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(MEMBER OF S.G. GROUP)
2013

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COMPANY / INFORMATION

Board of Directors

Mst. Zubaida Khatoon	Chirperson
Mr. Asim Ahmed	Chief Executive
Mr. Sohail Ahmed	Director
Mrs. Ghazala Ahmed	Director
Mrs. Tania Asim	Director
Mr. Farhan Sohail	Director
Mr. Rafiq Ahmed	Director

AUDIT COMMITTEE

Mr. Asim Ahmed	Chairman
Mr. Sohail Ahmed	Member
Mrs. Ghazala Ahmed	Member

BANKERS

Summit Bank Limited

AUDITORS

M/S. Muniff Ziauddin & Co.
(Chartered Accountants)

SHARES REGISTRAR

Technology Trade Private Limited,
Dagia House, 241-C, Block-2,
PECHS, Shahra-e-Quaideen,
Karachi,

REGISTERED OFFICE

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



Notice of Annual General Meeting

Notice is hereby given that the 20th Annual General Meeting of the Shareholders of S.G. Power Limited will be held on Thursday October 31, 2013 at 09:30 a.m. at B-40, S.I.T.E., Karachi to transact the following business:

1. To confirm the minutes of 19th Annual General Meeting held on October 30, 2012.
2. To receive, consider and adopt the audited accounts of the Company, for the year ended June 30, 2013 together with the Directors' and Auditors' report thereon.
3. To appoint the auditors for the year 2013-2014 and fix their remuneration.
4. To transact any other business with the permission of the Chair.

By Order of the Board

Karachi: October 3, 2013

Mr. Asim Ahmed
(Chief Executive)

Notes:

1. The shares Transfer Books of the Company will remain closed from October 25, 2013 to October 31, 2013 (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 form to 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 any change in their addresses, if any, immediately.



DIRECTORS' REPORT

The Board of Directors of S.G.Power Limited is pleased to present the 20th Annual Report and Audited Financial Statement of the Company together with Auditor's Report for the year ended June 30, 2013. The Auditors have issued a qualified audit report. The directors would like to clarify their view on Auditors report as under:

- i) The only customer of the Company (S.G.FIBRE LIMITED) to whom it supplies electricity has discontinued its operation due to adverse economic recession and unfavorable market conditions. Consequently the Company has also shut down its operation. As per directives of the SECP, Company has made a provision for doubtful debts amounting to Rs. 170.278 million receivable from associated company S. G. Fibre Ltd. The management is of the view that material un-certainty is of short term nature and it is confident that with coming into power of PML (N) Government at the Federal level, bus ness friendly policies will be adopted very soon and there will be a turn round in filament yarn industry. As such the Company will be a going concern in due course.
- ii) Detail of trade and other payables amounting to Rs. 11,134,062 made available to auditors. However, the supporting documents could not be traced as the factory is closed for the last six years and there is no staff available to trace the old records.
- iii) Physical verification and stock taking was arranged by the management along with auditors in June 2013. However, due to non-availability of any staff, the valuation schedule could not be prepared for verification.

FINANCIAL RESULTS

The performance of your company during the year under review has not been satisfactory and the operation of the Company shut down due to adverse and bad market condition faced by its only customer and sister concern M/s. S.G.FIBRE LIMITED.

Following are financial figures:

	Rupees
Sales	-
Cost of Sales	(6,030,031)
Gross Loss	(6,030,031)
Admin & selling Expenses	(170,619,743)
Financial Charges	(273)
Other Loss	(23,692,207)
Loss before taxation	(200,342,254)
Loss after taxation	(200,342,254)

FUTURE OUTLOOK

The management is hopeful that the economic and market conditions will revive and our company will come out of its crisis and the electricity production will recommence. Further, the present government has announced Textile Policy which will definitely be helpful for revival of polyester yarn industry also with the result that our sister concern will be in operation once again. We hope and pray that our company will be back in operation in due course.

