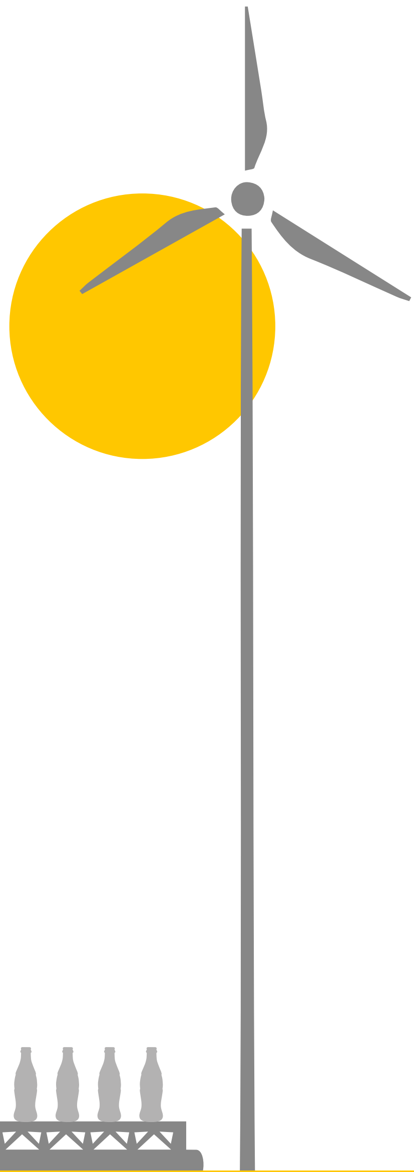
Dawood Lawrencepur Limited

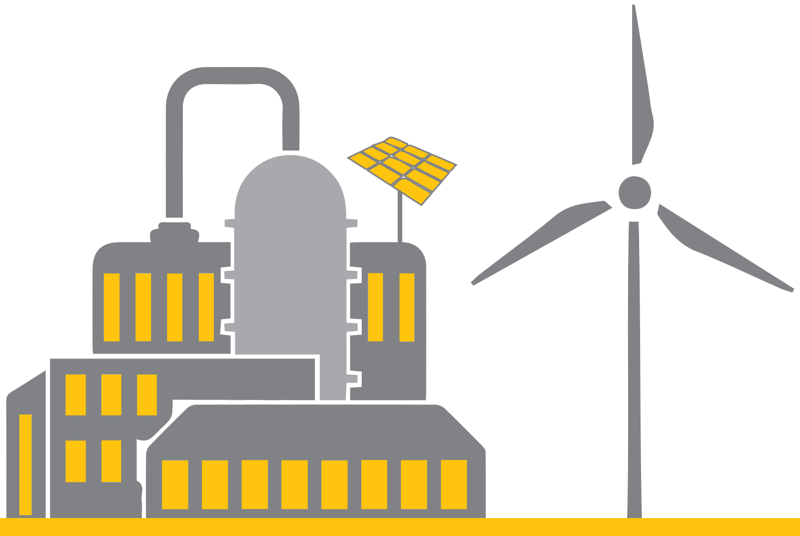
A year of revolution

Annual Report 2016



Our greatest resources are...

The wind, the sun and you



At the brink of the energy revolution
Dawood Lawrencepur Ltd. congratulates
its shareholders on the bright future ahead.

Reon
Energy Solutions

REON is the country's leading industrial and commercial
solar power specialist.

Our EPC (Engineering, Procurement and Construction) model
facilitates design and engineering synergies to achieve high returns on our
clients' solar investment.

Furthermore we optimize performance by exclusively
sourcing top tier equipment.

A meticulous implementation of Health, Safety & Environment
protocols is reflective of our commitment to the planet
and to its people.

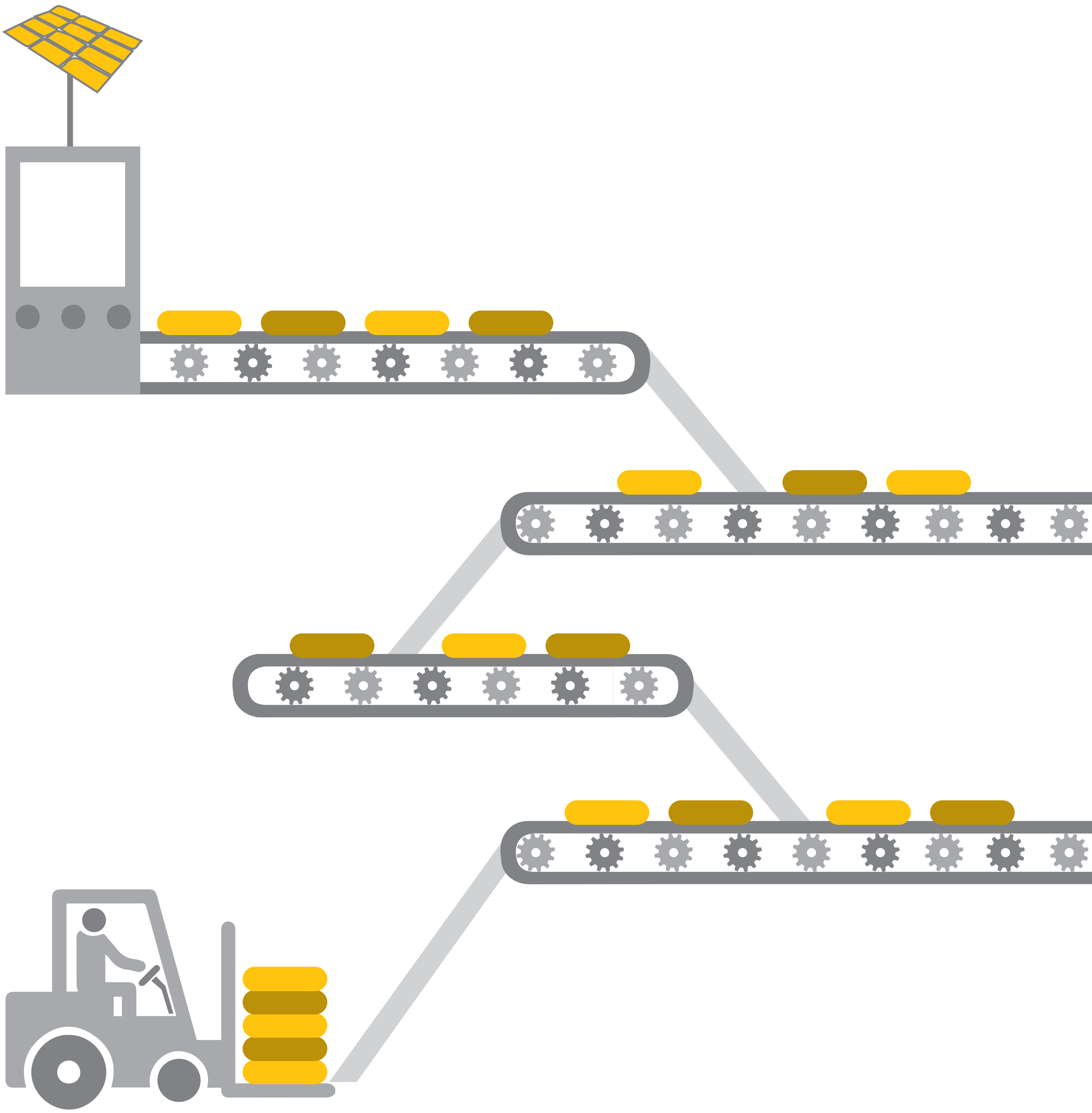
TENAGA

TENAGA GENERASI LIMITED

Tenaga Generasi Limited – a subsidiary of Dawood Lawrencepur Ltd – is an Independent Power Producer (IPP) that consists of construction, operation and maintenance of wind farms and facilities on a Build-Own-Operate model in south-eastern Pakistan in Sind.

A 49.5MW wind power plant was completed in October 2016 in record time of 14 months. Tenaga possesses the acumen to meet complex technical challenges and to accurately abide by Health, Safety & Environment (HSE) Standards.

Paving the way for sustainability, Tenaga is committed to energy abundance.



Contents

Our Vision

To give our customers an energy abundant
future by harnessing the potential of the environment
in a safe and sustainable manner.

Our Mission

We aim to be the leading renewable energy solutions company of Pakistan, with a turnover exceeding Rs.10 billion by 2020. We will achieve this by resolutely following our Core Values and by:

- Anticipating customer needs and consistently optimizing our products & services
- Building strategic partnerships with technology suppliers, vendors and financial institutions
- Becoming the employer of choice and developing a culture that inspires performance excellence and teamwork

Company Information

Board of Directors

- Mr. Shahid Hamid Pracha (Chairman)
- Mr. Mujtaba Haider Khan (Chief Executive Officer and Deemed Director)
- Mr. Inam ur Rahman
- Mr. Shafiq Ahmed
- Mr. Abdul Samad Dawood
- Mr. Shahzada Dawood
- Mr. Hasan Reza Ur Rahim
- Mr. Ghias Uddin Khan
- Mr. Shabbir Hussain Hashmi

Board Audit Committee

- Mr. Shabbir Hussain Hashmi (Chairman)
- Mr. Hasan Reza Ur Rahim

Human Resource and Remuneration Committee

- Mr. Shahid Hamid Pracha (Chairman)
- Mr. Abdul Samad Dawood
- Mr. Ghias Uddin Khan

Chief Financial Officer

- Mr. Shafiq Ahmed

Company Secretary

- Mr. Imran Chagani

Auditors

- A. F. Ferguson & Co.
  (Chartered Accountants)

Bankers

- Bank Al-Habib Limited
- Habib Bank Limited
- National Bank of Pakistan
- MCB Bank Limited
- Standard Chartered Bank (Pakistan) Limited

Legal Adviser

- Zia Law Associates
  17, Second Floor
  Shah Chiragh Chambers
  The Mall, Lahore

Share Registrar

- Central Depository Company of Pakistan Ltd.
  CDC House, 99-B, Block B, S.M.C.H.S
  Main Shahra-e-Faisal
  Karachi – 74400
  Tel.: 021-111-111-500

Registered / Head Office

- 3rd Floor, Dawood Centre
  M. T. Khan Road
  Karachi-75530
  Tel.: 021-35632200-9
  Fax: 021- 35633970
  E-mail: info.reon@dawoodhercules.com
  Website: www.dawoodlawrencepur.com

Lahore Office

- 01-Canal Park
  Near Jail Road Underpass
  Gulberg 2, Lahore-54000
  Tel: 042-35959146-9
  Fax: 042-35959145

Mills

- Dawoodabad
  District Vehari
  Tel.: 067- 3353347, 3353145, 3353246
  Fax: 067- 3354679

- Dawoodpur
  District Attock
  Tel.: 057-2641074-6
  Fax: 057-2641073

Our Values

Ethics & Integrity

Health, Safety & Environment Stewardship

Customer Satisfaction

Respect for our People

Shareholder Value Creation

Ethics & Integrity

We will comply with the law of the land and practice high ethical standards. We will honor our commitments and be honest in our business dealing. We will practice transparency in accounting and financial reporting. We will be candid in our communication.

Unilever Tea Factory

Our technical proficiency and exacting safety standards are key motivators for Unilever to partner with us on a series of projects.

Health, Safety & Environment Stewardship

We will create a culture of learning and practicing safety & caring about the environment. We will promote health and well-being of our employees. We will provide products & solutions in a manner that is safe for our customers, our employees, the community and the environment. We will strive to be good corporate citizens.

Karachi Golf Club

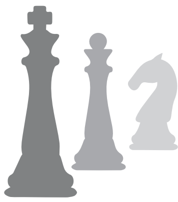
Our Hazard Identification & Risk Analysis(HIRA) resulted in Zero Lost Time Incident.

Customer Satisfaction

Customer satisfaction is critical for our success. We will therefore anticipate customer needs and deliver on our promise. We will lead the market in bringing technological advancements which are relevant to our customer needs & will strive for innovation and continuous improvement in all that we do.

The Coca Cola Export Corporation Ltd.

Coca Cola is an esteemed partner who shares our commitment to sustainability and energy abundance.



Respect for our People

Our strength will always be our People. We will create a work environment that promotes respect for all and is free from harassment. We will develop a culture that is passionate about teamwork and collaboration at all levels across the company & together we will strive for excellence. We will learn and share knowledge and ideas and promote employee development.

Telecom Towers

Our experts effortlessly synergize across departments and locations.

Shareholder Value Creation

We will always honor the trust our shareholders have placed in us and will work tirelessly for increasing shareholder value.

Wah Nobel Ltd.

Together we are invested in a rewarding future of more projects like 1MW plant at Wah Nobel Chemicals Ltd.

Operating Highlights

PARTICULARS		UNIT	December 2016 Continuing Operations	December 2016 Discontinued Operations	December 2016 Total	December 2015 Continuing Operations	December 2015 Discontinued Operations	December 2015 Total	December 2014 Continuing Operations	December 2014 Discontinued Operations	December 2014 Total
A)	INCOME STATEMENT										
1	Sales Value	Rs. In (000)	161,234	21,200	182,434	175,765	26,377	202,142	129,199	70,423	199,622
2	Gross Profit / (Loss)	Rs. In (000)	9,154	(6,299)	2,855	21,336	3,567	24,903	27,051	(12,896)	14,155
3	Operating Profit / (Loss)	Rs. In (000)	(107,760)	(76,727)	(184,487)	(218,077)	(115,306)	(333,383)	(132,070)	(181,811)	(313,881)
4	Profit / (Loss) Before Taxation	Rs. In (000)	1,283,597	(41,362)	1,242,235	815,971	659,571	1,475,542	(161,657)	82,865	(78,792)
5	Profit / (Loss) After Taxation	Rs. In (000)	1,156,519	(41,362)	1,115,157	622,548	659,571	1,282,119	(171,722)	82,865	(88,857)
B)	DIVIDEND										
1	Cash Dividend	%	50	-	50	50	-	50	-	-	-
2	Stock Dividend	%	-	-	-	-	-	-	-	-	-
C)	BALANCE SHEET										
1	Total Assets Employed	Rs. In (000)	3,317,123	137,275	3,454,398	2,000,489	179,617	2,180,106	803,255	323,226	1,126,481
2	Current Assets	Rs. In (000)	688,051	67,194	755,245	908,203	97,143	1,005,346	292,495	205,512	498,007
3	Current Liabilities	Rs. In (000)	580,309	12,965	593,274	106,261	32,146	138,407	345,802	-	345,802
4	Paid Up Capital	Rs. In (000)	590,578	-	590,578	590,578	-	590,578	590,578	-	590,578
5	Shareholders Equity	Rs. In (000)	2,861,124	-	2,861,124	2,041,699	-	2,041,699	762,931	-	762,931
6	No. of Ordinary Shares	In (000)	59,058	-	59,058	59,058	-	59,058	59,058	-	59,058
D)	RATIO ANALYSIS										
1	Gross Profit / (Loss)	%	5.68	(29.71)	1.56	12.14	13.52	12.32	20.94	(18.31)	7.09
2	Earning Per Share	Rs.	19.58	(0.70)	18.88	10.54	11.17	21.71	(2.91)	1.40	(1.50)
3	Dividend Yield	%	-	-	-	-	-	-	-	-	0
4	Return on Equity	%	-	-	38.98	-	-	62.80	-	-	(11.65)
5	Break-up Value of Shares	Rs.	-	-	48.45	-	-	34.57	-	-	12.92
6	Market Value of Shares	Rs.	-	-	253.00	-	-	139.99	-	-	120.53
7	Price Earning Ratio	Rs.	-	-	13.40	-	-	6.45	-	-	(80.11)
8	Dividend Payout Ratio	%	-	-	-	-	-	-	-	-	-
E)	PRODUCTION										
1	Capacity										
	Polyester Yarn	Kgs In (000)	-	-	-	-	-	-	-	-	-
	Yarn	Kgs In (000)	-	-	-	-	-	-	-	-	-
	Cloth	Mtrs In (000)	-	-	-	-	-	-	-	-	-
2	Actual Production										
	Polyester Yarn	Kgs In (000)	-	-	-	-	-	-	-	-	-
	Yarn Kgs	Kgs In (000)	-	-	-	-	-	-	-	-	-
	Cloth Mtrs.	Mtrs In (000)	-	-	-	-	-	-	-	-	-
3	Capacity Utilization - Yarn	%	-	-	-	-	-	-	-	-	-
	- Cloth	%	-	-	-	-	-	-	-	-	-
F)	OTHERS										
1	Employees	Nos.	11	-	11	31	-	31	79	-	79
2	Capital Expenditures	Rs. In (000)	3,740	-	3,740	17,290	-	17,290	20,508	647	21,155

December 2013 Continuing Operations	December 2013 Discontinued Operations	December 2013 Total	December 2012 Continuing Operations	December 2012 Discontinued Operations	December 2012 Total	December 2011 Continuing Operations	December 2011 Discontinued Operations	December 2011 Total
			'Restated		Restated			
134,318	84,255	218,573	378,965	4,693	383,658	374,667	7,465	382,132
18,514	(10,980)	7,534	46,795	(1,489)	45,306	35,106	1,737	36,843
(159,111)	(81,134)	(240,245)	(34,600)	(69,900)	(104,500)	(44,747)	(46,436)	(91,183)
(264,873)	(72,993)	(337,866)	123,421	(27,528)	95,893	55,089	(30,535)	24,554
(267,173)	(72,993)	(340,166)	118,607	(27,528)	91,079	46,793	(30,535)	16,258
10	-	10	50	-	50	10	-	10
-	-	-	-	-	-	-	-	-
1,058,024	194,529	1,252,553	1,550,451	194,529	1,744,980	1,540,995	188,675	1,729,670
552,095	-	552,095	1,155,176	-	1,155,176	1,133,714	-	1,133,714
389,355	-	389,355	110,460	-	110,460	130,910	-	130,910
590,578	-	590,578	590,578	-	590,578	590,578	-	590,578
853,779	-	853,779	1,573,354	-	1,573,354	1,539,875	-	1,539,875
59,058	-	59,058	59,058	-	59,058	59,058	-	59,058
13.78	(13.03)	3.45	12.35	(31.73)	11.81	9.37	23.27	9.64
(4.52)	(1.24)	(5.76)	2.01	(0.47)	1.54	0.79	(0.52)	0.28
-	-	7.15	-	-	2.19	-	-	3.23
-	-	(39.84)	-	-	5.79	-	-	1.06
-	-	14.46	-	-	26.64	-	-	26.07
-	-	83.95	-	-	45.75	-	-	31.00
-	-	(14.57)	-	-	29.65	-	-	112.61
-	-	(104.17)	-	-	64.82	-	-	473.80
-	-	-	-	-	-	-	-	-
358	-	358	358	-	358	358	-	358
754	-	754	754	-	754	754	-	754
-	-	-	-	-	-	-	-	-
30	-	30	96	-	96	136	-	136
113	-	113	541	-	541	541	-	541
8	-	8	27	-	27	38	-	38
15	-	15	72	-	72	72	-	72
88	21	109	572	144	716	617	154	771
17,331	-	17,331	4,997	-	4,997	3,207	-	3,207

Notice of 67Th Annual General Meeting

Notice is hereby given to all the shareholders of Dawood Lawrencepur Limited (the "Company") that the 67th Annual General Meeting of the Company will be held on Tuesday, April 25, 2017 at 9:30 a.m. at Ground Floor, Dawood Centre M.T. Khan Road, Karachi to transact the following business:

A) ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2016 together with the Auditors' and Directors' Reports thereon.

2. To approve the payment of final cash dividend at the rate of Rs. 5/- per share i.e. 50% as recommended by the Board of Directors.

3. To appoint Auditors and to fix their remuneration.

B) SPECIAL BUSINESS:

4. To consider and approve arranging and providing a continuing Stand-by Letter of Credit (SBLC) up to US $ 10 million in favor of lenders of Tenaga Generasi Limited (a subsidiary company) and to pass the following Resolution as a Special Resolution as required under Section 208 of the Companies Ordinance, 1984 with or without modification:

   "**RESOLVED** that, approval of the members of Dawood Lawrencepur Limited (the "**Company**") be and is hereby accorded in terms of Section 208 of the Companies Ordinance, 1984 to arrange and provide a continuing Stand by Letter of Credit (SBLC) up to US $ 10 million (United States Dollars Ten Million Only) issued by Standard Chartered Bank Limited in favor of lenders of Tenaga Generasi Limited (a subsidiary company) through their Intercreditor Agent, Citibank International Limited, in terms of the Sponsors Support Agreement signed on March 11, 2015 between Dawood Lawrencepur Limited as the Sponsor, Dawood Corporation (Pvt) Limited as the Parent, Tenaga Generasi Limited as the Company, Citibank International Limited as the Intercreditor Agent, Citibank N.A., Karachi Branch as the Onshore Security Trustee and Citibank N.A., London Branch as the Offshore Security Trustee.

   FURTHER RESOLVED that for the purpose of giving effect to this Special Resolution, any two of the Chief Executive Officer, the Chief Financial Officer, and the Company Secretary of the Company be and are hereby authorized jointly to take all necessary actions and do all acts, deeds and things in the matter."

5. To consider and approve an Unsecured Bridge Finance of PKR 300 million for Tenaga Generasi Limited (a subsidiary company) for a period of one year and to pass the following Resolution as a Special resolution as required under Section 208 of the Companies Ordinance, 1984 with or without modification:

   "**RESOLVED** that, approval of the members of Dawood Lawrencepur Limited (the Company) be and is hereby accorded in terms of Section 208 of the Companies Ordinance, 1984 and all other applicable laws, for an Unsecured Short Term Bridge Finance of an amount not exceeding PKR 300 million (Pakistani Rupees Three Hundred Million Only) to Tenaga Generasi Limited (a subsidiary company) for a period of one year at a mark-up rate of 1% above the financing cost of the Company.

   FURTHER RESOLVED that for the purpose of giving effect to this Special Resolution, any two of the Chief Executive Officer, the Chief Financial Officer, and the Company Secretary of the Company be and are hereby authorized jointly to take all necessary actions and do all acts, deeds and things in the matter."

6. To approve transmission of annual audited financial statements, auditors' report and directors' report etc. ("annual audited accounts") to members through CD/DVD/USB at their registered address as allowed by the Securities and Exchange Commission of Pakistan and to pass the following resolution as an Ordinary Resolution, with or without modification:

   "**RESOLVED** that the consent and approval of the members of Dawood Lawrencepur Limited be and is hereby accorded for transmission of Annual Reports including the Annual Accounts, Notice of the General Meetings and other information contained therein either through CD/DVD or USB, instead of transmitting the same in hard copies.

   FURTHER RESOLVED that Chief Executive Officer or Company Secretary of the Company be and is hereby authorized singly or jointly to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purposes of implementing this resolution."

By Order of the Board

Imran Chagani
Company Secretary

Karachi,

Dated: March 10, 2017

Notes:

1. Placement of Financial Statements

The Company has placed the Audited Annual Financial Statements for the year ended December 31, 2016 along with Auditors' and Directors' Reports thereon on its website: www.dawoodlawrencepur.com.

2. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from April 18, 2017 to April 25, 2017 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar, Messrs. Central Depository Company of Pakistan Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400, by close of business (5:00 p.m.) on Monday, April 17, 2017, will be treated as being in time for the purposes of payment of final dividend to the transferees and to attend and vote at the meeting.

3. Participation in the Annual General Meeting:

All Members, entitled to attend and vote at the meeting, are entitled to appoint another person in writing as their proxy to attend and vote on their behalf. A proxy need not be a member of the Company. A corporate entity, being member, may appoint any person, regardless whether they are a member or not, as its proxy. In case of corporate entities, a resolution of the Board of Directors / Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted to the Company along with a completed proxy form. The proxy holders are required to produce their original CNICs or original passports at the time of the meeting.

In order to be effective, duly completed and signed proxy forms must be received at the Company's Registered Office at least 48 hours before the time of the meeting.

CDC account holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

a. In case of Individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall authenticate his/her original valid Computerized National Identity Card (CNIC) or the original Passport at the time of attending the meeting.

b. In case of corporate entity, the Board of Directors' Resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies

a. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall submit the proxy form as per above requirements.

b. Attested copies of valid CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

c. The proxy shall produce original valid CNIC or original passport at the time of the meeting.

d. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

e. Proxy form will be witnessed by two persons whose names, addresses and valid CNIC numbers shall be mentioned on the form.

4. Submission of copies of CNIC (Mandatory)

Pursuant of the directives of the Securities & Exchange Commission of Pakistan (SECP) Dividend Warrants shall mandatorily bear the Computerized National Identity Card (CNIC) numbers of shareholders. Shareholders are therefore requested to fulfill the statutory requirements and submit a copy of their valid CNIC (if not already provided) to the Company's Share Registrar, Central Depository Company of Pakistan Limited, without any delay.

In case of non-availability of a valid copy of Shareholders' CNIC in the records of the Company, the Company shall withhold the Dividend Warrants in terms of Section 251 (2) (a) of the Companies Ordinance 1984, which will be released by the Company only upon submission of a valid copy of the CNIC in compliance with the aforesaid SECP directives.

5. Consent for Video Conference Facility

Members can also avail video conference facility at Lahore and Islamabad. In this regard, please fill the following form and submit to registered address of the Company 10 days before holding of the Annual General Meeting.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

The Company will intimate Members regarding venue of video conference facility at least 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access such facility.

I/We,________________________ of __________, being a member of Dawood Lawrencepur Limited, holder of ____________________ ordinary share (s) as per Register Folio/CDC Account No_____________ hereby opt for video conference facility at ______________________.

____
Signature of Members

7. **Withholding Tax on Dividend**

The Government of Pakistan through Finance Act, 2016 has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction withholding tax on the amount of dividend paid by the Companies. These tax rates are as under:

(a) For filers of income tax returns	:	12.5%
(b) For non-filers of income tax returns	:	20.0%

Shareholders who are filers are advised to make sure that their names are entered into latest Active Tax Payers List (ATL) provided on the website of FBR by the first day of book closure, otherwise they shall be treated as non-filers and tax on their cash dividend will be deducted at the rate of 20% instead of 12.5%.

Withholding tax on Dividend in case of Joint Account Holders

In order to enable the Company to follow the directives of the regulators to determine shareholding ratio of the Joint Account Holder(s) (where shareholding has not been determined by the Principal Shareholder) for deduction of withholding tax on dividend of the Company, Shareholders are requested to please furnish the shareholding ratio detail of themselves as Principal Shareholder and their Joint Holders, to the Company's Share Registrar, enabling the Company to compute withholding tax of each shareholder accordingly. The required information must reach to Company's Share Registrar before book closure otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint Holders(s).

Requirement of valid tax exemption certificate for claiming exemption from withholding tax:

As per FBR Circulars C. No. 1 (29) WHT/2006 dated 30 June 2010 and C. No. 1 (43) DG (WHT) /2008- Vol. II -66417-R dated 12 May 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance 2001 (tax on dividend amount) where the statutory exemption under clause 47B of part – IV of Second Schedule is available. The shareholders who fall in the category mentioned in above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to our Share Registrar before book closure otherwise tax will be deducted on dividend as per applicable rates

8. Payment of Cash Dividend Electronically (Optional)

The SECP has initiated e-dividend mechanism through its Notification 8(4) SM/CDC 2008 of April 5, 2013. In order to avail benefits of e-dividend shareholders are hereby advised to provide details of their bank mandate specifying: (i) title of account, (ii) IBAN / account number, (iii) bank name, (iv) branch name, code and address to Company Share Registrar. Shareholders who hold shares with CDC or Participants/ Stock Brokers, are advised to provide the mandate to CDC or their Participants/ Stock Brokers.

Shareholders can use the standardized "Dividend Mandate Form" available on our Share registrar's website www.cdcpakistan.com.

9. Audited Financial Statements Through E-Mail:

SECP through its Notification SRO 787(I)/2014 dated September 8, 2014, has allowed the circulation of Audited Financial Statements along with the Notice of Annual General Meeting to the Members of the Company through email. Therefore, all Members who wish to receive the soft copy of Annual Report are requested to send their email addresses. The consent form for electronic transmission can be downloaded from the Company's website www.dawoodlawrencepur.com.

The Company shall, however, provide hard copy of the Audited Financial Statements to its shareholders, on request, free of cost, within seven days of receipt of such request. The Company shall place the financial statements and reports on the Company's website, at least twenty-one (21) days prior to the date of the Annual General Meeting in terms of SRO 634(1)/2014 dated July 10, 2014 issued by the SECP.

Statement of Material Facts under Section 160(1) (b) of the Companies Ordinance, 1984 relating to the Special Business referred to the Notice above.

This Statement sets out the material facts concerning the following Special Business to be transacted at the Annual General Meeting of Shareholders of Dawood Lawrencepur Limited to be held on April 25, 2017.

Agenda Item No. 4

Arrange and provide a continuing Stand-by Letter of Credit (SBLC) for up to US $ 10 million in favor of lenders of Tenaga Generasi Limited (a subsidiary company)

<table>
<tr><th>Sr. No.</th><th>Nature of information required to be disclosed pursuant to the Companies (investments in associated companies or undertakings) Regulations, 2012</th><th>Relevant Information</th></tr>
<tr><td>1</td><td>Name of associated company or associated undertaking along with the criteria based on which the associated relationship established</td><td>Dawood Lawrencepur Limited (DLL) holds 75% ordinary shares in Tenaga Generasi Limited (TGL). DLL has also nominated majority directors on the Board of TGL.</td></tr>
<tr><td>2</td><td>Amount of loan or advances</td><td>Standby Letter of Credit (SBLC) up to USD 10 Million</td></tr>
<tr><td>3</td><td>Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans and advances</td><td>To guarantee TGL's loan repayments and its related mark-up payable to the lenders, in case of any default by TGL.

The continuing operations of TGL will likely to result in steady dividend stream on DLL's investment</td></tr>
<tr><td>4</td><td>In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof</td><td>Not applicable</td></tr>
<tr><td>5</td><td>Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements</td><td>Financial Position as of December 31, 2016

Main item of Balance Sheet:

<table>
<tr><td></td><td>(Rs. in million)</td></tr>
<tr><td>Non-current Assets</td><td>11,300</td></tr>
<tr><td>Current Assets</td><td>1,015</td></tr>
<tr><td>Total Equity</td><td>2,748</td></tr>
<tr><td>Non-current Liabilities</td><td>8,473</td></tr>
<tr><td>Current Liabilities</td><td>1,093</td></tr>
</table>

Main item of Profit and Loss Account:

<table>
<tr><td></td><td>(Rs. in million)</td></tr>
<tr><td>Sales-net</td><td>203</td></tr>
<tr><td>Loss from operations</td><td>44</td></tr>
<tr><td>Loss before taxation</td><td>182</td></tr>
<tr><td>Loss for the year</td><td>183</td></tr>
</table>
</td></tr>
</table>

6	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period	3 months KIBOR + 0.90% to 1%
7	Rate of interest, mark up, profit, fees or commission etc. to be charged	DLL shall recover all costs charged to it on this account from TGL
8	Sources of funds where loans or advances will be given	SBLC will be issued through Standard Chartered Bank (Pakistan) Limited against payment of arrangement fee which will be fully recovered from TGL
9	Where loans or advances are being granted using borrowed funds: • Justification for granting loan or advances out of borrowed funds • Details of guarantee/ assets pledged for obtaining such funds, if any and • Repayment schedule of borrowings of the investing company	Not applicable
10	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any;	Not applicable
11	If the loan or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not applicable
12	Repayment schedule and terms of loans or advances to be given to investee company	Not applicable
13	Salient feature of all agreement entered or to be entered with its associated company or associated undertaking with regard to proposed investment	TGL is a subsidiary of DLL. As a condition of the project financing, the Company has entered into Sponsors Support Agreement on March 11, 2015 made between DLL (as the Sponsor), Dawood Corporation (Private) Limited (as the Parent), Tenaga Generasi Limited (as the Company), Citibank International Limited (as the Intercreditor Agent), Citibank N.A., Karachi Branch (as the Onshore Security Trustee) and Citibank N.A., London Branch (as the Offshore Security trustee), which requires issuance of a continuing SBLC in favour of the lenders of TGL through their Intercreditor Agent, Citibank International Limited, to secure the repayments of loan obtained by TGL from the lenders of the Wind Power

		Project. DLL will be required to make payment only in case TGL fails to make repayments of loan and mark-up on due date as per the Agreement. The Company, therefore, is seeking shareholders' approval to the issuance of a continuing SBLC as detailed above
14	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	None of the directors, sponsors, majority shareholders and their relatives have any interest in the proposed transaction, except to the extent of their shareholding in the associated company or associated undertaking or the transaction under consideration
15	Any other important details necessary for the members to understand the transaction; and	Not applicable
16	In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required, namely: • A description of the project and its history since conceptualization • Starting date and expected date of completion • Time by which such project shall become commercially operational • Expected return on total capital employed in the project • Funds invested or to be invested by the promoters distinguishing between cash and noncash amounts	Not applicable

Agenda Item No. 5

An Unsecured Bridge Finance of PKR 300 million for Tenaga Generasi Limited (a subsidiary company) for a period of one year

<table>
<tr><th>Sr. No.</th><th>Nature of information required to be disclosed pursuant to the Companies (investments in associated companies or undertakings) Regulations, 2012</th><th>Relevant Information</th></tr>
<tr><td>1</td><td>Name of associated company or associated undertaking along with the criteria based on which the associated relationship established</td><td>Dawood Lawrencepur Limited (DLL) holds 75% ordinary shares in Tenaga Generasi Limited (TGL). DLL has also nominated majority directors on the Board of TGL</td></tr>
<tr><td>2</td><td>Amount of loan or advances</td><td>Not to exceed PKR 300 million</td></tr>
<tr><td>3</td><td>Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans and advances</td><td>The purpose of providing bridge finance facility is to assist TGL for meeting its working capital requirements

DLL and its members will benefit by earning profit from TGL on the Bridge Finance</td></tr>
<tr><td>4</td><td>In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof</td><td>Not applicable</td></tr>
<tr><td>5</td><td>Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements</td><td>Financial Position as of December 31, 2016

Main item of Balance Sheet:
<table><tr><td></td><td>(Rs. in million)</td></tr><tr><td>Non-current Assets</td><td>11,300</td></tr><tr><td>Current Assets</td><td>1,015</td></tr><tr><td>Total Equity</td><td>2,748</td></tr><tr><td>Non-current Liabilities</td><td>8,473</td></tr><tr><td>Current Liabilities</td><td>1,093</td></tr></table>
Main item of Profit and Loss Account:
<table><tr><td></td><td>(Rs. in million)</td></tr><tr><td>Sales-net</td><td>203</td></tr><tr><td>Loss from operations</td><td>44</td></tr><tr><td>Loss before taxation</td><td>182</td></tr><tr><td>Loss for the year</td><td>183</td></tr></table></td></tr>
</table>

6	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period	3 months KIBOR + 0.90% to 1%
7	Rate of interest, mark up, profit, fees or commission etc. to be charged	Above 1% on the average borrowing cost of DLL
8	Sources of funds where loans or advances will be given	Finance will be provided from borrowed funds
9	Where loans or advances are being granted using borrowed funds:	
	• Justification for granting loan or advances out of borrowed funds	TGL has commenced its operations in October 2016 and is not seized with sufficient free cash to meet its working capital requirements. Since it is the subsidiary of DLL, DLL is responsible to support its funding requirements
	• Details of guarantee/ assets pledged for obtaining such funds, if any and	Investment held by DLL of Dawood Hercules Corporation Limited's shares, will be pledged to acquire such funds
	• Repayment schedule of borrowings of the investing company	The running finance facility will be used to fund the short term bridge finance. Since it is revolving finance facility, it will be adjusted on regular intervals
10	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any;	The facility is unsecured
11	If the loan or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not applicable
12	Repayment schedule and terms of loans or advances to be given to investee company	One bullet payment at the end of the tenure. Mark-up will be paid on a monthly basis.

