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**(MEMBER OF S.G. GROUP)  
2015**

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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 22nd Annual General Meeting of the members of M/s S.G. Power Limited will be held on Thursday on October 22, 2015 at 10.30 AM at Company Registered Office at B-40, S.I.T.E., Karachi to transact the following business:

1. To confirm the minutes of 21<sup>st</sup> Annual General Meeting held on October 30, 2014.
2. To receive, consider and adopt audited accounts of the company for the year ended June 30, 2015 together with the Directors' and Auditors' report thereon.
3. To appoint auditors for the year 2015-16 and to fix their remuneration.
4. To transact any other business with the permission of the Chair.

Karachi: October 01, 2015

By Order of the Board

**Asim Ahmed**  
**(Chief Executive)**

### Notes:

1. The shares Transfer Books of the Company will remain closed from October 15, 2015 to October 21, 2015 (both days inclusive) for the purpose of the Annual General Meeting.
2. A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend the meeting and vote instead of him/her. In case of corporate entity, the Board of Director's resolution/power of attorney with specimen signature shall be submitted along with proxy from the Company. Proxies in order to be effective must reach at the Registered Office of the Company not less than 48 hours before the time of the meeting.
3. Members are requested to notify change in their mailing address, if any, immediately to the Share Registrar of the Company M/S Technology Trade (Private) Limited, Dagia House, 241-C, PECHS, Shahrah-e-Quaiden, Karachi.
4. Members, who have deposited their shares with the Central Depository Company of Pakistan Ltd. (CDC), are requested to bring their original Computerized National Identity Cards along with their account numbers in CDC for verification at the time of the meeting.
5. CDC account holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.



# **S. G. POWER LIMITED**

## **DIRECTORS' REPORT**

The Board of Directors of S.G. Power Limited is please to present the 22<sup>nd</sup> Annual Report and Audited Financial Statements of the Company together with Auditors' Report for the year ended June 30, 2015.

The auditors have issued a qualified report. The directors would like to clarify on the qualifications as under:

- i) Messrs S.G. Fibre Limited, a sister concern and the only customer of the Company to whom it supplies electricity has shut-down its operations due to adverse and unfavorable market conditions. As per SECP directives, the Company has made full provision against amounts aggregating to Rs. 169.978 million which are receivable from associated undertaking. The management hopes that material un-certainty will not last long and favorable environment will be created in due course of time. As such the Company will be a going concern in the foreseeable future.
- ii) Detail of trade and other payables amounting to Rs. 11,134,064 were made available to auditors. However, the supporting documents could not be traced as the factory is closed for the last several years and there is no staff available to trace the old record.
- iii) Physical verification and stock taking was arranged by the management along with auditors in June, 2015. However, due to non-availability of any staff, the valuation schedule could not be prepared for verification.
- iv) The plant is closed for the last several years and there are no short-term and long-term employees in employment. Compliance with IAS-19 pertaining to accounting and disclosures could not be applied.



## FINANCIAL RESULTS

The performance of the Company during the year under review has not been satisfactory as the operations of the Company continued to remain shut-down due to adverse market conditions faced by its only customer and sister concern M/S. S.G. Fibre Limited

Following are the financial results for the year ended June 30, 2015:

	<u>Rupees</u>
Sale	-----
Generation cost	(5,045,345)
Gross Loss	(5,045,345)
Admin & Selling Expenses	(178,061)
Other income	355,562
Loss before taxation	(4,867,844)
Loss after taxation	(4,867,844)

## FUTURE OUTLOOK

The management is hopeful that the economic and market conditions will improve and the Company will come out of crisis and re-commence operation. Textile industry as a whole is going through a deep crises phase and it is high time that the Government takes steps to stop the industry decline from irreparable damage.

## 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, 2015 have been prepared by the management present fairly its state of affairs, the results of its operation, cash flow and change in equity.
- Proper books of accounts of the Company have been maintained.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.
- There are no significant doubts upon the Company's ability to continue as a going concern, but due to adverse economic and market condition, the operation remained 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, Chief Executive and their spouses 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 five 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 Director</u>	<u>No. of meetings attended.</u>
Mst Zubaida Khatoon	4
Mr. Asim Ahmed	2
Mr. Sohail Ahmed	4
Mrs. Ghazala Ahmed	4
Mrs Tania Asim	3
Mr. Farhan Sohail	3
Mr. Rafiq Ahmed	2

#### **AUDIT COMMITTEE**

The meetings of Audit Committee were held during the year ended June 30, 2015 as required by the Code of Corporate Governance for review of Quarterly/Half-yearly/Annual Accounts and the related matters. The meeting was also attended by the External Auditors as and when required.

