



Annual Report 2024



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2024

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COMPANY INFORMATION

BOAR OF DIRECTORS

Mrs. Saba Sohail	Director/Chairperson
Mr. Sohail Ahmed	Chief Executive
Mr. Asim Ahmed	Director
Ms. Sana Sohail	Director
Mr. Farhan Sohail	Director
Mr. Salim Razak Tabani	Indepandant Director
Mr. Mansoor Mubeen	Indepandant Director

AUDIT COMMITTEE

Mr. Mansoor Mubeen	Chairman
Mrs. Saba Sohail	Member
Mrs. Sana Sohail	Member

HR AND REMUNERATION COMMITTEE

Mr. Salim Razak Tabani	Chairman
Mrs. Saba Sohail	Member
Mrs. Sana Sohail	Member

CHIEF FINANCIAL OFFICER

Mr. Farrukh Naveed

AUDITORS

Muniff Ziauddin & Co.
Chartered Accountants

LEGAL ADVISOR

Mohsin Tayab & Co.,

BANKERS

Bank Islamic Limited
Bank Al Habib Limited
Summit Bank Limited
Meezan Bank Limited

SHARES REGISTRAR

M/S. F.D. Registrar
Services (SMC-Pvt.) Limited, Office #
1705, 17th Floor, Saima Trade Tower,
'A', I. I. Chundrigar Road, Karachi.

REGISTERED OFFICE

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

Review Report by the Chairman on Board's overall

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of (the "Board") of **SG Power Limited** (the "Company") is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and bench marked against expectations in the context of objectives set for the Company. Areas where improvements are required are duly considered and action plans are framed.

The Board has recently completed its annual self-evaluation for the year ended June 30, 2024 and I report that:

The overall performance of the Board measured on the basis of approved criteria for the year was satisfactory. The overall assessment as Satisfactory is based on an evaluation of the following integral components, which have a direct bearing on Board's role in achievement of Company's objectives:

I am pleased to present the chairperson review report of the Company for the year ended on 30 June 2024. This year was full of challenges for the Board of Directors. In addition to uncertain gas supply, the gas rates were revised many times and also RLNG rates was revised upward making generation cost more expensive than K. Electric cost. Our Generation cost has substantially gone up keeping in view the day to day maintenance expenses, higher fuel costs and salaries of technical staff.

As a result our associate company SG Allied Businesses Limited is now buying minimum power from our Company and relies on K. Electric supplying power which is now cheaper.

1. Vision, mission and values: Board members are familiar with the current vision, mission and values and support them. The Board revisits the mission and vision statement from time to time,
2. Engagement in strategic planning: Board has a clear understanding of the stakeholders (shareholders, customers, employees, vendors, Society at large) whom the Company serves. The Board has a strategic vision of how the organization should be evolving over the next three to five years. Further Board sets annual goals and targets for the management in all major performance areas.
3. Diligence: The Board members diligently performed their duties and thoroughly reviewed, discussed and approved Business Strategies, Corporate Objectives, plans, budgets, financial statements and other reports. It received clear and succinct agendas and supporting written material in sufficient time prior to board and committee meetings. The board met frequently enough to adequately discharge its responsibilities.
4. Monitoring of organization's business activities: The Board remained updated with respect to achievement of Company's objectives, goals, strategies and financial performance through regular presentations by the management, internal and external auditors and other independent consultants. The Board provided appropriate direction and oversight on a timely basis.

5. Diversity and Mix: The Board members effectively bring the diversity to the Board and constitute a mix of independent and non-executive directors. The non-executive and independent directors were equally involved in important board decisions.
6. Governance and Control Environment: The Board has effectively set the tone-at-the-top, by putting in place transparent and robust system of governance. This is reflected by setting up an effective control environment, compliance with best practices of corporate governance and by promoting ethical and fair behavior across the company.



Saba Sohail
Chairperson.

Karachi Dated: 07 October 2024

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 31st Annual General Meeting of the members of M/s SG Power Limited will be held on **Monday October 28, 2024 at 11:30 AM** at Company Registered Office at B-40, S.I.T.E., Karachi to transact the following business:

1. To confirm the minutes of 30th Annual General Meeting held on **October 27, 2023**.
2. To receive, consider and adopt audited annual accounts of the company for the year ended June 30, 2024 together with the Directors' and Auditors' report thereon.
3. To appoint auditors for the year 2024-25 and fix their remunerations.
4. To transact any other business with the permission of the Chair.

Karachi: October 07, 2024

By Order of the Board



Farrukh Naveed
(Company Secretary)

Notes

1. The Shares Transfer 'gooks of the Company will remain closed from **October 22, 2024 to October 28, 2024** (both days inclusive) for the purpose of the Annual General Meeting.
2. A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend the meeting and vote instead of him/her. In case of corporate entity, the Board of Director's resolution/power of attorney with specimen signature shall be submitted along with proxy from the Company. Proxies in order to be effective must reach at the Registered Office of the Company not less than 48 hours before the time of the meeting.
3. Members are requested to notify change in their mailing address, if any, immediately to the Share 11, registrar of the Company M/S F.D. Registrar Services (Private) Limited, Office No. 1705, 17th Floor, Saima Trade Tower, I.I. Chundrigar Road, Karachi.
4. Members, who have deposited their shares with the Central Depository Company of Pakistan Ltd. (CDC), are requested to bring their original Computerized National Identity Cards along with their account numbers in CDC for verification at the time of the meeting. 5. CDC account holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
5. CDC account holders will further have to follow the guidelines as laid down in Circular I dated January 26, 2000 issued by teh Securities and Exchange Commission of Pakistan.

SG Power Limited

DIRECTOR' REPORT

The Board of Directors of S.G Power Limited is pleased to present the 31st Annual Report and Audited Financial Statements of the Company together with Directors Report and Auditors Report thereon for the year ended June 30, 2024.

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

The directors of the Company are pleased to present the annual financial statements of the Company for the year ended June 30, 2024 to the members.

The auditors have given an observation regarding the existence of material uncertainty regarding Company's ability to continue as a going concern. The directors do not agree with this observation as the Company has made improvement in performance during the year and therefore the profit gain from last year losses is Rs. 1.667 million (2023- Rs. 2.904 million losses) during the year and accumulated loss as at June 30, 2024 stood at *258.373 million (2023 Rs. 260.041 million)* These conditions does not indicate the existence of a material uncertainty. Another ground for reservation is that associated company, SG Allied Business Limited started new line of business activities and the Company had acquired new generators and w.e.f. May 2017 had restarted to supply electricity to its associated company. In the years of 2018-19 and 2019-20 the Company earned profit, however, in the year of 2020-21 and 2021-22 Company had to incur additional expenses to meet the electricity requirement of the associated Company.

