

DIRECTOR'S REPORT

The Board of Directors of SG Allied Businesses Limited is pleased to present the Third Quarterly Financial Statements of the Company for the period ended September 30, 2022.

FUTURE OUTLOOK

Alhamdo Lillah, the performance of the company during the first quarter under review has been on track of growth. The Company has reported the profit in current period September 30, 2022 as business activities of SG Allied Businesses Limited is growing, management is hopeful of increased sale of the company in future.

During the period, under review, the Company has suffered a loss of Rs. 824,681 whereas, for the corresponding period the gain was Rs. 30,844. The accumulated loss as on September 30, 2022 stood at Rs. 768.418 million.

FUTURE OUTLOOK

Financial results show an increasing trend of sales from vertical farm, Mushroom Production and overall revenue. Company has launched mushroom project a successful trial was performed in the production of White Button Mushroom full production has started. Company is in the process of further expending the Mushroom farming facility in near future by adding more growing room.

ACKNOWLEDGEMENT.

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

Karachi December 14, 2022

On behalf of the Board
of Directors



Sohail Ahmed
Chief Executive

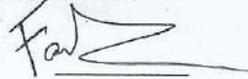
SG ALLIED BUSINESSES LIMITED
Condensed Interim Statement of Financial Position
AS AT SEPTEMBER 30, 2022

		Un-Audited	Audited
		Sep-30	Jun-30
	NOTE	2022	2022
NON-CURRENT ASSETS			
Property and equipment	5	1,142,499,703	1,143,607,253
Investment property	6	69,281,765	68,580,217
Long term deposits	7	95,714	95,714
		<u>1,211,877,182</u>	<u>1,212,283,184</u>
CURRENT ASSETS			
Inventory	8	1,225,305	1,225,305
Loans, advances, prepayments and other receivables	9	5,221,923	7,202,834
Cash and bank balances	10	11,259,770	13,091,286
		17,706,997	21,519,425
		<u>1,229,584,179</u>	<u>1,233,802,608</u>
SHARE CAPITAL AND RESERVES			
Authorized share capital 15,000,000 ordinary shares of Rs. 10 each		150,000,000	150,000,000
Issued, subscribed and paid-up capital	11	150,000,000	150,000,000
Share premium		337,400,000	337,400,000
		487,400,000	487,400,000
Capital Reserves			
Surplus on revaluation of fixed assets	12	959,024,892	964,497,676
Revenue Reserves			
Accumulated loss		(768,418,487)	(770,515,235)
		678,006,405	681,382,441
Loan from directors	13	269,577,456	261,574,406
NON-CURRENT LIABILITIES			
Deferred liabilities	14	60,331,865	62,675,466
Loan from directors	15	-	-
		60,331,865	62,675,466
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	16	119,841,547	125,779,737
Interest on short term and long term loan	17	20,617,394	20,617,394
Loan from associated undertaking	18	71,422,097	71,422,097
Loan from directors	15	9,500,000	9,500,000
Provision for taxation		287,416	851,069
		221,668,453	228,170,296
CONTINGENCIES AND COMMITMENTS			
	19	1,229,584,179	1,233,802,609

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



Chief Executive



Director



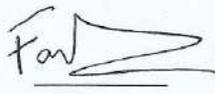
Chief Financial Officer

Condensed Interim Statement of Profit or Loss and
 Other Comprehensive Income (Un-audited)
 FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

		Un-Audited	Audited
		Sep-30	Sep-30
	NOTE	2022	2021
Sales	20	4,668,305	16,350,382
Cost of sales	21	(838,501)	(1,062,310)
Gross profit		3,829,804	15,288,072
Administrative and selling expenses	22	(21,322,751)	(15,222,545)
Operating loss		(17,492,947)	65,527
Other income	23	18,324,955	-
		832,008	65,527
Financial charges	24	(7,327)	(34,683)
Loss before taxation		824,681	30,844
Taxation	25	-	-
Loss after taxation		824,681	30,844
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		-	-
Total comprehensive loss		824,681	30,844
Loss per share - basic and diluted	26	0.05	0.00

