be applied towards the adjustment of the decretal amount.

nt that they will succeed in their case in view of their sound legal position. lodged by ex-employees of the company for recovery of their outstanding ts on account of their employment with the company.

eals bearing no. K-137/2008 and K-138/2008 both dated March 18, 2008 passed by the Collector opeals bearing no. K-13//2008 and K-138/2008 both dated March 18, 2008 passed by the Collector ax and Federal Excise (Appeals). Karachi is pending before the Inland Appellate Tribunal, achi. One appeal bearing no. K-190/2010 dated March 24, 2010 filed against the Order - in -3254/2010, dated February 02, 2010 passed by the Collector of Customs (Appeals) Karachi is fore the Customs Appellate Tribunal, Bench-II, Karachi. view that the aforesaid cases involve certain law points and there is every of having a favorable verdict in these matters.

### NOTES

ltural products ne from cold storage

#### SALES

ns, steam and water erial expense

#### TRATIVE AND SELLING EXPENSES nuneration and ame wances and benefits

ntenance uel/Repair naintenance nd taxes n expense 1 Fee Shipping nd Fax ationary pense ent

### COME

L CHARGES and commission

### S PER SHARE

**arnings per share** xation - rupees

#### verage number of shares

e - rupees

#### earnings per share

- TIONS WITH ASSOCIATED UNDERTAKINGS vith associated undertakings are as follows:
- imited:
- SUI gas bill of liability
- electricity

### LIATION BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT y had sustained losses during the financial year due to that no provision for income tax is the said year.

AUTHORIZATION cial statements were authorized for issue on <u>31</u> OCT 2019 by the Board of the Company.

e been rounded off to the nearest rupee.

Chief Executiv

,363,785 -

Benefits paid during the year

2019 RUPEES	2018 RUPEES
444,214 1,108,033	-
1,552,247	-
2,470,310	147,310
20,000	
2,655	6,250,398
2,492,965	6,397,708
750,000	450,000
3,738,723	1,140,068
475,000	-
9,000	24,040
127,500	197,950
580,000	5,000
2,089,864	24,703
244,000	63,350
17,650	1,400
5,700	280
58,470	4,000
-	3,408
805,605	
39,773	
-	-
1,430,800	5,350
10,372,085	1,919,549
6,808,978	2,236,872
6,808,978	2,236,872
-	-
(6,056,072)	(6,080,385)
15,000,000	15,000,000
(0.40)	(0.41)

fect on the basic earnings per share of the company as there are no such

Director

If undeliverd please return to: **SG ALLIED BUSINESSES LIMITED** B-40, SITE, MANGHOPIR ROAD KARACHI.



# **QUARTERLY REPORT** SEPTEMBER 30, 2019

# **BOOK** PRINTED | MATTE 고

### **COMPANY /INFORMATION**

### **Board of Directors**

### **AUDIT COMMITTEE**

Mr. Sohail Ahmed Mr. Asim Ahmed Mrs. Ghazala Shahid

Chief Executive Director Director

#### **HR AND REMUNERATION COMMITTEE**

Mr. Asim Ahmed Mrs. Ghazala Shahid Mrs. Tania Asim

Director Director Director

### **CHIEF FINANCIAL OFFICER**

Mr. Muhammad Hasan

### **COMPANY SECRETARY**

Mr. Adnan Ahmed

#### **AUDITORS**

Muniff Ziauddin & Co. Chartered Accountants

#### LEGAL ADVISOR

M.J. Panny Associate Mohsin Tayab & Co.

BANKERS Summit Bank Limited

### SHARES REGISTRAR

Technology trade private limited Dagia house, 241-C, block-2 PECHS, Shahra-e-Quaideen Karachi

### **REGISTERED OFFICE**

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

#### SG Allied Businesses Limited

#### DIRECTORS' REPORT

The Board of Directors of SG Allied Businesses Limited (SGABL) is pleased to press Annual Report and Audited Financial Statements of the Company together with Audited ort and Audited Finan ended 30<sup>th</sup> June 2019.

FINANCIAL RESULTS FINANCIAL RESULTS The performance of your Company during the year under review has been on track of recovery due to the factors as mentioned above. The Company has made a total comprehensive loss of Rs. 4.18 million for the year, however the accumulated loss as at June 30, 2019 stood at Rs.762.76 million as compared to Rs.758.58 million for the previous year.

