

SG ALLIED BUSINESSES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	Note	Un-audited March 31, 2024 <i>Rupees</i>	Audited June 30, 2023 <i>Rupees</i>
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,414,599,251	1,420,026,981
Investment property	5	63,522,426	65,151,206
Long term deposits		95,714	95,714
CURRENT ASSETS			
Inventories		4,346,635	3,917,182
Loans, advances, prepayments and other receivables	6	33,944,848	24,732,790
Cash and bank balances	7	347,144	8,489,329
		38,638,627	37,139,301
		1,516,856,018	1,522,413,202
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		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	8	1,233,293,653	1,236,418,859
Revenue Reserves			
Accumulated loss		(774,949,316)	(772,107,516)
		945,744,337	951,711,343
Loan from directors	9	261,574,406	261,574,406
NON CURRENT LIABILITIES			
Deferred liabilities		56,437,752	64,246,534
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	10	115,413,794	110,770,965
Interest on short term and long term loan	11	20,617,394	20,617,394
Loan from associated undertaking	12	71,422,097	71,422,097
Loan from directors		44,500,916	40,830,410
Provision for taxation		1,145,322	1,240,054
		253,099,524	244,880,920
CONTINGENCIES AND COMMITMENTS	13	1,516,856,018	1,522,413,202

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



CHIEF EXECUTIVE



DIRECTOR

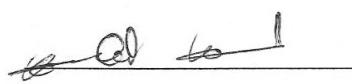


CHIEF FINANCIAL OFFICER

SG ALLIED BUSINESSES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2024

	Note	Nine Months ended		Quarter ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Sales		40,272,622	13,657,195	12,885,146	8,562,901
Cost of sales		(9,905,806)	(5,530,615)	(2,006,316)	(3,687,732)
Gross profit		30,366,817	8,126,580	10,878,830	4,875,169
Administrative and selling expenses		(95,729,844)	(72,774,529)	(34,633,431)	(37,956,403)
Operating loss		(65,363,027)	(64,647,950)	(23,754,601)	(33,081,233)
Other income	14	59,506,541 (5,856,486)	55,555,164 (9,092,786)	19,042,672 (4,711,929)	24,734,949 (8,346,284)
Financial charges		(19,231)	(17,016)	(8,830)	(37,097)
Loss before taxation		(5,875,717)	(9,109,802)	(4,720,760)	(8,383,381)
Taxation					
Current		(1,145,322)	(810,579)	(734,510)	(810,579)
Prior year		-	-	-	-
Deferred		1,054,034 (91,288)	715,251 (95,328)	1,054,034 319,524	715,251 (95,328)
Loss after taxation		(5,967,005)	(9,205,130)	(4,401,236)	(8,478,709)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		(5,967,005)	(9,205,130)	(4,401,236)	(8,478,709)
Loss per share - basic and diluted	15	(0.40)	(0.61)	(0.29)	(0.57)

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

SG ALLIED BUSINESSES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2024

	Un-audited Marh 31, 2024	Un-audited March 31, 2023
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(5,875,717)	(9,109,802)
Adjustment for:		
Depreciation	6,466,541	6,219,880
CWIP write off	-	-
	<u>590,824</u>	<u>6,219,880</u>
		(2,889,922)
(Increase) / decrease in current assets		
Loans, advances, prepayments and other receivables	(9,212,058)	70,898
Advance for packing material	(429,453)	-
Inventory- Vertical farm	(9,641,511)	(13,670,528)
	(9,641,511)	(13,599,630)
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	4,642,829	(1,392,378)
Cash out flow from operations	<u>(4,407,859)</u>	<u>(17,881,930)</u>
Income tax paid	(1,043,879)	(4,503,965)
Net cash outflow from operating activities	<u>(5,451,738)</u>	<u>(22,385,895)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Addition of Fixed assets	-	-
Capital expenditure	(15,470)	(2,683,857)
Net cash outflows from investing activities	<u>(15,470)</u>	<u>(2,683,857)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Loan paid during the period	(5,806,249)	(48,672,231)
Loan received during the period	3,147,400	69,198,931
Net cash inflows from financing activities	<u>(2,658,849)</u>	<u>20,526,700</u>
Net increase in cash and cash equivalents during the period	<u>(8,126,057)</u>	<u>(4,543,052)</u>
Cash and cash equivalents at the beginning of the period	<u>8,473,200</u>	<u>13,027,940</u>
Cash and cash equivalents at the end of the period	<u>347,144</u>	<u>8,484,888</u>

