	2017 Rupees	2016 Rupees

14 CASH & BANK BALANCE

	2017 Rupees	2016 Rupees
Cash in hand	400	400
Cash at bank-current accounts	122,491	509,995
	122,891	479,689

15 SALES

	2017 Rupees	2016 Rupees
Gross sales -electricity and steam	300,000	-
less: Sales tax	-	-
	300,000	-

15.1 The Company has done away with the policy of charging late payment surcharge on delayed receipt of payment from the associated undertaking for sale of electricity

16 GENERATION COST

	2017 Rupees	2016 Rupees
Gas consumed	403,940	297,282
Repair and Maintenance	-	-
Rent, rates and taxes	-	-
Depreciati..n	120,344	562,653
	524,284	690,332

17 ADMINISTRATION & SELLING EXPENSES

	2017 Rupees	2016 Rupees
Depreciation	1,288	1,610
	1,288	2,012

	2017 Rupees	2016 Rupees
18 Other loss	450,000	450,000

19 TAXATION

The relationship between tax expense and accounting profit has not been presented in these financial statements as the income derived by the Company from electric power generation project is exempt from tax under clause 132 of Part 1 of the Second Schedule.

20 LOSS PER SHARE

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

		2017	2016
Loss for the year	Rs.	(675,571)	(1,311,544)
Weighted average number of ordinary shares outstanding during the year		17,833,267	17,833,267
Loss per share	Rs.	(0.04)	(0.07)

21 TRANSACTIONS WITH RELATED PARTIES

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

	2017	2016
Rent of premises	450,000	450,000
Interest receiveable on Long term Receiveable	10,654,243	10,654,243

22 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	Executives 2017 (Rupees)	Executives 2016 (Rupees)
Basic salary	-	-
House allowance	-	-
Utilities	-	-
	-	-

23 PLANT CAPACITY AND ACTUAL PRODUCTION

	Electricity(KWH)		Steam(KGs)	Steam(KGs)
	2017	2017	2017	2017
Annual Capacity	91,419,360	91,419,360	50,280,648	50,280,648
Actual Generation	-	-	-	-

Reason for no generation

As the only consumer of electricity S.G. Fibre Limited shut down its production , so power plant also been shut down for the time being.

24 FINANCIAL INSTRUMENT AND RELATED DISCLOSURE

24.1 Financial Risk Management

24.1.1 The company's activities may expose it to a variety of financial risks: credit risk and liquidity risk. The company's overall risk management seeks to minimize potential adverse effects on the company's financial performance.

Risks managed and measured by the company are explained below.

24.2 Market Risk

24.2.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The company is not exposed to interest rate risk.

24.2.2 Currency Risk

Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The company doesn't have financial instruments dependent on currency risk.

24.2.3 Price Risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is not exposed to major concentration of price risk.

24.3 Credit Risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted.

Credit risk arises from cash equivalents, deposits with banks, as well as credit exposures to customers and other counterparties which include loans and advances, trade debts and other receivables. Out of the total financial assets, those that are subject to credit risk amounted to Rs 176.524 million (2014: Rs 176.324 million).

For trade debts, credit risk assessments process determines the credit quality of the customer, taking into account its financial position, past experience and other factors. The utilization of credit limit is regularly monitored. Accordingly, the credit risk is minimal and the company also believes that it is not exposed to major concentration of credit risk.

In respect of other counter parties, due to the company's long standing business relationship with them, management does not expect non-performance by these counter parties on their obligations to the company.

The maximum exposure to credit risk as at June 30, 2015, along with comparative is tabulated below:

Financial Assets	2017 Rupees	2016 Rupees
Current portion of long term receivable	65,588,037	65,588,037
Trade debts	-	-
Other receivables	10,654,243	10,654,243
Cash & bank balances	122,891	510,395
	76,365,171	76,752,675

24.4 Liquidity Risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Following are the carrying amount and maturities of the Company's financial liabilities.

Financial liabilities in accordance with their

	Carrying Amount/ Rupees	Between 1 to 2 years	Between 1 to 2 years
Trade and other payables	11,109,294	11,109,294	-
	11,109,294	11,109,294	-

24.5 Fair values of financial assets and liabilities

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

As at June 30, 2016 the carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

25 CAPITAL RISK MANAGEMENT

The company's prime objective when managing capital structuring is to safe guard its ability to continue as a going concern in order to provide adequate returns for share holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

26 DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue on October 31, 2017 by the Board of Directors of the Company.

27 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive　　　　　　　　Director

POWER LIMITED

QUARTERLY REPORT SEPTEMBER 30, 2017

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S.G POWER LIMITED
B-40, SITE, MANGHOPIR ROAD
KARACHI.

