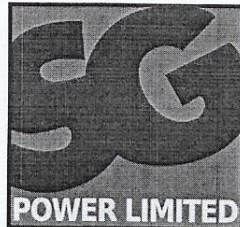


S.G. POWER LIMITED

**CONDENSED INTERIM STATEMENT
OF FINANCIAL POSITION**

**FOR THE HALF YEARLY ENDED
DECEMBER 31st, 2023**



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



DIRECTOR'S REPORT

The Board of Directors of SG Power Limited is pleased to present the Statements of the Company for the period ended December 31, 2023.

S.G Power Limited is a public limited company incorporated in Pakistan on February 10, 1994, under the repealed companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017).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

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

Year was full of turmoil the gas was disconnected on 15th November, 2022 and according to letter from SSGC it was supposed to be restored on 28th February, 2023; however, even after 28th February gas pressure was almost zero. The company signed various revised agreement with SSGC with new tariff, with mix of RLNG and Natural Gas but unfortunately gas supply was only for few hours in the day and in some days up to 8 to 10 hours a day.

We hope that in coming months Government finds a solution and give stable supply to captive power plants

This will impact companies' profitability and even if gas is not disconnected, The good news is that S G Allied Business Limited has expended his production capacity of hydroponic product and required more additional power to increase currently sales and profits.

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

FINANCIAL RESULTS

The performance of the company during the annual account under review has been on track of growth. The Company has reported the loss in current period December 31, 2023 as business activities of SG Power Limited is growing, management is hopeful of increased sale of the company in future.

During the period, under review, the Company has suffered a profit of Rs. 620,390 whereas, for the corresponding period the Loss was Rs.677, 235. The accumulated loss as on December 31, 2023 stood at Rs. 259.420 million.

FUTURE OUTLOOK

Alhamdo Lilllah Company's Operations are running smoothly as business activities of SG Allied Business Limited is growing, management is hopeful for increased sale of the company in upcoming financial year 2023-24.

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 February 28, 2024

On behalf of the Board of Director

Sohail Ahmed
Chief Executive



MUNIFF ZIAUDDIN & CO.
Chartered Accountants

Business Executive Centre
F/17/3, Block 8, Clifton
Karachi – 75600 – Pakistan
Tel: +92-21-35375127-8,
+92-21-35872283
E-mail: info@mzco.com.pk
Web: bkrpakistan.com

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of S.G. Power Limited
Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **S.G. Power Limited** as at December 31, 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures for the quarters ended December 31, 2023 and December 31, 2022 in the condensed interim statement of profit and loss and other comprehensive income have not been reviewed, as we are required to review only the cumulative figures for the six month ended December 31, 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Material Uncertainty relating to Going Concern

We draw attention to note 1.2 in the interim financial statements, which indicates that the accumulated loss as at December 31, 2023 stood at Rs. 259.420 million (June 2023: 260.041 million). Furthermore, as at the period end the current liabilities exceeded the current assets by Rs. 4.217 million (June 2023: 5.203 million). 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 conclusion is not modified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Moin Khan.



**Chartered Accountants
Karachi**

Date: February 28, 2024

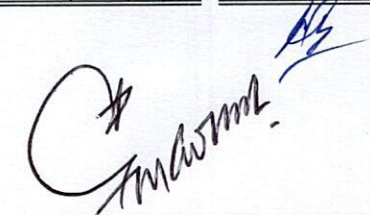
UDIN: RR202310153uHQf2Y1og

S.G POWER LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Un-audited December 31, 2023	Audited June 30, 2023
Note	-----Rupees-----	
SHARE CAPITAL AND RESERVES		
Authorised Capital 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	178,332,670	178,332,670
Capital Reserves		
Share premium	89,116,330	89,116,330
Revenue Reserves		
Accumulated loss	(259,420,662)	(260,041,052)
	8,028,338	7,407,948
NON CURRENT LIABILITIES		
Deferred liabilities	-	-
CURRENT LIABILITIES		
Trade and other payables	1,835,445	2,829,112
Loan from director	46,262	46,262
Unclaimed dividend	1,297,283	1,297,283
Due to associate undertaking	1,071,700	1,071,700
	4,250,690	5,244,357
CONTINGENCIES AND COMMITMENTS	4	
	<u>12,279,029</u>	<u>12,652,305</u>
NON CURRENT ASSETS		
Property, plant and equipment	5	6,945,475
Long term deposit		5,300,000
Long term receivable	6	-
CURRENT ASSETS		
Trade and other receivables	7	-
Accrued interest considered good	8	-
Sales tax refundable		28,950
Cash and bank balances		4,605
		33,555
		<u>12,279,029</u>
		<u>12,652,305</u>


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

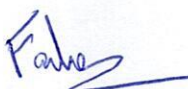
S.G POWER LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023