CORPORATE GOVERNANCE

In accordance with the requirement of the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan, the Directors hereby confirm that:

- The Financial Statements for the year ended June 30, 2013 has 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 judgments.
- There are no significant doubts upon the Company's ability to continue as a going concern, but due to adverse economic and recession the operation were shut down for the time being.
- The Company's system of internal control is sound in design and has been effectively implemented and continuously monitored.
- There has been no material departure from the best practice of code of corporate governance as detailed in the listing regulations.
- The Directors, CEO, CFO, Co., Secretary and their spouse and minor children did not carry out any transaction in the shares of the company during the year.
- Key operating financial data for the last six years in summarized form is annexed.
- Compliance of code of corporate governance is annexed.

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

<u>Name of Directors</u>	<u>No. of Meeting Attended</u>
Mr. S.M. Ahmed	2
Mst. Zubaida Khatoon	4
Mst. Ghazala Ahmed	4
Mrs. Tania Asim	4
Mr. Sohail Ahmed	4
Mr. Asim Ahmed	4
Mr. Farhan Sohail	2
Mr. Rafiq Ahmed	4



AUDIT COMMITTEE

The meetings of Audit Committee was held during the ended June 30, 2013 as required by Code of Corporate Governance for review of quarterly accounts, annual accounts, and the related matters. The meeting was also attended by Chief Financial Officer and External Auditors as and when it is required:-

Mr. Asim Ahmed	Chairman
Mr. Sohail Ahmed	Member
Mrs. Ghazala Ahmed	Member

CHANGE OF DIRECTORS

Mr. S. M. Ahmed sponsor Director, Chief Executive and Chairman of the Company expired on February 18, 2013. The Board appreciated his long association with Company and offered Fatiha for the departed soul and prayed that May Allah rest his soul in piece in the Haven. The Board welcome Mr. Farhan Sohail as Director of the Company.

AUDITORS

The present Auditors M/S Muniff Ziauddin & Co., Chartered Accountants, retires and being eligible, offers themselves for re-appointment. Audit Committee recommended for their re-appointment for the year ending June 30, 2014.

ACKNOWLEDGEMENT

The Directors of your company offer their sincere gratitude to the shareholders, for their support and assistance. I also thank employees of the company for their dedication and hard work with hope to get the same cooperation in the future.

SHARE HOLDINGS

The pattern of Share holding as on June 30, 2013 is also annexed herewith.

On behalf of the Board of Directors

Mr. Asim Ahmed
(Chief Executive)

Karachi: October 3, 2013.

Key Operating and Financial Data of last six years of S.G. Power Limited

	2013	2012	2011	2010	2009	2008
Earning and Distribution						
Sales	-	-	-	-	-	-
Profit/(Loss) berfore Tax	(200,342,254)	(9,110,532)	(6,732,632)	(7,696,306)	(19,906,478)	(48,338,869)
Taxes	-	-	-	-	-	(103,930)
Net Earnings	(200,342,254)	(9,110,532)	(6,732,632)	(7,696,306)	(19,906,478)	(48,442,799)
Dividend	-	-	-	-	-	-
Retained in Business	(200,342,254)	(9,110,532)	(6,732,632)	(7,696,306)	(19,906,478)	(48,442,799)
Net Earning per share (Rs.)	(11.23)	(0.51)	(0.38)	(0.43)	(0.38)	(3.23)
Dividend Declared per Share (Rs.)	-	-	-	-	-	-
Break up value per share	0.29	14.10	14.61	15.00	15.46	5.34
Financial Position						
Share Capital	178,332,670	178,332,670	178,332,670	178,332,670	178,332,670	178,332,670
Capital & Revenue Reserve	(127,087,003)	73,255,251	82,365,783	89,098,415	97,394,723	(69,888,220)
Shareholders Equity	51,245,667	251,587,921	260,698,453	267,431,085	275,727,393	108,444,450
Long term loans and deferred liabilities	116,302	1,016,302	948,472	721,982	113,040	812,363,461
Total Capital Employed	51,361,969	252,604,223	261,646,925	268,153,067	275,840,433	920,807,911
Represented by						
Fixed Assets	51,776,863	81,108,323	85,465,601	90,064,191	94,918,645	782,835,894
Long term deposits and deferred costs	5,350,000	5,350,000	5,350,000	5,350,000	200,000	5,350,000
Net Current Assets	(5,764,895)	166,145,899	170,831,322	172,738,876	180,721,788	108,099,137
	51,361,968	252,604,222	261,646,923	268,153,067	275,840,433	896,285,031



VISION STATEMENT

We shall carve a place for ourselves at the highest level of quality service & ensuring customer satisfaction.