Moreover, the management expects 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 requirements of associate.

FINANCIAL RESULTS

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 17,302,191_ as compared to previous year's sales of Rs. 3,348,238

The members are informed that the Company has done away with the policy of charging late payment surcharge from the associated Company as delayed receipts of associated undertaking for sale of electricity. The generation costs have gone up substantially and the major contributory is the constant increases gas charges. The Company had to make payment of Rs. 14,241,206_ for purchase of gas. As a result of high cost of generation, the Company gain a gross profit of Rs. 2,330,522 for the year. Total comprehensive Profit of the year stands at Rs. 1,667,521 The accumulated losses have Decreased to Rs. 258,373,532/.

	Rupees 2024	Rupees 2023
Sale	17,302,191	3,348,238
Generation cost	14,971,669	6,074,854
Gross Profit	2,330,522	(2,726,616)
Admin & Selling Expenses	663,001	(177,865)
Profit / (Loss) before taxation	1,667,521	(2,904,481)
Profit / (Loss) after taxation	1,667,521	(2,904,481)

KEY PERFORMANCE INDICATORS

- There is increased in sale, the major reason of demand of electricity from sister concern , were noted.
- The net profit was reported at 1,667,521 there is increase in process as the corresponding figure of last year were 2,904,481 loss of company.

During the financial year following were the Directors of the Company:

S/No	Name of Director
1	Mr. Sohail Ahmed
2	Ms. Saba Sohail
3	Ms. Sana Sohail
4	Mr. Farhan Sohail
5	Mr. Asim Ahmed
6	Mr. Mansoor Mubeen
7	Mr. Salim Razak Tabani

RISK FACTORS

During the financial year there were no risk factors faced by the Company.

FURUTRE OUTLOOK

Alhamdo Lilla Company's operations during the year ran smoothly as business activities of the associated company is grown and the management is hopeful that it will also benefit on this account in the coming years.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

In accordance with the requirement of the Listed Companies (Code of Corporate Governance) Regulation 2019, issued by the Securities and Exchange Commission of Pakistan, the Directors hereby confirm that:

- The financial Statements for the year ended June 30, 2024 have been prepared by the management present fairly its state of affairs, the results of its operation, cash flow and change in equity.
- Proper books of accounts of the Company have been maintained.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The Company is in the process of implementing internal control.
- There has been no material departure from the best practice of Code of Corporate Governance as detailed in the listing regulations.
- The Directors, Chief Executive and their spouses and minor children did not carry out any transaction in the shares of the Company during the year.
- Compliance of Code of Corporate Governance is annexed.
- Certain non-compliance s mentioned in the Auditors' Review Report are due to the fact that the associated Company is in the process of revamping its business process and certain compliance's remained unshered as at the year end.

The Board has four meeting during the year. The attendance by each Director was as follows:

S/No	Name of Director	No. of meeting attended
1	Mr. Sohail Ahmed	4
2	Mr. Asim Ahmed	4
3	Mr. Farhan Sohail	4
4	Ms. Saba Sohail	4
5	Ms. Sana Sohail	4
6	Mr. Mansoor Mubeen	4
7	Mr. Salim Razak Tabani	3

AUDIT COMMITTEE

The meetings of Audit Committee were held during the year ended June 30, 2019 as required by Code of Corporate Governance for review of Quarterly/Half Yearly, Annual Accounts and the related matters. The meetings were also attended by the External Auditors as and when required. The composition of the Committee is as follows:

Mr. Mansoor Mubeen	Chairman
Ms. Sana Sohail	Member
Ms. Saba Sohail	Member

AUDITORS

The present Auditors M/s. Muniff Ziauddin & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment. Audit Committee has recommended for their re-appointment for the year ending June 30, 2024-25.

ACKNOWLEDGEMENT

The Directors of your Company offer their sincere gratitude to the shareholders, for their support and assistance.

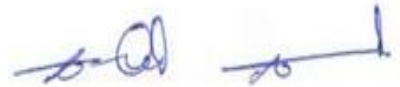
SHAREHOLDINGS PATTERN

The Pattern of Shareholding as on June 30, 2024 is annexed.



Farhan Sohail
Director

On behalf of the
Board of Directors



Sohail Ahmed
(Chief Executive)

Date October 07, 2024 Karachi

ایس جی پاور لمیٹڈ

ڈائریکٹرز کی رپورٹ

ایس جی پاور لمیٹڈ کے بورڈ آف ڈائریکٹرز کو 30 جون 2024 کو ختم ہونے والے سال کے لئے آڈیٹر کی رپورٹ کے ساتھ کمپنی کی 31 ویں سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشواروں کو پیش کرنے پر خوشی ہے۔

ایس جی پاور لمیٹڈ (کمپنی) ایک پبلک لمیٹڈ کمپنی ہے جو پاکستان میں 10 فروری 1994 کو منسوخ شدہ کمپنیز آرڈیننس، 1984 (کمپنیز ایکٹ، 2017 کے نفاذ کے ساتھ منسوخ) کے تحت قائم کی گئی تھی۔ کمپنی کے حصص پاکستان اسٹاک ایکسچینج لمیٹڈ میں درج ہیں۔

کمپنی کے بنیادی سرگرمیاں الیکٹرک پاور کی پیداوار اور اس سے منسلک کمپنی ایس جی الائیڈ برنسز لمیٹڈ کو سپلائی کرتا ہے۔

آڈیٹرز نے جاری تشویش کے طور پر کمپنی کے جاری رکھنے کی صلاحیت کے بارے میں مادی غیر یقینی صورتحال کے بارے میں ایک مشاہدہ دیا ہے۔ کمپنی نے کارکردگی میں بہرتی لائی ہے اس لیے جاہزہ گزشتہ سال کے مقابلہ زیادہ ہوئے جو موجودہ اعداد و شمار 1.667 روپے ہے۔ سال کے دوران 2.994