The composition of the Committee is as follows:

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

#### **AUDITORS**

The present Auditors M/S Muniff Ziauddin & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment. Audit Committee has recommended for their re-appointment for the year ending June 30, 2016.

#### **ACKNOWLEDGEMENT**

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

#### **SHAREHOLDINGS PATTERN**

The Pattern of Shareholding as on June 30, 2015 is annexed.

On behalf of the  
Board of Directors

Asim Ahmed  
(Chief Executive)

Karachi October 1, 2015.



## **VISION STATEMENT**

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

## **MISSION STATEMENT**

Our mission is to exceed the expectations of our customers in producing highest quality product.

With determination of greater returns to shareholders and good opportunities to employees. To make the company a high flyer of all times.

## **CORPORATE OBJECTIVES & DEVELOPMENT STRATEGY**

From the beginning we have been producing exceptionally high quality products. Every time we introduced new varieties in the market which was followed by others later on.

Alhamdulillah we become the only exporter of polyester filament yarn from Pakistan. We wish to strive continuously to achieve higher levels of excellence by employing most Modern manufacturing technology Operational & Financial Management. To extend our maximum contribution to our beloved Country in almost all possible Fields specially to National exchequer.

## **STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE ON TRANSFER PRICING**

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

On behalf of the Board of Directors

**Sohail Ahmed**  
(Chief Executive)



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## S.G. POWER LIMITED

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### Statement of Compliance with the Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance (the CCG) contained in Regulation No. 5.19 of the Rule Book of Karachi Stock Exchange Limited and Regulation No.35 of Chapter (XI) of the listing regulations of Islamabad Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

1. The Board encourages representation of independent non-executive directors and directors representing minority interests 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 on more than seven listed companies, including this company:
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI and none of them being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board during the 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 CEO, other executive and non-executive directors, have been taken by the board/shareholders.
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 meetings 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 meetings were appropriately recorded and circulated.
9. The Directors in the Board has adequate exposure of the corporate matters and knowledge of the laws and regulations applicable to the Company and well versed of their duties and responsibilities.
10. The board has approved appointment of Company Secretary and Chief Financial Officer, including their 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 Officer 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.
15. The Board has formed an Audit Committee. It comprises 3 members; 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





## **S.G. POWER LIMITED**

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and approved by the Board of Directors and advised to the committee for compliance.

17. The board has formed an HR and Remuneration Committee. It comprises of 3 members, of whom 2 are non-executive directors.

18. The board has set up an effective internal audit function

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, 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.

20. 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.

21. 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).

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).

23. We confirm that all other material principles contained in the Code have been complied with.

On behalf of the Board of Directors

Karachi: October 01, 2015

**Mr. Asim Ahmed**  
**(Chief Executive Officer)**



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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **S.G. Power Limited (the Company)** for the year ended June 30, 2015, to comply with the Code contained in regulation No. 5.19 of the Rule Book of Karachi Stock Exchange Limited and Regulation No.35 of Chapter (XI) of listing regulations of Islamabad Stock Exchange Limited where the company is listed.

The responsibility for compliance with the Code 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 and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the 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 are not required to consider whether the Board of Director's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions 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 and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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

Note reference	Description
6	A complete record of particulars of significant policies along with the dates on which they were approved or amended is not being maintained.
15	The chairman of the Audit Committee is not Independent Director.
16	Audit committee meetings were not properly held during the year as required by the Code of Corporate Governance.
17	The board has not formed HR & Remuneration Committee as required by the Code.
18	The board has not setup an effective internal audit function.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2015.

Further, we highlight below instance of non-compliance with the requirement of the Code as reflected in the note reference where it is stated in the Statement of Compliance.

Note reference	Description
9	The Board has not made arrangements to carry out orientation courses on Code of Corporate Governance for its directors.