We will go to extra mile to ensure greater profitability and value for our shareholders.

MISSION STATEMENT

To be a responsible corporate citizen

To provide reliable & economical power for our customer

To create a work environment which forest pride.

Job satisfaction & equal opportunity
for career growth for the employees.

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 Listing regulations of the Karachi and Islamabad Stock Exchanges.

On behalf of the Board of Directors

Karachi:

October 03, 2013.

Mr. Asim Ahmed
(Chief Executive)



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in regulation No. 37 chapter (xiii) of the Listing Regulations of Karachi and Islamabad Stock Exchange (GUARNTTEE) LIMITED for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practice of corporate governance.

1. The Board encourages representation of independent non-executive directors and directors representing minority interest on its Board of Directors. The Board comprises seven directors including CEO. At present the Board included 06 non-executive directors and 01 independent non-executive director.
2. The Directors have confirmed that none of them is serving as a director in more than ten listed companies, including this company.
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in 0 payment of any loan to a banking company, a DFI or an NBFIs and none of them being a member of a stock Exchange, has been declared as a defaulter by that stock exchange.
4. Casual vacancies were immediately filled up in accordance with the requirement of Companies Ordinance, 1984 in the Board during the current year.
5. The Company has prepared a Statement of Ethics and Business Practice which has been signed by all the directors and employees of the Company.
6. The Board has developed a vision statement and significant policies of the company while the Company is in the process of developing overall corporate strategy. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive and other executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman. The Board met at least once in every quarter The Board held five meeting during the year. Written notices of the Board meetings, along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the A meetings were appropriately recorded and circulated.
9. The Director in the Board has adequate exposure of corporate matters and knowledge of laws and regulations applicable to Company and well versed of their duties and responsibilities.
10. The Board has approved appointment of Company Secretary and Chief Financial Officer including his remuneration and terms and conditions of employment, as determined by the CEO.
11. The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The CEO duly endorsed the financial statements of the Company before approval of the Board.
13. The directors, Chief Executive and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

15. The Board has formed an audit committee. It comprises 3 members including the Chairman all of them are non executive directors.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been determined and approved by the Board of Directors and advised to the committee for compliance.
17. The Board has set-up and effective internal audit function.
18. 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 Accountant of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants(IFAC) guidelines in this regard.
19. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
21. Material / price sensitive information has been disseminated among all market participants at once through stock exchange(s).
22. We confirm that all material principals contained in the Code have been complied with.

On behalf of the Board of Directors

Karachi:

October 03, 2013.

Mr. Asim Ahmed
(Chief Executive)



REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **S.G. POWER LIMITED** to comply with the Listing Regulations of Karachi and Islamabad Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our Responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As 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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Listing Regulations of Karachi and Islamabad Stock Exchanges require the company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, following observations were made.

- (a) We could not verify that,
- The Board has not made arrangements to carry out orientation courses on Code of Corporate Governance for its directors.
 - Audit committee meetings were properly held during the year as required by the Code of Corporate Governance.
 - HR & Remuneration committee was formed as required by the Code of Corporate Governance.



- Internal Audit function was formed as required by the Code of Corporate Governance.
- A complete record of particulars of significant policies to develop corporate strategy along with the dates on which they were approved or amended is being maintained.

Except as disclosed in para (a), 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 best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2013.

Karachi: October 03, 2013.

