

S.G. POWER LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

**FOR THE PERIOD ENDED
SEPTEMBER 30th, 2021**



**B-40, SINDH INDUSTRIAL TRADING ESTATES, KARACHI.
Ph No: 32593410-11**

DIRECTOR'S REPORT

The Board of Directors of S.G. Power Limited is pleased to present the Quarterly Financial Statements of the Company for the period ended September 30th, 2021.

FUTURE OUTLOOK

Alhamdo Lillah, the financial results shows an increasing trend of Revenue and Profit in current year 2021-22, as business activities of SG Allied Businesses Limited (Sister concern) is growing, management is hopeful for increased sale of the company in the financial year 2021-22. In January cabinet Committee on Energy (CCOE) decided to put moratorium on supply of gas to industrial units for self-generation electricity. Company has taken stay order against it from honorable Sindh High Court.

In January gas supply was abruptly disconnected and company had to generate expensive power with diesel.

FINANCIAL RESULTS.

During the period, under review, the Company has made net profit of Rs. 4,394,972 while for the corresponding period the net profit of Rs.1,666,294/-. The accumulated loss as on September 30th, 2021 stood at Rs. 249,484,675/-.

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 November 29, 2021

On behalf of the Board of Directors



Sohail Ahmed
Chief Executive

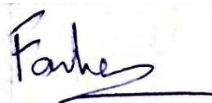
S.G POWER LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

	Notes	Un-Audited September 2021 Rupees	Un-Audited September 2020 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		(256,239,093)	(251,974,588)
		11,209,907	15,474,412
NON CURRENT LIABILITIES			
Deferred liabilities	5	-	-
Loan from director	6	46,262	46,262
Due associate under taking		1,071,700	1,071,700
		1,117,962	1,117,962
CURRENT LIABILITIES			
Trade and other payables	7	2,217,838	1,767,098
Provision for taxation		629,329	629,329
		2,847,167	2,396,427
CONTINGENCIES AND COMMITMENTS			
	8	<u>15,175,037</u>	<u>18,988,801</u>
NON CURRENT ASSETS			
Property, plant and equipment	9	8,465,720	7,440,394
Long term deposit	10	5,300,000	5,300,000
CURRENT ASSETS			
Current portion of long term receivable	11	-	-
Stores and spares		-	-
Trade debts	12	859,775	5,829,125
Advance tax		21,468	21,468
Accrued interest considered good	13	-	-
Cash and bank balances	14	528,074	397,814
		1,409,317	6,248,407
		<u>15,175,037</u>	<u>18,988,801</u>

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



CHIEF EXECUTIVE



DIRECTOR

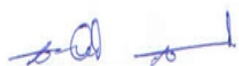


**Chief Financial
Officer**

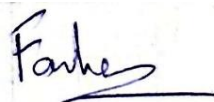
S.G POWER LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Notes	Un Audited September 2021 Rupees	Un Audited September 2020 Rupees
Sales	15	2,651,413	4,183,920
Generation cost	16	<u>(2,398,673)</u>	<u>(2,278,201)</u>
Gross income		252,740	1,905,719
Administrative and selling expenses	17	<u>(527)</u>	<u>(659)</u>
Operating gain		252,212	1,905,060
Finance charges		-	-
Other loss		<u>-</u>	<u>-</u>
Loss before taxation		252,212	1,905,060
Taxation	19	-	-
Loss after taxation		<u>252,212</u>	<u>1,905,060</u>
Other comprehensive income		-	-
Total comprehensive income		<u><u>252,212</u></u>	<u><u>1,905,060</u></u>
Earning per share - basic and diluted	20	0.01	0.11

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



CHIEF EXECUTIVE



DIRECTOR



**Chief Financial
Officer**

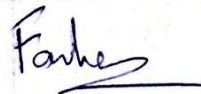
S.G POWER LIMITED
STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

Notes	Un Audited 2021 Rupees	Un Audited 2020 Rupees
CASH FLOW FROM OPERATION ACTIVITIES		
Gain before taxation	252,212	2,799
Adjustment for non cash items:		
Depreciation	113,676	114,436
Finance charges	-	46,556
	113,676	160,992
Cash flow from operating activity before working capital changes	365,888	163,791
Changes in working capital		
(Increase) / decrease in current assets		
Trade debts	(1,549,196)	(484,921)
Interest accrued	-	-
	(1,549,196)	(484,921)
Increase (decrease) in current liabilities		
Trade and other payables	406,098	-
	(777,210)	(321,130)
Finance charges paid	-	(46,556)
Net Cash used in operating activities	(777,210)	(367,686)
CASH FLOW FROM INVESTING ACTIVITIES		
Long term deposits	-	50,000
Net cash from investing activities	-	50,000
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Loan from Directors	-	-
Long term deposits	-	-
Repayment during the period	-	-
Net cash from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	(777,210)	(317,686)
Cash and cash equivalents at the beginning of the year	1,305,284	433,794
Cash and cash equivalents at the end of the year	528,074	116,108