ملین (257136 ملین) اور 30 جون 2023 تک جمع شدہ نقصان روپے رہا۔ 258.372 ملین (2023، 260.041 ملین)۔ یہ شرائط ایک مادی غیر یقینی صورتحال کی موجودگی کی نشاندہی کرتی ہیں جو کمپنی کی جاری تشویش کے طور پر جاری رکھنے کی صلاحیت پر اہم شکوک پیدا کر سکتی ہے اور اس وجہ سے یہ اپنے اثاثوں کا ادراک کرنے اور کار بار کے معمول کے دوران اپنی ذمہ داریوں کو ادا کرنے سے قاصر ہو سکتی ہے۔ 2017 میں منسلک کمپنی، ایس جی پاور لمیٹڈ نے کاروباری سرگرمیوں کی نئی لائنیں شروع کیں اور کمپنی نے نئے جزیٹرز اور ڈبلیو ایف حاصل کئے۔ مئی 2017 نے اپنی متعلقہ کمپنی کو

بجلی کی فراہمی دوبارہ شروع کر دی ہے۔ 19-2018 اور 20-2019 کے سالوں میں کمپنی نے منافع کمایا، تاہم، 21-2020 اور 22-2021 کے سال میں کمپنی نے بجلی کی پیداوار کو مزید بحال کرنے کے لئے اضافی اخراجات اٹھائے۔

مزید برآں انتظامیہ کے توقع ہے کہ کمپنی ایک جاری تشویش کے طور پر جاری رکھ سکے گی اور اپنے اثاثوں کا ادراک کر سکے گی اور اپنی ذمہ داریوں کو کاروبار کے معمول کے دوران ایسوسی ایٹ کی ضروریات کے مطابق ادا کر سکے گی۔

مالیاتی نتائج

زیر نظر سال کے دوران کمپنی کی کارکردگی ریکوری کے راستے پر رہی ہے کیونکہ اوپر بیان کردہ عوامل اس کے واحد کسٹمر اور بہن کی تشویش سے متعلق ہیں۔ 30 جون 2024 کو ختم ہونے والے سال کے مالی نتائج درج ذیل ہیں:

2024	2023	روپے
17,302,191	3,348,238	فروخت
14,971,669	6,074,854	جزیبیشن لاگت
23,305,22	2,726,616	مجموعی منافع
66,300,1	(177,865)	ایڈمن اور سیلنگ اخراجات
16,675,21	2,904,481	ٹیکس سے پہلے نقصان
16,675,21	2,904,481	ٹیکس کے بعد نقصان

کارکردگی اہم اشارے:

- فروخت میں برائے نام حکمنامے ہیں، گیس کی کم فراہمی بجلی کی کم پیداوار کی وجہ سے، اس لئے 70,103 روپے کی کمی نوٹ کی گئی۔
- خالص جائزہ روپے میں رپورٹ کیا گیا 1.667 عمل میں بہتری آئی ہے کیونکہ پچھلے سال کے اس اعداد و شمار میں کمپنی 2.914 بلین خسارہ تھا۔ مالی سال کے دوران کمپنی کے ڈائریکٹرز مندرجہ ذیل تھے:

ڈائریکٹرز کا نام

- 1- جناب سہیل احمد
- 2- جناب عاصم احمد
- 3- جناب فرحان احمد
- 4- محترمہ صبا سہیل
- 5- محترمہ ثناء سہیل
- 6- جناب منصور مبین
- 7- جناب سلیم رزاق تابانی

مالی سال کے دوران کمپنی کو ایسا کوئی خطرہ نہیں تھا۔

مستقبل کا آڈٹ لک الحمد للہ کمپنی کے آپریشنز خوش اسلوبی سے چل رہے ہیں، جیسا کہ ایس جی پاور لمیٹڈ کی کاروباری سرگرمیاں بڑھ رہی ہیں۔ انتظامیہ آئندہ مالی سال 2024-25 میں کمپنی کی فروخت میں اضافے کے لئے پرامید ہے۔

کوڈ آف کارپوریٹ گورننس

کے ساتھ تعمیل سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ کوڈ آف کارپوریٹ گورننس ریگولیشن 2017 کی ضرورت کے مطابق، ڈائریکٹرز اس بات کی تصدیق کرتے ہیں:

مناسب کتابیں رکھی گئیں ہیں۔

بین الاقوامی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں پیروی کی گئی ہے۔

مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے۔

اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلوں پر مبنی ہیں۔

کمپنی اندرونی کنٹرول کو نافذ کرنے کے عمل میں ہے۔ کوڈ آف کارپوریٹ

گورننس کے بہترین طریقہ کار سے کوئی مادی اخراج نہیں ہوا جیسا کہ فہرست سازی کے ضوابط میں تفصیل ہے۔

ڈائریکٹرز، چیف ایگزیکٹو اور ان کی شریک حیات اور نابالغ بچوں نے سال کے دوران کمپنی کے شیئرز میں کوئی لین دین نہیں کیا۔

کوڈ آف کارپوریٹ گورننس کی تعمیل منسلک ہے۔

آڈیٹرز کی جائزہ رپورٹ میں ذکر کردہ کچھ غیر تعمیلات اس حقیقت کی وجہ سے ہیں کہ متعلقہ کمپنی اپنے کاروباری عمل کو بہتر بنانے کے عمل میں ہے اور سال

کے آخر میں کچھ تعمیلات کی پابندی نہیں کی گئی تھیں۔

سال کے دوران بورڈ کے چار اجلاس ہوتے ہیں۔ پریڈائریکٹری کی حاضری حسب ذیل تھی:
اجلاس میں شرکت کرنے والے ڈائریکٹرز کے نام:

جناب سہیل احمد	4
جناب عاصم احمد	4
فرحان احمد صاحب	4
جناب منصور مبین صاحب	4
محترمہ صبا سہیل	4
جناب سلیم رزاق تابانی	3
محترمہ ثناء سہیل	4

آڈٹ کمیٹی

حساب کتاب کا گروہ یا لوگ کے اجلاس 30 جون 2019 کو ختم ہونے والے سال کے دوران منعقد کئے گئے تھے جیسا کہ کوڈ آف کارپوریٹ گورننس کے مطابق سہ ماہی / ششماہی / سالانہ اکاؤنٹس اور متعلقہ امور کا جائزہ لیا گیا تھا۔ اجلاسوں میں ضرورت پڑنے پر بیرونی آڈیٹرز نے بھی شرکت کی۔
کمیٹی کی تشکیل حسب ذیل ہے:

منصور مبین صاحب

صبا سہیل

ثناء سہیل

آڈیٹرز

موجودہ آڈیٹرز میسرز ضیاء الدین اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہونے والے اور اہل ہونے کے بعد، خود کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔ آڈٹ کمیٹی نے 30 جون 2024 کو ختم ہونے والے سال کے لئے ان کی دوبارہ تقرری کی سفارش کی ہے۔

اعتراف:

آپ کی کمپنی کے ڈائریکٹرز شیئر ہولڈرز کے تعاون اور مدد کے لئے ان کا تہہ دل سے شکریہ ادا کرتے ہیں۔

شیئر ہولڈنگز پیٹرن

30 جون 2024 تک شیئر ہولڈنگز کا پیٹرن منسلک ہے۔

بورڈ آف ڈائریکٹرز

کی جانب سے



فرحان سہیل

ڈائریکٹر



سہیل احمد

چیف ایگزیکٹو

07 اکتوبر 2024، کراچی

VISION STATEMENT

To be nationally & internationally recognized as trendsetter of polyester filament yarn.
Producing and introducing new varieties of highly value added Products to our customers both
in Pakistan & abroad.

