IDEAL ENERGY LIMITED

ARSHAD GROUP

1st Quarterly Accounts

SEPTEMBER 30, 2013
(UN-AUTHITED)

COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman	Nisar Ahmed Sheikh
Chief Executive	Muhammad Arshad
Director	Muhammad Saeed
Director	Amjad Saeed
Director	Shahzad Ahmed
Director	Naureen Shahzad
Director	Aizad Amer

BOARD OF AUDIT COMMITTEE

Chairman	Nisar Ahmed Sheikh
Member	Amjad Saeed
Member	Shahzad Ahmed

HR & REMUNERATION COMMITTEE

Chairman	Nisar Ahmed Sheikh
Member	Shahzad Ahmad
Member	Aizad Amer

COMPANY SECRETARY	Javed Abbas Naqvi
CHIEF FINANCIAL OFFICER	Nasir Mahmood
AUDITORS	M/s. Riaz Ahmad & Co. Chartered Accountant
BANKERS	Faysal Bank Limited Habib Bank Limited
LEGAL ADVISOR	Rana Iftikhar Ahmed
REGISTERED OFFICE	404-405, 4th Floor, Business Centre, Mumtaz Hassan Road, Karachi.
SHARES REGISTRAR	Consulting One (Pvt) Limited, 478-D, Peoples Colony No 1., Faisalabad
PLANT	35.K.M. Sheikhupura Road, Faisalabad.

DIRECTOR'S REPORT TO THE SHARE HOLDERS

Dear Shareholders / Investors

I would like to inform you about the progress of the company and place before you the 1st quarter report for the period ended September 30, 2013

FINANCIAL RESULT:

This quarter company has operated according to requirement due to wapda/Gas load shedding, Option of sale at cost + profit is subject to approval from regulatory authority and therefore existing wapda rates are applicable. In this quarter, The Wapda tarrif has been increased and as a result decrease in loss has been observed.

Faisalabad:28.10.2013

MUHAMMAD ARSHAD
(Chief Executive)

BALANCE SHEET

AS AT SEPTEMBER 30, 2013

	NOTE	UN-AUDITED 30 September 2013 Rupees	AUDITED 30 June 2013 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
10 000 000 (30 June 2012: 10 000 000) ordinary shares of Rupees 10 each		100,000,000	100,000,000
Issued, subscribed and paid up share capital		80,000,000	80,000,000
Reserves		45,147,692	46,775,858
Total equity		125,147,692	126,775,858
NON-CURRENT LIABILITIES			
Deferred liabilities - Staff retirement gratuity		2,429,292	2,429,292
CURRENT LIABILITIES			
Trade and other payables		30,060,780	23,419,198
Short Term Borrowing		9,300,000	10,835,384
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		166,937,764	163,459,732

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

	NOTE	UN-AUDITED 30 Septmber 2013 Rupees	AUDITED 30 June 2013 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	115,733,382	117,142,375
Long term security deposits		10,550	10,550
		115,743,932	117,152,925
CURRENT ASSETS			
Stores, spare parts and loose tools		24,735,682	24,718,672
Stock of oil and lubricants		16,077,350	10,230,455
Trade debts		4,986,180	7,338,918
Loans and advances		1,468,656	1,513,474
Short Term prepayments		3,101	3,101
Sales tax refundable		2,346,842	1,677,844
Cash and bank balances		1,576,021	824,343
		51,193,832	46,306,807
TOTAL ASSETS		166,937,764	163,459,732

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

SHAHZAD AHMAD SHEIKH
DIRECTOR

PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE IST QUARTER ENDED SEPTEMBER 30, 2013

	NOTE	Quarter ended	
		30 September 2013	30 September 2012
		Rupees	Rupees
SALES		33,003,926	37,122,277
COST OF GENERATION	7	(33,579,604)	(39,173,273)
GROSS LOSS		(575,678)	(2,050,996)
ADMINISTRATIVE EXPENSES		(1,037,018)	(906,561)
		(1,612,696)	(2,957,557)
OTHER OPERATING INCOME			223,173
LOSS FROM OPERATIONS		(1,612,696)	(2,734,384)
FINANCE COST		(15,470)	(352)
LOSS BEFORE TAXATION		(1,628,166)	(2,734,736)
PROVISION FOR TAXATION	8	-	-
LOSS AFTER TAXATION		(1,628,166)	(2,734,736)
LOSS PER SHARE - BASIC AND DILUTED (RUPEES)		(0.20)	(0.34)

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

SHAHZAD AHMAD SHEIKH
DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE IST QUARTER ENDED SEPTEMBER 30, 2013

	Quarter ended	
	30 September 2013	30 September 2012
	Rupees	Rupees
LOSS AFTER TAXATION	1,628,166	2,734,736
OTHER COMPREHENSIVE LOSS	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	1,628,166	2,734,736