Following are the financial results for the year ended June 30, 2019:

Sales	Rs. 4,623,699
Cost of Sales	(395,186)
Gross Profit	4,228,513
Admin & Selling Expenses	(54,097,199)
Other Income	42,033,542
Financial charges	(9,970,880
Loss before taxation	(17,806,024)
Loss after taxation	(16,306,682)

#### FUTURE OUTLOOK

FUTURE OUTLOOK The Company has been extending its business activities after getting itself restyled as SG Allied Businesses Limited on 24th August, 2017. Alhamd o Lillah the new lines of business including Cold Storage and vertical farm showing improved revenue;

Company has built the second cold storage facility which came into opera uary 2018, therefore, revenue from extended facility is correspondingly reported to the second storage of the second storage

A new concept of vertical farming has been introduced by the Company in Pakistan. This segment has received lot of appreciation in the market. Some TV Channels gave reasonable size of media coverage, the prominent TV channels including SAMA TV, Arab News and Geo TV telecasted a program of our Vertical Farm.

I results shows an increasing trend of sales from vertical farm. A successful trial was performed regarding the production of Tulip in vertical farm. In coming winter the production of Tulip will also start in vertical farm. Company is in the process of further expending the farming facility in upcoming year 2020.

## **COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE** In accordance with the requirement of the Code of Corporate Governance Regulation 2017of Securities and Exchange Commission of Pakistan, the Directors hereby confirm that:

- The financial Statements for the year ended June 30, 2019 prepared by the management nt fairly its state of affairs, the results of its operation, cash flow and change in
- 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.
- accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- 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-compliances 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 compliances remained unadhered as at the year end.

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



The accrued interest on long term loan payable to SG Power Limited has be worked in accordance with directions of Securities and Exchange Commissic Further mark-up has not been charged for the year 2019 as late payme surcharge has been waived by the associated company.

- Due to adverse business conditions for the last many years and adverse financial health of the Company, the Company had no option but to value the directors' loans at historical costs. As such it has not been found possible to comply with requirements of IAS-39.
- Employees Benefits The factory had remained closed for the last many years and there are no short-term and long-term employees in employment. The Company has not complied with the requirements of IAS 19 Employee Benefits as the related liabilities were not revalued during the year.

#### (iv). Continuance as a going concern

The Company has extended its business activities after getting itself restyled as SG Allied Businesses Limited on 24th August, 2017. The Company is engaged in the activities of cold storage facilities and dealing in various agriculture produces. A turn around is being achieved. Keeping in view the revival plan of the Company, Securities and Exchange Commission of Pakistan has also given go ahead to the Company.

Chairman Member Member

#### 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 Juns 30, 2019.

#### AUDIT COMMITTEE

The meetings of Audit Committee were held during the year ended June 30, 2019 as required by ode 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. Sohail Ahmed Mr. Asim Ahmed Mrs. Ghazala Saleer

## ACKNOWLEGEMENT The Directors of your Company offer their sincere gratitude to the shareholders, institutions for

SHARE HOLDINGS PATTERN The Pattern of Shareholding as on June 30, 2019 is annexed.

On behalf of the Board of Director

Sohail Ahmed Chief Executive

Karachi 5, October, 2019

### STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2019

	NOTE
NON-CURRENT ASSETS	
Property, plant and equipment	4
Investment property	5
Long term deposits	6
CURRENT ASSETS	
Loans, advances, prepayments and other receivables	8
Cash and bank balances	9
SHARE CAPITAL AND RESERVES	
Authorized share capital	
15,000,000 Ordinary shares of Rs. 10 each	
Issued, subscribed and paid-up capital	10
Share premium Surplus on revaluation of fixed assets	
Accumulated loss	
NON-CURRENT LIABILITIES	
Deferred liabilities	11
Loan from directors	13
CURRENT LIABILITIES	
Creditors, accrued and other liabilities	14
Interest on short term and long term loan	15
Current portion of long term loan Current maturity of loan from directors	16 13
Overdue amount of long term loan	16
Provision for Taxation	
CONTINGENCIES AND COMMITMENTS	17
The annexed notes form an integral part of these financial statements.	
Chief Executive	
SG ALLIED BUSINESSES LIMITED	

# SG ALLIED BUSINESSES LIMITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	NOTES
Sales	18
Cost of sales	19
Gross (loss)/gain	
Administrative and selling expenses <b>Operating loss</b>	20
Other income	21
Financial charges Provision for doubtful debts	22

(Loss)/gain before taxation Provision for taxation

-Current -Deferred

#### (Loss)/gain after taxation

(Loss)/earning per share - basic and diluted

The annexed notes form an integral part of these financial statement

#### Chief Executive

#### SG ALLIED BUSINESSES LIMITED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH, SEPTEMBER 2019

#### CASH FLOW FROM OPERATING ACTIVITIES

Net loss before taxation Adjustment for: Justifient for: -Depreciation Profit on sale of fixed assetsvision for doubtful debts -Provision for doubtful debts -Finance charges