13	Salient feature of all agreement entered or to be entered with its associated company or associated undertaking with regard to proposed investment	DLL has only entered into a Bridge Finance Agreement with TGL with regard to proposed loan
14	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	None of the directors, sponsors, majority shareholders and their relatives have any interest in the proposed transaction, except to the extent of their shareholding in the associated company or associated undertaking or the transaction under consideration.
15	Any other important details necessary for the members to understand the transaction; and	Not applicable
16	In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required, namely: • A description of the project and its history since conceptualization • Starting date and expected date of completion • Time by which such project shall become commercially operational • Expected return on total capital employed in the project • Funds invested or to be invested by the promoters distinguishing between cash and noncash amounts	Not applicable

Agenda Item 6

Transmission of Annual Audited Financial statements through CD/ DVD/ USB

Securities and Exchange Commission of Pakistan vide its S.R.O. 470(I)2016 dated 31st May 2016 allowed the companies to transmit their Annual Reports including the Annual Accounts, Notice of the General Meeting and other information contained therein, to its members either through CD/DVD or USB, at their registered addresses. This will save time and expenses incurred on printing of the annual report. However, shareholders will have option available with them to request for a hard copy free of cost subject to submission of duly filled request form (available on Company's website).

Those shareholders who wish to receive hard copies for all future Annual Reports shall submit their preference in writing. Kindly also note that in pursuance of SRO 787(I) 2014 dated 8th September 2014, the Company will continue to provide Annual Audited Accounts through email to those shareholders who will give their consent in this regard. A standard request form has been made available at our website – http://www.dawoodlawrencepur.com either to opt to receive future Annual Reports through email or in hard copies or otherwise request for hard copy of the accounts if and when needed. The scanned copy of the duly filled & signed form may be emailed at info.reon@dawoodhercules.com or the same can be submitted through post/courier to Company's Share Registrar Messrs. Central Depository Company of Pakistan Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400.

Update under Rule 4 of S.R.O 27/I/2012

Note relating to transfer of 77,931,896 shares of Dawood Hercules Corporation Limited held by Dawood Lawrencepur Limited to Mozart (Private) Limited (wholly owned subsidiary company)

Pursuant to the decision taken by the shareholders of Dawood Lawrencepur Limited (DLL) at its Extraordinary General Meeting held on December 6, 2016 through a Special Resolution to transfer 77,931,896 shares of Dawood Hercules Corporation Limited held by DLL in its wholly owned subsidiary company Mozart (Private) Limited, is delayed due to completion of certain legal formalities. Once these are completed, DLL will move ahead with such transfer or in case DLL opt not to move ahead with the said transfer, the shareholders will be informed accordingly.

Directors' Report

For the year ended December 31, 2016

The Directors of Dawood Lawrencepur Limited are pleased to present their Report together with the audited Financial Statements for the year ended December 31, 2016.

ECONOMIC REVIEW

With concrete and sincere efforts of the government, almost 12 percent growth has been observed in real value addition of electricity generation & distribution and gas distribution during FY 2015 and FY 2016 which in turn helped the real GDP growth of 4.7 percent during FY 2016. The government is taking all possible measures to ensure energy security and sustainable development in the country. Efforts are underway to improve power sector fuel mix in the country to reduce price of power basket and improve financial viability. Under the reforms, large capacity addition is planned from wind, solar, nuclear, hydel and coal power projects in the medium term. The emphasis is towards achieving a less oil dependent power generation mix through development of indigenous energy resources particularly hydel, coal and renewable energy resources for sustainable and affordable energy supply in the country.

The government is doing its utmost to address the energy sector challenges. It is evident from the fact that the energy sector is now one of the major recipients of federal PSDP share. The China-Pakistan Economic Corridor (CPEC) is expected to add 10,400 MW to the grid by the year 2018. The projects include coal, hydro and wind. It will also significantly change the energy mix, replacing expensive oil and resulting in reduction of the average cost of generation.

BUSINESS REVIEW

Renewable Energy Business

During the year, Dawood Lawrencepur Limited completed the process of transferring the renewable energy business, inclusive of its assets, to a wholly owned subsidiary company named Reon Energy Limited (REL). This subsidiary has been able to secure contracts for solar photovoltaic projects with high profile clients including multinationals, armed forces and telecom operators and has concluded several projects in 2016. Furthermore, REL has gained an important foothold in solar energy in Pakistan and has started establishing a strong brand name primarily due to focused communication to the relevant target market and offering them the best value for their money along with the latest technology, whilst maintaining the highest standards of safety and quality. Our engineering and technical teams have also produced quality work that has complied with industry best practices, safety policies and procedures.

Wind Energy Project

Similarly, a 49.5 MW wind power project has achieved its Commercial Operation Date on October 11, 2016 and the project has started dispatching energy to National Transmission and Distribution Company (NTDC). The subsidiary has dispatched 18 GWh of energy and billed PKR 279 million up to December 2016.

The O&M Contractor, China East Resource Import & Export Corporation, and its sub-contractor, General Electric, assumed responsibility for the O&M with effect from COD. They took over the project on December 22, 2016 and the certificate has been issued to the EPC Contractor. Engro PowerGen (EPGL) has been appointed as the Asset Manager for the duration of the 2-year O&M with effect from November 1, 2016. During the period October to January the average wind speed ranged from 4.2 m/s to 6.0 m/s against the projected range of 5.3 m/s to 5.8 m/s. Grid outage and power curtailment by the Power Purchaser was experienced during this period, however, the plant operation remains satisfactory.

The key element of concern is power curtailment by the Power Purchaser. The current 132kV line is not sufficient for evacuating the full load from three plants, and will be further restricted as Dawood Hydrochina will achieve COD by March 2017. The delay in the installation of the 220kV line from Gharo to Jhimpir has a direct impact on the curtailment. Regular follow up with NTDC will be maintained to expedite this work and to obtain acceptance on connection to this line prior to completion of the 220kV Substation at Gharo.

The project will continue to contribute positively towards the bottom line of the Company and reduce the energy shortage in the country.

The financial highlights of the Company are as under:

	(Rupees in thousand)	
	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015
Sales from continuing operations	161,234	175,765
Gross profit	9,154	21,336
Other operating Income	1,364,708	1,013,965
Profit after taxation from continuing operation	1,156,519	622,548
(Loss)/Profit from discontinued operations	(41,362)	659,571
Profit for the year	1,115,157	1,282,119
Un-appropriated profit / (loss) brought forward	1,234,247	(45,079)
Un-appropriated profit carried forward	2,048,812	1,234,247
Earnings per share – basic and diluted (net)	18.88	21.71

During the year, the company has undertaken renewable energy projects of PKR 156.14 million including Unilever Tea Factory, LCC Telenor and Noble Energy Limited.

Dividend income associated Company was PKR 1,363 million as against PKR 1,013 million for the similar period last year. Under the discontinued operations, the Company had sold textiles fabric through its various shops and made a loss of PKR 41.36 million as against profit of PKR 659.57 million for the similar period 2015. This PKR 659.57 million includes gain on sale of land and building of Dawood Mills and Dilon Mills of PKR 763.74 million.

Aggregate earnings per share for the year from continuing and discontinued operations of the Company on a standalone basis were PKR 18.88 per share as against PKR 21.71 per share of last year.

The consolidated operating loss from continuing operations of the Group for the year stood at PKR 337 million as against loss of PKR 234 million last year. After accounting for share of profit from associate of PKR 4,139 million as against PKR 1,494 million last year, the consolidated profit after tax from continuing operations at PKR 3,155 million was 224% higher by PKR 2,180 million for the similar period last year.

The consolidated aggregate earnings per share for the year were PKR 53.50 as compared to PKR 27.73 per share for last year.

FUTURE OUTLOOK

Solar energy

Solar's economically winning hand is generating strong growth across all market segments in the country despite low price levels of crude oil. The demand will further improve once policies like net metering, wheeling and reverse auction are fully implemented, giving solar industry the exponential growth that has been anticipated for years. With the Group's financial strength and the Company's capability to deliver medium to large scale projects, the Company is well poised to develop a suitable business portfolio in the renewable energy business realm.

The primary focus of the renewable energy business for the coming years will be on large scale industrial and commercial sectors, a highly energy-dependent segment of the market. The Company plans to cater to this segment through offerings like complete turnkey solutions and energy rental contracts. Along with these, the company is exploring possibilities of setting up Independent Power Plants (IPPs) selling solar energy to the national grid and the distribution companies (DISCOs). The Company is actively lobbying the government directly and through indirect channels to positively influence short and long term policy.

Wind Energy Project

In the absence of short term fixes to the energy deficit situation, the projects in the energy pipeline have gained more significance. Energy through wind projects is now a mature and proven technology. The successful operations of wind projects having a capacity of 400 MW has also provided assurance and confidence to all stakeholders including the lenders and the power purchasers. The Government has also been somewhat regular with electricity payments and the wind energy sector has, till now, largely been insulated from the chronic circular debt concern. However, the methodology for granting tariff for the projects in the pipeline has still not fully evolved and this is a cause of concern for the developers.

The downturn in the oil prices and the emphasis of future development using CNG and coal is affecting the Government policy with regards to the pace of development of renewable energy. Currently new renewable energy projects are not being approved by the Regulators. The Government of Sindh is taking interest in developing wind projects, but these are moving at a slow pace as there is no clarity from the regulators on major issues of distribution and transmission.

CORPORATE GOVERNANCE

The management of the Company is committed to good corporate governance and compliance with best practices. The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange in its Rule Book and Listing Regulations have been duly complied with. A Statement to this effect is annexed with the Report.

CODE OF CONDUCT

The Board has adopted a Business Code of Conduct and all employees are aware of and have signed off on this Statement. The Code of Conduct is rigorously followed throughout the organization as all employees observe the rules of business conduct laid down therein.

VISION AND MISSION

The statement reflecting the Vision and Mission of the Company is annexed to the report.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

It is certified that:

(i) The financial statements together with notes thereon have been drawn up by management in conformity with the Companies Ordinance, 1984. These statements present fairly the Company's state of affairs, the result of its operations, cash flows and changes in equity.

(ii) The Company has maintained proper books of accounts.

(iii) Appropriate accounting policies have been consistently applied in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgement.

(iv) International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and there has been no departure there from.

(v) The system of internal control is sound in design and has been effectively implemented and monitored.

(vi) The annual audited financial statements are circulated within four months of the close of the financial year.

(vii) There are no significant doubts about the Company's ability to continue as a going concern.

(viii) There has been no material departure from the best practices of corporate governance, as detailed in the Stock Exchange Listing Regulations.

BOARD AUDIT COMMITTEE

The Board of Directors has established an Audit Committee, in compliance with the Code of Corporate Governance, which oversees internal controls and compliance and has been working efficiently since its inception. The Audit Committee reviewed the quarterly, half-yearly, and annual financial statements before submission to the Board and their publication. The Audit Committee had detailed discussions with the external auditors on various issues, including their letter to the management. The Audit Committee also reviewed internal auditors' findings and held separate meetings with internal and external auditors as required under the Code of Corporate Governance.

During the year ended December 31, 2016, a total of five meetings of the Board Audit Committee (BAC) were held. The position of attendance during respective tenure was as follows:

Name of Director	Meetings	
	Held	Attended
Mr. Shabbir Hussain Hashmi	3	3
Mr. Hasan Reza Ur Rahim	5	5
Mr. Shafiq Ahmed	4	4

Dr. Jawaid Abdul Ghani resigned on January 14, 2016. Thereafter, Mr. Shabbir Hussain Hashmi was appointed as the Chairman BAC on April 15, 2016. Further, effective September 30, 2016, Mr. Shafiq Ahmed was appointed as CFO and Executive Director of the Company and as a result of such appointment, he was removed from the BAC.

PATTERN OF SHAREHOLDING

The statement reflecting the pattern of shareholding is annexed to the Report.

KEY OPERATING AND FINANCIAL DATA

Summary of key operating and financial data for the last six financial years is attached to this Report.

VALUE OF INVESTMENTS OF GRATUITY FUND AND PROVIDENT FUND

The face value of the investments of the Gratuity Fund of the management cadre staff was PKR 2.928 million on the closing date.

TRADING IN COMPANY SHARES

The Directors, CEO, CFO and Company Secretary have not traded in Company shares during the year, other than that disclosed in the Pattern of Shareholding.

BOARD MEETINGS

During the year ended December 31, 2016, a total of five meetings of the Board of Directors were held. The position of attendance during respective tenure was as follows:

Name of Director	Meetings	
	Held	Attended
Mr. Shahid Hamid Pracha	5	3
Mr. Inam ur Rahman	5	5
Mr. Shafiq Ahmed	5	5
Mr. Abdul Samad Dawood	5	3
Mr. Shahzada Dawood	5	4
Mr. Hasan Reza Ur Rahim	5	4
Mr. Ghias Uddin Khan	5	2
Mr. Shabbir Hussain Hashmi	3	3

Mr. Inam ur Rahman resigned as Chief Executive Officer (CEO) of the Company on December 13, 2016 and Mr. Mujtaba Haider Khan was appointed as the CEO of the Company in his place on December 14, 2016. The Board would like to record its sincere appreciation and acknowledgement for the valuable services rendered by Mr. Inam ur Rahman during the tenure of his office as CEO of the Company and welcome Mr. Mujtaba Haider Khan in his new role as CEO and posed its confidence in him toward the success of the Company.

HUMAN RESOURCE AND REMUNERATION COMMITTEE MEETINGS

During the year ended December 31, 2016, a total of two meetings of the Human Resource and Remuneration Committee (HR&RC) were held. The position of attendance during respective tenure was as follows:

Name of Director	Meetings	
	Held	Attended
Mr. Shahid Hamid Pracha	2	2
Mr. Abdul Samad Dawood	2	2
Mr. Ghias Uddin Khan	2	2

CERTIFICATE OF RELATED PARTY TRANSACTIONS

It is confirmed that the transactions entered into with related parties have been ratified by the Audit Committee and the Board and the Report provides information about the amounts due from all related parties at the Balance Sheet date.

AUDITORS

The present auditors, Messrs. A. F. Ferguson & Co., Chartered Accountants, whose tenure finished on December 31, 2016, being eligible have offered themselves for reappointment. The Audit Committee has recommended the appointment of Messrs. A. F. Ferguson & Co., Chartered Accountants as the statutory auditors of the Company for the year ending December 31, 2017.

ACKNOWLEDGEMENT

The Directors acknowledge the contribution of each and every employee of the Company. We would like to express our thanks to our customers for the trust shown in our products. We are also grateful to our shareholders for their support and confidence in our management.

Mujtaba Haider Khan
Chief Executive Officer

Shabbir Hussain Hashmi
Director

Karachi
Dated: March 10, 2017

جناب انعام الرحمن 13 دسمبر 2016 کو کمپنی کے چیف ایگزیکٹو آفیسر سی ای او کے عہدے سے سبکدوش ہوگئے اور 14 دسمبر 2016 کو جناب مجتبیٰ حیدرخان کو ان کی جگہ کمپنی کا سی ای او مقرر کیاگیا۔ بورڈ بطور کمپنی کے سی ای او جناب انعام الرحمن کی گراں قدر خدمات کا اعتراف کرتے ہوئے انہیں خراج تحسین پیش کرتا ہے اور جناب مجتبیٰ حیدرخان کو بطور نئے سی ای او کے خوش آمدید کہتا ہے اور کمپنی کی ترقی کے لئے ان پر بھرپور اعتماد کا اظہار کرتا ہے۔

ہیومن ریسورس اور مشاہرہ کمیٹی کے اجلاس

31 دسمبر 2016 کو ہیومن ریسورس اور مشاہرہ کمیٹی (HR&RC) کے کل دو اجلاس منعقد ہوئے۔ متعلقہ مدت کے دوران حاضری کے حالات درج ذیل کے مطابق ہیں:

ڈائریکٹر کا نام	منعقدہ اجلاس	حاضری کی تعداد
جناب شاہد حمید پراچہ	2	2
جناب عبدالصمد داؤد	2	2
جناب غیاث الدین خان	2	2

متعلقہ فریق سے لین دین کا سرٹیفکیٹ

یہ بات تصدیق شدہ ہے کہ متعلقہ فریقین کے ساتھ کیاگیا تمام تر لین دین آڈٹ کمیٹی اوربورڈ کی جانب سے منظور کردہ ہے اور یہ رپورٹ تمام متعلقہ فریقین کی جانب سے واجب الادا رقوم کے بارے میں معلومات بیلنس شیٹ پر فراہم کرتی ہے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے، جن کی مدت 31 دسمبر 2016 کو ختم ہوچکی ہے، بطور اہلیت دوبارہ تقرری کے لئے اپنی خدمات پیش کی ہیں۔ آڈٹ کمیٹی نے میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی 31 دسمبر 2017 کو ختم ہونے والے سال کے لئے کمپنی کے قانونی آڈیٹرز کے طور پر دوبارہ تقرری کی تجویز پیش کی ہے۔

اظہار تشکر

ڈائریکٹرز کمپنی کے ہر ایک ملازم کی کارکردگی اور تعاون کا اعتراف کرتے ہیں۔ ہم اپنے صارفین کے شکرگزار ہیں جنہوں نے ہماری مصنوعات پر اعتماد کا اظہار کیا۔ ہم اپنے حصص یافتگان کے بھی ان کے تعاون اور ہماری انتظامیہ پر ان کے اعتماد کے لئے تہہ دل سے مشکور ہیں۔

مجتبیٰ حیدرخان
چیف ایگزیکٹو آفیسر

شبیر حسین ہاشمی
ڈائریکٹر

کراچی: 10 مارچ 2017

حصص یافتگی کی ساخت

حصص یافتگی کی ساخت سے متعلق بیان رپورٹ کے ساتھ منسلک ہے۔

اہم عمل کاری اور مالیاتی کوائف

گزشتہ چھ مالی سالوں کے اہم عمل کاری اور مالیاتی کوائف کا مختصر بیان اس رپورٹ کے ساتھ منسلک ہے۔

گریجویٹی فنڈ اور پروویڈنٹ فنڈ کی سرمایہ کاریوں کی مالیت

انتظامی سطح کے عملے کے گریجویٹی فنڈ کی سرمایہ کاریوں کی قیمت اختتامی تاریخ تک 2.928 ملین روپے تھی۔

کمپنی کے حصص کی تجارت

اس سال کے دوران کمپنی کے سی ای او، سی ایف او اور کمپنی سیکریٹری نے کمپنی کے حصص کی تجارت نہیں کی ہے سوائے اس کے جس کا ذکر حصص یافتگی کی ساخت میں کیا گیا ہے۔

بورڈ کے اجلاس

31 دسمبر 2016 کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کے کل پانچ اجلاس منعقد ہوئے۔ متعلقہ مدت کے دوران حاضری کی صورت حال درج ذیل کے مطابق ہے:

ڈائریکٹر کا نام	منعقدہ اجلاس	حاضری کی تعداد
جناب شاہد حمید پراچہ	5	3
جناب انعام الرحمن	5	5
جناب شفیق احمد	5	5
جناب عبدالصمد داؤد	5	3
جناب شہزادہ داؤد	5	4
جناب حسن رضا الرحیم	5	4
جناب غیاث الدین خان	5	2
جناب شبیر حسین ہاشمی	3	3

کاروباری اور مالیاتی رپورٹنگ کی ساخت

تصدیق کی جاتی ہے کہ:

i) مالیاتی نکات مع ان کے متعلق نوٹس کمپنی کی انتظامیہ کی جانب سے کمپنیز آرڈیننس 1984 سے مطابقت کے ساتھ تیار کئے گئے ہیں۔ یہ نکات کمپنی کے معاملات، عمل کاری کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلی کو راست انداز میں پیش کرتے ہیں۔

ii) کمپنی کے کھاتوں کے درست حسابات رکھے گئے ہیں۔

iii) مالیاتی گوشواروں کی تیاری میں مستقلاً مناسب اکاؤنٹنگ پالیسیز کا اطلاق کیا گیا ہے اور حسابات کے گوشوارے مناسب عاقلانہ فیصلے پر مبنی ہیں۔

iv) مالیاتی حسابات کی تیاری میں، پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS) کا خیال رکھا گیا ہے اور ان سے کسی بھی قسم کے انحراف کو مناسب انداز میں ظاہر کیا گیا ہے۔

v) انٹرنل کنٹرول کا نظام ساخت کے اعتبار سے مستحکم ہے اور اس پر مؤثر انداز سے عمل درآمد اور نگرانی کی جاتی ہے۔

vi) سالانہ آڈٹ شدہ مالیاتی نکات مالی سال کے اختتامی چار ماہ کے دوران تقسیم کئے گئے ہیں۔

vii) کمپنی کی فعال انداز سے کارگزار ہونے کی صلاحیت پر کسی قسم کے کوئی شکوک و شبہات موجود نہیں ہیں۔

viii) کارپوریٹ گورننس کے بہترین طریقہ عمل سے کسی قسم کا مادی انحراف موجود نہیں ہے، جیسا کہ اسٹاک ایکسچینج کے درج شدہ ضوابط میں بیان کیا گیا ہے۔

بورڈ آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز نے کوڈ آف کارپوریٹ گورننس کی تعمیل میں ایک آڈٹ کمیٹی قائم کی ہے جو انٹرنل کنٹرول اور تعمیل کے امور کی نگرانی کرتی ہے اوراپنے قیام سے ہی مؤثر انداز میں کارگزار ہے۔ آڈٹ کمیٹی نے سہ ماہی، ششماہی اور سالانہ مالیاتی نکات بورڈ کو پیش کرنے اور ان کی اشاعت سے قبل ان کا جائزہ لیا ہے۔ آڈٹ کمیٹی نے ایکسٹرنل آڈیٹرز سے متعدد امور بشمول انتظامیہ کو ان کے لیٹر پر تفصیلی تبادلہ خیال کیا ہے۔ آڈٹ کمیٹی نے انٹرنل آڈیٹرز کے تحقیقاتی نتائج کا بھی جائزہ لیا ہے اور کوڈ آف کارپوریٹ گورننس کی ضروریات کے مطابق انٹرنل اور ایکسٹرنل آڈیٹرز کے ساتھ علیحدہ علیحدہ میٹنگز منعقد کی ہیں۔

31 دسمبر 2016 کو ختم ہونے والے سال کے دوران بورڈ آف آڈٹ کمیٹی کے کل پانچ اجلاس ہوئے۔

متعلقہ مدت کے دوران حاضری کی صورت حال درج ذیل کے مطابق ہے:

ڈائریکٹر کا نام	منعقدہ اجلاس	حاضری کی تعداد
جناب شبیر حسین ہاشمی	3	3
جناب حسن رضا الرحیم	5	5
جناب شفیق احمد	4	4

ڈاکٹر جاوید عبدالغنی 14 جنوری 2016 کو Chairman BAC کے عہدے سے سبکدوش ہوگئے اس کے بعد جناب شبیر حسین ہاشمی 15 اپریل 2016 کو Chairman BAC کے عہدے پر فائز ہوئے۔ علاوہ ازیں، 30 ستمبر 2016 سے جناب شفیق احمد کمپنی کے CFO اور Executive Director تقرر ہوئے جس کے نتیجے میں وہ Member BAC کے عہدے سے دستبردار ہو گئے۔

ترقی کرے گا جس کی کئی سالوں سے توقع کی جارہی تھی۔ گروپ کا مالی استحکام اور کمپنی کی اوسط سے بڑے درجے کے منصوبوں کی تکمیل کی استعداد کے ساتھ کمپنی قابل تجدید توانائی کے کاروباری دائرہ میں موزوں کاروباری پورٹ فولیو کے قیام کے لئے پوری طرح تیار ہے۔

آئندہ سالوں میں قابل تجدید توانائی کے کاروبار کے حوالے سے بنیادی اہمیت بڑے پیمانے کے صنعتی اور کاروباری شعبوں کو دی جائے گی جو کہ توانائی پر سب سے زیادہ انحصار کرنے والا مارکیٹ کا شعبہ ہے۔ کمپنی جامع Turnkey Solutions اور توانائی کے رینٹل معاہدوں کی پیشکش کے ذریعے اس شعبے کو خدمات فراہم کرنے کی منصوبہ بندی کررہی ہے۔ اس کے ساتھ کمپنی انڈیپینڈنٹ پاور پلانٹس (IPPs) کے قیام کے امکانات پر بھی تحقیق کررہی ہے جو قومی گرڈ اور تقسیم کار کمپنیوں (DISCOs) کو شمسی توانائی فروخت کرسکیں۔ کمپنی حکومت سے براہِ راست اور بالواسطہ ذرائع سے قلیل اور طویل مدتی پالیسی میں مثبت تبدیلیوں کے لئے مسلسل رابطہ قائم رکھے ہوئے ہے۔

ہوا کی توانائی کے منصوبے

توانائی کے بحران کے قلیل مدتی حل کی عدم موجودگی کی صورت حال میں توانائی کے دیگر منصوبے مزید اہمیت اختیار کرگئے ہیں۔ ہوا کی توانائی کے منصوبوں کے ذریعے توانائی کا حصول اب ایک ترقی یافتہ اور مسلّمہ ٹیکنالوجی ہے۔ 440 میگاواٹ کے منصوبوں کی کامیاب عمل کاری سے تمام حصہ داران بشمول قرض دہندگان اور بجلی کے خریداروں کا یقین اور اعتماد پختہ ہوا ہے۔ حکومت کی جانب سے ادائیگیوں میں بھی کچھ حد تک باقاعدگی سامنے آئی ہے اور ہوا کی توانائی کا شعبہ اس وقت تک سخت گردشی قرضے کی فکر سے بڑی حد تک محفوظ ہے تاہم آئندہ کے مجوزہ منصوبوں کے لئے ٹیرف کے تعین کا طریقہ کار ابھی تک طے نہیں ہوا ہے جو تکمیل کاروں کے لئے سخت تشویش کا باعث ہے۔

تیل کی قیمتوں میں کمی اور CNG اور کوئلے کا استعمال کرتے ہوئے مستقبل کی ترقی پر توجہ قابل تجدید توانائی پر پیش رفت کی رفتار سے متعلق حکومتی پالیسی پر اثرانداز ہورہی ہے۔ موجودہ طور پر ریگیولیٹرز کی جانب سے ہوا کی توانائی کے نئے منصوبوں کی منظوری نہیں دی جارہی ہے۔ حکومت سندھ ان منصوبوں کی تعمیر میں دلچسپی کا مظاہرہ کررہی ہے تاہم ان پر پیش رفت کی رفتار انتہائی سست ہے کیونکہ ریگیولیٹرز کی جانب سے تقسیم اور ترسیل جیسے بڑے مسائل کے حل کی صورت حال واضح نہیں ہے۔

کاروباری انتظام کاری

کمپنی کی انتظامیہ بہتر انتظام کاری اور بہترین لائحہ عمل سے مطابقت پر یقین رکھتی ہے۔ پاکستان اسٹاک ایکسچینج کی ضابطے کی کتاب اور درج شدہ ضوابط کے مطابق تیار کردہ کوڈ آف کارپوریٹ گورننس کی ضروریات کی باقاعدہ طور پر تعمیل کی جاتی ہے۔ اس کے متعلق بیان رپورٹ کے ساتھ منسلک ہے۔

ضابطہ اخلاق

بورڈ نے ایک کاروباری ضابطہ اخلاق تیار کیا ہے اور تمام ملازمین اس سے آگاہ ہیں اورانہوں نے اس بیان پر دستخط کئے ہیں۔ ادارے میں مکمل طور پر ضابطہ اخلاق کی سختی سے پابندی کی جاتی ہے جبکہ تمام ملازمین اس میں بیان کردہ کاروباری ضابطہ اخلاق کے تمام اصولوں کی پابندی کرتے ہیں۔

نظریہ اور مقصد

کمپنی کے نظریہ اور مقصد سے متعلق بیان رپورٹ کے ساتھ منسلک ہے۔

اور گھارو کے مقام پر220KV کے سب اسٹیشن کی تکمیل سے قبل اس لائن سے متعلق منظوری حاصل کی جاسکے۔

اس منصوبے سے کمپنی کی منافع کاری میں مثبت تعاون کا سلسلہ جاری رہے گا اور ملک میں توانائی کے بحران پر قابو پانے میں مدد ملے گی۔

کمپنی کے مالیاتی نکات درج ذیل ہیں:

	برائے 31 دسمبر 2016 کو ختم ہونے والا مالی سال	برائے 31 دسمبر 2015 کو ختم ہونے والا مالی سال
جاری کاروبار سے فروخت کا حجم	161,234	175,765
مجموعی منافع	9,154	21,336
دیگر کاروباری آمدنی	1,364,708	1,013,965
جاری کاروبار سے بعد از ٹیکس منافع	1,156,391	622,548
موقوف کاروبار سے (خسارہ)/ نفع	(41,362)	659,571
سال کا منافع	1,115,157	1,282,119
غیر تخصیصی منافع / (خسارہ) Brought Forward	1,234,247	(45,079)
غیر تخصیصی منافع Carried Forward	2,048,812	1,234,247
فی حصص آمدنی (net) Basic and diluted	18.88	21.71

دوران سال کمپنی نے 156.14ملین روپے کے قابل تجدید توانائی کے منصوبے مکمل کئے جن میں یونی لیور چائے کی فیکٹری، LCC ٹیلی نار اور نوبل انرجی لمیٹڈ شامل ہیں۔

کمپنی کی ڈیویڈنڈ کی آمدنی گزشتہ سال کی اسی مدت کے 1,013 ملین روپے کے مقابلے میں 1,363 ملین روپے رہی۔ موقوف کاروبار کے تحت کمپنی نے اپنی متعدد دکانوں پر موجود کپڑے کی مصنوعات فروخت کی جس میں اسے 41.36 ملین روپے کے خسارے کا سامنا رہا جبکہ 2015 کی اسی مدت میں یہ منافع 659.57 ملین روپے تھا۔ جس کے اندر داؤد ملز اور Dilion ملز کی زمین اور جائیداد کی فروخت سے ہونے والی آمدنی 763.74 ملین روپے بھی شامل ہے۔

کمپنی کے جاری اور موقوف کاروبار سے واحد حیثیت سے مجموعی فی حصص آمدنی گزشتہ سال کے 21.71 روپے فی حصص کے مقابلے میں 18.88 روپے فی حصص رہی۔

گروپ کے جاری کاروبار سے مجموعی خسارہ گزشتہ سال کے234 ملین روپے کے مقابلے میں 337 ملین روپے پر قائم رہا۔ شریک کار کمپنیوں سے منافع کا حصہ 4,139 ملین روپے شمار کرنے کے بعد، جو کہ گزشتہ سال 1,494 ملین روپے تھا، جاری کاروبار سے مجموعی منافع 3,155 ملین روپے رہا جو کہ گزشتہ سال کی اسی مدت کے 2,180 ملین روپے سے224 فی صد زیادہ ہے۔