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

SHAHZAD AHMAD SHEIKH
DIRECTOR

CASH FLOW STATEMENT (UN-AUDITED)
FOR THE IST QUARTER ENDED SEPTEMBER 30, 2013

	NOTE	Quarter ended 30 September 2013 Rupees	Quarter ended 30 September 2012 Rupees
CASH GENERATED FROM / (UTILIZED IN) OPERATING ACTIVITIES			
Cash generated from / (utilized in) operations	9	(765,628)	(2,280,360)
Finance cost paid		(15,470)	(352)
Gratuity paid		-	-
Income tax paid		(2,608)	(1,544)
NET CASH GENERATED FROM / (UTILIZED IN) OPERATIONS		(783,706)	(2,282,256)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		-	-
Proceeds from sale of property, plant and equipment			310,974
NET CASH USED IN INVESTING ACTIVITIES		-	310,974
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings		1,535,384	2,500,000
Dividend paid			-
NET CASH (USED IN) / FROM FINANCING ACTIVITIES		1,535,384	2,500,000
NET INCREASE IN CASH AND CASH EQUIVALENTS		751,678	528,718
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		824,343	209,712
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1,576,021	738,430

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

SHAHZAD AHMAD SHEIKH
DIRECTOR

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE IST QUARTER ENDED SEPTEMBER 30, 2013

	SHARE CAPITAL	RESERVES					TOTAL EQUITY
		CAPITAL RESERVES	REVENUE RESERVES			TOTAL	
		Share premium	General reserve	Unappropriated profit / (Accumulated loss)	Sub total		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2012 - Audited	80,000,000	80,000,000	14,408,600	(33,212,097)	(18,803,497)	61,196,503	141,196,503
Total comprehensive loss for the period ended 30 September 2012	-	-	-	(2,734,736)	(2,734,736)	(2,734,736)	(2,734,736)
Balance as at 30 September 2012 - Un-audited	80,000,000	80,000,000	14,408,600	(35,946,833)	(21,538,233)	58,461,767	138,461,767
Total comprehensive loss for the period ended 30 June 2013	-	-		(11,685,909)	(11,685,909)	(11,685,909)	(11,685,909)
Balance as at 30 June 2013 - Audited	80,000,000	80,000,000	14,408,600	(47,632,742)	(33,224,142)	46,775,858	126,775,858
Total comprehensive loss for the period ended 30 September 2013	-	-	-	(1,628,166)	(1,628,166)	(1,628,166)	(1,628,166)
Balance as at 30 September 2013 - Un-audited	80,000,000	80,000,000	14,408,600	(49,260,908)	(34,852,308)	45,147,692	125,147,692

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

SHAHZAD AHMAD SHEIKH
DIRECTOR

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

8. PROVISION FOR TAXATION

The profit and gains derived by the Company from the electric power generation projects are exempted from levy of income tax under clause 132 of part I of the Second Schedule of the Income Tax Ordinance, 2001.

9. CASH GENERATED FROM / (UTILIZED IN) OPERATIONS

	(Un-audited) Quarter ended	
	30 September 2013	30 September 2012
	Rupees	Rupees
Loss before taxation	(1,628,166)	(2,734,736)
Adjustments for non-cash charges and other items:		
Depreciation	1,408,992	970,479
Finance cost	15,470	352
Working capital changes (Note 9.1)	(561,924)	(516,455)
	(765,628)	(2,280,360)

9.1 Working capital changes

Decrease / (increase) in current assets		
Stores, spare parts and loose tools	(17,010)	218,338
Stock of oil and lubricants	(5,846,895)	193,826
Trade debts	2,352,738	(10,823,160)
Loans and advances	44,818	552
Prepayments		
Sales tax refundable	(668,998)	(240,805)
	(4,135,347)	(10,651,249)
Increase in current liabilities		
Trade and other payables	3,573,423	10,134,794
	(561,924)	(516,455)

10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties are as follows:

	(Un-audited) Quarter ended	
	30 September 2013	30 September 2012
	Rupees	Rupees
Sale of energy	33,003,926	37,122,277

11. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding auditing annual financial statements of the Company for the year ended 30 June 2013.

12. DATE OF AUTHORIZATION

This condensed interim financial information was approved by the Board of Directors and authorised for issue on October 28, 2013.

13. CORRESPONDING FIGURES

Corresponding figures have been rearranged / reclassified wherever necessary for the purpose of comparison. However, no significant reclassifications / rearrangements have been made.

14. GENERAL

Figures have been rounded off to the nearest Rupee.

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

SHAHZAD AHMAD SHEIKH
DIRECTOR