	Note	Six Month Ended		Quarter ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		-----Rupees-----		-----Rupees-----	
Sales		7,710,590	3,348,238	7,710,590	601,911
Generation cost		(6,913,566)	(3,839,017)	(4,576,450)	(1,370,580)
Gross profit / (loss)		797,024	(490,779)	3,134,140	(768,669)
Administrative and selling expenses		(176,634)	(176,456)	(176,296)	(175,728)
Operating profit / (loss)		620,390	(667,235)	2,957,844	(944,397)
Other income		-	-	-	-
Finance charges		-	-	-	-
Profit / (loss) before taxation		620,390	(667,235)	2,957,844	(944,397)
Taxation		-	-	-	-
Profit / (loss) after taxation		620,390	(667,235)	2,957,844	(944,397)
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss)		620,390	(667,235)	2,957,844	(944,397)
Profit / (loss) per share - basic and diluted	9	0.03	(0.04)	0.17	(0.05)


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



 CHIEF EXECUTIVE



 DIRECTOR



 CHIEF FINANCIAL OFFICER

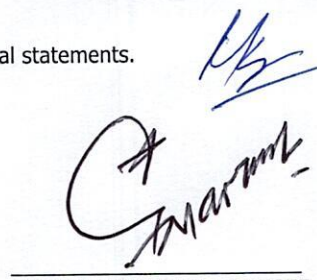
S.G POWER LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023

	December 31, 2023	December 31, 2022
	-----Rupees-----	
CASH FLOW FROM OPERATION ACTIVITIES		
Profit / (loss) before taxation	620,390	(667,235)
Adjustment for:		
Depreciation	365,907	214,620
Finance charges	-	-
	<u>365,907</u>	<u>214,620</u>
Cash flow from operating activity before working capital changes	986,297	(452,615)
Changes in working capital		
Decrease in current assets	-	-
Increase in trade debtors	-	-
Interest accrued	-	-
Trade and other payables	<u>(990,681)</u>	<u>440,313</u>
	(4,384)	(12,302)
Tax paid	-	-
Net Cash used in operating activities	<u>(4,384)</u>	<u>(12,302)</u>
CASH FLOW FROM INVESTING ACTIVITIES	-	-
CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net decrease in cash and cash equivalents	<u>(4,384)</u>	<u>(12,302)</u>
Cash and cash equivalents at the beginning of the period	8,989	21,291
Cash and cash equivalents at the end of the period	<u>4,605</u>	<u>8,989</u>

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


 CHIEF EXECUTIVE


 DIRECTOR


 CHIEF FINANCIAL OFFICER

S.G POWER LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023

	Issued, subscribed and paid up capital	Capital Reserve	Revenue Reserve	Total
		Share Premium	Accumulated loss	
----- R u p e e s -----				
Balance as at July 01, 2022	178,332,670	89,116,330	(257,136,571)	10,312,429
Loss for the six month period ended December 31, 2022	-	-	(667,235)	(667,235)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period ended December	-	-	(667,235)	(667,235)
Balance as at December 31, 2022	178,332,670	89,116,330	(257,803,806)	9,645,194
Balance as at July 01, 2023	178,332,670	89,116,330	(260,041,052)	7,407,948
Profit for the six month period ended December 31, 2023	-	-	620,390	620,390
Other comprehensive income	-	-	-	-
Total comprehensive income for the period ended December 31, 2021	-	-	620,390	620,390
Balance as at December 31, 2023	178,332,670	89,116,330	(259,420,662)	8,028,338

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

S.G. POWER LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023

1. THE COMPANY AND ITS OPERATIONS

- 1.1** 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

1.2 GOING CONCERN

The Company's accumulated loss as at December 31, 2023 stood at Rs.259.420 million (June 30,2023: Rs.260.041 million). Furthermore, current liabilities exceed current assets by Rs. 4.217 million (June 30, 2023: Rs. 5.203 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.

In 2017, the associated Company, SG Allied Businesses Limited (Formerly, SG. Fibre Limited started new line 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 expect that company will be able to continue as a going concern and will be realised its assets and discharge its liabilities in the normal course of business.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2** These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2023.

2.3 New standards, amendments to approved accounting standards and new interpretations

2.3.1 Amendments to approved accounting standards which are effective during the period

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

2.3.2 Amendments to accounting and reporting standards that are not yet effective

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

2.4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2023.