اس سال کی انضمامی مجموعی فی حصص آمدنی گزشتہ سال کے 27.73 روپے فی حصص کے مقابلے میں 53.50 روپے فی حصص رہی۔

مستقبل کے آثار

شمسی توانائی

خام تیل کی کم قیمتوں کے باوجود شمسی توانائی کا بڑھتا ہوا کاروبار ملک کے تمام کاروباری شعبوں میں مستحکم اضافہ ظاہر کررہا ہے۔ اس کی طلب میں اس وقت مزید اضافہ ہوجائے گا جب نیٹ میٹرنگ، ویلنگ اور ریورس آکشن جیسی پالیسیاں مکمل طور پر نافذ کردی جائیں گی جس سے شمسی توانائی کا کاروبار وسیع پیمانے پر

ڈائریکٹرز کا تجزیہ

برائے اختتام سال مورخہ 31 دسمبر 2016

داؤد لارنس پور کے ڈائریکٹرز مسرت کے ساتھ 31 دسمبر 2016 کو ختم ہونے والے سال کے لئے جائزہ رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

معاشی جائزہ

مالی سال 2015 اور 2016 کے دوران حکومت کی حقیقی اور مخلصانہ کوششوں کے باعث بجلی کی پیداوار و ترسیل اور گیس کی ترسیل میں حقیقی اضافی قدر دیکھنے میں آئی جس سے مالی سال 2017 کے دوران مجموعی قومی پیداوار میں 4.7 فیصد اضافے میں مدد ملی۔ حکومت ملک میں توانائی کے تحفظ اور پائیدار ترقی کو یقینی بنانے کے لئے تمام ممکنہ اقدامات کررہی ہے۔ ملک میں توانائی کی قیمتوں میں کمی اور مالیاتی نموپذیری میں اضافے کے لئے توانائی کے شعبے میں فیول مکس کے ذریعے کوششیں جاری ہیں۔ ان اصلاحات کے تحت متوسط مدت کے ہوا، شمسی، نیوکلیئر، پانی اور کوئلے سے چلنے والے پاور پلانٹس کے ذریعے گنجائش میں وسیع اضافے کی منصوبہ بندی کی جارہی ہے۔ توانائی کے فطری ذرائع بالخصوص پانی، کوئلہ اور قابل تجدید توانائی کے ذرائع کے فروغ کے ذریعے تیل پر انحصار کم کرکے بجلی کی پیداوار پر توجہ مرکوز کی جارہی ہے تاکہ ملک کو پائیدار اور سستی بجلی کی فراہمی کو یقینی بنایا جاسکے۔

حکومت توانائی کے شعبے کو درپیش چیلنجز سے نمٹنے کے لئے اپنی حتی الامکان کاوشیں جاری رکھے ہوئے ہے۔ اس کا بیّن ثبوت یہ ہے کہ توانائی کا شعبہ وفاقی پبلک سیکٹر ڈویلپمنٹ پروگرام (PSDP) کا حصہ وصول کرنے والے شعبوں میں ایک نمایاں اور اہم شعبہ ہے۔ پاک چین اقتصادی راہداری کے ذریعے 2018تک قومی گرڈ میں 10,400 میگاواٹ ترسیل کی توقع ہے۔ ان منصوبوں میں کوئلے، پانی اور ہوا سے چلنے والے منصوبے شامل ہیں۔ اس سے انرجی مکس میں نمایاں طور پر تبدیلی واقع ہوگی اور یہ تیل کا نعم البدل ثابت ہوگا جس کا نتیجہ پیداوار کی اوسط لاگت میں کمی کی صورت میں برآمد ہوگا۔

کاروبار کا جائزہ

قابل تجدید توانائی کا کاروبار

زیرجائزہ سال کے دوران داؤد لارنس پور لمیٹڈ نے قابل تجدید توانائی کے کاروبار کی بشمول تمام تر اثاثوں کے اپنی ایک کل ملکیتی ذیلی کمپنی بنام ریون انرجی لمیٹڈ (REL) کو منتقلی کا عمل مکمل کرلیا۔ ذیلی کمپنی نے اعلیٰ سطح کے کلائنٹس بشمول بین الاقوامی ادارے، مسلح افواج اور ٹیلی کام آپریٹرز کے ساتھ سولر فوٹو وولٹک معاہدے حاصل کرلئے ہیں اور 2016 میں متعدد منصوبے مکمل کئے ہیں۔ مزید برآں، REL نے پاکستان میں شمسی توانائی کے شعبے میں بھی اپنی بنیادیں مضبوط کرلی ہیں اور ایک مستحکم نام اور شناخت قائم کرلی ہے، ان نتائج کا حصول متعلقہ ٹارگٹ مارکیٹ پر توجہ مرکوز کرتے ہوئے ان سے باہمی روابط کے قیام اور انہیں ان کی رقم کے عوض جدید ترین ٹیکنالوجی پر مشتمل بہترین خدمات فراہم کرکے تحفظ اور قابلیت کے اعلیٰ ترین معیارات کو برقرار رکھتے ہوئے ممکن ہوا ہے۔ ہماری انجینئرنگ اور ٹیکنیکل ٹیم نے بھی اعلیٰ معیار کی کارکردگی کا مظاہرہ کیا ہے جو اس صنعت کے بہترین طریقہ ہائے کار، تحفظ کی پالیسیوں اور طریقہ عمل کے عین مطابق ہے۔

ہوا کی توانائی کے منصوبے

اسی طرح 11 اکتوبر2016 کو 49.5 میگاواٹ کے ونڈو پاور پروجیکٹ کے کمرشل آپریشن کا آغاز ہوگیا ہے اور پروجیکٹ کے تحت نیشنل ٹرانسمیشن اور ڈسٹری بیوشن کمپنی (NTDC) کو بجلی کی ترسیل شروع ہوگئی ہے۔ ذیلی کمپنی نے 18 گیگاواٹ بجلی کی ترسیل کی ہے اور دسمبر 2016 تک 279 ملین روپے وصول کئے ہیں۔ منصوبے کے O&M کنٹریکٹر، چائنا ایسٹ ریسورس امپورٹ اینڈ ایکسپورٹ کارپوریشن اور اس کے سب کنٹریکٹر جنرل الیکٹرک نے COD کے مؤثر ہونے کے بعد سے O&M کی ذمہ داری سنبھال لی ہے۔ انہوں نے 22 دسمبر 2016 کو منصوبے کا نظم و نسق سنبھالا ہے اور EPC کنٹریکٹرز کو سرٹیفکیٹ جاری کردیئے گئے ہیں۔ اینگرو پاورجن (EPGL) کو O&M کی دو سالہ مدت کے لئے یکم نومبر 2016 سے ایسٹ مینیجر مقرر کیا گیا ہے۔ اکتوبر سے جنوری کی مدت کے دوران ہوا کی رفتار متوقع شرح 5.3 m/s تا 5.8 m/s کے برعکس 4.2 m/s تا 6.0 m/s اس مدت کے دوران گرڈ آؤٹیج اور پاور پرچیزرز کی جانب سے بجلی کی تخفیف کا بھی سامنا رہا تاہم پلانٹ کا آپریشن تسلی بخش رہا۔

پاور پرچیزرز کی جانب سے بجلی کی تخفیف کا عنصر انتہائی تشویش کا باعث ہے۔ موجودہ 132KV کی لائن تینوں پلانٹس سے مکمل لوڈ کے اخراج کے لئے ناکافی ہے اور یہ مارچ 2017 میں داؤد ہائڈروچائنا کے COD حاصل کرنے کے بعد مزید محدود ہوجائے گی۔ گھارو سے جھمپیر تک 220KV لائن کی تنصیب میں تاخیر اس تخفیف پر براہ راست اثرانداز ہوگی۔ اس سلسلے میں NTDC کے ساتھ مسلسل رابطہ برقرار رکھا جارہا ہے تاکہ اس کام کو جلد از جلد مکمل کیا جاسکے

Business Code of Conduct

The Company strongly believes in conducting and growing its business on the principles of integrity, fairness and high ethical standards. The Company takes pride in adhering to its principles and shall continue to serve its customers, stakeholders and society on the basis of the following Business Code of Conduct. The Company believes in the standards of business conduct defined in this policy and expects all employees, trainees, contractors, customers, suppliers and vendors of all its divisions, subsidiaries and associated companies to abide by the same standards as mentioned herein.

a. Ethical and fair business practices and open competitive markets. Developing any association within the segment, industry or with competitors to distort pricing and availability is contradictory to our business code of conduct.

b. The Company's financial policies for conducting business shall be based on transparency and integrity, and will follow the principles of accounting and finance as approved by regulations and contemporary accounting codes.

c. Ensure compliance with the laws of Pakistan.

d. Ensure protection of Intellectual Property rights and comply with related legislation regarding protection of copyright, trade secrets, patents, etc. Understand, sign and comply with the Confidentiality Agreement, and neither solicit Confidential Information from others nor disclose the Company's trade secrets, or any Confidential Information that may come into their knowledge during the course of their employment to any unauthorized person or party.

e. As a responsible corporate citizen strongly adhere to the principles of corporate governance and comply with regulatory obligations enforced by regulatory bodies for improving corporate performance.

f. Demonstrate integrity and honesty in doing business for the Company and dealing with people. Any unfair or corrupt practices either to solicit business for the Company or for personal gain is fundamentally inconsistent with the Company's Business Code of Conduct. Avoid situations in which personal interest conflicts with or interferes with your duty to be loyal to the Company.

g. The Company's funds shall not be used, directly or indirectly, for the purpose of any unlawful payments. This includes not participating in, nor supporting, any activities that are, or relate to money laundering and terrorism financing.

h. The Company believes in making charitable contributions and community development without political and religious affiliations and without demand or expectation of any business return. The Company shall contribute its resources with an unprejudiced approach for the betterment of society and the environment.

i. The Company does not encourage giving or receiving Gifts and Entertainment. However, where required for sound business reasons, any Gifts or Entertainment exchanged shall be in accordance with the Company's Gift and Entertainment Policy.

j. Agreements with agents or consultants must be in writing and must clearly and accurately set forth the services to be performed, the basis for earning the commission or fee involved, and the applicable rate or fee. Any such payments must be reasonable in amount, not excessive in light of the practice in the trade, and commensurate with the value of the services rendered. The agent, or consultant must be advised that the agreement may be publically disclosed and must agree to such public disclosure.

k. All assets of the Company must be accounted for carefully and properly.

l. Falsification of records for any reason shall not be tolerated. Do not make false or fraudulent entries in records, expense statements, invoices or any other documents nor alter them.

m. The Company's internal and external auditors shall be given access to information necessary for them to conduct audits properly.

n. Treat everyone with respect and fairness, including subordinates and all others. Report incidents of violence and/or aggressive behavior. Management is expected to investigate so that such incidents are not repeated.

o. The Company will not tolerate harassment of any sort. The Company and its employees shall comply with local legislation on preventing harassment at the workplace.

p. The Company will support diversity and inclusiveness and will continuously strive to improve the work environment and prevent discrimination.

q. The Company will ensure its recruitment and selection process is of a high standard, based on merit and free from discrimination. If men and women both apply for any job vacancy, they will be given an equal opportunity to participate in a fair evaluation process.

r. Only an authorized spokesperson shall be entitled to speak on behalf of the Company in front of public gatherings and media.

s. The Company does not allow improper use of email and internet. Employees are expected to comply with the Company policy on email and computer network use.

t. Comply with Health, Safety and Environment (HSE) policies, procedures and cardinal rules. Demonstrate safe behavior and also help others learn to act safely.

u. Employees need to ensure that they manage their time and resources efficiently and effectively and keep the tools and equipment provided to them by the Company in safe and good working condition.

v. Our behavior reflects the image of the Company. Employees are expected to act professionally and abide by the Company's Business Code of Conduct, policies, rules and regulations.

Statement of Compliance with the Code of Corporate Governance

The statement is being presented to comply with the Code of Corporate Governance (the CCG) contained in the Regulations of Pakistan Stock Exchange 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. As at December 31, 2016, the Board included the following members:

Category	Name
Independent Director	Mr. Shabbir Hussain Hashmi
Executive Directors	Mr. Mujtaba Haider Khan, Chief Executive Officer (CEO) Mr. Shafiq Ahmed, Chief Financial Officer (CFO)
Non-Executive Directors	Mr. Shahid Hamid Pracha - Chairman Mr. Inam ur Rahman Mr. Abdul Samad Dawood Mr. Shahzada Dawood Mr. Hasan Reza Ur Rahim Mr. Ghias Uddin Khan

   The independent director meets the criteria of independence under clause 5.19.1.(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

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 NBFI, or being a broker of a stock exchange, has been declared as a defaulter by that stock exchange.

4. A casual vacancy occurring on Board on January 14, 2016 was filled up by the directors on April 14, 2016 i.e. on the 91st day.

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 CEO, other executive and non-executive directors, have been taken by the Board.

8. All meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board to chair the meeting. The Board met at least once in every quarter. Written notices of the Board meetings, along with the agenda and working papers, were circulated at least seven days before the meetings, except for a meeting held on short notice to discuss urgent matters. The minutes of the meetings were appropriately recorded and circulated.

9. One director attended the directors training course conducted by the Pakistan Institute of Corporate Governance (PICG) this year.

10. The Board has approved the appointment of CFO and Company Secretary, including their remuneration and terms and conditions of employment. However, there has been no change in the position of Head of Internal Audit during the year.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by the CEO and the CFO before approval of 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. Upto September 30, 2016 it comprised of three members, of whom two were non-executive and one was an independent director. Upon appointment of Mr. Shafiq Ahmed as the CFO of the Company, the committee has been reconstituted subsequent to the year end, comprising of a Chairman and two members. Two of them are non-executive directors and the Chairman is an independent director.

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 formed and advised to the committee for compliance.

17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members, all of whom are non-executive directors including the Chairman of the committee.

18. The Board has set up an effective internal audit function, manned by suitably qualified and experienced personnel that are involved in the internal audit function on a full time basis and are conversant with the policies and procedures of the Company.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), 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 the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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 the Company's securities, was determined and intimated to directors, employees and stock exchange.

22. Material/price sensitive information has been disseminated among all market participants at once through the stock exchange.

23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said register.

24. We confirm that all other material principles enshrined in the CCG have been complied with.

MUJTABA HAIDER KHAN
Chief Executive Officer

HASAN REZA UR RAHIM
Director

Karachi
Date: March 10, 2017

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REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Dawood Lawrencepur Limited (the Company) for the year ended December 31, 2016 to comply with the Code contained in the Regulations of Pakistan Stock Exchange Limited, 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 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, recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of requirement to the extent of approval of 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 December 31, 2016.

Further, we highlight below instance of non-compliance with the requirement of the Code as reflected in paragraph reference where it is stated in the Statement of Compliance:

- Paragraph 4 - A casual vacancy occurring on Board on January 14, 2016 was filled up by the directors on April 14, 2016 i.e. on the 91st day.

Chartered Accountants
Karachi
Date: March 27, 2017

Engagement Partner: Osama Kapadia

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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Unconsolidated Financial Statements

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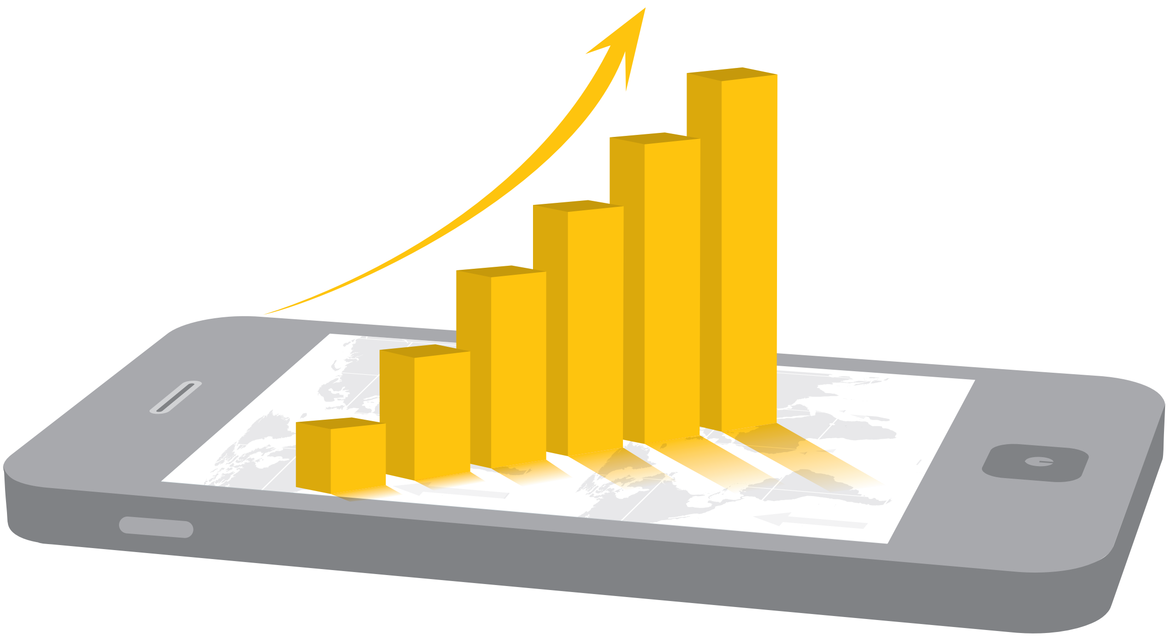

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Dawood Lawrencepur Limited (the Company) as at December 31, 2016 and the related profit and loss account, statement of comprehensive income, statement of changes in equity and statement of cash flows 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;

    (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, statement of changes in equity and statement of cash flows together with the notes forming part thereof conform with the 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 December 31, 2016 and of the profit, total comprehensive income, changes in equity and its cash flows for the year then ended; and

(d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Other matter

The financial statements of the Company for the year ended December 31, 2015 were audited by Deloitte Yousuf Adil, Chartered Accountants who through their report dated March 3, 2016, expressed an unqualified opinion thereon.

Chartered Accountants
Karachi
Date: March 27, 2017

Engagement Partner: Osama Kapadia

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State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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Unconsolidated Balance Sheet

As at December 31, 2016

(Amounts in thousand)

	Note	2016	2015
		------------- Rupees -------------	
ASSETS			
Non-current assets			
Property, plant and equipment	4	**86,873**	107,553
Intangible assets	5	**5,880**	11,061
Long term investments	6	**2,603,622**	1,036,280
Long term deposits	7	**2,778**	2,778
		2,699,153	1,157,672
Current assets			
Stores and spares	8	**7,789**	13,266
Stock	9	**86,558**	210,307
Trade debts	10	**35,398**	117,144
Loans and advances	11	**2,595**	50,834
Taxes recoverable		**59,891**	4,814
Deposits, prepayments and other receivables	12	**262,684**	59,961
Short term investments	13	**-**	539,848
Cash and bank balances	14	**300,330**	9,172
		755,245	1,005,346
Assets classified as 'held for sale'	15	**-**	17,088
TOTAL ASSETS		**3,454,398**	2,180,106
EQUITY AND LIABILITIES			
Equity			
Share capital	16	**590,578**	590,578
Capital reserves		**206,666**	206,666
Accumulated profits		**2,048,812**	1,234,247
Unrealized gain on remeasurement of available for sale investments		**15,068**	10,208
		2,861,124	2,041,699
Current liabilities			
Trade and other payables	18	**116,508**	125,818
Short term borrowings	20	**466,487**	12,566
Accrued markup		**10,279**	23
		593,274	138,407
Contingencies and Commitments	21		
TOTAL EQUITY AND LIABILITIES		**3,454,398**	2,180,106

The annexed notes from 1 to 42 form an integral part of these financial statements.

Mujtaba Haider Khan
Chief Executive

Shabbir Hussain Hashmi
Director

Unconsolidated Profit and Loss Account

For the year ended December 31, 2016

(Amounts in thousand except for (loss)/earning per share)

	Note	2016	2015
		--------------Rupees--------------	
CONTINUING OPERATIONS			
Revenue - net	22	**161,234**	175,765
Cost of revenue	23	**(152,080)**	(154,429)
Gross profit		**9,154**	21,336
Dividend income	24	**1,364,708**	1,013,965
Selling and distribution expenses	25	**(22,967)**	(112,004)
Administrative expenses	26	**(65,655)**	(101,813)
		(88,622)	(213,817)
Other income	27	**26,649**	20,083
Finance cost	28	**(28,292)**	(25,596)
Profit before taxation		**1,283,597**	815,971
Taxation	29	**(127,078)**	(193,423)
Profit after taxation		**1,156,519**	622,548
DISCONTINUED OPERATIONS			
(Loss) / Profit from discontinued operations	30	**(41,362)**	659,571
Profit for the year		**1,115,157**	1,282,119
Earnings per share - Basic and diluted			
Continuing operations	31	**19.58**	10.54
(Loss) / earnings per share - Basic and diluted			
Discontinued operations	31	**(0.70)**	11.17

The annexed notes from 1 to 42 form an integral part of these financial statements.

Mujtaba Haider Khan
Chief Executive

Shabbir Hussain Hashmi
Director

Unconsolidated Statement of Comprehensive Income

For the year ended December 31, 2016

(Amounts in thousand)

	Note	2016	2015
		------------- Rupees	-------------
Profit for the year		**1,115,157**	1,282,119
Other comprehensive income / (loss):			
Items that may be reclassified subsequently to profit and loss account			
Gain / (Loss) on remeasurement of available for sale investments		**4,860**	(558)
Items that will not be reclassified to profit and loss account			
Remeasurement of post employment benefits obligation - Actuarial loss	19.1.6	**(5,303)**	(2,793)
		(443)	(3,351)
Total comprehensive income for the year		**1,114,714**	1,278,768

The annexed notes from 1 to 42 form an integral part of these financial statements.

Mujtaba Haider Khan
Chief Executive

Shabbir Hussain Hashmi
Director

Unconsolidated Statement of Changes in Equity

For the year ended December 31, 2016

(Amounts in thousand)

	Share capital	Capital reserves					Accumulated (loss) / profits	Unrealized gain on remeasurement of available for sale investments	Total
		Merger reserve	Share premium reserve	Capital reserve	Capital redemption of reserve fund	Total			
	Rupees								
Balance as at January 1, 2015	590,578	10,521	136,865	33,311	25,969	206,666	(45,079)	10,766	762,931
Profit for the year	-	-	-	-	-	-	1,282,119	-	1,282,119
Other comprehensive loss	-	-	-	-	-	-	(2,793)	(558)	(3,351)
Total comprehensive income for the year	-	-	-	-	-		1,279,326	(558)	1,278,768
Balance as at December 31, 2015	590,578	10,521	136,865	33,311	25,969	206,666	1,234,247	10,208	2,041,699
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,115,157**	**-**	**1,115,157**
Other comprehensive (loss) / income	**-**	**-**	**-**	**-**	**-**	**-**	**(5,303)**	**4,860**	**(443)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,109,854**	**4,860**	**1,114,714**
Transaction with owners									
Final cash dividend for the year ended December 31, 2015 @ Rs. 5 per share	**-**	**-**	**-**	**-**	**-**	**-**	**(295,289)**	**-**	**(295,289)**
Balance as at December 31, 2016	**590,578**	**10,521**	**136,865**	**33,311**	**25,969**	**206,666**	**2,048,812**	**15,068**	**2,861,124**

The annexed notes from 1 to 42 form an integral part of these financial statements.

Mujtaba Haider Khan
Chief Executive

Shabbir Hussain Hashmi
Director

Unconsolidated Statement of Cash Flows

For the year ended December 31, 2016

(Amounts in thousand)

	2016			2015		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	------------------------------	------------------------------	Rupees	------------------------------	------------------------------	
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit / (loss) before taxation	1,283,597	(41,362)	1,242,235	815,971	659,571	1,475,542
Adjustments for non-cash and other items:						
Depreciation	4,165	14,367	18,532	7,044	18,302	25,346
Amortization	5,181	-	5,181	4,689	-	4,689
Provision for gratuity	1,491	18	1,509	6,018	-	6,018
Gratuity transferred from Subsidiary	3,220	-	3,220	-	-	-
Provision for stocks	4,873	-	4,873	6,396	5,026	11,422
Provision for stores and spares	-	4,211	4,211	-	-	-
Provision for doubtful debts	100	-	100	6,289	1,167	7,456
Finance cost	28,292	21	28,313	25,596	50	25,646
Loss/(gain) on disposal of property, plant and equipment	36	-	36	(792)	(762,950)	(763,742)
Dividend income	(1,364,708)	-	(1,364,708)	(1,013,965)	-	(1,013,965)
Capital gain on sale of investments - held for trading	(3,749)	-	(3,749)	(2,510)	-	(2,510)
Unrealised gain on investments - held for trading	-	-	-	(5,337)	-	(5,337)
	(37,502)	(22,745)	(60,247)	(150,601)	(78,834)	(229,435)
Working capital changes						
(Increase) / decrease in current assets						
Stores and spares	1,266	-	1,266	(1,266)	-	(1,266)
Stocks	94,113	24,763	118,876	37,575	16,657	54,232
Trade debts	80,468	1,178	81,646	(78,320)	9,811	(68,509)
Loans and advances	48,462	(223)	48,239	15,645	(52,996)	(37,351)
Deposits, prepayments and other receivables	(202,723)	-	(202,723)	(99,811)	43,124	(56,687)
Increase / (decrease) in current liabilities						
Trade and other payables	3,271	(19,181)	(15,910)	(51,622)	32,146	(19,476)
	24,857	6,537	31,394	(177,799)	48,742	(129,057)
Cash utilized in operations	(12,645)	(16,208)	(28,853)	(328,400)	(30,092)	(358,492)
Gratuity paid	(11,081)	-	(11,081)	(2,731)	-	(2,731)
Deposits transferred on sale of property for cash	-	-	-	-	7,766	7,766
Finance cost paid	(18,057)	-	(18,057)	(30,755)	-	(30,755)
Taxes paid	(182,155)	-	(182,155)	(121,800)	-	(121,800)
Net cash utilized in operating activities	(223,938)	(16,208)	(240,146)	(483,686)	(22,326)	(506,012)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of property, plant and equipment	(1,958)	(1,782)	(3,740)	(17,290)	-	(17,290)
Proceeds from disposal of property, plant and equipment	5,852	-	5,852	3,043	772,698	775,741
Proceeds from disposal of 'held for sale' assets	17,088	-	17,088	-	-	-
Purchase of intangible assets	-	-	-	(1,559)	-	(1,559)
Investment in subsidiaries	(1,562,482)	-	(1,562,482)	(577,795)	-	(577,795)
Purchase of short-term investments	-	-	-	(969,000)	-	(969,000)
Proceeds from disposal of short-term investments	543,597	-	543,597	437,000	-	437,000
Dividend received	1,364,708	-	1,364,708	1,013,965	-	1,013,965
Net cash generated from / (utilized in) investing activities	349,717	15,306	365,023	(111,636)	772,698	661,062
CASH FLOWS FROM FINANCING ACTIVITIES						
Payment of dividend	(287,640)	-	(287,640)	(256)	-	(256)
Net (decrease) / increase in cash and cash equivalents	(161,861)	(902)	(162,763)	(595,578)	750,372	154,794
Cash and cash equivalents at beginning of the year	(940,888)	937,494	(3,394)	(345,310)	187,122	(158,188)
Cash and cash equivalents at end of the year	(1,102,749)	936,592	(166,157)	(940,888)	937,494	(3,394)
CASH AND CASH EQUIVALENTS						
Cash and bank balances			300,330			9,172
Short term borrowings			(466,487)			(12,566)
			(166,157)			(3,394)

The annexed notes from 1 to 42 form an integral part of these financial statements.

Mujtaba Haider Khan
Chief Executive

Shabbir Hussain Hashmi
Director

1. LEGAL STATUS AND OPERATIONS

1.1 Dawood Lawrencepur Limited (the Company) was incorporated in Pakistan in the year 2004 as a public listed company. It was formed as a result of a Scheme of Arrangement for Amalgamation in terms of the provisions of the Companies Ordinance, 1984 between Dawood Cotton Mills Limited, Dilon Limited, Burewala Textile Mills Limited and Lawrencepur Woolen and Textile Mills Limited. The shares of the Company are listed on Pakistan Stock Exchange. The Company is currently engaged in the business of trading and marketing of renewable energy solutions, mainly solar, to commercial and industrial consumers, along with the legacy textile business. The registered office of the Company is situated at 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi in the province of Sindh.

1.2 In prior years, the Company suspended operations of Lawrencepur Woolen and Textile Mills Limited (LWTM), Burewala Textile Mills Limited (BTM), Dilon Limited (DL) and Dawood Cotton Mills Limited (DCM) and sold assets of LWTM. DL and DCM property was sold in 2015. The results of discontinued operations include LWTM and BTM.

1.3 The 'Lawrencepur' brand name continues to operate under license.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

2.1 Basis of preparation

2.1.1 These financial statements have been prepared under the historical cost convention, as modified by remeasurement of certain staff retirement and other service benefits at present value and certain investments which have been remeasured at fair market value.

2.1.2 These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance), directives issued by the Securities and Exchange Commission of Pakistan (SECP) and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Ordinance. In case requirements of the Ordinance or directives issued by the SECP differ with the requirements of these standards, the requirements of the Ordinance and the requirements of the said directives have been followed.

2.1.3 These financial statements are presented in Pakistani Rupees which is the functional currency of the Company.

2.1.4 The preparation of financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

2.2 Initial application of a Standard, Amendment or an Interpretation to an existing Standard

2.2.1 Standard, amendments to published standards and interpretation that are effective in 2016

The following amendments to published standards are mandatory for the financial year beginning on or after January 1, 2016 and are relevant to the Company:

- IAS 27 (Amendment) 'Separate financial statements'. The amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendment does not have any impact on the Company's financial statements.

- IFRS 7, 'Financial instruments: Disclosures'. There are two amendments:

    - Servicing contracts - If an entity transfers a financial asset to a third party under conditions which allow the transferor to derecognize the asset, IFRS 7 requires disclosure of all types of continuing involvement that the entity might still have in the transferred assets. The amendment provides guidance about what is meant by continuing involvement. The amendment is prospective with an option to apply retrospectively.

    - Interim financial statements - The amendment clarifies that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34. The amendment is retrospective.

The amendments only affects the disclosures in the Company's financial statements and interim financial information.

- IAS 1, 'Presentation of financial statements' The amendments provide clarifications on a number of issues, including:

    - Materiality – an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.

    - Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.

    - Notes – confirmation that the notes do not need to be presented in a particular order.

    - OCI arising from investments accounted for under the equity method – the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

    The amendment does not have significant impact on the Company's financial statements.

- IAS 19 (Amendment), 'Employee benefits'. The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used. The amendment is retrospective but limited to the beginning of the earliest period presented. The amendment does not have significant impact on the Company's financial statements.

- IAS 34,'Interim financial reporting'. This amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'. The amendment also amends IAS 34 to require a cross-reference from the interim financial statements to the location of that information. The amendment is retrospective. The amendment only affects the disclosures in the Company's interim financial information.

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on January 1, 2016 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

2.2.2 Standards, amendments to published standards and interpretations that are not yet effective and have not been early adopted by the Company

The following new standards and amendments to published standards are not effective for the financial year beginning on January 1, 2016 and have not been early adopted by the Company:

- IFRS 9 'Financial instruments' (effective for periods beginning on or after January 1, 2018). This standard is yet to be notified by the SECP. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. The Company is yet to asses the impact of the standard.

- IFRS 15, 'Revenue from contracts with customers' (effective for periods beginning on or after January 1, 2018). This standard is yet to be notified by the SECP. This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The Company is yet to assess the full impact of the standard.

- IAS 7 'Cashflow statements: Disclosure initiative' (effective for periods beginning on or after January 1, 2017). This amendment requires disclosure to explain changes in liabilities for which cash flows have been, or will be classified as financing activities in the statement of cash flows. The amendment only covers balance sheet items for which cash flows are classified as financing activities. In case other items are included within the reconciliation, the changes in liabilities arising from financing activities will be identified separately. A reconciliation of the opening to closing balance is not specifically required but instead the information can be provided in other ways. In the first year of adoption, comparative information need not be provided. It is unlikely that the amendment will have any significant impact on the Company's financial statements.

- Amendments to IAS 12, 'Income taxes' on Recognition of deferred tax assets for unrealised losses (effective for periods beginning on or after January 1, 2017). These amendments on the recognition of deferred tax assets for unrealised losses clarify how to account for deferred tax assets related to debt instruments measured at fair value. It is unlikely that the amendment will have any significant impact on the Company's financial statements.

- IFRIC 22,' Foreign currency transactions and advance consideration' (effective for periods beginning on or after January 1, 2018). This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice. It is unlikely that the interpretation will have any significant impact on the Company's financial statements.

- IFRS 16 'Leases' (effective for periods beginning on or after January 1, 2019). This Standard requires lessees to recognize a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. The Company is yet to assess the full impact of the standard.

There are number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

2.3 Property, plant and equipment

2.3.1 Recognition and measurement

Property, plant and equipment, except for free hold land, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Capital work-in-progress is stated at cost less impairment, if any.