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


 CHIEF EXECUTIVE


 DIRECTOR


 CHIEF FINANCIAL OFFICER

SG ALLIED BUSINESSES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2024

	Share Capital	Capital Reserves		Revenue Reserve	Total
	Issued subscribed and paid up capital	Share Premium	Revaluation Surplus	Accumulated loss	
	----- R u p e e s -----				
Balance as at July 01, 2022	150,000,000	337,400,000	964,497,676	(770,515,235)	681,382,441
Comprehensive income for the period					
Loss for the Period ended March 31, 2023	-	-	-	(9,205,130)	(9,205,130)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period ended March 31, 2023	-	-	-	(9,205,130)	(9,205,130)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(2,983,859)	2,983,859	-
Balance as at March 31, 2023	150,000,000	337,400,000	961,513,817	(776,736,506)	672,177,311
Balance as at July 01, 2023	150,000,000	337,400,000	1,236,418,858	(772,107,516)	951,711,342
Comprehensive income for the period					
Loss for the Period ended March 31, 2024	-	-	-	(5,967,005)	(5,967,005)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period ended March 31, 2024	-	-	-	(5,967,005)	(5,967,005)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(3,125,205)	3,125,205	-
Balance as at March 31, 2024	150,000,000	337,400,000	1,233,293,653	(774,949,316)	945,744,337

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

SG ALLIED BUSINESSES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2024

1. LEGAL STATUS AND OPERATIONS

- 1.1** S.G Allied Businesses Limited (the company) is a public limited company incorporated in the year 1957 under the repealed Companies Act, 1913 (repealed with the enactment of the Companies Ordinance, 1984, and thereafter, with the enactment of the the Companies Act, 2017). The shares of the company are listed on Pakistan Stock Exchange Limited.

The principal activities of the company are warehouse, cold Storage and vertical Farming.

Geographical location and addresses of major business units including mills/plants of the Company are as under:

Karachi	Purpose
B-40, S.I.T.E., Karachi.	The registered office and rental purpose for cold storage and vertical farming.

1.2 GOING CONCERN

The accumulated loss of the Company has reached to Rs. 774.949 million as at period end (June 2023: 772.107 million). Moreover, the reported current liabilities have exceeded to current assets of the Company by Rs. 217.547 million (June 2023: 207.742 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. In the recent years the company has diversified its line of businesses from the production of polyester filament yarn to other line of businesses, as the filament yarn industry is still in crises. Further, the management of the Company has taken initiatives for the revival of the Company and developed new diversified business strategy, henceforth, the Company has extended its business activities after getting itself restyled as SG Allied Businesses Limited on 24th August, 2017. Primarily, the Company started the activities of cold storage facility and dealing in various agriculture produces. Moreover, the Directors will provide the finance to the Company as and when needed.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These condensed interim financial statements 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, 2021.

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, 2023

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2022 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, 2022.

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, 2022 but are considered not to be relevant or expected to have any significant effect on the Company's financial reporting.

2.4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2022.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from judgements, estimates and assumptions

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied in the annual audited financial statements of the company for the year ended June 30, 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2023.

