



# IDEAL

ENERGY LIMITED

ANNUAL REPORT 2015

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## COMPANY INFORMATION

### CHAIRMAN

Mr.Nisar Ahmad Sheikh

### CHIEF EXECUTIVE

Mr.Muhammad Arshad

### DIRECTORS

Mr.Shahzad Ahmad Sheikh

Mr.Shehryar Arshad

Mrs.Shahida Arshad

Mrs.Naureen Shahzad

Ms.Resham Shahzad

### AUDIT COMMITTEE

#### CHAIRMAN

Mr.Nisar Ahmad Sheikh

#### MEMBER

Mr.Shahzad Ahmad Sheikh

#### MEMBER

Mr.Shehryar Arshad

### HR & REMUNERATION COMMITTEE

#### CHAIRMAN

Mr.Nisar Ahmad Sheikh

#### MEMBER

Mr.Shahzad Ahmad Sheikh

#### MEMBER

Mrs.Noureen Shahzad

### CHIEF FINANCIAL OFFICER

Mr.Nasir Mahmood

### COMPANY SECRETARY

Mr.Javed Abbas Naqvi

### AUDITORS

M/S Riaz Ahmad & Co.

Chartered Accountants

### BANKERS

Faysal Bank Limited

Habib Bank Limited

### LEGAL ADVISOR

Rana Ifikhar Ahmad

### REGISTERED OFFICE

404-405, 4<sup>th</sup> Floor, Business Centre,

Mumtaz Hassan Road, Karachi.

Tel. 021-32412814

Web: [www.idealenergy ltd.com](http://www.idealenergy ltd.com)

### SHARES REGISTRAR

Consulting One (Pvt) Limited,

478-D, Peoples Colony No.1, Faisalabad.

### PLANT

35-K.M., Sheikhpura Road,

Tehsil Jaranwala,

District Faisalabad.

## **NOTICE OF MEETING**

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of IDEAL ENERGY LIMITED will be held at 404-405, 4<sup>th</sup> Floor, Business Centre, Mumtaz Hassan Road, Karachi on Saturday, October 31, 2015 at 03:30 p.m. to transact the following business:

### **ORDINARY BUSINESS:**

1. To confirm the minutes of the 20<sup>th</sup> Annual General Meeting held on October 31, 2014.
2. To receive, consider and adopt the audited financial statements for the year ended June 30, 2015 together with the Auditors' and Directors' Reports there on.
3. To appoint the auditors for the year 2015-2016 and to fix their remuneration. The present auditors M/S Riaz Ahmad & CO. Chartered Accountants, being eligible have offered themselves for re-appointment.

### **SPECIAL BUSINESS:**

4. To consider and approve the proposal approved by the Board of Directors of the Company to change the name of the Company from "Ideal Energy Limited" to "Arshad Energy Limited" and to pass the following special resolution with or without modification(s):

Resolved unanimously, "Consent of the members of the company be and is hereby granted for changing the name of the company from Ideal Energy Limited to Arshad Energy Limited."

Further resolved, "Upon receipt of fresh certificate of incorporation consequent upon change of name, the old name, i.e., Ideal Energy Limited be substituted with the new name, i.e., Arshad Energy Limited in the memorandum and articles of association of the company, and other necessary documents and at all other places wherever appearing."

Further resolved, "Board of Directors and/or Company Secretary be and is hereby authorized to do and perform or cause to be done and performed all such acts, deeds and matters and things, as may be required or deemed necessary or incidental thereto including signing and filing statutory forms and other documents with any statutory authority and to settle and finalise all issues that may arise in this regard and the Board of Directors is also authorized to delegate all or any of the powers or authorities herein conferred to any Director(s) or other official(s) of the company, without further reference to the shareholders."

5. To consider and approve the transactions of special and normal trade with associated undertakings for the year ended June 30, 2015.

### **OTHER BUSINESS:**

6. To transact any other business with the permission of the chair.

By order of the Board

**Javed Abbas Naqvi**

(Company Secretary)

Karachi

Dated: September 30, 2015

Notes:

1. The Share Transfer Books of the Company will remain closed from October 23, 2015 to October 31, 2015 (both days inclusive). Transfers received at Shares Registrar M/S Consulting One (Pvt) Ltd., 478-D, Peoples Colony No.1, Faisalabad at the close of business hours on October 22, 2015 will be treated in time.
2. A member entitled to attend and vote at this general meeting is entitled to appoint another member as proxy. Proxies must be received in order to effective at the registered office of the Company not less than 48 hours before the time for the meeting.
3. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her original CNIC or Passport to prove his/her identity and in case of Proxy must enclose an attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose.
4. Shareholders are requested to notify the change in their addresses if any, immediately.

