



SG ALLIED BUSINESSES LIMITED
{FORMERLY S.G. FIBRE LIMITED}

ANNUAL REPORT
JUNE 30, 2017



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2017

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mst. Zubaida Khatoon	Chairperson
Mr. Sohail Ahmed	Chief Executive
Mr. Asim Ahmed	Director
Mrs. Ghazala Shahid	Director
Mrs. Tania Asim	Director
Mr. Hidayat Ali Shar	Director (Nominated by NBP)
Mr. M. Khurram Khawaja	Director (Nominated by NBP)

AUDIT COMMITTEE

Mr. Sohail Ahmed	Chief Executive
Mr. Asim Ahmed	Director
Mrs. Ghazala Shahid	Director

HR AND REMUNERATION COMMITTEE

Mr. Asim Ahmed	Director
Mrs. Ghazala Shahid	Director
Mrs. Tania Asim	Director

CHIEF FINANCIAL OFFICER

Mr. Muhammad Hasan

COMPANY SECRETARY

Mr. Adnan Ahmed

AUDITORS

Muniff Ziauddin & Co.
Chartered Accountants

LEGAL ADVISOR

M.J. Panny Associate
Mohsin Tayab & Co.

BANKERS

Summit Bank Limited

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.



Review Report by the Chairman on Board's overall

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of (the "Board") of SG Allied Businesses Limited (the "Company") is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Areas where improvements are required are duly considered and action plans are framed.

The Board has recently completed its annual self-evaluation for the year ended June 30, 2017 and I report that:

The overall performance of the Board measured on the basis of approved criteria for the year was satisfactory. The overall assessment as Satisfactory is based on an evaluation of the following integral components, which have a direct bearing on Board's role in achievement of Company's objectives:

1. Vision, mission and values: Board members are familiar with the current vision, mission and values and support them. The Board revisits the mission and vision statement from time to time.
2. Engagement in strategic planning: Board has a clear understanding of the stakeholders (shareholders, customers, employees, vendors, Society at large) whom the Company serves. The Board has a strategic vision of how the organization should be evolving over the next three to five years. Further Board sets annual goals and targets for the management in all major performance areas.
3. Diligence: The Board members diligently performed their duties and thoroughly reviewed, discussed and approved Business Strategies, Corporate Objectives, plans, budgets, financial statements and other reports. It received clear and succinct agendas and supporting written material in sufficient time prior to board and committee meetings. The board met frequently enough to adequately discharge its responsibilities.
4. Monitoring of organization's business activities: The Board remained updated with respect to achievement of Company's objectives, goals, strategies and financial performance through regular presentations by the management, internal and external auditors and other independent consultants. The Board provided appropriate direction and oversight on a timely basis.
5. Diversity and Mix: The Board members effectively bring the diversity to the Board and constitute a mix of independent and non-executive directors. The non-executive and independent directors were equally involved in important board decisions.
6. Governance and Control Environment: The Board has effectively set the tone-at-the-top, by putting in place transparent and robust system of governance. This is reflected by setting up an effective control environment, compliance with best practices of corporate governance and by promoting ethical and fair behavior across the company.

Karachi dated 3 October 2017.

Mst. Zubaida Khatoon
Chairperson



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 49th Annual General Meeting of the members of M/s SG Allied Business Limited {formerly S.G. Fibre Limited} will be held on Wednesday October 25, 2017 at 9:30 AM at Company Registered Office at B-40, S.I.T.E., Karachi to transact the following business:

1. To confirm the minutes of 48th Annual General Meeting held on October 28, 2016.
2. To receive, consider and adopt audited annual accounts of the company for the year ended June 30, 2017 together with the Directors' and Auditors' report thereon.
3. To appoint auditors for the year 2017-18 and fix their remunerations.
4. To elect seven directors in accordance with Company Act, 2017 for the period of three years. The term of present Directors has expired on 30th October, 2017 and they are eligible for re-election. The name of the retiring directors are as follows:

1	Mst Zubaida Khatoon	2	Mr. Sohail Ahmed
3	Mr. Asim Ahmed	5	Mrs. Ghazala Ahmed
5	Mrs Taia Asim	7	Mr. Hidayat Ali Shar
7	Mr. M. Khurram Khawaja		

5. To transact any other business with the permission of the Chair.

Karachi: October 03, 2017
Board

By Order of the

Adnan Ahmed
Company Secretary

Notes:

1. The shares Transfer Books of the Company will remain closed from October 23, 2017 to October 25, 2017 (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.Allied Businesses Ltd

DIRECTORS' REPORT

The Board of Directors of SG Allied Business Limited *{formerly S.G. Fibre Limited}* is pleased to present the 49th Annual Report and Audited Financial Statements of the Company together with Auditor's Report for the year ended 30th June 2017.

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

- i) The Company owes Re.170.50 million, as mentioned in note 13, 14 and 15 to the financial statements, to the associated Company S. G. Power Ltd. The operations of the Company have been shut-down for the last many years temporarily due to unfavourable market conditions. Payables to S.G. Power Ltd. are well secured as S G A B L have fixed assets of Rs469 million at written down value. Hence, there is nothing to apprehend about the Company's inability to settle its liabilities. The Company has provided confirmation to its associated undertaking that the amount of Rs. 170.50 million is due from the Company and would be settled on priority basis once the operations recommence. As per SECP order we were required to charge mark-up on outstanding balance of receivables that should not be less than the borrowing cost of the Company. Mark-up of Rs.10.654 million was provided as per the said directive. Since the Company has not borrowed any funds from any bank or financial institution, the mark-up accrued has been adequately charged for earlier period and it has not been provided in the current financial year.
- ii) Due to closure of the factory operations for the last many years and adverse financial health of the Company, it has no option but to value the directors' loans at historical costs. As such it has not been found possible to comply with requirements of IAS-39.
- iii) The factory has remained closed for the last many 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

Performance of your Company during the year under review has not been satisfactory as the operation of the Company remains shut down since December 2006 due to adverse market conditions.

The Company has suffered a loss of Rs.19.4 million (after tax) for the year and accumulated loss as at June 30, 2017 stood at Rs.766.3 million as compared to Rs.760.13 million for the year. In fact the company would have earned profit before tax of Rs.9.8 million had the Company diversified its line of business from the production of polyester filament yarn to other line of businesses.

Following are the financial results for the year ended June 30, 2017:

	Rupees
Sales	----
Cost of Sales	(367,975)
Gross Loss	(367,975)
Admin & Selling Expenses	(68,017,416)
Other Income/Loss	(19,242,892)
Financial charges	(6,000)
Loss before taxation	(21,636,849)
Loss after taxation	(19,355,162)

FUTURE OUTLOOK

Subsequent to the balance sheet date, the management of the Company has taken initiatives for revival of the Company and developed new diversified business strategy, henceforth, the Company has extended its business activities after getting itself restyled as SG Allied Businesses Limited on 24th August, 2017. Primarily, the Company has started the activities of cold storage facility and dealing in various agriculture produces. Moreover, the Directors will provide the finance to the Company as and when needed.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

In accordance with the requirement of the Code of Corporate Governance 2012 of Securities and Exchange Commission of Pakistan, the Directors hereby confirm that:



- The financial Statements for the year ended June 30, 2017 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.
- The same accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- There are no significant doubts upon the Company's ability to continue as a going concern after it enters into new lines of businesses.
- 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.
- Compliance of Code of Corporate Governance is annexed.
- Certain non-compliances mentioned in the Auditors' Review Report are due to the fact that the Company remained closed for many years. These shortcomings will be addressed as soon as the Company recommences business.

