



DIRECTOR'S REPORT

The Board of Directors of SG Power Limited is pleased to present the Statements of the
C o m p a n y f o r t h e p e r i o d e n d e d S e p t e m b e r , 2 0 2 4 .

S.G Power Limited is a public limited company incorporated in Pakistan on February 10, 1994, under the repealed companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017). The shares of the company are listed on Pakistan Stock Exchange Limited.

The principal activities of the company is generation of the electric power and supply to its associated company, **SG Allied Business Limited.**

Due to shortage of gas from Sui Southern Gas Co. Ltd., and other unfavourable factors, the demand of electricity from sister concern is higher that's way the Company sales have been Increase to 3,032,700 as compared to previous year's sales of Nil. -

However the company have very potential to produced the electricity and gain profit on sale of the said electricity to his associated company and have very large quantity of electricity requirements through its 6 additional hydroponic rooms started production and sale of electricity increased in future

The management expect that the company will be able to continue as a going concern and will be able to realize its assets and discharge its liabilities in the normal course of business as the requirement of associate is increasing.

FINANCIAL RESULTS

The performance of the company during the Quarterly account under review has been on track of growth. The Company has reported the profit in current period as business activities of SG Power 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. 1,169,466 whereas, for the corresponding period the loss was Rs.2,337,990. The accumulated loss as on September 30, 2024 stood at Rs. 259,542,998.

FUTURE OUTLOOK

Alhamdo Lillah Company's Operations are running smoothly as business activities of SG Allied Business Limited is growing, management is hopeful for increased sale of the company in upcoming financial year 2024-25.

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 October 30, 2024

On behalf of the Board of
Director

Sohail Ahmed
Chief Executive

S.G POWER LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

	Notes	Un-Audited September 2024 Rupees	Audited June 2024 Rupees
SHARE CAPITAL AND RESERVES			
Authorised			
20,000,000 Ordinary shares of Rs. 10 each		<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid up	4	178,332,670	178,332,670
Share premium		89,116,330	89,116,330
Accumulated loss		(259,632,133)	(258,373,532)
		7,816,867	9,075,468
NON CURRENT LIABILITIES			
Deferred liabilities	5	-	-
Loan from director	6	1,843,262	593,262
Due associate under taking		1,071,700	2,953,470
		2,914,962	3,546,732
CURRENT LIABILITIES			
Trade and other payables	7	2,037,405	3,985,057
Unclaimed Dividend		1,297,283	1,297,283
Sales Tax Payable		919,094	528,688
		4,253,783	5,811,028
CONTINGENCIES AND COMMITMENTS			
	8	<u>14,985,612</u>	<u>18,433,230</u>
NON CURRENT ASSETS			
Property, plant and equipment	9	6,414,944	6,579,568
Long term deposit	10	5,300,000	5,300,000
CURRENT ASSETS			
Current portion of long term receivable	11	-	-
Receivable from associated company		3,265,942	6,551,126
Trade debts	12	-	-
Sales tax refundable		-	-
Accrued interest considered good	13	-	-
Cash and bank balances	14	4,726	2,536
		3,270,668	6,553,662
		<u>14,985,612</u>	<u>18,433,230</u>

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



CHIEF EXECUTIVE



DIRECTOR



Chief Financial
Officer

S.G POWER LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Notes	Un Audited September 2024 Rupees	Audited September 2023 Rupees
Sales	19	3,032,700	-
Generation cost	20	<u>(4,290,341)</u>	<u>(2,337,116)</u>
Gross income/Loss		(1,257,641)	(2,337,116)
Administrative and selling expenses	21	(960)	(338)
Other operating expenses	8	<u>-</u>	<u>-</u>
Operating Gain/Loss		(1,258,601)	(2,337,454)
Finance charges		-	(536)
Other loss		<u>-</u>	<u>-</u>
Loss before taxation		(1,258,601)	(2,337,990)
Taxation	22	-	-
Loss after taxation		<u>(1,258,601)</u>	<u>(2,337,990)</u>
Other comprehensive income		-	-
Total comprehensive income		<u><u>(1,258,601)</u></u>	<u><u>(2,337,990)</u></u>
Loss per share - basic and diluted	23	(0.071)	(0.131)