Disposal of assets is recognized when significant risks and rewards incidental to ownership have been transferred to the buyer. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in profit and loss.

2.3.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized at the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day to day servicing of property, plant and equipment are recognized in profit and loss as they are incurred.

2.3.3 Depreciation

Depreciation is charged to profit and loss account using straight line method, whereby the cost of an asset is written off over its estimated useful life. Depreciation on additions is charged from the date on which the asset is available for use and on disposals up to the date of disposal. The residual value, depreciation method and the useful lives of each part of property, plant and equipment are reviewed, and adjusted if appropriate, at each reporting date.

2.3.4 Impairment

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.4 Intangible assets

These are capitalized on the basis of the costs incurred to acquire and bring the specific software to use. Software is stated at cost less accumulated amortization and accumulated impairment losses, if any. These are amortized using the 'straight line method' from the month the software is available for use up to the month of its disposal at the rate mentioned in note 5.1. The residual values, useful lives and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

2.5 Financial assets

2.5.1 Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, held to maturity, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) At fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are classified as current assets.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. The Company's loans and receivable comprise trade debts, loans, advances, other receivables and cash and cash equivalents in the balance sheet.

c) Held to maturity

Held to maturity financial assets are non derivative financial assets with fixed or determinable payments and fixed maturity with a positive intention and ability to hold to maturity. There were no held to maturity financial assets at the balance sheet date.

d) Available-for-sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting date.

2.5.2 Recognition and measurement

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs except for financial assets not carried at fair value through profit and loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed to profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held to maturity investments are subsequently carried at amortised cost.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are recognised in profit and loss.

Gains and losses except impairment losses and foreign exchange gain and losses arising from changes in fair value of assets classified as available-for-sale are recognised in other comprehensive income until the financial asset is derecognised. When securities classified as available-for-sale are sold, the accumulated gain or loss previously recognised in other comprehensive income is reclassified from equity to profit and loss.

Interest on available-for-sale assets calculated using the effective interest method is recognised in profit and loss. Dividends on available for sale equity instruments are recognised in profit and loss when the Company's right to receive payments is established.

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for assets carried at amortised cost, the loss is recognised in profit and loss. For available-for-sale financial assets, the cumulative loss is reclassified from equity and recognised in profit and loss. Impairment losses recognised in profit and loss on equity instruments classified as available for sale are not reversed through profit and loss.

2.5.3 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument at their fair value and in the case of a financial liability carried at fair value through profit or loss, the transaction cost incurred thereagainst is also charged to profit or loss. After initial recognition, financial liabilities are measured at amortized cost using the effective interest method except financial liabilities at fair value through profit or loss which are measured at fair value.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit and loss.

2.5.4 Offsetting of financial assets and liabilities

A financial asset and a financial liability are offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.6 Investments in subsidiaries companies

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Further the Company also considers whether:

- It has power over the investee entity;
- It has exposure, right, to variable returns from its involvement with the investee entity; and
- It has the ability to use its power over the investee entity to affect the amount of the Company's returns.

Investment in subsidiary companies are stated at cost less impairment, if any.

2.7 Investment in associate

Associates are all entities over which the Company has significant influence but not control. Investment in associates are carried at cost. The Company determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. if this is the case, the Company calculates the impairment loss at the difference between the recoverable amount of the associates and its carrying value and recognizes it in the profit and loss account.

2.8 Stores and spares

These are valued at weighted average cost except for items in transit which are stated at invoice value plus other charges paid thereon till the balance sheet date. For items which are slow moving and / or identified as surplus to the Company's requirements, adequate provision is made for any excess book value over estimated residual value.

2.9 Stock

Stock is valued at the lower of cost and net realizable value. Cost is determined using weighted average method except for stock in transit, which is stated at cost. Cost includes applicable purchase cost and manufacturing expenses.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.10 Trade and other receivables

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. 'Trade debts' and 'other receivables' considered irrecoverable are written off.

2.11 Trade and other payables

These are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

2.12 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, deposits held with banks and highly liquid investments with original maturity of three months or less. Running finance facilities availed by the Company, if any, which are repayable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of the statement of cash flows.

2.14 Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and

(a) represents a separate major line of business or geographical area of operations;

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

2.15 Employees' retirement benefits - defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods, that benefit is discounted to determine its present value. The calculation is performed at least once annually, by a qualified actuary using the projected unit credit method. The Company operates a Defined Benefit 'Gratuity' Plan, for its regular permanent employees who have completed qualifying period of service. A funded gratuity scheme is in place for the Management employees of the Company's 'Lawrencepur Woolen and Textile Mills Unit' and other employees.

Provisions are made in the financial statements to cover obligations under the scheme. The provisions require assumptions to be made of future outcome which mainly include increase in remuneration, expected return on plan assets and the discount rate used to convert future cash flows to current values. Actuarial gains and losses arising from the actuarial valuation are recognized immediately in other comprehensive income.

2.16 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred and are subsequently measured at amortized cost using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional / contractual right to defer settlement of the liability for atleast twelve months after the balance sheet date.

2.17 Taxation

2.17.1 Current

The current income tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

2.17.2 Deferred

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and the tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax asset is recognized only when it is probable that future taxable profits and taxable temporary differences will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is charged or credited in the profit and loss account, unless it relates to item recognised in equity in which case it is also recognized in equity.

2.18 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable in the normal course of business. Revenue is recognized net of brokerages, commission and trade discounts.

2.18.1 Project revenue

Project revenues and costs relating to projects are recognized by reference to stage of completion of project activity at the reporting date. Stage of completion of a project is determined by applying ‘cost to-cost method’. Under this method stage of completion of a project is determined by reference to the proportion that project cost incurred to date bears to the total estimated contract cost. Expected losses on projects are recognized as an expense immediately.

2.18.2 Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

2.18.3 Interest income

Income from investments and deposits is recognized on an accrual basis.

2.18.4 Dividend income

Dividend income is recognized when the Company's right to receive the dividend is established.

2.18.5 Capital gain

Capital gains / losses arising on sale of investments are included in the profit and loss on the date at which the transaction takes place.

2.19 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred except, to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of such asset.

2.20 Foreign currency translation

Transactions in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at rates of exchange prevailing at the balance sheet date. Foreign exchange differences are recognized in the profit and loss account.

2.21 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to ordinary share holders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.22 Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. The assets are measured at lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognized in profit and loss. Non-current assets classified as held for sale are not depreciated or amortized.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes the strategic decisions.

Management has disclosed information as required by IFRS- 8 'Operating Segments' in note 36 to these financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

3.1 Property, plant and equipment

The Company reviews appropriateness of the rates of depreciation, useful lives and residual values used in the calculation of depreciation charge. Further, where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis.

3.2 Intangible assets

The Company reviews appropriateness of the rate of amortisation and useful life used in the calculation for amortisation. Further where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis.

3.3 Taxation

In making the estimates for current income taxes payable by the Company, the management considers the applicable laws and the decisions / judgments of appellate authorities on certain issues in the past. Accordingly, the recognition of deferred tax is also made, taking into account these judgements and the best estimates of future results of operations of the Company.

3.4 Trade debts

An estimate of the collectible amount of trade debts is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Any difference between the amounts actually collected in future periods and the amounts expected is recognized in the profit and loss account.

3.5 Provision for retirement and other service benefits

The present value of these obligations depend on a number of factors that are determined on actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of these obligations. The present values of these obligations and the underlying assumptions are disclosed in note 19.

3.6 Stock

The Company reviews the net realisable value of stock to assess any diminution in the respective carrying values. Net realisable value is determined with reference to estimated selling price less estimated expenditure to make the sales.

3.7 Revenue

Company estimates the cost to complete the projects in order to determine the stage of completion for the purpose of revenue recognition. These costs include the cost of material, infrastructure, labour and the cost of meeting other contractual obligations to the customer.

(Amounts in thousand)

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Plant and machinery	Furniture, fixtures and office equipment	Computers	Tools and equipment	Vehicles	Renewable energy units	Total
						Rupees					
As at January 1, 2015											
Cost	3,157	1,081	70,557	54,414	377,705	66,882	10,880	15,292	19,373	5,645	624,986
Accumulated depreciation	-	(505)	(64,498)	(45,030)	(296,074)	(48,347)	(8,286)	(4,381)	(12,492)	(677)	(480,290)
Net book value	3,157	576	6,059	9,384	81,631	18,535	2,594	10,911	6,881	4,968	144,696
Year ended December 31, 2015											
Opening net book value	3,157	576	6,059	9,384	81,631	18,535	2,594	10,911	6,881	4,968	144,696
Additions	-	-	-	-	-	1,249	465	1,834	11,762	1,980	17,290
Reclassification											
Cost	-	-	-	-	(118)	-	-	118	-	-	-
Accumulated depreciation	-	-	-	-	19	-	-	(19)	-	-	-
	-	-	-	-	(99)	-	-	99	-	-	-
Disposals											
Cost	-	(1,081)	-	(54,414)	-	(1,673)	(242)	(264)	(6,080)	-	(63,754)
Accumulated depreciation	-	510	-	45,788	-	1,458	238	89	3,672	-	51,755
	-	(571)	-	(8,626)	-	(215)	(4)	(175)	(2,408)	-	(11,999)
Transfer to held for sale											-
Cost	-	-	-	-	-	-	(3,899)	(10,151)	(10,037)	(3,195)	(27,282)
Accumulated depreciation	-	-	-	-	-	-	2,759	2,390	4,180	865	10,194
	-	-	-	-	-	-	(1,140)	(7,761)	(5,857)	(2,330)	(17,088)
Depreciation (note 4.3)	-	(5)	(603)	(758)	(16,327)	(1,925)	(1,568)	(1,427)	(2,056)	(677)	(25,346)
Closing net book value	3,157	-	5,456	-	65,205	17,644	347	3,481	8,322	3,941	107,553
As at December 31, 2015											
Cost	3,157	-	70,557	-	377,587	66,458	7,204	6,829	15,018	4,430	551,240
Accumulated depreciation	-	-	(65,101)	-	(312,382)	(48,814)	(6,857)	(3,348)	(6,696)	(489)	(443,687)
Net book value	3,157	-	5,456	-	65,205	17,644	347	3,481	8,322	3,941	107,553
Year ended December 31, 2016											
Opening net book value	**3,157**	**-**	**5,456**	**-**	**65,205**	**17,644**	**347**	**3,481**	**8,322**	**3,941**	**107,553**
Additions	**-**	**-**	**-**	**-**	**-**	**136**	**-**	**47**	**3,523**	**34**	**3,740**
Disposals (note 4.2)											
Cost	**-**	**-**	**-**	**-**	**-**	**-**	**(438)**	**(241)**	**(7,596)**	**-**	**(8,275)**
Accumulated depreciation	**-**	**-**	**-**	**-**	**-**	**-**	**405**	**171**	**1,811**	**-**	**2,387**
	-	**-**	**-**	**-**	**-**	**-**	**(33)**	**(70)**	**(5,785)**	**-**	**(5,888)**
Depreciation (note 4.3)	**-**	**-**	**(546)**	**-**	**(13,041)**	**(1,771)**	**(237)**	**(421)**	**(2,071)**	**(445)**	**(18,532)**
Closing net book value	**3,157**	**-**	**4,910**	**-**	**52,164**	**16,009**	**77**	**3,037**	**3,989**	**3,530**	**86,873**
As at December 31, 2016											
Cost (note 4.4)	**3,157**	**-**	**70,557**	**-**	**377,587**	**66,594**	**6,766**	**6,635**	**10,945**	**4,464**	**546,705**
Accumulated depreciation	**-**	**-**	**(65,647)**	**-**	**(325,423)**	**(50,585)**	**(6,689)**	**(3,598)**	**(6,956)**	**(934)**	**(459,832)**
Net book value	**3,157**	**-**	**4,910**	**-**	**52,164**	**16,009**	**77**	**3,037**	**3,989**	**3,530**	**86,873**
Annual rate of depreciation (%)	**0%**	**1%**	**10%**	**10%**	**20%**	**10%**	**33%**	**10%**	**20%**	**10%-50%**	

4.1 The above include assets with an aggregate carrying value of Rs. 67,303 (2015: 80,114) which relate to discontinued textile units.

(Amounts in thousand)

4.2 During the year, the following assets have been disposed of:

Description	Sold to	Cost	Accumulated depreciation	Net book value	Sale proceeds
		-------------------------------Rupees			-------------------------------
Vehicle					
Sold to related party under Company Policy	Dawood Hercules Corporation Limited, a related party	7,596	1,811	5,785	5,785
Computers					
Sold to related party under Company Policy	Reon Energy Limited, a subsidiary company	226	193	33	47
By Company policy to existing / separating executives	Inam ur Rahman (Chief Executive Officer)	212	212	-	20
Tools and equipment					
By Company policy to existing / resigned / retired executives	Inam ur Rahman (Chief Executive Officer)	151	119	32	-
	Hafsa Shamsie (Chief Financial Officer)	90	52	38	-
		679	576	103	67
December 31, 2016		8,275	2,387	5,888	5,852
December 31, 2015		63,754	51,755	11,999	775,741

The above disposals include assets sold to employees under Company's HR policy.

	2016	2015
	--------------Rupees	-------------
4.3 Depreciation for the year has been allocated as under:		
Selling and distribution expenses (note 25)	**443**	1,249
Administrative expenses (note 26)	**18,089**	24,097
	18,532	25,346

4.4 The Company's assets include demonstration equipments having cost of Rs. 1,980 (2015: Rs. 1,980) which have been installed at The Searle Company Limited. It was installed as demo project and for the purposes of obtaining tests regarding generation of electricity.

(Amounts in thousand)

		2016	2015
		--------------Rupees-------------	
5.	**INTANGIBLE ASSETS - Computer software**		
	Balance at beginning of the year	**11,061**	608
	Additions at cost	**-**	15,142
	Amortization charged for the year (notes 5.1 and 26)	**(5,181)**	(4,689)
	Balance at end of the year	**5,880**	11,061
	Gross carrying value		
	Cost	**19,896**	19,896
	Less: Accumulated amortization	**(14,016)**	(8,835)
	Net book value	**5,880**	11,061

5.1 The above intangible cost is being amortized over 3 years.

		2016	2015
6.	**LONG TERM INVESTMENTS**		
	Investment in related parties at cost (note 6.1)	**2,586,099**	1,023,617
	Other investments (note 6.2)	**17,523**	12,663
		2,603,622	1,036,280
6.1	**Investment in related parties - at cost**		
	Subsidiary - unquoted		
	Tenaga Generasi Limited Percentage holding 75% (2015: 75%) 227,027,613 (2015: 91,379,552) fully paid ordinary shares of Rs. 10/- each (note 6.1.1)	**2,294,804**	938,323
	Wholly owned subsidiaries - unquoted		
	Mozart (Private) Limited Percentage holding 100% (2015: Nil) 100 (2015: Nil) fully paid ordinary shares of Rs. 10/- each	**1**	-
	Reon Energy Limited Percentage holding 100% (2015: 100%) 22,600,000 (2015: 2,000,000) fully paid ordinary shares of Rs. 10/- each (note 6.1.2)	**226,000**	20,000
	Associate - quoted		
	Dawood Hercules Corporation Limited Percentage holding 16.19% (2015: 16.19%) 77,931,896 (2015: 77,931,896) fully paid ordinary shares of Rs. 10/- each Market value Rs. 11,247,910 (2015: 9,285,000)	**65,294**	65,294
		2,586,099	1,023,617

6.1.1 During the year, the Company subscribed 135,648,061 (2015: 56,779,552) ordinary shares of Tenaga Generasi Limited having face value of Rs. 10 each, against right offer.

6.1.2 During the year, the Company subscribed 20,600,000 (2015: 2,000,000) ordinary shares of Reon Energy Limited having face value of Rs. 10 each, against right offer.

(Amounts in thousand)

6.1.3 The Company has pledged 66,262,722 (2015: 66,262,722) ordinary shares of Rs. 10 each Dawood Hercules Corporation Limited and 34,599,995 (2015: 34,599,995) ordinary shares of Rs. 10 each of Tenaga Generasi Limited against various financing facilities procured from commercial banks (notes 20 and 21.2).

6.2 Other investments

- Available for sale investments

2016	2015	Name of investee	2016	2015
Units / No. of Shares			--------------Rupees-------------	
		Listed Securities		
200,000	20,000	National Invsetment (Unit) Trust	**17,508**	12,648
		Un-Listed Securities		
1,500	1,500	Asian Co-operative Society Limited	**15**	15
			17,523	12,663

6.3 Reconciliation between fair value and cost of investments classified as 'available for sale'

	2016	2015
Fair value of investments	**17,523**	12,663
Surplus on remeasurement of investments as at year end	**(15,068)**	(10,208)
Cost of investments	**2,455**	2,455

7. LONG TERM DEPOSITS

	2016	2015
Deposits for utilities	**1,718**	1,718
Others	**1,060**	1,060
	2,778	2,778

8. STORES AND SPARES

	2016	2015
Stores	**11,090**	12,356
Spares	**4,488**	4,488
	15,578	16,844
Less: Provision for slow moving and obsolete items (note 8.1)	**(7,789)**	(3,578)
	7,789	13,266

8.1 The movement in provision during the year is as follows:

	2016	2015
Balance at the beginning of the year	**(3,578)**	(3,578)
Add: Charge for the year	**(4,211)**	-
Balance at the end of the year	**(7,789)**	(3,578)

9. STOCK

	2016	2015
Renewable energy		
Finished goods (notes 9.1 and 9.2)	**52,816**	146,929
Provision for slow moving and obsolete items (note 9.3)	**(16,484)**	(11,611)
	36,332	135,318
Textile		
Finished goods	**62,077**	86,840
Provision for write down to net realisable value (note 9.3)	**(11,851)**	(11,851)
	50,226	74,989
	86,558	210,307

(Amounts in thousand)

9.1 The above includes stock with an aggregate carrying value of Rs. 406 (2015: Rs. 500) which is held by third party at reporting date.

9.2 This includes stock in transit amounting to Rs. 7,839 (2015: Nil).

	2016	2015
	--------------Rupees-------------	
9.3 The movement in provision during the year is as follows:		
Balance at the beginning of the year	**23,462**	12,040
Add: charge for the year	**4,873**	11,422
Balance at the end of the year	**28,335**	23,462

10. TRADE DEBTS

	2016	2015
- Unsecured, considered good		
Renewable energy - projects (note 10.6)	**15,510**	109,983
Textile (note 10.6)	**424**	1,602
Gross amount due from customers (note 10.5)	**17,546**	4,365
Renewable energy - others	**1,918**	1,194
	35,398	117,144
- Considered doubtful		
Renewable energy	**3,059**	1,792
Textile	**-**	1,167
	3,059	2,959
	38,457	120,103
Provision for doubtful debts (note 10.4)	**(3,059)**	(2,959)
	35,398	117,144

10.1 As at December 31, 2016, trade debts aggregating to Rs. 29,737 (2015: Rs.7,125) were past due but not impaired. These relate to various customers which have either been confirmed / acknowledged by the customer or cleared subsequent to the year end. The aging analysis is as under:

	2016	2015
	--------------Rupees-------------	
Upto 1 month	**79**	813
More than 1 month	**29,658**	6,312
	29,737	7,125

10.2 As at December 31, 2016, trade debts aggregating to Rs. 5,661 (2015: Rs.110,020) were neither past due nor impaired. The credit quality of these receivables can be assessed with reference to their historical performance with no defaults ever.

10.3 As at December 31, 2016, trade debts aggregating to Rs. 3,059 (2015: 2,959) were deemed to have been impaired and provided for. These have been outstanding for more than six months.

10.4 The movement in provision during the year is as follows:

	2016	2015
	--------------Rupees-------------	
Balance at the beginning of the year	**2,959**	17,120
Add: Provision - net during the year (note 26)	**100**	2,872
Less: Trade debts written off	**-**	(17,033)
Balance at the end of the year	**3,059**	2,959

(Amounts in thousand)

		2016	2015
		--------------Rupees-------------	
10.5	Gross amount due from customers:		
	Contract costs incurred plus recognized profits less recognized losses	**135,631**	4,968
	Less : Progress billings	**(118,085)**	(603)
		17,546	4,365

10.6 Includes amounts due from related parties as follows:

	Amount Outstanding	Maximum month end balance
	---------------Rupees--------------	
December 31, 2016		
Sach International (Private) Limited	**150**	150
Director	**1,738**	1,738
December 31, 2015		
Sach International (Private) Limited	**2,769**	2,769
Director	**1,738**	1,738

10.7 As at December 31, 2016, receivables aggregating to Rs. 1,888 (2015: 4,507) from related parties were past due but not impaired. The aging analysis of these receivables is as follows:

	2016	2015
	--------------Rupees-------------	
More than 3 months	**1,888**	4,507

		2016	2015
11.	**LOANS AND ADVANCES - unsecured, considered good**		
	Loans and advances to:		
	- Executives (notes 11.1, 11.2 and 11.3)	**799**	167
	- Other employees (note 11.2)	**433**	1,010
		1,232	1,177
	Advance to suppliers	**1,363**	49,657
		2,595	50,834
11.1	**Reconciliation of the carrying amount of loans to employees**		
	Balance at beginning of the year	**167**	2,398
	Transferred from / (to) the subsidiary company	**185**	(1,650)
	Disbursements	**1,153**	-
	Repayments	**(706)**	(581)
	Balance at end of the year	**799**	167

11.2 This represent interest free loan and advances to employees in accordance with the terms of the employment.

(Amounts in thousand)

11.3 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 816 (2015: Rs. 454).

	2016	2015
	--------------Rupees-------------	
12. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES - Unsecured, considered good		
Security deposits	10,314	6,797
Prepayments	1,796	1,538
Sales tax	1,766	8,987
Others (note 12.1)	248,808	42,639
	262,684	59,961

12.1 This includes amount due from related parties as follows:

	Amount Outstanding	Maximum month end balance
	---------------Rupees--------------	
December 31, 2016		
Sach International (Private) Limited	9,605	16,779
Tenaga Generasi Limited	24,256	75,562
Reon Energy Limited	207,014	207,014
Dawood Hercules Corporation Limited	6,342	6,342
Mozart (Private) Limited	5	5
	247,222	305,702
December 31, 2015		
Sach International (Private) Limited	9,802	12,087
Tenaga Generasi Limited	30,998	31,413
Reon Energy Limited	1,839	1,839
	42,639	45,339

12.2 As at December 31, 2016, receivables from related parties aggregating to Rs. 165,874 (2015: 40,628) were past due but not impaired. The aging analysis of these receivables is as follows:

	2016	2015
	--------------Rupees-------------	
Upto 3 month	85,292	4,879
3 to 6 months	31,843	254
More than 6 months	48,739	35,495
	165,874	40,628
13. SHORT TERM INVESTMENTS		
At fair value through profit or loss		
MCB Cash Management Optimizer Fund	-	539,848

The Company holds Nil (2015: 5,236) units of MCB Cash Management Optimizer Fund, at cost of Nil (2015: Rs. 102.08) per unit, with Net Asset Value of Rs. Nil (2015: Rs. 103.10) per unit.

(Amounts in thousand)

14. CASH AND BANK BALANCES

	2016	2015
	--------------Rupees-------------	
Cash in hand	**413**	189
Cash at bank on:		
- current accounts	**10,101**	6,652
- deposit accounts (note 14.1)	**289,816**	2,331
	299,917	8,983
	300,330	9,172

14.1 These represent deposits with commercial banks and carry profit at the rates ranging from 3.7% to 4% (2015: 4.4% to 5.5%) per annum.

15. ASSETS CLASSIFIED AS HELD FOR SALE

	2016	2015
	--------------Rupees-------------	
Property, plant and equipment	**-**	17,088

During the year 2015, based on the shareholder's approvals the above assets were transferred to Reon Energy Limited, the wholly owned subsidiary at book values.

16. SHARE CAPITAL

2016	2015		2016	2015
(No of Shares)			--------------Rupees-------------	
75,000,000	75,000,000		**750,000**	750,000

Issued, subscribed and paid up capital

2016	2015		2016	2015
2,204,002	2,204,002	Ordinary shares of Rs.10 each fully paid in cash	**22,040**	22,040
12,805,118	12,805,118	Issued for consideration o ther than cash	**128,051**	128,051
44,048,739	44,048,739	Fully paid as bonus	**440,087**	440,087
59,057,859	59,057,859		**590,578**	590,578

16.1 Associates holding of the Company's share capital are as under:

	2016	2015
	Number of Shares	
Dawood Corporation (Private) Limited	**29,016,622**	29,277,716
Patek (Private) Limited	**3,501,884**	3,501,884
Cyan Limited	**2,965,095**	2,965,095
Dawood Industries (Private) Limited	**494,921**	494,921
Sach International (Private) Limited	**3,776**	3,776
	35,982,298	36,243,392

16.2 The Company has one class of ordinary shares which carry no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

(Amounts in thousand)

17. DEFERRED TAXATION

As at December 31, 2016, deferred tax asset amounting to Rs. 463,704 (2015: Rs. 480,370) has not been recognised in these financial statements as the Company expects that its income will be taxable under alternate corporate tax and final tax regime in future.

18. TRADE AND OTHER PAYABLES

	2016	2015
	--------------Rupees-------------	
Creditors (note 18.1)	14,828	5,370
Accrued expenses (note 18.2)	28,465	11,402
Unclaimed dividend	36,859	29,210
Due to Islamic Development Bank (note 18.3)	25,969	25,969
Due to customers of energy projects (note18.4)	530	40,005
Advance from customers and others	83	5,816
Payable to gratuity fund (note 19)	5,285	6,334
Deposits	377	377
Withholding tax	4,112	1,335
	116,508	125,818

18.1 These include amounts due to following related parties:

	2016	2015
The Dawood Foundation	-	361
Reon Energy Limited	11,266	-
Dawood Hercules Corporation Limited	12	1,805
	11,278	2,166

18.2 This includes Rs. 5,800 (2015: 5,800) on interest payable to National Investment (Unit) Trust (NIT) in respect of deposit received for subscription of shares in the Company. During the year, the High Court of Sindh has decided the case in favour of NIT and the Company's is negotiating with NIT for amicable settlement.

18.3 This represents amount payable against the preference shares issued before amalgamation in the year 2004, by one of the merged entity to Islamic Development Bank with a right to redeem. The merged entity had served notice to the Bank for redemption before the scheme of amalgamation and redemption reserve had been created.

	2016	2015
	--------------Rupees-------------	
18.4 Due to customers of energy projects:		
Contract costs incurred plus recognized profits less recognized losses	8,610	59,453
Less : Progress billings	(9,140)	(99,458)
Gross amount due to customers	(530)	(40,005)

18.5 All deposits are interest free and are payable on demand.

19. STAFF RETIREMENT BENEFITS

	2016	2015
Staff retirement gratuity	5,285	6,334

19.1 The details of staff retirement benefit obligation based on actuarial valuation carried out by independent actuary as at December 31, 2016 using the Projected Unit Credit Method are as follows:

19.1.1 Following significant assumptions were used for determining the gratuity liability:

(Amounts in thousand)

	2016	2015
	--------------Rupees-------------	
Discount rate	8.00	10.00
Expected rate of salary increase	7.00	9.00
Expected return on plan assets	8.00	10.00

19.1.2 Balance sheet reconciliation

	2016	2015
Present value of defined benefit obligation (note 19.1.3)	8,213	9,149
Fair value of plan assets (note 19.1.4)	(2,928)	(2,815)
Net liability at end of the year	5,285	6,334

19.1.3 Movement in present value of defined benefit obligation

	2016	2015
Present value of defined benefit obligation at beginning of the year	9,149	20,370
Current service cost	1,547	4,175
Past service cost	(118)	
Interest cost	361	2,138
Benefits paid	(11,081)	(2,731)
Liability transferred from / (to) subsidiary company	3,220	(17,494)
Remeasurements: experience adjustments	5,135	2,691
Present value of defined benefit obligation at end of the year	8,213	9,149

19.1.4 Movement in fair value of plan assets

	2016	2015
Fair value of plan assets at beginning of the year	2,815	2,622
Contributions by the Company	11,081	2,731
Interest income	281	295
Benefits paid	(11,081)	(2,731)
Remeasurement loss on plan assets excluding interest income	(168)	(102)
Fair value of plan assets at end of the year	2,928	2,815

19.1.5 Expense recognized in profit and loss account

	2016	2015
Current service cost	1,547	4,175
Past service cost	(118)	-
Interest cost on defined benefit obligation	361	2,138
Interest income on plan assets	(281)	(295)
Expense for the year	1,509	6,018

19.1.6 Remeasurement losses recognized in other comprehensive income

	2016	2015
Experience adjustments on obligation	5,135	2,691
Loss on plan assets	168	102
	5,303	2,793

19.1.7 Net recognized liability

	2016	2015
Net liability at beginning of the year	6,334	17,748
Expense recognized in profit and loss account	1,509	6,018
Remeasurement losses recognized in other comprehensive income	5,303	2,793
Liability transferred from / (to) subsidiary company	3,220	(17,494)
Contributions during the year	(11,081)	(2,731)
Net liability at end of the year	5,285	6,334

(Amounts in thousand)

19.1.8 Plan assets comprise of following:

	2016	2015
	--------------Rupees-------------	
Investment in mutual funds	**2,783**	2,670
Cash at bank	**145**	145
	2,928	2,815

	2016	2015
	---------------- % ----------------	
Investment in mutual funds	**95**	95
Cash at bank	**5**	5
	100	100

19.1.9 The sensitivity of the defined benefit obligation to changes in weighted principal assumptions is:

	2016	2015
	--------------Rupees-------------	
Discount rate (+100 bps)	**7,674**	8,196
Discount rate (-100 bps)	**8,817**	10,241
Future salary increase rate (+100 bps)	**8,825**	10,254
Future salary increase rate (-100 bps)	**7,658**	8,169

The sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability for gratuity recognized within the balance sheet.

19.1.10 The weighted average duration of the defined benefit obligation is 7 years.

19.1.11 Expected future cost for the year ending December 31, 2017 is Rs. 991.

19.1.12 Historical information of staff retirement benefits:

	2016	2015	2014	2013	2012
	--------------------------------------Rupees--------------------------------------				
Present value of defined benefit obligation	**(8,213)**	(9,149)	(20,370)	(11,711)	(84,838)
Fair value of plan assets	**2,928**	2,815	2,622	2,292	2,283
Deficit	**(5,285)**	(6,334)	(17,748)	(9,419)	(82,555)

20. SHORT TERM BORROWINGS

This represents utilized portion of running finance facilities obtained from the financial institutions of Rs 1,150,000 (2015: Rs. 650,000) under a mark-up arrangement. The facilities are subject to markup ranging from 3 months KIBOR + 0.90% to 1% which is determined at the start of each quarter and is payable on quarterly basis in arrears. The running finance under mark-up arrangement is secured by way of deposit of title deeds of land and pledge over Company's investment in related parties.

(Amounts in thousand)

21. CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

21.1.1 Disallowances of expenses claimed (Tax year 2003)

The Company had filed an appeal against the order of Commissioner Inland Revenue (Appeals) [CIR(A)] before Appellate Tribunal Inland Revenue (ATIR) on disallowance of expenses of gratuity, lease rentals, employee perquisites and utilities aggregating to Rs. 18,600. The appeal has been heard and the case has been set aside by the Tribunal and remanded back to the Taxation Officer for reconsideration. The tax incidence of above mentioned disallowances is Rs.6,500. The Taxation Officer has not yet initiated any proceedings.

21.1.2 Expenses not allocated to dividend income (Tax years 2004, 2005 and transition year 2005).

The Additional Commissioner Inland Revenue (ACIR) in his order amended the amount of allocation of expenses from business income to capital gain and dividend income to Rs. 62,500 from the original allocation of Rs. 136,100 resulting in reduction in tax incidence to Rs. 21,900. The Company filed an appeal before CIR (A) on this matter, who upheld the order of ACIR. Thereafter, the Company again filed an appeal before ATIR which is pending hearing.

21.1.3 Losses of amalgamating companies claimed (Tax year 2004)

The ATIR has disallowed adjustment of assessed losses of amalgamating companies amounting to Rs. 20,620 against the income of the Company. The Company has filed an appeal in Lahore High Court on this matter. The matter is yet to be decided by the High Court.

21.1.4 Dividend income offset against business losses (Tax years 2008 and 2009)

The CIR (A) in his order did not allow to set off dividend income against business losses of tax years 2008 & 2009 having tax impact of Rs. 13,920. The Company filed an appeal before ATIR for both years which is pending hearing.

21.1.5 Sales tax audit

Sales tax audit was initiated by the department for the July 2010 to June 2011. The Company received an order from DCIR, raising an erroneous demand of Rs. 5,880 relating mainly to inadmissible input taxes, non-payment of sales tax on scrap scales and non-payment of withholding sales tax. The Company filed an appeal against the order before CIR(A) who upheld the demand of DCIR. Subsequently the Company again filed an appeal before ATIR which is pending hearing.

21.1.6 Tax audit (Tax Year 2014)

The Company had been selected in balloting for audit proceeding u/s 214C read with section 177 of Income Tax Ordinance, 2001 during October 2015 and the audit has been duly completed. Thereafter a show-cause notice was issued by the department against which the Company filed an application of stay in Sindh High Court. The matter is yet to be decided by the Sindh High Court.