MISSION STATEMENT

Our mission is to exceed the expectations of our customers in producing highest
quality product.
With determination of greater returns to shareholders and good opportunities to employees.
To make the company a high flyer of all times.

CORPORATE OBJECTIVES & DEVELOPMENT STRATEGY

From the beginning we have been producing exceptionally high quality products.
Every time we introduced new varieties in the market which was followed by others later on.
Alhamdulillah we become the only exporter of polyester filament yarn from Pakistan.
We wish to strive continuously to achieve higher levels of excellence by employing most
Modern manufacturing technology Operational & Financial Management.
To extend our maximum contribution to our beloved Country in almost all possible
fields specially to National exchequer.

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE ON TRANSFER PRICING

The Company has fully complied with the best practice on Transfer Pricing as contained in the
regulation No. 38 of the Karachi Stock Exchange (G) Limited.

On behalf of the Board of Directors



Sohail Ahmed
(Chief Executive)

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

For the year ended June 30, 2024

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations 2019 (CCG / Regulations) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

SG Power Limited ("the company") has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 7 (Seven) as per the following:

- a. Male :5
- b. Female :2

2. The composition of the Board is as follows:

CATEGORY	NAMES
Independent Director	Mr. Mansoor Mubeen Mr. Saleem Razzak Tabani
Executive Director	Mr. Sohail Ahmed Mr. Farhan Sohail Mr. Asim Ahmed
Non-Executive Director	Mrs. Saba Sohail Mrs. Sana Sohail
Female Directors	Mrs. Saba Sohail Ms. Sana Sohail

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
- 4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
- 5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
- 8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- 9. No Director's Training Program were held during the year.

10. The Board has approved appointment of chief financial officer and company secretary, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below.
 - a) Audit Committee

Ms. Mansoor Mubeen	Chairman
Ms. Saba Sohail	Member
Ms. Sana Sohail	Member
 - b) HR and Remuneration Committee

Mr. Salim Razzak Tabani	Chairman
Ms. Sana Sohail	Member
Ms. Saba Sohail	Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following: a) Audit Committee; 4 Quarterly Meetings b) HR and Remuneration Committee; 2 Half Yearly Meetings
15. The board is in the process of setting up an effective internal audit function, as the operations of the company are being revived;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Reg.	Explanation
31	The board is in the process of setting up an effective internal audit function, as the operations of the company are being revived.
29(1)	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.
30(1)	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board
10A (1)(3)(4)	The Board is responsible for governance and oversight of sustainability risks and opportunities and takes appropriate measures to address it. Further, the Board ensures that the Company's sustainability and DE&I related strategies are periodically reviewed and monitored.
10A (5)	The Board may establish a dedicated sustainability committee or assign additional responsibilities to an existing Board committee.



Sohail Ahmed
Chief Executive



MUNIFF ZIAUDDIN & CO.
Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF S.G. POWER LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED
IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **S.G. Power Limited** (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Director's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Following instances of non-compliance with the requirements of the Regulations were observed which are not appropriately stated in the Statement of Compliance:

Note reference Description

2	The executive directors are more than one third of the Board.
24	Same person holds office of chief financial officer and the company secretary of the company as the company is not operating sufficiently yet and the company believes that there is no need of separate person for both positions.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Regulations as applicable to the Company for the year ended June 30, 2024.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the note/paragraph reference where these are stated in the Statement of Compliance:

Reg.	Explanation
31	The board is in the process of setting up an effective internal audit function, as the operations of the company are being revived.
29(1)	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.
30(1)	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board
10A (1)(3)(4)	The Board is responsible for governance and oversight of sustainability risks and opportunities and takes appropriate measures to address it. Further, the Board ensures that the Company's sustainability and DE&I related strategies are periodically reviewed and monitored.
10A (5)	The Board may establish a dedicated sustainability committee or assign additional responsibilities to an existing Board committee.


Chartered Accountants
Karachi
Date: October 07, 2024
UDIN: CR202410153nLQmWRgdU



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Chartered Accountants

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Independent Auditors' Report
To the Members of S.G. Power Limited

Report on the Audit of Financial Statements

Opinion

We have audited the annexed financial statements of S.G. Power Limited (the Company), which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2024 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty relating to Going Concern

We draw attention to note 2 in the financial statements, which indicates that the Company incurred a profit of Rs. 1,667,520 (2023: -2,904,481) and the Company's accumulated loss as at June 30, 2024 stood at Rs. 258.373 million (2023: 260.041 million). Furthermore, as at the year end the current liabilities exceeded the current assets by Rs. 2,804,098 (2023: 5,203,434). These conditions indicate the existence of material uncertainty that may cast significant doubt about the 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. Our report is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters



Key Audit Matters	How our audit addressed the Key Audit Matters
<p>1. Revenue recognition</p> <p>Refer note 5.8 to the financial statements relating to the revenue recognition.</p> <p>The company generates revenue from generation and supply of the electric power to its associated company, of SG Allied Businesses Limited. The company recognized revenue of Rs. 17.302 million for the year ended June 30, 2024.</p> <p>We identified revenue recognition as Key audit matter as it is one the Key performance indicators of the Company and because of the Potential risk that revenue transactions may not being recognized in appropriate period and risk of misapplication of the new accounting standard IFRS-15 'Revenue from contract with customers'.</p>	<p>Our procedures included:</p> <p>We obtained an understanding of assessed and tested the design and operating effectiveness of controls designed to ensure that revenue is recognized in appropriate accounting period;</p> <p>We assessed the appropriateness of the company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards;</p> <p>We compared on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period;</p> <p>We received management's IFRS-15 assessment to verify the reasonableness, accuracy and completeness of the impact on the financial statements of the company; and We obtained an understanding of the nature of the revenue contracts entered into by the company, tested a sample of sales contracts to confirm our understanding and assessed whether or not management's application of IFRS-15 requirements was in accordance with the standard.</p>
<p>2. Contingencies</p> <p>The Company is subject to material litigations involving different courts pertaining to taxation and other matters, which requires management to make assessment and judgements with respect to likelihood and impact of such litigations. Management have engaged independent legal counsel on these matters.</p> <p>The accounting for, and disclosure of, contingencies is complex and is a matter of most significance in our audit because of the judgements required to determine the level of certainty on these matters.</p> <p>The details of contingencies along with management's assessment and the related provisions are disclosed in note 12 to the financial statements.</p>	<p>In response to this matter, our audit procedures included:</p> <p>Discussing legal cases with the legal department to understand the management's view point and obtaining and reviewing the litigation documents in order to assess the facts and circumstances.</p> <p>Obtaining independent opinion of legal advisors dealing with such cases in the form confirmations.</p> <p>We also evaluated the legal cases in line with the requirements of IAS 37: Provisions, contingent liabilities and contingent assets.</p> <p>The disclosures of legal exposures and provisions were assessed for completeness and accuracy.</p>



Information other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include in the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud and error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Muhammad Moin Khan.



Chartered Accountants
Karachi

Date: 07 October, 2024

UDIN: AR202410153kd1OqzvM7

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

	Note	2024 Rupees	2023 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 capital	6	178,332,670	178,332,670
Capital reserve			
Share premium		89,116,330	89,116,330
Revenue reserve			
Accumulated loss		(258,373,532)	(260,041,052)
		9,075,468	7,407,948
NON CURRENT LIABILITIES			
Deferred liabilities	7	-	-
CURRENT LIABILITIES			
Trade and other payables	8	3,985,057	2,829,112
Loan from director	9	593,262	46,262
Unclaimed dividend	10	1,297,283	1,297,283
Sales tax payable		528,688	-
Due to associated undertaking	11	2,953,470	1,071,700
		9,357,761	5,244,357
CONTINGENCIES AND COMMITMENTS			
	12	<u>18,433,230</u>	<u>12,652,305</u>
NON CURRENT ASSETS			
Property, plant and equipment	13	6,579,568	7,311,381
Long term deposit	14	5,300,000	5,300,000
CURRENT ASSETS			
Current portion of long term receivable	15	-	-
Trade debts	16	-	-
Accrued interest	17	-	-
Receivable from associated company	18	6,551,126	-
Sales tax refundable		-	28,950
Cash and bank balances	19	2,536	11,974
		6,553,662	40,924
		<u>18,433,230</u>	<u>12,652,305</u>

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


 Chief Executive

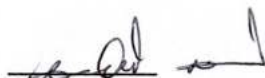

 Director


 Chief Financial Officer

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

	Note	2024 Rupees	2023 Rupees
Sales	20	17,302,191	3,348,238
Generation cost	21	(14,971,669)	(6,074,854)
Gross profit / (loss)		2,330,522	(2,726,616)
Administrative and selling expenses	22	(539,415)	(177,865)
Other operating expenses	8.1	(123,586)	-
		(663,001)	(177,865)
Operating profit/loss		1,667,521	(2,904,481)
Profit/loss before taxation		1,667,521	(2,904,481)
Taxation	24	-	-
Profit/loss after taxation		1,667,521	(2,904,481)
Other comprehensive income		-	-
Total comprehensive income/loss for the year		1,667,521	(2,904,481)
Profit/loss per share - basic and diluted	25	0.094	(0.163)

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


 Chief Executive

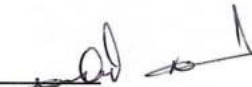

 Director


 Chief Financial Officer

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

	SHARE CAPITAL	CAPITAL RESERVE	REVENUE RESERVE	Total
	Issued, subscribed and paid up capital	Share Premium	Accumulated loss	
	----- Rupees -----			
Balance as at June 30, 2022	178,332,670	89,116,330	(257,136,571)	10,312,429
Loss for the year	-	-	(2,904,481)	(2,904,481)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year ended June 30, 2023	-	-	(2,904,481)	(2,904,481)
Balance as at June 30, 2023	178,332,670	89,116,330	(260,041,052)	7,407,948
Profit for the year	-	-	1,667,521	1,667,521
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year ended June 30, 2024	-	-	1,667,521	1,667,521
Balance as at June 30, 2024	178,332,670	89,116,330	(258,373,532)	9,075,468

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


 Chief Executive



 Director


 Chief Financial Officer

S.G POWER LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
CASH FLOW FROM OPERATION ACTIVITIES		
Profit/(loss) before taxation	1,667,521	(2,904,481)
Adjustment for non cash items:		
Depreciation	731,813	813,313
Cash flow from operating activity before working capital changes	<u>2,399,334</u>	<u>(2,091,168)</u>
(Increase) / decrease in current assets		
Bill receivable	(6,551,126)	-
Trade debts	-	(28,950)
	<u>(4,151,793)</u>	<u>(2,120,118)</u>
Increase / (decrease) in current liabilities		
Accrued Liabilities	-	175,000
Trade and other payable	1,155,947	1,935,801
Sales tax payable	557,638	-
Due to associated undertaking	<u>1,881,770</u>	<u>-</u>
	<u>(556,438)</u>	<u>(9,317)</u>
Finance charges paid	-	-
Tax paid	-	-
Net cash used in operating activities	<u>(556,438)</u>	<u>(9,317)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net cash used in investing activities	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from director	<u>547,000</u>	<u>-</u>
Net cash generated from financing activities	<u>547,000</u>	<u>-</u>
Net decrease in cash and cash equivalents	<u>(9,438)</u>	<u>(9,317)</u>
Cash and cash equivalents at the beginning of the year	11,974	21,291
Cash and cash equivalents at the end of the year	<u><u>2,536</u></u>	<u><u>11,974</u></u>

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



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 year the Company incurred a profit before tax of Rs. 1,667,520 (2023: -2,904,481) and the Company's accumulated loss as at June 30, 2024 stood at Rs. 258.373 million (2023: 260.041 million). Furthermore, as at the year end the current liabilities exceeded the current assets by Rs. 2,804,098 (2023: 5,203,434). 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 as 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.