**CHARTERED ACCOUNTANTS
(Salim Sadruddin)**



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **S. G. POWER LIMITED** as at June 30, 2013 and the related profit and loss account, statement of changes in equity and cash flow statement together with the notes forming part thereof, for the year then ended on that date and we state that except for the matters described in paragraphs (i) to (iii) below we have obtained all the information and explanations to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

Except for the matters described in paragraphs (i) to (iii) below, we conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- i. As disclosed in note 1.2 to the financial statements, the Company has discontinued electricity and steam supplies to its only customer i.e. S.G. Fibre Limited and has shut down its power generation and due to severe financial crises and adverse market conditions prevailing in the field of filament yarn industry it is unlikely that the associated company will commence its operation. During the year the Company has incurred gross loss of Rs. **6,030,031** (2012: Rs. 8,872,891) and net loss of Rs. **200,342,254** (2012: 9,110,532) respectively. Moreover, the Company in pursuance to SECP order dated 19th July, 2013, has made full provision against amounts of Rs. **94.036 million**, Rs. **65.588 million** and Rs. **10.654 million** aggregating to Rs. **170.278 million** which were receivable from the associated undertaking. These conditions indicate the existence of material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern. These financial statements do not include any adjustment that might result, should the Company not be able to continue as a going concern. Moreover, no disclosure has been made in the financial statements regarding the financing plans under consideration of the management for the revival of the Company.
- ii. As disclosed in the enclosed financial statements, trade and other payables amounting to Rs. **11,134,062** remained unverified as no supporting documents were made available to us.

- iii. Valuation schedule showing NRV of stores and spares has not been furnished for our verification.
- (a) In our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- (b) In our opinion:
- (i) Except for the effects of the matters referred to in paragraph (i) to (iii) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) The expenditure incurred during the year was for the purpose of the company's business; and
 - (iii) The business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) Due to the significance of the matters referred to in paragraphs (i) to (iii) above, in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of changes in equity and cash flow statement together with the notes forming part thereof do not conform with approved accounting standards as applicable in Pakistan and, do not give the information required by the Companies Ordinance, 1984, in the manner so required. Further in our opinion such financial statements do not give a true and fair view of the state of the company's affairs as at June 30, 2013 and of the loss, its changes in equity and cash flows for the year then ended and
- (d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

KARACHI: October 03, 2013.

CHARTERED ACCOUNTANTS
(Salim Sadruddin)



**S.G POWER LIMITED
BALANCE SHEET
AS AT JUNE 30, 2013**

	Note	2013 Rupees	2012 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		(216,203,333)	(15,861,079)
		51,245,667	251,587,921
NON CURRENT LIABILITIES			
Deferred liabilities	5	113,040	113,040
Loan from director	6	3,262	903,262
		116,302	1,016,302
CURRENT LIABILITIES			
Trade and other payables	7	11,134,062	11,316,413
Provision for taxation		629,329	629,329
		11,763,391	11,945,742
CONTINGENCIES AND COMMITMENTS			
	8	<u>63,125,360</u>	<u>264,549,965</u>
NON CURRENT ASSETS			
Property, plant and equipment	9	51,776,864	81,108,323
Long term deposit	10	5,350,000	5,350,000
CURRENT ASSETS			
Current portion of long term receivable	11	-	71,422,097
Stores and spares		5,797,601	5,797,601
Trade debts	12	-	90,136,243
Accrued interest considered good	13	133,195	10,735,289
Cash and bank balances	14	67,700	412
		5,998,496	178,091,642
		<u>63,125,360</u>	<u>264,549,965</u>

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

CHIEF EXECUTIVE

DIRECTOR



S.G POWER LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED June 30, 2013

	Note	2013 Rupees	2012 Rupees
Sales	15	-	-
Generation cost	16	<u>(6,030,031)</u>	<u>(8,872,891)</u>
Gross loss		(6,030,031)	(8,872,891)
Administrative and selling expenses	17	<u>(170,619,743)</u>	<u>(307,900)</u>
Operating loss		(176,649,774)	(9,180,791)
Finance charges	18	(273)	(114,930)
Other income	19	(23,692,207)	185,188
Loss before taxation		<u>(200,342,254)</u>	<u>(9,110,533)</u>
Taxation	20	-	-
Loss after taxation		<u>(200,342,254)</u>	<u>(9,110,533)</u>
Other Comprehensive Income		-	-
Total comprehensive income		<u><u>(200,342,254)</u></u>	<u><u>(9,110,533)</u></u>
Loss per share - basic and diluted	21	(11.23)	(0.51)