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



CHIEF EXECUTIVE



DIRECTOR



Chief Financial

S.G POWER LIMITED
STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

Notes	Un Audited September 2024 Rupees	Audited June 2024 Rupees
CASH FLOW FROM OPERATION ACTIVITIES		
Loss before taxation	(1,258,601)	1,667,521
Adjustment for non cash items:		
Depreciation	328,041	731,813
Finance charges	328,041	731,813
Cash flow from operating activity before working capital changes	(930,560)	2,399,334
Changes in working capital		
(Increase) / decrease in current assets	(3,265,942)	(6,551,126)
Bill receivable	(3,265,942)	(6,551,126)
Trade debts	(4,196,503)	(4,151,793)
Increase (decrease) in current liabilities		
Accrued Liabilities		-
Trade and other payables	1,926,516	1,155,947
Sales tax payable	390,406	557,638
Due to associated undertaking	1,881,770	1,881,770
	2,189	(556,438)
Finance charges paid	-	-
Net Cash used in operating activities	2,189	(556,438)
CASH FLOW FROM INVESTING ACTIVITIES		
Long term deposits	-	-
Net cash from investing activities	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Loan from Directors	-	547,000
Long term deposits	-	-
Repayment during the period	-	-
Net cash from financing activities	-	547,000
Net increase / (decrease) in cash and cash equivalents	2,190	(9,438)
Cash and cash equivalents at the beginning of the year	2,536	11,974
Cash and cash equivalents at the end of the year	4,726	2,536

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



CHIEF EXECUTIVE



DIRECTOR



**Chief Financial
Officer**

S.G POWER LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Issued, subscribed and paid up capital	Share Premium	Accumulated profit/(loss)	Total
	----- R u p e e s -----			
Balance as at Sep 30, 2022	178,332,670	89,116,330	(260,041,052)	7,407,948
Balance as at July 01, 2023	178,332,670	89,116,330	(260,041,052)#	7,407,948
Gain/(Loss) for the 1st Quarter ended 30 Sep. 2022	-	-	(2,337,990)	(2,337,990)
Balance as at Sep 30, 2023	178,332,670	89,116,330	(262,379,042)	5,069,958
Balance as at July 01, 2024	178,332,670	89,116,330	(258,373,532)#	9,075,468
Gain/(Loss) for the 1st Quarter ended 30 Sep. 2024	-	-	(1,258,601)	(1,258,601)
Balance as at Sep 30, 2024	178,332,670	89,116,330	(259,632,133)	7,816,867

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



CHIEF EXECUTIVE



DIRECTOR



Chief Financial
Officer

S.G. POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 LEGAL STATUS AND OPERATIONS

S.G Power Limited (the company) is a public limited company incorporated in Pakistan on February 10, 1994, under the repealed Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017). The shares of the company are listed on Pakistan Stock Exchange Limited.

The principal activities of the company is generation and supply of the electric power to its associated company, S.G Allied Businesses Limited.

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 of the company

2 GOING CONCERN ASSUPMTIONS

During the Quarter the Company incurred a loss before tax of Rs. 1,258,601 (2023: -2,337,990) and the Company's accumulated loss as at Sep 30, 2024 stood at Rs. 259.632 million (2024: 258.373 million). Furthermore, as at the quarter end the current liabilities exceeded the current assets by Rs. 983,114 (2024: 2,804,098). 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, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

In 2017, the associated company, SG Allied Businesses Limited started new lines of business activities and the Company acquired new generators and w.e.f. May 2017 has restarted to supply electricity to its associated company. Moreover, the Directors and its associated company will provide the finance to the Company as and when needed. Based on the above facts, management expects that company will be able to continue as a going concern and will be able to realize its assets and discharge its liabilities in the normal course of business.

3 BASIS OF PREPARATION

3.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for items as disclosed in the relevant accounting policies below.