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


 Chief Executive


 Director

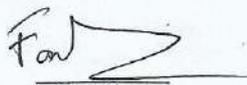

 Chief Financial Officer

Condensed Interim Statement
of Cash Flows (Un-audited)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	Sep-30 2022	Sep-30 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	824,681	(9,942,517)
Adjustment for:		
-Depreciation	617,366	2,525,756
-Gratuity expense	-	2,849,132
-Finance charges	7,327	107,222
	624,693	5,482,110
CASH FLOW FROM OPERATING ACTIVITIES - BEFORE WORKING CAPITAL CHANGES	1,449,374	(4,460,407)
(Increase) / decrease in current assets		
Inventory	1,469,706	1,469,706
Account receivables	-	-
Loans, advances, prepayments and other receivables	1,454,393	1,454,393
	4,373,473	(1,536,308)
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	5,539,721	5,539,721
Finance charges paid	(7,327)	(107,222)
Tax paid	-	(2,772,611)
Gratuity paid	-	-
Net cash generated from operating activities	9,905,866	1,123,579
CASH FLOW FROM INVESTING ACTIVITIES		
Addition in property, plant and equipment	-	-
Addition in capital work in progress	(82,046,561)	(82,046,561)
Net cash used in investing activities	(82,046,561)	(82,046,561)
CASH FLOW FROM FINANCING ACTIVITIES		
Loans received from directors	6,667,632	87,367,632
Loans repaid to directors	(2,996,950)	(3,850,000)
Net cash generated from financing activities	3,670,682	83,517,632
Net decrease in cash and cash equivalent	(68,470,012)	2,594,651
Cash and cash equivalent at the beginning of the year	13,091,286	15,377,553
Cash and cash equivalent at the end of the year	(55,378,726)	17,972,204

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


Chief Executive


Director

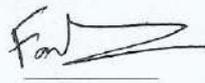

Chief Financial Officer

Condensed Interim Statement
of Cash Flows (Un-audited)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

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


Chief Executive


Director


Chief Financial Officer

	NOTE	Sep-30 2022	Sep-30 2021
6 INVESTMENT PROPERTY			
Cost		194,310,081	194,310,081
Less: Accumulated depreciation and impairment		(124,680,167)	(124,330,268)
Carrying amount as at 1 July		69,629,914	69,979,813
Additions through new purchases		-	-
Depreciation charge for the year		(348,149)	(349,899)
Transfer (to)/from property, plant and equipment		-	-
Carrying amount as at 30 Sep		69,281,765	69,629,914
Rate of depreciation (%)		2%	2%
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 Sep		194,310,081	194,310,081
DEPRECIATION			
As on 1 July		124,680,167	124,330,268
Reclassification from property, plant and equipment		-	-
For the year		348,149	349,899
As at 30 Sep		125,028,316	124,680,167
Written down value as at Sep 30		69,281,765	68,580,217
Rate of depreciation		2%	2%
6.2	This represents building owned by the company. The fair value of the investment property is Rs. 125.729 million. Forced sale value of the i assessed at Rs. 97.89 million.		
7 LONG TERM DEPOSITS			
Security deposits		95,714	95,714
8 INVENTORY			
Vertical farm		402,722	-
Packing material		822,583	-
		1,225,305	-