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

CHIEF EXECUTIVE

DIRECTOR



S.G POWER LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2013

	2013 Rupees	2012 Rupees
CASH FLOW FROM OPERATION ACTIVITIES		
(Loss) before taxation	(200,342,254)	(9,110,532)
Adjustment for non cash items:		
Depreciation	3,917,761	4,357,279
Finance charges	273	114,930
Provision for Bad debts	170,278,523	2,484,686
Loss on sale of Assets	24,213,697	-
	<u>198,410,254</u>	<u>6,956,895</u>
Cash flow from operating activity before working capital changes	(1,932,000)	(2,153,637)
Changes in working capital		
(Increase) / decrease in current assets		
Trade debts	1,934,060	1,800,000
Interest accrued	(52,149)	(18,519)
	<u>1,881,911</u>	<u>1,781,481</u>
Increase (decrease) in current liabilities		
Trade and other payables	(182,352)	8,560
	<u>(232,441)</u>	<u>(363,596)</u>
Finance charges paid	(273)	(114,930)
Net Cash used in operating activities	(232,714)	(478,526)
CASH FLOW FROM INVESTING ACTIVITIES		
Sale Proceeds from disposal of fixed assets	1,200,000	-
Net cash from investing activities	1,200,000	-
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from directors	(900,000)	67,830
Long term deposits	-	-
Repayment during the period	-	-
Net cash from financing activities	(900,000)	67,830
Net increase / (decrease) in cash and cash equivalents	<u>67,286</u>	<u>(410,696)</u>
Cash and cash equivalents at the beginning of the year	412	411,108
Cash and cash equivalents at the end of the year	<u>67,700</u>	<u>412</u>

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

 CHIEF EXECUTIVE

 DIRECTOR



S.G POWER LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2013

	Issued, subscribed and paid up capital	Share Premium	Accumulated (loss)	Total
	----- R u p e e s -----			
Balance as at June 30, 2011	178,332,670	89,116,330	(6,750,547)	260,698,453
Loss for the year	-	-	(9,110,532)	(9,110,532)
Balance as at June 30, 2012	178,332,670	89,116,330	(15,861,079)	251,587,921
Loss for the year	-	-	(200,342,254)	(200,342,254)
Balance as at June 30, 2013	178,332,670	89,116,330	(216,203,333)	51,245,667

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

CHIEF EXECUTIVE

DIRECTOR



S.G. POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

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, 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 was supplying electricity only to S.G Fibre Limited - an associated company. Due to the existence of adverse situation in the fibre industry, their production was suspended since Dec. 2006. Due to this reason, the Company discontinued its electricity and steam supplies. As a result, the revenue generating activities were stopped. However, presently company is negotiating with Karachi Electric Supply Company Limited (KESC) for supply of electric energy to them for which necessary arrangements are being made by the company.

2. Basis of Preparation of Financial Statements

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the requirements of the Companies Ordinance 1984 (the Ordinance) and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) as notified under the provisions of the Ordinance. Wherever, the requirements of the Ordinance or the directives issued by the SECP differs with the requirements of these standards, the requirements of the Ordinance or the requirements of the said directives have been followed.

2.2 Basis of preparation

These financial statements have been prepared under " historical cost convention:" except for recognition of certain employees benefits, which are measured at present value.

2.3 Accrual Basis Accounting

These financial statements except cash flow information, have been prepared under the accrual 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 Estimates

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions 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 the 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.

Judgments 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 ensuing paragraphs.