		2024	2023
		Rupees	Rupees
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>
	Shares held by the related parties of the company		
		2024	2023
		No. of	No. of
		shareholders	shareholders
		2024	2023
		Shareholding	Shareholding
		Percentage	Percentage
	Directors, CEO, & their spouse and minor children		
	Mr. Sohail Ahmed	6,968,644	6,968,644
	Mr. Asim Ahmed	500	500
	Ms. Ghazala	1,742,286	1,742,286
	Ms. Saba Sohail	500	500
	Ms. Sana Sohail	500	500
	Ms. Bina Sohail	500	500
	Mr. Farhan Sohail	500	500
		40.76	40.76
		0.003	0.003
		10.19	10.19
		0.003	0.003
		0.003	0.003
		0.003	0.003
		0.003	0.003

7 DEFERRED LIABILITY

Staff Gratuity

Movement in liability recognized in the balance sheet is as follows:

Liability as at July 01	113,040	113,040
Charge to profit or loss	-	-
	<u>113,040</u>	<u>113,040</u>
Payments made during the year	-	-
Transferred to current liabilities in respect of employees left	-	-
Liability as at June 30	<u>113,040</u>	<u>113,040</u>

7.1 There is no employee in the company as at year end and no actuarial valuation was carried out.

Staff gratuity	113,040	113,040
Less: Provision against staff gratuity	<u>(113,040)</u>	<u>(113,040)</u>
	-	-

8 TRADE AND OTHER PAYABLE

Accrued Liabilities		3,582,906	2,809,297
Tax deducted at source		19,815	19,815
Other liabilities	8.1	123,586	-
Other payables		258,750	-
		<u>3,985,057</u>	<u>2,829,112</u>

8.1 Other liabilities

WPPF		89,555	-
WWF		34,031	-
		<u>123,586</u>	-

9 LOAN FROM DIRECTOR

		<u>593,262</u>	<u>46,262</u>
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9.1 This represents interest free loan from sponsoring directors. This will be repaid on demand.

10 UNCLAIMED DIVIDEND

Unclaimed dividend		<u>1,297,283</u>	<u>1,297,283</u>
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11 DUE TO ASSOCIATED UNDERTAKING

	11.1	<u>2,953,470</u>	<u>1,071,700</u>
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11.1 This represents the amount of rent payable and utilities to SG Allied Businesses Limited.

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

S.NO.	WRIT PETITION	FORUM	ISSUE INVOLVED	STATUS
		NIL	NIL	NIL

12.2 Commitments

There are no commitments as at year end (2023: Nil)



2023

Particulars	As on July 01, 2022	Addition / (Disposal)	Disposal	As on June 30, 2023	Rate %	Depreciation				As on June 30, 2023	
						As on July 01, 2022	Disposal	For the year	Impairment		As on June 30, 2023
						Rupees					
Generators	194,705,828	-	-	194,705,828	10%	187,024,275	-	768,155	-	187,792,430	6,913,398
Air Handling Unit	475,420	-	-	475,420	10%	447,773	-	2,765	-	450,538	24,882
Electric fitting	531,990	-	-	531,990	10%	479,060	-	5,293	-	484,353	47,637
Gas installation	1,101,542	-	-	1,101,542	10%	1,037,489	-	6,405	-	1,043,894	57,648
Equipment	2,533,157	-	-	2,533,157	10%	2,243,086	-	29,007	-	2,272,093	261,064
Vehicles	1,782,700	-	-	1,782,700	20%	1,774,261	-	1,688	-	1,775,949	6,751
Total Owned Assets	201,130,637	-	-	201,130,637		193,005,944	-	813,313	-	193,819,257	7,311,381

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	811,625	452,592
Administration exper	21	1,688	2,110
		<u>813,313</u>	<u>454,702</u>

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



13 OPERATING ASSET - OWNED

Particulars	As on July 01, 2023	Cost		As on June 30, 2024	Rate %	2024					
		Addition / (Disposal)	Disposal			As on July 01, 2023	Disposal	For the year	Impairment	As on June 30, 2024	As on June 30, 2024
					Rupees					WDV	
Generators	194,705,828	-	-	194,705,828	10%	187,792,430	-	691,340	-	188,483,770	6,222,058
Air Handling Unit	475,420	-	-	475,420	10%	450,538	-	2,488	-	453,026	22,394
Electric fitting	531,990	-	-	531,990	10%	484,353	-	4,764	-	489,117	42,873
Gas installation	1,101,542	-	-	1,101,542	10%	1,043,894	-	5,765	-	1,049,659	51,883
Equipment	2,533,157	-	-	2,533,157	10%	2,272,093	-	26,106	-	2,298,199	234,958
Vehicles	1,782,700	-	-	1,782,700	20%	1,775,949	-	1,350	-	1,777,299	5,401
Total Owned Assets	201,130,637	-	-	201,130,637		193,819,257	-	731,813	-	194,551,070	6,579,568

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	2024	2023
		Rupees	Rupees
Generation cost	20	730,463	452,592
Administration exper	21	1,350	2,110
		731,813	454,702

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



	Note	2024 Rupees	2023 Rupees
14 LONG TERM DEPOSIT			
Long term deposit	14.1	<u>5,300,000</u>	<u>5,300,000</u>
14.1 This represents margin held by M/s Sui Southern Gas Company limited against the supply of Gas.			
15 LONG TERM RECEIVABLE			
Unsecured and Considered good			
Associated Company- SG Allied Businesses Limited		<u>65,287,512</u>	<u>65,287,512</u>
Less: Allowance for expected credit loss	15.1	<u>(65,287,512)</u>	<u>(65,287,512)</u>
		<u>-</u>	<u>-</u>
15.1 SECP vide order dated 19th July, 2013 directed the Company to make provision against the receivable from the associated undertaking being doubtful of recovery. Accordingly the same was provided for during the year ended June 30, 2013.			
16 TRADE DEBTS			
Associated Company- SG Allied Businesses Ltd		<u>94,036,243</u>	<u>94,036,243</u>
Less: Allowance for expected credit loss	16.1	<u>(94,036,243)</u>	<u>(94,036,243)</u>
		<u>-</u>	<u>-</u>
16.1 SECP vide order dated 19th July, 2013 directed the Company to make provision against the receivable from the associated undertaking being doubtful of recovery. Accordingly the same has been provided for during the year ended June 30, 2013.			
17 INTEREST ACCRUED			
Considered good			
Interest on loan to associated company -SG Allied Businesses Limited		<u>10,654,243</u>	<u>10,654,243</u>
Less: Provision for doubtful debt	17.1	<u>(10,654,243)</u>	<u>(10,654,243)</u>
		<u>-</u>	<u>-</u>
17.1 This represents interest accrued on long term receivable from the associated company, SG Allied Businesses Limited , charged as per the direction issued by SECP vide Order dated April 6, 2006. During year ended June 30, 2013 SECP vide order dated 19th July, 2013 directed the Company to make provision against the receivable from the associated undertaking being doubtful of recovery. Accordingly the same has been provided for.			
18 Receivable from associated company			
S.G Allied Limited	18.1	<u>6,551,126</u>	<u>-</u>
		<u>6,551,126</u>	<u>-</u>
18.1 These represent amount receivable from associated companies against Sale of electricity.			
19 CASH & BANK BALANCE			
Cash on hand		<u>400</u>	<u>400</u>
Cash at bank-current accounts		<u>2,136</u>	<u>11,574</u>
		<u>2,536</u>	<u>11,974</u>
20 SALES			
Sales of electricity	20.1	<u>17,302,191</u>	<u>3,348,238</u>
		<u>17,302,191</u>	<u>3,348,238</u>
20.1 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.			