**5. Submission of copy of CINC (Mandatory)**

The Securities and Exchange Commission of Pakistan (SECP) vide their SRO 779(I) 2011 dated August 18, 2011 has directed the company to print your CINC number on your dividend warrants and if your CINC number is not available in our records, your dividend warrant will not be issued/dispatched to you. In order to comply with the regulatory requirement, you are requested to kindly send photocopy of your CNIC to your Participant/ Investor Account Services or to us (in case of physical shareholding) immediately to Company's Shares Registrar, Consulting One (Private) Limited.

**6. Transmission of Annual Financial Statements through E-Mail:**

SECP vide SRO 787(1)/2014 dated September 8, 2014 has provided an option to receive audited financial statements electronically through email. Hence, members who hold shares in physical form and are interested in receiving the annual reports electronically in future are required to submit their e-mail addresses and consent for electronic transmission to the Shares Registrar of the Company, CDC shareholders are requested to submit their email address and consent directly to their broker (Participant)/CDC investor Account Services.

7. In compliance with SECP notification No.634(1)/2014 dated July 10, 2014, the audited financial statements and reports of the Company for year ended June 30, 2015 are being placed on the Company's website: [www.idealenergylimited.com](http://www.idealenergylimited.com) for the information and review of shareholders.

**STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984**

This statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting.

**Transactions with Associates**

Company is doing transactions with associated companies of normal trade and the directors of the company are also directors in associated companies and therefore are common directors. On this ground they have indirect interest in associated undertakings due to common directorship. All the transactions with associates as disclosed in accounts for the year ended June 30, 2015 of the company seeks approval in Annual General Meeting and hence the notice of facts is given to shareholders.

**Transactions with Associated Undertakings**

	<b><u>2015</u></b>
Sale of energy	119,381,130
Other charges paid	1,525,960

**To change the name of the company**

The present activities of the company include generation of electric power. The directors of the company have been giving thought to change the name of the company and passed resolution in this context in their meeting held on 30 September 2015. The proposed name contains "the name of the main sponsor" which is well renowned personality and reflect our proposal of dealing customers. The activities of the company will be well recognized by adopting the new name. The Securities and Exchange Commission of Pakistan has confirmed the availability of the name as required under section 39 of the Companies Ordinance, 1984. The provisions of the Companies Ordinance, 1984, inter alia, require approval of the members of the company by way of special resolution for altering the provisions of memorandum and articles of association of the company and subject to the special resolution being passed, application will be made to the Registrar of Companies for confirmation to the change of name.

The director's trust that aforesaid special resolution is in the best interest of the company and hence, recommends the aforesaid resolution for your approval as a special resolution.

**Interest of Directors and Availability of Relevant Documents**

None of the Directors of the company are in any way, concerned or interested, financially or otherwise, in the special resolution except as shareholders of the company.

## DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors of your Company feel pleasure in submitting audited financial statements of your Company for the year ended June 30, 2015.

### FINANCIAL RESULTS

	2015	2014
	Rupees	Rupees
Sales	119,381,130	54,445,177
Cost of generation	(122,903,894)	(73,822,476)
Gross profit	3,522,764	19,377,299
Administrative expenses	(2,501,296)	(3,861,609)
Other expenses	—	(7,481,664)
(2,501,296)	(11,343,273)	(11,343,273)
Other income	6,524	242,897
Profit from operations	(6,017,536)	(30,477,675)
Finance cost	(7,973)	(139,603)
Profit before taxation	(6,025,509)	(30,617,278)
Taxation	—	—
Profit after taxation	(6,025,509)	(30,617,278)
Earnings per share — basic and diluted (Rupees)	(0.75)	(3.83)

### REVIEW OF OPERATING RESULTS

Net sales for the year were Rs.119.381 million (2014: Rs.54.445 million) and net loss was Rs.6.025 million (2014: Rs.30.617 million).

By the grace of Almighty Allah, we have started generation during the year. The engines are being overhauled to attain the maximum efficiency which will reduce the cost of generation. The Management is hopeful to earn profit in the year to come if the oil prices will maintain in current level.