2.6 INITIAL APPLICATION OF STANDARDS, AMENDMENTS OR AN INTERPRETATION TO EXISTING STANDARDS

2.6.1 Amendments to published standards effective in the current year

Certain amendments to approved accounting standards are effective for accounting periods beginning on July 1, 2012 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

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

The following new standards and amendments to published standards are not effective (although available for early adoption) for the financial year beginning on or after July 1, 2012 and have not been early adopted by the Company:

- (a) Annual improvements to IFRSs 2011 are applicable on accounting periods beginning on or after January 1, 2013. This set of amendments includes changes to five standards: IFRS 1, 'First time adoption', IAS 1, 'Financial statement presentation', IAS 16, 'Property, plant and equipment', IAS 32, 'Financial instruments; Presentation' and IAS 34, 'Interim financial reporting'. The application of these amendments have no material impact on the Company's financial statements.
- (b) IFRS 7 (Amendments), 'Financial instruments: Disclosures', on offsetting financial assets and financial liabilities is applicable on accounting periods beginning on or after January 1, 2013. The amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The Company shall apply these amendments from July 1, 2013 and does not expect to have a material impact on its financial statements.
- (c) IFRS 9 - 'Financial instruments - classification and measurement'. This is applicable on accounting periods beginning on or after January 1, 2015. This standard on classification and measurement of financial assets and financial liabilities will replace IAS 39, 'Financial instruments: Recognition and measurement'. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives.
The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change will mainly affect financial institutions. The Company shall apply this standard from July 1, 2015 and does not expect to have a material impact on its financial statements.
- (d) IAS 19 (Amendments), 'Employee benefits' is applicable on accounting periods beginning on or after January 1, 2013. These amendments shall eliminate the corridor approach and calculate finance cost on a net funding basis. The Company shall apply these amendments from July 1, 2013 and its impact on retained earnings shall be Rs.8.092 million due to recognition of current unrealised actuarial losses on its defined benefit plans.
There are other new accounting standards, amendments to approved accounting standards and interpretations that are mandatory for future years. However they are not considered relevant to the Company and therefore are not expected to materially affect the financial statements of the Company for accounting periods on the dates prescribed therein.

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 gain 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

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 recognised 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 capitalised 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.



	2013 Rupees	2012 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 follows:

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	-	-
	<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>

The amount recognized in the balance sheet are as follows:

Present value of defined benefit obligation	113,040	113,040
Liability as at June 30	<u>113,040</u>	<u>113,040</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

	2013 June 30	2012 June 30	2011 June 30	2010 June 30	2009 June 30
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 have not yet been decided by the Company.

7 TRADE & OTHER PAYABLE

Creditors	6,749,787	6,749,787
Accrued Liabilities	1,733,689	1,916,040
Staff gratuity payable	1,333,489	1,333,489
Unclaimed dividend	1,297,283	1,297,283
Tax deducted at source	19,815	19,815
	<u>11,134,062</u>	<u>11,316,413</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.

8.3 Commitments

9 OPERATING ASSET - OWNED

Particulars	Cost				Rate %	Depreciation				WDV
	As on July 01, 2012	Addition / (Disposal)	Disposals	As on June 30, 2013		As on July 01, 2012	On disposal	For the year	As on June 30, 2013	
	Rupees					Rupees				Rupees
Generators	292,698,450		103,176,272	189,522,178	5%	212,915,441	77,762,575	3,777,370	138,930,236	50,591,942
Air Handling Unit	475,420	-	-	475,420	10%	396,129	-	7,929	404,058	71,362
Electric fitting	531,990	-	-	531,990	10%	380,186	-	15,180	395,366	136,624
Gas installation	1,101,542	-	-	1,101,542	10%	917,837	-	18,371	936,208	165,335
Equipment	2,533,157	-	-	2,533,157	10%	1,701,243	-	83,191	1,784,434	748,723
Vehicles	1,782,700	-	-	1,782,700	20%	1,704,101	-	15,720	1,719,821	62,879
Total Owned Assets	299,123,259	-	103,176,272	195,946,987		218,014,937	77,762,575	3,917,761	144,170,123	51,776,864

The land on which the project is setup, has been obtained on rent from S.G Fibre Limited, an associated company.

Depreciation for the year ended has been allocated as under:

	2013 June	2012 June
Generation Cost	3,902,041	4,337,630
Administration Expenses	15,720	19,650
	<u>3,917,761</u>	<u>4,357,280</u>

4.2 Disposal/ deletion of fixed assets during the year with original cost or book value:

Particulars	Cost	Accumulating Depreciation	Book Value	Sales Price	Gain on Disposal	Mode of Disposal
Generators	103,176,272	77,762,575	25,413,697	1,200,000	(24,213,697)	Tender Mr. Mazhar Khan Karachi

4.3 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.