COMPANY /INFORMATION

Board of Directors

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

AUDIT COMMITTEE

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

HR AND REMUNERATION COMMITTEE

MR. Sohail 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.

S. G. POWER LIMITED

DIRECTORS' REPORT

The Board of Directors of S.G. Power Limited is please to present the 24th Annual Report and Audited Financial Statements of the Company together with Auditors' Report thereon for the year ended June 30, 2017.

The auditors have given an observation regarding the existence of material un-certainty regarding Company's ability to continue as a going concern. In this regard it is clarified that Messrs S.G. Allied Businesses Limited (formerly 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 clarify dated 19th July, 2013, the Company had made full provision against amounts aggregating to Rs. 169.970 million which are receivable from associated undertaking. The management hopes that material un-certainty will not last long as the sister concern is working on entering into new lines of businesses. With the revival of SG Allied Businesses Limited, the Company will become a going concern in the foreseeable future.

FUTURE OUTLOOK

The management is hopeful as soon as the S.G. Allied Business Limited, goes into new lines of businesses, the Company will come out of crisis and re-commence operation. The management is hopeful that the Company will stand revived in the near future.

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.
- 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 is closed for many years. These shortcomings will be rectified as soon as the Company recommences operation.

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

Name of Director	No. of meetings attended.
Mst Zubaida Khatoon	
Mr. Asim Ahmed	
Mr. Sohail Ahmed	
Mrs. Ghazala Ahmed	
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, 2018.

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, 201 is annexed.

On behalf of the
Board of Directors

Asim Ahmed
(Chief Executive)

Karachi October , 2017.

S.G POWER LIMITED
BALANCE SHEET
AS AT SEPTEMBER 30, 2017

	Notes	Un-Audited September 2017 Rupees	Un-Audited September 2016 Rupees
SHARE CAPITAL AND RESERVES			
Authorised			
20,000,000 Ordinary shares of Rs. 10 each		200,000,000	200,000,000
Issued, subscribed and paid up	4	178,332,670	178,332,670
Share premium		89,116,330	89,116,330
Accumulated loss		(255,580,358)	(232,383,267)
		11,868,642	35,065,733
NON CURRENT LIABILITIES			
Deferred liabilities	5	-	113,040
Loan from director	6	3,262	3,262
Due associate under taking		450,000	8,382,326
		453,262	8,498,628
CURRENT LIABILITIES			
Trade and other payables	7	1,317,098	11,284,062
Provision for taxation		629,329	629,329
		1,946,427	11,913,391
CONTINGENCIES AND COMMITMENTS	8		
		14,268,331	55,477,752
NON CURRENT ASSETS			
Property, plant and equipment	9	8,795,440	43,662,164
Long term deposit	10	5,350,000	5,350,000
CURRENT ASSETS			
Current portion of long term receivable	11	-	-
Stores and spares		-	5,797,601
Trade debts	12	-	-
Accrued interest considered good	13	-	157,591
Cash and bank balances	14	122,891	510,395
		122,891	6,465,587
		14,268,331	55,477,752

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

CHIEF EXECUTIVE DIRECTOR

S.G POWER LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Notes	Un Audited September 2017 Rupees	Un Audited September 2016 Rupees	Un Audited September 2015 Rupees
Sales	15	300,000	-	-
Generation cost	16	(524,284)	(859,935)	(690,332)
Gross loss		(224,284)	(859,935)	(690,332)
Administrative and selling expenses	17	(1,288)	(1,610)	(2,012)
Operating loss		(225,571)	(861,544)	(692,344)
Finance charges		-	-	-
Other loss		(450,000)	(450,000)	-
Loss before taxation		(675,571)	(1,311,544)	(692,344)
Taxation	19	-	-	-
Loss after taxation		(675,571)	(1,311,544)	(692,344)
Other comprehensive income		-	-	-
Total comprehensive income		(675,571)	(1,311,544)	(692,344)
Loss per share - basic and diluted	20	(0.04)	(0.07)	(0.04)