3.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is also the functional currency of the Company. All amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

3.4 Key judgements and estimates

The preparation of financial statements in confirmation with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition it require management to exercise judgement in the process of applying the company's accounting policies. The area involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes and related primarily to;

- Useful lives , residual value and depreciation method of property, plant and equipment (refer note 5.1 & 13)
- Impairment of non-financial assets(refer note 5.2)
- Provision for expected credit losses(refer note 5.12)
- Estimation of contingent liabilities (refer note 5.14 & 12)
- Estimation of provisions (refer note 5.7)
- current income tax expense, provision for current tax recognition of deferred tax (refer note 5.10 & 24)

4 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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

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

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

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

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

5 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been consistently applied to all years presented in these financial statements, except in changes as indicated below.

5.1 Operating Fixed Asset

- a Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment loss (if any).
- b Depreciation is charged to income applying diminishing balance method at the rates specified in note 13.
- c Depreciation is charged on assets from the month of purchase or from the month of commercial production for additions in respect of additions made during the year while proportionate depreciation is charged on assets disposed off during the year till the month of disposal.
- d Major renewals and replacement are capitalized.
- e An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of an item of property plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and as recognised on as other income in the statement of profit or loss. The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.
- f Profit or loss on disposal of fixed asset are reflected in the Profit and Loss account.

Judgements and estimates

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

Impairment

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

Capital work-in-progress

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

5.2 Impairment of non-financial assets

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

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The increase in the carrying amounts shall be treated as reversals of impairment losses for individual assets and recognized in profit or loss unless the asset is measured at revalued amount. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

5.3 Stores, spares and loose tools

These are valued at the cost, determined on weighted average cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice value plus other charges incurred thereon.

5.4 Trade debts and other receivables

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

5.5 Cash and cash equivalents

Cash and cash equivalents are carried at cost. Cash and cash equivalents include cash on hand and balances with banks.

5.6 Trade and other payables

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

5.7 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amount of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of the cost of an asset.

5.8 Revenue Recognition

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

Revenue from supply of electricity is recognized on issue of bills on monthly basis.

Profit on bank deposits is recognized on accrual basis.

5.9 Borrowing Costs

Borrowing costs are recognized as an expense in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalized as part of the cost of that asset.

5.10 Taxation

Current

Profits derived by the company from electric power generation project are exempt from tax under clause 132 of Part -1 of the Second Schedule to the Income Tax Ordinance 2001

The company is also exempt from minimum tax on turnover under section 113 as per clause 15 of the part-IV of the Second Schedule to the Income Tax Ordinance 2001

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemption available, if any.

5.11 Foreign currency translations

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

5.12 Financial Instruments

Financial assets

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

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

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

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

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

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

Financial liabilities

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

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

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

5.13 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the balance sheet . If the company has a legally enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.14 Contingent liabilities

Contingent liability is disclosed when:

There is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly with in the control of the Company' or

There is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.15 Dividend distribution

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

5.16 Share capital

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

5.17 Basic and diluted earnings per share

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

5.18 Related party transactions

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

13 OPERATING ASSET - OWNED

2024

Particulars	Cost				Rate %	Depreciation					WDV
	As on July 01, 2024	Addition/ (Disposal)	Disposal	As on Sep 30, 2024		As on July 01, 2024	Disposal	For the year	Impairment	As on Sep 30, 2024	
	Rupees					Rupees					Rupees
Generators	194,705,828	-	-	194,705,828	10%	188,483,770	-	155,551	-	188,639,321	6,066,507
Air Handling Unit	475,420	-	-	475,420	10%	453,026	-	560	-	453,586	21,834
Electric fitting	531,990	-	-	531,990	10%	489,117	-	1,072	-	490,189	41,801
Gas installation	1,101,542	-	-	1,101,542	10%	1,049,659	-	1,297	-	1,050,956	50,586
Equipment	2,533,157	-	-	2,533,157	10%	2,298,199	-	5,874	-	2,304,073	229,084
Vehicles	1,782,700	-	-	1,782,700	20%	1,777,299	-	270	-	1,777,569	5,131
Total Owned Assets	201,130,637	-	-	201,130,637		194,551,070	-	164,624	-	194,715,694	6,414,944

The land on which the project is setup, has been obtained on rent from SG Allied Businesses Limited, an associated company.

