

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 Ifkhar 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. Sheikhpura Road,
Faisalabad.

DIRECTOR'S REPORT TO SHARE HOLDERS

Dear Shareholders/Investors,

I would like to inform you about the progress of the company and place before you the half yearly report for the period ended December 31, 2013.

FINANCIAL RESULT:

The net loss for the half yearly report under review is Rs. (4.463) Million.

Sale of the company has been decreased; the reason is that, the Govt. has changed energy policy for textile sector and as a result textile industry has been provided continuous Gas supply and rescheduled electricity, resultantly demand from company's consumers comes to lowest level because the consumers are generating their electricity from cheaper fuel of Sol Gas. We are of the view that, no demand in the near future may be minor. Company has no other option for sale of electricity, resultantly the operations of the company are being run at very low level.

The managements previous decision of cost plus profit which was subject to necessary approvals is not effective because of lowest level of sale and hence reversed.

Faisalabad: 26.02.2014


MUHAMMAD ARSHAD
(Chief Executive)

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of IDEAL ENERGY LIMITED as at 31 December 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2013 and 31 December 2012 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2013.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

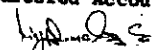
Basis for Adverse Conclusion

The Company has almost ceased its operations as it is not commercially viable to carry on operations due to increase in furnace oil prices. The management has no alternate plans for viable continuation of operations. These facts indicate that going concern assumption used in the preparation of this condensed interim financial information is inappropriate.

Adverse Conclusion

Based on our review, because of the effect of matter discussed in the preceding paragraph, this condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

RIAZ AHMAD & COMPANY
Chartered Accountants


Name of engagement partner:
Muhammad Kamran Masir
Date: February 28, 2014.
FAISALABAD

CONDENSED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2013

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

HALF YEARLY REPORT

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited) FOR THE HALF YEAR ENDED 31. DECEMBER 2013

	NOTE	Half year ended		Quarter ended	
		31 December	31 December	31 December	31 December
		2013	2012	2013	2012
Rupees					
		Restated	Restated		
SALES		39,409,411	98,275,180	6,405,485	81,152,903
COST OF GENERATION	7	(41,704,692)	(104,071,442)	(8,125,088)	(64,891,100)
GROSS LOSS		(2,295,281)	(5,796,262)	(1,719,603)	(3,738,197)
ADMINISTRATIVE EXPENSES		(2,078,819)	(2,264,692)	(1,041,801)	(1,358,131)
		(4,374,100)	(8,060,954)	(2,761,404)	(5,096,328)
OTHER INCOME		-	218,491	-	-
LOSS FROM OPERATIONS		(4,374,100)	(7,842,463)	(2,761,404)	(5,096,328)
FINANCE COST		(89,560)	(54,554)	(45,619)	(54,202)
LOSS BEFORE TAXATION		(4,483,660)	(7,897,017)	(2,807,023)	(5,150,530)
TAXATION	8	-	-	-	-
LOSS AFTER TAXATION		(4,483,660)	(7,897,017)	(2,807,023)	(5,150,530)
LOSS PER SHARE - BASIC AND DILUTED (RUPEES)		(0.56)	(0.99)	(0.35)	(0.64)

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


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER


SHAHZAD AHMAD SHEIKH
DIRECTOR

IDEAL ENERGY LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited) FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Half year ended		Quarter ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	Rupees			
	Restated		Restated	
LOSS AFTER TAXATION	(4,483,660)	(7,897,017)	(2,807,023)	(5,150,530)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Recognition of actuarial gain on staff retirement gratuity	-	14,138	-	7,069
Items that may be reclassified subsequently to profit or loss	-	-	-	-
	-	14,138	-	7,069
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(4,463,660)	(7,882,879)	(2,807,023)	(5,143,461)