	NOTE	2022 RUPEES	2021 RUPEES
9 LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Loans and advances			
Advance to Staff		300,000	630,000
Advance income tax		1,363,418	5,826,586
GST Input Claimable		-	450,741
Account receivables-cold storage		3,212,422	1,108,847
Account receivables-ware house		-	967,334
Advance Withholding Tax			59,672
Income tax refundable		5,472,910	9,903,094
Less: provision against income tax refundable		(9,903,094)	(9,903,094)
		<u>445,656</u>	<u>9043180.08</u>
Prepayments and other receivables			
Letter of guarantee		150,000	150,000
Sales tax claims receivable		21,089,040	21,070,506
Less: Provision against sales tax claims receivable		(21,070,506)	(21,070,506)
		<u>168,534</u>	<u>150,000</u>
Others	9.1 & 9.2		
Less: Provision for irrecoverable rent		13,107,504	9,571,471
Less: Provision for doubtful debts		(8,496,312)	(8,496,312)
		<u>(3,459)</u>	<u>(3,459)</u>
		<u>4,607,733</u>	<u>1,071,700</u>
		<u>5,221,923</u>	<u>10,264,880</u>
9.1	This includes receivables from S.G. Power Limited on account of rent and utilities amounting to Rs 8.550 million. However as disclosed sum of Rs.156.61 million is payable to S.G Power Limited.		
9.2	Ageing analysis of receivables from S.G Power Limited (associated company)		
Past due less than one year		-	-
Past due over one year		8,550,000	8,550,000
		<u>8,550,000</u>	<u>8,550,000</u>
10 CASH AND BANK BALANCES			
Cash on hand		1,526	2,959
Cash with banks - current account		11,258,244	17,198,300
		<u>11,259,770</u>	<u>17,201,259</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	2023	2023	2022	2022	2021	2021
	Number of shares	Percentage holding	Number of shares	Percentage holding	Number of shares	Percentage holding
Directors, CEO, & their spouse						
Mst. Zubaida Khatoon	2,614,000	17.43%	2,614,000	17.43%	2,614,000	17.43%
Mr. Sohail Ahmed	2,614,000	17.43%	2,614,000	17.43%	2,614,000	17.43%
Mr. Asim Ahmed	2,614,000	17.43%	2,614,000	17.43%	2,614,000	17.43%
Mst. Ghazala Ahmed	1,306,850	8.71%	1,306,850	8.71%	1,306,850	8.71%
Mrs. Tania Asim	500	0.003%	500	0.003%	500	0.003%

12.2 During the financial year ended June 30, 2020 the Company revalued its leasehold land and buildings on leasehold land to replace the car assets with their market values / depreciated market values. The revaluation was carried-out on June 30, 2020 by an independent qualified Amir Evaluators & Consultants. The appraisal surplus arisen on these revaluations aggregates to Rs. 587.156 million.

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

12.3 The surplus on revaluation of fixed assets is not available for distribution to the shareholders in accordance with section 241 of the Company Act, 2017.

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

	2023			2022			2021		
	Cost	Accumulated depreciation	Book value	Cost	Accumulated depreciation	Book value	Cost	Accumulated depreciation	Book value
Leasehold land	64,893,485	-	64,893,485	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	88,657,361	82,681,769	5,975,592
	<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>	<u>153,550,846</u>	<u>82,681,769</u>	<u>70,869,077</u>

	NOTE	2022 RUPEES	2021 RUPEES
13 LOAN FROM DIRECTORS			
Opening balance		261,574,406	173,724,406
Add: Transfer of loan from liability portion		-	-
Add: Loan received during Period		11,000,000	24,750,003
Less: Loan repaid during the Period		<u>- 2,996,950</u>	<u>-</u>
		<u>269,577,456</u>	<u>261,574,406</u>

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

14 DEFERRED LIABILITIES

Staff retirement benefit-gratuity	14.1	7,686,092	7,686,092
Deferred Karachi Electric Supply Corporation bill	14.2	-	-
Deferred	14.3	<u>52,645,773</u>	<u>53,176,671</u>
		<u>60,331,865</u>	<u>60,862,763</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		7,686,092	6,789,420
Current service cost			1,812,703
Past Service Cost			357,487
Interest cost on defined benefit obligation			678,942
Benefits paid			-
Gain and loss arising on plan settlements			-
Remeasurements:			
Actuarial (gain)/losses from changes in demographic assumptions			-
Actuarial (gain)/losses from changes in financial assumptions			(52,423)
Experience adjustments			(1,900,037)
		-	-
Present value at the end of the year		<u>7,686,092</u>	<u>7,686,092</u>

