

**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

**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, 4<sup>th</sup> Floor, Business Centre,  
Mumtaz Hassan Road, Karachi.**SHARES REGISTRAR**Consulting One (Pvt) Limited,  
478-D, Peoples Colony No 1., Faisalabad**PLANT**35.K.M. Sheikhpura Road,  
Faisalabad

**DIRECTORS' REVIEW TO THE SHARE HOLDERS**

The Directors of your Company feel pleasure in submitting un-audited financial information of your Company for the period ended September 30, 2014.

**FINANCIAL RESULTS**

	Quarter Jul-Sep 14 Rupees	Quarter Jul-Sep 13 Rupees
Sales	2,554,137	33,003,926
Cost of generation	<u>(4,245,778)</u>	<u>(33,579,604)</u>
Gross loss	(1,691,641)	(575,678)
Operating and financial expenses	(516,228)	(1,052,488)
Net profit for the period after taxation	(2,207,869)	(1,628,186)
Earnings per share - basic (Rupees)	(0.28)	(0.20)

The Board places on record its appreciation for the loyalty and devotion to work by staff and workers of the Company.

On behalf of the Board

  
(Muhammad Arshad)  
Chief Executive

FAISALABAD.

Dated: October 28, 2014

# IDEAL ENERGY LIMITED

## BALANCE SHEET AS AT SEPTEMBER 30, 2014

	NOTE	UN-AUDITED		NOTE	UN-AUDITED		AUDITED	
		30 September 2014	30 June 2014		30 September 2014	30 June 2014	30 September 2014	30 June 2014
		Estimated settlement value Rupees	Book value Rupees		Estimated settlement value Rupees	Book value Rupees	Estimated settlement value Rupees	Book value Rupees
<b>EQUITY AND LIABILITIES</b>				<b>ASSETS</b>				
<b>SHARE CAPITAL AND RESERVES</b>								
Authorized share capital 10,000,000 (30 June 2014: 10,000,000) ordinary shares of Rupees 10 each		100,000,000	100,000,000	Cash and bank balances	393,104	393,104	885,475	885,475
Issued, subscribed and paid up share capital		80,000,000	80,000,000	Loans and advances	1,150,003	1,150,003	1,145,212	1,145,212
Reserves		13,995,117	15,794,771	Sales tax refundable	1,196,373	1,196,373	1,456,218	1,456,218
Total equity		93,995,117	95,794,771	Trade debts	917,641	917,641	2,332,864	2,332,864
Net surplus on estimated realization/ settlement values		32,248,992	32,657,207	Stock of oil and lubricants	11,005,966	11,005,966	12,310,381	12,310,381
Surplus on revaluation of property, plant and equipment		-	-	Stores, spare parts and loose tools	17,495,035	17,495,035	17,497,052	17,497,052
<b>CURRENT LIABILITIES</b>				Security deposits	10,550	10,550	10,550	10,550
Trade and other payables		19,486,105	21,086,989	Property, plant and equipment	128,473,769	128,473,769	128,563,118	129,563,118
Borrowings		13,300,000	14,097,451					
Staff retirement gratuity		1,612,227	1,564,502					
<b>CONTINGENCIES AND COMMITMENTS</b>	5							
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>160,642,441</b>	<b>165,280,900</b>	<b>TOTAL ASSETS</b>	<b>160,642,441</b>	<b>165,280,900</b>	<b>165,200,900</b>	<b>165,200,900</b>

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

  
**MUHAMMAD ARSHAD**  
 CHIEF EXECUTIVE OFFICER

  
**SHAHZAD AHMAD SHEIKH**  
 DIRECTOR

**PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2014**

NOTE

		Quarter ended	
		30 September 2014	30 September 2013
		Rupees	Rupees
SALES		2,554,137	33,003,926
COST OF GENERATION	7	(4,245,778)	(33,579,604)
GROSS LOSS		(1,691,641)	(575,678)
ADMINISTRATIVE EXPENSES		(514,916)	(1,037,018)
LOSS FROM OPERATIONS		(2,206,557)	(1,612,696)
FINANCE COST		(1,312)	(15,470)
LOSS BEFORE TAXATION		(2,207,869)	(1,628,166)
TAXATION	8		
LOSS AFTER TAXATION		(2,207,869)	(1,628,166)
LOSS PER SHARE - BASIC AND DILUTED (RUPEES)		(0.28)	(0.20)