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER


SHAHZAD AHMAD SHEIKH
DIRECTOR

**CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

	NOTE	Half year ended	
		31 December 2013	31 December 2012
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilized in operations	9	(2,884,037)	(18,110,059)
Finance cost paid		(89,560)	(54,554)
Income tax paid		(6,230)	(4,306)
Net decrease in long term deposits and prepayments		-	3,101
Net cash utilized in operating activities		(2,979,827)	(18,165,818)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	534,149
Net cash from investing activities		-	534,149
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		2,464,616	19,863,006
Net cash from financing activities		2,464,616	19,863,006
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(515,211)	2,231,337
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		824,343	209,712
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		309,132	2,441,049

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


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER


SHAHZAD AHMAD SHEIKH
DIRECTOR

IDEAL ENERGY LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE HALF YEAR ENDED 31 DECEMBER 2013

SHARE CAPITAL	CAPITAL RESERVE Share premium	RESERVES			TOTAL	TOTAL EQUITY
		REVENUE RESERVES				
		General reserve	Accumulated loss	Sub total		
		Rupees				
80,000,000	80,000,000	14,408,600	(33,212,097)	(18,803,497)	61,196,503	141,196,503
			162,933	162,933	162,933	162,933
			(7,897,017)	(7,897,017)	(7,897,017)	(7,897,017)
			14,138	14,138	14,138	14,138
			(7,892,879)	(7,892,879)	(7,892,879)	(7,892,879)
80,000,000	80,000,000	14,408,600	(40,832,043)	(26,423,443)	53,476,557	133,476,557
			(8,714,837)	(8,714,837)	(8,714,837)	(8,714,837)
			14,138	14,138	14,138	14,138
			(8,700,699)	(8,700,699)	(8,700,699)	(8,700,699)
80,000,000	80,000,000	14,408,600	(47,832,742)	(33,224,142)	48,775,858	126,775,858
			(4,463,660)	(4,463,660)	(4,463,660)	(4,463,660)
80,000,000	80,000,000	14,408,600	(52,036,402)	(37,627,802)	42,312,198	122,312,198

Balance as at 30 June 2012 - Audited

Effect of change in accounting policy of staff retirement gratuity

Loss for the half year ended 31 December 2012

Other comprehensive income for the half year ended 31 December 2012

Total comprehensive loss for the period ended 31 December 2012

Balance as at 31 December 2012 - Un-audited

Loss for the half year ended 30 June 2013

Other comprehensive income for the half year ended 30 June 2013

Total comprehensive loss for the period ended 30 June 2013

Balance as at 30 June 2013 - Audited

Loss for the half year ended 31 December 2013

Other comprehensive income for the half year ended 31 December 2013

Total comprehensive loss for the period ended 31 December 2013

Balance as at 31 December 2013 - Un-audited

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

Muhammad Arshad

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

Shahzad Ahmad Sheikh
SHAHZAD AHMAD SHEIKH
DIRECTOR

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

1. THE COMPANY AND ITS OPERATIONS

Ideal Energy Limited (the Company) is a public limited company incorporated in Pakistan on 20 February 1994 under the Companies Ordinance, 1984 and listed on Karachi and Lahore Stock Exchanges. Its registered office is situated at Room No. 404 and 405, 4th Floor, Business Centre, Mumtaz Hassan Road, Karachi. 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.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors 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 the half year ended 31 December 2013 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. 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 of the Company for the year ended 30 June 2013.

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 2013 except for the change in accounting policy given below:

- 3.1 Since 01 July 2013, the Company has adopted IAS 19 (Amendment) 'Employee Benefits' and changed its basis for recognition of actuarial gains and losses on its defined benefit plan. According to new policy actuarial gains and losses are recognized in other comprehensive income in the period in which they occur. Amounts recognized in profit and loss account are limited to current and past service costs, gains or losses on settlements, and net interest income / expense. Previously, the Company recognized actuarial gains and losses over the expected average remaining working lives of the employees, to the extent that unrecognized actuarial gains / losses exceeds 10 percent of present value of defined benefit obligation. This change in accounting policy has been accounted for retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Had there been no change in this accounting policy, there would be no change in this condensed interim financial information. However the amount recognized in the financial statements for the year ended 30 June 2013 would have been different as follows:

	30 June 2013 (Rupees in thousand)
Increase in loss after taxation	28,276
Decrease in other comprehensive income	28,276

IDEAL ENERGY LIMITED

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 2013.