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

CHIEF EXECUTIVE DIRECTOR DIRECTOR DIRECTOR

S.G POWER LIMITED
CASH FLOW STATEMENT
FOR THE QUARTER E ED SEPTEMBER 30, 2016

	Notes	Un Audited 2016 Rupees	Un Audited 2016 Rupees	Un Audited 2015 Rupees
CASH FLOW FROM OPERATION ACTIVITIES				
(Loss) before taxation		(675,571)	(1,311,544)	(692,344)
Adjustment for non cash items:				
Depreciation		564,262	564,262	595,474
Finance charges		-	-	-
		564,262	564,262	595,474
Cash flow from operating activity before working capital changes		(111,309)	(747,282)	(96,870)
Changes in working capital				
(Increase) / decrease in current assets				
Trade debts		-	-	-
Interest accrued				
		-	-	-
Increase (decrease) in current liabilities				
Trade and other payables		747,282	747,282	96,870
		635,973	-	-
Finance charges paid				
Net Cash used in operating activities		635,973	-	-
CASH FLOW FROM INVESTING ACTIVITIES			ND	
Long term deposits		-	-	-
Net cash from investing activities		-	-	-
CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of Loan from Directors				
Long term deposits		-	-	-
Repayment during the period		-	-	-
Net cash from financing activities		-	-	-
Net increase / (decrease) in cash and cash equivalents		635,973	-	-
Cash and cash equivalents at the beginning of the year		510,395	510,395	479,689
Cash and cash equivalents at the end of the year		1,146,368	510,395	479,689

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

CHIEF EXECUTIVE DIRECTOR

S.G POWER LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR QUARTER ENDED SEPTEMBER 30, 2017

	Issued, subscribed and paid up capital	Share Premium	Accumulated profit/(loss)	Total
		------ Rupees ------		
Balance as at June 30, 2016	178,332,670	89,116,330	(231,071,723)	36,377,277
Loss for the 1st Quarter ended 30 Sep. 2016	-	-	(1,311,544)	(1,311,544)
Balance as at Sep 30, 2016	178,332,670	89,116,330	(232,383,267)	35,065,733
Balance as at June 30, 2017	178,332,670	89,116,330	(254,904,787)	12,544,213
Loss for the 1st Quarter ended 30 Sep. 2017	-	-	(675,571)	(675,571)
Balance as at Sep 30, 2017	178,332,670	89,116,330	(255,580,358)	11,868,642

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

CHIEF EXECUTIVE DIRECTOR

S.G. POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

1. STATUS AND ACTIVITIES

1.1 The Company is limited by shares and was incorporated in Pakistan on February 10, 1994 under the Companies Ordinance, 1984 and is listed on Karachi and Islamabad Stock Exchanges. The business of the Company is generation and supply of the electric power to its associated company, of SG Allied Businesses Limited (Formerly, S.G. Fibre Limited). The registered office of the company and the captive power plant is located at B-40, S.I.T.E., Karachi in the province of Sindh.

1.2 The company has made a loss of Rs. 37.5 million (2016: 5.62 million) during the year and accumulated loss as at June 30, 2017 stood at Rs. 268.6 million (2016: 231.1 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, it may be unable to realize its assets and and discharge its liabilities in the normal course of business. During the year, the associated company, SG Allied Businesses Limited (Formerly, S.G. Fibre Limited) has started new lines of business activities and the Company acquired new generators and w.e.f. may 2017 has restarted to supply electricity to its associated company. Moreover, the Directors and its associated company 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 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING

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

	Standard or Interpretation	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 (Amendments)	January 1, 2018
IAS 40	Investment Property (Amendments)	January 1, 2018
		January 1, 2019
IFRIC 23	Uncertainty over Income Tax Treatments	

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	January 1, 2016
IAS 16	Property, Plant and Equipment	January 1, 2016
IAS 38	Intangible Assets	January 1, 2016

2.3 Basis of preparation

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 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 Functional and presentation currency

These financial statements are presented in Pakistani Rupee which is the Company's Functional currency.

2.5 Recent accounting developments

- Standards, interpretations and amendments to approved accounting standards that are not yet effective:

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

Standards or interpretation		Effective date (accounting periods beginning on or after)
IFRS - 2	Shared-based Payments: Amended relating to Group Cash-settled Shared-based Payments Transactions	January 01, 2010
IAS - 24	Related Party Disclosures (Revised)	January 01, 2011
IAS - 32	Financial Instruments: Presentation - Classification of Right Issue	February 01, 2011
IFRIC - 14	The Limit on Defined Benefit Assets, Minimum Funding Requirements and their interaction (Amendments)	January 01, 2011
IFRIC - 19	Extinguishing Financial liabilities with Equity Instruments	July 01, 2010

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not have any material impact on the Company's financial statements in the period of initial application.

In addition to the above, amendments to various accounting standards have also been issued by the IASB as a result of its annual improvement project in April 2009 primarily with a view to remove inconsistencies and clarify wordings. Such improvements are generally effective for accounting periods beginning on or after January 01, 2010. The company expects that such improvements to the standards will not have any material impact on the company's financial statements in the period of initial application.

- Standards, amendments and interpretations adopted during the year:

During the year, the following new / revised standards, amendments and interpretations of accounting standards become effective:

IFRS - 2	Share-based Payment - Vesting Conditions and Cancellations (Amendments)
IFRS - 3	Business Combinations (Revised)
IFRS - 7	Financial Instruments: Disclosure (Amendments)
IFRS - 8	Operating Segments
IAS - 1	Presentation of Financial Statements (Revised)
IAS - 23	Borrowing Costs (Revised)
IAS - 27	Consolidated and Separate Financial Statements (Amendments)
IAS - 32	Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation (Amendments)
IAS - 39	Financial Instruments: Recognition and Measurement - Eligible hedged items (Amendments)
IFRIC - 15	Agreement for the construction of Real Estate
IFRIC - 16	Hedges of a Net Investment in a Foreign Operations
IFRIC - 17	Distributions of Non-Cash Assets to Owners
IFRIC - 18	Transfer of Assets from customer

The adoption of the above standards, amendments and interpretation did not have any effect on the financial statements except following:

IAS 1 (Revised), 'Presentation of financial statements' (effective from January 1, 2009), was issued in September 2007. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).
Less: Provision for doubtful debt

2.5 Estimates

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 estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.
Judgements made by the management in the application of IASs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuring paragraphs.

2.6 Functional and presentation currency

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

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Employees benefit costs Defined Benefit Plan

The Company operates an unfunded gratuity scheme covering all its employees. Provision is made annually based on management estimates which are adjusted periodically to agree with actuarial estimates. The actuarial valuations is normally carried out once in every three years. actuarial gains and losses are recognized on a straight line basis over a period of 3 years.

3.2 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is there fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

3.3 Provisions

Less: Provision for doubtful debt
Provisions are recognized when the company has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.4 Property, Plant and equipment

Property, Plant and equipment are stated at cost less accumulated depreciation and impairment in value, if any. Depreciation is charged to income on reducing balance method at the rates specified in property, plant and equipment note.

Assets residual values if significant and their useful lives are reviewed and adjusted, if appropriate, at each balance sheet date

In respect of additions and disposals during the year, depreciation is charged from the month of acquisition and up to the month preceding the disposal respectively.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

Gains or losses on disposal of assets are included in current income.

3.5 Impairment

The company assesses at each balance sheet date whether there is any indication that assets may be impaired .If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount, Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. Reversal of impairment loss is the gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

3.6 Stores, spares and loose tools

These are valued at the cost, determined on weighted average cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice value plus other charges incurred thereon.

3.7 Debtors and other receivables

Debtor and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified.

3.8 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost .For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand, balances with bank and short-term running finance under mark-up arrangements.

3.9 Revenue Recognition

Revenue from supply of electricity is recognized on issue of bills on monthly basis. Profit on bank deposits is recognized on accrual basis

3.10 Borrowing Costs

Borrowing costs are recognized as an expense in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalized as part of the cost of that asset.

3.11 Taxation

Current

Profits derived by the company from electric power generation project are exempt from tax under clause 132 of Part -1 of the Second Schedule to the Income Tax Ordinance 2001

The company is also exempt from minimum tax on turnover under section 113 as per clause 15 of the part-IV of the Second Schedule to the Income Tax Ordinance 2001

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemption available, if any.

Deferred
Deferred income tax is provided using the liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirements of Technical Release-27 of the Institute of Chartered Accountants of Pakistan.

3.12 Foreign currency translations

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated into reporting currency equivalents using foreign exchange rates ruling on the balance sheet date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Exchange differences on foreign currency transactions are included in net profit or loss for the period.

3.13 Financial Instruments

All financial assets and financial liabilities are recognized upon becoming the party to the contractual provisions of the instruments. Financial assets are derecognized when the control of the contractual rights that comprise the financial assets is lost. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to profit and loss account.

3.14 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the balance sheet . If the company has a legally enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

		September 2017 Rupees	September 2016 Rupees
4	**ISSUED, SUBSCRIBED AND PAID UP CAPITAL**		
	17,883,267 Ordinary shares of Rs.10/- each fully paid in cash.	178,332,670	178,332,670
5	**DEFERRED LIABILITY**		
	Staff Gratuity		
	The principal assumption used in the valuation of gratuity are as		
	Discount rate	-	-
	Expected rate of increase in salary	-	-
	Expected average remaining working lives	-	-
	Movement in liability recognized in the balance sheet is as follows:		
	Liability as at July 01	-	113,040
	Charge to profit and loss account	-	-
		-	113,040
	Payments made during the year	-	-
	Transferred to current liabilities in respect of employees left	-	-
	Liability as at June 30	-	113,040
	The amount recognized in the balance sheet are as follows:		
	Present value of defined benefit obligation	-	113,040
	Liability as at June 30	-	113,040
	The amount recognized in the profit and loss account is as follows:		
	Current service cost	-	-
	Actuarial gain/(loss)	-	-
		-	-

Comparison for five years as at	2017 30-Jun	2016 30-Jun	2015 30-Jun	2014 30-Jun	2013 30-Jun
Present value of defined benefit obligation	113,040	113,040	113,040	113,040	113,040
Actuarial losses	Nil	Nil	Nil	Nil	Nil

5.1 There is no employee in the company as at year end and no actuarial valuation was carried out

6 **LOAN FROM DIRECTOR**

This represents interest free loan from sponsoring directors. Repayment terms have not yet been decided by the Company.

7 **TRADE & OTHER PAYABLE**

Creditors	-	6,749,787
Accrued Liabilities	-	1,883,690
Staff gratuity payable	-	1,333,489
Unclaimed dividend	1,297,283	1,297,283
Tax deducted at source	19,815	19,815
	1,317,098	11,134,064

8 **CONTINGENCIES AND COMMITMENTS**

Contingencies
8.1 Based on the legal opinion in respect of non applicability of Worker's Profit Participation Act.1968, on the company, provision made to workers profit participation, fund and interest thereon amounting Rs. 20,711,654/- up to June 30, 2002 has been transferred back to shareholder's equity in the accounts for the year ended 30, June 2003. No provision has been made thereafter from the financial year ended June 30, 2003 to June 30, 2006 for an amount of Rs.12,685,253. The contention of the company is that since there are no workers as defined in the Act, and accordingly the said Act does not apply to the company. No provision is being made under this head since the year 2002-2003. The Company has filed petition before High Court of Sindh, Karachi challenging the levy in this respect. The management is confident that no liability will arise on this account.

However, in the Finance Act, 2006 amendments have been made in the Act which is effective from July 01,2006. These changes may require the company to pay 5% of its profits to the fund from the Fiscal year beginning July 01.2006. However in these years the Company has incurred losses.

8.2 The collectorate of Sales Tax and Central Excise (west) Karachi has served a show cause notice requiring the repayment of inaccurate input tax adjustments and additional tax amounting to Rs.13,247,743/ and Rs.3,248,501/ - respectively, in respect of financial years ended June 30, 2000 and 2001.The Company has filed an appeal against such order in the Sales Tax Appellate Tribunal. Management of the company expects a favorable outcome and no provision has been made in these financial statements.

			September 2017 Rupees	September 2016 Rupees
8.3	Commitments		-	-
10	**LONG TERM DEPOSIT**			
	Long term deposit	10.1	5,350,000	5,350,000

10.1 This represents margin held by M/s Sui Southern Gas Company limited against the supply of Gas.

11	**LONG TERM RECEIVABLE**			
	Unsecured -Considered good			
	Associated Company- S.G. Fibre Limited		65,588,037	65,588,037
	Less: Provision for doubtful debts		(65,588,037)	(65,588,037)
			-	-

11.1 In April -2006, the SECP directed the directors of the Company under Sec 473 of the Companies Ordinance 1984 (the Ordinance) pursuant to the Order made in the matter of show cause notice issued to the directors of the company under section 208 read with the section 476 of the Ordinance to recover the outstanding balance from the associated company, S.G. Fibre Limited, in quarterly installment of Rs.10 million each beginning from quarter April-June 2006. Further, SECP has directed to recover the interest, that should not be less than borrowing cost of the Company, as return on its previous years' credits. Consequently , the balance was transferred to the long term receivables, which in effect has been transferred over a period of time in to current portion of long term receivable.

12	**TRADE DEBTS**			
	Unsecured- Considered good			
	Associated Company- S.G. Fibre Limited		94,036,243	94,036,243
	Less: Provision for doubtful debts		(94,036,243)	(94,036,243)
			-	-
13	**INTEREST ACCRUED**			
	Considered good			
	Interest on TDR Receivable	13.1	51,854	157,591
	Interest on loan to associated Company -S.G. Fibre Limited		10,654,243	10,654,243
	Less: Provision for doubtful debts		(10,654,243)	(10,654,243)
			-	-
			51,854	132 699

13.1 This represents interest accrued on long term receivable from the associated company, S.G. Fibre Limited, charged as per the direction issued by SECP vide Order date April 6, 2006.