21.1.7 The High Court of Sindh has decided that the Company's Appeal in its case against the National Investment (Unit) Trust (NIT) is devoid of merit and the Company's is negotiating with NIT for an amicable settlement.

21.1.8 The Company is contingently liable for following guarantees and counter guarantees:

- Rupee denominated bank guarantees of Rs. 110,067 (December 2015: Rs.68,310) favoring various local vendors.

(Amounts in thousand)

- A bank guarantee of USD 1,732 (December 2015: 1,732) favoring National Transmission and Dispatch Company issued on behalf of a subsidiary 'Tenaga Generasi Limited'.

- The Company is contingently liable to provide support to its subsidiary, Tenaga Generasi Limited, for an amount of USD 3,240 (2015: 13,000) to finance Project cost overruns.

21.2 Commitments

21.2.1 The Company is committed, as Sponsor, to purchase shares of Tenaga Generasi Limited from International Finance Corporation (IFC) on exercise of put option by IFC under the Shareholders' Agreement under conditions (i) at any time during the period beginning on the seventh anniversary of the first subscription until Liquidity date; or (ii) in the event that Tenaga Generasi Limited and the Company breach any of the obligation set out in the shareholders' agreement.

	2016	2015
	--------------Rupees-------------	
21.2.2 Commitment in respect of operating lease arrangements		
Not later than one year	7,551	6,803

The company has signed lease agreements for premises on rent from Dawood Foundation, a related party, for Karachi office which is due to expire in September 2017. The same is revocable by either party through prior notice of at least 3 months.

21.2.3 The Company has commitments against letters of credit outstanding for purchase of renewable energy goods of Rs. 8,394 (December 31, 2015: Nil).

	2016	2015
	--------------Rupees-------------	
22. REVENUE - NET		
Renewable energy		
Project revenue (note 22.1)	163,532	167,946
Solar lights	1,667	11,527
Others	3,428	5,339
	168,627	184,812
Less: Return and discount	-	(1,865)
Less: Sales Tax	(7,393)	(7,182)
	161,234	175,765
Textile		
Fabric	22,270	27,681
Less: Sales Tax	(1,070)	(1,304)
	21,200	26,377
Related to discontinued operations (note 30)	(21,200)	(26,377)
	161,234	175,765

22.1 This includes Rs. 14,345 (2015: Rs. 62,014) relating to projects in progress at reporting date.

(Amounts in thousand)

	2016	2015
	--------------Rupees-------------	
23. COST OF REVENUE		
Renewable energy		
Opening stock	**146,929**	184,504
Purchases and related expenses	**53,094**	105,432
Provision for slow moving and obsolete items	**4,873**	11,422
Closing stock	**(52,816)**	(146,929)
Cost of goods sold (note 23.1)	**152,080**	154,429
Textile		
Opening balance	**86,840**	108,055
Provision for slow moving and obsolete stores and spares and other adjustments	**4,197**	4,570
Donations	**(1,461)**	(2,975)
Closing balance	**(62,077)**	(86,840)
	27,499	22,810
Related to discontinued operations (note 30)	**(27,499)**	(22,810)
	152,080	154,429

23.1 It includes Rs. 13,259 (2015: Rs. 59,902) relating to projects in progress at reporting date.

	2016	2015
	--------------Rupees-------------	
24. DIVIDEND INCOME		
Dividend Income		
Dawood Hercules Corporation Limited	**1,363,808**	1,013,115
National Investment (Unit) Trust	**900**	850
	1,364,708	1,013,965
25. SELLING AND DISTRIBUTION EXPENSES		
Salaries and allowances (note 25.1)	**13,304**	66,855
Sales promotion	**2,246**	1,333
Storage and forwarding	**361**	571
Depreciation (note 4.3)	**443**	1,249
Conveyance and travelling	**138**	12,262
Fees and subscription	**1,135**	6,761
Postage and telephone	**57**	1,518
Electricity, gas and water	**261**	562
Rent, rates and taxes	**1,800**	2,455
Printing and stationery	**9**	194
Repairs and maintenance	**236**	1,800
Freight and insurance	**795**	1,108
Advertisement	**2,398**	14,456
Miscellaneous	**57**	1,424
	23,240	112,548
Related to discontinued operations (note 30)	**(273)**	(544)
	22,967	112,004

25.1 This includes staff retirement benefits of Nil (2015: Rs. 2,547).

(Amounts in thousand)

	2016	2015
	--------------Rupees-------------	
26. ADMINISTRATIVE EXPENSES		
Salaries and allowances (note 26.1)	57,352	92,115
Legal and professional	15,856	24,820
Rent, rates and taxes	2,206	8,725
Electricity and gas	7,891	13,887
Depreciation (note 4.3)	18,089	24,097
Printing and stationery	2,666	3,028
Fees and subscription	9,819	19,809
Insurance	3,863	3,461
Conveyance and travelling	622	5,801
Repairs and maintenance	2,115	4,995
Postage and telephone	576	2,248
Entertainment	964	2,332
Auditors' remuneration (note 26.2)	5,352	625
Amortization (note 5)	5,181	4,689
Provision for doubtful debts - net	100	2,872
Miscellaneous	3,137	6,588
	135,789	220,092
Related to discontinued operations (note 30)	(70,134)	(118,279)
	65,655	101,813

26.1 This includes staff retirement benefits of Rs. 1,509 (2015: Rs. 3,471).

	2016	2015
	--------------Rupees-------------	
26.2 Auditors' remuneration		
Fee for:		
- annual statutory audit	450	400
- half yearly review	170	170
- consolidated financial statements	55	55
- certification and other advisory services	4,677	-
	5,352	625

	2016	2015
	--------------Rupees-------------	
27. OTHER INCOME		
Income from financial assets		
Profit on deposits	2,068	1,098
Capital gain on sale of investments - held for trading	3,749	2,510
Unrealized gain on investments - held for trading	-	5,337
	5,817	8,945
Income from non-financial assets and others		
Sale of stock (note 27.1)	223,778	-
Related cost	(223,778)	-
	-	-
(Loss)/gain on disposal of property, plant and equipment (note 27.2)	(36)	763,742
Royalty income	15,903	9,557
Storage income	23,854	2,954
Others	16,476	9,762
	56,197	786,015
	62,014	794,960
Related to discontinued operations (note 30)	(35,365)	(774,877)
	26,649	20,083

(Amounts in thousand)

27.1 Represents renewable energy stock purchased on behalf of and sold to Reon Energy Limited, a wholly owned subsidiary.

27.2 During the year 2015, the Company disposed of property, plant and equipment relating to Dawood Cotton Mills and Dillon Limited, at a price of Rs. 772,234 with net book value of Rs. 9,412 respectively.

	2016	2015
	--------------Rupees-------------	
28. FINANCE COST		
Mark-up on running finance	**27,053**	24,254
Bank charges	**1,260**	1,392
	28,313	25,646
Related to discontinued operations (note 30)	**(21)**	(50)
	28,292	25,596
29. TAXATION		
Current		
For the year	**171,648**	193,423
For the prior year-net (note 29.1)	**(44,570)**	-
	127,078	193,423

29.1 Includes 'Super Tax for rehabilitation of temporary displaced persons' at the rate of 3% on specified income for the tax year 2016 (i.e. for the year ended December 31, 2015) levied through Finance Act 2016.

29.2 Relationship between tax expense and accounting profit

The relationship between tax expense and accounting profit has not been presented in these financial statements as the majority of the income falls under final tax regime whereas other income is separately taxed under respective sections of the Income Tax Ordinance, 2001.

	2016	2015
	--------------Rupees-------------	
30. (LOSS) / PROFIT FROM DISCONTINUED OPERATIONS		
Revenue - net (note 22)	**21,200**	26,377
Cost of revenue (note 23)	**(27,499)**	(22,810)
Gross (loss) / income	**(6,299)**	3,567
Selling and distribution expenses (note 25)	**(273)**	(544)
Administrative expenses (note 26)	**(70,134)**	(118,279)
Other income (note 27)	**35,365**	774,877
Finance cost (note 28)	**(21)**	(50)
Net (loss)/ profit from discontinued operations	**(41,362)**	659,571

31. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earning per share of the Company, which is based on:

(Amounts in thousand)

	2016	2015
	--------------Rupees-------------	
Continuing operations		
Profit for the year	**1,156,519**	622,548
Weighted average number of ordinary shares	**59,058**	59,058
Earnings per share	**19.58**	10.54
Discontinued operations		
(Loss) / profit for the year	**(41,362)**	659,571
Weighted average number of ordinary shares	**59,058**	59,058
(Loss) / earnings per share	**(0.70)**	11.17

32. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2016			2015		
	Directors		Executives	Directors		Executives
	Chief Executive	Others		Chief Executive	Others	
	-------------------------------------Rupees---					
Managerial remuneration	1,170	-	12,994	2,708	-	37,256
Bonus	952	-	905	-	-	-
House rent allowance	585	-	434	1,354	-	4,859
Utilities	292	-	96	677	-	1,080
Bonus				-	-	
Retirement benefits	108	-	993	308	-	4,796
Employee share options				-	-	-
Fees	-	1,350	-	-	850	-
Other benefits	237	-	9,082	406	-	27,728
Fees	-	-	-	-	-	-
Total	3,344	1,350	24,504	5,453	850	75,719
Number of persons, including those who worked part of the year	2	4	13	1	4	33

32.1 This includes amount charged by the subsidiary company in respect of shared employees.

32.2 The Chief Executive of the Company is also entitled to use company maintained vehicle.

(Amounts in thousand)

33. FINANCIAL INSTRUMENTS BY CATEGORY

33.1 Financial assets as per balance sheet

	2016	2015
	--------------Rupees-------------	
- Available for sale investments		
Long term investment	**17,523**	12,663
- Loans and receivables at amortized cost		
Long term deposits	**2,778**	2,778
Trade debts	**35,398**	117,144
Loans and advances	**1,232**	1,177
Deposits and other receivables	**259,122**	49,436
Cash and bank balances	**300,330**	9,172
	598,860	179,707
- Fair value through profit and loss		
Short tem investment	**-**	539,848

33.2 Financial liabilities as per balance sheet

	2016	2015
- Financial liabilities measured at amortized cost		
Trade and other payables	**106,498**	72,328
Accrued interest / mark-up	**10,279**	23
Short term borrowings	**466,487**	12,566
	583,264	84,917

33.3 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

34. FINANCIAL RISK MANAGEMENT

34.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of the financial markets for having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to the shareholders. Risk management is carried out by the Company's finance department under the policies approved by the Company's Board of Directors.

a) Market risk

i) Currency risk

Currency risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to payables to foreign suppliers of goods in foreign currency. The Company deals in local sales and does not have any foreign currency exports or foreign debtors.

(Amounts in thousand)

At December 31, 2016, if the Pakistan Rupee had weakened/strengthened by 5% against the Euro with all other variables held constant, the effect on post-tax profit for the year would have been immaterial.

ii) Interest rate risk

Interest rate risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises primarily from short term borrowings. Borrowings at variable rates expose the Company to cash flow interest rate risk. As there are no borrowings at fixed rates, the Company is not exposed to fair value interest rate risk.

The Company analyses its interest rate exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and taking into account various other financing options available. For borrowing at variable rates, the rates are determined in advance for stipulated periods with reference to KIBOR.

At December 31, 2016, if interest rates on the Company's borrowings had been 1% higher / lower with all other variables held constant, post-tax profit for the year would have been lower / higher by Rs. 4,665 (2015: lower / higher by Rs. 125).

iii) Other price risk

Price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to price risk as it carries no price sensitive financial instruments as at December 31, 2016.

b) Credit risk

Credit risk represents the risk of financial loss being caused if counter parties fail to discharge their obligations.

Credit risk arises from deposits with banks and financial institutions, trade debts, loans, advances, deposits and other receivables. The maximum exposure to credit risk is equal to the carrying amount of financial assets.

As at December 31, 2016, the Company has significant concentration of credit risk resulting from receivable from Reon Energy Limited amounting to Rs. 207,014 (2015: Rs. 1,839) and deposits with banks and financial institutions amounting to Rs. 299,917 (2015: Rs. 8,983). The credit risk on liquid funds is limited because the counter parties are related parties and banks with reasonably high credit ratings as follows:

Banks/ Investment	Rating Agency	**2016**	
		Short term	**Long term**
Habib Bank Limited	JCR-VIS	**A1+**	**AAA**
National Bank of Pakistan	PACRA	**A1+**	**AAA**
Standard Chartered Bank Pakistan Limited	PACRA	**A1+**	**AAA**
Bank Al-Habib Limited	PACRA	**A1+**	**AA+**
National Investment Trust	PACRA	**-**	**AM2+**

(Amounts in thousand)

The Company attempts to control credit risk arising on receivable from Reon Energy Limited through legally binding agreements that are signed between the two parties.

c) **Liquidity risk**

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with its financial liabilities. The Company's liquidity management involves projecting cash flows and consider the level of liquid funds necessary to meet these, monitoring balance sheet liquidity ratios against external regulatory requirements and maintaining debt financing plans. These objectives are achieved by maintaining sufficient cash and readily marketable securities and availability of funding through committed credit facilities. Due to dynamic nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2016			2015		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
	----------	----------	----------	Rupees	----------	----------
Trade and other payables	106,498	-	106,498	72,328	-	72,328
Accrued interest / mark-up	10,279	-	10,279	23	-	23
Short term borrowings	466,487	-	466,487	12,566	-	12,566
	583,264	-	583,264	84,917	-	84,917

34.2 Fair value estimation

The table below analyzes financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (level 3)

	Level 1	Level 2	Level 3	Total
	----------	Rupees	----------	----------
Assets				
Available for sale financial asset				
- Long term investments	17,523	-	-	17,523

34.2.1 There were no changes in valuation techniques during the year.

35. CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital, i.e. its shareholders' equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

(Amounts in thousand)

The Company manages its capital by maintaining gearing ratio at certain level. The ratio is calculated as net debt divided by total capital. Total capital is calculated as 'equity' in the balance sheet plus net debt. The gearing ratio as at December 31 is at follows:

	2016	2015
	--------------Rupees------------	
Short term borrowings	466,487	12,566
Cash and bank balances	(300,330)	(9,172)
Net debt	166,157	3,394
Total equity	2,861,124	2,041,699
Total capital	3,027,281	2,045,093
Debt to equity ratio	0.055	0.002

36. SEGMENT REPORTING

Management has determined the operating segments for allocation of resources and assessment of performance which are organized into the following two reportable operating segments;

- Renewable energy solutions
- Textile - discontinued operations

Segment analysis is as under:

36.1 Segment results

	Renewable energy		Textile - discontinued operations		Unallocated		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	----------------------				Rupees ----------------------			
Revenue	161,234	175,765	21,200	26,377	-	-	182,434	202,142
Cost of goods sold	(152,080)	(154,429)	(27,499)	(22,810)	-	-	(179,579)	(177,239)
					-			
Segment gross profit	9,154	21,336	(6,299)	3,567	-	-	2,855	24,903
Administrative expenses	(65,655)	(101,813)	(70,134)	(118,279)	-	-	(135,789)	(220,092)
Selling and distribution expenses	(22,967)	(112,004)	(273)	(544)	-	-	(23,240)	(112,548)
Finance cost	-	-	(21)	(50)	(28,292)	(25,596)	(28,313)	(25,646)
Dividend Income	-	-	-	-	1,364,708	1,013,965	1,364,708	1,013,965
Other income	-	-	35,365	774,877	26,649	20,083	62,014	794,960
Taxation	-	-	-	-	(127,078)	(193,423)	(127,078)	(193,423)
Segment net (loss) / profit	(79,468)	(192,481)	(41,362)	659,571	1,235,987	815,029	1,115,157	1,282,119

36.2 Segment assets

	Renewable energy 2016	Renewable energy 2015	Textile 2016	Textile 2015	Unallocated 2016	Unallocated 2015	Total 2016	Total 2015
Property, plant and equipment	19,570	27,837	67,303	79,716	-	-	86,873	107,553
Non-current assets held for sale	-	17,088	-	-	-	-	-	17,088
Intangible assets	-	-	-	-	5,880	11,061	5,880	11,061
Long term investments	-	-	-	-	2,603,622	1,036,280	2,603,622	1,036,280
Long term deposits	-	-	2,778	2,778	-	-	2,778	2,778
Stores and spares	-	1,266	7,789	12,000	-	-	7,789	13,266
Stock	36,332	135,318	50,226	74,989	-	-	86,558	210,307
Trade debts	34,974	115,542	424	1,602	-	-	35,398	117,144
Loans and advances	2,360	50,822	235	12	-	-	2,595	50,834
Taxes recoverable	-	-	-	-	59,891	4,814	59,891	4,814
Deposits, prepayments and								-
other receivables	254,164	51,441	8,520	8,520	-	-	262,684	59,961
Short term investments	-	-	-	-	-	539,848	-	539,848
Cash and bank balances	-	-	-	-	300,330	9,172	300,330	9,172
Total segment assets	347,400	399,314	137,275	179,617	2,969,723	1,601,175	3,454,398	2,180,106

Segment liabilities

	Renewable energy 2016	Renewable energy 2015	Textile 2016	Textile 2015	Unallocated 2016	Unallocated 2015	Total 2016	Total 2015
Short term borrowings	-	-	-	-	466,487	12,566	466,487	12,566
Trade and other payables	30,427	87,338	12,965	32,146	73,116	6,334	116,508	125,818
Accrued markup	-	-	-	-	10,279	23	10,279	23
Total segment liabilities	30,427	87,338	12,965	32,146	549,882	18,923	593,274	138,407

(Amounts in thousand)

36.3 Included in the revenues arising from energy projects of Rs. 156,139 (2015: Rs. 160,760) are revenues of approximately Rs. 113,694 (2015: Rs. 136,760) which arose from sales to the Company's major customers. No other single customer contributed 10% or more to Company revenues from energy projects. The breakup of major customers is as follows:

	2016	2015
	---------------Rupees--------------	
Nobel Energy Limited	72,617	53,830
LCC Pakistan (Private) Limited	16,726	45,411
Unilever Pakistan Foods Limited	24,351	-
Punjab Skills Development Fund	-	17,550
Asia Petroleum Limited	-	19,969
	113,694	136,760

37. TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties. Related parties comprise of subsidiary companies, associated undertakings, directors, key management personnel, retirement benefit funds and others. Amounts due from and to other related parties, directors and key management personnel are shown under respective notes. Transaction with related parties are carried out at agreed terms. Remuneration of key management personnel are as per terms of employment. Remuneration of directors and key management personnel is disclosed in note 32. Transactions with related parties other than those disclosed elsewhere in these financial statements are as follows:

	Relationship	Nature of transaction	2016	2015
			---------------Rupees--------------	
a.	**Subsidiary company**			
	Tenaga Generasi Limited	Reimbursable expenses to the Company	260,660	50,919
		Equity arrangement fee (SBLC)	32,916	100,356
		Subscription of ordinary shares	1,356,481	567,796
		Purchase of fixed asset on behalf of	368	-
	Reon Energy Limited	Subscription of ordinary shares	206,000	10,000
		Retirement and other benefits transferred	3,220	17,494
		Reimbursable expenses to the Company	163,968	56,783
		Purchases by the Company	10,767	1,189
		Sales by the Company	226,621	-
		Sale of assets	17,503	-
		Reimbursable expenses by the Company	28,904	34,716
	Mozart (Private) Limited	Subscription of ordinary shares	1	-
		Reimbursable expenses to the Company	5	-
b.	**Associated companies**			
	Dawood Hercules Corporation Limited	Dividend income	1,363,808	1,013,115
		Reimbursable expenses by the Company	2,563	2,172
		Reimbursable expenses to the Company	557	
		Sale of fixed assets	5,785	-
	Sach International (Private) Limited	Sale of fabric by the Company	150	782
		Reimbursable expenses to the Company	250	705
		Royalty charged	15,903	9,557
		Penalty charged	304	490
	Cyan Limited	Consultancy charges	-	4,485
		Reimbursable expenses to the Company	145	-

(Amounts in thousand)

Relationship	Nature of transaction	2016	2015
		---------------Rupees-------------	
Associated companies			
The Dawood Foundation	Rental charges paid	**6,803**	5,533
	Reimbursable expenses by the Company	**1,511**	1,573
	Security deposits	**1,550**	-
Inbox Business Technologies (Private) Limited	Hardware maintenance charges paid	**-**	95
National Database and Registration Authority (NADRA)	Verification charges	**-**	10
c. Other related parties			
Chief Executive Officer	Sale of solar products	**10**	13
	Proceeds against sale of vehicle	**-**	329
Directors	Sale of solar products	**-**	2

38. NUMBER OF EMPLOYEES

The total average number of employees during the year and as at December 31, 2016 and 2015 respectively are as follows:

	2016	2015
	---------------Rupees-------------	
Average number of employees during the year	**14**	48
Number of employees as at December 31	**11**	17

39. GENERAL

Figures have been rounded off to the nearest thousand of Rupees.

40. CORRESPONDING FIGURES

For better presentation, following reclassifications have been made:

Description	Rupees	Head of account in financial statement for the year ended December 31, 2015	Head of account in financial statement for the year ended December 31, 2016
Balance sheet			
Taxes recoverable	159,340	Loans and advances	Taxes recoverable
"	61,765	Deposits, prepayments and other receivables	"
"	216,291	Provision for taxation	"
Payable to gratuity fund	6,334	Staff retirement gratuity	Trade and other payables
Profit and loss account			
Dividend income	1,013,965	Other income	Dividend income
Provision for slow moving and obsolete stores and spares	11,422	Administrative expenses	Cost of revenue

(Amounts in thousand)

41. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors in its meeting held on March 10, 2017 has proposed a final cash dividend of Rs. 5/- per share for the year ended December 31, 2016 amounting to Rs. 295,289 for approval of the members at the Annual General Meeting to be held on April 25, 2017. The amount of total dividend is calculated at the number of shares outstanding as at December 31, 2016.

42. DATE OF AUTHORIZATION FOR ISSUE

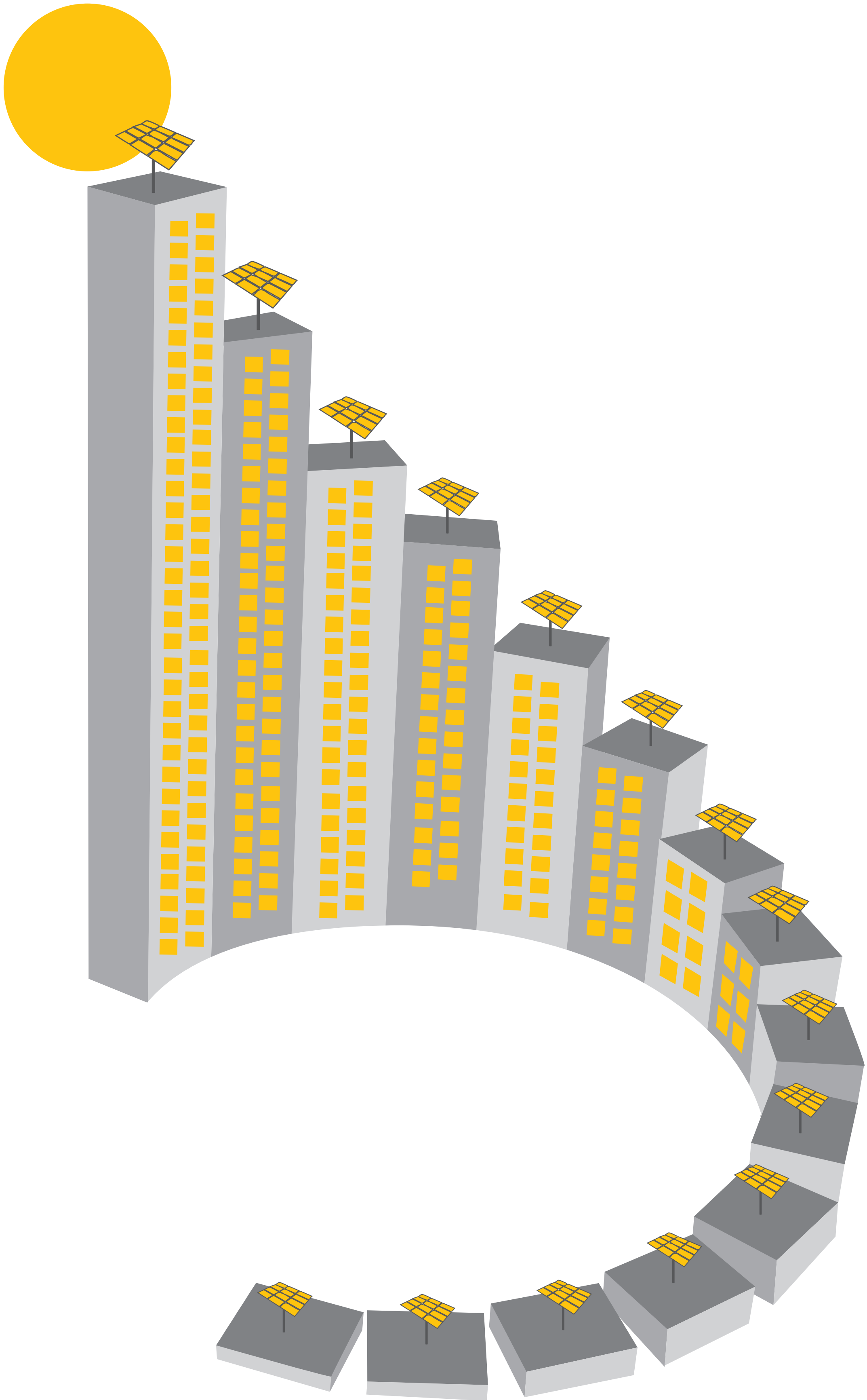
These financial statements were authorized for issue on March 10, 2017 by the Board of Directors of the Company.

Mujtaba Haider Khan
Chief Executive

Shabbir Hussain Hashmi
Director

Consolidated Financial Statements

Contents



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of Dawood Lawrencepur Limited (the Holding Company) and its subsidiary companies as at December 31, 2016 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows together with the notes forming part thereof, for the year then ended. The financial statements of subsidiary company, Mozart (Private) Limited were unaudited as explained in
note 1.5.3 to these financial statements.

These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of Dawood Lawrencepur Limited (the Holding Company) and its subsidiary companies as at December 31, 2016 and the results of their operations for the year then ended.

Other matter

The consolidated financial statements of Dawood Lawrencepur Limited (the Holding Company) for the year ended December 31, 2015 were audited by Deloitte Yousuf Adil, Chartered Accountants who through their report dated March 3, 2016, expressed an unqualified opinion thereon.

Chartered Accountants
Karachi
Date: March 27, 2017

Engagement Partner: Osama Kapadia

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

KARACHI LAHORE ISLAMABAD

Consolidated Balance Sheet

As at December 31, 2016

(Amounts in thousand)

	Note	2016	(Restated) 2015	(Restated) 2014
		-----------	Rupees	-----------
ASSETS				
Non-current assets				
Property, plant and equipment	4	**11,405,112**	3,684,851	339,772
Intangible assets	6	**29,267**	34,568	37,063
Long term investments	7	**8,708,829**	5,349,755	4,500,467
Long term deposits	8	**2,778**	2,778	10,544
Transaction cost of borrowings		**-**	-	38,072
Long term loans	9	**49**	352	-
		20,146,035	9,072,304	4,925,918
Current assets				
Stores and spares	10	**47,258**	13,266	12,000
Stock-in-trade	11	**149,447**	210,307	280,519
Trade debts	12	**326,655**	118,944	51,533
Loans and advances	13	**19,581**	53,530	13,762
Deposits, prepayments and other receivables	14	**338,671**	30,323	17,654
Taxes recoverable		**62,465**	4,770	76,132
Short term investments	15	**-**	944,897	86,001
Cash and bank balances	16	**798,854**	510,644	35,047
		1,742,931	1,886,681	572,648
TOTAL ASSETS		**21,888,966**	10,958,985	5,498,566
EQUITY AND LIABILITIES				
Equity				
Issued, subscribed and paid-up capital	17	**590,578**	590,578	590,578
Capital reserves		**206,666**	206,666	206,666
Accumulated profits		**9,083,774**	5,722,164	3,771,909
Unrealized gain on remeasurement of available for sale investments		**14,157**	9,297	4,943
Non-controlling interest		**708,256**	301,436	-
		10,603,431	6,830,141	4,574,096
Non-current liabilities				
Staff retirement gratuity	18	**23,612**	22,851	2,581
Deferred taxation	19	**1,078,251**	658,975	552,744
Borrowings	20	**8,471,798**	3,198,085	-
		9,573,661	3,879,911	555,325
Current liabilities				
Current portion of long term borrowings	20	**293,487**	-	-
Short term borrowings	21	**466,487**	12,566	178,491
Trade and other payables	22	**811,030**	203,455	185,522
Accrued markup		**140,870**	32,912	5,132
		1,711,874	248,933	369,145
Contingencies and Commitments	23			
TOTAL EQUITY AND LIABILITIES		**21,888,966**	10,958,985	5,498,566

The annexed notes from 1 to 44 form an integral part of these consolidated financial statements.

Mujtaba Haider Khan
Chief Executive

Shabbir Hussain Hashmi
Director

Consolidated Profit and Loss Account

For the year ended December 31, 2016

(Amounts in thousand except for earnings / (loss) per share)

	Note	2016	(Restated) 2015
		--------------Rupees--------------	
CONTINUING OPERATIONS			
Revenue - net	24	**519,639**	177,368
Cost of revenue	25	**(512,482)**	(155,297)
Gross profit		**7,157**	22,071
Selling and distribution expenses	26	**(118,590)**	(129,043)
Administrative expenses	27	**(190,264)**	(152,987)
Other operating expenses	28	**(70,779)**	(2,872)
Other income	29	**35,320**	29,062
Operating loss		**(337,156)**	(233,769)
Finance cost	30	**(170,004)**	(25,613)
Share of profit of associate	7	**4,138,901**	1,493,835
Profit before taxation		**3,631,741**	1,234,453
Taxation	31	**(476,468)**	(259,472)
Profit from continuing operations		**3,155,273**	974,981
DISCONTINUED OPERATIONS			
(Loss) / profit from discontinued operations	32	**(41,362)**	659,571
Profit for the year		**3,113,911**	1,634,552
Profit / (loss) attributable to:			
- Owners of the Holding Company		**3,159,626**	1,637,340
- Non-controlling interest		**(45,715)**	(2,788)
		3,113,911	1,634,552
Earnings / (loss) per share - Basic and diluted			
- Continuing operations	33.1	**54.20**	16.56
- Discontinued operations	33.2	**(0.70)**	11.17

The annexed notes from 1 to 44 form an integral part of these consolidated financial statements.

Mujtaba Haider Khan
Chief Executive

Shabbir Hussain Hashmi
Director

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2016

(Amounts in thousand)

	Note	2016	(Restated) 2015
		--------------Rupees--------------	
Profit for the year		**3,113,911**	1,634,552
Other comprehensive income / (loss):			
Items that may be reclassified subsequently through profit and loss account			
Gain on remeasurement of 'available for sale' investments		**4,860**	4,354
Share of other comprehensive income from investment in associate - net of tax		**(647)**	(372)
Items that may not be reclassified subsequently through profit and loss account		**4,213**	3,982
Remeasurement of defined benefit obligation - Actuarial loss	18.6	**(5,125)**	(2,566)
		(912)	1,416
Total comprehensive income for the year		**3,112,999**	1,635,968
Total comprehensive income attributable to:			
- Continuing operations		**3,154,361**	976,397
- Discontinued operations		**(41,362)**	659,571
		3,112,999	1,635,968
Total comprehensive income attributable to:			
- Owners of the Holding Company		**3,158,714**	1,638,756
- Non-controlling Interest		**(45,715)**	(2,788)
		3,112,999	1,635,968

The annexed notes from 1 to 44 form an integral part of these consolidated financial statements.