5. CONTINGENCIES AND COMMITMENTS

There was no contingent liability and commitment as at 31 December 2013 (30 June 2013: Rupees Nil).

Un-audited 31 December 2013	Audited 30 June 2013
(Rupees in thousand)	

6. PROPERTY, PLANT AND EQUIPMENT

Opening book value	117,142,375	121,833,154
Less: Book value of deletions during the period / year - vehicles	-	873,689
	117,142,375	120,959,465
Less: Depreciation charged during the period / year	1,817,984	3,817,080
	115,324,391	117,142,375

7. COST OF GENERATION

(Un-Audited)			
Half year ended		Quarter ended	
31 December 2013	31 December 2012	31 December 2013	31 December 2012
Rupees			
	Restated		Restated
37,625,640	99,798,047	5,898,309	62,482,847
967,302	740,086	585,669	495,057
1,302,795	1,500,122	1,236,633	820,662
-	14,335	-	8,050
1,808,955	2,018,842	404,477	1,104,484
41,704,692	104,071,442	8,125,088	64,891,100

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 UTILIZED IN OPERATIONS

		(Un-audited)	
		Half year ended	
		31 December 2013	31 December 2012
		Rupees	Rupees Restated
Loss before taxation		(4,483,680)	(7,897,017)
Adjustments for non-cash charges and other items:			
Depreciation		1,817,984	2,099,520
Provision for staff retirement gratuity		86,938	191,702
Gain on sale of property, plant and equipment		-	(218,491)
Finance cost		89,580	54,554
Working capital changes (Note 9.1)		(426,859)	(12,340,327)
		(2,884,037)	(18,110,059)

9.1 Working capital changes

Decrease / (Increase) in current assets

Stores, spare parts and loose tools		32,066	246,719
Stock of oil and lubricants		146,631	(1,211,793)
Trade debts		4,285,963	(16,904,085)
Loans and advances		64,322	(1,087,844)
Sales tax refundable		314,876	(448,076)
Short term prepayments		(11,089)	(29,089)
		4,832,769	(19,432,168)
(Decreases) / Increase in trade and other payables		(5,259,628)	7,091,841
		(426,859)	(12,340,327)

10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies / undertakings, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions and balances with related parties are as follows:

(Un-Audited)			
Half year ended		Quarter ended	
31 December 2013	31 December 2012	31 December 2013	31 December 2012
Rupees			

i) Transactions

Associated companies / undertakings

Sale of energy	39,409,411	98,275,180	6,405,485	61,152,903
Fuel purchased	54,480	2,033,508	-	1,432,120
Other charges paid	40,931	67,491	21,398	34,947

IDEAL ENERGY LIMITED

(Un-Audited)			
Half year ended		Quarter ended	
31 December 2013	31 December 2012	31 December 2013	31 December 2012

Rupees

Directors				
Loan obtained	5,300,000	12,500,000	4,000,000	10,000,000
Loan repaid	-	2,500,000	-	2,500,000
Remuneration paid to Executive	588,000	474,750	294,000	237,375

Un-Audited	Audited
31 December 2013	30 June 2013
Rupees	Rupees

ii) Period end balances

Trade and other payables	14,221,955	13,476,196
Short term borrowings	13,300,000	8,000,000
Trade debts	3,052,955	7,338,918

11. FINANCIAL RISK MANAGEMENT

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

12. DATE OF AUTHORIZATION

This condensed interim financial information was approved and authorized for issue on February 26, 2014 by the Board of Directors of the Company.

13. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been rearranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made except for grouping staff retirement benefits in salaries, wages and other benefits instead of showing separately in cost of sales.

14. GENERAL

Figures have been rounded off to the nearest Rupee.


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


SHANZAD AHMAD SHEIKH
 DIRECTOR