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



CHIEF EXECUTIVE



DIRECTOR



**Chief Financial
Officer**

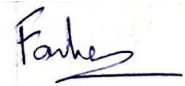
S.G POWER LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Issued, subscribed and paid up capital	Share Premium	Accumulated profit/(loss)	Total
----- R u p e e s -----				
Balance as at Sep 30, 2019	178,332,670	89,116,330	(255,513,481)	11,935,519
Balance as at July 01, 2020	178,332,670	89,116,330	(253,879,648)	13,569,352
Loss for the 1st Quarter ended 30 Sep. 2020	-	-	1,905,060	1,905,060
Balance as at Sep 30, 2020	178,332,670	89,116,330	(251,974,588)	15,474,412
Balance as at July 01, 2021	178,332,670	89,116,330	(256,491,305)	10,957,695
Loss for the 1st Quarter ended 30 Sep. 2021	-	-	252,212	252,212
Balance as at Sep 30, 2021	178,332,670	89,116,330	(256,239,093)	11,209,907

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 QUARTER ENDED SEPTEMBER 30, 2021

1. STATUS AND ACTIVITIES

- 1.1** The Company is limited by shares and was incorporated in Pakistan on February 10, 1994 under the Companies Ordinance, 1984 and is listed on Karachi and Islamabad Stock Exchanges. The business of the Company is generation and supply of the electric power to its associated company, of SG Allied Businesses Limited (Formerly, S.G. Fibre Limited). The registered office of the company and the captive power plant is located at B-40, S.I.T.E., Karachi in the province of Sindh.
- 1.2** The company has earned the gain of Rs. 525,212 (2019: 1,905,060) during the period and accumulated loss as at Sep 30, 2021 stood at Rs. 256,239 million (2019: 251,974 million). These conditions indicate the existence of a material uncertainty that may cast significant doubt on Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. During the year, the associated company, SG Allied Businesses Limited has 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.

2. Basis of Preparation of Financial Statements

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP) companies the financial year of which closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the prevailing Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the repealed Companies Ordinance, 1984.

2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING

New standards/ amendments and interpretations to published approved accounting and reporting standards which are

There are certain amendments and interpretations to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 01, 2018. However, these do not have any significant

In addition to the above, the following two new standards have become applicable to Company effective July 01, 2018.

2.3 Basis of preparation

These financial statements have been prepared under the historical cost convention, except for measurement of held-for-trading investment which are stated at fair value.

2.3 Accrual Basis Accounting

These financial statements are prepared under accrual basis of accounting except cash flow statement which is prepared under cash basis of accounting.

2.4 Functional and presentation currency

These financial statements are presented in Pakistani Rupee which is the Company's Functional currency.

2.5 Recent accounting developments

- Standards, interpretations and amendments to approved accounting standards that are not yet effective:

The revised standards, amendments and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates against the respective standards or interpretation.

2.5 Estimates

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumption that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the management in the application of IASs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuring paragraphs.

2.6 Functional and presentation currency

These financial statements are presented in Pakistani Rupee which is the company's functional currency.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Employees benefit costs Defined Benefit Plan

The Company operates an unfunded gratuity scheme covering all its employees. Provision is made annually based on management estimates which are adjusted periodically to agree with actuarial estimates. The actuarial valuations is normally carried out once in every three years. actuarial gains and losses are recognized on a straight line basis over a period of 3 years.

3.2 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is there fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

3.3 Provisions

Less: Provision for doubtful debt

Provisions are recognized when the company has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.4 Property, Plant and equipment

Property, Plant and equipment are stated at cost less accumulated depreciation and impairment in value, if any. Depreciation is charged to income on reducing balance method at the rates specified in property, plant and equipment note.

Assets residual values if significant and their useful lives are reviewed and adjusted, if appropriate, at each balance sheet date

In respect of additions and disposals during the year, depreciation is charged from the month of acquisition and up to the month preceding the disposal respectively.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

Gains or losses on disposal of assets are included in current income.

3.5 Impairment

The company assesses at each balance sheet date whether there is any indication that assets may be impaired .If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount, Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. Reversal of impairment loss is the gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

3.6 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.

3.7 Debtors and other receivables

Debtor and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified.

3.8 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost .For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand, balances with bank and short-term running finance under mark-up arrangements.

3.9 Revenue Recognition

Revenue from supply of electricity is recognized on issue of bills on monthly basis. Profit on bank deposits is recognized on accrual basis

3.10 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.

3.11 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.