KARACHI: 01 Oct 2015

MUNIFF ZIAUDDIN & CO  
CHARTERED ACCOUNTANTS  
(Sohail Saleem)



## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **S. G. POWER LIMITED** as at June 30, 2015 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 (ii) and (iii) below we have obtained all the information and explanations which 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 (ii) and (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. 5,045,345 (2014: Rs. 4,941,731) and net loss of Rs. 4,867,844 (2014: 4,384,289) 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. 65.287 million and Rs. 10.654 million aggregating to Rs. 169.978 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. 11,134,063 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.
  - iv. As disclosed in the note 5 to the Financial Statements, the Company has not complied with the requirements of IAS 19 - Employee Benefits as the related liabilities were not revalued during the year.
- (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:
- 1. Except for the effects of the matters referred to in paragraph (i) to (iv) 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;
  - 2. The expenditure incurred during the year was for the purpose of the company's business; and
  - 3. 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 (iv) 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 and do not give a true and fair view of the state of the company's affairs as at June 30, 2015 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: 01 Oct 2015**

**MUNIFF ZIAUDDIN & CO.  
CHARTERED ACCOUNTANTS  
(SOHAIL SALEEM)**



**S.G POWER LIMITED  
BALANCE SHEET  
AS AT JUNE 30, 2015**

	Note	2015 Rupees	2014 Rupees
<b>SHARE CAPITAL AND RESERVES</b>			
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		(225,455,466)	(220,587,622)
		<u>41,993,534</u>	<u>46,861,379</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred liabilities	5	113,040	113,040
Loan from director	6	3,262	3,262
		<u>116,302</u>	<u>116,302</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	11,134,063	11,134,063
Due to associated undertaking	8	4,495,284	2,100,000
Provision for taxation		629,329	629,329
		<u>16,258,676</u>	<u>13,863,392</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9	-	-
		<u>58,368,512</u>	<u>60,841,073</u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	10	46,608,325	49,122,487
Long term deposit	11	5,350,000	5,350,000
<b>CURRENT ASSETS</b>			
Current portion of long term receivable	12	-	-
Stores and spares		5,797,601	5,797,601
Trade debts	13	-	-
Accrued interest considered good	14	132,899	132,899
Cash and bank balances	15	479,689	438,087
		<u>6,410,188</u>	<u>6,368,587</u>
		<u>58,368,512</u>	<u>60,841,073</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, 2015**

	Note	2015 Rupees	2014 Rupees
<b>Sales</b>	16	-	-
Generation cost	17	<u>(5,045,345)</u>	<u>(4,941,731)</u>
<b>Gross loss</b>		<b>(5,045,345)</b>	<b>(4,941,731)</b>
Administrative and selling expenses	18	<u>(178,061)</u>	<u>(310,727)</u>
<b>Operating loss</b>		<b>(5,223,406)</b>	<b>(5,252,458)</b>
Finance charges	19	-	(1,856)
Other income	20	355,562	870,025
<b>Loss before taxation</b>		<u><b>(4,867,844)</b></u>	<u><b>(4,384,289)</b></u>
Taxation	21	-	-
<b>Loss after taxation</b>		<u><b>(4,867,844)</b></u>	<u><b>(4,384,289)</b></u>
Other Comprehensive Income		-	-
<b>Total comprehensive income</b>		<u><u><b>(4,867,844)</b></u></u>	<u><u><b>(4,384,289)</b></u></u>
Loss per share - basic and diluted	22	(0.27)	(0.25)

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, 2015**

	2015 Rupees	2014 Rupees
<b>CASH FLOW FROM OPERATION ACTIVITIES</b>		
Before taxation	(4,867,844)	(4,384,289)
<b>Adjustment for non cash items:</b>		
Depreciation	2,514,162	2,654,377
Finance charges	-	1,856
Provision for Bad debts	-	-
Loss on sale of Assets	-	-
	<u>2,514,162</u>	<u>2,656,233</u>
<b>Cash flow from operating activity before working capital changes</b>	<b>(2,353,682)</b>	<b>(1,728,056)</b>
<b>Changes in working capital</b>		
(Increase) / decrease in current assets		
Trade debts	-	-
Interest accrued	-	296
	-	296
Increase (decrease) in current liabilities		
Due to associated undertaking	2,395,282	2,100,000
	<u>41,600</u>	<u>372,241</u>
Finance charges paid	-	(1,856)
<b>Net Cash used in operating activities</b>	<b>41,600</b>	<b>370,385</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale Proceeds from disposal of fixed assets	-	-
<b>Net cash from investing activities</b>	<u>-</u>	<u>-</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan from directors	-	-
Long term deposits	-	-
Repayment during the period	-	-
<b>Net cash from financing activities</b>	<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents	<u>41,600</u>	<u>370,385</u>
Cash and cash equivalents at the beginning of the year	<u>438,087</u>	<u>67,700</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><u>479,689</u></u>	<u><u>438,087</u></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, 2015**