Mujtaba Haider Khan
Chief Executive

Shabbir Hussain Hashmi
Director

Consolidated Statement of Changes in Equity

For the year ended December 31, 2016

(Amounts in thousand)

	Attributable to owners of the Holding Company									Non controlling interest (NCI)	Total
		Capital reserves									
	Ordinary Shares	Merger reserve	Share premium reserve	Capital reserve	Capital redemption reserve fund	Total	Accumulated profits	Unrealized gain on remeasurement of available for sale investments	Total		
	Rupees										
Balance as at January 1, 2015	590,578	10,521	136,865	33,311	25,969	206,666	4,763,607	4,943	5,565,794	-	5,565,794
Effect of restatement (note 7.1.5)	-	-	-	-	-	-	(991,698)	-	(991,698)	-	(991,698)
Balance as at January 1, 2015 - restated	590,578	10,521	136,865	33,311	25,969	206,666	3,771,909	4,943	4,574,096	-	4,574,096
Transactions with owners											
Shares issued to NCI	-	-	-	-	-	-	-	-	-	304,224	304,224
Share issuance cost	-	-	-	-	-	-	(7,374)	-	(7,374)	-	(7,374)
	-	-	-	-	-	-	(7,374)	-	(7,374)	304,224	296,850
Profit / (loss) for the year - restated	-	-	-	-	-	-	1,637,340	-	1,637,340	(2,788)	1,634,552
Other comprehensive income / (loss) - restated	-	-	-	-	-	-	(2,938)	4,354	1,416	-	1,416
Total comprehensive income / (loss) for the year	-	-	-	-	-	-	1,634,402	4,354	1,638,756	(2,788)	1,635,968
Effect of other transaction of associate	-	-	-	-	-	-	323,227	-	323,227	-	323,227
Balance as at December 31, 2015 - restated	590,578	10,521	136,865	33,311	25,969	206,666	5,722,164	9,297	6,528,705	301,436	6,830,141
Transactions with owners											
Final cash dividend for the year ended December 31, 2015 @ Rs. 5 per share	-	-	-	-	-	-	(295,289)	-	(295,289)	-	(295,289)
Shares issued to NCI	-	-	-	-	-	-	-	-	-	452,535	452,535
Share issuance cost	-	-	-	-	-	-	(4,335)	-	(4,335)	-	(4,335)
	-	-	-	-	-	-	(299,624)	-	(299,624)	452,535	152,911
Profit / (loss) for the year	-	-	-	-	-	-	3,159,626	-	3,159,626	(45,715)	3,113,911
Other comprehensive income / (loss)	-	-	-	-	-	-	(5,772)	4,860	(912)	-	(912)
Total comprehensive income / (loss) for the year	-	-	-	-	-	-	3,153,854	4,860	3,158,714	(45,715)	3,112,999
Effect of other transaction of associate	-	-	-	-	-	-	507,380	-	507,380	-	507,380
Balance at December 31, 2016	590,578	10,521	136,865	33,311	25,969	206,666	9,083,774	14,157	9,895,175	708,256	10,603,431

The annexed notes from 1 to 44 form an integral part of these consolidated financial statements.

Mujtaba Haider Khan
Chief Executive

Shabbir Hussain Hashmi
Director

Consolidated Statement of Cash Flows

For the year ended December 31, 2016

(Amounts in thousand)

	2016			2015 (Restated)		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	----------------Rupees----------------					
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit / (loss) before taxation	3,631,741	(41,362)	3,590,379	1,234,453	659,571	1,894,024
Adjustment for non-cash charges and other items:						
Depreciation	147,985	14,367	162,352	15,915	18,302	34,217
Amortization	5,458	-	5,458	4,803	-	4,803
Provision for gratuity	7,106	18	7,124	9,404	-	9,404
Provision for slow moving and obsolete stock-in-trade	74,654	-	74,654	6,396	5,026	11,422
Provision for slow moving and obsolete stores and spares	-	4,211	4,211	-	-	-
Provision for impairment against doubtful debts - net	570	-	570	6,289	1,167	7,456
Finance cost	170,004	21	170,025	25,613	50	25,663
Loss / (gain) on disposal of property, plant and equipment	428	-	428	(792)	(762,950)	(763,742)
Share of profit of associate	(4,138,901)	-	(4,138,901)	(1,493,835)	-	(1,493,835)
Dividend income	(900)	-	(900)	(850)	-	(850)
Profit on deposits	(3,575)	-	(3,575)	(1,076)	-	(1,076)
Gain on sale of short-term investments	(9,501)	-	(9,501)	(7,301)	-	(7,301)
Unrealized gain on remeasurement of short term investments	-	-	-	(7,216)	-	(7,216)
Operating loss before working capital changes	(114,931)	(22,745)	(137,676)	(208,197)	(78,834)	(287,031)
(Increase) / decrease in current assets						
Stores and spares	(38,203)	-	(38,203)	(1,266)	-	(1,266)
Stock-in-trade	(38,557)	24,763	(13,794)	37,575	16,657	54,232
Trade debts	(208,889)	1,178	(207,711)	(80,120)	9,811	(70,309)
Loans and advances	34,172	(223)	33,949	13,228	(52,996)	(39,768)
Deposits, prepayments and other receivables	(308,347)	(1)	(308,348)	(83,810)	43,124	(40,686)
Increase/ (decrease) in current liabilities						
Trade and other payables	620,156	(19,181)	600,975	25,308	32,146	57,454
	60,332	6,536	66,868	(89,085)	48,742	(40,343)
Cash used in operations	(54,599)	(16,209)	(70,808)	(297,282)	(30,092)	(327,374)
Gratuity paid	(12,537)	-	(12,537)	(3,113)	-	(3,113)
Deposits transferred on sale of property for cash	-	-	-	-	7,766	7,766
Long term loans	303	-	303	(352)	-	(352)
Taxes paid	(187,275)	-	(187,275)	(123,171)	-	(123,171)
Net cash used in operating activities	(254,108)	(16,209)	(270,317)	(423,918)	(22,326)	(446,244)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of property, plant and equipment	(7,572,135)	(1,782)	(7,573,917)	(3,258,623)	-	(3,258,623)
Sale proceeds from disposal / transfer of property, plant and equipment	23,736	-	23,736	3,043	772,698	775,741
Purchase of intangible assets	(157)	-	(157)	(2,309)	-	(2,309)
Purchase of short-term investments	(720,000)	-	(720,000)	(1,621,500)	-	(1,621,500)
Sales proceeds from disposal of short-term investments	1,674,398	-	1,674,398	777,123	-	777,123
Interest received	13,894	-	13,894	1,208	-	1,208
Dividend received	1,364,708	-	1,364,708	1,013,965	-	1,013,965
Net cash (used in) / generated from investing activities	(5,215,556)	(1,782)	(5,217,338)	(3,087,093)	772,698	(2,314,395)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from borrowings	5,525,332	-	5,525,332	3,409,113	-	3,409,113
Share issuance cost	(4,335)	-	(4,335)	(7,374)	-	(7,374)
Issue of fully paid ordinary shares in cash	452,535	-	452,535	304,224	-	304,224
Finance costs paid	(339,549)	-	(339,549)	(60,071)	-	(60,071)
Transaction cost paid	(24,399)	-	(24,399)	(243,475)	-	(243,475)
Payment of dividend	(287,640)	-	(287,640)	(256)	-	(256)
Net cash generated from financing activities	5,321,944	-	5,321,944	3,402,161	-	3,402,161
Net (decrease) / increase in cash and cash equivalents	(147,720)	(17,991)	(165,711)	(108,850)	750,372	641,522
Cash and cash equivalents at beginning of the year	(439,416)	937,494	498,078	(330,566)	187,122	(143,444)
Cash and cash equivalents at end of the year	(587,136)	919,503	332,367	(439,416)	937,494	498,078
Cash and cash equivalents						
Cash and bank balance			798,854			510,644
Short term borrowings			(466,487)			(12,566)
			332,367			498,078

The annexed notes from 1 to 44 form an integral part of these consolidated financial statements.

Mujtaba Haider Khan
Chief Executive

Shabbir Hussain Hashmi
Director

1. LEGAL STATUS AND OPERATIONS

1.1 Dawood Lawrencepur Limited (the Holding Company) was incorporated in Pakistan in the year 2004 as a public listed company. It was formed as a result of a Scheme of Arrangement for Amalgamation in terms of the provisions of the Companies Ordinance, 1984 between Dawood Cotton Mills Limited, Dilon Limited, Burewala Textile Mills Limited and Lawrencepur Woolen and Textile Mills Limited and its shares are quoted on Pakistan Stock Exchange. The Holding Company is currently engaged in the business of trading and marketing of renewable energy solutions, mainly solar, to commercial and industrial consumers, along with the legacy textile business. The registered office of the Holding Company is situated at 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi in the province of Sindh.

1.2 In prior years, the Holding Company suspended operations of Lawrencepur Woolen and Textile Milles Limited (LWTM), Burewala Textile Mills Limited (BTM), Dilon Limited (DL) and Dawood Cotton Mills Limited (DCM) and sold assets of LWTM. DL and DCM property was sold in 2015. The results of discontinued operations include LWTM and BTM.

1.3 The 'Lawrencepur' brand name continues to operate under license.

1.4 The "Group" consists of:

Holding Company: Dawood Lawrencepur Limited;

Subsidiary Companies: Companies in which the Holding Company owns over 50% of voting rights, or companies directly controlled by the Holding Company:

	Financial year end	%age of direct holding 2016	2015
- Reon Energy Limited (note 1.5.1)	December 31	**100%**	100%
- Tenaga Generasi Limited (note 1.5.2)	December 31	**75%**	75%
- Mozart (Private) Limited (note 1.5.3)	December 31	**100%**	0%
Associated Company:			
- Dawood Hercules Corporation Limited (note 1.5.4)	December 31	**16.19%**	16.19%

1.5 Subsidiary companies

1.5.1 Reon Energy Limited

Reon Energy Limited (REL) was incorporated in Pakistan on September 15, 2014 under the Companies Ordinance, 1984 as a public unlisted company to carry out the business of trading and marketing of renewable energy solutions, mainly solar, to commercial and industrial consumers. The registered office of REL is situated at 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi in the province of Sindh. REL is a wholly owned subsidiary of the Holding Company.

During the year, the Holding Company subscribed 20,600,000 ordinary shares of REL having face value of Rs. 10 each, against right offer.

1.5.2 Tenaga Generasi Limited

Tenaga Generasi Limited (TGL) was incorporated in Pakistan on December 01, 2005 under the Companies Ordinance, 1984 as a public unlisted company to primarily carry out the business of power generation as an independent power producer using wind energy. The registered office of TGL is situated at 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi, in the Province of Sindh.

(Amounts in thousand)

The Company has set up a 49.5 MW wind power plant at Gharo Sindh. The project achieved 'Financial Close' in March 2015 and has received the Government of Pakistan Guarantee. The Plant commenced commercial operations on October 11, 2016. The electricity generated is transmitted to the National Transmission and Despatch Company (NTDC) under the Energy Purchase Agreement (EPA) dated December 29, 2015. The EPA is for 20 years.

During the year, TGL issued 135,648,061 and 45,253,466 right shares at par to the Holding Company and International Finance Corporation respectively.

Set out below is summarised financial information for TGL that has Non-Controlling Interests (NCI). The amounts disclosed for TGL are before inter-company eliminations:

	2016	2015
	--------------Rupees--------------	
Current assets	1,014,522	899,524
Non-current assets	11,299,650	3,560,211
Total assets	12,314,172	4,459,735
Current liabilities	1,092,962	134,533
Non-current liabilities	8,473,213	3,199,023
Total liabilities	9,566,175	3,333,556
Revenue	203,359	-
Total comprehensive loss for the year	(182,861)	(29,196)
Total comprehensive loss allocated to NCI	(45,715)	(2,788)
Accumulated NCI	708,256	301,436
Cash and cash equivalents	493,283	492,000
Cash (utilized in) / generated from:		
- Net cash generated from operating activities	139,404	38,789
- Net cash used in investing activities	(7,125,752)	(3,552,503)
- Net cash generated from financing activities	6,987,631	4,000,970
	1,283	487,256
Proportion of ownership interest held by non-controlling interest	25%	25%

1.5.3 Mozart (Private) Limited

Mozart (Private) Limited (MPL) was incorporated in Pakistan on October 4, 2016 under the Companies Ordinance, 1984 as a private limited company to manage investments in associated companies. The registered office of MPL is situated at 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi in the province of Sindh. MPL is a wholly owned subsidiary of the Holding Company. Balances relating to MPL have been incorporated based on unaudited financial statements as the amounts involved were not material (gross loss for the period of Rs. 5).

1.5.4 Associated company - Dawood Hercules Corporation Limited

Dawood Hercules Corporation Limited (DHCL) was incorporated in Pakistan on April 17, 1968 as a public limited company under the Companies Act 1913 (now Companies Ordinance, 1984) (the Ordinance) and its shares are quoted on Pakistan Stock Exchange Limited. The principal activity of DHCL is to manage investments in its subsidiary and associated companies. The registered office of DHCL is situated at Dawood Center, M.T. Khan Road, Karachi. The Holding Company holds ownership of 16.19% (2015: 16.19%) in DHCL. Summarized financial information of DHCL is disclosed in note 7.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

2.1 Basis of preparation

2.1.1 These consolidated financial statements have been prepared under the historical cost convention, except that obligations under certain staff retirement benefits have been measured at present value, certain investments which have been measured at fair market value and investment in associate is accounted for using equity method.

2.1.2 These consolidated financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance), directives issued by the Securities and Exchange Commission of Pakistan (SECP) and approved financial reporting standards as applicable in Pakistan. Approved financial reporting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the provisions of the Ordinance. Wherever the requirements of the Ordinance or directives issued by the SECP differ with the requirements of these standards, the requirements of the Ordinance and the said directives have been followed.

2.1.3 These consolidated financial statements are presented in Pakistani Rupees which is the functional currency of the Group.

2.1.4 The preparation of consolidated financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

2.1.5 Initial application of Standards, Amendments or an Interpretation to existing Standards

a) Standards, amendments to published standards and interpretations that are effective in 2016

The following amendments to published standards are mandatory for the financial year beginning January 1, 2016:

- IFRS 7, 'Financial instruments: Disclosures'. There are two amendments:

  - Servicing contracts - If an entity transfers a financial asset to a third party under conditions which allow the transferor to derecognize the asset, IFRS 7 requires disclosure of all types of continuing involvement that the entity might still have in the transferred assets. The amendment provides guidance about what is meant by continuing involvement. The amendment is prospective with an option to apply retrospectively.

  - Interim financial statements - The amendment clarifies that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34. The amendment is retrospective.

  The amendments only affect disclosures in the consolidated financial statements and consolidated interim financial information.

- IAS 1,'Presentation of Financial Statements'. The amendments provide clarifications on a number of issues, including:

  - Materiality – an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.

- Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.

- Notes – confirmation that the notes do not need to be presented in a particular order.

- OCI arising from investments accounted for under the equity method – the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

According to the transitional provisions, the disclosures in IAS 8 regarding the adoption of new standards/accounting policies are not required for these amendments. The amendments only affect disclosures in the consolidated financial statements.

- IAS 19 (Amendment), 'Employee benefits'. The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used. The amendment is retrospective but limited to the beginning of the earliest period presented. The Group's accounting treatment is already in line with this amendment.

- IAS 34 'Interim financial reporting'. This amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'. The amendment also amends IAS 34 to require a cross-reference from the interim financial statements to the location of that information. The amendment is retrospective. The amendment only affects the disclosures in the consolidated interim financial information.

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on January 1, 2016 are considered not to be relevant or to have any significant effect on the Group's financial reporting and operations and accordingly have not been presented here.

b) **Standards, amendments to published standards and interpretations that are not yet effective and have not been early adopted by the Group**

The following new standards and amendments and interpretations to published standards are not effective for the financial year beginning on January 1, 2016 and have not been early adopted by the Group:

- IFRS 9 'Financial instruments' (effective for periods beginning on or after January 1, 2018). This standard is yet to be notified by the Securities and Exchange Commission of Pakistan (SECP). This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit loss model that replaces the current incurred loss impairment model. The Group is yet to assess the full impact of the standard.

- IFRS 15, 'Revenue from contracts with customers' (effective for periods beginning on or after January 1, 2018). This standard is yet to be notified by the SECP. This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The Group is yet to assess the full impact of the standard.

- IFRS 16 'Leases' (effective for periods beginning on or after January 1, 2019). This standard is yet to be notified by SECP. This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognize a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group is yet to assess the full impact of the standard.
- IAS 7 'Cash flow statements: Disclosure initiative' (effective for periods beginning on or after January 1, 2017). This amendment requires disclosure to explain changes in liabilities for which cash flows have been, or will be classified as financing activities in the statement of cash flows. The amendment only covers balance sheet items for which cash flows are classified as financing activities. In case other items are included within the reconciliation, the changes in liabilities arising from financing activities will be identified separately. A reconciliation of the opening to closing balance is not specifically required but instead the information can be provided in other ways. In the first year of adoption, comparative information need not be provided. It is unlikely that the amendment will have any significant impact on the consolidated financial statements.
- Amendments to IAS 12, 'Income taxes' on Recognition of deferred tax assets for unrealized losses (effective for periods beginning on or after January 1, 2017). These amendments on the recognition of deferred tax assets for unrealized losses clarify how to account for deferred tax assets related to debt instruments measured at fair value. It is unlikely that the amendment will have any significant impact on the consolidated financial statements.
- IFRIC 22, 'Foreign currency transactions and advance consideration' (effective for periods beginning on or after January 1, 2018). This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice. It is unlikely that the standard will have any significant impact on the consolidated financial statements.

There are number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Group and therefore, have not been presented here.

2.1.6 Basis of consolidation

i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

- it has power to direct the relevant activities of the subsidiaries;
- is exposed to variable returns from the subsidiaries; and
- decision making power allows the Group to affect its variable returns from the subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-recognized from the date the control ceases. These consolidated financial statements include Dawood Lawrencepur Limited (the Holding Company) and all companies in which it directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors (the Subsidiaries).

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities (including contingent liabilities) assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in consolidated profit and loss account.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized in profit and loss account.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses (unrealized) are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

ii) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

iii) Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit and loss account. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset depending on the level of influence retained. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed off the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to consolidated profit and loss account.

2.2 Property, plant and equipment

2.2.1 Recognition and measurement

Property, plant and equipment, except for free hold land, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Capital work-in-progress is stated at cost less impairment, if any.

Disposal of assets is recognized when significant risks and rewards incidental to ownership have been transferred to the buyer. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in profit and loss.

2.2.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized at the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as they are incurred.

2.2.3 Depreciation

Depreciation is charged to profit and loss account using straight line method,whereby the cost of an asset is written off over its estimated useful life. Depreciation on additions is charged from the date on which the asset is available for use and on disposals up to the date of disposal. The residual value, depreciation method and the useful lives of each part of property, plant and equipment are reviewed, and adjusted if appropriate, at each reporting date.

2.2.4 Impairment

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.3 Intangible assets

2.3.1 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiary is included in 'intangible assets'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

2.3.2 Softwares

These are capitalized on the basis of the costs incurred to acquire and bring the specific software to use. Software is stated at cost less accumulated amortization and accumulated impairment losses, if any. These are amortized using the straight line method from the month the software is available for use up to the month of its disposal. The residual values, useful lives and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

2.4 Investments in associates

Associates are all entities over which the Group has significant influence but not control. Investment in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost and subsequently adjusted to Group's share of post-acquisition income less dividends received and Group's share of other comprehensive income and other movements in equity. The Group's investment in associate includes goodwill identified on acquisition. The Group determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If this is the case, the Group calculates the impairment loss as the difference between the recoverable amount of associates and its carrying value and recognizes it in the profit and loss account. Other equity transaction of the associates are recognized directly in equity.

2.5 Financial instruments

2.5.1 Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, held to maturity, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) At fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are classified as current assets.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

c) Held to maturity

Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity with a positive intention and ability to hold to maturity.

d) Available-for-sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose it off within 12 months of the end of the reporting date.

2.5.2 Recognition and measurement

All financial assets are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs except for financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed to profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held to maturity investments are subsequently carried at amortised cost.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are recognised in profit and loss.

Gains and losses except impairment losses and foreign exchange gain and losses arising from changes in fair value of assets classified as available-for-sale are recognised in other comprehensive income until the financial asset is derecognised. When securities classified as available-for-sale are sold, the accumulated gain or loss previously recognised in other comprehensive income is reclassified from equity to profit and loss.

Interest on available-for-sale assets calculated using the effective interest method is recognised in profit and loss. Dividends on available for sale equity instruments are recognised in profit and loss when the Group's right to receive payments is established.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for assets carried at amortised cost, the loss is recognised in profit and loss. For available-for-sale financial assets, the cumulative loss is reclassified from equity and recognised in profit and loss. Impairment losses recognised in profit or loss on equity instruments classified as available for sale are not reversed through profit and loss.

2.5.3 Financial liabilities

Financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value less directly attributable transactions costs, if any, and subsequently measured at amortized cost using effective interest rate method.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit and loss account.

2.5.4 Offsetting of financial assets and liabilities

A financial asset and a financial liability are off set and the net amount is reported in the consolidated balance sheet if the Group has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counter party.

2.6 Derivative financial instruments

Derivatives, except a derivative that is a financial guarantee contract or a designated and effective hedging instrument, are classified as a financial asset or liability measured at fair value through profit or loss. Derivative financial instruments are initially recognised at fair value on the date derivative contract is entered into and subsequently re-measured at their fair value. Derivatives are carried as assets where fair value is positive and as liabilities where fair value is negative.

Fair value of derivatives embedded in financial instruments or non-derivative host contracts are separated from the host contract if the risks and economic characteristics of the embedded derivative are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

If the fair value of an embedded derivative that is required to be separated cannot be reliably measured, the entire combined contract is measured at fair value through profit or loss.

Changes in fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss together with any changes in the fair value of the hedged asset or liability.

Changes in fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income to the extent that the hedge is effective. The gain or loss relating to the ineffective portion is recognised in profit or loss on an on going basis. The Group assesses whether each derivative continues to be highly effective in offsetting changes in cash flows of hedged items. If and when a derivative is no longer expected to be highly effective, cash flow hedge accounting is discontinued. Amount recognised in other comprehensive income in relation to cash flow hedge on borrowing repayments is reclassified to profit and loss when the exchange (gain) / loss capitalized in property, plant and equipment affects profit and loss.

However, for the reasons explained in note 5, derivatives embedded in the Energy Purchase Agreement (EPA), have not been separated from the host contract and accordingly have not been recognised in these consolidated financial statements.

2.7 Stores and spares

These are valued at weighted average cost except for items in transit which are stated at invoice value plus other charges paid thereon till the balance sheet date. For items which are slow moving and / or identified as surplus to the Group's requirements, adequate provision is made for any excess book value over estimated residual value.

2.8 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realizable value. Cost is determined using weighted average method except for stock in transit, which is stated at cost. Cost includes applicable purchase cost and manufacturing expenses.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.9 Trade and other receivables

'Trade debts' and 'other receivables' are stated initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. 'Trade debts' and 'other receivables' considered irrecoverable are written off.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, deposits held with banks and highly liquid investments with original maturities of three months or less. Running finance facilities availed by the Group, if any, which are repayable on demand and form an integral part of the Group's cash management are included as part of cash and cash equivalents for the purpose of the statement of cash flows.

2.11 Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and

(a) represents a separate major line of business or geographical area of operations;
(b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
(c) is a subsidiary acquired exclusively with a view to resale.

2.12 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is amortised over the period of the borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.14 Trade and other payables

These are recognised initially at fair value and subsequently measured at amortised cost. Exchange gains and losses arising in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

2.15 Provisions

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

2.16 Employees' retirement benefits

2.16.1 Defined benefit plan

The Group operates a Defined Benefit 'Gratuity' Plan, for its regular permanent employees who have completed qualifying period of service. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods, that benefit is discounted to determine its present value. A funded gratuity scheme is in place for the Management employees of the Group's 'Lawrencepur Woolen and Textile Mills Unit'. The calculation is performed at least once annually, by a qualified actuary using the Projected Unit Credit method, related details of which are given in note 18 to these financial statements.

2.16.2 Defined benefit scheme

An unfunded gratuity scheme is followed for other employees. Provisions are made in the consolidated financial statements to cover obligations under the scheme. The provisions require assumptions to be made of future outcome which mainly include increase in remuneration, expected return on plan assets and the discount rate used to convert future cash flows to current values. The calculation is performed at least once annually, by a qualified actuary using the Projected Unit Credit method, related details of which are given in note 18 to these financial statements.

2.16.3 Remeasurement gains and losses arising from the actuarial valuation are recognized immediately in other comprehensive income.

2.17 Taxation

2.17.1 Current

Provision for current taxation is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

2.17.2 Deferred

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and the tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax asset is recognized only when it is probable that future taxable profits and taxable temporary differences will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is charged or credited in the profit and loss account, unless it relates to item recognised in equity in which case it is also recognized in equity.

2.18 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable in the normal course of business. Revenue is recognized net of brokerages, commission and trade discounts.

2.18.1 Project revenue

Project revenues and costs relating to projects are recognized by reference to stage of completion of project activity at the reporting date. Stage of completion of a project is determined by applying ‘cost to-cost method’. Under this method stage of completion of a project is determined by reference to the proportion that project cost incurred to date bears to the total estimated contract cost. Expected losses on projects are recognized as an expense immediately.

2.18.2 Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

2.18.3 Revenue recognition on supply of electricity

Revenue from the sale of electricity to National Transmission and Despatch Company (NTDC), the sole customer of the TGL, is recognised based on the Net Energy Delivered. The Group also recognizes revenue for Non-Project Missed Volume. Revenue is recognised based on the rates determined under the mechanism laid down in the Energy Purchase Agreement.

2.18.4 Interest on bank deposits and delayed payment income

Interest income on bank deposits and delayed payment income on overdue trade debts is recognised on accrual basis.

2.18.5 Dividend income

Dividend income is recognized when the Group’s right to receive the dividend is established.

2.18.6 Capital gain

Capital gains / losses arising on sale of investments are included in the income on the date at which the transaction takes place.

2.19 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalized as part of the cost of that asset. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs.

2.20 Foreign currency translation

Transactions in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at rates of exchange prevailing at the balance sheet date. Foreign exchange differences are recognized in the profit and loss account.

2.21 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Holding Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Group that makes the strategic decisions.

Management has disclosed information as required by IFRS - 8 'Operating Segments' in note 38 to these financial statements.

2.23 Dividend and appropriation to reserves

Dividends and appropriations to reserves are recognized in the period in which these are approved.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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. The estimates and assumptions that have a significant risk of carrying material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

3.1 Property, plant and equipment and intangibles

The Group reviews appropriateness of the rate of depreciation / amortization, useful lives and residual values used in the calculation of depreciation / amortization. Further where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis.

3.2 Stock-in-trade

The Group reviews the net realizable value of stock-in-trade to assess any diminution in the respective carrying values. Net realizable value is determined with reference to estimated selling price less estimated expenditures to make the sales.

3.3 Provision for retirement and other service benefits obligations

The present value of these obligations depend on a number of factors that are determined on actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of these obligations.

3.4 Taxation

In making the estimates for current income taxes payable by the Group, the management considers the applicable laws and the decisions / judgments of appellate authorities on certain issues in the past. Accordingly, the recognition of deferred tax is also made taking into account these judgments and the best estimates of future results of operations of the Group.

3.5 Revenue

Group estimates the cost to complete the projects in order to determine the stage of completion for the purpose of revenue recognition. These costs include the cost of material, infrastructure, labour and the cost of meeting other contractual obligations to the customer.

3.6 Trade debts

An estimate of the collectible amount of trade debts is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Any difference between the amounts actually collected in future periods and the amounts expected is recognized in the profit and loss account.

(Amounts in thousand)

3.7 Impairment of goodwill

Goodwill acquired on a acquisition of subsidiary is tested for impairment annually or whenever there is an indication of impairment as per the requirements of International Accounting Standard (IAS) 36, 'Impairment of Assets'. Impairment charge in respect of goodwill is recognised in the profit and loss account and is not subsequently reversed.

4. PROPERTY, PLANT AND EQUIPMENT

	2016	2015
	--------------Rupees--------------	
Operating assets, at net book value (note 4.1)	11,268,890	158,339
Capital work in progress (note 4.4)	2,547	3,526,512
Capital spares (note 4.4)	133,675	-
	11,405,112	3,684,851

4.1 Operating assets

	Land		Building		Plant and machinery	Wind measuring equipment	Furniture, fixtures and office equipment	Computers	Tools and equipment	Vehicles	Renewable energy units	Total
	Freehold	Leasehold	Freehold	Leasehold								
	--Rupees--											
As at January 1, 2015												
Cost	3,157	1,081	70,557	54,414	377,705	3,881	66,882	11,344	15,325	20,287	5,644	630,277
Accumulated depreciation	-	(505)	(64,498)	(45,030)	(296,074)	(1,589)	(48,347)	(8,583)	(4,403)	(12,946)	(677)	(482,652)
Net book value	3,157	576	6,059	9,384	81,631	2,292	18,535	2,761	10,922	7,341	4,967	147,625
Year ended December 31, 2015												
Opening net book value	3,157	576	6,059	9,384	81,631	2,292	18,535	2,761	10,922	7,341	4,967	147,625
Additions	-	38,194	-	-	-	-	1,331	1,177	2,523	11,762	1,980	56,967
Disposals (note 4.3)												
Cost	-	(1,081)	-	(54,414)	-	-	(1,673)	(308)	(264)	(6,080)	-	(63,820)
Accumulated depreciation	-	510	-	45,788	-	-	1,458	267	89	3,672	-	51,784
	-	(571)	-	(8,626)	-	-	(215)	(41)	(175)	(2,408)	-	(12,036)
Depreciation charge (note 4.2)	-	(8,256)	(603)	(758)	(16,327)	(229)	(1,925)	(1,799)	(1,495)	(2,148)	(677)	(34,217)
Closing net book value	3,157	29,943	5,456	-	65,304	2,063	17,726	2,098	11,775	14,547	6,270	158,339
As at December 31, 2015												
Cost	3,157	38,194	70,557	-	377,705	3,881	66,540	12,213	17,584	25,969	7,624	623,424
Accumulated depreciation	-	(8,251)	(65,101)	-	(312,401)	(1,818)	(48,814)	(10,115)	(5,809)	(11,422)	(1,354)	(465,085)
Net book value	3,157	29,943	5,456	-	65,304	2,063	17,726	2,098	11,775	14,547	6,270	158,339
Year ended December 31, 2016												
Opening net book value	3,157	29,943	5,456	-	65,304	2,063	17,726	2,098	11,775	14,547	6,270	158,339
Additions including transfers (note 4.4)	-	-	-	2,317,437	8,937,338	-	9,871	1,668	696	9,195	33	11,276,238
Capitalization adjustment for exchange loss (note 5)	-	-	-	685	2,641	-	-	-	-	-	-	3,326
Disposals (note 4.3)												
Cost	-	-	-	-	-	-	-	(212)	(318)	(8,466)	-	(8,996)
Accumulated depreciation	-	-	-	-	-	-	-	212	180	1,943	-	2,335
	-	-	-	-	-	-	-	-	(138)	(6,523)	-	(6,661)
Depreciation charge (note 4.2)	-	(8,413)	(546)	(27,520)	(116,629)	(206)	(2,719)	(855)	(1,094)	(3,749)	(621)	(162,352)
Closing net book value	3,157	21,530	4,910	2,290,602	8,888,654	1,857	24,878	2,911	11,239	13,470	5,682	11,268,890
As at December 31, 2016												
Cost	3,157	38,194	70,557	2,318,122	9,317,684	3,881	76,411	13,669	17,962	26,698	7,657	11,893,992
Accumulated depreciation	-	(16,664)	(65,647)	(27,520)	(429,030)	(2,024)	(51,533)	(10,758)	(6,723)	(13,228)	(1,975)	(625,102)
Net book value	3,157	21,530	4,910	2,290,602	8,888,654	1,857	24,878	2,911	11,239	13,470	5,682	11,268,890
Annual rate of depreciation (%)	0%	1% - 4%	5% - 10%	5% - 10%	5%-20%	10%	10% - 35%	33%	10%	20%	10%-50%	

(Amounts in thousand)

4.1.1 The above include assets with an aggregate carrying value of Rs. 67,303 (2015: Rs. 80,114) which relate to discontinued textile units.

4.1.2 The Group's assets include demonstration equipments having cost of Rs. 3,140 (2015: Rs. 1,980) which have been installed at The Searle Company Limited and LCC Pakistan (Private) Limited. It was installed as demo project and for the purposes of obtaining tests regarding generation of electricity.

4.1.3 Leasehold land includes allocation of land by Alternative Energy Development Board (AEDB) for setting up of a Wind Power Farm. Possession of the land and site Sub-Lease has been obtained by the Company.

4.1.4 Leasehold land with a carrying amount of approximately Rs. 21,531 (2015: 29,943) is charged in favor of lenders to secure the various financing arrangements of TGL.

	2016	2015
	--------------Rupees--------------	
4.2 Depreciation charge for the year has been allocated as under:		
Cost of revenue (note 25)	**131,803**	-
Selling and distribution expenses (note 26)	**1,334**	1,249
Administrative expenses (note 27)	**29,215**	32,968
	162,352	34,217

4.3 The details of operating assets disposed during the year are as follows:

Description and method of disposal	Sold to	Cost	Accumulated depreciation	Net book value	Sale proceeds
		--------------------------Rupees--------------------------			
Computers					
By Company policy to existing / existing / resigned / retired executives	Inam ur Rehman / Ahmad Shahzad Saeed	212	212	-	25
Tools and equipment					
By Company policy to existing / existing / resigned / retired executives	Inam ur Rehman	151	119	32	-
	Hafsa Shamsie	90	52	38	-
Sale through bid	Shafiq Sons	23	-	23	13
Insurance Claim	EFU General Insurance Limited	54	9	45	28
		318	180	138	41
Vehicles					
By Company policy to existing/ existing / resigned / retired executives	Dawood Hercules Corporation Limited	7,596	1,811	5,785	5,785
	Humera Ahmad	455	69	386	108
	Samir Asrar Ali	415	63	352	274
		8,466	1,943	6,523	6,167
	Year ended December 31, 2016	**8,996**	**2,335**	**6,661**	**6,233**
	Year ended December 31, 2015	63,820	51,784	12,036	775,778

(Amounts in thousand)

		2016	2015
		--------------Rupees--------------	
4.4	**Capital work-in-progress**		
	This represents as follows:		
	Cost incurred :		
	Engineering, procurement & construction costs (note 4.4.1)	**10,100,965**	2,811,239
	Professional fee	**818,453**	545,498
	Exchange loss on borrowing	**71,908**	60,245
	Travelling, boarding and lodging	**54,902**	33,643
	Advances	**2,547**	3,423
	Borrowing cost	**391,342**	72,464
		11,440,117	3,526,512
	Transferred to:		
	- operating assets (note 4.1)	**(11,264,426)**	-
	- stores and spares (note 10)	**(39,469)**	-
	- capital spares assets	**(133,675)**	-
		2,547	3,526,512

4.4.1 This is net of Rs. 46,497 representing testing / pre commercial operation date revenue in respect of TGL.

5. EMBEDDED DERIVATIVES

TGL tariff, like other power companies, comprises of various price components with indexations falling within the ambit of embedded derivatives. Such embedded derivative as per International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' needs to be separated from the host contract and accounted for as a derivative if economic characteristics and risks of the embedded derivative are not closely related to the host contract.