### (Increase) / decrease in current assets

Stores and spares Stock - in - trade Trade debts Loans, advances, prepaym ents and other receivables

### Increase / (decrease) in current liabilities Creditors, accrued and other liabilities

Finance charges paid

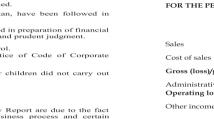
#### Net cash generated from operating activities CASH FLOW FROM INVESTING ACTIVITIES

Sale proceeds form disposal of fixed assets Long term deposits

- Net cash used in investing activities
- CASH FLOW FROM FINANCING ACTIVITIES
- Long term loans from directors Net cash from financing activities
- Net increase / (decrease) in cash and cash equivalent Cash and cash equivalent at the beginning of the year

Cash and cash equivalent at the end of the year The annexed notes form an integral part of these financi

Chief Executive



Be 4633600

The Auditors has given qualified opinion on various matters on which the directors' point of view is as follows:

of absence was granted to directors who could not attend some of the Board meeting

(i) Liability of Rs. 156.61 to associated company

(ii) Interest free long term loan from directors

# S.G. FIBRE LIMITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	lssued, subscribed and paid-up capital	Capital reserve	Revaluation Surplus	Accumulated loss	Total
	-		Rupees		
Balance as at July 1, 2018	150,000,000	337,400,000		(758,589,517)	(278,752,791)
Gain for the quarter ended September 30, 2018				3,225,278	3,225,278
Balance as at Sep 30, 2018	300,000,000	674,800,000		(755,364,239)	(275,527,513)
Balance as at July 1, 2019	150,000,000	337,400,000	408,077,469	(762,768,147)	132,709,321
Loss for the quarter ended September 30, 2019				(6,056,072)	(6,056,072)
Balance as at Sep 30, 2019	450,000,000	1,012,200,000	408,077,469	(768,824,219)	126,653,249

The annexed notes form an integral part of these financia

#### Chief Executive

# SG ALLIED BUSINESSES LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2019 1. STATUS OF THE COMPANY

1.1 The Company was incorporated in Pakistan as a public limited company and its shares are listed at Pakistan Stock Exchange. The principal activity of the Company is manufacturing of polyester filament yarn, subsequent to the year end, the Company has diversifed into new business activities. The registered and production facility of the company are situated at 8 + 0.5 LTL, Karchard - ..., joir business units including mills/plants of the Company are as under:

Director

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

1.2 The Company has made a loss before tax of Rs. 6.056 million (2018: 3.225 million gain) during the year and accu 768.824 million (2018: 785.364 million). These conditions indicate the esistence of a material uncertainty that may c continue as a going concern and, therefore, that it may be unable to realize its assets and and discharge its list ends to the safets and set of the safet and the safet an ated loss as at Sep 30, 2019

#### \$ AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE s and events that have affected the Company's statement of financial position and performance during the year hav e notes to these financial statements. For a detailed discussion about these significant transactions and events please refer

All significant transactions adequately disclosed in the Directors' report.
Basis of Preparation

#### 3.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting sta reporting standards applicable in Pakistan comprise of: - International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Con 2017; and

#### Provisions of and dire Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS : "ompanies Act, 2017 have been followed.

companies Act, 2017 have even fouroved. The Act has also for torquit certain changes with regard to the preparation and presentation of these financial statements. These of included change in respect of presentation and measurement of surplus on revaluation of property plant and equipment these financial. Surpervises change in nonneculature of primary statements curring, the disclosure requirements contained in the base financial surprises change in the surplus of the statement of the state

#### 3.2 Accounting convention

- Accrual basis of accounting

#### 3.4 Functional and presentation currency •resented in Pak

- mendments to approved accounting standards and new interpretations
- ing standards and interpretations which are effective during the year

amendments and an interpretations which are effective during the year a mendments and an interpretations to approve accounting and reporting standards which are mandatory for the Company's annual d which began on July 01, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have in these financial statements.

#### two new standards have become applicable to Company effective July 01, 2018. 3.7 IFRS-15 'Revenue from contracts with customers'

- IRS-16 Accenter from contracts with customers This standard introduces a single for-site product for revenue recognition with a comprehensive framework based on core principle that a recognize revenue representing the non-site of the site of the
- 3.8 IERS-9 'Financial Inst

# The standard replaces the provisions of IAS-39 that relate to the recognition, classification, and derecognition of financial instruments, impairment of financial assets and hedge accounting. It also IAS-39 Incurred Loss Inpairment model. On July (J. 2018 (the date of initial application of IFES 9), models apply to the financial assets held by the Company and has classified its financial instrum 'fed as Jonard are receivables have now been classified as "immediated the singular structure of the singula

- The changes laid down by these standards do not have any significant impact o accounting policies have been made to these statements. 3.9 New accounting standards and amendments that are not yet affective
- New accounting summaries and interpretations are only effective for accounting period, beginning on or after the date mentioned against each of them These standards interpretations and amendments are either not relevant to the Company is operations or are not expected to have significant impact on th » parys financial statements other than cortain additional disclosures.
- annual improvements have also been made to a number of IFRS other than aforesaid standards, interpretations and amendments, The Int ting Standard Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Co to a GEC/D.

310 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- ting Fixed Asset
- a) Operating fixed assets are stated at historical cost less accumulated depre-stated at revalued amount less the accumulated depreciation. -iation except lease hold land, building, plant an 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 addition harged on assets disposed off during the year till the month of disposal.

- ' or loss on disposal of fixed asset are reflected in the Profit and Loss account.
- \*or loss on disposal of two asset are reflected in the Protit and Loss account.
  The Companies Act, 2017 (the Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018. Accordingly, the Company has also changed its accounting policy relating to presentation and measurement of surplus on revaluation of property plant and equipment. The above change in the accounting policy has been applied retrospectively and comparative information have been restated in accordance with the requirement of International Accounting Studard (AS 5 "Accounting Policy, The above change in Accounting Estimates and Eirors". Due to the above change in accounting policy in the Statement of International Accounting policy, and been changed, the Company has presented its statement of Intancial position as at the beginning of the artifier (AS 1). And the accounting policy, the been changed, these changes, the
- presented its statement of financial position as at the beginning of the earliest comparative period i. with requirement of IAS 1 Presentation of Financial Statements (Revised) (IAS 1). Had the accounvaluation of fixed assets would have been shown as a separate line item (helew equity in the ion and PKR 463.09 million for the year ended 30 June 2017 and 2016 respectively. 3.12 Intangible assets
- .is of cost incurred to acquire and bring to use the specific software. These imated useful life of five years using the diminishing balance method.
- 3.13 Capital work-in-progress
- ss is stated at cost. It consists of expenditure incurred and advances made in respect of tangible and int e to relevant fixed assets category as and when assets are available for use. 3.14 Stores and spares
- g items in transit are valued at lower of average cost or net realizable value
- Provision is made for slow moving and obsolete items. Net realizable value signifies the estimated selling price in the ordinary course o stimated cost of completion and estimated cost necessary to make the sale.
- 3.15 Stock-in-trade
- Stock of raw and packing materials, except those in transit, and semi-processed and finished goods are valued at the lower of moving realizable value. Average cost in relation to finished goods represent prime cost and appropriate portion of manufacturing expenses and 3.16 Trade debts
- These are recognized and carried at original invoice amount less an allowance for uncollectible amount. An estimate for doubtful debts is made wh ount is no longer probable. Debts considered irrecoverable are written-off.
- Cash and cash equivalents are carried in the balance sheet at cost. For cash flow statemen atanding balance of running finance facilities availed by the company. 3.18 Impairment of assets

Director

0.22

2019 RUPEES 2018 RUPEES

(0.40)

(6.056.072) 3.225.278 3,914,151 4,378,570 4,378,570 7,603,848 3,914,151 (2,141,921)

23,926,593 33,375,609

21.784.672 40.979.457

21,784,672 40,979,457 13,331,752 17,687,444 8,452,921 23,292,013

Director

(768,824,219) (755,364,239 EE 69E 616 62 247 502 154,993,866 210,679,481 168,098,470 230,445,973 91,533,934 20,617,394 71,422,097 13,104,604 6,419,361 3,454,369 10,654,243 71,422,09 13,104,60 10,982,185 542,641,791 580,664,826

Director

Septembe 2018

10.434.125

23,292,013 33,726,138

580.664.826

150,000,000

150.000.000

337,400,000

418,497,344

eptemb 2019 Rupees

456,931,498 71,043,646 95,714

6,118,012 8,452,921 14,570,933

542,641,791

150,000,000

150.000.000

337,400,000

406,834,770

	September	September
	2019	2018
s	Rupees	Rupees
	1,552,247	1,100,000
_	(2,492,965)	(549,288)
	(2,492,965)	550,712
	(10,372,085)	(9,386,635)
	(12,865,050)	(8,835,923)
_	6,808,978	12,061,201
	(6,056,072)	3,225,278
	-	-
	(6,056,072)	3,225,278
	(6,056,072)	3,225,278