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 1ST QUARTER ENDED SEPTEMBER 30, 2014**

	Quarter ended	
	30 September 2014	30 September 2013
	Rupees	Rupees
LOSS AFTER TAXATION	(2,207,869)	(1,628,166)
OTHER COMPREHENSIVE LOSS	-	(121,724)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(2,207,869)</u>	<u>(1,749,890)</u>

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 1ST QUARTER ENDED SEPTEMBER 30, 2014**

	NOTE	Quarter ended	
		30 September	30 September
		2014	2013
		Rupees	Rupees
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>			
Cash generated from / (utilized in) operations	9	310,183	(765,628)
Finance cost paid		(1,312)	(15,470)
Income tax paid		(3,791)	(2,608)
<b>NET CASH GENERATED FROM / (UTILIZED IN) OPERATIONS</b>		<b>305,080</b>	<b>(783,706)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings		(797,451)	1,535,384
<b>NET CASH (USED IN) / FROM FINANCING ACTIVITIES</b>		<b>(797,451)</b>	<b>1,535,384</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(492,371)</b>	<b>751,678</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>885,475</b>	<b>824,343</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>393,104</b>	<b>1,576,021</b>

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 1ST QUARTER ENDED SEPTEMBER 30, 2014**

SHARE CAPITAL	RESERVES					TOTAL EQUITY
	CAPITAL RESERVES	REVENUE RESERVES			TOTAL	
		Share premium	General reserve	Unappropriated profit / (Accumulated loss)		
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
80,000,000	80,000,000	14,408,600	(47,509,653)	(33,101,053)	46,898,947	126,896,947
-	-	-	(1,628,166)	(1,628,166)	(1,628,166)	(1,628,166)
-	-	-	(121,724)	(121,724)	(121,724)	(121,724)
-	-	-	(1,749,890)	(1,749,890)	(1,749,890)	(1,749,890)
80,000,000	80,000,000	14,408,600	(49,259,543)	(34,850,943)	45,149,057	125,149,057
-	-	-	(28,989,112)	(28,989,112)	(28,989,112)	(28,989,112)
-	-	-	(365,174)	(365,174)	(365,174)	(365,174)
-	-	-	(29,354,286)	(29,354,286)	(29,354,286)	(29,354,286)
80,000,000	80,000,000	14,408,600	(78,613,829)	(64,205,229)	15,794,771	95,794,771
-	-	-	(2,207,869)	(2,207,869)	(2,207,869)	(2,207,869)
-	-	-	-	-	-	-
-	-	-	408,215	408,215	408,215	408,215
-	-	-	(1,799,654)	(1,799,654)	(1,799,654)	(1,799,654)
80,000,000	80,000,000	14,408,600	(80,413,483)	(66,004,883)	13,995,117	93,995,117

Balance as at 30 June 2013 - Audited	
Loss for the period ended 30 Sep 2013	
Other comprehensive loss for the year	
Total comprehensive loss for the period ended 30 September 2013	
Balance as at 30 September 2013 - Un-audited	
Loss for the period ended 30 June 2014	
Other comprehensive loss for the period	
Total comprehensive loss for the period ended 30 June 2014	
Balance as at 30 June 2014 - Audited	
Loss for the period ended 30 Sep 2014	
Other comprehensive loss for the period	
Incremental depreciation on property, plant & equipment	
Total comprehensive loss for the period ended 30 September 2014	
Balance as at 30 September 2014 - Un-audited	

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



**MUHAMMAD ARSHAD  
CHIEF EXECUTIVE OFFICER**



**SHAHZAD AHMAD SHEIKH  
DIRECTOR**

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2014**

**1. THE COMPANY AND ITS OPERATIONS**

Ideal Energy Limited (the Company) was incorporated on 20 February 1994 under the Companies Ordinance, 1984 and quoted at Karachi and Lahore Stock Exchanges. The main object of the Company is generation and distribution of electricity. The project is located at Tehsil Jaranwala, District Faisalabad in the province of Punjab. Registered office of the Company is situated at Room No. 404-405, 4th Floor, Business Centre, Mumtaz Hassan Road, Karachi.