	Issued, subscribed and paid up	Share Premium	Accumulated	Total
	----- Rupees -----			
Balance as at June 30, 2013	178,332,670	89,116,330	(216,203,333)	51,245,667
Loss for the year	-	-	(4,384,289)	(4,384,289)
Balance as at June 30, 2014	<u>178,332,670</u>	<u>89,116,330</u>	<u>(220,587,622)</u>	<u>46,861,379</u>
Loss for the year	-	-	(4,867,844)	(4,867,844)
Balance as at June 30, 2015	<u>178,332,670</u>	<u>89,116,330</u>	<u>(225,455,466)</u>	<u>41,993,534</u>

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, 2015**

#### **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. NEW AND REVISED STANDARDS AND INTERPRETATIONS

### 2.6.1 Initial application of standards, amendments or an interpretation to existing standards

The following new and revised Standards and Interpretations have also been adopted in these financial statements.

### 2.6.2 Accounting standards or an interpretations not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards would be effective from the dates mentioned below against the respective standard or interpretation:

IAS 27 - Separate financial statements (Amendments)	effective from accounting period beginning on or after January 1, 2015
IFRS 10 Consolidated financial statements (Amendments)	effective from accounting period beginning on or after January 1, 2015
IFRS 11 - Joint Arrangements	effective from accounting period beginning on or after January 1, 2015
IFRS 12 - Disclosure of interests in other entities (Amendments)	effective from accounting period beginning on or after January 1, 2015
IFRS 13 - Fair value measurement	effective from accounting period beginning on or after January 1, 2015

The above standards, amendments and interpretations are either not relevant to Company's operations or are not expected to have significant impact on the Company's financial statements other than certain increased disclosures.

In addition to the above amendments and interpretations, improvements to the following accounting standards have also been issued by IASB. Such improvements are generally effective for accounting periods beginning on or after July 01, 2014.

<b>Standard or Interpretation</b>		<b>IASB Effective date (annual periods beginning on or after)</b>
IFRS 8	Operating Segments	July 01, 2014
IAS 16	Property, plant and equipment - (Amendment)	July 01, 2014
IAS 24	Intangible Assets - (Amendment)	July 01, 2014
IAS 38	Related Party Disclosure	July 01, 2014
IAS 40	Investment Property	July 01, 2014



### 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 their 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.



	Note	2015 Rupees	2014 Rupees
<b>4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>			
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	<u>113,040</u>	<u>113,040</u>
Charge to profit and loss account	113,040	113,040
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	<u>113,040</u>	<u>113,040</u>
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

	2015 June 30	2014 June 30	2013 June 30	2012 June 30	2011 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. This will be repaid in the ensuing year.

**7 TRADE & OTHER PAYABLE**

Creditors	<u>6,749,786</u>	<u>6,749,786</u>
Accrued Liabilities	<u>1,733,690</u>	<u>1,733,690</u>
Staff gratuity payable	<u>1,333,489</u>	<u>1,333,489</u>
Unclaimed dividend	<u>1,297,283</u>	<u>1,297,283</u>
Tax deducted at source	<u>19,815</u>	<u>19,815</u>
	<u>11,134,063</u>	<u>11,134,063</u>

<b>8 DUE TO ASSOCIATED UNDERTAKING</b>	8.1	<u>4,495,284</u>	<u>2,100,000</u>
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8.1 This includes Rs. 1,800,000 being the amount of rent payable to S.G. Fibre Limited.



## 9 CONTINGENCIES AND COMMITMENTS

### Contingencies

- 9.1 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.

- 9.2 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.