	Note	2024 Rupees	2023 Rupees
21 GENERATION COST			
Gas consumed		14,241,206	5,263,229
Depreciation	13	730,463	811,625
		14,971,669	6,074,854
22 ADMINISTRATION & SELLING EXPENSES			
Depreciation	13	1,350	1,688
Bank charges		2,315	1,177
Fee & Subscription		258,750	
Auditor's remuneration		277,000	175,000
		539,415	177,865
23 OTHER OPERATING EXPENSES			
WPPF		89,555	-
WWF		34,031	-
		123,586	-
24 TAXATION			
Current		-	-
Prior year		-	-
Deferred		-	-
		-	-
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			
25 LOSS PER SHARE- basic and diluted		2024	2023
Profit/(loss) for the year		1,667,521	(2,904,481)
Weighted average number of ordinary shares outstanding during the year		17,833,267	17,833,267
Loss per share - basic		0.094	(0.163)

There is no dilutive effect on loss per share of the Company (2023: Nil).

26 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated company and directors. Transactions with associated undertaking are as follows:

NAME OF RELATED PARTY	RELATIONSHIP WITH THE COMPANY	TRANSACTIONS	2024	2023
SG Allied Businesses Ltd	Associated Company	Electricity sales to SG Allied Businesses Ltd	17,302,191	3,348,238
SG Allied Businesses Ltd	Associated Company	Amount received from SG Allied Business Ltd	11,444,726	3,348,238
SG Allied Businesses Ltd	Associated Company	Amount paid to SG Allied Business Ltd		-
BALANCES				
SG Allied Businesses Ltd	Associated Company	Rent Payable	1,071,700	1,071,700
SG Allied Businesses Ltd	Associated Company	Utilities Payable	1,881,770	-
SG Allied Businesses Ltd	Associated Company	Receivable from associated company	6,551,126	-



27 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	2023	2022	2023	2022	2023	2022
	Chief Executive		Directors		Executives	
Remuneration	-	-	-	-	-	-
House Rent	-	-	-	-	-	-
Retirement Benefits	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Number of directors	1	1	6	6	-	-

In order to improve financial position of the company, the directors of the Company have decided to forgo fees, remuneration and other perquisites.

28 PLANT CAPACITY AND ACTUAL PRODUCTION

	Electricity (KWH)	Electricity (KWH)
Annual Capacity	1,576,800	1,576,800
Actual Generation	350,109	151,275

28.1 Output produced by the generators is dependent on the load demanded.

29 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

At amortized cost

Long term deposit	5,300,000	5,300,000
Cash and bank balances	2,536	11,974
	5,302,536	5,321,291

Financial liabilities

At amortized cost

Trade and other payables	3,985,057	2,829,112
Loan from director	593,262	46,262
Unclaimed dividend	1,297,283	1,297,283
Due to associated undertaking	1,071,700	1,071,700
Sales tax liability	528,688	
	7,475,991	5,244,357



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 programme focuses on having cost efficient funding as well as to manage financial risk to minimize earning volatility and provide maximum return to shareholders

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management framework. The board is also 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 income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable 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, 2024, the company is not exposed to currency risk.

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. Majority of the interest rate risk arises from long and Short term borrowings from financial institutions. As at June 30, 2024, the interest rate risk profile of the Company's 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 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. As at June 30, 2024 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, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

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.

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	2023 Rupees
Financial Assets		
Long term deposit	5,300,000	5,300,000
Bank balances	2,536	20,891
	<u>5,302,536</u>	<u>5,320,891</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 settled by delivering cash 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 would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The following are the contractual maturities of financial liabilities, including interest payments, excluding the impact of netting agreements:

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

2024	On demand	within one year	More than one year	Total
Trade and other payables	-	3,985,057	-	3,985,057
Due to associated undertaking	-	1,071,700	-	1,071,700
Loan from director	593,262	-	-	593,262
Unclaimed dividend	1,297,283	-	-	1,297,283
Sales tax payable	-	528,688	-	528,688
Total	1,890,545	5,585,446	-	7,475,991

2023	On demand	within one year	More than one year	Total
Trade and other payables	-	2,829,112	-	2,829,112
Due to associated undertaking	-	1,071,700	-	1,071,700
Loan from director	46,262	-	-	46,262
Unclaimed dividend	1,297,283	-	-	1,297,283
Total	1,343,545	3,900,812	-	5,244,357

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 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 30 June, 2024, the company has no financial instruments that falls into any of the above category. There were no transfer 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 so that it can continue to provide returns for shareholders and benefits to other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

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

The gearing ratio as at June 30, 2024 and June 30, 2023 is as follows:

	June 30, 2024	June 30, 2023
	-----Rupees-----	
Total Debts*	4,844,015	2,415,245
Cash and bank balances	(2,536)	(11,974)
	<u>4,841,479</u>	<u>2,403,271</u>
Share capital	178,332,670	178,332,670
Share premium	89,116,330	89,116,330
Revenue reserve	(258,373,532)	(260,041,052)
Equity	9,075,468	7,407,948
Debt + Equity	13,916,947	9,811,219
Gearing ratio (debt / (debt + Equity))	34.8%	24.5%

*These comprises of loan from director, due to associated undertaking and unclaimed dividend.