The Board held six meeting during the year. The attendance by each Director was as follows:

Name of Director

No. of meeting attended

Mst. Zubaida Khatoon
Mrs. Ghazala Ahmed
Mrs. Tania Asim



Mr. Sohail Ahmed
Mr. Asim Ahmed
Mr. Hidayat Ali Shar
Mr. M. Khurram Khawaja

of absence was granted to directors who could not attend some of the Board meeting.

AUDITORS

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, 2018.

AUDIT COMMITTEE

The meeting of Audit Committee was held during the year ended June 30, 2017 as required by Code of Corporate Governance for review of Quarterly/Half Yearly, Annual Account and the matters. The meeting was also attended by the External Auditors as and when required.

The composition of the Committee is as follows:-

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

ACKNOWLEDGEMENT

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

SHARE HOLDINGS PATTERN

The Pattern of Shareholding as on June 30, 2017 is annexed.

On behalf of the
Board of Directors

Sohail Ahmed
Chief Executive

Karachi October 03, 2017



ایس جی آلائیزڈ بزنس لمیٹڈ

ڈائریکٹرز رپورٹ

ایس جی آلائیزڈ بزنس لمیٹڈ کے بورڈ آف ڈائریکٹرز مسرت کے ساتھ سال رواں 30 جون، 2017 پر اختتام ہونے والی 49 ویں سالانہ اور آڈٹ شدہ جس میں مالیاتی جائزہ/گوشوارے بمعہ آڈیٹرز رپورٹ شامل ہیں پیش کرتے ہیں۔ آڈیٹرز نے کوالیفائیڈ رپورٹ جاری کی ہے۔ ڈائریکٹر صاحبان نے اپنے اپنے خیالات اس رپورٹ کے اہل ثابت کرنے کے سلسلے میں پیش کیے ہیں جو کہ درج ذیل ہیں۔

۱۔ کمپنی مبلغ 170.50 ملین کی مقروض ہے۔ جیسا کہ نوٹ 13، 14 اور 15 میں ایس جی پاور لمیٹڈ کے مالیاتی گوشوارے میں ظاہر کیا گیا ہے۔ کمپنی کا کاروبار پچھلے کئی سالوں سے عارضی طور پر مارکیٹ کے بحرن و خراب حالات کے باعث بند رکھا گیا۔ ایس جی پاور لمیٹڈ کو واجب الادا جو کہ معاشی طور پر محفوظ ہے کیونکہ ایس جی ایف نے اثاثہ جات کی مالیت مبلغ 469 ملین کی لکھی گئی ہے۔ لہذا، کمپنی پر عائد ذمہ داریوں کے حل کرنے کے لئے کوئی حصول کارفرما نہیں ہے۔ کمپنی نے اس سے منسلک اس بات کی تصدیق کی ہے کہ مبلغ 170.50 ملین کی رقم کمپنی کے ذمے ہے اور اس کا تصفیہ اولین ترجیح ہوگا۔ اور ایک بار آپریشن کی سفارش کی ہے۔ سیکورٹی اینڈ ایڈجسٹمنٹ آف پاکستان کے حکم کے مطابق بقایہ رقم کے حصول کیلئے نشان لگانے کی ضرورت ہوتی تو جو کمپنی کے قرضے کی لاگ سے کم نہیں ہونا چاہیے۔ مذکورہ ہدایت کے مطابق مبلغ 10.654 ملین مارک اپ فراہم کی گئی تھی، چونکہ کمپنی ان کے کسی بھی بینک یا مالیاتی ادارے سے کوئی فنڈ نہیں لیا تھا، پہلے سے مقرر کردہ مارک اپ ابتدائی مدت کیلئے چارج کیا گیا اور موجودہ مالی سال میں اسے فراہم نہیں کیا گیا ہے۔

(ii) پچھلے کئی سالوں سے فیکٹوری کے آپریشن کی بندش کے باعث کمپنی کی صحت پر منفی اثرات مرتب ہوئے ڈائریکٹرز نے قرضوں کی مالیت کے لئے تاریخی اخراجات پر کوئی اختیار نہیں ہے۔ جس کے آئی اے ایس 39 کی ضرورت کو پورا کرنا ممکن نہیں ہے۔

(iii) گزشتہ کئی سالوں سے فیکٹری بند تھی اور وہاں کوئی جزوقتی اور طویل وقتی ملازم نہیں ہے۔ IAS-19 کی تعمیل کے سلسلے میں حسابات اور ظاہری نوعت کا کوئی قانون لاگو نہیں ہے۔

مالیاتی نتائج

تجزیہ رپورٹ کے مطابق آپ کی کمپنی سال کے دوران کے سال 2006 کے بعد آپریشن کی بندش کے باعث کارکردگی تسلی بخش نہیں رہی، کمپنی کو ایک سال میں 19.4 ملین روپیہ (ٹیکس کے بعد) خسارے کا سامنا تھا اور 30 جون، 2017 کو یہ خسارہ مجموعی طور پر مبلغ 766.3 ملین ہو گیا جو کہ پچھلے سال 760.13 ملین تھا۔ حقیقتاً کمپنی نے 9.8 کروڑ روپے کے ٹیکس سے قبل منافع حاصل کیا ہوگا اور کمپنی نے اپنی کاروباری لائن آف بزنس یعنی فلامینٹ پولیسٹر کی پیداوار کی تبدیل کر کے کسی دوسرے کاروبار سے منسلک ہو کر کیا ہوگا۔



درج ذیل مالیاتی نکات جو کہ 30 جون، 2017 کے اختتامی سال کے ہیں۔

مبلغ	سیلز
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367,975	سیلز کی مالیت
367,975	مجموعی خسارہ
68,017,416	انتظامی اور سیلنگ اخراجات
19,242,892	دوسرے منافعات/خسارہ
6,000	مالیاتی چارجز
21,636,849	قبل ٹیکس کا خسارہ
19,355,162	بعد ٹیکس خسارہ

مستقبل کے آثار

بیلنس شیٹ کی تاریخ کے بعد، کمپنی کے انتظامی امور کی بحالی کے لئے پہلا قدم اٹھایا گیا اور نئی لائن آف بزنس حکمت عملی تیار کی گئی جس کے باعث کمپنی نے ۲۴ اگست، ۲۰۱۷ سے اپنی سرگرمیوں کا دائرہ کار بڑھایا جس کا اسٹائل ایس جی آلائینڈ بزنس ریمپڈ کیا۔ پہلے کمپنی نے کولڈ اسٹوریج کی سہولت کی سرگرمیاں شروع کر دیں اور زراعت کے مختلف پیداوار میں ہاتھ کرنے کی کوشش کی ہے۔ علاوہ ازیں، کمپنی کے ڈائریکٹرز اس کی ضرورت کے مطابق سرمایہ فراہم کرے گی۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

سیکورٹی اینڈ ایکسچین کمیشن آف پاکستان کے نافذ کیئے گئے کوڈ آف کارپوریٹ گورنرز ۲۰۱۲ کے ضرورت کے عین مطابق جنہیں ڈائریکٹرز نے تصدیق کیا ہے۔

☆ مالیاتی گوشوارہ جو کہ 30 جون، 2017 سال رواں کو اختتام ہوا جس میں انتظامیہ کی جانب سے تیار کیئے جانے والے درست معاملات، اس آپریشن کے نتیجے میں نقدی کے بہاؤ اور ایکویٹی میں تبدیلی کو درست انداز میں پیش کرتے ہیں۔