	Note	2015 Rupees	2014 Rupees
9.3 Commitments		-	-

## 10 OPERATING ASSET - OWNED

2015

Particulars	----- Cost -----				Rate %	----- Depreciation -----				----- WDV -----
	As on July 01, 2014	Addition / (Disposal)	Disposals	As on June 30, 2015		As on July 01, 2014	On disposal	For the year	As on June 30, 2015	As on June 30, 2015
	Rupees					Rupees				Rupees
Generators	189,522,178	-	-	189,522,178	5%	141,459,833	-	2,403,117	143,862,950	45,659,228
Air Handling Unit	475,420	-	-	475,420	10%	411,194	-	6,423	417,617	57,803
Electric fitting	531,990	-	-	531,990	10%	409,029	-	12,296	421,325	110,665
Gas installation	1,101,542	-	-	1,101,542	10%	952,741	-	14,880	967,621	133,921
Equipment	2,533,157	-	-	2,533,157	10%	1,859,307	-	67,385	1,926,692	606,465
Vehicles	1,782,700	-	-	1,782,700	20%	1,732,397	-	10,061	1,742,457	40,243
<b>Total Owned Assets</b>	<b>195,946,987</b>	<b>-</b>	<b>-</b>	<b>195,946,987</b>		<b>146,824,500</b>	<b>-</b>	<b>2,514,162</b>	<b>149,338,662</b>	<b>46,608,325</b>

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:

	2015 June	2014 June
Generation Cost	2,504,101	2,641,801
Administration Expenses	10,061	12,576
	<b>2,514,162</b>	<b>2,654,377</b>

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.



## 2014

Particulars	----- Cost -----				Rate %	----- Depreciation -----				----- WDV -----
	As on July 01, 2013	Addition / (Disposal)	Disposals	As on June 30, 2014		As on July 01, 2013	On disposal	For the year	As on June 30, 2014	As on June 30, 2014
	Rupees					Rupees				Rupees
Generators	189,522,178		-	189,522,178	5%	138,930,236	-	2,529,597	141,459,833	48,062,345
Air Handling Unit	475,420	-	-	475,420	10%	404,058	-	7,136	411,194	64,226
Electric fitting	531,990	-	-	531,990	10%	395,366	-	13,662	409,029	122,961
Gas installation	1,101,542	-	-	1,101,542	10%	936,208	-	16,533	952,741	148,801
Equipment	2,533,157	-	-	2,533,157	10%	1,784,434	-	74,872	1,859,307	673,850
Vehicles	1,782,700	-	-	1,782,700	20%	1,719,821	-	12,576	1,732,397	50,303
<b>Total Owned Assets</b>	<b>195,946,987</b>	<b>-</b>	<b>-</b>	<b>195,946,987</b>		<b>144,170,123</b>	<b>-</b>	<b>2,654,377</b>	<b>146,824,500</b>	<b>49,122,487</b>







**11 LONG TERM DEPOSIT**

Long term deposit	<u>5,350,000</u>	<u>5,350,000</u>
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11.1 This represents margin held by M/s Sui Southern Gas Company limited against the supply of Gas.

**12 LONG TERM RECEIVABLE**

Unsecured -Considered good		
Associated Company- S.G. Fibre Limited	65,287,512	65,588,037
Less: Provision for doubtful debt	<u>(65,287,512)</u>	<u>(65,588,037)</u>
	-	-

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 was provided for during the year ended June 30, 2013.

**13 TRADE DEBTS**

Unsecured- Considered good		
Associated Company- S.G. Fibre Limited	94,036,243	94,036,243
Less: Provision for doubtful debt	<u>(94,036,243)</u>	<u>(94,036,243)</u>
	-	-

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

**14 INTEREST ACCRUED**

<b>Considered good</b>		
Interest on TDR Receivable		132,899
Interest on loan to associated company -S.G. Fibre Limited	14.1	10,654,243
Less: Provision for doubtful debt		<u>(10,654,243)</u>
		-
		<u>132,899</u>
		<u>132,899</u>

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

Note	2015 Rupees	2014 Rupees
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**15 CASH & BANK BALANCE**

Cash in hand	400	400
Cash at bank-current accounts	<u>479,289</u>	<u>437,687</u>
	<u>479,689</u>	<u>438,087</u>

**16 SALES**

Gross sales -electricity and steam	-	-
less: Sales tax	-	-
	<u>-</u>	<u>-</u>

16.1 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.