Depreciation for the year ended has been allocated as under:

	Note	0	2022
			Rupees
Generation cost	20	164,354	452,592
Administration €	21	270	2,110
		164,624	454,702

During the year no assets were disposed-off to Chief Executive , Director, Executive or a Shareholder not less then ten percent of the voting shares of the Company or any related party.

2023

Particulars	Cost				Rate %	Depreciation					WDV
	As on July 01, 2023	Addition/ (Disposal)	Disposal	As on Sep 30, 2023		As on July 01, 2023	Disposal	For the year	Impairment	As on Sep 30, 2023	
	Rupees					Rupees					Rupees
Generators	194,705,828	-	-	194,705,828	10%	187,792,430	-	172,835	-	187,965,265	6,740,563
Air Handling Unit	475,420	-	-	475,420	10%	450,538	-	622	-	451,160	24,260
Electric fitting	531,990	-	-	531,990	10%	484,353	-	1,191	-	485,544	46,446
Gas installation	1,101,542	-	-	1,101,542	10%	1,043,894	-	1,441	-	1,045,335	56,207
Equipment	2,533,157	-	-	2,533,157	10%	2,272,093	-	6,527	-	2,278,620	254,537
Vehicles	1,782,700	-	-	1,782,700	20%	1,775,949	-	338	-	1,776,287	6,413
Total Owned Assets	201,130,637	-	-	201,130,637		193,819,257	-	182,954	-	194,002,211	7,128,427

The land on which the project is setup, has been obtained on rent from SG Allied Businesses Limited, an associated company.

Depreciation for the year ended has been allocated as under:

	Note	2023	2022
			Rupees
Generation cost	20	182,616	452,592
Administration €	21	338	2,110
		182,954	454,702

During the year no assets were disposed-off to Chief Executive , Director, Executive or a Shareholder not less then ten percent of the voting shares of the Company or any related party.

	Un Audited September 2024	Audited June 2024			
6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL					
17,883,267 Ordinary shares of Rs.10/- each fully paid in cash.	<u>178,332,670</u>	<u>178,332,670</u>			
7 DEFERRED LIABILITY					
Staff Gratuity					
The principal assumption used in the valuation of gratuity are as					
Discount rate	-	-			
Expected rate of increase in salary	-	-			
Expected average remaining working lives	-	-			
Movement in liability recognized in the balance sheet is as follows:					
Liability as at July 01	<u>113,040</u>	<u>113,040</u>			
Charge to profit and loss account	-	-			
	113,040	113,040			
Less Provision	(113,040)	(113,040)			
Payments made during the year	-	-			
Transferred to current liabilities in respect of employees left	-	-			
Liability as at June 30	<u>-</u>	<u>-</u>			
The amount recognized in the balance sheet are as follows:					
Present value of defined benefit obligation	-	-			
Liability as at June 30	<u>-</u>	<u>-</u>			
The amount recognized in the profit and loss account is as follows:					
Current service cost	-	-			
Actuarial gain/(loss)	-	-			
	<u>-</u>	<u>-</u>			
Comparison for five years as at	2022	2021	2020	2019	2019
	30-Jun	30-Jun	30-Jun	30-Jun	30-Jun
Present value of defined benefit obligation	<u>113,040</u>	<u>113,040</u>	<u>113,040</u>	<u>113,040</u>	<u>113,040</u>
Actuarial losses	Nil	Nil	Nil	Nil	Nil
7.1	There is no employee in the company as at year end and no actuarial valuation was carried out				
8 TRADE & OTHER PAYABLE					
GST payable	919,094	-			
Accrued Liabilities	1,098,496	3,582,906			
Other Liabilities	-	123,586			
Unclaimed dividend	1,297,283	1,297,283			
Tax deducted at source	19,815	19,815			
Other payable	-	258,750			
	<u>3,334,688</u>	<u>5,282,340</u>			
9 LOAN FROM DIRECTOR					
9.1 This represents interest free loan from sponsoring directors. Repayment terms	<u>1,843,262</u>	<u>593,262</u>			