☆ کمپنی کے کھاتے کے درست حسابات رکھے گئے ہیں۔

☆ پاکستان میں نافذ بین الاقوامی مالیاتی رپورٹنگ کے معیار کے تحت کھاتے داری کے حساب کتاب تیار کیئے گئے ہیں۔



- ☆ مالیاتی گوشوارے اور تخمینے کی تیاری کو مستقلاً مناسب اکاؤنٹنگ پالیسی کا اطلاق عاقلانہ فیصلے پر مبنی ہیں۔
- ☆ کوئی خاص شکوک و شبہات کمپنی کی صلاحیت پر موجود نہیں ہیں لیکن مارکیٹ کے اتار چڑھاؤ معاشی خسارے کے باعث کمپنی کے کاروباری امور کو بند رکھا جاسکے گا جب تک صورتحال کنٹرول میں نہیں آجاتی۔
- ☆ انٹرنل کنٹرول کا نظام ساخت کے اعتبار سے مستحکم ہے اور اس پر موثر انداز سے عمل درآمد اور نگرانی کی جاتی ہے۔
- ☆ کارپوریٹ گورننس کے بہترین طریقہ عمل سے کسی قسم کا مادی انحراف موجود نہیں ہے، جیسا کہ اصول و ضابطہ کی تفصیل دی گئی ہے۔
- ☆ ڈائریکٹرز، چیف ایگزیکٹو اور ان کے بیگمات اور چھوٹے بچوں کو سال کے دوران حصص کی ترسیلات پر کوئی کارروائی کرنے کا حق حاصل نہیں ہے۔

- ☆ کارپوریٹ گورننس کے کوڈ کی تعمیل جیسا کہ بیان کیا گیا ہے جو منسلک ہے۔
- ☆ آڈیٹرز کے تجزیے کی رپورٹ میں مادی انحراف جو کہ حقیقت ہے کے سبب کئی سالوں سے کمپنی بند ہے۔ جیسے جیسے کمپنی آپریشن میں آئے گی تو جلد از جلد کمپنی کی اصلاح کی جائے گی۔

ایک سال کے دوران کمپنی کے ۶ اجلاس ہوئے جس میں ڈائریکٹرز کی حاضری درج ذیل ہے۔

تعداد اجلاس جس میں شرکت کی گئی

نام

مسماة زبیدہ خاتون

میسز غزالہ احمد

میسز تانیہ عاصم

جناب عاصم احمد

جناب سہیل احمد

جناب ہدایت علی شیر

جناب محمد خرم خواجہ

ڈائریکٹرز کی چھٹیاں جسے بورڈ کے اجلاس میں منظور کیا گیا جو اجلاس میں شرکت سے قاصر تھے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز منیف ضیاء الدین اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائرڈ لیکن بطور اہلیت انہیں دوبارہ تقرر کے لئے سال کے



اختتام 30 جون، 2018 تک کیلئے، آڈٹ کمیٹی کی جانب سے ان کے دوبارہ تقریری کی تجویز پیش کی گئی۔

آڈٹ کمیٹی

30 جون، 2017 کو اختتامی سال سے قبل آڈٹ کمیٹی کے اجلاسوں میں کارپوریٹ گورننس کے ضابطہ کی مطابقت آڈٹ کمپنی نے سہ ماہی، ششماہی اور سالانہ حسابات اور دوسرے معاملات زیر بحث لائے گئے۔ ان اجلاسوں میں ضرورت کے مطابق بیرونی آڈیٹرز نے بھی شرکت کی۔

شرکت کرنے والے کمیٹی درج ذیل ہیں۔

جناب عاصم احمد چیئرمین

جناب سہیل احمد ممبر

جناب غزالہ احمد ممبر

اظہار تشکر

آپ کی کمپنی کے ڈائریکٹر صاحبان نے حصص یافتگان کے تعاون کا اعتراف کرتے ہوئے انکی کارکردگی اور انتظامیہ پر اعتماد کے لئے تہہ دل سے مشکور ہیں۔

حصص یافتگان کا پیٹرن

حصص یافتگان کا پیٹرن 30 جون، 2017 منسلک ہندہ ہے۔

بورڈ آف ڈائریکٹر کی جانب سے

سہیل احمد

چیف ایگزیکٹو



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)



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

SG Allied Businesses Limited (formerly S.G. Fiber Limited)
For the year ended June 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Clause 5.19 under Rule Book of Pakistan 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.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Directors	Mr. Hidayat Ali Shar Mr. Khurram Khawaja
Executive Directors	Mr. Sohail Ahmed Mr. Asim Ahmed
Non-Executive Director	Mst. Zubaida Khatoon Mrs. Ghazala Ahmed Mrs. Tania Asim

The independent directors meets the criteria of independence under clause 5.19.1 (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
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 NBFIs or, being a Broker 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 "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. 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 and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. 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 Board has not made arrangements to carry out orientation courses on Code of Corporate Governance for its directors. Furthermore, the directors (excluding exempted directors) have not acquired the mandatory certificate of directors training program from the institute specified by the SECP.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO 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 CCG.
15. The board has formed an Audit Committee. It comprises 3 members; of whom all 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 CCG. The terms of reference of the committee have been formed 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 is in the process of setting up an effective internal audit function, as the operations of the company are being revived.
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 ICAP, 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 on code of ethics as adopted by the ICAP.
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. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with.



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 **SG Allied Businesses Limited (formerly, S.G. Fibre Limited) (the Company)** for the year ended June 30, 2017, to comply with the Code contained in regulation No. 5.19 of the Rule Book of Pakistan Stock Exchange Limited.

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.

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, 2017.

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. Furthermore, the directors (excluding exempted directors) have not acquired the mandatory certificate of directors training program from the institute specified by the SECP.
18	The board is in the process of setting up an effective internal audit function, as the operations of the company are being revived.

KARACHI: 3rd OCTOBER, 2017

MUNIFF ZIAUDDIN & CO.
CHARTERED ACCOUNTANTS
(SOHAIL SALEEM)



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **SG ALLIED BUSINESSES LIMITED (FORMERLY, S.G. FIBRE LIMITED)** as at June 30, 2017 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 (1) to (3) 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 (1) to (3) below, we conducted our audit in accordance with 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, supporting the amounts and disclosures in the above said statements. An audit also includes evaluating 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:

1. The Company owes Rs. 161.2 million as at June 30, 2017 as mentioned in note 13, 14 and 15 to the financial statements to the associated company, S.G. Power Limited. Mark-up of Rs. 10.654 million provided by the management on the above amount as per direction of the SECP in earlier financial years could not be verified due to non-availability of proper working of the same. Further no mark-up has been provided in the current financial year against the above-mentioned outstanding liability.
 2. The interest free long term loan from directors amounting to Rs. 196.569 million (2016: Rs. 197.494 million) is being shown at historical cost in contravention with the requirements of IAS-39 which require the same to be recorded at fair value or amortised cost as appropriate with an impact on income through profit and loss account, the amount of which has not been determined by the company.
 3. As disclosed in note 11.1 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:

- (i) except for the effects of the matters referred to in paragraph (1) to (3) 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 except for the change as stated in note with which we concur;
 - (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) except for the matters referred to in paragraphs (1) to (3) 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 confirm with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and give a true and fair view of the state of the company's affairs as at June 30, 2017 and of the loss, changes in equity and its 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.

