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(MEMBER OF S.G. GROUP)
2014

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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, Shakra-e-Quaideen,
Karachi,

REGISTERED OFFICE

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



S.G. POWER LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 21st Annual General Meeting of the members of S.G. Power Limited will be held on Thursday October 30, 2014 at 10.30 a.m. at B-40, S.I.T.E., Karachi to transact the following business:

- 1 To confirm the minutes of 20th Annual General Meeting held on October 31, 2013.
- 2 To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2014 together with the Directors' and Auditors' report thereon.
- 3 To appoint auditors for the year 2014-15 and fix their remuneration.
- 4 To elect seven directors in accordance with the provision of the Companies Ordinance, 1984 for a period of three years. The term of present Directors has expired and they are eligible for re-election. The names of the retiring directors are as follows:
 1. Mst. Zubaida Khatoon
 2. Mr. Asim Ahmed
 3. Mr. Sohail Ahmed
 4. Mrs. Ghazala Ahmed
 5. Mrs. Tania Asim
 6. Mr. Farhan Sohail
 7. Mr. Rafiq Ahmed
- 5 To transact any other business with the permission of the Chair.

By Order of the Board

Karachi: October 09, 2014

Mr. Asim Ahmed
(Chief Executive)

Notes:

1. The shares Transfer Books of the Company will remain closed from October 24, 2014 to October 30, 2014 (both days inclusive) for the purpose of the Annual General Meeting.



2. Any member who seeks to contest election of the office of Directors including the retiring directors shall file with the Company at its Registered Office situated at B-40, S.I.T.E., Karachi, a notice of his/her intention to offer himself/herself for election along with a consent to act as director of the Company not later than 14 days before the date of the Annual General Meeting. The consent should accompany the relevant declarations as required under the Code of Corporate Governance. A detailed profile along with his/her office address as required under SECP's SRO 25(I)/2012 dated January 16, 2012.
3. 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.
4. Members are requested to notify any change in their addresses, if any, immediately to the Share Registrar of the Company M/S Technology Trade (Private) Limited, Dagia House, 241-C, Block-2, PECHS, Shahrah-e-Quaiden Karachi.
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 21st Annual Report and Audited Financial Statements of the Company together with Auditors' Report for the year ended June 30, 2014.

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 unfavourable market conditions. As per SECP directives, the Company has made full provision against amounts aggregating to Rs. 170.278 million which are receivable from associated undertaking. The management hopes that material un-certainty will not last long and favourable 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, 104,064 were made available to auditors. However, the supporting documents could not be traced as the factory is closed for the last seven 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, 2014. 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 seven 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



condition 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, 2014:

| | <u>Rupees</u> |
|--------------------------|---------------|
| Sale | ----- |
| Generation cost | (4,946,946) |
| Gross Loss | (4,946,946) |
| Admin & Selling Expenses | (228,576) |
| Financial Charges | (1,856) |
| Other income | 8,70,025 |
| Loss before taxation | (4,307,353) |
| Loss after taxation | (4,307,353) |

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. Further, Government's Textile Policy is helping in revival of textile and polyester yarn industries. As a result, our sister concern is likely to be in operation once again and so will be our company.

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, 2014 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 | |
| Mr. Asim Ahmed | INDICTE MEETING |
| Mr. Sohail Ahmed | ATTENDED BY EACH |
| Mrs. Ghazala Ahmed | DIRECTOR |
| Mrs Tania Asim | |
| Mr. Farhan Sohail | |
| Mr. Rafiq Ahmed | |

AUDIT COMMITTEE

The meetings of Audit Committee were held during the year ended June 30, 2014 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, 2015.

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, 2014 is annexed.

On behalf of the
Board of Directors

Asim Ahmed
(Chief Executive)

Karachi October 30, 2014.



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 09, 2014.