OPERATING ASSET - OWNED

Particulars	----- Cost -----				Rate %	----- Depreciation -----				----- WDV -----
	As on July 01, 2011	Addition / (Disposal)	Disposals	As at JUNE 30, 2012		As on July 01, 2011	Adjustments	For the year	As at JUNE 30, 2012	As at JUNE 30, 2012
	Rupees					Rupees				Rupees
Generators	292,698,450	-	-	292,698,450	5%	208,716,335	-	4,199,106	212,915,441	79,783,009
Air Handling Unit	475,420	-	-	475,420	10%	387,319	-	8,810	396,129	79,291
Electric fitting	531,990	-	-	531,990	10%	363,319	-	16,867	380,186	151,804
Gas installation	1,101,542	-	-	1,101,542	10%	897,425	-	20,412	917,837	183,705
Equipment	2,533,157	-	-	2,533,157	10%	1,608,808	-	92,435	1,701,243	831,914
Vehicles	1,782,700	-	-	1,782,700	20%	1,684,451	-	19,650	1,704,101	78,599
Total Owned Assets	299,123,259	-	-	299,123,259		213,657,657	-	4,357,279	218,014,936	81,108,323

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The land on which the project is setup, has been obtained on rent from S.G Fibre Limited, an associated company.

Depreciation for the year has been allocated as under:

Generation Cost	2012 RUPEES	2011 RUPEES
Administration Expenses	4,337,630	4,574,027
	19,650	24,562
	<u>4,357,280</u>	<u>4,598,589</u>



	2013 Rupees	2012 Rupees
10 LONG TERM DEPOSIT		
Long term deposit	5,350,000	5,350,000
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	67,522,097
Less: Provision for doubtful debt	(65,588,037)	-
	-	67,522,097
11.1 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.		
12 TRADE DEBTS		
Unsecured- Considered good		
Associated Company- S.G. Fibre Limited	94,036,243	94,036,243
Less: Provision for doubtful debt	(94,036,243)	-
	-	94,036,243
12.1 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.		
13 INTEREST ACCRUED		
Considered good		
Interest on TDR Receivable	133,195	81,046
Interest on loan to associated company -S.G. Fibre Limited	10,654,243	10,654,243
Less: Provision for doubtful debt	(10,654,243)	-
	-	10,654,243
	133,195	10,735,289
13.1 This represents interest accrued on long term receivable from the associated company, S.G. Fibre Limited, charged as per the direction issued by SECP vide Order dated April 6, 2006. During the year 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.		
14 CASH & BANK BALANCE		
Cash in hand	400	400
Cash at bank-current accounts	67,300	12
	67,700	412
15 SALES		
Gross sales -electricity and steam	-	-
less: Sales tax	-	-
	-	-
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	327,990	250,575
Repair and Maintenance	-	-
Rent, rates and taxes	1,800,000	1,800,000
Depreciation	3,902,041	4,337,630
Write off Store & Spare	-	2,484,686
	6,030,031	8,872,891
17 ADMINISTRATION & SELLING EXPENSES		
Rent, rates and taxes	75,000	75,000
Fees and subscription	186,500	113,000
Auditor remuneration	25,000	42,500
Depreciation	15,720	19,650
Printing & Stationery	39,000	57,750
Provision for doubtful debts	170,278,523	-
	170,619,743	307,900
18 Financial Charges	273	114,930
19 Other Income		
Profit on TDR	521,490	185,188
Loss on sale of Assets	(24,213,697)	-
	(23,692,207)	185,188
20 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.		



21 LOSS PER SHARE

There is no dilutive effect on the basic earnings per share of the Company which is based on:

	2013 Rupees	2012 Rupees
Loss for the year	(200,342,254)	(9,110,533)
Weighted average number of ordinary shares outstanding during the year	17,833,267	17,833,267
Loss per share	<u>(11.23)</u>	<u>(0.51)</u>

22 TRANSACTIONS WITH RELATED PARTIES

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

Rent of premises	1,800,000	1,800,000
Re-imburement against expenses	-	-

23 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	Executives 2013 (Rupees)	Executives 2012 (Rupees)
Basic salary	-	-
House allowance	-	-
Utilities	-	-
	<u>-</u>	<u>-</u>

24 PLANT CAPACITY AND ACTUAL PRODUCTION

	Electricity(KWH) 2013	Steam(KGs) 2012
Annual Capacity	50,280,648	50,280,648
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.