### AUDITORS

The present Auditors M/S Riaz Ahmad & Co., Chartered Accountants retire and being eligible, offer themselves for re-appointment.

### CORPORATE GOVERNANCE

The statement of compliance of best practices of Code of Corporate Governance is annexed.

### CORPORATE AND FINANCIAL REPORTING FRAME WORK:

In compliance to listing regulations of stock exchanges and as required under the Companies Ordinance, 1984, your Directors are pleased to state as under:

1. The financial statements prepared by the Management of your Company present fairly its state of affairs, the results of its operations, cash flow and changes in equity.



1. Proper books of accounts of the Company have been maintained.
2. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates, which are based on reasonable and prudent judgment.
3. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements. The system of internal control is sound in design and has been effectively implemented and monitored.
4. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
5. Key operating financial data of last six years in summarized form is annexed.
6. During the period under review six (06) meetings of Board of Directors were held. Attendance of each director is as follows:

**NAME OF DIRECTOR**

**MEETINGS ATTENDED**

Mr. Nisar Ahmad Sheikh	05
Mr. Muhammad Arshad	06
Mr. Shahzad Ahmad Sheikh	03
Mr. Shehryar Arshad	03
Naureen Shahzad	03
Mrs. Shahida Arshad	02
Ms. Resham Shahzad	03
Mr. Muhammad Saeed	02
Mr. Amjad Saeed	02
Mr. Aizad Amer	03

Directors who did not attend the above meetings were granted leave of absence by the Board of Directors.

**TRADING OF SHARES**

Director, company secretary, chief financial officer, Head of Internal Audit and their spouses and minor children has not purchased or sold shares during the year.

**STATEMENT OF DIRECTOR'S RESPONSIBILITY**

Board of Directors is mindful of its responsibilities and duties under legal and corporate frame work. The Board defines and establishes Company's overall objectives and directions and monitors status thereof. Short term and long term plans and business performance targets are set by Chief Executive under over all policy frame work of the Board.

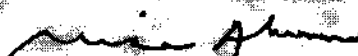
**PATTERN OF SHAREHOLDING**

Pattern of shareholding as on June 30, 2015 is annexed.

**ACKNOWLEDGEMENT:**

The Board places on record its appreciation for the cooperation, commitment and hard work extended to the Company by the customers, suppliers, bankers and all the employees of the Company.

On behalf of the Board



(Nisar Ahmad Sheikh)

Chairman

FAISALABAD

Dated: September 30, 2015

## STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CORPORATE GOVERNANCE TO THE MEMBERS

This statement is being presented to comply with the Code of Corporate Governance (CCG) as contained in the Listing Regulations of the Stock Exchanges of Pakistan 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. Since there was no contestant for independent director so shareholders didn't elect. At present the board includes:

### **Non-Executive Directors**

- i) Mr.Nisar Ahmad Sheikh
  - ii) Mr.Muhammad Arshad
  - iii) Mr.Shahzad Ahmad Sheikh
  - iv) Mr.Shehryar Arshad
  - v) Mrs.Shahida Arshad
  - vi) Mrs.Noureen Shahzad
  - vii) Ms.Resham Shahzad
2. The Directors have confirmed that none of them is serving as a Director in more than seven listed companies, including this Company.
  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 member of a Stock Exchange has been declared as a defaulter by that stock exchange.
  4. Three casual vacancies have occurred in the Board during the year ended 30 June 2015, which were filled by the Board of Directors as per provisions of Articles of Association of the Company and under the provisions of Companies Ordinance, 1984.
  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 Chief Executive Officer, other executive and non-executive directors, have been taken by the Board.
  8. All 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. The Board met at least once in every quarter during the year ended 30 June 2015 including once in every quarter to approve the financial statements of the Company. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days prior to the meetings. The minutes of the meetings were appropriately recorded and circulated in time.
  9. The board arranged training programs for its directors during the year.
  10. The Board has approved appointment of CFO/Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment, as recommended by the CEO.