Without qualifying our opinion, we draw attention to note 1.2 in the financial statements, which indicates that the Company has suffered a loss of Rs. 19.2 million during the year and the accumulated loss as at June 30, 2017 stood at Rs. 766.1 million. This condition indicates the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

KARACHI: 3rd OCTOBER, 2017

MUNIFF ZIAUDDIN & CO
CHARTERED ACCOUNTANTS
(SOHAIL SALEEM)



SG ALLIED BUSINESSES LIMITED (FORMERLY, S.G. FIBRE LIMITED)
BALANCE SHEET
AS AT JUNE 30, 2017

	NOTE	2017 RUPEES	2016 RUPEES
NON-CURRENT ASSETS			
Property, plant and equipment	4	479,918,884	584,934,845
Investment property	5	89,957,133	-
Long term deposits	6	95,714	95,714
CURRENT ASSETS			
Loans, advances, prepayments and other receivables	7	7,918,012	38,891,612
Cash and bank balances	8	16,970,298	8,090,740
		24,888,310	46,982,353
		594,860,040	632,012,913
SHARE CAPITAL AND RESERVES			
Authorized share capital 15,000,000 Ordinary Shares of Rs. 10 each		150,000,000	150,000,000
Issued, subscribed and paid-up capital	9	150,000,000	150,000,000
Share premium		337,400,000	337,400,000
Accumulated loss		(766,152,791)	(760,013,467)
		(278,752,791)	(272,613,467)
Surplus on revaluation of fixed assets	10	450,002,167	463,093,374
		171,249,375	190,479,907
NON-CURRENT LIABILITIES			
Deferred liabilities	11	49,822,418	57,819,808
Loan from directors	12	196,569,064	197,494,064
		246,391,482	255,313,871
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	13	89,438,072	104,023,094
Interest on short term and long term loan	14	10,654,243	10,654,243
Current portion of long term loan	15	71,422,097	71,422,097
Provision for taxation		5,704,771	119,700
		177,219,183	186,219,134
CONTINGENCIES AND COMMITMENTS	16		
		594,860,040	632,012,913

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

Chief Executive

Director

Chief Financial Officer



**SG ALLIED BUSINESSES LIMITED (FORMERLY, S.G. FIBRE LIMITED)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017**

	NOTE	2017 RUPEES	2016 RUPEES
Sales & services	17	574,604	-
Cost of sales	18	(367,975)	(4,374,418)
Gross loss		206,629	(4,374,418)
Administrative and selling expenses	19	(68,017,416)	(38,523,429)
Operating loss		(67,810,787)	(42,897,847)
Other income	20	46,173,938	19,242,892
		(21,636,849)	(23,654,955)
Financial charges	21	(6,000)	(17,995)
(Loss) before taxation		(21,642,849)	(23,672,950)
Taxation	22	2,412,319	9,072,710
(Loss) after taxation		(19,230,530)	(14,600,240)
Other comprehensive income			
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation-net of deferred tax		13,091,207	14,239,364
Total comprehensive (loss)		(6,139,323)	(360,876)
Loss per share - basic and diluted	23	(1.28)	(0.97)

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

Chief Executive

Director

Chief Financial Officer



SG ALLIED BUSINESSES LIMITED (FORMERLY, S.G. FIBRE LIMITED)
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	<u>2017</u> <u>RUPEES</u>	<u>2016</u> <u>RUPEES</u>
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(21,642,849)	(23,672,950)
Adjustment for:		
-Depreciation	21,410,960	28,151,414
-Gain on sale of fixed assets	(23,658,818)	(6,185,934)
-Provision for non-refundable of income tax	9,903,094	-
-Provision for non-refundable of sales tax	21,070,506	-
-Finance charges	6,000	17,995
	<u>28,731,742</u>	<u>21,983,475</u>
	7,088,893	(1,689,475)
(Increase) / decrease in current assets		
Loans, advances, prepayments and other receivables	-	(139,300)
	-	(139,300)
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	(14,585,022)	11,697,248
Finance charges paid	(6,000)	(17,995)
Net cash generated from operating activities	<u>(7,502,129)</u>	<u>11,679,253</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Sale proceeds from disposal of fixed assets	27,772,000	18,025,000
Sales proceeds of stores & spares	-	-
Capital work in progress	(10,465,313)	-
Net cash used in investing activities	17,306,687	18,025,000
CASH FLOW FROM FINANCING ACTIVITIES		
Loans from directors	(925,000)	(20,500,000)
Net cash from financing activities	<u>(925,000)</u>	<u>(20,500,000)</u>
Net increase / (decrease) in cash and cash equivalent	<u>8,879,558</u>	<u>7,375,478</u>
Cash and cash equivalent at the beginning of the year	8,090,740	715,262
Cash and cash equivalent at the end of the year	<u>16,970,298</u>	<u>8,090,740</u>

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

Chief Executive

Director

Chief Financial Officer



SG ALLIED BUSINESSES LIMITED (FORMERLY, S.G. FIBRE LIMITED)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017

	Issued, subscribed and paid-up capital	Capital reserve	Accumulated (loss)	Total
	-----Rupees-----			
Balance as at June 30, 2015	150,000,000	337,400,000	(759,652,591)	(272,252,591)
Loss for the year ended June 30, 2016	-	-	(14,600,240)	(14,600,240)
Other Comprehensive Income				
- Transfer from surplus on revaluation of fixed assets on account of incremental depreciation-net of deferred tax	-	-	14,239,364	14,239,364
Balance as at June 30, 2016	150,000,000	337,400,000	(760,013,467)	(272,613,467)
Loss for the year ended June 30, 2017	-	-	(19,230,530)	(19,230,530)
Other Comprehensive Income				
- Transfer from surplus on revaluation of fixed assets on account of incremental depreciation-net of deferred tax	-	-	13,091,207	13,091,207
Balance as at June 30, 2017	150,000,000	337,400,000	(766,152,791)	(278,752,791)

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

Chief Executive

Director

Chief Financial Officer



SG ALLIED BUSINESSES LIMITED (FORMERLY, S.G. FIBRE LIMITED) NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

1. STATUS OF THE COMPANY

- 1.1 The Company was incorporated in Pakistan as a public limited company and its shares are listed at Pakistan Stock Exchange. The principal activity of the Company is manufacturing of polyester filament yarn, subsequent to the year end, the Company has diversified into new business activities. The registered office and production facility of the company are situated at B-40, S.I.T.E., Karachi.
- 1.2 The company has made a loss of Rs. 19.2 million (2016: 14.6 million) during the year and accumulated loss as at June 30, 2017 stood at Rs. 766.1 million (2016: 760.013 million). These conditions indicate the existence of a material uncertainty that may cast significant doubt on Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. In fact, the Company would have earned the profit before tax amounting to Rs. 9.8 million had the Company not recorded the provision against the refundable amounts of income tax and sales tax. The Company has diversified its line of businesses from the production of polyester filament yarn to other line of businesses, as the filament yarn industry is still in crises. Subsequent to the balance sheet date, the management of the Company has taken initiatives for the revival of the Company and developed new diversified business strategy, henceforth, the Company has extended its business activities after getting itself restyled as SG Allied Businesses Limited on 24th August, 2017. Primarily, the Company has started the activities of cold storage facility and dealing in various agriculture produces. Moreover, the Directors will provide the finance to the Company as and when needed.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP) companies the financial year of which closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the prevail Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the repealed Companies Ordinance, 1984.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for measurement of held-for-trading investment which are stated at fair value.

2.3 Accrual basis of accounting

These financial statements are prepared under accrual basis of accounting except cash flow statement which is prepared under cash basis of accounting.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumption 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 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 the estimate is revised if the revision affect only that period, or in the period of the revision and future period if the revision addicts both current and future periods.



2.5 Functional and presentation currency

These financial statements are presented in Pakistani Rupee which is the company's functional currency.