1 CONTINGENCIES AND COMMITMENTS

Contingencies

- 1.1 Based on the legal opinion in respect of non applicability of Worker's Profit Participation Act.1968, on the company, provision made to workers profit participation, fund and interest thereon amounting Rs. 20,711,654/- up to June 30, 2002 has been transferred back to shareholder's equity in the accounts for the year ended 30, June 2003. No provision has been made thereafter from the financial year ended June 30, 2003 to June 30, 2006 for an amount of Rs.12,685,253. The contention of the company is that since there are no workers as defined in the Act, and accordingly the said Act does not apply to the company. No provision is being made under this head since the year 2002-2003. The Company has filed petition before High Court of Sindh, Karachi challenging the levy in this respect. The management is confident that no liability will arise on this account.

However, in the Finance Act, 2006 amendments have been made in the Act which is effective from July 01,2006. These changes may require the company to pay 5% of its profits to the fund from the Fiscal year beginning July 01,2006. However in these years the Company has incurred losses.

- 1.2 The collectorate of Sales Tax and Central Excise (west) Karachi has served a show cause notice requiring the repayment of inaccurate input tax adjustments and additional tax amounting to Rs.13,247,743/ and Rs.3,248,501/ - respectively, in respect of financial years ended June 30, 2000 and 2001.The Company has filed an appeal against such order in the Sales Tax Appellate Tribunal. Management of the company expects a favorable outcome and no provision has been made in these financial statements.

		September 2024 Rupees	September 2023 Rupees
1.3 Commitments		-	-
10 LONG TERM DEPOSIT			
Long term deposit	10.1	<u>5,300,000</u>	<u>5,300,000</u>
10.1 This represents margin held by M/s Sui Southern Gas Company limited against the supply of Gas.			
11 LONG TERM RECEIVABLE			
Unsecured -Considered good		65,287,512	65,287,512
Less: Provision for doubtful debts		<u>(65,287,512)</u>	<u>(65,287,512)</u>
		-	-
11.1 In April -2006, the SECP directed the directors of the Company under Sec 473 of the Companies Ordinance 1984 (the Ordinance) pursuant to the Order made in the matter of show cause notice issued to the directors of the company under section 208 read with the section 476 of the Ordinance to recover the outstanding balance from the associated company, S.G. Fibre Limited, in quarterly installment of Rs.10 million each beginning from quarter April-June 2006. Further, SECP has directed to recover the interest, that should not be less than borrowing cost of the Company, as return on its previous years' credits. Consequently , the balance was transferred to the long term receivables, which in effect has been transferred over a period of time in to current portion of long term receivable.			
12 TRADE DEBTS			
Unsecured- Considered good			
Electricity bill receivable		3,265,942	6,551,126
Associated Company- SG Allied Businesses Limited		94,036,243	94,036,243
Less: Provision for doubtful debts		<u>(94,036,243)</u>	<u>(94,036,243)</u>
		<u>3,265,942</u>	<u>6,551,126</u>
13 INTEREST ACCRUED			
Considered good			
Interest on TDR Receivable	13.1	-	-
Interest on loan to associated Company -S.G. Fibre Limited		10,654,243	10,654,243
Less: Provision for doubtful debts		<u>(10,654,243)</u>	<u>(10,654,243)</u>
		-	-
		-	-
13.1 This represents interest accrued on long term receivable from the associated company, S.G. Fibre Limited, charged as per the direction issued by SECP vide Order date April 6, 2006.			