**2. BASIS OF PREPARATION**

This condensed interim financial information is unaudited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for three months period ended 30 September 2014 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984 as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements for the year ended 30 June 2014.

**3. ACCOUNTING POLICIES AND COMPUTATION METHODS**

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2014.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2014.



**5. CONTINGENCIES AND COMMITMENTS**

There was no contingent liability and commitment as at 30 September 2014 (30 June 2014: Nil).

**6. PROPERTY, PLANT AND EQUIPMENT**

	<b>Un-Audited</b> <b>30 September</b> <b>2014</b> <b>Rupees</b>	<b>Audited</b> <b>30 June</b> <b>2014</b> <b>Rupees</b>
Opening book value	129,563,118	117,142,375
Add: Effect of valuation as at 30 June 2014	-	32,657,207
	129,563,118	149,799,582
Less: Impairment loss	-	16,600,496
	129,563,118	133,199,086
Less: Depreciation charged for the period / year	1,089,349	3,635,968
	<u>128,473,769</u>	<u>129,563,118</u>

**7. COST OF GENERATION**

	<b>(Un-audited)</b>	
	<b>Quarter ended</b>	
	<b>30 September</b> <b>2014</b> <b>Rupees</b>	<b>30 September</b> <b>2013</b> <b>Rupees</b>
Oil and lubricants consumed	2,550,253	31,727,331
Salaries, wages and other benefits	603,593	381,633
Stores, spare parts and loose tools	4,099	66,162
Repair and maintenance	2,200	-
Depreciation	1,085,633	1,404,478
	<u>4,245,778</u>	<u>33,579,604</u>

**8. 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 2014	30 September 2013
	Rupees	Rupees
Loss before taxation	(2,207,869)	(1,628,166)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	1,089,349	1,408,992
Finance cost	1,312	15,470
Provision for staff retirement gratuity	47,725	-
Working capital changes (Note 9.1)	1,379,666	(561,924)
	<u>310,183</u>	<u>(765,628)</u>

**9.1 Working capital changes****Decrease / (increase) in current assets**

Stores, spare parts and loose tools	2,047	(17,010)
Stock of oil and lubricants	1,304,415	(5,846,895)
Trade debts	1,415,223	2,352,738
Loans and advances	(1,000)	44,818
Sales tax refundable	259,845	(668,998)
	<u>2,980,530</u>	<u>(4,135,347)</u>

**Increase/(decrease) in current liabilities**

Trade and other payables	(1,600,864)	3,573,423
	<u>1,379,666</u>	<u>(561,924)</u>

**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:

**i) Transactions****Associated companies/undertakings**

Sale of energy	2,554,137	33,003,926
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**ii) Period end balances**

Trade and other payables	16,773,862	14,255,321
Trade debts	917,641	2,332,864

(Un-audited)	
Quarter ended	
30 September 2014	30 September 2013
Rupees	Rupees

## 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 2014.

## 12. DATE OF AUTHORIZATION

This condensed interim financial information was approved by the Board of Directors and authorised for issue on 28 October 2014.

## 13. CORRESPONDING FIGURES

Corresponding figures have been rearranged, wherever necessary, for the purpose of comparison. Certain re-arrangements have been made in comparatives due to presentation of this condensed interim financial information on estimated realizable/settlement value. Assets and liabilities have been presented in the order of liquidity.

## 14. GENERAL

Figures have been rounded off to the nearest Rupee.

  
MUHAMMAD ARSHAD  
CHIEF EXECUTIVE OFFICER

  
SHAHZAD AHMAD SHEIKH  
DIRECTOR