11. The Directors' Report for the year ended 30 June 2015 has been prepared in compliance with the requirements of the CCG and it fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by the CEO and CFO before approval by 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 of three members, who are non-executive directors including the Chairman of the Committee. Composition of the Audit Committee will be made in line with requirements of CCG at the time of next election of directors in accordance with the 'Implementation deadlines of Code of Corporate Governance 2013'.
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 framed and advised to the Committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises 3 members, who are non-executive directors and the chairman of the committee is a non-executive director.
18. The Board has set-up an effective internal audit function.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, 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 Institute of Chartered Accountants of Pakistan.
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 exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. We confirm that all other material principles enshrined in the CCG have been complied with except for the requirements pertaining to change in composition of some of the committees of Board of Directors which will be made in line with requirements of CCG at the time of next election of directors in accordance with the 'Implementation deadlines of Code of Corporate Governance 2013'.

By order of the Board

Javed Abbas Naqvi  
Company Secretary

Date: 30 September 2015

## OPERATING AND FINANCIAL DATA OF LAST SIX YEARS

Particulars						
Financial Position	2015	2014	2013	2012	2011	2010
Paid up Capital	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000
Capital reserve share premium	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000
Revenue Reserve	(70,307,335)	(64,205,229)	(33,224,142)	(18,803,497)	(4,131,439)	7,982,672
Fixed Assets at cost	391,607,342	392,347,459	359,690,252	362,378,345	370,178,345	369,120,345
Accumulated Depreciation	251,741,501	246,183,845	242,547,877	240,545,191	241,916,998	237,842,327
Long Term Loans	-	-	-	-	-	-
Long Term Deposits	-	-	-	-	-	-
Deferred Liabilities	2,413,020	1,564,502	2,429,292	2,192,876	2,160,420	1,927,664
Current Assets	56,275,218	35,627,232	46,306,807	36,701,442	42,369,994	45,025,253
Current Liabilities	72,139,677	35,184,420	34,254,582	15,158,868	12,612,910	6,403,485
<b>INCOME</b>						
Sales	119,381,130	54,445,177	152,998,088	133,727,318	43,459,909	42,194,869
Other Incomes	6,524	242,897	560,460	96,458	-	-
<b>Statistics and Ratios</b>						
Current Ratio	0.78:1	1.01:1	1.35:1	2.42:1	3.36:1	7.03:1
Paid up value Per Share	10	10	10	10	10	10
Earning per Share	(0.75)	(3.83)	(1.82)	(1.83)	(1.44)	(1.33)
Cash Dividend %	-	-	-	-	0.20	-
Generation (Mega watt hours)	13,519	2,891	8,210	7,859	2,620	3,013

**REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE  
WITH THE 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 **IDEAL ENERGY LIMITED** ("the Company") for the year ended 30 June 2015 to comply with the requirements of Listing Regulations of the respective Stock Exchanges where the Company is listed.

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 a 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 Directors' 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.

Based on our review, 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 30 June 2015.

As stated in paragraph no. 1 of the Statement of Compliance, there is no independent director on the Board of Directors of the Company which is required by clause (i)(b) of the Code.

**RIAZ AHMAD & COMPANY**  
Chartered Accountants

*Liaqat Ali Panwar & Co.*

Name of engagement partner:  
Liaqat Ali Panwar  
Date: September 30, 2015.  
**FAISALABAD**

## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **IDEAL ENERGY LIMITED** as at 30 June 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, 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.

We conducted our audit in accordance with the 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, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing 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:

- (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) 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 stated in Note No. 2.10(b) to the financial statements 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) 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 comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of the loss, its comprehensive loss, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

We draw attention to Note No. 1.1 to the financial statements, which states that these financial statements have been prepared on the basis of estimated realizable / settlement values of assets and liabilities respectively in addition to historical cost convention as the Company is no longer a going concern for the reasons stated in the aforesaid note. Our report is not qualified in respect of this matter.