Deferred

Deferred income tax is provided using the liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirements of Technical Release-27 of the Institute of Chartered Accountants of Pakistan.

3.12 Foreign currency translations

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated into reporting currency equivalents using foreign exchange rates ruling on the balance sheet date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Exchange differences on foreign currency transactions are included in net profit or loss for the period.

3.13 Financial Instruments

All financial assets and financial liabilities are recognized upon becoming the party to the contractual provisions of the instruments. Financial assets are derecognized when the control of the contractual rights that comprise the financial assets is lost. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to profit and loss account.

3.14 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.

	September 2021 Rupees	September 2020 Rupees			
4 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>			
5 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	113,040	113,040			
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	2020	2019	2018	2017	2017
	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
5.1	There is no employee in the company as at year end and no actuarial valuation was carried out				
6 LOAN FROM DIRECTOR					
This represents interest free loan from sponsoring directors. Repayment terms					
7 TRADE & OTHER PAYABLE					
GST payable	450,740				-
Accrued Liabilities	450,000				450,000
Staff gratuity payable	-				-
Unclaimed dividend	1,297,283				1,297,283
Tax deducted at source	19,815				19,815
	<u>2,217,838</u>				<u>1,767,098</u>

8 CONTINGENCIES AND COMMITMENTS

Contingencies

- 8.1 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.

- 8.2 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 2021 Rupees	September 2020 Rupees
8.3 Commitments		-	-
10 LONG TERM DEPOSIT			
Long term deposit	10.1	5,300,000	5,300,000
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			
Associated Company- S.G. Fibre Limited		65,588,037	65,588,037
Less: Provision for doubtful debts		(65,588,037)	(65,588,037)
		-	-
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		859,775	5,829,125
Associated Company- SG Allied Businesses Limited		94,036,243	94,036,243
Less: Provision for doubtful debts		(94,036,243)	(94,036,243)
		859,775	5,829,125
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		(10,654,243)	(10,654,243)
		-	-
13.1	This represents interest accrued on long term receivable from the associated company S.G. Fibre Limited charged on		

	2021 Rupees	2020 Rupees
14 CASH & BANK BALANCE		
Cash in hand	400	400
Cash at bank-current accounts	527,674	397,414
	<u>528,074</u>	<u>397,814</u>
15 SALES		
Sales -electricity	2,651,413	4,183,920
	-	-
	<u>2,651,413</u>	<u>4,183,920</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	2,285,525	2,177,384
Repair and Maintenance	-	-
Rent, rates and taxes	-	-
Depreciation	113,148	100,817
	<u>2,398,673</u>	<u>2,278,201</u>
17 ADMINISTRATION & SELLING EXPENSES		
Depreciation	527	659
	<u>527</u>	<u>659</u>
18 Other loss	-	-
19 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.		
20 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. 252,212	1,905,060
Weighted average number of ordinary shares outstanding during the year	17,833,267	17,833,267
Gain per share	Rs. 0.01	0.11
21 TRANSACTIONS WITH RELATED PARTIES		
The related parties comprise of associated company and directors. Transactions with		
Electricity billa receivable	<u>859,775</u>	<u>5,829,125</u>
Interest receiveable on Long term Receiveable	<u>10,654,243</u>	<u>10,654,243</u>

22 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	<u>Executives</u>	<u>Executives</u>
	<u>2021</u>	<u>2020</u>
	<u>(Rupees)</u>	<u>(Rupees)</u>
Basic salary	-	-
House allowance	-	-
Utilities	-	-
	<u>-</u>	<u>-</u>

23 PLANT CAPACITY AND ACTUAL PRODUCTION

	<u>Electricity(KWH)</u>	<u>Electricity(KWH)</u>
	<u>2021</u>	<u>2020</u>
Annual Capacity	1,576,800	1,576,800
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.

24 FINANCIAL INSTRUMENT AND RELATED DISCLOSURE

24.1 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

24.2 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.

24.3 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, 2019, along with comparative is tabulated below:

	2021 Rupees	2020 Rupees
Financial Assets		
Current portion of long term receivable	65,588,037	65,588,037
Trade debts	859,775	5,829,125
Other receivables	10,654,243	10,654,243
Cash & bank balances	528,074	397,814
	<u>77,630,129</u>	<u>82,469,219</u>

24.4 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	2,217,838	11,109,294	11,109,294
	<u>2,217,838</u>	<u>11,109,294</u>	<u>11,109,294</u>

24.5 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.

25 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.

26 DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS

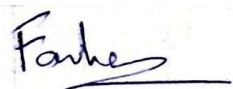
These financial statements were authorized for issue on November 29, 2021 by the Board of Directors of the Company.

27 GENERAL

Figures have been rounded off to the nearest rupee.



Chief Executive



Director



Chief Financial
Officer