2.6 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

Standards, interpretations and amendments to approved accounting standards that are 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:

Standard, Interpretation or Amendment		Effective date (annual periods beginning on or after)
IFRS 1	First time adoption of International Financial Reporting Standards (Amendments)	January 1, 2018
IFRS 2	Share-based Payment (Amendments)	January 1, 2018
IFRS 9	Financial instruments (Amendments)	January 1, 2018
IFRS 12	Disclosure of interest in other entities (Amendments)	January 1, 2017
IFRS 15	Revenue from Contracts with Customers	January 1, 2018
IFRS 16	Leases	January 1, 2019
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2017
IAS 12	Income Taxes (Amendments)	January 1, 2017
IAS 28	Investments in Associates and Joint Ventures	January 1, 2018
IAS 40	Investment Property (Amendments)	January 1, 2018
IFRIC 22	Foreign Currency Transactions and Advance	January 1, 2018
IFRIC 23	Uncertainty over Income Tax Treatments	January 1, 2019

The company expects that the adoption of the above amendments and interpretations will not affect its financial statements in the period of initial application.

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, 2016.

Standard, Interpretation or Amendment		Effective date (annual periods beginning on or after)
IFRS 12	Disclosure of Interests in Other Entities (Amendments)	January 1, 2016
IAS 16	Property, Plant and Equipment (Amendments bringing bearer plants into the scope of IAS 16)	January 1, 2016
IAS 16	Property, Plant and Equipment (Amendments regarding the clarification of acceptable methods of depreciation and amortisation)	January 1, 2016
IAS 38	Intangible Assets (Amendments)	January 1, 2016



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Tangible assets

Fixed assets are stated at revalued amount less accumulated depreciation.

Depreciation is charged to income applying the reducing balance method.

Depreciation on additions is charged for the full month in which an asset is put to use and on disposals up to the month immediately preceding the disposals.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Profit or loss on disposal on fixed assets is recognized in income currently.

Property, plant and equipment, as detailed in note - 4 , have been revalued. Surplus arisen on revaluation of these assets has been credited to surplus on revaluation of property, plant and equipment account in accordance with the requirements of section 235 of the Companies Ordinance, 1984 and shall be held on the balance sheet till realization. Revaluation is carried-out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of incremental depreciation charged on the revalued assets, the related surplus on revaluation of these assets (net of deferred taxation) is transferred directly to equity.

3.2 Intangible assets

Computer software licenses acquired are capitalized on the basis of cost incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful life of five years using the diminishing balance method.

3.3 Capital work-in-progress

Capital work-in-progress is stated at cost. It consists of expenditure incurred and advances made in respect of tangible and intangible assets in the course of their construction and installation. Transfers are made to relevant fixed assets category as and when assets are available for use.

3.4 Stores and spares

Stores and spares excluding items in transit are valued at lower of average cost or net realizable value.

Provision is made for slow moving and obsolete items. Net realizable value signifies the estimated selling price in the ordinary course of businesses less estimated cost of completion and estimated cost necessary to make the sale.

Item in transit are valued at cost comprising invoice values plus other charges incurred thereon accumulation to the balance sheet date.

3.5 Stock-in-trade

Stock of raw and packing materials, except those in transit, and semi-processed and finished goods are valued at the lower of moving average cost and net realizable value. Average cost in relation to finished goods represent prime cost and appropriate portion of manufacturing expenses and excise duty paid thereon. Semi-processed goods are valued at direct cost only. Items in-transit are stated at cost comprising invoice values plus other charges paid thereon to the balance sheet data. Net realizable value is determine on the basis of estimated selling price of the product in the ordinary course of business less cost necessarily to be incurred for its sale.

3.6 Trade debts

These are recognized and carried at original invoice amount less an allowance for uncollectible amount. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Debts considered irrecoverable are written-off.



3.7 Cash and cash equivalent

Cash and cash equivalents are carried in the balance sheet at cost. For cash flow statement, cash and cash equivalents comprise cash in hand, deposit held with banks and outstanding balance of running finance facilities availed by the company.

3.8 Impairment of assets

Where indications exist that the carrying amount of an asset is greater than its estimated recoverable amount it is written down immediately to its recoverable amount.

3.9 Assets under finance lease

The company accounts for fixed assets acquired under finance leases by recording the assets and the related liability. These amounts are determined on the basis of the discounted value of minimum lease payments. Financial charges in respect of leases entered into are allocated in a manner so as to produce a constant periodic rate of change on the outstanding liability. Depreciation is charged to income applying the diminishing balance method at the rate stated in respective note to the financial statements.

3.10 Financial liabilities

Financial liabilities are classified according to the substances of the contractual agreement entered into. Significant financial liabilities are loans, short-term finances, running finance, deposits, creditors, accrued and other liabilities.

All financial liabilities are initially recognized at cost, which is the fair value of the consideration received at initial recognition. After initial recognition financial liabilities held for trading are carried at fair value and all other financial liabilities are measured at amortized cost.

3.11 Compensated absences

The company accounts for these benefits in the period in which the absences are earned.

3.12 Taxation

Current

Provision for current taxation is based on taxable income at the rate of taxation after taking into account tax credit and tax rebate available, if any, or minimum taxes, whichever is higher.

Deferred

Deferred tax is provided using liability method providing for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or estimating of the carrying amount of assets and liabilities using tax rates enacted at the balance sheet date. Deferred tax asset is recognized only to the extent it is probable that future taxable profit will be available and the credits can be utilized.

3.13 Staff retirement benefits

The Company operates an unfunded gratuity scheme covering all employees. Provision is made annually based on management's estimates which are adjusted periodically to agree with actuarial estimates. The actuarial valuation is normally carried out once in every three years. Actuarial gains and losses are recognized on a straight line basis over a period of 3 years. Since the Company's operations have been shut down, there was no employee in service during the period and the amount payable to employees has been determined, there is no actuarial issue involved. The Project Unit Credit Method of valuation was used to generate actuarial values. Principal actuarial assumptions consisted of the following:

Rate of discount	9%
Expected rate of increment of salary	8%
Expected retirement age	60 years



3.14 Revenue recognition

Sales are recorded on dispatch of goods to customers. Other income is accounted for on accrual basis.

3.15 Foreign exchange translation

Transactions in foreign currencies are recorded at the rates prevailing on the date of transactions. Assets and liabilities in foreign currencies are translated into Pak Rupees at the rate of exchange ruling on the balance sheet date except foreign exchange forward contracts which are recorded at contractual rates.

3.16 Borrowing cost

All borrowing costs are capitalized up to the date of commissioning of the respected assets acquired out of the proceeds of such borrowing. All other borrowing costs are charged to income.

3.17 Related party transactions and transfer pricing

Transactions with related parties are stated at arm's length prices determined in accordance with the methods prescribed under the Companies Ordinance, 1984. Administrative expenses are apportioned on cost basis whereas store and spares are sold at average.

3.18 Provisions, contingent assets and contingent liabilities

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

Contingent assets are not recognized and are also not disclosed unless an inflow of economic benefits is probable and contingent liabilities are not recognized and are disclosed unless the probability of an outflow of resources embodying economic benefits are remote.

3.19 Dividends and appropriation to general reserve

Dividends and appropriation to general reserves are recognized in the financial statements in the period in which these are approved.