25 FINANCIAL INSTRUMENT AND RELATED DISCLOSURE

25.1 Financial Risk Management

25.1.1 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 company are explained below:

25.2 Market Risk

25.2.1 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.

25.2.2 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.

25.2.3 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.

25.3 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 172.212 million (2012: Rs 172.212 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, 2013, along with comparative is tabulated below:



	2013 Rupees	2012 Rupees
Financial Assets		
Current portion of long term receivable	-	71,422,097
Trade debts	-	90,136,243
Other receivables	10,654,243	10,654,243
Cash & bank balances	67,700	412
	<u>10,721,943</u>	<u>172,212,995</u>

25.4 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 contractual maturities are presented below: lines.

	Carrying Amount/	Between 1 to 2 years -----Rupees-----	Between 2 to 5 years
Trade and other payables	11,134,062	-	-
	<u>11,134,062</u>	<u>-</u>	<u>-</u>

25.5 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 As at June 30, 2013 the carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

26 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.

27 DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue on October 03, 2013 by the Board of Directors of the Company.

28 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive

DIRECTOR



NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2013

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	12,224,002	68.55
Individuals	1,547	4,873,185	27.33
National Investment Trust	1	656,480	3.68
Financial Institutions	3	51,000	0.29
Investment Companies	2	28,600	0.16
Total	1,560	17,833,267	100.00



NOTES TO THE FINANCIAL STATEMENTS
For the year ended june 30, 2013

DETAILS OF CATEGORIES OF SHAREHOLDERS AS AT JUNE30, 2013

	No. of Shareholders	Shares held
National Investment Trust	1	656,480
Investment Companies	2	
Aims Investment Advisory Co. (Pvt.) Ltd.		1,100
Investment Corporation of Pakistan		27,500
	3	28,600
Financial Institutions		
Pak Libya Holding Co. (Pvt) Ltd.		44,000
Crescent Investment Bank		1,500
Guardian Leasing Modaraba		5,500
	3	51,000
DIRECTORS, CEO, THEIR SPOUSES & MINOR CHILDREN		
Mst. Zubaida Khatoon		3,484,572
Mr. Sohail Ahmed		3,484,572
Mr. Asim Ahmed		3,511,072
Mst. Ghazala Ahmed		1,742,286
Mrs. Tania Asim		500
Mr. Farhan Sohail		500
Mr. Rafiq Ahmed		500
	7	12,224,002
Individuals	1547	4,873,185
GRAND TOTAL	1560	17,833,267

Shareholders Holding 10% or More Voting Interest in the Company
As at June 30, 2013

	Shares Held	Percentage
Directors, CEO, Their Spouse & Minor Children		
Mst. Zubaida Khatoon	3,484,572	19.54
Mr. Sohail Ahmed	3,484,572	19.54
Mr. Asim Ahmed	3,511,072	19.69



FORM OF PROXY

The Secretary
S.G. FIBRE Limited,
B-40, S.I.T.E.,
Karachi.

I/We _____ of _____ being a member of **S.G. FIBRE LIMITED**, and holder
Of _____ Ordinary shares hereby appoint _____ of
_____ as _____ me/our proxy to attend and vote for me/our behalf at
the 20th Annual General Meeting of the Company to be held on Thursday the October 31, 2013. 9:30a.m and at
Any adjournment thereof;

In witness my/our hand seal this _____ day of _____ 2013

Signed by _____

Please affix
Rs. 5/-
Revenue
Stamp

In the presence of _____ Signature of Member _____

Folio No. _____

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



FORM OF PROXY

**AFFIX
CORRECT
POSTAGE**

**The Company Secretary
S.G. Fibre Limited
B-40, S.I.T.E.
Karachi**