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

Current service cost		-	1,812,703
Past Service Cost			357,487
Interest cost on defined benefit obligation		-	678,942
		<u>-</u>	<u>2,849,132</u>

14.1.3 Charge for the year has been allocated as under:

Administrative expenses		-	2,849,132
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14.1.4 Total remeasurements chargeable in other comprehensive Income

Actuarial gain from changes in financial assumptions		-	(1,952,460)
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14.1.5 Principal actuarial assumptions

Contribution to the staff retirement benefit gratuity for the year 2023:		2,460,609	2,460,609
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The latest actuarial valuation for gratuity fund was carried out as at June 30, 2022 using the Projected Unit Credit Method (PUCM). The assumptions used for the actuarial valuation:

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

14.1.6 Sensitivity analysis

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

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

14.1.7 The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant act same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the report applied as when calculating the staff retirement gratuity recognised within the statement of financial position.

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

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

14.1.8 Maturity profile

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

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

	NOTE	2022 RUPEES	2021 RUPEES
14.3	Deferred Taxation		
	Deferred tax liability attributable to Revaluation Surplus	52,645,773	53,176,671
	Deferred tax liability arising on taxable temporary differences due to:		
	Accelerated tax depreciation	(5,199,925)	(6,063,728)
	Deferred tax liability attributable to Revaluation Surplus	52,645,773	53,176,671
		47,445,848	47,112,943
	Deferred tax assets arising on deductible temporary differences due to:		
	Loan, advances, prepayments and other receivable	(11,447,278)	(11,447,278)
	Unused tax losses	(70,290,867)	(70,290,867)
	Provision for gratuity	(2,228,967)	(2,228,967)
	Deferred tax asset - net	(36,521,264)	(36,854,169)
14.3.1	Deferred tax asset has not		
15	LOAN FROM DIRECTORS		
	Loan from Directors	-	-
	loan received during the year	-	-
	Less: loan repaid during the year	-	-
	Less: Loan from directors - current	-	-
	Less: Transfer of loan to equity portion	-	-
		-	-
15.1	During the previous year, loan from directors was transferred to loan from directors equity component amounted to Rs 153.619 million a of repayment of loan i.e from over 15 years period to repayment at the discretion of the Comapany.		
16	CREDITORS, ACCRUED AND OTHER LIABILITIES		
	Trade creditors	1,244,066	1,244,066
	Earnest money	189,006	189,006
	Security deposit payable	30,691,920	33,455,015
	Income tax payable	-	-
	Electricity bill payable	-	5,908,214
	Provision for sale tax liability	908,906	908,906
	Others	9,864,215	9,537,172
		42,898,113	51,242,379
	Due to associated undertaking	76,943,434	74,537,358
		119,841,547	125,779,737
16.1	This represent provision for sale tax liability on income from cold storage.		
16.2	This represents advance received from scrap buyers.		
16.3	These are unsecured and the late payment surcharge has been waived by the associated undertaking S.G. Power Limited.		
17	INTEREST ON SHORT TERM AND LONG TERM LOAN		
	Financial charges on loan from directors	9,963,151	9,963,151
	Accrued interest on long term loan payable to S.G.Power Limited	10,654,243	10,654,243
		20,617,394	20,617,394
17.1	Earlier the year ended 30 June 2019, the Board of Directors had decided in their meeting to charge the interest on outstanding balance from the beginning of the financial year. Therefore, an interest amounting to Rs. 9,963,151 was charged for three quarters. However, co position of the company, the directors forfeited the interest thereafter.		
18	LOAN FROM ASSOCIATED UNDERTAKING		
	SG Power Limited	71,422,097	71,422,097
18.1	This represents loan from S.G Power Limited (the associated undertaking) which is repayable on demand.		