Particulars	Cost		Revaluation Surplus / (Deficit)	Rate %	Depreciation		Written-down value As at June 30, 2016
	As on July 01, 2015	Addition / (disposal)			As at June 30, 2016	As on July 01, 2015	
	Rupees				Rupees		Rupees
Owned assets:							
Leasehold land	363,818,485	-	-	-	-	-	363,818,485
Building on leasehold land	404,812,668	-	-	10%	173,441,442	23,137,123	196,578,565
Plant and machinery	50,785,688	(26,340,000)	-	5%	29,591,955	4,110,688	19,201,720
Factory equipment	21,324,720	-	-	10%	17,836,886	(14,500,934)	18,185,760
Office equipment	21,547,604	-	-	10%	18,032,578	351,503	18,384,081
Motor vehicles	13,035,155	-	-	20%	12,541,103	98,810	12,639,913
Furniture and fixtures	3,513,918	-	-	10%	3,013,138	50,078	3,063,216
Trolleys and fork lifters	4,242,562	-	-	10%	3,806,401	43,616	3,850,017
OTIS lifts	1,196,982	-	-	10%	1,088,855	10,813	1,099,667
Total owned assets	884,277,782	(26,340,000)	-		259,352,457	28,151,414	273,002,937
Disposal / deletion						(14,500,934)	564,934,845



	NOTE	2017 RUPEES	2016 RUPEES
5 INVESTMENT PROPERTY			
5.1 Reconciliation of carrying amount			
COST			
As on 1 July		-	-
Reclassification from property, plant and equipment		194,310,081	-
As at 30 June		<u>194,310,081</u>	<u>-</u>
DEPRECIATION			
As on 1 July		-	-
Reclassification from property, plant and equipment		104,352,948	-
As at 30 June		<u>104,352,948</u>	<u>-</u>
Written down value as at June 30, 2017		<u>89,957,133</u>	<u>-</u>
Rate of depreciation		<u>10%</u>	<u>10%</u>
6 LONG TERM DEPOSITS			
Security deposits		95,714	95,714
		<u>95,714</u>	<u>95,714</u>
7 LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Advances - considered good:			
Income tax refundable		9,903,094	9,903,094
Less: provision against income tax refundable		(9,903,094)	-
		<u>-</u>	<u>9,903,094</u>
Prepayments:			
Other receivables:			
Letter of guarantee		150,000	150,000
Sales tax claims receivable		21,070,506	21,070,506
Less: Provision against sales tax claims receivable		(21,070,506)	-
		<u>150,000</u>	<u>21,220,506</u>
Others	7.1	9,571,471	9,571,471
Less: Provision for irrecoverable rent		(1,800,000)	(1,800,000)
Less: Provision for doubtful debts		(3,459)	(3,459)
		<u>7,768,012</u>	<u>7,768,012</u>
		<u>7,918,012</u>	<u>28,988,518</u>
		<u>7,918,012</u>	<u>38,891,612</u>
7.1			
a receivables from S.G. Power Limited on account of rent and utilities amounting to Rs 8.550 million. However as disclosed in note 13, 14 and 15 a sum of Rs.161.2 million is payable to S.G Power Limited.			
8 CASH AND BANK BALANCES			
Cash in hand		30,838	9,563
Cash with banks - current account		16,939,460	8,081,177
		<u>16,970,298</u>	<u>8,090,740</u>
		2017	2016
9 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	NOTE	RUPEES	RUPEES
5,200,000 Ordinary shares of Rs. 10 each fully paid in cash		52,000,000	52,000,000
5,415,610 Ordinary shares of Rs. 10 each as fully paid bonus shares		54,156,100	54,156,100
2,384,390 Ordinary shares of Rs. 10 each as fully paid right shares		23,843,900	23,843,900
2,000,000 Ordinary shares of Rs. 10 each fully paid in cash (foreign placement)		20,000,000	20,000,000
		<u>150,000,000</u>	<u>150,000,000</u>
10 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET			
Opening balance			
Balance at the beginning of the year		509,810,969	533,242,743
Surplus arisen on revaluation carried out during the year:		-	-
		<u>509,810,969</u>	<u>533,242,743</u>
Less: Transferred to unappropriated profit on account of:			
- incremental depreciation for the year		(21,088,597)	(23,431,774)
		<u>488,722,372</u>	<u>509,810,969</u>
Related deferred tax of:			
-balance at beginning of the year		46,717,595	55,910,005
-surplus arising during the year		-	-
-incremental depreciation for the year		(6,537,465)	(7,498,168)
-Effect of change in tax rate		(1,459,925)	(1,694,243)
-balance at year end		<u>38,720,205</u>	<u>46,717,595</u>
Balance at end of the year		<u>450,002,167</u>	<u>463,093,374</u>



10.1 During the financial year ended June 30, 2015 the company revalued its leasehold land and buildings on leasehold land to replace the carrying amounts of these assets with their market values / depreciated market values. The revaluation was carried-out on on June 30, 2015 by an independent valuers namely M/s. Amir Evaluators & Consultants. The appraisal surplus arisen on these revaluations aggregates to Rs. 533,242 million. The appraisal surplus arisen on this revaluation was credited to "Surplus on Revaluation Account" to comply with the requirements of Section 235 of the Companies Ordinance 1984.

11 DEFERRED LIABILITIES

Deferred tax liability attributable to revaluation surplus	10	38,720,205	46,717,595
Provision for gratuity	11.1	5,363,785	5,363,785
Deferred Karachi Electric Supply Corporation bill	11.2	5,738,428	5,738,428
		<u>49,822,418</u>	<u>57,819,808</u>

11.1 The break-up of amount recognized
Reconciliation of the recognized liability with the last year figure is as follows:

Liability as on June 30, 2016	5,363,785	5,363,785
Provision for the year	-	-
Actuarial loss recognized during the year	-	-
Excess of book provision over transitional liability recognized	-	-
Charge for the year reported as salaries and benefits	-	-
	<u>5,363,785</u>	<u>5,363,785</u>
Benefits paid during the year	-	-
Liability as on June 30, 2017	<u>5,363,785</u>	<u>5,363,785</u>

No actuarial valuation was carried out at the year end.

11.2 This represents the difference between the expected liability of KESC bills to be finally settled and payment made by the Company for the period from Oct, 1988 to Nov, 1990 due to excess billing. The petition filed by the company was decided by the Electrical Inspector, Government of Sindh Karachi region allowing a relief of Rs.4,785,376 to the Company but decision has been appealed before the Secretary Irrigation and Power, Sindh by both the parties. Judgment on appeal is still awaited and the company expects a further relief of Rs. 7,690,996.

11.3 Deductible Temporary Differences

Fixed Assets	42,210,542	51,247,921
Deferred tax assets on gratuity	(1,877,325)	(1,877,325)
	<u>40,333,217</u>	<u>49,370,596</u>
Less: Unused tax losses	(241,418,901)	(242,764,306)
	<u>(201,085,684)</u>	<u>(193,393,710)</u>

* not been recognized as management is of the view that future earnings to the extent of such asset may not be available.

NOTE	2017 RUPEES	2016 RUPEES
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12 LOAN FROM DIRECTORS

This represents interest free loan from sponsoring directors. Repayment will be made over the period of 15 years.

13 CREDITORS, ACCRUED AND OTHER LIABILITIES

Trade creditors		1,244,066	1,244,066
Earnest money	13.1	189,006	13,471,006
Security deposit payable		6,455,615	3,849,195
Others		2,377,287	2,191,687
		<u>10,265,974</u>	<u>20,755,954</u>
Due to associated undertaking	13.2	79,172,098	83,267,140
		<u>89,438,072</u>	<u>104,023,094</u>

13.1 This represents advance received from scrap buyers.

13.2 These are unsecured and the late payment surcharge has been waived by the associated undertaking S.G. Power Limited.

14 INTEREST ON SHORT TERM AND LONG TERM LOAN

Accrued interest on long term loan		<u>10,654,243</u>	<u>10,654,243</u>
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15 CURRENT PORTION OF LONG TERM LOANS

Long term loan payable to S.G. Power Limited		71,422,097	71,422,097
Current portion of long term loan		-	-
		<u>71,422,097</u>	<u>71,422,097</u>

16 CONTINGENCIES AND COMMITMENTS

(i) Debts against the Company from suppliers were not acknowledged as debts amounting to Rs.0.418 million (2016: Rs. 0.418 million)

(ii) A dispute is persisting between the company and National Bank of Pakistan regarding the alleged "Buy Back Agreement" and declaration of dividend. Brief facts of the dispute are that underwriting of public floatation of the shares of the company was jointly undertaken by National Bank of Pakistan and Allied Bank of Pakistan. National Bank of Pakistan agreed to underwrite 3,851,200 shares of Rs 10 each at a premium of Rs. 48.50 per share. However the Bank insisted to impose a condition on the sponsors to enter into a "Buy Back Agreement" in respect of the share underwritten by them. Corporate Law Authority (Securities and Exchange Commission of Pakistan) desired with their letter dated September 18, 1995 to furnish an unqualified underwriting commitment without any "Buy Back Agreement" and the NBP vide its letter dated October 27, 1994 confirmed that this condition will be deleted. The Corporate Law Authority through its various letter emphasized for unconditional arrangement.

National Bank of Pakistan vide its letter No. CCD: BE 096/48 dated March 01, 1995 confirmed that they have no objection to the publication of the prospectus of the company in the newspaper also mentioning in the said letter that Bank has not made any buy back agreement with the sponsors or any other person. The prospectus of the Company published in the newspaper also contained this fact that "their underwriter has not entered any buy back/ repurchase agreement with the sponsors or any other person". After public floatation, National Bank of Pakistan imposed the alleged condition of declaration of dividend at the rate of 15 to 16 percent and the undertaking from the sponsors to buy back the shares of the Company after 3 years within a period of one year was also obtained by the bank. The Company declared dividend for 1996, 1997 and 1998 at 15, 15 and 16 percent respectively. However, due to the following reason Company could not declare dividend for the year 1999:



ation was to raise funds for investment in new plants and machineries to produce high quality value added products for which a new Hot Channel Stretching plant along with other plants and machineries was imported. After completion of process of installation and commissioning, the sum of Rs.454.8 million being the cost of the plant, was capitalized which resulted in the charge of depreciation amounting to Rs.93.170 million which can be attributed as a major reason of loss of Rs.97.60 million sustained during the year 1999.

(b) Subsequent to filing of the above suit, National Bank of Pakistan also filed a Suit No. B-200 of 2000 dated October 21, 2000 in the High Court of Sindh against the company and the sponsors seeking enforcement of "Buy Back Agreement" and payment of resultant amount with profit at 18 percent per annum from the date of suit till the payment by the company and a direction that shares of the company be sold in the market and the net sale proceeds be applied towards the adjustment of the decretal amount. The sponsors are confident that they will succeed in their case in view of their sound legal position.

(c) Legal claims have been lodged by ex-employees of the company for recovery of their outstanding emoluments on account of their employment with the company under the Payment of Wages Act, West Division, Karachi u/s 15 of the PW Act, 1936.

(iii) Two appeals bearing no. K-137/2008 and K-138/2008 both dated March 18, 2008 passed by the Collector of Sales Tax and Federal Excise (Appeals) Karachi is pending before the Customs Appellate Tribunal, Bench, Karachi.

One appeal filed against the order of the Custom Appellate Tribunal before the High Court of Sind at Karachi for refund of sales tax along with additional tax that was deposited by the company under protest with Custom and Sales tax Appellate Tribunal. In this matter summons have been reserved upon the respondents and as such the service held good. the matter is pending for regular hearing.

It is of view that the aforesaid cases involve certain law points and there is every likelihood of having a favorable verdict in these matters.

	NOTE	2017 RUPEES	2016 RUPEES
17 SALES & SERVICES			
Sales		-	-
Service income from cold storage		574,604	-
		<u>574,604</u>	<u>-</u>
18 COST OF SALES			
Electricity, gas, steam and water		230,322	263,720
Depreciation expense		137,653	4,110,698
		<u>367,975</u>	<u>4,374,418</u>
19 ADMINISTRATIVE AND SELLING EXPENSES			
Directors' remuneration and amenities		1,800,000	1,857,000
Salaries, allowances and benefits		6,405,164	4,059,948
Entertainment		24,800	22,500
Electricity expense		500,000	-
Advertisement expense		55,025	81,690
Generator fuel		32,000	19,960
Generator repairment		326,000	84,740
Mutual Security Services		-	2,850
Repairs and maintenance		1,834,850	1,197,563
Rent, rates and taxes		1,200,750	1,346,000
Depreciation expense	4	21,273,307	24,040,716
Legal and professional		1,078,940	1,965,383
Auditor's remuneration	19.1	610,600	600,000
Utilities		4,000	37,216
Printing & stationery		74,630	62,112
Conveyance		-	411,000
Postage and shipping		7,240	12,212
Telephone and fax		10,110	9,775
Travelling expenses		-	-
Commission expense		1,669,100	630,264
Provision against income tax claims receivable		9,903,094	-
Provision against sales tax claims receivable		21,070,506	-
Dismantle expense		-	2,027,500
Others		137,300	55,000
		<u>68,017,416</u>	<u>38,523,429</u>
19.1 Auditor's remuneration			
Audit fee		335,600	150,000
Tax consultancy services		175,000	175,000
Review fee		100,000	100,000
		<u>610,600</u>	<u>425,000</u>
20 OTHER INCOME			
Rental income		24,315,120	14,856,957
Gain on sale of fixed assets		23,658,818	6,185,935
		<u>47,973,938</u>	<u>21,042,892</u>
Less: Irrecoverable rental income from associated undertaking		<u>(1,800,000)</u>	<u>(1,800,000)</u>
		<u>46,173,938</u>	<u>19,242,892</u>
21 FINANCIAL CHARGES			
Bank charges and commission		6,000	17,995
22 TAXATION			
Current		(5,585,071)	(119,700)
Deferred		7,997,390	9,192,410
		<u>2,412,319</u>	<u>9,072,710</u>
22.1 RECONCILIATION BETWEEN TAX EXPENSE AND ACCOUNTING LOSS			
Loss before taxation		<u>(21,642,849)</u>	<u>(23,672,950)</u>
Tax at the applicable tax rate of 31 % / 32%		-	-
Effect of minimum tax		(7,183)	-
Tax on rental income at the rate of 31 %		(7,537,687)	(119,700)
Tax effect of amounts / expenses that are admissible for tax purpose		1,959,799	-
Effect of prior year current and deferred tax charge		<u>7,997,390</u>	<u>9,192,410</u>
		<u>2,412,319</u>	<u>9,072,710</u>



23	LOSS PER SHARE	NOTE	2017 RUPEES	2016 RUPEES
23.1	Basic loss per share			
	Loss after taxation - rupees		(19,230,530)	(14,600,240)
	Weighted average number of shares		15,000,000	15,000,000
	Loss per share - rupees		<u>(1.28)</u>	<u>(0.97)</u>

23.2 **Diluted loss per share**
There is no dilution effect on the basic loss per share of the company as there are no such commitments.