4	PROPERTY AND EQUIPMENT	NOTE	2024	2023
	Operating fixed assets	4.1	1,308,929,339	1,034,993,317
	Capital work in progress	4.7	105,669,911	105,424,630
			1,414,599,250	1,140,417,947

4.1 Statement of operating fixed assets-2024

Particulars	Cost					Rate %	Depreciation				Written-down value
	As on July 01, 2023	Addition/ Transfer/ (disposal)	Transferred to investment property	Revaluation Surplus/ (Deficit)	As at Mar 31, 2024		As on July 01, 2023	For the year/ (adjustment for disposal)	Transferred to investment property	As at Mar 31, 2024	As at Mar 31, 2024
-----Rupees-----					-----Rupees-----					Rupees	
Owned assets:											
Leasehold land	1,168,960,000	-	-	-	1,168,960,000	-	-	-	-	-	1,168,960,000
Building on leasehold land	273,190,195	-	-	-	273,190,195	5%	155,811,596	4,401,697	-	160,213,293	112,976,902
Cold storage	21,431,852	-	-	-	21,431,852	5%	3,923,536	656,562	-	4,580,098	16,851,754
Vertical farm	5,714,637	-	-	-	5,714,637	5%	1,060,029	174,548	-	1,234,577	4,480,060
Plant and machinery	715,112	-	-	-	715,112	5%	542,081	6,489	-	548,570	166,542
Factory equipment	10,270,720	-	-	-	10,270,720	10%	9,347,871	69,214	-	9,417,085	853,635
Office equipment	19,773,852	-	-	-	19,773,852	10%	17,870,416	142,758	-	18,013,174	1,760,678
Motor vehicles	13,035,155	-	-	-	13,035,155	20%	12,952,267	12,433	-	12,964,700	70,455
Furniture and fixtures	3,126,566	-	-	-	3,126,566	10%	2,859,514	20,029	-	2,879,543	247,023
Trollies and fork lifters	4,242,562	-	-	-	4,242,562	10%	4,051,809	14,306	-	4,066,115	176,447
K-Electric Sub Station	2,717,337	15,470	-	-	2,732,827	10%	270,082	184,706	-	454,788	2,278,039
OTIS lifts	1,266,982	-	-	-	1,266,982	10%	1,150,437	8,741	-	1,159,178	107,804
Total owned assets	1,524,444,990	15,470	-	-	1,524,460,460		209,839,638	5,691,483	-	215,531,121	1,308,929,339

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

	Location	Usage of Immovable Property	Total Area (Square feet)
a) Lease hold	B-40, SITE, Karachi	Rental purpose	4,669 acres
b) Building	B-40, SITE, Karachi	Rental purpose	4,669 acres

4.3 During the year ended June 30, 2017, the Company transferred a portion of building to the investment property as 48.35% of the total space which has been leased out on rent.

4.4 Forced sale value of revalued land and building

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

4.5 The revaluation of land and building were performed by Mesers. Amir Evaluators & Consultants who are independant valuer not related to the company. M/S Amir Evaluators & Consultants have appropriate qualifications and eperience in the fair value

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

	2024 RUPEES	2023 RUPEES
Cost of sales	853,722	#REF!
Administrative and selling expenses	4,837,761	#REF!
	5,691,483	#REF!

4.7 Capital work in progress

2022			
DURING THE YEAR			
Balance as on July 01, 2021	Capital expenditure Incurred during the year, 2022	Transferred to operating Fixed assets, 2022	Balance as on June 30,2022
-----Rupees-----			
CWIP - Cold storage	182,882	3,917,198	4,100,080
CWIP - Vertical farm+Mushroom	23,534,270	78,035,561	101,569,831
	23,717,152	81,952,759	105,669,911