	NOTE	2022 RUPEES	2021 RUPEES
20 SALES			
Sale of agricultural products		4,468,622	2,121,754
Service income from cold storage		199,683	878,425
		<u>4,668,305</u>	<u>14,247,055</u>
21 COST OF SALES			
Electricity, gas, steam and water		314,356	532,147
Packaging		336,630	94,873
Nutrient		7,500	
Pesticides and Chemical		152,300	
Seeds		-	161,860
Soil		128,020	72,400
Testing		30,000	
Fertilizers		-	
Freight Charges - VF		3,200	99,820
Purchases agri products		-	36,742
Depreciation expense		269,217	64,468
Cost of goods available for sale		<u>1,241,223</u>	<u>1,062,310</u>
Less: Ending inventory of vertical farming		<u>(402,722)</u>	<u>-</u>
		<u>838,501</u>	<u>5,262,758</u>
22 ADMINISTRATIVE AND SELLING EXPENSES			
Directors' remuneration and amenities		750,000	960,000
Salaries, allowances and benefits		10,704,076	6,496,696
Advertisement expense		24,000	42,700
Building maintenance			224,190
Auditor's remuneration	22.1	-	
EOBI		10,400	
Commission expense		292,315	284,099
Conveyance		191,492	
Custom Duty		-	
Depreciation expense		348,149	
Depreciation expense - Property, plant and equipment		1,525,561	1,816,378
Entertainment		1,160	14,001
Electricity expense		2,119,500	2,386,272
Fuel for generator		874,530	35,000
Generator repair		220,511	
Micellaneous		-	132,900
Graduity expense		-	
Insurance		581,023	
Legal and professional		1,326,239	908,818
Printing & stationery		94,820	45,092
Property Tax		-	
Repairs and maintenance		944,293	513,585
Rent, rates and taxes		267,182	508,300
Safety and security		-	
Telephone and fax		65,351	54,130
Travelling expenses		3,888	147,865
Tax - Professional		-	
Utilities		274,361	302,620
Water Charges		279,011	
Sale tax expense		-	
Provision for irrecoverable rent		-	
Others		424,889	
		<u>21,322,751</u>	<u>14,872,646</u>

	NOTE	2022 RUPEES	2021 RUPEES
23 OTHER INCOME			
Other income		1,016,716	-
Rental income		17,308,239	13,350,203
		<u>18,324,955</u>	<u>13,350,203</u>
24 FINANCIAL CHARGES			
Bank charges and commission		7,327	34,683
		<u>7,327</u>	<u>34,683</u>
25.1	The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the available which can be analysed as follows:		
		Tax assessed	Tax assessed
	Provision for taxation		
	(Rupees '000)		
2021	10,941,937	10,941,937	10,941,937
2020	7,426,712	7,427,589	7,427,589
2019	3,454,369	4,697,321	4,697,321
25.2 RECONCILIATION BETWEEN TAX EXPENSE AND ACCOUNTING LOSS			
Profit / (loss) before taxation		824,681	30,844
Tax at the applicable tax rate of 29 %		-	-
Tax on rental income at the rate of 29 %		287,416	851,069
Effect of prior year current and deferred tax charge		-	-
		<u>287,416</u>	<u>851,069</u>
25.3	Tax expense on items recognized in other comprehensive income		
Remeasurement gain on staff gratuity		1,952,460	1,952,460
26 (LOSS) PER SHARE - BASIC AND DILUTED			
26.1 Earning per share			
Loss after taxation		824,681	30,844
Weighted average number of shares		15,000,000	15,000,000
Loss per share		0.05	0.00
26.2	There is no dilution effect on the basic loss per share of the company as there are no such commitments. (2021: Nil)		