	2024 Rupees	September 2023 Rupees
14 CASH & BANK BALANCE		
Cash in hand	400	400
Cash at bank-current accounts	4,326	11,628
	<u>4,726</u>	<u>12,028</u>
15 SALES		
Sales -electricity	3,032,700	-
	<u>-</u>	<u>-</u>
	<u>3,032,700</u>	<u>-</u>
15.1 The Company has done away with the policy of charging late payment surcharge on delayed receipt of payment from the associated undertaking for sale of electricity.		
16 GENERATION COST		
Gas consumed	3,962,570	2,154,500
Depreciation	327,771	182,616
	<u>4,290,341</u>	<u>2,337,116</u>
17 ADMINISTRATION & SELLING EXPENSES		
Bank Charges	690	338
Depreciation	270	-
	<u>960</u>	<u>338</u>
18 TAXATION		
The relationship between tax expense and accounting profit has not been presented in these financial statements as the income derived by the Company from electric power generation project is exempt from tax under clause 132 of Part 1 of the Second Schedule.		
19 GAIN / (LOSS) PER SHARE		
There is no dilutive effect on the basic earnings per share of the Company which is based on:		
Gain for the year	Rs. (2,337,990)	(2,904,481)
Weighted average number of ordinary shares outstanding during the year	<u>17,833,267</u>	<u>17,833,267</u>
Gain per share	Rs. <u>(0.13)</u>	<u>(0.16)</u>
20 TRANSACTIONS WITH RELATED PARTIES		
The related parties comprise of associated company and directors. Transactions with associated undertaking are as follows:		
Electricity billa receivable	<u>3,265,942</u>	<u>4,090,891</u>
Interest receiveable on Long term Receiveable	<u>10,654,243</u>	<u>10,654,243</u>

21 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	<u>Executives</u>	<u>Executives</u>
	<u>2024</u>	<u>2024</u>
	<u>(Rupees)</u>	<u>(Rupees)</u>
Basic salary	-	-
House allowance	-	-
Utilities	-	-
	<u>-</u>	<u>-</u>

22 PLANT CAPACITY AND ACTUAL PRODUCTION

	<u>Electricity(KWH)</u>	<u>Electricity(KWH)</u>
	<u>2022</u>	<u>2022</u>
Annual Capacity	<u>1,576,800</u>	<u>1,576,800</u>
Actual Generation	-	-

Reason for no generation

As the only consumer of electricity S.G. Fibre Limited shut down its production , so power plant also been shut down for the time being.

23 FINANCIAL INSTRUMENT AND RELATED DISCLOSURE

23.1 Financial Risk Management

24.1.1 The company's activities may expose it to a variety of financial risks: credit risk and liquidity risk. The company's overall risk management seeks to minimize potential adverse effects on the company's financial performance.

Risks managed and measured by the

23.2 Market Risk

24.2.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The company is not exposed to interest rate risk.

24.2.2 Currency Risk

Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The company doesn't have financial instruments dependent on currency risk.

24.2.3 Price Risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is not exposed to major concentration of price risk.

23.3 Credit Risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted.

Credit risk arises from cash equivalents, deposits with banks, as well as credit exposures to customers and other counterparties which include loans and advances, trade debts and other receivables. Out of the total financial assets, those that are subject to credit risk amounted to Rs 1.943 million (2018: Rs 11.109 million).

For trade debts, credit risk assessments process determines the credit quality of the customer, taking into account its financial position, past experience and other factors. The utilization of credit limit is regularly monitored. Accordingly, the credit risk is minimal and the company also believes that it is not exposed to major concentration of credit risk.

In respect of other counter parties, due to the company's long standing business relationship with them, management does not expect non-performance by these counter parties on their obligations to the company.

The maximum exposure to credit risk as at June 30, 2024, along with comparative is tabulated below:

	2024 Rupees	2024 Rupees
Financial Assets		
Current portion of long term receivable	65,287,512	5,300,000
Trade debts	-	-
Other receivables	-	-
Cash & bank balances	4,726	12,028
	<u>65,292,238</u>	<u>5,312,028</u>

23.4 Liquidity Risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Following are the carrying amount and maturities of the Company's financial liabilities.

Financial liabilities in accordance with their

	Carrying Amount/ Rupees	Between 1 to 2 years	Between 1 to 2 years
Trade and other payables	5,282,340	11,109,294	11,109,294
	<u>5,282,340</u>	<u>11,109,294</u>	<u>11,109,294</u>

23.5 Fair values of financial assets and liabilities

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates. As at June 30, 2019 the carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

24 CAPITAL RISK MANAGEMENT

The company's prime objective when managing capital structuring is to safe guard its ability to continue as a going concern in order to provide adequate returns for share holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

25 DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue on Karachi October 30, 2024 by the Board of Directors of the Company.

26 GENERAL

Figures have been rounded off to the nearest rupee.



Chief Executive



Director



Chief Financial
Officer