	2024	2023
33 NUMBER OF EMPLOYEES		
Number of employees at the year-end	_____	_____
Average number of employees	_____	_____
34 DATE OF AUTHORIZATION FOR ISSUE	07 OCT 2024	
These financial statements were approved and authorized for issue on _____ by the Board of Directors of the Company.		

MB



 Chief Executive



 Director



 Chief Financial Officer

NOTICE TO THE FINANCIAL STATEMENT

For the year ended June 30, 2022

Number of Shareholders	Shareholdings		Total Shares held
	From	To	
173	1	100	17,300
943	101	500	271,400
125	501	1000	127,600
212	1001	5000	597,500
48	5001	10000	373,600
21	10001	15000	271,100
8	15001	20000	145,400
3	20001	25000	71,500
3	25001	30000	89,000
4	30001	35000	126,500
1	35001	40000	35,500
1	40001	45000	44,500
6	45001	50000	287,500
2	55001	60000	113,200
1	65001	70000	68,000
2	95001	100000	196,900
1	170001	175000	175,000
1	655001	660000	656,480
2	1740001	1745000	3,685,071
2	3480001	3485000	6,969,144
1	3510001	3515000	3,511,072
1560			17,833,267

Categories of Shareholder	Numbers	Shares held	Percentage
Directors, CEO, Their Spouses & Minor Childre	7	8,713,430	48.86
Individuals	1,547	8,383,757	47.01
National Investment Trust	1	656,480	3.68
Financial Institutions	3	51,000	0.29
Investment Companies	2	28,600	0.16
	1,560	17,833,267	100.00

**NOTICE TO THE FINANCIAL STATEMENTS
DETAILS OF CATEGORIES OF SHAREHOLDERS
FOR THE YEAR ENDED JUNE 30, 2022**

	No. of Shareholders	Total
National Investment Trust	1	656,480
Investing Companies	2	1,100
Aims Investment Advisory Co. (Pvt) Ltd.		27,500
Investment Corporation of Pakistan		685,080
	3	
Financial Institutions		44,000
Pak Libya Holding Co. (Pvt) Ltd.		1,500
Crescent Investment Bank		5,500
Guardian Leasing Moderba	3	51,000

DIRECTORS, CEO, THEIR SPOUSES AND MINOR CHILDREN

Sohail Ahmed		6,968,644
Asim Ahmed		500
Ghazala		1,742,286
Saba Sohail		500
Sana Sohail		500
Bina Sohail		500
Farhan Sohail		500
	7	8,713,430
Individual		
Zubaida Khatoon		3,484,572
Aliya Shahid		1,742,285
General Public		3,156,900
		8,383,757
Total		17,833,267

Shareholders Holding 10% or More Voting interest in the company
as at June 30, 2022

DIRECTORS, CEO, THEIR SPOUSES AND MINOR CHILDREN

Sohail Ahmed	6,968,644	40%
Asim Ahmed	500	0.003%
Ghazala	1,742,286	10%

FORM OF PROXY

The Secretary
SG Power Limited
B-40, S.I.T.E.,
Karachi.

I/We _____ of _____ being a member of _____ and holder of _____ Ordinary shares hereby appoint _____ of _____ as _____ me / our proxy to attend and vote for me / our behalf at the 30th Annual General Meeting of the Company to be held on Monday, the October 28, 2024 11:30 a.m. and at Any adjournment thereof:

In witness my/our hand seal this _____ day of _____ 2024

Signed by _____

**Please affix
Rs. 5/-
Revenue
Stamp**

In the presence of _____
Folio No. _____

Signature of Member _____

IMPORTANT

1. This proxy form duly completed and signed, must be received at the Registered Office of the Company, B-40, S.I.T.E., Karachi, not less than 48 hours before the time of holding the meeting and must be duly signed and witnessed.
2. A Proxy need not be a member of the Company.
3. If a member appoint more than one proxy and more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders / Corporate Entities:

1. The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
2. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
3. The proxy shall produce his/her original passport at the time of the meeting.
4. In case of Government of Pakistan, State Bank of Pakistan, Corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with proxy form to the compan.

**AFFIX
CORRECT
POSTAGE**

**The Company Secretary
SG Allied Business Limited
B-40, S.I.T.E.
Karachi**

فارم برائے نمائندگی تیسواں سالانہ اجلاس

کمپنی سیکریٹری

ایس جی پاور لمیٹڈ

B-40، سائٹ کراچی

کراچی - پاکستان

میں / ہم بحیثیت ایس جی پاور لمیٹڈ کے رکن (اراکین) _____ آڈیزیٹڈ سیرفولیو نمبر _____ برطبق
سی ڈی سی اکاؤنٹ نمبر _____ اپنی جانب سے مسٹر / مسز / ماس کا تقرر کرتا / کرتی ہوں۔ ان کا مکمل پتہ _____

بحیثیت رکن کمپنی میں / میرا نمائندہ / تیسواں سالانہ اجلاس میں شرکت اور ووٹ دینے کے اہل ہے / ہیں جو کہ بروز پیر 28 اکتوبر 2024
کو منعقد ہو گا یا التوا کی صورت میں (بعد میں) میری یا ہماری جانب سے اہل ہے / ہوں گے۔

دستخط _____ بروز / بتاریخ _____ 2024

گواہان:

2

1

نام: _____	نام: _____
پتہ: _____	پتہ: _____
شناختی کارڈ نمبر: _____	شناختی کارڈ نمبر: _____
دستخط: _____	دستخط: _____

ہدایات:

- 1- نمائندے کیلئے کمپنی کا ممبر ہونا لازمی ہے۔
- 2- یہاں کئے جانے والے دستخط کمپنی کے ریکارڈ میں موجود دستخط سے مماثلت رکھنا ضروری ہے۔
- 3- اگر کسی ایسے ممبر کی جانب سے نمائندگی کی اجازت دی گئی ہے جس نے اپنے سیرسینٹریل ڈپازٹری کمپنی آف پاکستان میں جمع کروائے ہوں، تو اس صورت میں نمائندے کو شراکت دار کا شناختی کارڈ نمبر اور سی ڈی سی اکاؤنٹ / سب اکاؤنٹ نمبر کے ساتھ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ فوٹو کاپیاں ہمراہ ضروری ہے۔
- 4- نمائندے کو یہ فارم مکمل پر کر کے ہمراہ تمام ضروری دستاویزات، اجلاس سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں جمع کرانا ہوں گے۔

**AFFIX
CORRECT
POSTAGE**

**The Company Secretary
SG Allied Business Limited
B-40, S.I.T.E.
Karachi**



Annual Report 2024