27 TRANSACTIONS WITH RELATED PARTIES

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

NAME OF RELATED PARTY	RELATIONSHIP WITH THE COMPANY	NATURE OF TRANSACTIONS	2023	2022	2021
			RUPEES	RUPEES	RUPEES
S.G. Power Limited	Associated Company by virtue of common directorship	Purchase of electricity		8,317,868	9,018,898
S.G. Power Limited	Associated Company by virtue of common directorship	Electricity bills payment	-	8,317,868	13,442,983
Directors	Key management personnel	Directors' remuneration	750,000	960,000	3,035,000
Mrs.Zubaida Khatoon	Key management personnel	Loan repaid	49,843,102	-	688,389
Aliya Shahid	Key management personnel	Loan repaid	22,298,160	1,500,000	409,343
Asim Ahmed	Key management personnel	Loan repaid	41,309,930	0	727,677
Ghazala Saleem	Key management personnel	Loan repaid	21,298,160	1,650,000	1,460,034
Asim Ahmed	Key management personnel	Loan repaid	-	-	19,134,225
Asim Ahmed	Key management personnel	Loan received	-	-	30,545,000
BALANCES:					
Mrs.Zubaida Khatoon.	Key management personnel	Balance payable	(49,843,102)	49,890,714	49,890,714
Aliya Shahid	Key management personnel	Balance payable	(22,298,160)	20,763,817	22,263,817
Asim Ahmed	Key management personnel	Balance payable	(41,309,930)	41,287,253	41,287,253
Ghazala Saleem	Key management personnel	Balance payable	(21,298,160)	19,613,126	21,263,126
Sohail Ahmed	Key management personnel	Balance payable	-	48,519,496	48,519,496
S.G. Power Limited	Associated Company by virtue of common directorship	Balance payable	74,537,358	74,537,358	74,537,358
S.G. Power Limited	Associated Company by virtue of common directorship	Rent receivable	1,071,700	1,071,700	1,071,700

28 REMUNERATION OF DIRECTORS AND EXECUTIVES

	Chief Executive		Directors	
	2022	2021	2022	2021
Remuneration	2,400,000	1,800,000	2,125,000	1,235,000
House Rent	-	-	-	-
Retirement Benefits	-	-	-	-
Utilities	-	-	-	-
	<u>2,400,000</u>	<u>1,800,000</u>	<u>2,125,000</u>	<u>1,235,000</u>
	1	1	2	1

	NOTE	2022 RUPEES	2021 RUPEES
29	FINANCIAL INSTRUMENTS BY CATEGORY		
	<i>Financial Assets</i>		
	At amortized cost		
	Long term deposits	95,714	95,714
	Loans and other receivables	3,858,505	1,521,700
	Cash and bank balances	11,259,770	13,091,286
		<u>15,214,008</u>	<u>14,708,700</u>
	<i>Financial Liabilities</i>		
	At amortized cost		
	Creditors, accrued and other liabilities	119,841,547	125,779,737
	Short term and long term loan	92,039,491	92,039,491
	Loan from directors	1,100,000	9,500,000
		<u>212,981,038</u>	<u>227,319,228</u>
30	FINANCIAL RISK MANAGEMENT		

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

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

30.1 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure parameters while optimizing returns.

30.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered in foreign currencies. As at June 30, 2022, the Company doesn't have any interest-bearing financial instrument.

30.3 Interest rate risk

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

30.4 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or affecting all similar financial instruments traded in the market. As at June 30, 2022 the Company is not exposed to price risk.

30.5 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk arises when a number of counter parties are engaged in similar activities that would cause their ability to meet contractual obligations to be similarly affected by changes in economic 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 represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2022	2021
			<-----Rupee
Long term deposits		95,714	95,714
Account receivables	30.5.1	-	-
Loans and other receivables		3,858,505	1,521,700
Cash and bank balances		11,259,770	13,091,286
		<u>15,213,989</u>	<u>14,708,700</u>

30.5.1 Set out below

	June 30, 2022	June 30, 2022
		<-----Rupee
30 days	-	-
31 to 90 days	-	-
91 to 180 days	-	-
180 days to 1 year	-	-
Over 1 year	-	-
	<u>-</u>	<u>-</u>