On January 16, 2012, SECP vide SRO 24 (I) 2012 had granted waivers to all IPPs from the requirement of IFRIC 4 " Determining whether an arrangement contains a lease" and IFRIC 12 " Service Concession Agreements". Further, SECP through the aforementioned SRO has also allowed the IPPs to continue capitalising the exchange differences, and not to recognise embedded derivatives under IAS 39 where these are not closely related to the host contract. However, in the case of such derivatives, for periods beginning on or after January 1, 2013, the companies are required to give "Additional Disclosure" as if the accounting for embedded derivatives had been adopted in preparing the financial statements.

In view of the above SRO, TGL has capitalised exchange loss of Rs. 3,326 pertaining to current year (2015: Nil) in property, plant and equipment (note 4.1).

5.1 Additional Disclosure under SRO 24 (1) 2012

If TGL were to follow IAS 39 and had accounted for embedded derivatives and had not capitalised the exchange loss on translation of foreign currency borrowing, the effect on the consolidated financial statements line items would have been as follows:

(Amounts in thousand)

	Increase / (Decrease) Accumulated profits	Increase / (Decrease) Property, plant and equipment	Increase / (Decrease) Derivative financial asset / (liability)
	----------------------Rupees----------------------		
As at January 01, 2016	-	-	-
For the year ended December 31, 2016			
- Recognition of exchange loss	(3,326)	(3,326)	-
- Change in fair value of derivatives	59,822	-	59,822
	56,496	(3,326)	59,822
As at December 31, 2016	56,496	(3,326)	59,822

	2016	2015
	--------------Rupees--------------	

6. INTANGIBLE ASSETS

	2016	2015
Goodwill (note 6.1)	**22,834**	22,834
Computer software (note 6.2)	**6,433**	11,734
	29,267	34,568

6.1 Goodwill

In 2008, the Holding Company acquired 100% shareholding of TGL. The business combination with TGL was accounted for by applying the purchase method. The cost of the acquisition was measured at the fair value of equity instruments issued at the date of exchange plus cost directly attributable to acquisition. Identified assets acquired, liabilities (including contingent liabilities) assumed or incurred were measured at fair value at the acquisition date. The excess cost of acquisition over the fair value of identifiable net assets acquired was recognized as goodwill in these financial statements.

The management uses the Income Approach - Discounted Cash Flow Method (DCF) to determine the NPV of the wind project, covering a twenty-year period. The key assumptions used in the financial projections are discount rates and key commercial assumptions such as revenue growth and contribution margins.

At December 31, 2016, the management of the Group carried out an impairment testing of its goodwill recognized in these financial statements as a result of acquisition of TGL. Based on the said testing, the NPV of the wind project was in excess of the respective carrying amount of goodwill as at December 31, 2016.

6.2 Computer software

	2016	2015
	--------------Rupees--------------	
Cost		
Balance as on January 1	**20,962**	5,070
Addition during the year	**157**	15,892
Balance as on December 31	**21,119**	20,962
Amortization		
Balance as on January 1	**(9,228)**	(4,425)
Amortization during the year (note 27)	**(5,458)**	(4,803)
Balance as on December 31	**(14,686)**	(9,228)
Carrying amount	**6,433**	11,734

(Amounts in thousand)

6.2.1 The cost of above intangible is being amortized over a period of 3 years.

	2016	(Restated) 2015
	--------------Rupees--------------	
7. LONG TERM INVESTMENTS		
Investment in associate (notes 7.1 and 7.1.5)	8,691,306	5,337,092
Other investments (note 7.2)	17,523	12,663
	8,708,829	5,349,755
7.1 Investment in associate		
Associate - quoted		
Dawood Hercules Corporation Limited (DHCL)		
Opening balance	5,337,092	4,487,247
Add:		
- Share of profit after taxation	4,138,901	1,493,835
- Share of other comprehensive income	(741)	(427)
- Other equity transactions	579,863	369,402
	4,718,023	1,862,810
Less: Dividend received	(1,363,809)	(1,012,965)
	8,691,306	5,337,092

7.1.1 The Holding Company has invested in an associate DHCL with ownership of 16.19% (2015: 16.19%), comprising of 77,931,896 fully paid ordinary shares of Rs. 10/- each, having market value of Rs. 11,247,911 (2015: Rs. 9,284,806).

7.1.2 The financial year end of DHCL is December 31, 2016. Till last year, financial results for the period ended September 30, 2015 had been used for the purpose of application of equity method. During the year, the application of equity method has been done based on financial results for the year ended December 31, 2016. Further, the comparative figures have also been restated on the basis of financial results for the year ended December 31, 2015. The Holding Company is confident that from now onwards due to availability of financial information the application of equity accounting method will be based on the financial results of DHCL for the year end December 31.

7.1.3 The summary of financial information / reconciliation of DHCL is as follows:

(Amounts in thousand)

	2016	(Restated) 2015
	--------------Rupees--------------	
Revenue	**157,207,668**	181,979,686
Profit after tax	**73,438,345**	21,364,737
Other comprehensive income	**(1,646)**	(4,593)
Total comprehensive income	**73,436,699**	21,360,144
Profit attributable to:		
- Owners of DHCL	**25,564,552**	9,226,901
- Non-controlling interest of DHCL	**47,873,793**	12,137,836
	73,438,345	21,364,737
Non-current assets	**187,372,919**	148,825,504
Current assets	**113,943,610**	59,638,334
Total assets	**301,316,529**	208,463,838
Less:		
Non-current liabilities	**72,918,276**	49,757,691
Current liabilities	**55,435,832**	65,839,270
Current liabilities	**128,354,108**	115,596,961
Net assets	**172,962,421**	92,866,877
Net assets attributable to:		
- Owners of DHCL	**53,684,422**	32,965,357
- Non-controlling interest of DHCL	**119,277,999**	59,901,520
	172,962,421	92,866,877
Group's share in %	**16.19%**	16.19%
Share of net assets	**8,691,508**	5,337,092
Others	**(202)**	-
Carrying amount	**8,691,306**	5,337,092

7.1.4 The Holding Company holds 16.19% of the voting power in DHCL, however due to representation of its Directors on the Board of Directors of DHCL and participation in policy making processes including participation in decisions about dividends or other distributions, it has significant influence over DHCL.

7.1.5 Restatement of prior period

In 2015, as a result of adoption of International Financial Reporting Standard (IFRS) - 10 'Consolidated Financial Statements', by the Securities and Exchange Commission of Pakistan (SECP), DHCL reassessed the control conclusion of its investment in Engro Corporation Limited (ECL) that although, DHCL has less than 50% voting rights in ECL, however, based on the absolute size of the DHCL's shareholding and the relative size of the other shareholdings, DHCL has the ability to exercise control over ECL as per the terms of IFRS 10. Accordingly, DHCL was deemed to be the Holding Company of ECL. This resulted in change in its accounting policy retrospectively and accordingly, the

(Amounts in thousand)

earliest period presented in the consolidated balance sheet, consolidated profit and loss account, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows were restated as if it had been a subsidiary from the date when the DHCL obtained control over ECL. As a result of this restatement, the Holding Company during the year has redetermined the carrying amount of investment in associate in DHCL based on the restated consolidated financial statements of DHCL, which has resulted in the restatement of the corresponding amounts including recognition of related deferred tax liability in these consolidated financial statements. The changes arising from such restatements are applied retrospectively. The effect of retrospective application is as follows:

Effect on consolidated balance sheet as of January 1, 2015 and December 31, 2015:

	December 31, 2015			January 1, 2015		
	Amounts as previously reported	Effect of correction	Amounts as restated	Amounts as previously reported	Effect of correction	Amounts as restated
	Rupees					
Non-current assets						
Long term investment	7,244,802	(1,895,047)	5,349,755	4,939,421	(438,954)	4,500,467
Equity						
Accumulated profits	8,276,186	(2,554,022)	5,722,164	4,763,607	(991,698)	3,771,909
Non-current liabilities						
Deferred taxation	-	658,975	658,975	-	552,744	552,744

Effect on consolidated profit and loss account for the year ended December 31, 2015:

	Decem ber 31, 2015		
	Amounts as previously reported	Effect of correction	Amounts as restated
	Rupees		
Share of profit of associate	3,420,433	(1,926,598)	1,493,835
Deferred taxation recognized in :			
- Profit and loss	-	(60,109)	(60,109)
- Other comprehensive income	-	53	53
- Equity	-	(46,175)	(46,175)
	-	(106,231)	(106,231)

7.2 Other investments

- Available for sale investments

2016	2015	Name of Investee	2016	2015
Number of Shares / Units			Rupees	
		Listed Securities		
200,000	200,000	National Investment (Unit) Trust	17,508	12,648
		Un-Listed Securities		
1,500	1,500	Asian Co-operative Society Limited	15	15
			17,523	12,663

(Amounts in thousand)

		2016	2015
		--------------Rupees--------------	
7.3	**Reconciliation between fair value and cost of investments classified as 'available for sale'**		
	Fair value of investments	**17,523**	12,663
	Surplus on remeasurement of investments as at year end	**(15,068)**	(10,208)
	Cost of investments	**2,455**	2,455
8.	**LONG TERM DEPOSITS**		
	Deposits for utilities	**1,718**	1,718
	Others	**1,060**	1,060
		2,778	2,778
9.	**LONG TERM LOANS - Unsecured, considered good**		
	Loans to executives (notes 9.1 and 9.2)	**550**	1,576
	Less: Current portion (note 13)	**(501)**	(1,224)
		49	352
9.1	**Reconciliation of the carrying amount of loans to executives**		
	Balance at beginning of the year	**1,576**	-
	Disbursement	**376**	2,161
	Repayment	**(1,402)**	(585)
	Balance at end of the year	**550**	1,576

9.2 This represents interest free loan to executives, repayable in equal monthly instalments over a two year period, as per Group's policy and is secured against gratuity balance of employees.

9.3 The maximum aggregate amount due from executives at the end of any month during the year was Rs.1,461 (2015: Rs. 454).

		2016	2015
		--------------Rupees--------------	
10.	**STORES AND SPARES**		
	Stores	**50,559**	12,356
	Spares	**4,488**	4,488
		55,047	16,844
	Provision for slow moving and obsolete items (note 10.1)	**(7,789)**	(3,578)
		47,258	13,266
10.1	The movement in provision during the year is as follows:		
	Balance at the beginning of the year	**(3,578)**	(3,578)
	Add: charge for the year	**(4,211)**	-
	Balance at the end of the year	**(7,789)**	(3,578)

(Amounts in thousand)

	2016	2015
	--------------Rupees--------------	
11. STOCK-IN-TRADE		
Renewable energy		
Finished goods (notes 11.1 and 11.2)	185,486	146,929
Provision for slow moving and obsolete items (note 11.3)	(86,265)	(11,611)
	99,221	135,318
Textile		
Finished goods	62,077	86,840
Provision for write down to net realizable value (note 11.3)	(11,851)	(11,851)
	50,226	74,989
	149,447	210,307

11.1 The above includes stock with an aggregate carrying value of Rs. 406 (2015: Rs. 500) held by third parties at reporting date.

11.2 This includes stock in transit amounting to Rs. 7,839 (2015: Nil).

	2016	2015
	--------------Rupees--------------	
11.3 The movement in provision during the year is as follows:		
Balance at the beginning of the year	23,462	12,040
Add: Charge for the year	74,654	11,422
Balance at the end of the year	98,116	23,462

	2016	2015
	--------------Rupees--------------	
12. TRADE DEBTS		
- Secured, considered good		
Alternate energy (notes 12.1, 12.2 and 12.3)	180,951	-
- Unsecured, considered good		
Renewable energy - projects (notes 12.3, 12.4 and 12.8)	109,424	109,983
Renewable energy - others (note 12.8)	1,918	2,994
Gross amount due from customers (note 12.7)	33,938	4,365
Textile	424	1,602
	145,704	118,944
	326,655	118,944
- Considered doubtful		
Textile	3,059	1,167
Renewable energy	470	1,792
	3,529	2,959
	330,184	121,903
Provision for impairment against doubtful debts - net (note 12.6)	(3,529)	(2,959)
	326,655	118,944

12.1 These are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and as such are considered good.

12.2 Includes unbilled revenue amounting to Rs. 11,061 in respect of true-up and indexation of tariff components as defined in Energy Purchase Agreement.

(Amounts in thousand)

12.3 As at December 31, 2016, trade debts aggregating to Rs. 85,189 (2015: Rs. 8,925) were past due but not impaired. These relate to various customers which have either been confirmed / acknowledged by the customer or cleared subsequent to the year end. Further, the overdue receivable in respect of TGL carries a markup at the rate of 3 month KIBOR plus 4.5% per annum. The ageing analysis is as under:

	2016	2015
	Rupees	
Upto 1 month	35,569	2,613
More than 1 month	49,620	6,312
	85,189	8,925

12.4 Trade debts include Rs. 241,466 (2015 Rs. 110,019) which are neither past due nor impaired. The credit quality of these receivables can be assessed with reference to their historical performance with no defaults ever.

12.5 As at December 31, 2016, trade debts aggregating to Rs. 3,529 (2015: 2,959) were deemed to have been impaired and provided for. These have been outstanding for more than six months.

	2016	2015
	Rupees	
12.6 Movement in provision during the year is as follows:		
Opening balance	2,959	17,120
Charge for the year - net	570	2,872
Less: Trade debts written off	-	(17,033)
Closing balance	3,529	2,959
12.7 Gross amount due from customers:		
Contract costs incurred plus recognized profits less recognized losses	188,461	4,968
Less: Progress billings	(154,523)	(603)
	33,938	4,365

12.8 The amounts due and maximum aggregate amount from related parties at the end of any month during the year is as follows:

	Amount outstanding		Maximum month end balance	
	2016	2015	2016	2015
	Rupees			
Sach International (Private) Limited	150	2,769	150	2,769
Director	1,738	1,738	1,738	1,738
Sponsor	1,765	-	1,765	-
	3,653	4,507		

12.8.1 As at December 31, 2016, receivables aggregating to Rs. 1,888 (2015: 4,507) from related parties were past due but not impaired. The aging analysis of these receivables is as follows:

	2016	2015
	Rupees	
More than 3 months	1,888	4,507

12.9 Trade debts include retention of Rs. 338 (2015: Nil) from Engro Vopak Terminal Limited, in relation to project.

(Amounts in thousand)

	2016	2015
	--------------Rupees--------------	
13. LOANS AND ADVANCES - Unsecured, considered good		
Loans and advances to:		
- Executives (notes 13.1, 13.2, 13.3 and 13.4)	1,526	316
- Other employees (notes 13.2 and 13.4)	757	1,365
	2,283	1,681
Current portion of long term loan (notes 9 and 13.4)	501	1,224
Advance to suppliers	16,797	50,625
	19,581	53,530
13.1 Reconciliation of the carrying amount of loans and advances to executives		
Balance at beginning of the year	316	2,398
Disbursements	3,802	317
Repayments	(2,592)	(2,399)
Balance at end of the year	1,526	316

13.2 This represents interest free loan and advances to employees in accordance with the terms of employments.

13.3 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 1,899 (2015: Rs. 703).

13.4 The carrying values of these financial assets are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to no defaults ever.

	2016	2015
	--------------Rupees--------------	
14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Security deposits	12,898	7,217
Prepayments	3,462	2,586
Sales tax refundable	302,709	9,002
Profit receivable on term deposit receipts	-	434
Others (note 14.1)	19,602	11,084
	338,671	30,323

14.1 The amount due and maximum aggregate amount from related parties at the end of any month during the year is as follows:-

	Amount outstanding		Maximum month end balance	
	2016	2015	2016	2015
	---------------------------Rupees---------------------------			
Sach International (Private) Limited	9,605	9,802	16,779	12,087
Dawood Hercules Corporation Limited	6,342	-	6,342	-
	15,947	9,802		

(Amounts in thousand)

14.2 As at December 31, 2016, receivables from related parties aggregating to Rs. 16,824 (2015: Rs. 9,802) were past due but not impaired. The aging analysis of these receivables is as follows:

	2016	2015
	--------------Rupees--------------	
Upto 3 month	877	-
3 to 6 months	6,342	-
More than 6 months	9,605	9,802
	16,824	9,802

15. SHORT TERM INVESTMENTS

	2016	2015
At fair value through profit or loss (note 15.1)	-	930,897
Held to maturity investments (note 15.2)	-	14,000
	-	944,897

15.1 At fair value through profit or loss:

----------Number of units ----------			2016	2015
2016	2015		------------Rupees------------	
-	7,067,791	MCB Cash Management Optimizer Fund	-	728,708
-	1,949,015	Askari Sovereign Cash Fund	-	202,189
			-	930,897

15.2 Held to maturity investments:

	2016	2015
	--------------Rupees--------------	
Term deposit receipt	-	14,000

16. CASH AND BANK BALANCES

	2016	2015
Cash in hand	462	204
Cheques in hand	109,500	-
Cash at banks		
- In current accounts	10,101	6,817
- In deposit accounts - local currency (note 16.1)	403,661	14,435
- In deposit accounts - foreign currency (note 16.2)	275,130	489,188
	688,892	510,440
	798,854	510,644

16.1 This includes deposits with commercial banks and carry profit at the rate ranging from 3.7% to 6.5% (2015: 4% to 5.5%) per annum.

16.2 Foreign currency deposits carry return at the average rate of 0.13% (2015:0.19%) per annum.

17. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

17.1 Authorized capital

2016	2015		2016	2015
----------Number of shares----------			--------------Rupees--------------	
75,000,000	75,000,000	Ordinary shares of Rs.10/- each	750,000	750,000

(Amounts in thousand)

17.2 Issued, subscribed and paid up capital

2016	2015		2016	2015
----------Number of shares----------			--------------Rupees-------------	
2,204,002	2,204,002	Ordinary shares of Rs.10/- each fully paid in cash	**22,040**	22,040
12,805,118	12,805,118	Issued for consideration other than cash	**128,051**	128,051
44,048,739	44,048,739	Fully paid as bonus	**440,487**	440,487
59,057,859	59,057,859		**590,578**	590,578

17.2.1 Associates' holding of the Holding Company's share capital are as under:

	2016	2015
Dawood Corporation (Private) Limited	**29,016,622**	29,277,716
Patek (Private) Limited	**3,501,884**	3,501,884
Cyan Limited	**2,965,095**	2,965,095
Dawood Industries (Private) Limited	**494,921**	494,921
Sach International (Private) Limited	**3,776**	3,776
	35,982,298	36,243,392

17.2.2 The Holding Company has one class of ordinary shares which carry no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Holding Company. All shares rank equally with regard to the Holding Company's residual assets.

18. STAFF RETIREMENT GRATUITY

The details of staff retirement benefit obligation based on actuarial valuations carried out by independent actuary as at December 31, 2016 under the Projected Unit Credit Method are as follows:

18.1 Following significant assumptions were used for determining the gratuity liability:

	2016		2015	
	Gratuity Fund	Un-funded gratuity scheme	Gratuity Fund	Un-funded gratuity scheme
	---------------%		---------------	
Financial assumptions:				
Discount rate	8.00	9.50	10.00	9.00
Expected rate of salary increase	7.00	8.50	9.00	8.00
Expected return on plan assets	8.00	-	10.00	-
Demographic assumptions:				
Expected withdrawal rate	**Age-based**	**Age-based**	Age-based	Age-based
Retirement assumption note	**Age 60**	**Age 60**	Age 60	Age 60
Expected mortality rate	**SLIC 2001 - 2005**	**SLIC 2001 - 2005**	SLIC 2001 - 2005	SLIC 2001 - 2005

(Amounts in thousand)

		2016		2015	
		Gratuity Fund	Un-funded gratiuty scheme	Gratuity Fund	Un-funded gratiuty scheme
		----------Rupees----------			
18.2	**Balance sheet reconciliation**				
	Present value of defined benefit obligation (note 18.3)	**8,213**	**23,612**	9,149	22,851
	Fair value of plan assets (note 18.4)	**(2,928)**	**-**	(2,815)	-
	Net Liability at end of the year	**5,285**	**23,612**	6,334	22,851
18.3	**Movement in present value of defined benefit obligation**				
	Present value of defined benefit obligation at beginning of the year	**9,149**	**22,851**	20,370	-
	Current service cost	**1,547**	**3,559**	4,175	5,874
	Past service cost	**(118)**	**363**	-	-
	Interest cost	**361**	**1,693**	2,138	-
	Benefits paid	**(11,081)**	**(1,456)**	(2,731)	(290)
	Liability transferred from / (to) funded scheme	**3,220**	**(3,220)**	(17,494)	17,494
	Remeasurements: experience adjustments	**5,135**	**(178)**	2,691	(227)
	Present value of defined benefit obligation at end of the year	**8,213**	**23,612**	9,149	22,851
18.4	**Movement in fair value of plan assets**				
	Fair value of plan assets at beginning of the year	**2,815**	**-**	2,622	-
	Contributions made by the company	**11,081**	**-**	2,731	-
	Interest income	**281**	**-**	295	
	Benefits paid	**(11,081)**	**-**	(2,731)	-
	Return on plan assets	**(168)**	**-**	(102)	-
	Fair value of plan assets at end of the year	**2,928**	**-**	2,815	-
18.5	**Expense recognized in profit and loss account**				
	Current service cost	**1,547**	**3,559**	4,175	5,874
	Past service cost	**(118)**	**363**	-	-
	Interest cost on defined benefit obligation	**361**	**1,693**	2,138	-
	Interest income on plan assets	**(281)**	**-**	(295)	-
	Expense for the year	**1,509**	**5,615**	6,018	5,874
18.6	**Remeasurement losses / (gains) recognized in other comprehensive income**				
	Experience adjustments	**5,135**	**(178)**	2,691	(227)
	Interest income on plan assets	**168**	**-**	102	-
		5,303	**(178)**	2,793	(227)

(Amounts in thousand)

	2016		2015	
	Gratuity Fund	Un-funded gratiuty scheme	Gratuity Fund	Un-funded gratiuty scheme
	Rupees			
18.7 Net recognized liability				
Net liability at beginning of the year	6,334	22,851	17,748	-
Expense recognized in profit and loss account	1,509	5,615	6,018	5,874
Remeasurement losses recognized in other comprehensive income	5,303	(178)	2,793	(227)
Liability transferred from / (to) subsidiary company	3,220	(3,220)	(17,494)	17,494
Payments made during the year	(11,081)	(1,456)	(2,731)	(290)
Net liability at end of the year	5,285	23,612	6,334	22,851
18.8 Plan assets comprise of following:				
Investment in mutual funds	2,783	-	2,670	-
Cash at bank	145	-	145	-
	2,928	-	2,815	-

	2016		2015	
	Gratuity Fund	Un-funded gratiuty scheme	Gratuity Fund	Un-funded gratiuty scheme
	%			
Investment in mutual funds	95	-	95	-
Cash at bank	5	-	5	-
	100	-	100	-

	2016		2015	
	Gratuity Fund	Un-funded gratiuty scheme	Gratuity Fund	Un-funded gratiuty scheme
	Rupees			
18.9 Sensitivity analysis for actuarial assumptions				
Discount rate (+100 bps)	7,674	19,903	8,196	18,004
Discount rate (-100 bps)	8,817	24,907	10,241	21,431
Future salary increase rate (+100 bps)	8,825	24,953	10,254	21,490
Future salary increase rate (-100 bps)	7,658	19,822	8,169	17,925

The sensitivity analysis are based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability for gratuity recognized within the balance sheet.

18.10 The weighted average duration of the defined benefit obligation is 11 years.

18.11 Expected future cost for the year ending December 31, 2017 is Rs. 10,918.

(Amounts in thousand)

18.12 Historical information of staff retirement benefits:

	2016	2015	2014	2013	2012
	---Rupees---				
Gratuity Fund					
Present value of defined benefit obligation	**(8,213)**	(9,149)	(20,370)	(11,711)	(84,838)
Fair value of plan assets	**2,928**	2,815	2,622	2,292	2,283
Deficit	**(5,285)**	(6,334)	(17,748)	(9,419)	(82,555)
Un-funded gratuity scheme					
Present value of defined benefit obligation	**(23,612)**	(22,851)	(2,581)	-	-
Fair value of plan assets	**-**	-	-	-	-
Deficit	**(23,612)**	(22,851)	(2,581)	-	-

	2016	2015 (Restated) (note 7.1.5)
	--------------Rupees--------------	

19. DEFERRED TAXATION

19.1 Taxable temporary differences in respect of investments in associate accounted for using equity method	**1,078,251**	658,975

19.2 As at December 31, 2016, deferred tax asset amounting to Rs. 552,201 (2015: Rs. 491,350) has not been recognised in these consolidated financial statements as the Group does not expect to generate future taxable profits against which the related deferred tax asset can be realised.

20. BORROWINGS - Secured

	2016	2015
	--------------Rupees--------------	
Foreign currency borrowings (notes 20.1 and 20.2)	**6,635,239**	3,157,477
Local currency borrowings (note 20.1)	**2,398,838**	311,880
	9,034,077	3,469,357
Transaction costs		
Transaction cost to date	**(305,947)**	(281,547)
Accumulated amortization	**37,155**	10,275
	(268,792)	(271,272)
Less: Current portion of shown under current liabilities	**(293,487)**	-
	8,471,798	3,198,085

20.1 The Group entered into a financing agreements with two international financial institutions for a total of US Dollars 66,000 and with a consortium comprising of local financial institutions amounting to Rs. 2,400,000. The international finance carries markup at the rate of three months LIBOR plus 5% payable quarterly over a period of ten years, whereas the local finance carries markup at the rate of three months KIBOR plus 3% payable quarterly over the period of ten years. The principal is repayable in twenty semi-annual instalments commencing from July 2017. As at December 31, 2016, the outstanding balance of the borrowing was US Dollars 63,313 (2015: US Dollar 30,129) for international loan.

20.2 Includes loan from International Finance Corporation (IFC), a related party, amounting to Rs. 2,024,039 (2015: Rs. 610,837).

(Amounts in thousand)

20.3 The borrowing is secured by an equitable mortgage on the immovable property and the hypothecation of current and future assets of TGL, except receivables from NTDC in respect of Energy Purchase Price. Further, the Holding Company has also extended a letter of credit in favour of the senior lenders.

20.4 The Holding Company has pledged 66,262,722 (2015: 66,262,722) ordinary shares of Rs. 10 each of DHCL for financing facilities procured from commercial banks.

21. SHORT TERM BORROWINGS

21.1 This represents utilized portion of running finance facilities obtained from the financial institutions of Rs 1,150,000 (2015: Rs. 650,000) under a mark-up arrangement. The facilities are subject to markup ranging from 3 months KIBOR + 0.90% to 1% which is determined at the start of each quarter and is payable on quarterly basis in arrears. The running finance under mark-up arrangement is secured by way of deposit of title deeds of land and pledge over Holding Company's investment in related parties.

22. TRADE AND OTHER PAYABLES

	2016	2015
	--------------Rupees--------------	
Creditors	542,402	5,850
Payable to related parties (note 22.1)	19,509	36,124
Accrued expenses (note 22.2)	133,803	49,898
Unclaimed dividend	36,859	29,210
Due to Islamic Development Bank (note 22.3)	25,969	25,969
Due to customers of energy projects (note 22.4)	12,228	41,739
Provision for onerous contract	2,113	-
Advance from customers and others	24,201	5,816
Sales tax payable	-	374
Payable to gratuity fund (note 18.2)	5,285	6,334
Deposits (note 22.5)	377	377
Withholding tax	7,346	1,764
Others	938	-
	811,030	203,455

22.1 These include amounts due to following related parties:

	2016	2015
Dawood Hercules Corporation Limited	5,593	98
Engro Powergen Limited	13,916	35,639
Hub Power Company Limited	-	387
	19,509	36,124

22.2 This includes Rs. 5,800 (2015: 5,800) on interest payable to National Investment (Unit) Trust (NIT) in respect of deposit received for subscription of shares in the Holding Company. During the year, the High Court of Sindh has decided the case in favour of NIT and the Holding Company's is negotiating with NIT for amicable settlement.

22.3 This represents amount payable against the preference shares issued before amalgamation in the year 2004, by one of the merged entity to Islamic Development Bank with a right to redeem. The merged entity had served notice to the Bank for redemption before the scheme of amalgamation and redemption reserve had been created.

22.4 Gross amount due to customers of energy projects:

	2016	2015
	--------------Rupees--------------	
Contract costs incurred plus recognized profits less recognized losses	54,534	62,632
Less: Progress billings	(66,762)	(104,371)
	(12,228)	(41,739)

(Amounts in thousand)

22.5 All deposits are interest free and are payable on demand.

23. CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

23.1.1 Disallowances of expenses claimed (Tax year 2003)

The Holding Company had filed an appeal against the order of Commissioner Inland Revenue (Appeals) [CIR(A)] before Appellate Tribunal Inland Revenue (ATIR) on disallowance of expenses of gratuity, lease rentals, employee perquisites and utilities aggregating to Rs. 18,600. The appeal has been heard and the case has been set aside by the Tribunal and remanded back to the Taxation Officer for reconsideration. The tax incidence of above mentioned disallowances is Rs. 6,500. The Taxation Officer has not yet initiated any proceedings.

23.1.2 Expenses not allocated to dividend income (Tax years 2004, 2005 and transition year 2005)

The Additional Commissioner Inland Revenue (ACIR) in his order amended the amount of allocation of expenses from business income to capital gain and dividend income to Rs. 62,500 from the original allocation of Rs. 136,100 resulting in reduction in tax incidence to Rs. 21,900. The Holding Company filed an appeal before CIR (A) on this matter, who upheld the order of ACIR. Thereafter, the Holding Company again filed an appeal before ATIR which is pending hearing.

23.1.3 Dividend income offset against business losses (Tax years 2008 and 2009)

The CIR (A) in his order did not allow to set off dividend income against business losses of tax years 2008 & 2009 having tax impact of Rs. 13,920. The Holding Company filed an appeal before ATIR for both years which is pending hearing.

23.1.4 Losses of amalgamating companies claimed (Tax year 2004)

The ATIR has disallowed adjustment of assessed losses of amalgamating companies amounting to Rs. 20,620 against the income of the Holding Company. The Holding Company has filed an appeal in Lahore High Court on this matter. The matter is yet to be decided by the High Court.

23.1.5 Sales tax audit

Sales tax audit was initiated by the department for the July 2010 to June 2011. The Holding Company received an order from DCIR, raising an erroneous demand of Rs. 5,880 relating mainly to inadmissible input taxes, non-payment of sales tax on scrap scales and non-payment of withholding sales tax. The Holding Company filed an appeal against the order before CIR(A) who upheld the demand of DCIR. Subsequently the Holding Company again filed an appeal before ATIR which is pending hearing.

23.1.6 Tax audit (Tax Year 2014)

The Holding Company had been selected in balloting for audit proceeding u/s 214C read with section 177 of Income Tax Ordinance, 2001 during October 2015 and the audit has been duly completed. Thereafter a show-cause notice was issued by the department against which the Holding Company filed an application of stay in Sindh High Court. The matter is yet to be decided by the Sindh High Court.

23.1.7 The High Court of Sindh has decided that the Holding Company's Appeal in its case against the National Investment (Unit) Trust (NIT) is devoid of merit and the Holding Company is negotiating with NIT for an amicable settlement.

23.2 The Holding Company is contingently liable against following guarantees and counter guarantees:

(Amounts in thousand)

- Rupee denominated bank guarantees of Rs. 110,067 (2015: Rs. 68,310) favoring various local vendors.
- A bank guarantee of USD 1,732 (2015: USD 1,732) favoring National Transmission and Despatch Company issued on behalf of a subsidiary 'Tenaga Generasi Limited'.
- The Holding Company is contingently liable to provide support to its subsidiary, TGL, for an amount of USD 3,240 (2015: 13,000) to finance project cost overruns.
- Bank guarantees have been issued amounting to Rs. 15,571 during the year to guarantee performance to the customers by the Holding Company on behalf of REL which are valid till one year after the completion of respective projects.

23.3 Commitments

23.3.1 The Holding Company is committed, as Sponsor, to purchase shares of TGL from International Finance Corporation (IFC) on exercise of put option by IFC under the Shareholders' Agreement under conditions (i) at any time during the period beginning on the seventh anniversary of the first subscription until Liquidity date; or (ii) in the event that TGL and the Holding Company breach any of the obligation set out in the shareholders' agreement.