3 ACCOUNTING ESTIMATES AND JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

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

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



4 CONTINGENCIES AND COMMITMENTS

4.1 Contingencies

S.NO.	FORUM	ISSUE INVOLVED	STATUS
1	Sindh High Court	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.	Pending
2	Sales Tax Appellate Tribunal	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. The management of the company expects a favorable outcome and no provision has been made in these financial statements.	Pending

4.2 Commitments

There were no commitments as at period end (June 30, 2023:Nil)

	Un-audited December 31 2023	Audited June 30 2023
	----- Rupees -----	
5 PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	7,311,381	8,124,694
Addition	-	-
Deletion	-	-
Impairment	-	-
Depreciation	<u>(365,906)</u>	<u>(813,313)</u>
	<u>6,945,475</u>	<u>7,311,381</u>
6 LONG TERM RECEIVABLE		
Unsecured- considered good		
Associated Company- SG Allied Businesses Limited	65,287,512	65,287,512
Less : Allowance for expected credit loss	<u>(65,287,512)</u>	<u>(65,287,512)</u>
	<u>-</u>	<u>-</u>
6.1		
SECP vide order dated 19th July, 2013 directed the Company to make provision against the receivable from the associated understating being doubtful of recovery. Accordingly the same has been provided for during the year ended June 30, 2013.		
7 TRADE DEBTS		
Unsecured considered good		
Associated Company-SG Allied Businesses Ltd	94,036,243	94,036,243
Less: Allowance for expected credit loss	7.1 <u>(94,036,243)</u>	<u>(94,036,243)</u>
	<u>-</u>	<u>-</u>

- 7.1 SECP vide order dated 19th July, 2013 directed the Company to make provision against the receivable from the associated understating being doubtful of recovery. Accordingly the same has been provided for during the year ended June 30, 2013.

	Un-audited December 31 2023	Audited June 30 2023
	----- Rupees -----	
8 ACCRUED INTEREST CONSIDERED GOOD		
Interest on Loan to associated company - SG Allied Businesses Limited(formally, SG Fibre Limited) 8.1	10,654,243	10,654,243
Less: Provision for doubtful debts	(10,654,243)	(10,654,243)
	-	-

- 8.1 This represents interest accrued on long term receivable from the associated company, SG Allied Businesses Limited (Formerly, S.G. Fibre Limited), charged as per the direction issued by SECP vide order date April 6, 2006. During the year ended June 30, 2013 SECP vide order dated 19th July, 2013 directed the Company to make provision against the receivable from the associated understating being doubtful of recovery. Accordingly the same has been provided for.

9 PROFIT / (LOSS) PER SHARE - BASIC AND DILUTED

	<u>For the six month period ended</u>		<u>For the quarter ended</u>	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	-----Rupees -----			
Profit / (loss) form the period	620,390	(667,235)	2,957,844	(944,397)
Weighted average number of ordinary shares outstanding during the period	17,833,267	17,833,267	17,833,267	17,833,267
Profit / (loss) earnings per share - basic & dilutive	0.03	(0.04)	0.17	(0.05)

There are no dilutive potential ordinary shares outstanding as at December 31, 2023 and December 31, 2022.

10 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties are carried out on an arm's length basis and the related price is determined in accordance with the Comparable Uncontrolled Price Method. The significant transactions with associated undertakings and related parties other than those which have been specifically disclosed elsewhere in this interim financial statements are given below.

NAME OF THE RELATED PARTY	RELATIONSHIP WITH THE COMPANY	NATURE OF TRANSACTIONS / BALANCES	Un-audited December 31 2023	Un-audited December 31 2022
TRANSACTIONS:			----- Rupees -----	
SG Allied Businesses Ltd. (Formerly, S.G. Fibre Ltd)	Associated Company	Electricity sales	<u>7,710,590</u>	<u>3,348,238</u>
SG Allied Businesses Ltd. (Formerly, S.G. Fibre Ltd)	Associated Company	Amount received	<u>7,710,590</u>	<u>3,348,238</u>
BALANCES:			Un-audited December 31 2023	Audited June 30 2023
			----- Rupees -----	
S.G.Allied Businesses Limited	Associated Company	Payable	<u>1,071,700</u>	<u>1,071,700</u>
Rent Payable			<u>-</u>	<u>-</u>

11 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in these interim financial statements approximate their fair values.

Fair value hierarchy;

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

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

As at December 31, 2023 the Company has no financial instruments that falls into any of the above category.

12 DATE OF AUTHORIZATION FOR ISSUE

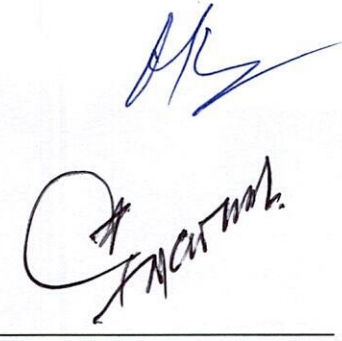
These condensed interim financial statements were approved and authorized for issue in the Board of Directors' meeting held 28 FEB 2024.

13 GENERAL

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



CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER