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(MEMBER OF S.G. GROUP)
2015

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COMPANY / INFORMATION

Board of Directors

Mrs.Zubaida Khatoon	Chairperson
Mr. Sohail Ahmed	Chief Executive
Mr. Asim Ahmed	Director
Mrs.Ghazala Ahmed	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	Chairman
Mr. Asim Ahmed	Member
Mrs. Ghazala Ahmed	Member

BANKERS

Summit Bank Limited

AUDITORS

M/S. Muniff Ziauddin & Co.
(Chartered Accountants)

SHARES REGISTRAR

Technology Trade Private Limited,
Dagia House, 241-C, Block-2,
PECHS, Shahra-e-Quaideen,
Karachi,

REGISTERED OFFICE

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



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 47th Annual General Meeting of the members of M/s S.G. Fibre Limited will be held on Thursday on October 22, 2015 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 46th Annual General Meeting held on October 30, 2014.
2. To receive, consider and adopt audited accounts of the company for the year ended June 30, 2015 together with the Directors' and Auditors' report thereon.
3. To appoint auditors for the year 2015-16 and to fix their remuneration.
4. To transact any other business with the permission of the Chair.

Karachi: October 01, 2015

By Order of the Board

Sohail Ahmed
(Chief Executive)

Notes:

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

DIRECTORS' REPORT

The Board of Directors of S.G. Fibre Limited (SGF) is pleased to present the 47th Annual Report and Audited Financial Statements of the Company together with Auditor's Report for the year ended 30th June 2015.

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

- i) The Company owes Rs.168.483 million, as mentioned in note 15, 16 and 17 to the financial statements, to the associated Company S. G. Power Ltd. The operations of the Company have been shut-down for the last several years temporarily due to unfavorable market conditions. Payables to S.G. Power Ltd. are well secured because SGF have fixed assets of Rs.625 million at revalued amount. 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.168.483 million is due from the Company and would be settled on priority basis once the business activities resume. 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. Since the Company has not borrowed any funds from any bank or financial institution, the accrued mark-up has been adequately charged.
- ii) The Company has suffered loss of Rs. 113.717 million during the year and the accumulated losses as at June 30, 2015 stand at Rs. 759.652 million. One of the options the management is considering is to restart the factory operations by investing in latest advance machinery. The funds requirement can be fulfilled by arranging new loans from financial institutions. Keeping in view the aforesaid trivia, the management believes that there is no doubt over the Company's ability to continue as a going concern in due course of time. Hence, the financial statements do not need any adjustment. At appropriate time a revival plan will be prepared and presented to Board of Directors and the shareholders for approval and implementation.
- iii) Due to closure of the factory operations for the last several years and adverse financial health of the Company, it has no option but to value the directors' loans at historical cost. As such it is not possible to comply with requirements of IAS-39.
- iv) The related parties transaction, records and ledger are available for checking and verification. There have been some difficulties in tracing the old record due to non-availability of staff.
- v) The management was of the view that the sales tax and income tax refunds could be settled. However, the management is considering about writing off the same in due course of time if the present status continued.
- vi) The factory is closed for the last several years and there are no short-term and long-term employees in employment. Compliance with IAS-19 pertaining to accounting and disclosures could not be applied.



FINANCIAL RESULTS

The performance of your Company during the year under review has not been satisfactory as the operations of the Company are shut down since December 2006 due to adverse market condition.

However, the Company has been able to dispose off its major portion of old plant and machinery. This has resulted in loss of Rs. 210.652 million. It was necessary to dispose off the old plant and machinery as the market value was falling each year and one of the options the management is considering for the revival of the Company is to acquire new plant and machinery.

Meanwhile, the Company has revalued the assets of the Company during the year which has resulted in a surplus of Rs. 533.242 million on land and building and a loss of Rs. 146.774 million on plant and machinery. The fair market value of the plant and machinery has been determined by the Valuer M/s Amir Evaluators & Consultants, who are on the approved panel of the Pakistan Banks Association. Moreover, the Company has let out a small portion of its premises on rent during the year to generate sufficient funds for managing day to day operations of the Company.

We are pleased to inform the shareholders that during the year under review, Fibre Venture Capital Limited has waived off the long term loan of Rs. 302 million due to the current financial position of the Company which has relieved the Company from the repayment of a huge liability. And there exists no borrowing / loan from any outsiders and as such there is no burden of finance cost or charge over assets.

Following are the financial results for the year ended June 30, 2015:	Rupees
Sales	----
Cost of sales	(5,689,640)
Gross loss	(5,689,640)
Admin & selling expenses	(37,312,184)
Other income / loss	76,178,201
Impairment loss	(146,774,649)
Financial charges	----
Loss before taxation	(113,598,272)
Taxation	(119,700)
Loss after taxation	(113,717,972)

FUTURE OUTLOOK

The management is hopeful that the economic and market conditions will improve in due course and our Company will surmount its crisis. The new textile incentives given by the Government are expected to be helpful in revival of textile and polyester yarn industries in due course. We hope and pray that our Company will be back in production in due course of time.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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

- The financial Statements for the year ended June 30, 2015 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 judgment.
- There are no significant doubts upon the Company's ability to continue as a going concern, but due to adverse economic and market conditions the operations remain shut-down temporarily.
- The Company's system of internal control is sound in design and has been effectively implemented and continuously monitored.
- There has been no material departure from the best practice of Code of Corporate Governance as detailed in the listing regulations.
- The Directors, Chief Executive and their spouses and minor children did not carry out any transaction in the shares of the Company during the year.
- Key operating financial data for the last five years in summarized form is annexed.
- Compliance of Code of Corporate Governance is annexed.

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

<u>Name of Director</u>	<u>No. of meeting attended</u>
Mst. Zubaida Khatoon	4
Mrs. Ghazala Ahmed	4
Mrs. Tania Asim	3
Mr. Sohail Ahmed	4
Mr. Asim Ahmed	2
Mr. Hidayat Ali Shar	1
Mr. M. Khurram Khawaja	2

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

AUDITORS

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

AUDIT COMMITTEE

The meetings of Audit Committee were held during the year ended June 30, 2015 as required by Code of Corporate Governance for review of Quarterly/Half Yearly, Annual Account 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. Sohail Ahmed	Chairman
Mr. Asim Ahmed	Member
Mrs. Ghazala Ahmed	Member

ACKNOWLEDGEMENT

The Directors 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, 2015 is annexed.

On behalf of the
Board of Directors

Sohail Ahmed
(Chief Executive)

Karachi October 1st, 2015