23.3.2 As at December 31, 2016 commitment for civil works and equipment procurement amounts to Nil (2015: Rs. 7,941,604).

23.3.3 The Group has commitments against letters of credit outstanding for purchase of renewable energy goods amounting to Rs. 74,234 (2015: Nil).

	2016	2015
	--------------Rupees--------------	
22.3.4 Commitment in respect of operating lease arrangements		
Not later than one year	**7,551**	6,803

The Holding Company has signed lease agreements for premises on rent from Dawood Foundation, a related party, for Karachi office which is due to expire in September 2017. The same is revocable by either party through prior notice of at least 3 months.

	2016	2015
	--------------Rupees--------------	
24. REVENUE - NET		
Renewable and Alternate energy		
Project revenue (note 24.1)	**299,588**	162,367
Solar lights	**15,221**	11,527
Alternate energy (notes 24.2 and 24.3)	**203,359**	-
Others	**16,334**	5,339
	534,502	179,233
Less: Return and discount	**-**	(1,865)
Less: Sales tax	**(14,863)**	-
	519,639	177,368
Textile		
Fabric	**22,270**	27,681
Less: Sales tax	**(1,070)**	(1,304)
	21,200	26,377
	540,839	203,745
Related to discontinued operations (note 32)	**(21,200)**	(26,377)
	519,639	177,368

(Amounts in thousand)

24.1 This includes Rs. 14,345 (2015: Rs. 62,690) relating to projects in progress at reporting date.

24.2 This is exclusive of sales tax amounting to Rs. 32,691 for current year sales invoices.

24.3 Revenue includes unbilled amount of Rs. 11,061. This has been billed subsequent to balance sheet date.

	2016	2015
	--------------Rupees--------------	
25. COST OF REVENUE		
Renewable energy		
Opening stock	146,929	184,504
Purchases and related expenses (note 25.2)	207,771	106,300
Provision for slow moving and obsolete items	4,873	11,422
Closing stock	(52,816)	(146,929)
	306,757	155,297
Alternate energy		
Salaries, allowances and benefits	1,085	-
Depreciation (note 4.2)	131,803	-
Insurance	9,201	-
Travelling expenses	529	-
Service charges	53,152	-
Security	7,275	-
Others	2,680	-
	205,725	-
Textile - Finished goods		
Opening balance	86,840	108,055
Provision for slow moving and obsolete stores and spares and other adjustments	4,197	4,570
Donations	(1,461)	(2,975)
Closing balance	(62,077)	(86,840)
	27,499	22,810
Related to discontinued operations (note 32)	(27,499)	(22,810)
	512,482	155,297

25.1 Cost of revenue of renewable energy includes Rs. 70,080 (2015: Rs. 60,510) relating to projects in progress at reporting date.

25.2 Includes Rs. 2,113 (2015: Nil) in respect of onerous contract.

	2016	2015
	--------------Rupees--------------	
26. SELLING AND DISTRIBUTION EXPENSES		
Salaries and allowances (note 26.1)	68,430	75,035
Sales promotion	2,246	1,333
Storage and forwarding	361	571
Depreciation (note 4.2)	1,334	1,249
Conveyance and travelling	7,829	16,128
Fees and subscription	12,507	9,734
Postage and telephone	1,145	1,923
Electricity, gas and water	1,062	839
Rent, rates and taxes	8,098	3,389
Printing and stationery	449	204
Repairs and maintenance	1,632	1,827
Freight and insurance	1,898	1,108
Advertisement	6,266	14,613
Miscellaneous	5,606	1,634
	118,863	129,587
Related to discontinued operations (note 32)	(273)	(544)
	118,590	129,043

(Amounts in thousand)

26.1 Salaries and allowances include Rs. 749 (2015: Rs. 6,824) in respect of staff retirement benefits.

27. ADMINISTRATIVE EXPENSES

	2016	2015
	--------------Rupees--------------	
Salaries and allowances (note 27.1)	124,987	117,712
Legal and professional	17,282	24,987
Rent, rates and taxes	8,980	11,835
Electricity and gas	8,931	14,317
Depreciation (note 4.2)	29,215	32,968
Amortization (note 6.2)	5,458	4,803
Printing and stationery	3,877	3,209
Fees and subscription	29,314	31,230
Insurance	4,771	3,942
Conveyance and travelling	5,689	6,917
Repairs and maintenance	2,881	5,240
Postage and telephone	2,332	2,949
Entertainment	2,054	2,861
Auditors' remuneration (note 27.2)	6,952	1,076
Miscellaneous (note 27.3)	7,675	7,220
	260,398	271,266
Related to discontinued operations (note 32)	(70,134)	(118,279)
	190,264	152,987

27.1 Salaries and allowances include Rs. 6,375 (2015: Rs. 5,068) in respect of staff retirement benefits.

27.2 Auditors' remuneration

The aggregate amount charged in respect of auditors' remuneration is as follows:

	2016	2015
	--------------Rupees--------------	
Fee for:		
- annual statutory audit	1,300	598
- consolidated financial statements	55	55
- half yearly review	370	170
- certification and other advisory services	4,892	79
- taxation services	200	160
Reimbursement of expenses	135	14
	6,952	1,076

27.3 This includes exchange loss amounting to Rs. 10 (2015: Rs. 4).

28. OTHER OPERATING EXPENSES

	2016	2015
Loss on disposal of property, plant and equipment	428	-
Provision for impairment against doubtful debts - net	570	2,872
Provision for impairment of stock-in-trade	69,781	-
	70,779	2,872

(Amounts in thousand)

29. OTHER INCOME

	2016	2015
	--------------Rupees--------------	
Income from financial assets		
Dividend income National Investment (Unit) Trust	**900**	850
Profit on deposits	**3,575**	2,557
Capital gain on sale of investments - held for trading	**9,501**	7,301
Unrealized gain on investments - held for trading	**-**	7,216
	13,976	17,924
Income from non-financial assets and others		
Gain on disposal of property, plant and equipment (note 29.1)	**-**	763,742
Exchange gain	**1**	-
Liability no longer payable written back	**98**	-
Royalty income	**15,903**	9,557
Storage income	**23,854**	2,954
Others	**16,853**	9,762
	56,709	786,015
	70,685	803,939
Related to discontinued operations (note 32)	**(35,365)**	(774,877)
	35,320	29,062

29.1 During the year 2015, the Company disposed off property, plant and equipment relating to Dawood Cotton Mills and Dillon Limited, at a price of Rs. 772,234, with net book value of Rs. 9,412 respectively.

30. FINANCE COST

	2016	2015
	--------------Rupees--------------	
Markup on long term borrowings	**131,733**	-
Amortisation of transaction cost	**5,965**	-
Commitment fee	**492**	-
Markup on short term borrowings	**30,523**	24,254
Bank charges	**1,312**	1,409
	170,025	25,663
Related to discontinued operations (note 32)	**(21)**	(50)
	170,004	25,613

31. TAXATION

	2016	(Restated) 2015
	--------------Rupees--------------	
Current		
- for the year (note 31.2)	**174,151**	199,669
- for prior year - net (note 31.3)	**(44,570)**	(306)
	129,581	199,363
Deferred	**346,887**	60,109
	476,468	259,472

(Amounts in thousand)

31.1 Income of TGL derived from Electric Power Generation Project is exempt from the levy of tax under clause 132 of the Second Schedule to Income Tax, Ordinance, 2001. The income in respect of TGL is also exempt from minimum tax on turnover under clause 11 A of part IV of the Second Schedule to the Income Tax Ordinance, 2001.

31.2 Includes REL's tax expense which consists of minimum tax charged under section 113 of the Income Tax Ordinance, 2001 on the REL's turnover for the year.

31.3 Includes 'Super Tax for rehabilitation of temporary displaced persons' at the rate of 3% on specified income for the tax year 2016 (i.e. for the year ended December 31, 2015) levied through Finance Act 2016.

31.4 Relationship between tax expense and accounting profit

The relationship between tax expense and accounting profit has not been presented in these consolidated financial statements as majority of income falls under final tax regime and turnover tax provided under section 113 (b). Other income is separately taxed under respective sections of the Income Tax Ordinance, 2001.

32. PROFIT FROM DISCONTINUED OPERATIONS

	2016	2015
	--------------Rupees--------------	
Revenue - net (note 24)	21,200	26,377
Cost of revenue (note 25)	(27,499)	(22,810)
Gross (loss) / profit	(6,299)	3,567
Selling and distribution expenses (note 26)	(273)	(544)
Administrative expenses (note 27)	(70,134)	(118,279)
Other income (note 29)	35,365	774,877
Finance cost (note 30)	(21)	(50)
Net (loss) / profit from discontinued operations	(41,362)	659,571

33. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

	2016	(Restated) 2015
	--------------Rupees--------------	
33.1 Continuing operations		
Profit for the year (attributable to the owners of the Holding Company)	3,200,988	977,769
Weighted average number of ordinary shares (in thousands)	59,058	59,058
Earnings per share	54.20	16.56
33.2 Discontinued operations		
(Loss) / profit for the year (attributable to the owners of the Holding Company)	(41,362)	659,571
Weighted average number of ordinary shares (in thousands)	59,058	59,058
(Loss) / earnings per share	(0.70)	11.17

(Amounts in thousand)

34. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

34.1 The aggregate amounts charged during the year in respect of remuneration, including all benefits, to the chief executive, directors and executives of the Holding Company are as follows:

	2016			2015		
	Directors		Executives	Directors		Executives
	Chief Executive	Others		Chief Executive	Others	
	---- Rupees ----					
Managerial remuneration	9,272	-	68,952	8,126	-	42,641
Bonus	5,713	-	3,384	-	-	-
House rent allowance	2,330	-	1,426	3,201	-	5,410
Utilities	1,150	-	317	1,600	-	1,202
Retirement benefits	2,167	-	5,104	616	-	5,309
Fees	-	1,800	-	-	1,300	-
Other benefits	3,499	-	24,050	892	-	29,380
Total	24,131	1,800	103,233	14,435	1,300	83,942
Number of persons, including those who worked part of the year	2	4	41	1	4	36

34.2 The Chief Executive of the Holding Company is also entitled to use company maintained vehicle.

35. FINANCIAL INSTRUMENTS BY CATEGORY

35.1 Financial assets as per balance sheet

	2016	2015
	--Rupees--	
- Loans and receivables		
Long term deposits	2,778	2,778
Trade debts	326,655	118,944
Loans and advances	2,833	3,257
Deposits and other receivables	32,500	18,735
Cash and bank balances	798,854	510,644
	1,163,620	654,358
- Available for sale		
Long term investments	17,523	12,663
- At fair value through profit and loss		
Short term investments	-	930,897
- Held to maturity		
Short term investments	-	14,000

35.2 Financial liabilities as per balance sheet

	2016	2015
- At amortized cost		
Borrowings	8,765,285	3,198,085
Short term borrowings	466,487	12,566
Trade and other payables	761,540	165,773
Accrued markup	140,870	32,912
	10,134,182	3,409,336

(Amounts in thousand)

35.3 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

36. FINANCIAL RISK MANAGEMENT

36.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's risk management program focuses on unpredictability of the financial markets for having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to the shareholders. Risk management is carried out by the Group's finance department under the policies approved by the Holding Company's Board of Directors of the Holding Company.

a) Financial risk factors

i) Currency risk

Currency risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to payables to foreign suppliers of goods in foreign currency. The Group primarily deals in local sales and does not have any foreign currency exports or foreign debtors. The Group's exposure in alternate energy business to currency risk is limited as the fluctuation in foreign exchange risks are recovered through adjustment in tariff as per Energy Purchase Agreement.

At December 31, 2016, if the Pakistan Rupee had weakened/strengthened by 5% against the Euro with all other variables held constant, the effect on post-tax profit for the year would have been immaterial.

ii) Interest rate risk

Interest rate risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Group's interest rate risk arises primarily from borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. As there are no borrowings at fixed rates, the Group is not exposed to fair value interest rate risk.

The Group analyses its interest rate exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and taking into account various other financing options available. For borrowing at variable rates, the rates are determined in advance for stipulated periods with reference to KIBOR and LIBOR.

The Group's exposure to interest rate risk in alternate energy business is limited as the unfavorable fluctuation in interest rate of long term borrowings are recovered through adjustment in tariff as per the Energy Purchase Agreement.

At December 31, 2016, if interest rates on the Group's borrowings had been 1% higher / lower with all other variables held constant, post-tax profit for the year would have been lower / higher by Rs. 4,665 (2015: lower / higher by Rs. 125).

iii) Other price risk

Price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual

(Amounts in thousand)

financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is not materially exposed to price risk as it carries no price sensitive financial instruments as at December 31, 2016.

b) Credit risk

Credit risk represents the risk of financial loss being caused if counter parties fail to discharge their obligations.

Credit risk arises from deposits with banks and financial institutions, trade debts, loans, advances, deposits and other receivables. The maximum exposure to credit risk is equal to the carrying amount of financial assets.

As at December 31, 2016, the Group has significant concentration of credit risk resulting from deposits with banks and financial institutions amounting to Rs. 688,892 (2015: Rs. 510,440) and TGL's receivable from NTDC amounting to Rs. 180,951 (2015: Nil). The credit risk on liquid funds is limited because the counter parties are related parties and banks with reasonably high credit ratings as follows:

	Rating agency	Rating	
Banks / Investments		Short-term	Long-term
Bank Al-Habib Limited	PACRA	A1+	AA+
Habib Bank Limited	JCR-VIS	A1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA
Citibank N.A.	Moody's	P1	A1
Standard Chartered Bank Pakistan Limited	PACRA	A1+	AAA
National Investment Trust	PACRA	-	AM2+

c) Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations associated with its financial liabilities. The Group's liquidity management involves projecting cash flows and consider the level of liquid funds necessary to meet these, monitoring balance sheet liquidity ratios against external regulatory requirements and maintaining debt financing plans. These objectives are achieved by maintaining sufficient cash and readily marketable securities and availability of funding through committed credit facilities. Due to dynamic nature of the business, the Group maintains flexibility in funding by maintaining committed credit lines available.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2016			2015		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
	---------- Rupees ----------					
Financial liabilities						
Borrowings	**320,366**	**8,713,711**	**9,034,077**	-	3,469,357	3,469,357
Short term borrowings	**466,487**	**-**	**466,487**	12,566	-	12,566
Trade and other payables	**761,540**	**-**	**761,540**	165,773	-	165,773
Accrued markup	**140,870**	**-**	**140,870**	32,912	-	32,912
	1,689,263	**8,713,711**	**10,402,974**	211,251	3,469,357	3,680,608

(Amounts in thousand)

36.2 Fair value estimation

The table below analyzes financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

	2016			
	Level 1	Level 2	Level 3	Total
	--------------------------Rupees------------------------			
Long term investments	17,523	-	-	17,523

	2015			
	Level 1	Level 2	Level 3	Total
	--------------------------Rupees------------------------			
Long term investments	12,663	-	-	12,663
Short term investments	930,897	-	-	930,897
	943,560	-	-	943,560

37. CAPITAL RISK MANAGEMENT

The objective of the Group when managing capital, i.e. its shareholders' equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders or issue new shares.

The Group manages its capital by maintaining gearing ratio at certain level. The ratio is calculated as total borrowings divided by total capital. Total capital is calculated as 'equity' in the balance sheet plus total borrowings. The gearing ratio as at December 31 is at follows:

	2016	2015
	--------------Rupees--------------	
Borrowings	**9,231,772**	3,210,651
Equity	**10,603,431**	6,830,141
	19,835,203	10,040,792
Gearing ratio	**46.54%**	31.98%

The Group finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

(Amounts in thousand)

38. SEGMENT REPORTING

38.1 A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. The management has determined the operating segments based on the information that is presented to the Board of Directors of the Group for allocation of resources and assessment of performance. Based on internal management reporting structure and products produced and sold, the Group is organized into the following operating segments:

- Renewable energy solutions;
- Textile - discontinued operations; and
- Alternate Energy.

Management monitors the operating results of the abovementioned segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in table below, is measured differently from profit and loss in the financial statements. Segment results and assets include items directly attributable to a segment.

38.2 Segment analysis is as under:

	Renewable energy		Textile - discontinued operations		Alternate Energy		Unallocated		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
	Rupees									
Revenue	**316,280**	177,368	**21,200**	26,377	**203,359**	-	**-**	-	**540,839**	203,745
Cost of revenue	**(306,757)**	(155,297)	**(27,499)**	(22,810)	**(205,725)**	-	**-**	-	**(539,981)**	(178,107)
Segment gross profit / (loss)	**9,523**	22,071	**(6,299)**	3,567	**(2,366)**	-	**-**	-	**858**	25,638
Selling and distribution expenses	**(118,590)**	(129,043)	**(273)**	(544)	**-**	-	**-**	-	**(118,863)**	(129,587)
Administrative expenses	**(142,729)**	(117,199)	**(70,134)**	(118,279)	**(47,535)**	(35,788)	**-**	-	**(260,398)**	(271,266)
Other operating expenses	**(70,779)**	(2,872)	**-**	-	**-**	-	**-**	-	**(70,779)**	(2,872)
Other income	**-**	-	**35,365**	774,877	**6,103**	7,747	**29,217**	21,315	**70,685**	803,939
Finance cost	**-**	-	**(21)**	(50)	**(138,201)**	(14)	**(31,803)**	(25,599)	**(170,025)**	(25,663)
Share of profit from associate	**-**	-	**-**	-	**-**	-	**4,138,901**	1,493,835	**4,138,901**	1,493,835
Taxation	**-**	-	**-**	-	**(863)**	(1,140)	**(475,605)**	(258,332)	**(476,468)**	(259,472)
Segment net profit	**(322,575)**	(227,043)	**(41,362)**	659,571	**(182,862)**	(29,195)	**3,660,710**	1,231,219	**3,113,911**	1,634,552
Segment assets										
Property, plant and equipment	**38,159**	44,925	**67,303**	79,716	**11,299,650**	3,560,210	**-**	-	**11,405,112**	3,684,851
Intangible assets	**-**	-	**-**	-	**-**	-	**29,267**	34,568	**29,267**	34,568
Long term investments	**-**	-	**-**	-	**-**	-	**8,708,829**	5,349,755	**8,708,829**	5,349,755
Long term deposits	**-**	-	**2,778**	2,778	**-**	-	**-**	-	**2,778**	2,778
Long term loans	**49**	352	**-**	-	**-**	-	**-**	-	**49**	352
Stores and spares	**-**	1,266	**7,789**	12,000	**39,469**	-	**-**	-	**47,258**	13,266
Stock-in-trade	**99,221**	135,318	**50,226**	74,989	**-**	-	**-**	-	**149,447**	210,307
Trade debts	**145,280**	117,342	**424**	1,602	**180,951**	-	**-**	-	**326,655**	118,944
Loans and advances	**19,346**	52,032	**235**	12	**-**	1,486	**-**	-	**19,581**	53,530
Deposits, prepayments and other receivables	**330,150**	19,442	**8,521**	8,520	**-**	2,361	**-**	-	**338,671**	30,323
Taxes recoverable	**-**	-	**-**	-	**-**	-	**62,465**	4,770	**62,465**	4,770
Short term investments	**-**	-	**-**	-	**-**	405,049	**-**	539,848	**-**	944,897
Cash and bank balances	**-**	-	**-**	-	**493,283**	492,000	**305,571**	18,644	**798,854**	510,644
Total segment assets	**632,205**	370,677	**137,276**	179,617	**12,013,353**	4,461,106	**9,106,132**	5,947,585	**21,888,966**	10,958,985
Segment liabilities										
Borrowings	**-**	-	**-**	-	**8,765,285**	3,198,085	**-**	-	**8,765,285**	3,198,085
Staff retirement gratuity	**22,197**	19,541	**-**	-	**1,415**	3,310	**-**	-	**23,612**	22,851
Deferred taxation	**-**	-	**-**	-	**-**	-	**1,078,251**	658,975	**1,078,251**	658,975
Short term borrowings	**-**	-	**-**	-	**-**	-	**466,487**	12,566	**466,487**	12,566
Trade and other payables	**154,316**	103,111	**12,965**	32,146	**643,749**	68,198	**-**	-	**811,030**	203,455
Accrued Markup	**-**	-	**-**	-	**130,593**	32,889	**10,277**	23	**140,870**	32,912
Total segment liabilities	**176,513**	122,652	**12,965**	32,146	**9,541,042**	3,302,482	**1,555,015**	671,564	**11,285,535**	4,128,844

(Amounts in thousand)

38.3 Included in the revenue arising from energy projects of Rs. 156,139 (2015: Rs. 160,760) is revenue of approximately Rs. 113,694 (2015: Rs. 136,760) which arose from sales to the Group's major customers. No other single customer contributed 10% or more to Group's revenues from energy projects. The breakup of major customers is as follows:

	2016	2015
	----Rupees----	
Nobel Energy Limited	72,617	53,830
LCC Pakistan (Private) Limited	16,726	45,411
Unilever Pakistan Foods Limited	24,351	-
Punjab Skills Development Fund	-	17,550
Asia Petroleum Limited	-	19,969
	113,694	136,760

39. TRANSACTIONS WITH RELATED PARTIES

The Group in the normal course of business carries out transactions with various related parties. Related parties comprise of subsidiary companies, associated undertakings, directors, key management personnel, retirement benefit funds and others. Amounts due from and to other related parties, directors, retirement benefit fund and key management personnel are shown under respective notes. Transaction with related parties are carried out at agreed terms. Remuneration of key management personnel are as per terms of employment. Remuneration of directors and key management personnel is disclosed in note 34. Transactions with related parties other than those disclosed elsewhere in these consolidated financial statements are as follows:

Relationship	Nature of transaction	2016	2015
		----Rupees----	
Associated companies			
Dawood Hercules Corporation Limited	Reimbursable expenses by the Group	2,728	2,235
	Reimbursable expenses to the Holding Company	557	-
	Sale of fixed assets	5,785	-
	Reimbursement of expenses by the Holding Company including management remuneration	5,362	-
Sach International (Private) Limited	Sale of fabric	150	782
	Reimbursable expenses to the Group	250	705
	Royalty charged	15,903	9,557
	Penalty charged	304	490
Cyan Limited	Reimbursable expenses to the Holding Company	145	-
	Consultancy charges	-	4,485
The Dawood Foundation	Rental charges paid	6,803	5,533
	Reimbursable expenses by the Group	1,511	1,573
	Security Deposits	1,550	-
Inbox Business Technologies (Pvt) Limited	Hardware maintenance charges paid	-	95
National Database and Registration Authority (NADRA)	Verification charges	-	10
Engro Powergen Limited	Project management fee	12,733	12,800
	Reimbursable expenses by the Group	54,909	63,873
The Hub Power Company Limited	Advance received by the Group	-	387
Sponsor	Project revenue	1,765	-
Other related parties			
Directors	Sale of solar solutions	10	-
International Finance Corporation	Debt arrangement fee charged to the Group	-	105,898
	Borrowing cost charged to the Group	89,286	13,469
	Reimbursable expenses by the Group	-	5,787
	Issuance of share capital	452,535	304,224
	Loan received	1,408,008	592,944
	Commitment fee	6,145	6,180
	Accrued markup	30,489	7,331

(Amounts in thousand)

40. PRODUCTION CAPACITY

	Designed Annual Capacity (MWh)		Actual Production (MWh)	
	2016	2015	2016	2015
Power (note 40.1)	20,650	-	18,082	-

40.1 Output produced by the plant is dependent on the load demanded by NTDC and plant availability.

41. NUMBER OF EMPLOYEES

The total average number of employees during the year and as at December 31, are as follows:

	2016	2015
Number of employees as at December 31	78	83
Average number of employees during the year	48	65

42. CORRESPONDING FIGURES

For better presentation, following reclassifications have been made:

Description	Rupees	Head of account in financial statement for the year ended December 31, 2015	Head of account in financial statement for the year ended December 31, 2016
Balance sheet			
Taxes recoverable	160,772	Loans and advances	Taxes recoverable
"	61,765	Deposits, prepayments and other receivables	"
"	217,767	Provision for taxation	"
Payable to gratuity fund	6,334	Staff retirement gratuity	Trade and other payables
Profit and loss account			
Provision for slow moving and obsolete stores and spares	11,422	Administrative expenses	Cost of revenue

43. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors of the Holding Company in its meeting held on March 10, 2017 has proposed a final cash dividend of Rs. 5/- per share for the year ended December 31,2016 amounting to Rs. 295,289/-, for approval of the members at the Annual General Meeting to be held on April 25, 2017. The amount of total dividend is calculated at the number of shares outstanding as at December 31, 2016.

44. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on March 10, 2017 by the Board of Directors of the Holding Company.

Mujtaba Haider Khan
Chief Executive

Shabbir Hussain Hashmi
Director

Pattern of Shareholding
As at December 31, 2016

Size of Holding Rs. 10 Shares		Number of Shareholders	Total Shares held
1	100	2,799	114,267
101	500	1,734	439,438
501	1,000	505	375,908
1,001	5,000	615	1,379,920
5,001	10,000	87	601,332
10,001	15,000	28	331,390
15,001	20,000	24	413,069
20,001	25,000	8	181,228
25,001	30,000	3	85,983
30,001	35,000	1	35,000
35,001	40,000	4	150,277
40,001	45,000	5	209,437
45,001	50,000	2	95,410
55,001	60,000	1	56,178
60,001	65,000	1	62,159
65,001	70,000	1	66,700
70,001	75,000	1	73,000
80,001	85,000	1	84,608
85,001	90,000	1	85,400
115,001	120,000	1	116,000
120,001	125,000	1	120,300
155,001	160,000	1	159,100
170,001	175,000	1	174,900
195,001	200,000	1	200,000
255,001	260,000	1	257,500
275,001	280,000	1	275,595
345,001	350,000	1	350,000
490,001	495,000	1	494,921
555,001	560,000	1	556,639
570,001	575,000	1	575,000
715,001	720,000	1	719,808
1,015,001	1,020,000	2	2,032,393
1,045,001	1,050,000	1	1,046,843
1,080,001	1,085,000	1	1,081,357
1,175,001	1,180,000	2	2,353,492
1,675,001	1,680,000	1	1,677,177
2,965,001	2,970,000	1	2,965,095
2,975,001	2,980,000	1	2,979,324
3,500,001	3,505,000	1	3,501,884
3,560,001	3,565,000	1	3,563,205
29,015,001	29,020,000	1	29,016,622
		5,845	**59,057,859**

Pattern of Shareholding

As at December 31, 2016

Catagories of Shareholders	No. of Shareholders	No. of Shares Held	Percentage
Directors, CEO and their spouse and minor children	10	2,766,537	4.68%
Associated companies, undertakings and related parties	6	38,961,622	65.97%
NIT and ICP	8	804	*
Banks, Development Financial Institutions, Non-Banking Financial Institutions	27	341,182	0.58%
Insurance Companies	4	557,415	0.94%
Modarabas and Mutual Funds	4	585,654	0.99%
Shareholders holding 10% or more	1	29,016,622	49.13%
General Public			
Residents	5,221	11,043,207	18.70%
Non-residnets	26	27,433	0.05%
Others			
Foreign Companies	5	4,154,696	7.03%
Others	534	619,309	1.05%
Total (Excluding: Shareholder holding 10% or more)	5,845	59,057,859	100.00%

* Negligible

Pattern of Shareholding
As at December 31, 2016

Additional Information

Information on shareholding required under reporting framework of the Code of Corporate Governance is as follows:

Shareholders' Catagories	No. of Shareholders	No. of Shares Held
Associated Companies, undertakings and related parties		
Sach International (Pvt.) Ltd.	1	3,776
Dawood Industries (Pvt.) Ltd.	1	494,921
Patek (Pvt.) Ltd.	1	3,501,884
Dawood Corporation (Pvt.) Ltd.	1	29,016,622
Cyan Limited	1	2,965,095
Dawood Foundation	1	2,979,324
Mutual Funds		
Golden Arrow Selected Stocks Fund Limited	1	62,159
CDC-Trustee Nafa Asset Allocation Fund	1	73,000
CDC - Trustee National Investment (Unit) Trust	1	275,595
CDC - Trustee Nafa Islamic Stock Fund	1	174,900
Directors and their spouses and minor children		
Mr. Shahid Hamid Pracha	1	1,000
Mr. Shahzada Dawood	1	1,046,843
Mr. Abdul Samad Dawood	1	1,677,177
Mrs. Ayesha Dawood (w/o Mr. Abdul Samad Dawood)	1	30,000
Mr. Inam ur Rahman	2	7,134
Mr. Shafiq Ahmed	1	1,154
Mr. Hasan Reza ur Rahim	1	1,079
Mr. Ghias Uddin Khan	1	1,000
Mr. Shabbir Hussain Hashmi	1	1,150
Executives	-	-
Public Sector Companies & Corporation	14	598,032
Banks, DFIs, NBFIs, Insurance Companies Takaful, Modarabas & Pension Funds	33	448,152
Shareholders holding five percent or more voting rights		
Dawood Corporation (Pvt.) Ltd.	1	29,016,622
Hussain Dawood	1	3,563,205
Patek (Pvt.) Ltd.	1	3,501,884
Dawood Foundation	1	2,979,324
Cyan Limited	1	2,965,095

Proxy Form

I/We____

of ____________________ being a member of Dawood Lawrencepur Limited and holder of ___________________ Ordinary Shares, as per:

Share Register Folio No. ______________ and/or

CDC Participant ID No. _____________ Sub A/c No. _____________

hereby appoint ___________________________________ of ___________, or failing him/her _____ _______________________________ of ____________, as our proxy to attend, speak and vote for us and on our behalf, at the Sixty Seventh Annual General Meeting of the Company to be held at Ground Floor, Dawood Centre, M.T. Khan Road, Karachi on Tuesday, April 25, 2017 at 9:30 a.m. and at any adjournment thereof.

Signed this ___________day of ________________2017.

WITNESSES:

1. Signature: _________________
   Name: _________________
   Address: _________________
   ____
   CNIC No. or _________________
   Passport No. _________________

2. Signature: _________________
   Name: _________________
   Address: _________________
   ____
   CNIC No. or _________________
   Passport No. _________________

Signature on Revenue Stamps of Rupees Five

Signature should agree with
the specimen signature with
the Company

IMPORTANT:

1. This Proxy Form, duly completed, must be deposited at the Company's Registered Office, not less than forty eight hours before the meeting.

2. CDC shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card (CNIC) or Passport with this proxy form before submission to the Company.

3. All proxies attending the AGM are requested to bring their original CNIC/Passport for identification.

AFFIX
CORRECT
POSTAGE

The Company Secretary
Dawood Lawrencepur Limited
3rd Floor, Dawood Centre, M.T. Khan Road,
Karachi-75530
Tel: +92 21 35632200 Fax: +92 21 35633970
www.dawoodlawrencepur.com

نمائندگی کا فارم

میں/ہم ____________________ ساکن ____________________

بحیثیت ممبر داؤد لارنسپور لمیٹڈ کے رکن وحامل ____________ عام حصص بمطابق شیئر رجسٹرڈ فولیو نمبر ____________ اور/یا سی ڈی سی کے شراکتی آئی

ڈی نمبر ____________ اور ذیلی کھاتہ نمبر ____________ محترم/محترمہ ____________________

ساکن ____________ یا بصورت دیگر محترم/محترمہ ____________________

ساکن ____________ کو اپنی جگہ بروز جمعہ مورخہ ۲۵ اپریل ۲۰۱۷ بوقت ۹:۳۰ بجے صبح بمقام گراؤنڈ فلور، داؤد سینٹر، ایم ٹی خان روڈ، کراچی میں منعقد یا ملتوی ہونے والے کمپنی کے ۶۷ واں سالانہ اجلاسِ عام میں رائے دہندگی کے لئے اپنا نمائندہ مقرر کرتا/کرتی ہوں۔

دستخط ____________ بروز ____________ ۲۰۱۷

گواہ (۱)

دستخط گواہ: ____________

نام: ____________

پتہ: ____________

____

قومی شناختی کارڈ نمبر/یا: ____________

پاسپورٹ نمبر: ____________

مطلوبہ (پانچ روپے کا)
ریونیو ٹکٹ چسپاں کریں اور دستخط کریں

دستخط کمپنی کے پاس پہلے سے محفوظ دستخطی نمونہ کے مطابق ہونے ضروری ہیں

گواہ (۲)

دستخط گواہ: ____________

نام: ____________

پتہ: ____________

____

قومی شناختی کارڈ نمبر/یا: ____________

پاسپورٹ نمبر: ____________

نوٹ:

- تمام نامزدگیاں اسی صورت میں موثر ہوں گی جب پراکسی فارم بنام کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقررہ وقت سے ۴۸ گھنٹے قبل موصول ہوں۔
- سی ڈی سی شیئر ہولڈرز اور ان کے نمائندوں سے فرداً فرداً درخواست ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی تصدیق شدہ نقل یا پاسپورٹ، نمائندگی فارم داخل کرنے سے قبل اس کے ساتھ منسلک کریں۔
- تمام پراکسی ہولڈرز اپنی شناخت کے لئے اجلاس کے وقت اپنا اصل شناختی کارڈ یا پاسپورٹ ضرور پیش کریں۔

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