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

	March 31, 2024	June 30, 2023
Note	----- Rupees -----	
4 PROPERTY, PLANT AND EQUIPMENT		
Operating Fixed Assets	4.1 1,308,929,339	1,313,751,630
Capital Work-in Progress	4.2 105,669,911	105,424,630
	1,414,599,251	1,419,176,260
4.1 Operating Fixed Assets		
Opening written down value	1,313,751,630	1,316,558,020
Addition/(Deletion/Transfer)	15,470	3,467,007
Depreciation	(4,837,761)	(6,273,397)
Closing written down value	1,308,929,339	1,313,751,630
4.2 Capital Work-in Progress		
Opening balance	105,424,630	105,424,630
Capital expenditure write off during the period	245,281	-
Closing balance	105,669,911	105,424,630
5 INVESTMENT PROPERTY		
Opening COST	194,310,081	194,310,081
Less: Accumulated depreciation and impairment	(129,158,875)	(125,729,864)
Carrying amount as at 1 July	65,151,206	68,580,217
Additions through new purchases	-	-
Depreciation charge for the year	(1,628,780)	(3,429,011)
Transfer (to)/from property, plant and equipment	-	-
Carrying amount as at 31 March	63,522,426	65,151,206
Rate of depreciation (%)	5%	5%
5.1 Reconciliation of carrying amount		
COST		
As on 1 July	194,310,081	194,310,081
Reclassification from property, plant and equipment	-	-
As at 31, March	194,310,081	194,310,081
DEPRECIATION		
As on 1 July	(129,158,875)	(125,729,864)
Reclassification from property, plant and equipment	-	-
For the period	(1,628,780)	(3,429,011)
As at 31, March	(130,787,655)	(129,158,875)
Written down value as at March 31	63,522,426	65,151,206
Rate of depreciation	5%	5%
5.2 This represents building owned by the company. The fair value of the investment property is Rs. 125.729 million. Forced sale value of the investment property assessed at Rs. 97.89 million.		
6 LOANS, ADVANCES, PREPAYMENTS & OTHER RECEIVABLES		
Loans and advances		
Loan to Staff	523,500	480,705
Account receivables-cold storage	720,595	299,945
Account receivables-ware house	4,016,112	2,364,001
Account receivables-vertical farm	3,246,425	4,124,632
Advance income tax	13,896,906	10,810,028
Income tax refundable	11,476,706	10,497,524
Less: provision against income tax refundable	(9,903,094)	(9,903,094)
	23,977,149	18,673,741
Prepayments and other receivables		
Margin - Letter of credit	150,000	150,000
Sales tax claim receivable	28,339,871	23,191,909
Less: Provision against sales tax claims receivable	(21,070,506)	(21,070,506)
	7,419,365	2,271,403
Other receivables	11,048,105	9,623,471
Less:provision for irrecoverable rent	(8,496,312)	(8,496,312)
Less:provision for doubtful debts	(3,459)	(3,459)
	2,548,334	1,123,700
	33,944,848	22,068,844
7 CASH AND BANK BALANCES		
Cash on hand	7,520	16,129
Cash with banks - current account	339,624	8,473,200
	347,144	8,489,329

