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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 20<sup>th</sup> 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 19<sup>th</sup> 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 from 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 20<sup>th</sup> 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         |
|--|---------------|-------------|-------------|-------------|--------------|--------------|
| <b>Earning and Distribution</b>          |               |             |             |             |              |              |
| 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         |
| <b>Financial Position</b>                |               |             |             |             |              |              |
| 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  |
| <b>Represented by</b>                    |               |             |             |             |              |              |
| 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)