**17 GENERATION COST**

Gas consumed	741,244	499,930
Rent, rates and taxes	1,800,000	1,800,000
Depreciation	<u>2,504,101</u>	<u>2,641,801</u>
	<u>5,045,345</u>	<u>4,941,731</u>



## 18 ADMINISTRATION & SELLING EXPENSES

Rent, rates and taxes	-	75,000
Fees and subscription	-	63,151
Auditor remuneration	150,000	100,000
Depreciation	10,061	12,576
Printing & Stationery	-	45,000
Advertisement expense	18,000	15,000
	<b>178,061</b>	<b>310,727</b>

## 19 Financial Charges

	-	1,856
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## 20 Other Income

Profit on TDR	355,562	870,025
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## 21 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.

## 22 LOSS PER SHARE

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

Loss for the year	(4,867,844)	(4,384,289)
Weighted average number of ordinary shares outstanding during the year	17,833,267	17,833,267
Loss per share	(0.27)	(0.25)

## 23 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
Transfer of cash fund to S.G. Fibre Limited	-	300,000
	<b>1,800,000</b>	<b>2,100,000</b>

## 24 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	Executives 2015 (Rupees)	Executives 2014 (Rupees)
Basic salary	-	-
House allowance	-	-
Utilities	-	-
	<b>-</b>	<b>-</b>

## 25 PLANT CAPACITY AND ACTUAL PRODUCTION

	Electricity (KWH) 2015	Electricity (KWH) 2014
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.

## 26 FINANCIAL INSTRUMENT AND RELATED DISCLOSURE

### 26.1 Financial Risk Management

26.1.1 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:

## 26.2 Market Risk

### 26.2.1 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.

### 26.2.2 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.

## 26.3 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 612,587 (2014: Rs 570,986 ).

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, 2015, along with comparative is tabulated below:

Note	2015 Rupees	2014 Rupees
<b>Financial Assets</b>		
Current portion of long term receivable	-	-
Trade debts	-	-
Accrued interest considered good	132,899	132,899
Cash & bank balances	479,689	438,087
	<b>612,587</b>	<b>570,986</b>

## 26.4 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:

	Carrying Amount/ Contractual Cash Flows	
	Between 1 to 2 years	Between 2 to 5 years
	-----Rupees-----	
Trade and other payables	11,134,063	-
	<b>11,134,063</b>	<b>-</b>



**26.5 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, 2015 the carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

**27 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.

**28 NUMBER OF EMPLOYEES**

Number of employees at year end

\_\_\_\_\_ - \_\_\_\_\_

**28.1 AVERAGE NUMBER OF EMPLOYEES**

Average Number of employees

\_\_\_\_\_ - \_\_\_\_\_

**DATE OF AUTHORIZATION OF  
FINANCIAL STATEMENTS**

These financial statements were authorized for issue on 01 Oct 2015 by the Board of Directors of the Company.

**29 GENERAL**

Figures have been rounded off to the nearest rupee.

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
DIRECTOR



**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended June 30, 2015

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
<b>Total</b>	<b>1,560</b>	<b>17,833,267</b>	<b>100.00</b>



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2015

### DETAILS OF CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2015

	No. of Shareholders	Shares held
<b>National Investment Trust</b>	1	656,480
<b>Investment Companies</b>	2	
Aims Investment Advisory Co. ( Pvt.) Ltd.		1,100
Investment Corporation of Pakistan		27,500
	3	28,600
<b>Financial Institutions</b>		
Pak Libya Holding Co. (Pvt) Ltd.		44,000
Crescent Investment Bank		1,500
Guardian Leasing Modaraba		5,500
	3	51,000
<b>DIRECTORS, CEO, THEIR SPOUSES &amp; MINOR CHILDREN</b>		
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
<b>Individuals</b>	1547	4,873,185
<b>GRAND TOTAL</b>	1560	17,833,267

### Shareholders Holding 10% or More Voting Interest in the Company As at June 30, 2015

	Shares Held	Percentage
<b>Directors, CEO, Their Spouse &amp; Minor Children</b>		
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. POWER Limited  
B-40, S.I.T.E.  
Karachi.

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member of S.G. POWER LIMITED, and holder  
Of \_\_\_\_\_ Ordinary shares hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_ as \_\_\_\_\_ me/our proxy to attend and vote for me/our behalf at  
the 22<sup>nd</sup> Annual General Meeting of the Company to be held on Thursday the October 22, 2015. 10:30a.m and at  
Any adjournment thereof;

In witness my/our hand seal this \_\_\_\_\_ day of \_\_\_\_\_ 2015

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 then 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. Power Limited  
B-40, S.I.T.E.  
Karachi.**