**RIAZ AHMAD & COMPANY**  
**Chartered Accountants**

*Riaz Ahmad & Co.*

**Name of engagement partner:**

**Liaqat Ali Panwar**

**Date: September 30, 2015**

**FAISALABAD**



**BALANCE SHEET**  
AS AT 30 JUNE 2015

	NOTE	2015		2014		NOTE	2015		2014	
		Book value	Estimated settlement value	Book value	Estimated settlement value		Book value	Estimated settlement value	Book value	Estimated settlement value
		Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees
<b>EQUITY AND LIABILITIES</b>										
<b>SHARE CAPITAL AND RESERVES</b>										
Authorized share capital										
10,000,000 (2014: 10,000,000) ordinary shares of Rupees 10 each										
Issued, subscribed and paid up share capital	3	80,000,000	80,000,000	80,000,000	80,000,000		1,190,955	1,100,855	805,475	885,475
Reserves	4	8,882,865	9,652,865	15,794,771	15,794,771		2,908,768	2,908,769	1,145,212	1,145,212
<b>Total equity</b>		<b>88,882,865</b>	<b>89,652,865</b>	<b>95,794,771</b>	<b>95,794,771</b>		<b>3,000,196</b>	<b>3,000,196</b>	<b>1,456,218</b>	<b>1,456,218</b>
Net surplus on estimated realizable / settlement values							6,181,392	6,181,392	2,332,864	2,332,864
Surplus on revaluation of property, plant and equipment	5	31,895,897					24,198,301	24,198,301	12,310,381	12,310,381
<b>LIABILITIES</b>										
Trade and other payables	6	58,837,867	58,837,867	21,086,969	21,086,969		18,724,055	18,724,055	17,497,082	17,497,082
Borrowings	7	13,301,810	13,301,810	14,097,451	14,097,451		10,550	10,550	10,550	10,550
Staff retirement gratuity	8	2,413,020	2,413,020	1,564,502	1,564,502		139,865,641	139,865,641	128,563,118	128,563,118
<b>CONTINGENCIES AND COMMITMENTS</b>	9									
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>196,141,059</b>	<b>196,141,059</b>	<b>185,200,900</b>	<b>185,200,900</b>		<b>196,141,059</b>	<b>196,141,059</b>	<b>185,200,900</b>	<b>185,200,900</b>

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

**MUHAMMAD ARSHAD**  
CHIEF EXECUTIVE OFFICER

**SHAHZAD AHMAD SHEIKH**  
DIRECTOR



**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2015**

	NOTE	2015 RUPEES	2014 RUPEES
SALES	17	119,381,130	54,445,177
COST OF GENERATION	18	(122,903,894)	(73,822,476)
GROSS LOSS		(3,522,764)	(19,377,299)
ADMINISTRATIVE EXPENSES	19	(2,501,296)	(3,861,609)
OTHER EXPENSES		-	(7,481,664)
		(2,501,296)	(11,343,273)
		(6,024,060)	(30,720,572)
OTHER INCOME	20	6,524	242,897
LOSS FROM OPERATIONS		(6,017,536)	(30,477,675)
FINANCE COST	21	(7,973)	(139,603)
LOSS BEFORE TAXATION		(6,025,509)	(30,617,278)
TAXATION	22	-	-
LOSS AFTER TAXATION		(6,025,509)	(30,617,278)
LOSS PER SHARE- BASIC AND DILUTED - RUPEES	23	(0.75)	(3.83)

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

  
**MUHAMMAD ARSHAD**  
**CHIEF EXECUTIVE OFFICER**

  
**SHAHZAD AHMAD SHEIKH**  
**DIRECTOR**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2015**

	2015 RUPEES	2014 RUPEES
LOSS AFTER TAXATION	(6,025,509)	(30,617,278)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss:		
Experience adjustment on defined benefit plan	(838,107)	(486,898)
Items that may be reclassified subsequently to profit or loss		
Other comprehensive loss for the year	(838,107)	(486,898)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(6,863,616)</u>	<u>(31,104,176)</u>

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**MUHAMMAD ARSHAD**  
**CHIEF EXECUTIVE OFFICER**

  
**SHAHZAD AHMAD SHEIKH**  
**DIRECTOR**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2015**

	NOTE	2015 RUPEES	2014 RUPEES
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations	24	18,403,137	(3,009,872)
Finance cost paid		(7,973)	(139,603)
Income tax paid		(1,100,764)	(31,060)
Staff retirement gratuity paid		(332,900)	(20,400)
<b>Net cash generated from / (used in) operating activities</b>		<b>16,961,500</b>	<b>(3,200,935)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(15,860,379)	-
<b>Net cash used in investing activities</b>		<b>(15,860,379)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Borrowings - net		(795,641)	3,262,067
<b>Net cash (used in) / from financing activities</b>		<b>(795,641)</b>	<b>3,262,067</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>305,480</b>	<b>61,132</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>885,475</b>	<b>824,343</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 10)</b>		<b>1,190,955</b>	<b>885,475</b>

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**MUHAMMAD ARSHAD**  
**CHIEF EXECUTIVE OFFICER**

  
**SHAHZAD AHMAD SHEIKH**  
**DIRECTOR**