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

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

Other financial

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

Bank	Rating agency	Short-term Rating	2023	2022	2021
			----- (Rupees) -----		
Summit Bank Ltd	JCR - VIS	A-3	106	106	350,106
BankIslami Pakistan Limited	PACRA	A-1	226,177	353,397	232,527
Samba Bank Limited	JCR - VIS	A-1	1,855	1,855	1,855
Bank Al-Habib Limited	PACRA	A-1+	3,921,202	5,986,672	9,955,827
Habib Metro	PACRA	A-1+	867,628	2,878,797	4,583,084
Standard Chartered Bank	PACRA	A-1+	6,241,276	3,862,274	-
			<u>11,258,244</u>	<u>13,083,101</u>	<u>15,123,399</u>

30.6 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are set 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 have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The following are the contractual liabilities, including interest payments, excluding the impact of netting agreements:

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

2022	Less than 3 months	3 to 12 months	1 to 5 years	Greater than 5 years	Total
Loan from directors	-	-	-	-	-
Creditors, accrued and other liabilities	5,908,214	119,871,523	-	-	125,779,737
Current maturity of loan from directors	-	-	-	-	-
Current portion of long term loan	-	-	71,422,097	-	71,422,097
Interest on short term and long term loan	-	-	20,617,394	-	20,617,394
Overdue of loan from directors	-	-	-	-	-
Total	5,908,214	119,871,523	92,039,491	-	217,819,228
2021	Less than 3 months	3 to 12 months	1 to 5 years	Greater than 5 years	Total
Loan from directors	-	9,500,000	-	-	9,500,000
Creditors, accrued and other liabilities	24,046,754	96,187,018	-	-	120,233,772
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	24,046,754	105,687,018	92,039,491	-	221,773,263

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 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

31 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Fair value hierarchy;

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

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

As at 30 June, 2021, the company has no financial instruments that falls into any of the above category. There were no transfers between level 1, 2 and 3 in the year.

32 CAPITAL RISK MANAGEMENT

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

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

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

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

	Sep 30, 2022	June 30, 2022	June 30, 2021
Total Debts*	92,039,491	92,039,491	176,076,849
Cash and bank balances	(11,259,770)	(13,091,286)	(15,377,553)
Net Debts	80,779,721	78,948,205	160,699,296
Share capital	150,000,000	150,000,000	150,000,000
Surplus on revaluation of property, plant and equipment	959,024,892	964,497,676	969,970,459
Share premium	337,400,000	337,400,000	337,400,000
Revenue reserve	(768,418,487)	(770,515,235)	(766,580,680)
Loan from directors	269,577,456	261,574,406	173,724,406
Equity	947,583,861	942,956,847	864,514,185
Capital	1,028,363,582	1,021,905,051	1,025,213,481
Gearing ratio (debt / (debt + Equity))	8%	8%	16%

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

	NOTE	<u>2022</u> RUPEES	<u>2021</u> RUPEES
33 CAPACITY & PRODUCTION			
Production capacity for vertical farming		<u>3000 KG</u>	<u>3000 KG</u>
Actual production for vertical farming		<u>2100 KG</u>	<u>2100 KG</u>
Capacity cold storage(tonnes)		<u>425</u>	<u>425</u>
Actual usage for cold storage(tonnes)		<u>297.5</u>	<u>297.5</u>
Actual production was sufficient to meet the demand.			
34 NUMBER OF EMPLOYEES			
		<u>2022</u>	<u>2021</u>
Number of employees at the year-end		<u>21</u>	<u>21</u>
Average number of employees		<u>21</u>	<u>21</u>
35	Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transaction comparison in accordance with the accounting and reporting standards as applicable in Pakistan.		
36 DATE OF AUTHORIZATION FOR ISSUE	These financial statements were approved and authorized for issue on _____ by the Board of Directors of the Company.		


Chief Executive


Director


Chief Financial Officer