		March 31, 2024	June 30, 2023
8	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
	Note	----- Rupees -----	
	Opening balance	1,290,478,265	1,017,674,346
	Surplus arisen on revaluation carried out during the period/year	-	-
	- freehold land	-	269,760,000
	- building on freehold land	-	10,912,271
	- plant and machinery including generators	-	-
		<u>1,290,478,265</u>	<u>1,298,346,617</u>
	Less: Transferred to unappropriated profit on account of:		
	- incremental depreciation for the period	(4,401,697)	(7,868,352)
	- realized on disposal of plant & machinery	-	-
		<u>1,286,076,568</u>	<u>1,290,478,265</u>
	Related deferred tax of:		
	- balance at beginning of the period/year	54,059,408	53,176,671
	- surplus arising during the period/ year	-	3,164,559
	- incremental depreciation for the period/year	(1,276,492)	(2,281,822)
	- effect of change in tax rate	-	-
	- balance at year end	52,782,916	54,059,408
	Balance at end of the period/year	<u>1,233,293,652</u>	<u>1,236,418,858</u>
	During the financial year ended June 30, 2020 the Company revalued its leasehold land and buildings on leasehold land to replace the carrying amounts of these assets with their market values / depreciated market values. The revaluation was carried-out on June 30, 2020 by an independent qualified valuers namely M/s. 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 valuers namely M/s. Amir Evaluators & Consultants. The appraisal surplus arisen on these revaluations aggregates to Rs. 533.242 million.		
	The surplus on revaluation of fixed assets is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.		
9	LOAN FROM DIRECTORS		
	Opening balance	9.1 261,574,406	261,574,406
	Loan received during the year	-	-
	Repayment of loan during the year	-	-
	Closing Balance	<u>261,574,406</u>	<u>261,574,406</u>
9.1	This represents interest free loan from sponsoring directors which is repayable at the discretion of the company.		
10	CREDITORS, ACCRUED AND OTHER LIABILITIES		
	Trade creditors	1,435,166	1,244,066
	Accrued liabilities	5,439,959	-
	Audit Fees	-	-
	Earnest money	189,006	189,006
	Security deposit payable	21,869,931	21,758,618
	Electricity bill Payable	8,091,815	3,637,402
	Income Tax Payable	-	-
	Provision for sale tax liability	10.1 908,906	908,906
	Others	10.2 2,941,653	8,495,609
		40,876,436	36,233,607
	Due to associated undertaking	10.3 74,537,358	74,537,358
		<u>115,413,794</u>	<u>110,770,965</u>
	10.1	This represent provision for sale tax liability on income from cold storage.	
	10.2	This represents advance received from scrap buyers.	
	10.3	These are unsecured and the late payment surcharge has been waived by the associated undertaking S.G. Power Limited.	
11	INTEREST ON SHORT AND LONG TERM LOANS		
	Accrued financial charges on loan from directors	9,963,151	9,963,151
	Accrued interest on long term loan to S.G. Power Limited	10,654,243	10,654,243
		<u>20,617,394</u>	<u>20,617,394</u>
11.1	Earlier the year ended 30 June 2019, the Board of Directors had decided in their meeting to charge the interest on outstanding balance of loan from directors from the beginning of the financial year. Therefore, an interest amounting to Rs. 9,963,151 was charged for three quarters. However, considering the financial position of the company, the directors forfeited the interest thereafter.		
12	LOAN FROM ASSOCIATED COMPANY		
	SG Power Limited	12.1 71,422,097	71,422,097
12.1	This represents loan from S.G Power Limited (the associated undertaking) which is repayable on demand.		

13.1 Contingencies

S.NO.	WRIT PETITION	FORUM	ISSUE INVOLVED	STATUS
1			Legal claim filed against the company from suppliers were not acknowledged as debts amounting to Rs.0.418million (2020:0.418million)	Pending
2	Suite no 10 of 2000 Suite no 1296 of 2003	Sindh High Court	<p>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.</p> <p>National Bank of Pakistan vide its letter No. CCD: BE 096/48 dated March 01, 1995 confirmed that they have no objection to the publication of the prospectus of the company in the newspaper also mentioning in the said letter that Bank has not made any buy back agreement with the sponsors or any other person. The prospectus of the Company published in the newspaper also contained this fact that "their underwriter has not entered any buy back/ repurchase agreement with the sponsors or any other person". After public floatation, National Bank of Pakistan imposed the alleged condition of declaration of dividend at the rate of 15 to 16 percent and the undertaking from the sponsors to buy back the shares of the Company after 3 years within a period of one year was also obtained by the bank. The Company declared dividend for 1996,1997 and 1998 at 15 percent, 20 percent and 16 percent respectively. However, In this matter issues have been settled by the court and now the matter is at the stage of evidence of the parties. The management believes that, the company has a good arguable case and a decree is likely to be passed in its favour and as such there is no likelihood of unfavourable outcome or any potential loss on account of this litigation.</p> <p>Subsequent to filing of the above suit, National Bank of Pakistan also filed a Suit No. 1296 of 2003 in the High Court of Sindh against the company and the sponsors seeking enforcement of "Buy Back Agreement" and payment of resultant amount with profit at 18 percent per annum from the date of suit till the payment by the company and a direction that shares of the company be sold in the market and the net sale proceeds be applied towards the adjustment of the decretal amount. In this suit, National Bank of Pakistan before the high court of Sindh for recovery of Rs. 288,466,438 and sale of 3,754,900 shares in the market at the risk of the defendants. This matter has been settled by the court and now the matter is at the stage of evidence of the parties. The company has reasonable defence in the matter and in our view, a favourable outcome is expected and there is less likelihood of any potential loss being suffered by the company on account of the above litigation. However, final outcome would depend on conclusion of the evidence led by respective parties in support of their case and the sponsors are confident that they will succeed in their case in view of their sound legal position.</p>	Pending
3	Special sales tax appeal No. 97 of 2004	Customs Appellate Tribunal, Bench, Karachi	<p>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.</p> <p>One appeal filled against the order of the Custom Appellate Tribunal before the High Court of Sind at Karachi for refund of sales tax along with additional tax that was deposited by the company under protest with Custom and Sales tax Appellate Tribunal. The matter is at the stage of hearing of cases. The management believes that, the company has a good arguable case and an there is no likelihood of unfavourable outcome of this litigation.</p>	Pending
4	Appeal under section 33	Appellate bench SECP Islamabad	Appeal u/s 33 of the SECP Act 1997, Directors-S.G. Allied Businesses Limited against the order dated March 19, 2021 of Additional Director, Adjudication Department-1, SECP, Islamabad, has been file before Appellate bench SECP and is pending adjudication. We are hopeful of favourablen decision in favour of the company.	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.