24 TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

The related parties comprise of the associated companies and key management personnel. Detail of transactions / balances with related parties during the year are as follows:

TRANSACTIONS:	RELATIONSHIP WITH THE COMPANY		
Repayment of loan to directors	Key management personnel	925,000	20,500,000
Payments made on behalf of S.G. Power Limited	Associated Company	914,012	-
Loan repaid to S.G. Power Limited	Associated Company	3,300,000	-
Purchase of electricity from S.G. Power Limited	Associated Company	500,000	-
Rental income from S.G. Power Limited	Associated Company	1,800,000	1,800,000
Directors' remuneration	Key management personnel	1,800,000	1,800,000
BALANCES:			
Due to directors	Key management personnel	196,569,064	197,494,064
S.G. Power Limited	Associated Company	79,172,098	83,267,140

25 REMUNERATION OF DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2017	2016	2017	2016	2017	2016
Remuneration	1,200,000	1,200,000	600,000	600,000	-	-
House Rent	-	-	-	-	-	-
Retirement Benefits	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
	<u>1,200,000</u>	<u>1,200,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>-</u>
Number of persons	1	1	2	2	-	-

26 CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide adequate returns to stakeholders through the optimization of the debt and equity balance.

27 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company finances its operations through short term borrowing, long term financing and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

The company has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

The company's activities expose it to certain financial risks. Such financial risks emanate from various factors that include, but not limited to, market risk, credit risk and liquidity risk. The company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance. Risk measured and managed by the company are explained in notes 27.1 to 27.4

27.1 Credit risk

Credit risk represents the risk of loss that would be recognized at the reporting date if counter parties failed to perform as contracted, the financial loss that would be recognised at the reporting date if counterparties fail completely to perform as contracted. Out of the total financial assets of Rs. 24,888,310 million (2016: Rs. 46,982,352 million), the financial assets which are subject to credit risk amounted to Rs. 24,888,310 million (2016: Rs. 46,982,352 million).

All investing transactions are settled / paid for upon delivery as per the advice of investment committee. The Company's policy is to enter into financial instrument contract by following internal guidelines such as approving counterparties and approving credits.

of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

Loans, advances, prepayments and other receivables	7,918,012	38,891,612
Cash and bank balances	16,970,298	8,090,740
	<u>24,888,310</u>	<u>46,982,352</u>

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as



Bank	Rating agency	Short-term Rating	2017	2016
Summit Bank Limited	JCR - VIS	A1	----- (Rupees) ----- 16,939,460	-
			<u>16,939,460</u>	<u>-</u>

27.2 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rate, interest rate and equity prices will affect the company's income or value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within while optimizing the return. The company has short term as well as long term rupee based loans at variable rates. Rates on short term finances are disclosed in relevant notes.

27.2.1 Exposure to currency risk

he financial instrument will fluctuate due to changes in foreign exchange rates. In appropriate cases, the management takes out forward contract to mitigate the risk. The Company's exposure to foreign currency risk is as follows:

The following significant exchange rates applied during the year:

	2017 Average rates	2016	2017 At balance sheet rates	2016
US Dollar to PKR	106	105.6	106.4	104.80

27.2.2 Interest rate risk

ate risk represents the risk that the future cash flows of a financial instrument will fluctuate because of changes in market est rates. At the balance sheet date the interest rate profile of the Company's interest-bearing financial instrument is NIL.

27.3 Liquidity risk

Liquidity risk is the risk that company will not be able to meet its financial obligation as they due. Management closely monitor the company's liquidity and cash flow position. Prudent liquidity risk management implies maintaining sufficient cash, marketable securities and availability of funding to an adequate amount of committed credit facilities. The company treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

Financial liabilities in accordance with their contractual maturities are presented below:

	2017 -----Rupees-----		
	Carrying amount	Upto one year	After one year
Loan from directors	196,569,064	-	196,569,064
Creditors, accrued and other liabilities	89,438,072	89,438,072	-
Current portion of long term loan	71,422,097	71,422,097	-
Interest on short term and long term loan	10,654,243	-	10,654,243.00
	<u>368,083,476</u>	<u>160,860,169</u>	<u>207,223,307</u>

	2016 -----Rupees-----		
	Carrying amount	Upto one year	After one year
Loan from directors	197,494,064	-	197,494,064
Creditors, accrued and other liabilities	104,023,094	-	-
Current portion of long term loan	71,422,097	71,422,097	-
Interest on short term and long term loan	10,654,243	-	10,654,243
	<u>383,593,498</u>	<u>71,422,097</u>	<u>208,148,307</u>

27.4 Fair value of financial assets and liabilities

carrying values of financial assets and financial liabilities reported in balance sheet approximate their fair values.

28 NUMBER OF EMPLOYEES

	2017	2016
Number of employees at the year-end	21	20
Average number of employees	22	20

29 CORRESPONDING FIGURES

- been rearranged and reclassified, wherever necessary for the purposes of comparison and better presentation. The details are as follows:

From	To	Note	Amount Rupees	
			2017	2016
1 Trade creditors	Earnest money	13	189,006	13,471,006
2 Property plant & equipment	Investment property	4	89,957,133	-

30 DATE OF AUTHORIZATION

These financial statements were authorized for issue on **October 3, 2017** by the Board of Directors of the Company.

31 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive

Director

Chief Financial Officer



NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2017

Number of Shareholders	Shareholdings		Total Shares held
	From	To	
1	101	500	500
1	785001	790000	788,800
2	1305001	1310000	2,613,000
3	2610001	2615000	7,842,800
1	3750001	3755000	3,754,900
8			15,000,000

Categories of Shareholder	Numbers	Shares held	Percentage
Directors, CEO, Their Spouses & Minor Children	5	9,150,150	61.00
Financial Institutions	2	4,543,700	30.29
Individuals	1	1,306,150	8.71
Total	8	15,000,000	100.00



NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2017

DETAILS OF CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2017

	No. of Shareholders	Shares held
Financial Institutions		
National Bank of Pakistan		3,754,900
Allied Bank of Pakistan		788,800
	2	4,543,700
DIRECTORS, CEO, THEIR SPOUSES & MINOR CHILDREN		
Mst. Zubaida Khatoon		2,614,000
Mr. Sohail Ahmed		2,614,400
Mr. Asim Ahmed		2,614,400
Mst. Ghazala Ahmed		1,306,850
Mrs. Tania Asim		500
	5	9,150,150
Individuals	1	1,306,150
GRAND TOTAL	8	15,000,000

Shareholders Holding 10% or More Voting Interest in the Company
As at June 30, 2017

	Shares Held	Percentage
Directors, CEO, Their Spouse & Minor Children		
Mst. Zubaida Khatoon	2,614,000	17.43
Mr. Sohail Ahmed	2,614,400	17.43
Mr. Asim Ahmed	2,614,400	17.43
Financial Institution		
National Bank of Pakistan	3,754,900	25.03



FORM OF PROXY

The Secretary
SG Allied Businesses Limited
B-40, S.I.T.E.,
Karachi.

I/We _____ of _____ being a member of **SG Allied Businesses Limited**, and holder
Of _____ Ordinary shares hereby appoint _____ of
_____ as _____ me/our proxy to attend and vote for me/our behalf at
the 49th Annual General Meeting of the Company to be held on Wednesday the October 25 2017 9:30a.m and at
Any adjournment thereof;

In witness my/our hand seal this _____ day of _____ 2017

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



**AFFIX
CORRECT
POSTAGE**

**The Company Secretary
SG Allied Businesses Limited
(Formerly S.G. Fiber Limited)
B-40, S.I.T.E.
Karachi**



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SG Allied Businesses Limited

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Karachi-Pakistan
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Fax: (92-21) 2653113
Website: www.sglyne.com