13.2

Commitments

There are no commitments as at December 31, 2022 (June 30, 2022: nil)

	March 31, 2024	June 30, 2023
----- Rupees -----		
14 OTHER INCOME		
Rental income	<u>51,368,603</u>	<u>77,065,700</u>
	<u>51,368,603</u>	<u>77,065,700</u>

	For the Half Year Ended		For the Quarter Ended	
	Mar 31, 2024	Mar 31, 2023	Mar 31, 2024	Mar 31, 2023
----- Rupees in '000 -----				
Loss after taxation	<u>(5,967,005)</u>	<u>(9,205,130)</u>	<u>(4,401,236)</u>	<u>(8,478,709)</u>
Weighted average number of ordinary shares outstanding during the period	<u>15,000,000</u>	15,000,000	<u>15,000,000</u>	15,000,000
Loss per share - basic & dilutive	<u>(0.40)</u>	<u>(0.61)</u>	<u>(0.29)</u>	<u>(0.57)</u>

There are no dilutive potential ordinary shares outstanding as at December 31, 2022 and 2021.

16 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 condensed interim financial statements are given below.

	2024	2023
Staff retirement benefit-gratuity	8,623,975	8,623,975
Deferred Karachi Electric Supply Corporation bill	-	-
Deferred taxation	<u>54,059,408</u>	<u>54,059,408</u>
	<u>62,683,383</u>	<u>62,683,383</u>

	March 31, 2024	June 30, 2023
----- Rupees -----		
TRANSACTIONS:		
RELATIONSHIP WITH THE COMPANY		
Repayment of loan from directors	-	-
Loan received from director	-	-
Purchase of electricity from S.G. Power Limited	<u>3,348,238</u>	<u>3,348,238</u>
Directors' remuneration	<u>4,475,000</u>	<u>5,470,000</u>
	<u>3,348,238</u>	<u>3,348,238</u>
	<u>4,475,000</u>	<u>5,470,000</u>
BALANCES:		
Loan from directors	<u>261,574,406</u>	261,574,406
S.G. Power Limited	<u>74,537,358</u>	<u>74,537,358</u>

17 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, 2022 the Company has no financial instruments that falls into any of the above category.

18 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue in the Board of Directors' meeting held **APRIL 29, 2024**,

19 GENERAL

Figures have been rounded off to the nearest rupee, unless otherwise stated.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER