Dawood Lawrencepur Limited

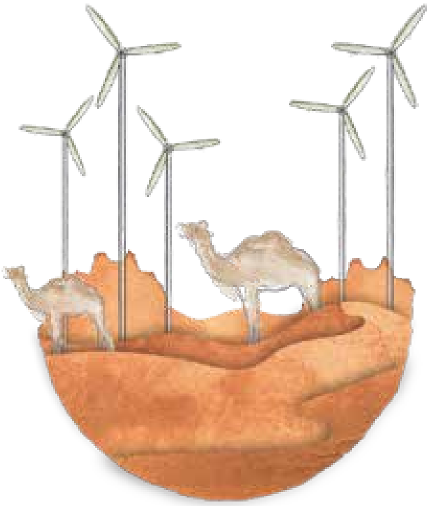
Annual Report 2018

Think
2025

Reon, the industrial solar specialist, is the flag bearer of our nation's solar energy revolution.

Reon is committed to generate abundant energy, empower the nation and protect the planet.

Our aspiration for 2025 is to enhance industrial development, help build the communication infrastructure and facilitate access to better health and education.



TENAGA

TENAGA GENERASI LIMITED

We commit to harness an abundance of sustainable energy from nature and protect the planet.

Tenaga Generasi is an Independent Power Producer (IPP) that manages a wind farm in Gharo, Sindh on Build-Own-Operate basis.

Synergising

Energy

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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 and 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.

Our Values

- Ethics & Integrity
- Health, Safety & Environment Stewardship
- Customer Satisfaction
- Respect for our People
- Shareholder Value Creation

Company Information

Board of Directors
- Mr. Shahid Hamid Pracha (Chairman)
- Mr. Mujtaba Haider Khan (Chief Executive Officer)
- Mr. Shahzada Dawood
- Mr. Abdul Samad Dawood
- Mr. Shafiq Ahmed
- Mr. Hasan Reza Ur Rahim
- Mr. Shabbir Hussain Hashmi

Board Audit Committee
- Mr. Shabbir Hussain Hashmi (Chairman)
- Mr. Shahzada Dawood
- Mr. Hasan Reza Ur Rahim

Human Resource and Remuneration Committee
- Mr. Shabbir Hussain Hashmi (Chairman)
- Mr. Shahid Hamid Pracha
- Mr. Abdul Samad Dawood
- Mr. Hasan Reza Ur Rahim

Chief Financial Officer
- Mr. Haroon Naseer

Company Secretary
- Mr. Imran Chagani

Head of Internal Audit
- Mr. Amjad Ali

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

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

Legal Advisor
- 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
- 3rd floor, Asia House, 19-C/D, L Block
  Gulberg III, Main Feroz Pur Road
  Lahore
  Tel.: 042-35861050-53
  Fax.: 042-35861054

Islamabad Office
- Suit # 324, 3rd Floor, Emirates Tower, F-7
  Markaz, Islamabad
  Tel.: 051-2099250

Mills
- Dawoodabad
  Railway Station Road and
  Luddan Road, Chak 439, E.B, Tehsil
  Burewala, District Vehari.
  Tel.: 067- 3353347, 3353145, 3353246
  Fax: 067- 3354679

DawoodPur
- G.T. Road, Faqirabad,
  District Attock.
  Tel.: 057-2641074-6
  Fax: 057-2641073

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 Associates (employees, trainees, interns, and contractors), directors, consultants, customers, suppliers and vendors of all its divisions, subsidiaries and associated companies to abide by the same standards as mentioned herein below,

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, and other information, and neither solicit Confidential Information from others nor disclose the Company's Confidential Information that may come into their knowledge, during their association with the Company, to any unauthorized person or party. Understand, sign and comply with the Confidentiality Agreement (Confidential Information Protection/Non-disclosure Agreement).

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 and Conflict of Interest Policy. Avoid situations in which personal interest, relationships and activities conflict with or interfere with your duty to be loyal to the Company and prevents you from acting in the best interest of the Company at any time.

g. The Company's funds shall not be used, directly or indirectly, for the purpose of any unlawful payments. This includes, but is not limited to, 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 publicly disclosed and must agree to such public disclosure.

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

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 and accurately.

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

o. Comply with local legislation and Company policy on preventing harassment and strive to create a respectful work environment. The Company will not tolerate harassment of any sort.

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. All Associates 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, prevent incidents and help others learn to act safely.

u. All Associates must 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. Soliciting the Company's employees for employment and customers for similar business is not allowed for a period of at least one year after Separation from the Company.

w. Our behavior reflects the image of the Company. Everyone associated with the Company is expected to act professionally and abide by the Company's Business Code of Conduct, policies, rules and regulations.

Notice of 69th Annual General Meeting

Notice is hereby given that 69th Annual General Meeting of the shareholders of Dawood Lawrencepur Limited (the "Company") will be held on Tuesday, April 30, 2019 at 10:00 a.m. at The Dawood Foundation Business Hub, Ground Floor, Dawood Centre, M.T. Khan Road, Karachi to transact the following businesses:

A) Ordinary Business:

1. To receive, consider and adopt the Audited Unconsolidated and Consolidated Financial Statements of the Company for the year ended December 31, 2018 together with the Auditors' and Directors' Reports thereon and the Review Report of the Chairman.

2. To approve the payment of final cash dividend at the rate of Rupees 4/- per share i.e. 40% for the year ended December 31, 2018 as recommended by the Board of Directors. This is in addition to the interim cash dividend at the rate of Rupees 2/- per shares i.e. 20%.

3. To appoint Auditors and to fix their remuneration. The members are hereby notified that the Board and the Audit Committee has recommended the reappointment of Messrs. A. F. Ferguson & Co. (Chartered Accountants), as auditors of the Company.

B) Special Business:

4. To consider and approve the disposal of the **'Lawrencepur'** brand of the Company and if thought fit, pass with or without modifications, addition or deletion, the following resolutions as ordinary resolutions, in terms of Section 183 (3) of the Companies Act, 2017:

   "**RESOLVED** that, approval of members of Dawood Lawrencepur Limited (the Company) be and is hereby granted in terms of Section 183 (3) of the Companies Act, 2017 to dispose of the 'Lawrencepur' brand of the Company, and that the Board of Directors of the Company be and is hereby authorized to sell or otherwise dispose of the said asset on such basis and on such terms and subject to such conditions and for such consideration as may be determined by the Board of Directors of the Company.

   FURTHER RESOLVED that, any two of the Chief Executive Officer, the Chief Financial Officer and the Company Secretary of the Company, be and are hereby authorized jointly and empowered on behalf of the Company to do all acts, deeds and things and take all necessary steps for the disposal including negotiations and signing of the documents, deeds and papers, agreements and all other documents as may be necessary in order to give effect to, implement and complete the sale of the assets as aforesaid and all matters connected, necessary and incidental thereto."

5. To consider and if thought fit, to pass with or without modification, a resolution as a special resolution to amend the Memorandum of Association of the Company.

   Statements of material facts pursuant to Section 134 (3) of the Companies Act, 2017 are annexed to the notice of meeting sent to the members.

By Order of the Board

Karachi,
Dated: February 22, 2019

Imran Chagani
Company Secretary

Notes:

1. Placement of Financial Statements

The Company has placed the Audited Annual Financial Statements together with Chairman's Review Report, Directors' and Auditors' Report thereon for the year ended December 31, 2018 on its website: www.dawoodlawrencepur.com.

2. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from April 24, 2019 to April 30, 2019 (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 on April 23, 2019, will be treated as being in time 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.

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 (SECP) in Circular No. 1 of 2000.

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. Computerized National Identity Card (CNIC) / National Tax Number (NTN):

All those individual members holding physical shares who have not yet recorded their CNIC No. are once again reminded to immediately submit the copy of their CNIC 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. Members while sending CNIC must quote their respective folio numbers. The corporate members having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate entities having physical shares should send a copy of their NTN certificates to Company's Share Registrar. The corporate members while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio numbers.

5. Consent for Video Conference Facility

Members can also avail video conference facility under the provision of Section 134(1)(b) of Companies Act, 2017 to participate in the general meeting and consent from members as per following format. The members must hold in aggregate 10% or more shareholding residing in that city and consent of shareholders must reach at the registered address of the Company at least 10 days prior to the general meeting in order to participate in the meeting through video conference. The Company will intimate members regarding venue of video conference facility at least 7 days before the date of 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

6. Withholding Tax on Dividend

The Government of Pakistan through Finance Act, 2017 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	:	15.0%
(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 20.0% instead of 15.0%.

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.

7. Payment of Cash Dividend Electronically

Under second proviso to Section 242 of the Companies Act, 2017, listed companies are required to pay declared cash dividends only through electronic mode directly into the bank accounts designated by the entitled shareholders.

Accordingly, the shareholders of the Company are requested to provide the following information for payment of cash dividend to be declared by the Company through electronic mode directly in the bank account designated by you.

Title of Bank Account	
Account Number	
IBAN Number	
Bank's Name	
Branch Name and Address	
Cell Number of Shareholder	
Landline number of Shareholder	
Email of Shareholder	

The shareholders are also required to intimate the changes, if any in the above-mentioned information to the company and the concerned Share Registrar as soon as these occur. In case of shares held electronically, then the above electronic credit mandate form must be submitted directly to shareholder(s)' broker/participant/CDC account services.

8. Transmission of Annual Accounts, Notices of Meetings, Auditor's Report and Directors' Report through CD, DVD or USB

Pursuant to S.R.O 470(I)/2016 dated May 31, 2016, the shareholders of the Company have accorded approval in general meeting for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary / Share Registrar, the Standard Request Form provided in the annual report and also available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. The shareholders who intend to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form provided in the annual report and also available on the Company's website: www.dawoodlawrencepur.com.

9. Inspection

A copy of the existing Memorandum and Articles of Association along with copy of Memorandum and Articles of Association as will appear after alterations have been kept at the Registered Office of the Company and may be inspected during business hours (9:00 a.m. – 5:00 p.m.) on any working day from the date of publication / issue of this notice till the conclusion of the meeting.

Statements of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the Special Business referred to the Notice above

This Statement sets out the material facts concerning the following Special Businesses to be transacted at the Annual General Meeting of Shareholders of Dawood Lawrencepur Limited to be held on April 30, 2019.

Agenda Item No. 4

The disposal of the **'Lawrencepur'** brand of the Company

Since ~9 years, the Company has changed its business interest from textile to renewable energy due to continual adverse trend seen in textile sector. Therefore, due to deterioration of **'Lawrencepur'** brand's market worth and with the intention to safeguard shareholders' return, the Board of Directors of the Company in its meeting held on March 20, 2018 and after due consideration decided to dispose of the 'Lawrencepur' brand of the Company and shareholders approved the disposal in their meeting held on April 25, 2018.

Despite negotiations with some interested parties, the sale deal was not materialized. Accordingly, the Directors of the Company in their meeting held on February 22, 2019 have re-considered this matter and decided to seek fresh consent from the shareholders to search for an appropriate buyer.

Sr. No.	Description of Information	Detail of Information
i)	Detail of assets to be disposed of:	
	a) Description/Name of asset;	**'Lawrencepur'** brand of the Company (intangible asset)
	b) Acquisition date of the asset;	Not applicable
	c) Cost;	Rs. Nil (intangible asset was not recognized in the books of account)
	d) Revalued amount and date of revaluation;	Rs. 78.1 million as per valuation report dated March 13, 2018
	e) Book value;	Rs. Nil (intangible asset was not recognized in the books of account)
	f) Approximate current market price/fair value;	Current market price / fair value is expected to be in line with the re-valued amount as stated above. The exact amount, however, will be ascertained only after receipt of bids/quotations
	g) In case of sale, if the expected sale price is lower than book value or fair value, then the reasons thereof.	Not applicable
ii)	The proposed manner of disposal of the said assets.	Through bidding process

Sr. No.	Description of Information	Detail of Information
iii)	In case the company has identified a buyer, who is a related party.	Not applicable
iv)	Purpose of the sale, lease or disposal of assets along with following details:	
	a) Utilization of proceeds received from the transaction;	The proceeds from the disposal of 'Lawrencepur' brand will be invested in renewable energy and related businesses carried by the Company and will seek to maximize shareholders' return
	b) Effect on operational capacity of the Company, if any; and	In line with the Company strategic decision to exit textiles and embark upon other form of business, the management considers that in order to preserve the shareholders' value, the brand should now be disposed off
	c) Quantitative and qualitative benefits expected to accrue to the members.	Gains / proceeds from disposal of the Brand will contribute towards increase in Earnings Per Share of the Company.
v)	Nature and extent of interest, if any, of Directors	None of the Directors have any direct or indirect interest in the sale or disposal of the assets save and except as shareholders of the Company

Agenda Item No. 5

Alterations in the Memorandum of the Company

Under the Companies Act, 2017, a company may carry on or undertake any lawful business or activity and do any act or enter into any transaction being incidental and ancillary thereto which is necessary in attaining its business activities, however, the principal line of business of the company shall be mentioned in the memorandum of association of the company which shall always commensurate with name of the Company. The 'principal line of business' has been defined to mean the business in which substantial assets are held or likely to be held or substantial revenue is earned or likely to be earned by a company, whichever is higher.

The Board of Directors of the Company has recommended the alternation in Memorandum of Association by replacing its existing object Clause III with the new Clause III to comply with the provisions of the Companies Act, 2017.

No Directors or Chief Executive of the Company or their relatives have any interest in the proposed alterations of the Memorandum of Association of the Company except in their capacities as Directors/Chief Executive/shareholders as has been detailed in the pattern of shareholding annexed to the Directors' Report.

The following resolution is proposed to be passed as Special Resolution, with or without modifications to amend the Memorandum of Association of the Company:

“**RESOLVED** that subject to confirmation of the Securities and Exchange Commission of Pakistan (SECP), the existing Clause III of the Memorandum of Association of the Company be and is hereby replaced to read as follows:

i. To carry on in Pakistan or elsewhere the business of general trading, investments (in including but not limited to its subsidiaries and/or associated companies), and to lend and advance money or give credit to any person or company (including its subsidiaries and affiliates), issue corporate guarantees in favour of associated companies or subsidiaries or create any mortgage, hypothecation or floating charge or lien on all or any of the assets and properties of the Company for the purposes of securing obligations of any person including its associated companies or subsidiaries, to invest any of the moneys and funds of the Company from time to time in government securities or in securities guaranteed by any government or in debentures or other securities guaranteed by any government or in debentures or other securities for money issued by or on behalf of any municipal body or of any corporate body or in any shares or securities of any company (including any associate company(ies), subsidiaries or undertaking with whom this company has relationship or assistance), and to enter into any partnerships or into any arrangement to acquire majority or minority equity stake or management control of any company doing any business or trade which is (a) compatible with the objectives of the Company; or (b) related to alternative/renewable energy.

ii. Except for the businesses mentioned in sub-clause (iv) hereunder, the Company shall engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.

iii. Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust Management Company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, Modaraba management company, Stock Brokerage Business, Forex, Managing Agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Securities and Exchange Commission of Pakistan (SECP).

iv. It is hereby undertaken that the Company shall not:

   a. engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;
   b. launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business;
   c. engage in any of the permissible business unless the requisite approval, permission, consent or licence is obtained from competent authority as may be required under any law for the time being in force.

FURTHER RESOLVED that the amended Memorandum of Association, as laid before the members, bearing the initials of the Company Secretary for the purpose of identification be and is hereby approved and adopted.

FURTHER RESOLVED that the Chief Executive Officer and / or Company Secretary be and are hereby authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal and corporate formalities, make amendments, modification addition or deletion and file all requisite documents with the Registrar to effectuate and implement this special resolution.

FURTHER RESOLVED that the aforesaid alteration in the Memorandum of the Company shall be subject to any amendment, modification, addition or deletion as may be deemed appropriate by the authorized person or as may be suggested, directed and advised by the SECP which suggestion, direction and advise shall be deemed to be have been approved as part of the passed Special Resolution without the need of the members to pass a fresh Special Resolution."

Comparative Analysis

In order to enable the members to compare the existing Clause III with the proposed new Clause III of the Memorandum of Association, a blackline draft of the amended Memorandum of Association identifying the proposed change in the document bearing the initials of the Company Secretary for the purposes of identification is being circulated with this notice to serve as a comparative analysis of the existing Cause III of the Memorandum of Association with the proposed new Clause III.

Availability of Relevant Documents

A copy each of the existing and proposed Memorandum of Association indicating the proposed amendments are available for inspection at the registered office of the Company from 9.00 a.m. to 5.00 p.m. on any working day, up to the last working day before the date of the AGM. The same shall also be available for inspection by the members in the AGM.

Statement of the Board of Directors

We, the members of the Board of Directors of Dawood Lawrencepur Limited (the "Company") hereby confirm that the proposed amendments/alterations in the Memorandum of Association of the Company comply with the applicable laws and regulatory framework.

Chairman
Board of Directors

Directors' Report

For The Year Ended December 31, 2018

The Directors of Dawood Lawrencepur Limited (the Company) are pleased to present the Annual Report and the Audited Financial Statements for the year ended December 31, 2018.

A. Principal Activity

The principal activity of the Company is to manage investment in its subsidiaries and associated companies and is engaged in the business of trading and marketing of renewable energy solutions, mainly solar, to commercial and industrial customers, along with the legacy textile business.

B. Business Report

Global clean energy investment in 2018 totaled $332bn making 2018 the fifth year in a row where the investment has exceeded $300bn. While this is 8% less than the previous year, it is largely due to the decreasing costs of clean energy. In a further sign of the tumbling price of low-carbon electricity solar and wind power have been reported to be the cheapest source of new generation in most major economies.

The Renewables 2018 Global Status Report, published by international renewable body Ren21, found solar panels made up over half (56%) of the added capacity, followed by wind at 29% and hydro-electric schemes at 11%. Renewables are now becoming the least cost option: recent deals in India and China have found the Levelized Cost of Energy (LCOE) for unsubsidized renewable energy to be as low as 0.027$/kWh and Bloomberg New Energy Finance reports that the global LCOE for wind and solar have dropped 6% and 13% respectively to 0.06$/kWh and 0.052$/kWh from the start of 2018. This is below equivalent costs for fossil fuel generation which stand at 0.06 to 0.117$/kWh for natural gas and coal powered plants.

Solar led investments in 2018, accounting for 40% ($130.8bn) of the total investments and an added capacity of 109GW. Despite a decrease in investment from 2017, the capacity added increased by 10%. Advanced industrial nations like Germany are increasing generation by renewable sources and in 2018, 40% of energy was produced by wind, solar, hydro and biomass, overtaking coal's 39% share. In Denmark, consumption of coal decreased by 25% and renewables increased by 11%. In USA, 18% of all generation is accounted for by renewables and solar and wind projects account for 62% of new power construction. China has the world's largest installed capacity of hydel, wind and solar power that accounts for 26.4% of its electricity generation. It also produces 63 percent of the total world production of photovoltaic cells.

Nor are these developments restricted to the developed world. India has committed to adding 100,000 MW of solar and 60,000 MW of wind energy by 2022, recognizing that there is now a clear commercial case for wind and solar power production in their energy mix with the added advantage of predictable long term pricing with no fuel and extremely low operations and maintenance costs.

Despite the recent increase in capacity, Pakistan's per capita electricity consumption of 540 kwh is one of the lowest in the world with large parts of the country where grid electricity is not accessible. Pakistan's current energy mix features 64 percent thermal, 30 percent hydel, 3 percent nuclear and less for wind, solar, and coal. This will undergo a sea change once new large LNG and coal capacities come into play which will likely accentuate the current circular debt crisis and pile further pressure onto the country's balance of payments and debt servicing obligations.

C. Business Overview

Renewable Energy Business

Reon Energy Limited (REL), a wholly owned subsidiary of the Dawood Lawrencepur Limited, have been able to win contracts from several top tier companies including cement, leather goods, textiles and government sectors. These include 12.5MW EPC order from Fauji Cement Company and a 2MW EPC contract with Kohinoor Textile Mills Ltd. The team is also actively innovating the structuring of such offerings by engaging external investors and development partners providing long term PPAs to AAA rated customers with excellent credit history. First such PPA was signed with Sindh Engro Coal Mining Company for a 5MW BOT project backed by a 15 years power purchase agreement, the project is now almost 50% complete. Moreover, an LOI has also been obtained from Crescent Bahuman for a 3 MW captive plant on site at their Lahore factory. These are two of the largest private PPAs ever done in the country and will open up the private energy market for REL in future. Last year REL also signed major partnership deals with ENI and Engro Energy Ltd for co-development of private and public IPP projects. Further partnership discussion is currently underway with other multinational entities. REL is focused in delivering a differentiated product and service offering to its customers through high-quality engineering and asset management expertise gained as a consequence of being the premier solar power company in the country with the largest installed base in the Commercial & Industrial Sector.

Wind Energy Project

The Plant is operating satisfactorily and meeting the expected targets for availability and Balance of Plant (BOP) loss. The BOP Loss for the year was 0.9 % against a target of 2.5 %, whilst the availability was 98.7 % against a target of 97.0%. Health Safety and the Environment (HSE) remained the priority and 195,000 safe man-hours have been clocked since COD with a TRIR of zero.

During the period from, January to December, the average wind speed observed was at slightly above the P90 level. However, grid outage and extended power curtailment by the Power Purchaser continued unabated, and the curtailment accounted for 52.2 % of the total NPMV (non-project missed volume). The delay in the installation of the 220kV line from Gharo to Jhimpir has a direct impact on the curtailment. This line was commissioned on 1st August and is currently operating at 132 kV. The New-Jhimpir2 Grid Station has been commissioned and it is hoped that TGL will not face any constraint in evacuating through this circuit. The curtailment has substantially reduced after August 2018.

The total energy billed during this period was 114.0 GWh, which is appreciably lower than the estimated energy at P90 factor i.e. 126.3 GWh. The production that could have been achieved, without curtailment, is 127.4 GWh.

'Lawrencepur' Brand

The Company in its last Annual General Meeting held on April 25, 2018 had previously obtained approval from its shareholders to dispose of the 'Lawrencepur' brand. However, despite negotiations with some interested parties, the sale deal was not materialized. Accordingly, the Directors of the Company in their meeting held on February 22, 2019 have re-considered this matter and decided to seek fresh consent from the shareholders to search for a potential buyer. The proceeds from the disposal of 'Lawrencepur' brand will be invested in renewable energy and related businesses carried by the Company and will seek to maximize shareholders' return.

D. Financial Report

Financial performance

The consolidated revenue of the Group was PKR 3,079.98 million as compared to PKR 2,537.37 million for the similar period last year. The consolidated gross profit of the Group for 2018 was PKR 1,529.19 million as against PKR 1,275.21 million last year. The share of profit from associated company at PKR 2,306.57 million increased by PKR 1,746.54 million due to the improved performance by the associated company. After accounting for tax charge of PKR 382.04 million, the profit after tax from continuing operations at PKR 2,205.75 million was increased by PKR 1,783.27 million over 2017.

On a standalone basis, revenue of the Company was PKR 7.84 million as against PKR 58.99 million for the similar period last year i.e. lower by PKR 51.15 million mainly on account of transfer of renewable energy business to a wholly own subsidiary.

Earnings per share

The unconsolidated earnings per share for the year 2018 was PKR 9.56 as compared to PKR 2.43 for the year 2017. Consolidated earnings per share attributable to owners of the Holding Company for the year were PKR 36.77 (2017: PKR 4.94).

Auditors

The present auditors, Messrs. A.F. Ferguson & Co., Chartered Accountants are retiring at the conclusion of the forthcoming annual general meeting and offer themselves for reappointment. The Audit Committee has recommended the re-appointment of A.F. Ferguson & Co., Chartered Accountants as auditors of the Company for the year ending December 31, 2019 and the Board has endorsed this recommendation.

Shares traded, average prices and PSX

During the year 0.724 million shares of the Company were traded on the Pakistan Stock Exchange. The average price of the Company's share based on the daily closing rate was PKR 171.93 while the 52 weeks low-high during 2018 was PKR 155.01 to PKR 196 per share respectively.

Trading in Company's Shares

During the year, Patek (Private) Limited, an associated company, had purchased 212,100 shares of the Company through stock broker of Pakistan Stock Exchange Limited. None of the Directors, CEO, CFO and Company Secretary traded in the Company's shares during the year.

Pattern of shareholding

The pattern of shareholding of the Company as at December 31, 2018, together with other necessary information, is available at the end of this report along with the proxy form.

Market capitalization and book value

At the close of the year, the market capitalization of the Company was Rs. 9.7 billion (2017: Rs. 11.1 billion) with a market value of Rs. 164.05 per share (2017: Rs. 188) and the breakup value of Rs. 52.3 per share (2017: Rs. 45.81).

Appropriation

The Board is pleased to propose a final cash dividend of Rupees 4 per share (40%) for approval by the shareholders in the 69th Annual General Meeting. The total dividend attributable to the year is Rupees 6 per share (60%) which includes an interim cash dividend of Rupees 2 per share (20%).

Key Operating and Financial Data

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

Gratuity Fund

The funded retirement benefits of the employees of the Company are audited once a year and are adequately covered by appropriate investments. Fair value of the assets of the funded defined benefit gratuity plan was PKR 3.101 million as at December 31, 2018 (2017: PKR 2.963 million).

Risk Management

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor adherence to limits. Risk management policies and systems are reviewed regularly to react to change in market conditions and the Company's activities.

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 the 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 Social Responsibility

The Company firmly believes in integration of Corporate Social Responsibility into core business processes and stakeholder management, whereby creating social and corporate value is the ultimate objective of the Company. With a clear mandate to invest in the renewable energy sector, the Company is founded upon the principles of sustainability and stakeholder benefit. The Company, through its associated company, introduced 'Reon Knowledge Partnership' program in July 2018, with the goal of imparting renewable energy education in schools and offering solar based lanterns for basic lighting in no-grid areas. Moreover, a solar powered water pump was installed in the vicinity of wind farm site, to provide potable water to the locals. Further, the Company has initiated mangrove plantation drive which serves as a nursery ground for many species of juvenile fish, thus contributing to food security and local livelihood.

Board of Directors

The Board comprises of seven directors. The composition of the board members is as follows:

Independent Director	1
Non-Executive Directors	5
Executive Director	1

Board of Directors meetings

During the year ended December 31, 2018, a total of eight 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	8	8
Mr. Shahzada Dawood	8	4
Mr. Abdul Samad Dawood	8	5
Mr. Shafiq Ahmed	8	7
Mr. Hasan Reza Ur Rahim	8	6
Mr. Shabbir Hussain Hashmi	8	8
Mr. Mujtaba Haider Khan	8	8

Board Audit Committee meetings

The Board of Directors has established an Audit Committee, in Compliance with Listed Companies (Code of Corporate Governance) Regulation, 2017, 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 Listed Companies (Code of Corporate Governance) Regulation, 2017.

During the year ended December 31, 2018, a total of four meetings of the Board Audit Committee were held. The position of attendance during respective tenure was as follows:

Name of Director	Meetings	
	Held	Attended
Mr. Shabbir Hussain Hashmi	4	4
Mr. Hasan Reza Ur Rahim	4	3
Mr. Shahzada Dawood	4	2

Human Resource and Remuneration Committee meetings

During the year ended December 31, 2018, a total of three 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	3	3
Mr. Abdul Samad Dawood	3	1
Mr. Hasan Reza Ur Rahim	3	2

Statement of Directors responsibility

The Directors confirm compliance with Corporate and Financial Reporting Framework as per the Listing Regulations of the Stock Exchange in Pakistan as follows:

a. The financial statements prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and change in equity.
b. Proper books of accounts of the Company have been maintained.
c. Appropriate accounting policies have been consistently applied in preparation of the financial statements. Accounting estimates are based on reasonable prudent judgment.

d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departures therefrom have been adequately disclosed.
e. The system of internal controls is sound in design and has been effectively implemented and monitored.
f. There are no significant doubts upon the Company's ability to continue as a going concern.
g. There is no material departure from the best practices of corporate governance, as detailed in the Listing Regulations.
h. Key operating and financial data for the last six years in summarized form are annexed to the report.

Directors' remuneration

The Company has a formal and transparent policy for remuneration of directors in accordance with the Articles of Association of the Company and the Companies Act 2017.

Directors training program

The Board has arranged Directors' Training Program for Mr. Mujtaba Haider Khan, Chief Executive Officer of the Company. Five directors have attended Directors' Training Program in prior years.

Related party transactions

In accordance with the requirements of Listed Companies (Code of Corporate Governance) Regulation, 2017, the Company presented all related party transactions before the Audit Committee and the Board for their review and approval, respectively.

Subsequent events

No material changes or commitments affecting the financial position of the Company have taken place between the end of the financial year and the date of the Report.

E. Future Outlook

Solar energy

The general business outlook in the country has deteriorated as the Pakistan Rupee has depreciated significantly whilst energy prices have concurrently appreciated. This has accelerated the dynamic for conversion to affordable solar power for a lot of industries. As a consequence, REL has witnessed an increase in number of leads during this period.

We expect this trend to accelerate in the coming years as the Government is set to announce a new Power Policy that aims to increase proportion of renewable power to 30% by 2030. Taking inspiration from Indian example, we expect 70% of the additional renewable capacity to be from Solar Photovoltaic plants.

The govt has also announced continuation of existing subsidies including exemption of renewable equipment from customs duty and tax exemption for manufacturing of renewable equipment that should help attract local and foreign investment into the sector. With regulatory support in the form of cheaper financing, declining capital costs of solar equipment and streamlining of the net-metering policy, the market for solar solutions is now ready to witness significant growth.

Wind Energy Project

Wind energy sector like other IPPs has been hit by the ever ballooning circular debt problem that currently stands at PKR. 1.2 trillion In the short to medium term all IPPs including the ones in wind sector will continue to struggle with receivables. However, as the cash situation of the govt improves and with good structural reforms in the power sector, this problem could be tackled. Within the sector, our project has a better collection record than others. The overall outlook for the sector remains bullish as the new power policy is on the horizon.

One thing is certain that a lot of emphasis will be on Wind and Solar power based generation. It is likely that the Government will adopt a reverse auction mechanism for tariff setting for new Wind IPPs and that is likely to help clear a lot of longstanding issues in the sector. With further improvements in efficiency, scale and robustness of wind technology, we should see a further reduction in tariff leading to a more competitive overall cost for the energy purchaser.

F. Acknowledgement

The Board expresses its gratitude to all the shareholders for their confidence and support. We would like to thank all stakeholders, including but not limited to financial institutions, who have been associated with us for their support and cooperation and assure them of our commitment to look after their respective interests.

We would like to thank the management and employees for their sincere contributions toward the growth and prosperity of the Company.

Mujtaba Haider Khan
Chief Executive Officer

Shahid Hamid Pracha
Chairman

Karachi
Dated: February 22, 2019

Chairman's Review Report
For the year ended December 31, 2018

Dear Shareholders,

This report is presented to the Annual General Meeting of Dawood Lawrencepur Limited.

I have pleasure in introducing the Annual Report of Dawood Lawrencepur Limited for the year ended December 31, 2018.

The year was particularly eventful for the substantial progress that was achieved in terms of the Board's strategy for the Company. In keeping with best practice, this is subject to regular review and appraisal by the Board and I can report that we remain confident that the Company has a robust strategy and continues to be well placed to take advantage of the changing policy and commercial environment which should increasingly favour renewables in the overall energy mix. Concurrently, our renewable energy investments have come of age and are showing great promise giving us further reason to stay the course and continue to support their growth. In this regard, Reon Energy Limited (REL) has made significant strides in scaling up its business and consequently the Company has subscribed to a Rights Issue of Rs 70m in REL and additionally Rs. 103m in another subsidiary, Reon Alpha (Private) Limited, during the year. The latter investment is specific to a 5MW, 15 year, solar power supply agreement signed with Sind Engro Coal Mining Company with the project EPC being REL's direct responsibility. Other developments approved by the Board are detailed in the Director's Report. Tenaga Generasi Limited (TGL) which is our wind power subsidiary also improved its operating performance enabling it to honor its debt servicing obligations but in common with other IPPs, was adversely impacted by the circular debt situation that plagues the power sector. However, the business as well as the environmental case for renewables is now very compelling and we are hopeful of a more positive regulatory focus by the Government which should portend an improving trend in 2019 and beyond.

DLL remains committed to the highest standards of corporate governance. Its unlisted operating subsidiaries, Tenaga Generasi Limited and Reon Energy Limited have incorporated similar compliance criteria with leading industry professionals as members of their boards. Over the years, this has enabled the Company to pursue its vision of transforming itself into a renewable energy company with the benefit of the best available external advice and a fully accountable and tiered management oversight process by the parent and subsidiary boards.

The Board of Directors met eight times during the year: four time to examine the interim/quarterly and annual financial statements, twice to review Group strategy in relation to the budget and business plan, and twice for miscellaneous business purposes. At each meeting, the Directors also discussed the Group's business performance, updates on major projects undertaken by subsidiary companies and the matters submitted to the Board for a decision.

The Audit Committee and the HR Committee had respectively 4 and 3 meetings during the year.

The Company has taken steps to remain compliant with the requirements of Listed Companies (Code of Corporate Governance) Regulation, 2017, and to progressively address any outstanding compliance issues. It has established Risk Management Policies and conducted risk reviews in 2018 and also approved a Remuneration Policy for Board members and appointees.

During the year, in line with the past practice, self-evaluation of the Board's performance was carried out and it was concluded that the Board operated satisfactorily. One additional director has obtained Directors' Training Program (DTP) certification during the year, whereas Five directors have attended the DTP in prior years

The stock market continues to be buffeted by political and macro-economic uncertainties, which affected the stock price to decline by 13% over the year.

I would like to express my gratitude to all the directors for their continued support, for their strategic leadership and their valuable inputs that enabled the Board to effectively discharge its mandate as well as to our employees for their unremitting commitment and efforts above and beyond the call of duty during the year. I also take this opportunity to record my sincere appreciation to all shareholders of the Company for maintaining their trust and support over time.

Shahid Hamid Pracha
Chairman of the Board of Directors

February 22, 2019

Operating Highlights

	PARTICULARS	UNIT	December 2018			December 2017			December 2016		
			Continuing Operations	**Discontinued Operations**	**Total**	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
A)	**STATEMENT OF PROFIT OR LOSS**										
1	Sales Value	Rs. In (000)	**7,840**	**10,453**	**18,293**	58,999	12,591	71,590	161,234	21,200	182,434
2	Gross Profit / (Loss)	Rs. In (000)	**1,595**	**1,714**	**3,309**	(17,785)	3,409	(14,376)	9,154	(6,299)	2,855
3	Operating Profit / (Loss)	Rs. In (000)	**636,044**	**87,153**	**723,197**	284,076	(20,671)	263,405	1,311,889	(41,341)	1,270,548
4	Profit / (Loss) Before Taxation	Rs. In (000)	**595,486**	**87,153**	**682,639**	247,967	(20,675)	227,292	1,283,597	(41,362)	1,242,235
5	Profit / (Loss) After Taxation	Rs. In (000)	**477,208**	**87,153**	**564,361**	164,288	(20,675)	143,613	1,156,519	(41,362)	1,115,157
B)	**DIVIDEND**										
1	Cash Dividend	%	**30**	**-**	**30**	50	-	50	50	-	50
C)	**Statement of Financial Position**										
1	Total Assets	Rs. In (000)	**3,549,445**	**52,268**	**3,601,713**	3,295,231	110,044	3,405,275	3,317,122	137,276	3,454,398
2	Current Assets	Rs. In (000)	**137,366**	**33,261**	**170,627**	246,791	51,621	298,412	688,050	67,195	755,245
3	Current Liabilities	Rs. In (000)	**504,449**	**6,199**	**510,648**	624,856	74,622	699,478	580,309	12,965	593,274
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)	**3,091,065**	**-**	**3,091,065**	2,705,797	-	2,705,797	2,861,124		2,861,124
6	No. of Ordinary Shares	In (000)	**59,058**	**-**	**59,058**	59,058	-	59,058	59,058		59,058
D)	**RATIO ANALYSIS**										
1	Gross (Loss) / Profit	%	**20.34**	**16.40**	**18.09**	(30.14)	27.07	(20.08)	5.68	(29.71)	1.56
2	Earning / (Loss) Per Share	Rs.	**8.08**	**1.48**	**9.56**	2.78	(0.35)	2.43	19.58	(0.70)	18.88
3	Dividend Yield	%	**-**	**-**	**1.83**	-	-	2.66	-	-	1.98
4	Return on Equity	%	**-**	**-**	**18.26**	-	-	5.31	-	-	38.98
5	Break-up Value of Shares	Rs.	**-**	**-**	**52.34**	-	-	45.82	-	-	48.45
6	Market Value of Shares	Rs.	**-**	**-**	**164.05**	-	-	188.00	-	-	253.00
7	Price Earning Ratio	Rs.	**-**	**-**	**17.16**	-	-	77.37	-	-	13.40
8	Dividend Payout Ratio	%	**-**	**-**	**31.38**	-	-	205.76	-	-	26.48
E)	**OTHERS**										
1	Employees	Nos.	**13**	**5.00**	**18**	21	-	21	11	-	11
2	Capital Expenditures	Rs. In (000)	**175**	**-**	**175**	360	-	360	3,740	-	3,740

December 2015			December 2014			December 2013		
Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
						Restated		Restated
175,765	26,377	202,142	129,199	70,423	199,622	31,987	186,586	218,573
21,336	3,567	24,903	27,051	(12,896)	14,155	7,754	(220)	7,534
841,567	659,621	1,501,188	(129,851)	82,868	(46,983)	6,488	(338,640)	(332,152)
815,971	659,571	1,475,542	(161,657)	82,865	(78,792)	781	(338,647)	(337,866)
622,548	659,571	1,282,119	(171,722)	82,865	(88,857)	(1,519)	(338,647)	(340,166)
-	-	-	-	-	-	60	-	60
2,000,489	179,617	2,180,106	803,255	323,226	1,126,481	619,608	632,945	1,252,553
908,223	97,123	1,005,346	292,495	205,512	498,007	138,627	413,468	552,095
106,261	32,146	138,407	345,802	-	345,802	301,510	97,264	398,774
590,578		590,578	590,578	-	590,578	590,578	-	590,578
2,041,699		2,041,699	762,931	-	762,931	853,779	-	853,779
59,058		59,058	59,058	-	59,058	59,058		59,058
12.14	13.52	12.32	20.94	(18.31)	7.09	24.24	(0.12)	3.45
10.54	11.17	21.71	(2.91)	1.40	(1.50)	(0.03)	(5.73)	(5.76)
-	-	-	-	-	-	-	-	7.15
-	-	62.80	-	-	(11.65)	-	-	(39.84)
-	-	34.57	-	-	12.92	-	-	14.46
-	-	139.99	-	-	120.53	-	-	83.95
-	-	6.45	-	-	(80.11)	-	-	(14.57)
-	-	-	-	-	-	-	-	(104.17)
31	-	31	79	-	79	88	21	109
17,290	-	17,290	20,508	647	21,155	17,331	-	17,331

Horizontal Analysis Statement of Financial Position

Particular	2013 (Restated)	2014	2015 (Restated)	2016 (Restated)	2017	2018
	-------------------Rs. in 000					-------------------
Equity						
Share Capital	590,578	590,578	590,578	590,578	590,578	**590,578**
Reserves	208,282	206,666	206,666	206,666	206,666	**206,666**
Unappropriated profit	4,549,834	3,771,909	5,722,164	9,083,774	9,057,908	**11,210,699**
Unrealized gain on remeasurement on AFS investments	-	4,943	9,297	14,157	10,763	**9,327**
Non-Controlling interest	-	-	301,436	708,256	818,537	**940,763**
Total equity	5,348,694	4,574,096	6,830,141	10,603,431	10,684,452	**12,958,033**
Non Current Liabilities	11,388	555,325	3,879,911	9,573,661	9,388,370	**10,335,253**
Sub Total	5,360,082	5,129,421	10,710,052	20,177,092	20,072,822	**23,293,286**
Current Liabilities						
Current portion - long term loan	-	-	-	293,487	1,074,976	**952,830**
Short term financing - secured	261,708	178,491	12,566	466,487	561,820	**574,451**
Trade and other payables	77,450	150,240	168,429	768,355	272,360	**554,451**
Unclaimed dividend	29,905	29,466	29,210	36,859	43,393	**44,635**
Unpaid dividend	-	-	-	-	-	**3,589**
Provision	5,816	5,816	5,816	5,816	5,816	**5,816**
Accrued markup	5,131	5,132	32,912	140,870	158,517	**200,449**
Provision for taxation	13,323	-	-	-	-	**-**
Sub Total	393,333	369,145	248,933	1,711,874	2,116,882	**2,336,221**
Total equity and liabilities	5,753,415	5,498,566	10,958,985	21,888,966	22,189,704	**25,629,507**

Particular	2013 (Restated)	2014	2015 (Restated)	2016 (Restated)	2017	2018
	-------------------Rs. in 000					-------------------
Assets						
Non current assets						
Property, plant and equipment & Intangibles	259,333	376,835	3,719,419	11,434,379	11,230,140	**12,468,154**
Long term investments	4,615,752	4,500,467	5,349,755	8,708,829	8,969,639	**10,841,231**
Long term deposits	10,544	10,544	2,778	2,778	4,428	**2,778**
Others	-	38,072	352	49	308	**19**
Sub Total	4,885,629	4,925,918	9,072,304	20,146,035	20,204,515	**23,312,182**
Current Assets						
Stores and spares	36,582	12,000	13,266	47,258	7,822	**22,278**
Stock in trade	261,306	280,519	210,307	149,447	96,178	**100,273**
Trade debts	94,882	51,533	118,944	326,655	739,062	**1,284,571**
Loans and advances	42,301	13,762	53,530	19,581	8,481	**26,210**
Deposits, prepayments and other receivables	95,147	17,654	30,323	338,671	127,339	**232,747**
Taxes recoverable	-	76,132	4,770	62,465	27,636	**8,661**
Short term investments	107,624	86,001	944,897	-	-	**-**
Cash and bank balances	35,415	35,047	510,644	798,854	941,433	**642,585**
Assets classified as held for sale	194,529	-	-	-	37,238	**-**
Sub Total	867,786	572,648	1,886,681	1,742,931	1,985,189	**2,317,325**
Total Assets Employed	5,753,415	5,498,566	10,958,985	21,888,966	22,189,704	**25,629,507**

Percentage Change					
13 Over 12	14 Over 13	15 Over 14	16 Over 15	17 Over 16	**18 Over 17**
0%	0%	0%	0%	0%	**0%**
-65%	-1%	0%	0%	0%	**0%**
2%	-17%	52%	59%	0%	**24%**
0%	0%	88%	52%	-24%	**-13%**
0%	0%	0%	135%	16%	**15%**
-6%	-14%	49%	55%	1%	**21%**
-86%	4776%	599%	147%	-2%	**10%**
-7%	-4%	109%	88%	-1%	**16%**
0%	0%	0%	0%	266%	**-11%**
0%	-32%	-93%	3612%	20%	**2%**
-2%	94%	12%	356%	-65%	**104%**
35%	-1%	-1%	26%	18%	**3%**
-	-	-	-	-	**-**
0%	-	0%	0%	0%	**0%**
0%	0%	541%	328%	13%	**26%**
16%	0%	0%	0%	0%	**0%**
232%	6%	-33%	588%	24%	**10%**
-2%	-4%	99%	100%	1%	**16%**

Percentage Change					
13 Over 12	14 Over 13	15 Over 14	16 Over 15	17 Over 16	**18 Over 17**
8%	45%	887%	207%	-2%	**11%**
9%	-2%	19%	63%	3%	**21%**
0%	0%	-74%	0%	59%	**-37%**
0%	0%	-99%	-86%	529%	**-94%**
9%	1%	84%	122%	0%	**15%**
-3%	-67%	11%	256%	-83%	**185%**
-11%	7%	-25%	-29%	-36%	**4%**
-40%	-46%	131%	175%	126%	**74%**
166%	-67%	289%	-63%	-57%	**209%**
34%	-81%	72%	1017%	-62%	**83%**
0%	0%	-94%	1210%	-56%	**-69%**
-81%	-20%	999%	-100%	0%	**0%**
-28%	-1%	1357%	56%	18%	**-32%**
0%	-100%	0%	0%	0%	**-**
-38%	-34%	229%	-8%	14%	**17%**
-2%	-4%	99%	100%	1%	**16%**

Vertical Analysis Statement of Financial Position

Particulars	2013 (Restated)	2014	2015 (Restated)	2016 (Restated)	2017	2018
	-----------------	---------------	Rs. in 000	---------------	-----------------	
Share Capital and Reserves						
Share capital	590,578	590,578	590,578	590,578	590,578	**590,578**
Reserves	208,282	206,666	206,666	206,666	206,666	**206,666**
Unappropriated profit	4,549,834	3,771,909	5,722,164	9,083,774	9,057,908	**11,210,699**
Unrealized gain on remeasurement on AFS investments	-	4,943	9,297	14,157	10,763	**9,327**
Non-Controlling interest	-	-	301,436	708,256	818,537	**940,763**
Share holder's equity	5,348,694	4,574,096	6,830,141	10,603,431	10,684,452	**12,958,033**
Non Current Liabilities	11,388	555,325	3,879,911	9,573,661	9,388,370	**10,335,253**
Sub Total	5,360,082	5,129,421	10,710,052	20,177,092	20,072,822	**23,293,286**
Current Liabilities						
Current portion - long term loan	-	-	-	293,487	1,074,976	**952,830**
Short term financing - secured	261,708	178,491	12,566	466,487	561,820	**574,451**
Trade and other payables	77,450	150,240	168,429	768,355	272,360	**554,451**
Unclaimed dividend	29,905	29,466	29,210	36,859	43,393	**44,635**
Unpaid dividend	-	-	-	-	-	**3,589**
Provision	5,816	5,816	5,816	5,816	5,816	**5,816**
Accrued markup	5,131	5,132	32,912	140,870	158,517	**200,449**
Provision for taxation	13,323	-	-	-	-	**-**
Sub Total	393,333	369,145	248,933	1,711,874	2,116,882	**2,336,221**
Total	5,753,415	5,498,566	10,958,985	21,888,966	22,189,704	**25,629,507**

Particulars	2013 (Restated)	2014	2015 (Restated)	2016 (Restated)	2017	2018
	-----------------	---------------	Rs. in 000	---------------	-----------------	
Assets						
Property, plant and equipment & Intangibles)	259,333	376,835	3,719,419	11,434,379	11,230,140	**12,468,154**
Long term investments	4,615,752	4,500,467	5,349,755	8,708,829	8,969,639	**10,841,231**
Long term deposits	10,544	10,544	2,778	2,778	4,428	**2,778**
Others	-	38,072	352	49	308	**19**
Sub Total	4,885,629	4,925,918	9,072,304	20,146,035	20,204,515	**23,312,182**
Current Assets						
Stores and spares	36,582	12,000	13,266	47,258	7,822	**22,278**
Stock in trade	261,306	280,519	210,307	149,447	96,178	**100,273**
Trade debts	94,882	51,533	118,944	326,655	739,062	**1,284,571**
Loans and advances	42,301	13,762	53,530	19,581	8,481	**26,210**
Deposits, prepayments and other receivables	95,147	17,654	30,323	338,671	127,339	**232,747**
Taxes recoverable	-	76,132	4,770	62,465	27,636	**8,661**
Short term investments	107,624	86,001	944,897	-	-	**-**
Cash and bank balances	35,415	35,047	510,644	798,854	941,433	**642,585**
Assets classified as held for sale	194,529	-	-	-	37,238	**-**
Sub Total	867,786	572,648	1,886,681	1,742,931	1,985,189	**2,317,325**
Total Assets Employed	5,753,415	5,498,566	10,958,985	21,888,966	22,189,704	**25,629,507**

---Percentage---					
2013	2014	2015	2016	2017	**2018**
10%	11%	5%	3%	3%	**2%**
4%	4%	2%	1%	1%	**1%**
79%	69%	52%	41%	41%	**44%**
0%	0%	0%	0%	0%	**0%**
0%	0%	3%	3%	4%	**4%**
93%	83%	62%	48%	48%	**51%**
0%	10%	35%	44%	42%	**40%**
93%	93%	98%	92%	90%	**91%**
0%	0%	0%	1%	5%	**4%**
5%	3%	0%	2%	3%	**2%**
1%	3%	2%	4%	1%	**2%**
1%	1%	0%	0%	0%	**0%**
-	-	-	-	-	**0%**
0%	0%	0%	0%	0%	**0%**
0%	0%	0%	1%	-	**1%**
0%	-	-	-	-	**-**
7%	7%	2%	8%	10%	**9%**
100%	100%	100%	100%	100%	**100%**

---Percentage---					
2013	2014	2015	2016	2017	**2018**
5%	7%	34%	52%	51%	**49%**
80%	82%	49%	40%	40%	**42%**
0%	0%	0%	0%	0%	**0%**
0%	1%	0%	0%	-	**-**
85%	90%	83%	92%	91%	**91%**
1%	0%	0%	0%	0%	**0%**
5%	5%	2%	1%	0%	**0%**
2%	1%	1%	1%	3%	**5%**
1%	0%	0%	0%	0%	**0%**
2%	0%	0%	2%	-	**-**
0%	1%	0%	0%	0%	**0%**
2%	2%	9%	0%	0%	**0%**
1%	1%	5%	4%	4%	**3%**
3%	0%	0%	0%	0%	**0%**
15%	10%	17%	8%	9%	**9%**
100%	100%	100%	100%	100%	**100%**

Horizontal Analysis Statement of Profit or Loss

Particulars	2013 (Restated)	2014	2015 (Restated)	2016 (Restated)	2017	2018
	---Rs. in 000---					
CONTINUING OPERATIONS						
Revenue	31,987	129,199	177,368	519,639	2,537,377	**3,079,977**
Cost of revenue	24,233	102,148	155,297	512,482	1,262,162	**1,550,787**
Gross profit	7,754	27,051	22,071	7,157	1,275,215	**1,529,190**
Selling and distribution expenses	57,423	118,897	129,043	118,590	154,111	**186,236**
Administrative and other expenses	65,718	146,112	155,859	261,043	259,853	**297,291**
Finance cost	5,898	31,999	25,613	170,004	736,882	**798,779**
Provision & impairement	-	-	-	-	-	**-**
Other income	32,482	20,769	29,062	35,320	56,170	**34,334**
Operating (loss) / profit	(88,803)	(249,188)	(259,382)	(507,160)	180,539	**281,218**
Voluntary separation scheme cost	-	-	-	-	-	**-**
Share of profit of associates	464,122	398,274	1,493,835	4,138,901	560,026	**2,306,573**
Profit before taxation	375,319	149,086	1,234,453	3,631,741	740,565	**2,587,791**
Taxation	2,725	10,551	259,472	476,468	318,081	**382,036**
Profit after taxation from continuing operations	372,594	138,535	974,981	3,155,273	422,484	**2,205,755**
DISCONTINUED OPERATIONS						
Loss / (gain) from discontinued operations	338,647	(82,865)	(659,571)	41,362	20,675	**(87,153)**
PROFIT FOR THE YEAR	33,947	221,400	1,634,552	3,113,911	401,809	**2,292,908**

Vertical Analysis Statement of Profit or Loss

Particulars	2013 (Restated)	2014	2015 (Restated)	2016 (Restated)	2017	2018
	---Rs. in 000---					
CONTINUING OPERATIONS						
Revenue	31,987	129,199	177,368	519,639	2,537,377	**3,079,977**
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Finance cost	5,898	31,999	25,613	170,004	736,882	**798,779**
Provision & impairement	-	-	-	-	-	**-**
Other income	32,482	20,769	29,062	35,320	56,170	**34,334**
Operating (loss) / profit	(88,803)	(249,188)	(259,382)	(507,160)	180,539	**281,218**
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PROFIT FOR THE YEAR	33,947	221,400	1,634,552	3,113,911	401,809	**2,292,908**

--Percentage Change--

13 Over 12	14 Over 13	15 Over 14	16 Over 15	17 Over 16	**18 Over 17**
-92%	304%	37%	193%	388%	**21%**
-93%	322%	52%	230%	146%	**23%**
-83%	249%	-18%	-68%	17718%	**20%**
447%	107%	9%	-8%	30%	**21%**
-24%	122%	7%	67%	0%	**14%**
791%	443%	-20%	564%	333%	**8%**
-100%	-	-	-	-	**-**
-64%	-36%	40%	22%	59%	**-39%**
-338%	-181%	-4%	-96%	136%	**56%**
0%	0%	0%	0%	0%	**0%**
74%	-14%	275%	177%	-86%	**312%**
41%	-60%	728%	194%	-80%	**249%**
-92%	287%	2359%	84%	-33%	**20%**
60%	-63%	604%	224%	-87%	**422%**
1130%	-124%	696%	-106%	-50%	**-522%**
-83%	552%	638%	91%	-87%	**471%**

--Percentage Change--

13 Over 12	14 Over 13	15 Over 14	16 Over 15	17 Over 16	**18 Over 17**
100%	100%	100%	100%	100%	**100%**
76%	79%	88%	99%	50%	**50%**
24%	21%	12%	1%	50%	**50%**
180%	92%	73%	23%	6%	**6%**
205%	113%	88%	50%	10%	**10%**
18%	25%	14%	33%	29%	**26%**
0%	-	-	-	-	**-**
102%	16%	16%	7%	2%	**1%**
-278%	-193%	-146%	-98%	7%	**9%**
0%	-	-	-	-	**-**
1451%	308%	842%	796%	22%	**75%**
1173%	115%	696%	699%	29%	**84%**
9%	8%	146%	92%	13%	**12%**
1165%	107%	550%	607%	17%	**72%**
1059%	-64%	-372%	8%	1%	**-3%**
106%	171%	922%	599%	16%	**74%**

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INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Dawood Lawrencepur Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Dawood Lawrencepur Limited for the year ended December 31, 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

As a part of our audit of the 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 Regulations require 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that 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 requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2018.

Further, we highlight status of non-compliance as mentioned in the paragraph 12 of the Statement of Compliance relating to the Human Resource and Remuneration Committee, which has been complied with subsequent to the year end.

A.F. Ferguson & Co.
Chartered Accountants

Karachi

Date: April 1, 2019

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>

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Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017

Dawood Lawrencepur Limited
Year Ended December 31, 2018

The Company has complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) in the following manner:

1. The total number of directors are seven as per the following:

a)	Male:	Seven
b)	Female:	None

2. The composition of board is as follows:

a)	Independent Director:	Mr. Shabbir Hussain Hashmi
b)	Other Non-executive Directors:	Mr. Shahid Hamid Pracha
		Mr. Shahzada Dawood
		Mr. Abdul Samad Dawood
		Mr. Shafiq Ahmed
		Mr. Hasan Reza Ur Rahim
c)	Executive Director:	Mr. Mujtaba Haider Khan

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

4. 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.

5. 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.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board.

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.

9. The board has arranged Directors' Training Program for Mr. Mujtaba Haider Khan, Chief Executive Officer of the Company. Five directors have attended the Directors' Training Program in prior years.

10. The board has approved appointment of CFO including remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. There has been no change in the position of Company Secretary and Head of Internal Audit during the year.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

a)	Board Audit Committee:	Mr. Shabbir Hussain Hashmi (Chairman) Mr. Shahzada Dawood (Member) Mr. Hasan Reza Ur Rahim (Member)
b)	HR and Remuneration Committee*:	Mr. Shabbir Hussain Hashmi (Chairman) Mr. Shahid Hamid Pracha (Member) Mr. Abdul Samad Dawood (Member) Mr. Hasan Reza Ur Rahim (Member)

* The Human Resource and Remuneration Committee (HRRC) has been reconstituted and effective February 22 2019, Mr. Shabbir Hussain Hashmi, an independent director, has been appointed Chairman of the Committee.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

14. The frequency of meetings of the committees were as follows:

    a) Board Audit Committee: Four quarterly meetings during the financial year ended December 31, 2018.

        - March 19, 2018
        - April 26, 2018
        - August 17, 2018
        - October 29, 2018

b) HR and Remuneration Committee:

- April 20, 2018
- October 11, 2018
- November 29, 2018

15. The board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

Karachi
Date: February 22, 2019

Shahid Hamid Pracha
Chairman

Unconsolidated Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the members of Dawood Lawrencepur Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Dawood Lawrencepur Limited (the Company), which comprise the unconsolidated statement of financial position as at December 31, 2018, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2018 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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>

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Following are the key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1	**Application of the Fourth Schedule to the Companies Act, 2017** (Refer note 3.1 to the unconsolidated financial statements) The Fourth Schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of annual unconsolidated financial statements. As part of transition to the requirements, management performed an analysis to identify differences between the previous and the current Fourth Schedules and as a result certain amendments relating to presentation and disclosures were made in the unconsolidated financial statements. In view of the various additional disclosures prepared and presented in the unconsolidated financial statements, we considered this a key audit matter.	We reviewed and understood the requirements of the Fourth Schedule to the Companies Act, 2017. Our audit procedures included the following: - considered the management's process to identify the additional disclosures required in the Company's unconsolidated financial statements; - obtained relevant underlying supports for the additional disclosures and assessed their appropriateness for sufficient audit evidence; and - verified on test basis supporting evidence for additional disclosures and ensured appropriateness of the disclosures made.
2	**Impairment assessment of investment in subsidiary company** (Refer notes 3.6, 4.8 and 7.1 to the unconsolidated financial statements) As per the requirements of accounting and reporting standards, management assessed whether there is any indication that its investment in a subsidiary company may be impaired and thereafter carried out an assessment to determine the amount of impairment, if any. The assessment involved estimation of future cash flows of the subsidiary company and determination of recoverable amount using a number of assumptions and estimates. Based on such assessment, management concluded that no impairment is required at the reporting date. As impairment assessment involves significant management judgement and estimates, we considered this a key audit matter.	Our audit procedures amongst others included the following: - considered indicators requiring management to carry out impairment assessment; - obtained understanding of the management's process of assessment, including methodology used to estimate recoverable amount of investment and evaluated technical ability and competence of management's expert; - reviewed financial projections prepared by management's expert in the light of subsidiary company's business strategy and assessed appropriateness of key assumptions used. For this purpose we involved our internal experts, where required. We also reviewed sensitivity analysis performed by the management in consideration of the potential impact of reasonably possible change in significant assumptions used and considered management's process for approving such estimates; and - assessed the adequacy of disclosures made in the unconsolidated financial statements.

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Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and unconsolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of the unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) 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.

The engagement partner on the audit resulting in this independent auditor's report is Osama Kapadia.

A. F. Ferguson & Co.,
Chartered Accountants
Karachi

Date: April 1, 2019

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Unconsolidated Statement of Financial Position

AS AT DECEMBER 31, 2018

(Amounts in thousand)	Note	2018	2017
		------------Rupees------------	
ASSETS			
Non-current assets			
Property, plant and equipment	5	**31,494**	35,759
Intangible assets	6	**19**	857
Long term investments	7	**3,201,795**	3,030,231
Long term loan	8	**195,000**	-
Long term deposits	9	**2,778**	2,778
		3,431,086	3,069,625
Current assets			
Stores and spares	10	**892**	7,789
Stock	11	**47,380**	58,824
Trade debts	12	**4,411**	1,548
Loans and advances	13	**2,811**	106,293
Taxes recoverable		**5,121**	26,618
Deposits, prepayments and other receivables	14	**68,995**	72,570
Interest accrued	15	**21,229**	14,531
Cash and bank balances	16	**19,788**	10,239
		170,627	298,412
Assets classified as 'held for sale'	17	**-**	37,238
TOTAL ASSETS		**3,601,713**	3,405,275
EQUITY AND LIABILITIES			
Equity			
Share capital	18	**590,578**	590,578
Capital reserves		**206,666**	206,666
Unappropriated profit		**2,283,583**	1,896,879
Unrealized gain on remeasurement of available for sale investments		**10,238**	11,674
		3,091,065	2,705,797
Current liabilities			
Trade and other payables	20	**57,655**	78,619
Unclaimed dividend		**44,635**	43,393
Unpaid dividend		**3,589**	-
Short term borrowings	22	**388,269**	561,820
Provision	23.1.5	**5,816**	5,816
Accrued markup		**10,684**	9,830
		510,648	699,478
Contingencies and Commitments	23		
TOTAL EQUITY AND LIABILITIES		**3,601,713**	3,405,275

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

Mujtaba Haider Khan	Shahid Hamid Pracha	Haroon Naseer
Chief Executive Officer	Director	Chief Financial Officer

Unconsolidated Statement of Profit or Loss

For The Year Ended December 31, 2018

(Amounts in thousand except for earning / (loss) per share)	Note	2018	2017
		------------Rupees------------	
CONTINUING OPERATIONS			
Revenue - net	24	**7,840**	58,999
Cost of revenue	25	**(6,245)**	(76,784)
Gross profit / (loss)		**1,595**	(17,785)
Dividend income	26	**623,921**	312,628
Selling and distribution expenses	27	**(845)**	(8,572)
Administrative expenses	28	**(39,820)**	(54,880)
		(40,665)	(63,452)
Other income	29	**51,193**	52,685
Finance cost	30	**(40,558)**	(36,109)
Profit before taxation		**595,486**	247,967
Taxation	31	**(118,278)**	(83,679)
Profit after taxation		**477,208**	164,288
DISCONTINUED OPERATIONS			
Profit / (loss) from discontinued operations	32	**87,153**	(20,675)
Profit for the year		**564,361**	143,613
Earnings per share - Basic and diluted			
Continuing operations	33	**8.08**	2.78
Earnings / (loss) per share - Basic and diluted			
Discontinued operations	33	**1.48**	(0.35)

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

Mujtaba Haider Khan	Shahid Hamid Pracha	Haroon Naseer
Chief Executive Officer	Director	Chief Financial Officer

Unconsolidated Statement of Comprehensive Income
For The Year Ended December 31, 2018

(Amounts in thousand)	Note	2018	2017
		-------------Rupees-------------	
Profit for the year		**564,361**	143,613
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Loss on remeasurement of available for sale investments		**(1,436)**	(3,394)
Items that will not be reclassified to profit or loss:			
Remeasurement of post employment benefits obligation - Actuarial loss	21.1.6	**(483)**	(257)
		(1,919)	(3,651)
Total comprehensive income for the year		**562,442**	139,962

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

Mujtaba Haider Khan	Shahid Hamid Pracha	Haroon Naseer
Chief Executive Officer	Director	Chief Financial Officer

Unconsolidated Statement Of Changes In Equity
For The Year Ended December 31, 2018

(Amounts in thousand)

	Share Capital	Capital reserves					Revenue reserves		Total
		Merger reserve	Share premium reserve	Capital reserve	Capital redemption of reserve fund	Total	Unappropriated profit	Unrealized gain on remeasurement of available for sale investments	
	----Rupees----								
Balance as at January 1, 2017	590,578	10,521	136,865	33,311	25,969	206,666	2,048,812	15,068	2,861,124
Profit for the year	-	-	-	-	-	-	143,613	-	143,613
Other comprehensive loss	-	-	-	-	-	-	(257)	(3,394)	(3,651)
Total comprehensive income for the year	-	-	-	-	-	-	143,356	(3,394)	139,962
Transaction with owners									
Final cash dividend for the year ended December 31, 2016 @ Rs. 5 per share	-	-	-	-	-	-	(295,289)	-	(295,289)
Balance as at December 31, 2017	**590,578**	**10,521**	**136,865**	**33,311**	**25,969**	**206,666**	**1,896,879**	**11,674**	**2,705,797**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**564,361**	**-**	**564,361**
Other comprehensive loss	**-**	**-**	**-**	**-**	**-**	**-**	**(483)**	**(1,436)**	**(1,919)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**563,878**	**(1,436)**	**562,442**
Transaction with owners									
Final cash dividend for the year ended December 31, 2017 @ Rs. 1 per share	**-**	**-**	**-**	**-**	**-**	**-**	**(59,058)**	**-**	**(59,058)**
First interim dividend for the year ended December 31, 2018 @ Rs. 2 per share	**-**	**-**	**-**	**-**	**-**	**-**	**(118,116)**	**-**	**(118,116)**
Balance as at December 31, 2018	**590,578**	**10,521**	**136,865**	**33,311**	**25,969**	**206,666**	**2,283,583**	**10,238**	**3,091,065**

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

Mujtaba Haider Khan	Shahid Hamid Pracha	Haroon Naseer
Chief Executive Officer	Director	Chief Financial Officer

Unconsolidated Statement of Cash Flows

For The Year Ended December 31, 2018

(Amounts in thousand)	2018	2017
	------------Rupees------------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**682,639**	227,292
Add: (Profit) / loss before taxation attributable to discontinued operations	**(87,153)**	20,675
Profit before taxation from continuing operations	**595,486**	247,967
Adjustment for non-cash charges and other items:		
Depreciation	**2,201**	2,383
Amortization	**838**	5,060
Provision for gratuity - net	**1,010**	(3,634)
Gratuity transferred from Subsidiary	**-**	731
Provision for slow moving and obsolete stock	**-**	14,376
Finance cost	**40,558**	36,109
Provision for doubtful debts - net	**1,061**	(550)
Loss on disposal of property, plant and equipment	**66**	9
Dividend income	**(623,921)**	(312,628)
Profit on deposits	**(158)**	(2,076)
Markup charged to related parties	**(29,578)**	(31,452)
	(12,437)	(43,705)
Working capital changes:		
(Increase) / decrease in current assets		
Stock	**4,443**	4,240
Trade debts	**(4,106)**	34,158
Loans and advances	**(1,593)**	(103,858)
Deposits, prepayments and other receivables	**1,108**	176,200
	(148)	110,740
(Decrease) / increase in current liabilities		
Trade and other payables	**(24,182)**	7,030
	(24,330)	117,770
Gratuity paid	**(3,230)**	144
Finance cost paid	**(39,704)**	(36,558)
Taxes paid	**(96,781)**	(50,406)
Discontinued operations	**12,891**	308
Net cash used in from operating activities	**(163,591)**	(12,447)

Unconsolidated Statement of Cash Flows
For The Year Ended December 31, 2018

(Amounts in thousand)	2018	2017
	------------Rupees------------	
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(175)**	(360)
Purchase of intangible assets	**-**	(37)
Proceeds from disposal of property, plant and equipment	**535**	22
Investment in subsidiaries	**(173,000)**	(430,003)
Subordinated loan to a subsidairy	**(90,000)**	-
Profit on deposits	**158**	2,076
Markup received from related parties	**22,880**	31,452
Dividend received	**623,921**	312,628
Discontinued operations	**134,715**	-
Net cash generated from / (used in) investing activities	**519,034**	(84,222)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividend	**(172,343)**	(288,755)
Net increase/ (decrease) in cash and cash equivalents	**183,100**	(385,424)
Cash and cash equivalents at beginning of the year	**(551,581)**	(166,157)
Cash and cash equivalents at end of the year	**(368,481)**	(551,581)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	**19,788**	10,239
Short term borrowings	**(388,269)**	(561,820)
	(368,481)	(551,581)

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

Mujtaba Haider Khan Chief Executive Officer	Shahid Hamid Pracha Director	Haroon Naseer Chief Financial Officer

Notes To The Unconsolidated Financial Statements
For The Year Ended December 31, 2018

(Amounts in thousand)

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 repealed Companies Ordinance, 1984 (now Companies Act, 2017) between Dawood Cotton Mills Limited (DCM), Dilon Limited (DL), Burewala Textile Mills Limited (BTM) and Lawrencepur Woolen and Textile Mills Limited (LWTM). The shares of the Company are listed on Pakistan Stock Exchange. The Company manages investment in its subsidiaries and associated companies and is 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 business units of the Company include the following:

Business Units	Geographical Location
Head Office (registered office)	3rd Floor, Dawood Centre, M.T. Khan Road, Karachi.
BTM Factory	Dawoodabad, Railway Station Road and Luddan Road, Chak 439, E.B, Tehsil Burewala, District Vehari.
LWTM Factory	G.T. Road, Faqirabad, District Attock.

1.2 In prior years, the Company suspended operations of LWTM, BTM, DL and DCM. Land, building, plant and machinery and related assets of DL, DCM and LWTM were disposed off. Further, plant and machinery and other related assets classified as 'assets held for sale' of BTM were also disposed off during the year.

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

2. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

Following is the summary of significant transactions and events that have effected the Company's financial position and performance during the year.

2.1 Investment in Reon Energy Limited

During the year, the Company invested Rs. 70,000 in its wholly owned subsidiary against subscription of 7,000,000 fully paid ordinary shares of Rs. 10 each in respect of right issue offered.

(Amounts in thousand)

2.2 Investment in Reon Alpha (Private) Limited

During the year, the Company invested Rs. 103,000 in its wholly owned subsidiary against subscription of 10,300,000 fully paid ordinary shares of Rs. 10 each in respect of right issue offered to fund the installation of 5 Mega Watt (MW) solar power project at Sindh Engro Coal Mining Company (SECMC).

2.3 Sale of assets classified as 'held for sale'

During the year, the Company disposed off assets classified as 'held for sale'. The gain on disposal of the assets amounted to Rs. 97,477.

2.4 Subordinated loan to a subsidiary

During the year, the Company provided unsecured subordinated loan of Rs. 90,000 to its subsidiary, Tenaga Generasi Limited.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of preparation

3.1.1 These unconsolidated financial statements have been prepared under the historical cost convention as modified by remeasurement of certain financial assets and financial liabilities at fair value and retirement benefits at present value.

3.1.2 These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions and directives issued under the Companies Act, 2017.

Where provisions and directives issued under the Companies Act, 2017 differ from IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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

3.1.4 The preparation of these unconsolidated 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 4.

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

a) Standards, amendments to published standards and interpretations that became effective during the year

The following new interpretation to the accounting and reporting standards as applicable in Pakistan is effective for the first time for the year ended December 31, 2018:

IFRIC 22 ' Foreign currency transactions and advance consideration:

- This interpretation clarifies the determination of the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, a date of transaction should be determined as above for each payment or receipt. The impact of the above interpretation is not considered material on the unconsolidated financial statements of the Company.

In addition to the foregoing, the Companies Act, 2017 which is effective on these unconsolidated financial statements has added certain disclosures which have been included. The other new standards, amendements to published standards and interpretations that are mandatory for the financial year begining on January 1, 2018 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

b) 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, are not effective for the financial year beginning on January 1, 2018 and have not been early adopted by the Company:

IFRS 9 'Financial instruments' (effective for annual periods beginning on or after January 1, 2019):

- IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the related guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI, not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there are no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. The Company is yet to assess the full impact of the standard.

'IFRS 15, 'Revenue from contracts with customers' (effective for annual periods beginning on or after January 1, 2019):

- 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.

IFRS 16 'Leases' (effective for annual periods beginning on or after January 1, 2019):

- 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 statement of financial position) and an operating lease (off statement of financial position). 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 Company is yet to assess the full impact of the standard.

Amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors' (effective for periods beginning on or after January 1, 2019)

- These amendments and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information. These amendments are not expected to have a significant impact on the Company's unconsolidated financial statements.

Amendments to IAS 19, 'Employee benefits' on plan amendment, curtailment or settlement' (effective for periods beginning on or after January 1, 2019)

- These amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is not expected to have a significant impact on the Company's unconsolidated financial statements.

IFRIC 23 'Uncertainty over income tax treatments' (effective for periods beginning on or after January 1, 2019)

- This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRIC had clarified previously that IAS 12, not IAS 37 'Provisions, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation is not expected to have a significant impact on the Company's unconsolidated 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 Company and therefore, have not been presented here.

3.3 Property, plant and equipment

3.3.1 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 or loss.

3.3.2 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 or loss as they are incurred.

3.3.3 Depreciation

Depreciation is charged using the straight-line and reducing balance method whereby the cost of an operating asset less its estimated residual value is charged over its estimated useful life. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. Depreciation on additions is charged from the month in which an asset is available for use while no depreciation is charged for the month in which an asset is disposed off.

3.3.4 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).

3.4 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 6.1. The residual values, useful lives and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

3.5 Financial assets

3.5.1 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, deposits, other receivables and cash and cash equivalents in the statement of financial position.

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 reporting 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.

3.5.2 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 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 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 or 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 or loss.

Interest on available-for-sale assets calculated using the effective interest method is recognised in profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or 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 or loss. For available-for-sale financial assets, the cumulative loss is reclassified from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

3.5.3 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 or loss.

3.5.4 Offsetting of financial assets and liabilities

A financial asset and a financial liability are offset and the net amount is reported in the statement of financial position 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.

3.6 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. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as an expense. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the profit or loss.

3.7 Investment in associate

Associates are all entities over which the Company has significant influence but not control. Investment in associates are carried at cost less impairment, if any. 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 impairment loss as the difference between the recoverable amount of the associates and its carrying value and recognizes it in the profit or loss.

3.8 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 reporitng 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.

3.9 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 (invoice value) plus other charges incurred thereon till the reporting date. Cost includes applicable purchase cost and manufacturing expenses.

Net realizable value represents the estimated selling price less all estimated costs necessary to make the sale.

3.10 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.

3.11 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.

3.12 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.

3.13 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.

3.14 Discontinued operations

A discontinued operation is a component of an entity that either has been disposed off 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.

3.15 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. Remeasurement gains and losses arising from the actuarial valuation are recognized immediately in statement of comprehensive income.

3.16 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 reporitng date.

3.17 Taxation

3.17.1 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 reporting date, and any adjustment to tax payable in respect of previous years.

3.17.2 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 or loss, unless it relates to item recognised in equity in which case it is also recognized in equity.

3.18 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.

3.18.1 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.

3.18.2 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.

3.18.3 Interest income

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

3.18.4 Dividend income

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

3.18.5 Capital gain

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

3.19 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.

3.20 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 reporting date. Foreign exchange differences are recognized in the profit or loss.

3.21 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 or loss attributable to ordinary share holders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.22 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 or loss. Non-current assets classified as held-for-sale are not depreciated or amortized.

3.23 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 38 to these unconsolidated financial statements.

4. 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 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:

4.1 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.

4.2 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.

4.3 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.

4.4 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 or loss.

4.5 Provision for retirement 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 21.

4.6 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.

4.7 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.

4.8 Impairment of investments in subsidiaries and associates

In making estimate of recoverable amount of the Company's investment in subsidiaries and associate the management considers future cash flows / dividend stream and an estimate of the terminal value of these investments, which are subject to change.

(Amounts in thousand)

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Building on freehold land	Plant and machinery	Furniture, fixtures and office equipment	Computers	Tools and equipment	Vehicles	Renewable energy units	Total
	-----	-----	-----	-----	Rupees	-----	-----	-----	-----
As at January 1, 2017									
Cost	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
Year ended December 31, 2017									
Opening net book value	3,157	4,910	52,164	16,009	77	3,037	3,989	3,530	86,873
Additions	-	-	-	-	360	-	-	-	360
Transfer to held for sale assets									
Cost	-	-	(274,717)	-	-	(2,893)	-	-	(277,610)
Accumualated depreciation	-	-	237,765	-	-	2,607	-	-	240,372
	-	-	(36,952)	-	-	(286)	-	-	(37,238)
Disposals (note 5.2)									
Cost	-	-	-	-	-	(55)	(123)	-	(178)
Accumulated depreciation	-	-	-	-	-	55	92	-	147
	-	-	-	-	-	-	(31)	-	(31)
Depreciation (note 5.3)	-	(491)	(10,433)	(1,601)	(130)	(308)	(796)	(446)	(14,205)
Closing net book value	3,157	4,419	4,779	14,408	307	2,443	3,162	3,084	35,759
As at December 31, 2017									
Cost	3,157	70,557	102,870	66,594	7,126	3,687	10,822	4,464	269,277
Accumulated depreciation	-	(66,138)	(98,091)	(52,186)	(6,819)	(1,244)	(7,660)	(1,380)	(233,518)
Net book value	3,157	4,419	4,779	14,408	307	2,443	3,162	3,084	35,759
Year ended December 31, 2018									
Opening net book value	**3,157**	**4,419**	**4,779**	**14,408**	**307**	**2,443**	**3,162**	**3,084**	**35,759**
Additions	**-**	**-**	**-**	**-**	**175**	**-**	**-**	**-**	**175**
Disposals (note 5.2)									
Cost	**-**	**-**	**-**	**(111)**	**(353)**	**(45)**	**(221)**	**-**	**(730)**
Accumulated depreciation	**-**	**-**	**-**	**42**	**353**	**12**	**221**	**-**	**628**
	-	**-**	**-**	**(69)**	**-**	**(33)**	**-**	**-**	**(102)**
Depreciation (note 5.3)	**-**	**(442)**	**(956)**	**(1,436)**	**(173)**	**(253)**	**(632)**	**(446)**	**(4,338)**
Closing net book value	**3,157**	**3,977**	**3,823**	**12,903**	**309**	**2,157**	**2,530**	**2,638**	**31,494**
As at December 31, 2018									
Cost	**3,157**	**70,557**	**102,870**	**66,483**	**6,948**	**3,642**	**10,601**	**4,464**	**268,722**
Accumulated depreciation	**-**	**(66,580)**	**(99,047)**	**(53,580)**	**(6,639)**	**(1,485)**	**(8,071)**	**(1,826)**	**(237,228)**
Net book value	**3,157**	**3,977**	**3,823**	**12,903**	**309**	**2,157**	**2,530**	**2,638**	**31,494**
Annual rate of depreciation (%)	**0%**	**10%**	**20%**	**10%**	**33%**	**10%-33%**	**20%**	**10%**	

Notes To The Unconsolidated Financial Statements
For The Year Ended December 31, 2018

(Amounts in thousand)

5.1 The above include assets with an aggregate carrying value of Rs. 16,229 (2017: 18,367) which relate to discontinued textile units, LWTM and BTM.

5.2 During the year, the following assets have been disposed off:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / Loss
	----------	----------	Rupees	----------	----------
Various fully depreciated / obsolete items sold during the year	730	628	102	535	433
December 31, 2018	**730**	**628**	**102**	**535**	**433**
December 31, 2017	178	147	31	22	(9)

5.3 Depreciation for the year has been allocated as under:

	2018	2017
	-------------Rupees	-------------
Selling and distribution expenses (note 27)	**446**	446
Administrative expenses (note 28)	**3,892**	13,759
	4,338	14,205

5.4 The Company's assets include equipment having cost of Rs. 1,980 (2017: Rs. 1,980) are not in the possession of the Company are installed at The Searle Company Limited, for providing energy sales to the customer.

5.5 The details of immovable fixed assets (i.e land and buildings) are as follows:

Description of location	Address	Total Area of Land in Acres
BTM Factory	Dawoodabad, Railway Station Road and Luddan Road, Chak 439, E.B, Tehsil Burewala, District Vehari.	313 Acres
LWTM Factory	G.T. Road, Faqirabad District Attock	227 Acres

(Amounts in thousand)

		2018	2017
		------------Rupees------------	
6.	**INTANGIBLE ASSETS - Computer software**		
	Balance at beginning of the year	**857**	5,880
	Additions at cost	**-**	37
	Amortization charged for the year (notes 6.1 and 28)	**(838)**	(5,060)
	Balance at end of the year	**19**	857
	Gross carrying value		
	Cost	**19,933**	19,933
	Less: Accumulated amortization	**(19,914)**	(19,076)
	Net book value	**19**	857

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

		2018	2017
7.	**LONG TERM INVESTMENTS**		
	Investment in related parties at cost (note 7.1)	**3,189,102**	3,016,102
	Other investments (note 7.2)	**12,693**	14,129
		3,201,795	3,030,231
7.1	**Investment in related parties - at cost**		
	Subsidiary - unquoted		
	Tenaga Generasi Limited Percentage holding 75% (2017: 75%) 227,027,613 (2017: 227,027,613) fully paid ordinary shares of Rs. 10/- each	**2,294,804**	2,294,804
	Wholly owned subsidiaries - unquoted		
	Mozart (Private) Limited Percentage holding 100% (2017: 100%) 100 (2017: 100) fully paid ordinary shares of Rs. 10/- each	**1**	1
	Reon Alpha (Private) Limited Percentage holding 100% (2017: 100%) 10,300,100 (2017: 100) fully paid ordinary shares of Rs. 10/- each (note 7.1.1)	**103,001**	1

Notes To The Unconsolidated Financial Statements
For The Year Ended December 31, 2018

(Amounts in thousand)

	2018	2017
	-------------Rupees-------------	
Reon Energy Limited Percentage holding 100% (2017: 100%) 72,600,000 (2017: 65,600,000) fully paid ordinary shares of Rs. 10/- each (note 7.1.2)	**726,000**	656,000
Greengo (Private) Limited Percentage holding 100% (2017: 100%) 100 (2017: 100) fully paid ordinary shares of Rs. 10/- each	**1**	1
Abrax (Private) Limited Percentage holding 100% (2017: 100%) 100 (2017: 100) fully paid ordinary shares of Rs. 10/- each	**1**	1
Associate - quoted Dawood Hercules Corporation Limited Percentage holding 16.19% (2017: 16.19%) 77,931,896 (2017: 77,931,896) fully paid ordinary shares of Rs. 10/- each Market value Rs. 8,662,130 (2017: Rs. 8,719,021)	**65,294**	65,294
	3,189,102	3,016,102

7.1.1 During the year, the Company subscribed 10,300,000 (2017: 100) fully paid ordinary shares of Reon Alpha (Private) Limited having face value of Rs. 10 each, against right offer.

7.1.2 During the year, the Company subscribed 7,000,000 (2017: 43,000,000) fully paid ordinary shares of Reon Energy Limited having face value of Rs. 10 each, against right offer.

7.1.3 The Company has pledged 34,599,737 (2017: 32,199,737) ordinary shares of Rs. 10 each of Dawood Hercules Corporation Limited and 34,599,995 (2017: 34,599,995) ordinary shares of Rs. 10 each of Tenaga Generasi Limited against various financing facilities procured from commercial banks (notes 22 and 23.1.9).

(Amounts in thousand)

7.1.4 The details of shares pledged as security are as follows:

Bank	Shares pledged	As at December 31, 2018			As at December 31, 2017		
		Number of shares pledged	Face value of shares pledged	Market value of pledged shares	Number of shares pledged	Face value of shares pledged	Market value of pledged shares
			---------Rupees---------			---------Rupees---------	
Pledged against short term financing and other facilities availed by the Company (notes 22 and 23.1.9)							
Standard Chartered Bank (Pakistan) Limited	Dawood Hercules Corporation Limited	**24,399,737**	**219,997**	**2,712,031**	21,999,737	219,997	2,461,331
Bank Al-Habib Limited		**10,200,000**	**102,000**	**1,133,730**	10,200,000	102,000	1,141,176
Pledged under Sponsor Share Agreement							
Citibank N.A.	Tenaga Generasi Limited	**34,599,995**	**346,000**	**-***	34,599,995	346,000	-*

* Tenaga Generasi Limited is an unlisted company.

7.2 Other investments
- Available for sale investments

2018	2017	Name of Investee	**2018**	2017
Units / No of Shares			-------------Rupees-------------	
		Listed Securities		
200,000	200,000	National Investment (Unit) Trust	**12,678**	14,114
		Un-Listed Securities		
1,500	1,500	Asian Co-operative Society Limited	**15**	15
			12,693	14,129

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

Fair value of investments	**12,693**	14,129
Surplus on remeasurement of investments as at year end	**(10,238)**	(11,674)
Cost of investments	**2,455**	2,455

7.4 The investments in subsidiary companies during the year have been made in accordance with the provisions of the Companies Act, 2017.

(Amounts in thousand)

8 LONG TERM LOAN-UNSECURED

This represents subordinated loan amounting to Rs. 195,000 which includes Rs. 90,000 (2017: Rs. 105,000) provided during the year to Tenaga Generasi Limited (TGL), a subsidiary company, carrying mark-up at the rate of three months KIBOR plus 1.775%. The total facility provided to TGL amounts to Rs. 300,000 and is unsecured. The interest and principal is repayable in three year's time from the date of disbursement. The maximum aggregate amount due from TGL in respect of the loan, at the end of any month during the year was Rs. 195,000.

	2018	2017
	-------------Rupees-------------	
9. LONG TERM DEPOSITS		
Deposits for utilities	**1,718**	1,718
Others	**1,060**	1,060
	2,778	2,778
10. STORES AND SPARES		
Stores	**892**	11,090
Spares	**892**	4,488
	1,784	15,578
Less: Provision for slow moving and obsolete items (note 10.1)	**(892)**	(7,789)
	892	7,789
10.1 The movement in provision during the year is as follows:		
Balance at the beginning of the year	**7,789**	7,789
Less: Reversal of provision on account of disposal	**(6,897)**	-
Balance at the end of the year	**892**	7,789
11. STOCK		
Renewable energy		
Finished goods (notes 11.1)	**44,133**	48,576
Provision for slow moving and obsolete items (note 11.2)	**(29,122)**	(30,860)
	15,011	17,716

(Amounts in thousand)

	2018	2017
	-------------Rupees-------------	
Textile		
Finished goods	**36,103**	47,418
Provision for write down to net realisable value (note 11.2)	**(3,734)**	(6,310)
	32,369	41,108
	47,380	58,824

11.1 This includes stock with an aggregate carrying value of Rs. 406 (2017: Rs. 2,144) which is held by third party at reporting date.

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

	2018	2017
	-------------Rupees-------------	
Balance at the beginning of the year	**37,170**	28,335
Add: charge for the year	**-**	8,835
Less: Reversal of Provision of stock (note 24)	**(2,576)**	-
Less: Written off against provision	**(1,738)**	-
Balance at the end of the year	**32,856**	37,170

12. TRADE DEBTS - unsecured

	2018	2017
- Considered good		
Renewable energy - projects	**4,374**	1,258
Textile	**-**	182
Renewable energy - others (note 12.4)	**37**	108
	4,411	1,548
- Considered doubtful		
Renewable energy	**3,538**	2,477
Others	**32**	32
	3,570	2,509
	7,981	4,057
Provision for doubtful debts (note 12.3)	**(3,570)**	(2,509)
	4,411	1,548

12.1 As at December 31, 2018, trade debts aggregating to Rs. 53 (2017: Rs. 1,348) were past due but not impaired. The aging analysis is as under:

	2018	2017
	-------------Rupees-------------	
More than 1 month	**53**	1,348

(Amounts in thousand)

12.2 As at December 31, 2018, trade debts aggregating to Rs. 4,358 (2017: Rs. 200) 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.

12.3 As at December 31, 2018, trade debts aggregating to Rs. 3,570 (2016: Rs. 2,509) were deemed to have been impaired and provided for. These have been outstanding for more than six months. The movement in provision during the year is as follows:

	2018	2017
	-------------Rupees-------------	
Balance at the beginning of the year	**2,509**	3,059
Add: Provision for the year (note 28)	**1,061**	3,007
Less: Reversal during the year	**-**	(3,557)
Balance at the end of the year	**3,570**	2,509

12.4 This includes trade debts amounting to Rs. 3 (2017 : Nil) due from Reon Energy Limited (REL), a Subsidiary Company. The amount is neither past due nor impaired. The maximum aggregate amount due from REL in respect of trade debt, at the end of any month during the year was Rs 3 (2017 : Rs Nil).

	2018	2017
	-------------Rupees-------------	
13. LOANS AND ADVANCES - unsecured, considered good		
Loans and advances to:		
- Subsidiary companies (note 13.1)	**718**	105,000
- Executives (note 13.2)	**-**	118
- Other employees (note 13.3)	**45**	205
	763	105,323
Advance to suppliers	**2,048**	970
	2,811	106,293

13.1 This represents unsecured subordinated loan issued to subsidiary companies amounting to Rs. 718 (2017: Rs. 105,000) provided during the year to subsidiary companies, carrying mark-up at the rate of three months KIBOR plus 1% per annum.

(Amounts in thousand)

Name of Subsidairy Companies December 31, 2018	Amount Outstanding	Maximum month end balance
	-------------Rupees-------------	
Abrax (Pvt) Limited	**202**	**202**
Mozart (Pvt) Limited	**184**	**184**
Greengo (Pvt) Limited	**204**	**204**
Reon Alpha (Pvt) Limited	**128**	**128**
	718	**718**
December 31, 2017		
Tenaga Generasi Limited	**105,000**	105,000

13.2	Reconciliation of the carrying amount of advances to executives	2018	2017
		-------------Rupees-------------	
	Balance at beginning of the year	**118**	799
	Repayments	**(118)**	(681)
	Balance at end of the year	**-**	118

13.3 This represent interest free loan to employees in accordance with the terms of the employment.

13.4 This represent advances provided to employees for the purpose of operational expenses.

13.5 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 118 (2017: Rs. 799).

		2018	2017
14.	**DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES - unsecured, considered good**	-------------Rupees-------------	
	Security deposits (note 14.1)	**8,568**	8,568
	Prepayments	**1,986**	1,653
	Sales tax	**4,298**	7,602
	Others (notes 14.2 and 14.3)	**54,143**	54,747
		68,995	72,570

(Amounts in thousand)

14.1 This includes security deposit refundable from The Dawood Foundation, a related party paid under lease agreement amounting to Rs. 1,550 (2017: 1,550).

14.2 This includes amount due from related parties as follows:

	Amount Outstanding	Maximum month end balance
	-------------Rupees-------------	
December 31, 2018		
Sach International (Private) Limited	**9,137**	**10,891**
Tenaga Generasi Limited	**42,392**	**49,947**
Reon Alpha (Private) Limited	**48**	**59**
	51,577	**60,897**
December 31, 2017		
Sach International (Private) Limited	7,049	10,952
Tenaga Generasi Limited	23,336	53,420
Reon Energy Limited	19,496	294,723
Greengo (Private) Limited	2	2
Abrax (Private) Limited	1	1
Reon Alpha (Private) Limited	46	46
Mozart (Private) Limited	5	5
Engro Fertilizers Limited	1,878	4,382
	51,813	363,531

14.3 As at December 31, 2018, receivables from related parties aggregating to Rs. 43,149 (2017: Rs.49,892) were past due but not impaired. The aging analysis of these receivables is as follows:

	2018	2017
	-------------Rupees-------------	
Upto 3 month	**1,907**	13,991
3 to 6 months	**1,769**	3,821
More than 6 months	**39,473**	32,080
	43,149	49,892

(Amounts in thousand)

15. INTEREST ACCRUED

	2018	2017
	------------Rupees------------	
Interest accrued (note 15.1)	**21,229**	14,531

15.1 This represent receivable against markup from related parties as follows:

	2018	2017
	------------Rupees------------	
Tenaga Generasi Limited	**21,210**	11,378
Reon Energy Limited	**-**	3,153
Reon Alpha (Private) Ltd	**7**	-
Mozart (Private) Limited	**5**	-
Abrax (Private) Limited	**3**	-
Greengo (Private) Limited	**4**	-
	21,229	14,531

15.2 Maximum month end balance of receivable against markup form related parties as follows:

Tenaga Generasi Limited	**24,829**	11,377
Reon Energy Limited	**3,736**	19,251
Reon Alpha (Private) Ltd	**7**	-
Mozart (Private) Limited	**5**	-
Abrax (Private) Limited	**3**	-
Greengo (Private) Limited	**4**	-
	28,584	30,628

15.3 As at December 31, 2018, markup receivable from related parties aggregating to Rs. 19,097 (2017: Rs.12,913) was past due but not impaired. The aging analysis of these receivables is as follows:

	2018	2017
	------------Rupees------------	
Upto 3 month	**3,959**	4,237
3 to 6 months	**4,687**	2,898
More than 6 months	**10,451**	5,778
	19,097	12,913

(Amounts in thousand)

16. CASH AND BANK BALANCES

	2018	2017
	---Rupees---	
Cash in hand	**205**	106
Balance with banks in:		
- current accounts	**17,621**	8,305
- deposit accounts (note 16.1)	**1,962**	1,828
	19,583	10,133
	19,788	10,239

16.1 These represent deposits with commercial banks and carry profit at the rate of 5.15% (2017: 5.15%) per annum.

17. ASSET CLASSIFIED AS HELD FOR SALE

During the year, the Company sold assets with net book value of Rs. 37,238 with sales proceed on disposal of the assets amounting to Rs. 134,715.

17.1 Movement in account balance is as follows:

	2018	2017
	---Rupees---	
Opening balance	**37,238**	37,238
Sold during the year	**(37,238)**	-
Closing balance	**-**	37,238

17.2

Description	Cost	Accumulated depreciation	Net book Value	Sales Proceeds	Gain on disposal
	---Rupees---				
Plant and machinery	274,717	237,765	36,952	133,813	96,861
Tools and equipment	2,893	2,607	286	902	616
	277,610	240,372	37,238	134,715	97,477

Notes To The Unconsolidated Financial Statements

For The Year Ended December 31, 2018

(Amounts in thousand)

18. SHARE CAPITAL

Authorized capital

2018	2017		2018	2017
---Number of shares---			-------------Rupees-------------	
75,000,000	75,000,000		**750,000**	750,000

Issued, subscribed and paid up capital

2018	2017		2018	2017
---Number of shares---				
2,204,002	2,204,002	Ordinary shares of Rs. 10 each full paid in cash	**22,040**	22,040
12,805,118	12,805,118	Issued for consideration other than cash (note 18.3)	**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

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

	---------Numbers of Shares ---------	
Dawood Corporation (Private) Limited	**29,016,622**	29,016,622
The Dawood Foundation	**2,979,324**	2,979,324
Patek (Private) Limited	**3,713,984**	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
	39,173,722	38,961,622

18.2 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.

18.3 Shares issued for consideration other than cash represents shares issued to the shareholders of the amalgamating companies in accordance with the share-swap ratio stipulated in the Scheme of Arrangement for Amalgamation.

19. DEFERRED TAXATION

As at December 31, 2018, deferred tax asset amounting to Rs. 325,324 (2017: Rs. 488,981) has not been recognised in these unconsolidated financial statements as the Company expects that its income will be taxable under alternate corporate tax and final tax regime in future.

Notes To The Unconsolidated Financial Statements
For The Year Ended December 31, 2018

(Amounts in thousand)

20. TRADE AND OTHER PAYABLES

	2018	2017
	------------Rupees------------	
Creditors	**7,725**	4,798
Other payables (note 20.1)	**758**	17,271
Accrued liabilities	**12,436**	14,302
Due to Islamic Development Bank (note 20.2)	**25,969**	25,969
Due to customers of energy projects (note 20.3)	**6,956**	10,950
Advance from customers and others (note 20.4)	**-**	50
Payable to gratuity fund (note 21)	**1,144**	2,881
Deposits (note 20.5)	**809**	465
Withholding tax	**1,858**	1,933
	57,655	78,619

20.1 This represents amount due to following related parties:

	2018	2017
The Dawood Foundation	**5**	509
Reon Energy Limited	**689**	11,467
Dawood Hercules Corporation Limited	**64**	5,295
	758	17,271

20.2 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.

20.3 Due to customers of energy projects:

	2018	2017
	------------Rupees------------	
Contract costs incurred plus recognized profits less recognized losses	**68,458**	60,940
Less : Progress billings	**(75,414)**	(71,890)
Gross amount due to customers	**(6,956)**	(10,950)

20.4 Represents Rs. Nil (2017: Rs. 50) received as advance (unsecured) from Tenaga Generasi Limited, a subsidiary company for the purpose of reimbursement of expenses incurred on behalf of the TGL.

20.5 All deposits are interest free and are payable on demand. These amount include Rs. 346 (2017: Rs. Nil) utilized as per the agreement with the respective parties. The balance is not kept in a separate bank account.

(Amounts in thousand)

		2018	2017
		------------Rupees------------	
21.	**STAFF RETIREMENT BENEFITS**		
	Staff retirement gratuity	**1,144**	2,881

21.1 The details of staff retirement benefit obligation based on actuarial valuation carried out by independent actuary as at December 31, 2018 using the Projected Unit Credit Method are as follows:

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

	2018	2017
	------------%------------	
Discount rate	**13.25**	8.25
Expected rate of salary increase	**12.25**	7.25
Expected return on plan assets	**13.25**	8.25

		2018	2017
		------------Rupees------------	
21.1.2	**Statement of financial position reconciliation**		
	Present value of defined benefit obligation (note 21.1.3)	**4,245**	5,844
	Fair value of plan assets (note 21.1.4)	**(3,101)**	(2,963)
	Net liability at end of the year	**1,144**	2,881
21.1.3	**Movement in present value of defined benefit obligation**		
	Present value of defined benefit obligation at beginning of the year	**5,844**	8,213
	Current service cost	**906**	569
	Interest cost	**349**	656
	Gain arising on plan settlements	**-**	(4,533)
	Benefits paid	**(3,230)**	-
	Liability transferred from subsidiary company	**-**	731
	Remeasurement: Actuarial loss	**376**	208
	Present value of defined benefit obligation at end of the year	**4,245**	5,844

(Amounts in thousand)

21.1.4 Movement in fair value of plan assets

	2018	2017
	------------Rupees------------	
Fair value of plan assets at beginning of the year	**2,963**	2,928
Contributions (refunded) / made by the Company	**3,230**	(144)
Interest income	**245**	228
Benefits paid	**(3,230)**	-
Remeasurement loss on plan assets excluding interest income	**(107)**	(49)
Fair value of plan assets at end of the year	**3,101**	2,963

21.1.5 Expense recognized in profit or loss

	2018	2017
Current service cost	**906**	569
Gain and losses arising on plan settlements	**-**	(4,533)
Interest cost on defined benefit obligation	**349**	656
Interest income on plan assets	**(245)**	(228)
Expense for the year	**1,010**	(3,536)

21.1.6 Remeasurement losses recognized in statement of comprehensive income

	2018	2017
Experience adjustments on obligation	**376**	208
Return on plan assets, excluding interest income	**107**	49
	483	257

21.1.7 Net recognized liability

	2018	2017
Net liability at beginning of the year	**2,881**	5,285
Expense recognized in profit or loss	**1,010**	(3,536)
Remeasurement losses recognized in statement of comprehensive income	**483**	257
Liability transferred from the subsidiary company	**-**	731
Contributions refunded / (made) during the year	**(3,230)**	144
Net liability at end of the year	**1,144**	2,881

21.1.8 Plan assets comprise of following:

	2018	2017
Investment in mutual funds	**3,101**	2,962
Cash at bank	**-**	1
	3,101	2,963

(Amounts in thousand)

	2018	2017
	------------------%------------------	
Investment in mutual funds	**100**	99.97
Cash at bank	**0**	0.03
	100	100

21.1.9 Year end sensitivity of the defined benefit obligation to changes in weighted principal assumptions is:

	2018	2017
	-------------Rupees-------------	
Discount rate (+100 bps)	**3,879**	5,343
Discount rate (-100 bps)	**4,671**	6,429
Future salary increase rate (+100 bps)	**4,677**	6,437
Future salary increase rate (-100 bps)	**3,867**	5,327

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 statement of financial position.

21.1.10 The weighted average duration of the defined benefit obligation is 9 years.

21.1.11 Expected future cost for the year ending December 31, 2019 is Rs. 912.

21.1.12 Historical information of staff retirement benefits:

	2018	2017	2016	2015	2014
	------------------------------ Rupees				------------------------------
Present value of defined benefit obligation	**(4,245)**	(5,844)	(8,213)	(9,149)	(20,370)
Fair value of plan assets	**3,101**	2,963	2,928	2,815	2,622
Deficit	**(1,144)**	(2,881)	(5,285)	(6,334)	(17,748)

(Amounts in thousand)

	2018	2017
22. SHORT TERM BORROWINGS	-------------Rupees-------------	
Running finance under mark-up arrangement (notes 22.1 and 22.2)	**388,269**	561,820

22.1 The short-term running finance facility aggregating to Rs. 1,000,000 (2017: Rs.1,000,000) obtained under mark-up arrangements from Bank Al-Habib Limited. Out of the aforementioned facility, the Company has negotiated sub limits with the banks for financing the operations of the subsidiary company - Reon Energy Limited, amounting to Rs. 300,000. The running finance under mark-up arrangement is secured by way of deposit of title deeds of the Company's fixed assets, first ranking hypothecation charge over receivables and stocks and pledge over Company's investment in related party, as more fully explained in note 7.1.3. Rate of mark-up applicable to the facility ranges from three month KIBOR plus 65 basis points to three month KIBOR plus 75 basis points (2017: three month KIBOR plus 65 basis points to three month KIBOR plus 75 basis points) per annum. The facility will expire on January 30, 2019. The unutilized balance against the short-term running finance facility as at reporting date was Rs. 258,497 (2017: Rs 325,133).

22.2 The short-term running finance facility aggregating to Rs. 500,000 (2017: Rs 500,000) obtained under mark-up arrangements from Standard Chartered Bank (Pakistan) Limited. The unutilized balance against the facility as at reporting date was Rs. 500,000 (2017: Rs 254,739). The running finance under mark-up arrangement is secured by way of ranking charge over Company's fixed assets and pledge over Company's investment in related party, as more fully explained in note 7.1.3. Rate of mark-up applicable to the facility is three months KIBOR plus 90 basis points (2017: three months KIBOR plus 90 basis points) per annum. The facility will expire on March 31, 2019.

23. CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

23.1.1 Disallowances of expenses claimed (Tax year 2003)

The Company had filed an appeal dated June 21, 2010 against the order of Commissioner Inland Revenue (Appeals) [CIR(A)] dated April 3, 2005 before Appellate Tribunal Inland Revenue (ATIR) on disallowance of expenses of gratuity, lease rentals, employee perquisites and utilities aggregating to Rs. 32,278. 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. 11,297. The Taxation Officer has not yet initiated any proceedings.

(Amounts in thousand)

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 dated January 1, 2011, 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. 136,105 . Total reduction in incidence of tax is Rs.25,762. The company filed an appeal where disallowances of Rs. 62,500 were upheld by CIR (A). The company filed an appeal before ATIR dated July 30, 2013, where decision in favor of the Company was given dated December 18, 2018.

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

Previously the ACIR in his order May 6, 2014 did not allow to set off dividend income against business losses of tax years 2008 & 2009 having tax impact of Rs. 13,926. An appeal was filed with the ATIR dated March 29, 2013, where decision in favor of the Company was given dated December 18, 2018.

23.1.4 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 dated May 22, 2014, 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 on January 2, 2015 against the order dated January 2, 2015 before CIR(A) who upheld the demand of DCIR. Subsequently the Company again filed an appeal before ATIR which is pending hearing.

23.1.5 In 1975, LWTM offered 130,520 right shares to NIT where the offer was accepted by NIT and acknowledged by LWTM. These events took place during the validity of the Consent Order dated January 2, 1976 issued by the Controller of Capital Issues. As payment for the said shares was made after the expiry of the Consent Order, LWTM claimed it was no longer obliged to issue the shares to NIT. According to the October 3, 1998 Judgment, a valid and binding contract existed between the parties and LWTM is obliged to issue the shares to NIT. In 2016, the Sindh High Court (SHC) decided the case in favour of National Investment (Unit) Trust (NIT), where the Company was ordered for the release of unissued shares, bonus shares, dividend accrued and interest till the date of the Decree of the SHC. During the year, NIT has filed an Execution Application before the SHC for the Order passed by SHC, whereby NIT have lodged claim of Rs 4,699 being the compensation on the deposit amount, along with 286,641 shares of the Company and respective dividend on shares amounting to Rs. 9,031. The management noted certain discrepancies in the order whereby the number of shares in the Execution Application was in excess by 44,691 and respective dividend on the shares is Rs. 796, which will be filed by the Company in the SHC on the next date of hearing. Provision relating to interest payable to NIT in respect of deposit received for subscription of shares amounts to Rs 5,800 (2017: Rs. 5,800).

Notes To The Unconsolidated Financial Statements

For The Year Ended December 31, 2018

(Amounts in thousand)

23.1.6 The Company has obtained stay order from the Honorable High Court of Sindh dated August 2, 2017, with regards to the amendment inserted through Finance Act, 2017 relating to the taxation of undistributed profits as stated in section 5A of Income Tax Ordinance, 2001. No provision for tax in accordance with the said provision has been recognised as the Company, based on opinion of its legal advisor, is confident that the matter will be decided in its favor. Had the provision for tax on undistributed reserves be recorded, the profit after tax would have been lower by Rs. 93,168.

23.1.7 The Company received an order from Additional Commissioner Inland Revenue dated December 10, 2018 for Tax Year 2017, where demand of Rs 43,726 was raised. The ACIR stated that the recovery of demand to the extent of Super Tax amounting to Rs 42,329 will not be pursed as per the direction of Honorable Sindh High Court, whereas the remaining balance demanded was adjusted against refunds of the tax year 2016. The Company has filed an appeal dated December 24, 2018 against the order with Assistant Commissioner Income Tax (ACIR) which is pending for hearing.

23.1.8 The Company has extended a Corporate Guarantee amounting to USD 10,000 to Standard Chartered Bank (Pakistan) Limited (SCB) against SBLC facility granted to its subsidiary company, Tenaga Generasi Limited. Furthermore, the Company has also pledged shares of DHCL with SCB against the SBLC as more fully explained in note 7.1.3.

23.1.9 The Company is contingently liable for bank guarantees of Rs. 55,163 (December 2017: Rs. 58,308) favoring Government and other parties. These have been issued against mobilization advances and performance of the goods and services rendered for a tenure varying from three months to three years.

23.1.10 During the year, the Company has provided Corporate Guarantee amounting to Rs. 300,000 to MCB Bank Limited to secure unfunded facility provided to Reon Energy Limited for import/ purchase of plant, machinery, stores and spares. Further, the Company has also provided Corporate Guarantee upto Rs. 400,000 to Bank Al-Habib Limited in respect of transfer of sub limit of Rs. 300,000 to Reon Energy Limited, as fully explained in note 22.1.

23.1.11 The Company has provided Corporate Guarantee amounting to Rs. 400,000 to Bank Al-Habib Limited, in respect of transfer of sub limit of Rs. 300,000 to Reon Energy Limited, as fully explained in note 22.1.

23.1.12 The Company has provided performance guarantee to Dada Enterprises (Private) Limited, relating to 1.6 Mega Watt Solar Power Plant installed by Reon Energy Limited, a wholly owned subsidiary, for a period of 10 years starting from the installation of the plant.

(Amounts in thousand)

23.2 Commitments

23.2.1 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.

	2018	2017
	-------------Rupees-------------	
23.2.2 Commitment in respect of operating lease arrangements		
Not later than one year	**-**	459

24. REVENUE - NET

	2018	2017
Renewable energy		
Project revenue (note 24.1)	**8,353**	63,120
Solar lights	**22**	-
Others	**2,031**	213
	10,406	63,333
Less: Return and discount	**-**	(1,738)
Less: Sales tax	**(2,566)**	(2,596)
	7,840	58,999
Textile		
Fabric	**11,263**	14,001
Less: Sales tax	**(810)**	(1,410)
	10,453	12,591
Related to discontinued operations (note 32)	**(10,453)**	(12,591)
	7,840	58,999

(Amounts in thousand)

24.1 This includes Rs. 7,519 (2017: Rs. 59,202) relating to projects in progress at reporting date.

25. COST OF REVENUE

	2018	2017
	------------Rupees------------	
Renewable energy		
Opening stock	**48,576**	52,816
Purchases and related expenses	**1,802**	58,168
Provision for slow moving and obsolete items	**-**	14,376
Closing stock	**(44,133)**	(48,576)
Cost of goods sold (note 25.1)	**6,245**	76,784
Textile		
Opening balance	**47,418**	62,077
(Reversal of) / Provision for slow moving and obsolete items and other adjustments (note 11.2)	**(2,576)**	(5,541)
Other expenses	**-**	64
Closing balance	**(36,103)**	(47,418)
	8,739	9,182
Related to discontinued operations (note 32)	**(8,739)**	(9,182)
	6,245	76,784

25.1 It includes Rs. 5,258 (2017: Rs. 62,282) relating to projects in progress at reporting date.

26. DIVIDEND INCOME

	2018	2017
	------------Rupees------------	
Dividend Income		
Dawood Hercules Corporation Limited	**623,455**	311,728
National Investment (Unit) Trust	**466**	900
	623,921	312,628

(Amounts in thousand)

	2018	2017
27. SELLING AND DISTRIBUTION EXPENSES	------------Rupees------------	
Salaries and allowances	**111**	6,071
Storage and forwarding	**-**	6
Depreciation (note 5.3)	**446**	446
Fees and subscription	**-**	200
Postage and telephone	**-**	14
Electricity, gas and water	**-**	38
Rent, rates and taxes	**-**	722
Repairs and maintenance	**-**	60
Advertisement	**-**	196
Miscellaneous	**399**	961
	956	8,714
Related to discontinued operations (note 32)	**(111)**	(142)
	845	8,572

	2018	2017
28. ADMINISTRATIVE EXPENSES		
Salaries and allowances	**53,708**	56,924
Legal and professional	**4,017**	9,315
Rent, rates and taxes	**3,405**	3,252
Electricity and gas	**7,679**	7,680
Depreciation (note 5.3)	**3,892**	13,759
Printing and stationery	**2,617**	2,510
Fees and subscription	**10,140**	11,895
Insurance	**1,128**	1,535
Conveyance and travelling	**336**	500
Repairs and maintenance	**1,187**	1,957
Postage and telephone	**461**	966
Entertainment	**517**	868
Auditors' remuneration (note 28.1)	**1,156**	1,077
Amortization (note 6)	**838**	5,060
Provision of doubtful debts - net (note 12.3)	**1,061**	-
Miscellaneous	**1,065**	735
	93,207	118,033
Related to discontinued operations (note 32)	**(53,387)**	(63,153)
	39,820	54,880

(Amounts in thousand)

		2018	2017
28.1	**Auditors' remuneration**	------------Rupees------------	
	Fee for:		
	- annual statutory audit	**538**	420
	- half yearly review	**179**	158
	- consolidated financial statements	**63**	79
	- certification and other advisory services	**81**	300
	- review of compliance with the Code of Corporate Governance	**59**	52
	- other miscellaneous expenses	**236**	68
		1,156	1,077

		2018	2017
29.	**OTHER INCOME**		
	Income from financial assets		
	Profit on deposits	**158**	2,076
	Markup charged to related parties	**29,578**	31,452
	Reversal of provision of doubtful debts - net	**-**	550
		29,736	34,078
	Income from non-financial assets and others		
	Sale of stock (note 29.1)	**1,904**	74,455
	Related cost	**(1,904)**	(74,455)
		-	-
	Gain on disposal of held for sale assets (note 17)	**97,477**	-
	Gain / (loss) on disposal of property, plant and equipment (note 5.2)	**433**	(9)
	Gain on sale of stores and spares	**14,893**	-
	Royalty income	**16,912**	14,461
	Warehouse rentals	**18,800**	37,565
	Others	**11,879**	5,805
		160,394	57,822
		190,130	91,900
	Related to discontinued operations (note 32)	**(138,937)**	(39,215)
		51,193	52,685

(Amounts in thousand)

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

30. FINANCE COST

	2018	2017
	---Rupees---	
Mark-up on running finance	**39,896**	35,228
Bank charges	**662**	885
	40,558	36,113
Related to discontinued operations (note 32)	**-**	(4)
	40,558	36,109

31. TAXATION

Current

	2018	2017
For the year (note 31.2)	**118,278**	46,337
For the prior year-net (note 31.2)	**-**	37,342
	118,278	83,679

31.1 The comparison of tax provisions as per unconsolidated financial statements and tax assessments for last three years are as follows:

Tax Year	Tax Provisions	Tax assessments
	---Rupees---	
2016	148,853	125,174
2017	208,990	174,160
2018	**46,337**	**46,337**

The Company computes tax provisions based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available. Accordingly, the management of the Company has assessed the sufficiency of the tax provisions and believes that tax provisions are sufficient to reflect the actual tax liability of the Company.

(Amounts in thousand)

31.2 Includes 'Super Tax for rehabilitation of temporary displaced persons' at the rate of 2% (2017: 3%) on specified income for the tax year 2019 (i.e. for the year ended December 31, 2018) levied through Finance Act, 2017.

31.3 Relationship between tax expense and accounting profit

The relationship between tax expense and accounting profit has not been presented in these unconsolidated 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.

32. PROFIT / (LOSS) FROM DISCONTINUED OPERATIONS

	2018	2017
	-------------Rupees-------------	
Revenue - net (note 24)	**10,453**	12,591
Cost of revenue (note 25)	**(8,739)**	(9,182)
Gross profit	**1,714**	3,409
Selling and distribution expenses (note 27)	**(111)**	(142)
Administrative expenses (note 28)	**(53,387)**	(63,153)
Other income (note 29)	**138,937**	39,215
Finance cost (note 30)	**-**	(4)
Net profit / (loss) from discontinued operations	**87,153**	(20,675)

(Amounts in thousand)

33. EARNINGS PER SHARE - BASIC AND DILUTED

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

	2018	2017
Continuing operations		
	------------Rupees------------	
Profit for the year	**477,208**	164,288
	---------Number of shares---------	
Weighted average number of ordinary shares (in thousand)	**59,058**	59,058
	------------Rupees------------	
Earnings per share	**8.08**	2.78
Discontinued operations		
Profit / (loss) for the year	**87,153**	(20,675)
	---------Number of shares---------	
Weighted average number of ordinary shares (in thousand)	**59,058**	59,058
	------------Rupees------------	
Earnings / (loss) per share	**1.48**	(0.35)

34. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2018			*2017		
	Directors			Directors		
	Chief Executive	Others	Executives	Chief Executive	Others	Executives
	--------(Rupees)--------					
Managerial remuneration	**1,220**	**2,143**	**9,093**	1,208	4,059	8,629
Retirement benefits	**-**	**-**	**532**	-	-	572
Other benefits	**123**	**-**	**5,287**	91	-	4,578
Fees	**-**	**1,900**	**-**	-	1,800	-
Total	**1,343**	**4,043**	**14,912**	1,299	5,859	13,779
Number of persons, including those who worked part of the year	**1**	**5**	**4**	1	5	6

(Amounts in thousand)

34.1 This includes amount charged by the group companies in respect of shared employees.

*Comparative figures have been restated to reflect changes in the definition of executive as per Companies Act, 2017.

35. FINANCIAL INSTRUMENTS BY CATEGORY

	2018	2017
35.1 Financial assets as per statement of financial position	-------------Rupees-------------	
- Available-for-sale investments		
Long term investment	**12,693**	14,129
- Loans and receivables at amortized cost		
Long term loans	**195,000**	-
Long term deposits	**2,778**	2,778
Trade debts	**4,411**	1,548
Loans and advances	**763**	105,323
Deposits and other receivables	**62,711**	63,315
Interest accrued	**21,229**	14,531
Cash and bank balances	**19,788**	10,239
	306,680	197,734
35.2 Financial liabilities as per statement of financial position		
- Financial liabilities measured at amortized cost		
Trade and other payables	**47,697**	62,805
Unclaimed dividend	**44,635**	43,393
Unpaid dividend	**3,589**	-
Accrued mark-up	**10,684**	9,830
Short term borrowings	**388,269**	561,820
	494,874	677,848

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.

(Amounts in thousand)

36. FINANCIAL RISK MANAGEMENT

36.1 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.

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 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.

The Company is exposed to interest rate risk on short term borrowings and loan given to subsidiary company. At December 31, 2018, if interest rates on the Company's borrowings and loan to a subsidiary company had been 1% higher / lower with all other variables held constant, post-tax profit for the year would have been lower / higher by Rs. 1,933 (2017: lower / higher by Rs. 4,668).

(Amounts in thousand)

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 materially exposed to price risk as at December 31, 2018.

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. The carrying value of financial assets which are neither past due nor impaired are as follows:

	2018	2017
	-------------Rupees-------------	
Long term investments	**12,693**	14,129
Long term loan	**195,000**	-
Long term deposits	**2,778**	2,778
Trade debts	**4,358**	200
Loans and advances	**763**	105,323
Deposits and other receivables	**19,562**	13,423
Interest accrued	**21,229**	14,531
Cash and bank balances	**19,788**	10,239
	276,171	160,623

As at December 31, 2018, the Company has deposits with banks and financial institutions amounting to Rs. 19,583 (2017: Rs. 10,133). The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings as follows:

Banks/Investments	Rating Agency	2018 Short term	2018 Long term
Habib Bank Limited	JCR-VIS	A-1+	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)

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 considering 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 reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual cash flows.

	2018			2017		
	Maturity upto one year	**Maturity after one year**	**Total**	Maturity upto one year	Maturity after one year	Total
	---Rupees---					
Trade and other payables	**47,697**	**-**	**47,697**	62,805	-	62,805
Unclaimed dividend	**44,635**	**-**	**44,635**	43,393	-	43,393
Unpaid dividend	**3,589**	**-**	**3,589**	-	-	-
Accrued interest / mark-up	**10,684**	**-**	**10,684**	9,830	-	9,830
Short term borrowings	**388,269**	**-**	**388,269**	561,820	-	561,820
	494,874	**-**	**494,874**	677,848	-	677,848

36.2 The table below analyses 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)

(Amounts in thousand)

	Level 1	Level 2	Level 3	Total
	----------Rupees----------			
Assets				
Available for sale financial asset				
- Long term investments	**12,678**	**-**	**15**	**12,693**

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

37. 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.

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 statement of financial statement plus net debt. The gearing ratio as at December 31 is as follows:

	2018	2017
	-------------Rupees-------------	
Short term borrowings	**388,269**	561,820
Cash and bank balances	**(19,788)**	(10,239)
Net debt	**368,481**	551,581
Total equity	**3,091,065**	2,705,797
Total capital	**3,459,546**	3,257,378
Debt to equity ratio	**0.107**	0.169

(Amounts in thousand)

38. 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
- Textile - discontinued operations

38.1 Segment results

	Renewable energy		Textile - discontinued operations		Unallocated		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
	------Rupees------							
Revenue	**7,840**	58,999	**10,453**	12,591	**-**	-	**18,293**	71,590
Cost of goods sold	**(6,245)**	(76,784)	**(8,739)**	(9,182)	**-**	-	**(14,984)**	(85,966)
Segment gross profit / (loss)	**1,595**	(17,785)	**1,714**	3,409	**-**	-	**3,309**	(14,376)
Administrative expenses	**(1,897)**	(13,620)	**(53,387)**	(63,153)	**(37,923)**	(41,260)	**(93,207)**	(118,033)
Selling and distribution expenses	**(845)**	(8,572)	**(111)**	(142)	**-**	-	**(956)**	(8,714)
Finance cost	**-**	-	**-**	(4)	**(40,558)**	(36,109)	**(40,558)**	(36,113)
Dividend Income	**-**	-	**-**	-	**623,921**	312,628	**623,921**	312,628
Other income	**-**	-	**138,937**	39,215	**51,193**	52,685	**190,130**	91,900
Taxation	**-**	-	**-**	-	**(118,278)**	(83,679)	**(118,278)**	(83,679)
Segment net (loss) / profit	**(1,147)**	(39,977)	**87,153**	(20,675)	**478,355**	204,265	**564,361**	143,613

(Amounts in thousand)

38.2 Segment assets

	Renewable energy		Textile - discontinued operations		Unallocated		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
	----------Rupees----------							
Property, plant and equipment	**2,638**	3,084	**16,229**	18,367	**12,627**	14,308	**31,494**	35,759
Intangible assets	**-**	-	**-**	-	**19**	857	**19**	857
Long term investments	**-**	-	**-**	-	**3,201,795**	3,030,231	**3,201,795**	3,030,231
Long term loan	**-**	-	**-**	-	**195,000**	-	**195,000**	-
Long term deposits	**-**	-	**2,778**	2,778	**-**	-	**2,778**	2,778
Stores and spares	**-**	-	**892**	7,789	**-**	-	**892**	7,789
Stock	**15,011**	17,716	**32,369**	41,108	**-**	-	**47,380**	58,824
Trade debts	**4,411**	1,366	**-**	182	**-**	-	**4,411**	1,548
Loans and advances	**2,811**	1,218	**-**	75	**-**	105,000	**2,811**	106,293
Taxes recoverable	**-**	-	**-**	-	**5,121**	26,618	**5,121**	26,618
Deposits, prepayments and other receivables	**68,995**	70,103	**-**	2,467	**-**	-	**68,995**	72,570
Interest accrued	**-**	-	**-**	-	**21,229**	14,531	**21,229**	14,531
Cash and bank balances	**-**	-	**-**	-	**19,788**	10,239	**19,788**	10,239
Asset classified 'as held for sale'	**-**	-	**-**	37,238	**-**	-	**-**	37,238
Total segment assets	**93,866**	93,487	**52,268**	110,004	**3,455,579**	3,201,784	**3,601,713**	3,405,275
Segment liabilities								
Trade and other payables	**10,777**	2,699	**6,199**	2,981	**40,679**	72,939	**57,655**	78,619
Unclaimed dividend	**-**	-	**-**	-	**44,635**	43,393	**44,635**	43,393
Unpaid dividend	**-**	-	**-**	-	**3,589**	-	**3,589**	-
Short term borrowings	**-**	-	**-**	-	**388,269**	561,820	**388,269**	561,820
Provision	**-**	-	**-**	-	**5,816**	5,816	**5,816**	5,816
Accrued markup	**-**	-	**-**	-	**10,684**	9,830	**10,684**	9,830
Total segment liabilities	**10,777**	2,699	**6,199**	2,981	**493,672**	693,798	**510,648**	699,478

38.3 Included in the revenues arising from energy projects of Rs. 8,353 (2017: Rs. 63,120) are revenues of approximately Rs. 7,519 (2017: Rs. 58,268) which arose from sales to the Company's major customers. The breakup of major customers is as follows:

	2018	2017
	-------------Rupees-------------	
Basic Health Unit	**3,994**	58,268
Unilever Pakistan Foods Limited	**3,525**	-
	7,519	58,268

39. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

39.1 Following are the name of the associated companies, related parties and associated undertakings with whom the Company had entered into transactions or had agreements and / or arrangements in place during the year:

(Amounts in thousand)

Name of Related parties	Direct Shareholding	Relationship
Dawood Corporation (Private) Limited	49.13%	Major Shareholder
The Dawood Foundation	5.04%	Common directorship
Sach International (Private) Limited	0.01%	Associates
Dawood Hercules Corporation Limited	16.19%	Associates
Shahzada Dawood	1.77%	Company's Sponsor / Director
Abdul Samad Dawood	1.15%	Company's Sponsor / Director
Tenaga Generasi Limited	75%	Subsidary
Reon Energy Limited	100%	Subsidary
Reon Alpha (Private) Ltd	100%	Subsidary
Mozart (Private) Limited	100%	Subsidary
Abrax (Private) Limited	100%	Subsidary
Greengo (Private) Limited	100%	Subsidary
Engro Fertilizers Limited	N/A	Shareholding of director / Common Directorship
Fatima Fertilizer Company Limited	N/A	Shareholding of director
Fauji Fertilizers Limited	N/A	Shareholding of director
Staff Retirement Benefit - Gratuity Scheme	N/A	Post Employment Benefits
Shahid Hamid Pracha	N/A	Director
Hasan Raza ur Rahim	N/A	Director
Shabbir Hussain Hashmi	N/A	Director
Shafiq Ahmed	N/A	Key Management personnel
Mujtaba Haider Khan	N/A	Key Management personnel

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 34. Transactions and balances with related parties other than those disclosed elsewhere in these unconsolidated financial statements are as follows:

Notes To The Unconsolidated Financial Statements
For The Year Ended December 31, 2018

(Amounts in thousand)

Relationship	Nature of transaction	2018	2017
		------------Rupees------------	
a. Subsidiary companies			
Tenaga Generasi Limited	Reimbursable expenses incurred by the Company	**4,133**	6,792
	Equity arrangement fee (SBLC) / SBLC cost reimbursement	**25,063**	21,813
	Subordinated loan	**90,000**	105,000
	Interest on outstanding receivable balance	**4,046**	5,590
	Interest on subordinated loan	**15,480**	5,788
	Interest on advance against issue of share capital	**9,133**	-
Reon Energy Limited	Subscription of ordinary shares	**70,000**	430,000
	Reimbursable expenses incurred by the Company	**5,614**	42,409
	Purchases by the Company	**161**	200
	Sales by the Company	**1,947**	74,455
	Interest on sale of inventory	**-**	14,121
	Interest on reimbursement of expenses	**695**	5,916
	Short term loan obtained	**-**	80,000
	Short term loan disbursed	**-**	80,000
	Interest on short term loan obtained	**-**	187
	Short term loan disbursed	**-**	7,000
	Short term loan repaid	**-**	7,000
	Interest on short term loan disbursed	**-**	37
	SECMC security deposit	**-**	5,250
	Reimbursable expenses incurred on behalf of the Company	**5,281**	18,396
	Rental Income	**60**	-
Mozart (Private) Limited	Unsecured loan	**184**	-
	Interest on loan	**5**	-
	Reimbursable expenses incurred by the Company	**8**	-
Abrax (Private) Limited	Reimbursable expenses incurred by the Company	**6**	1
	Unsecured loan	**202**	-
	Interest on loan	**3**	-
	Subscription of ordinary shares	**-**	1
Greengo (Private) Limited	Reimbursable expenses incurred by the Company	**7**	2
	Unsecured loan	**203**	-
	Interest on loan	**3**	-
	Subscription of ordinary shares	**-**	1
Reon Alpha (Private) Limited	Subscription of ordinary shares	**103,000**	1
	Unsecured loan	**128**	-
	Interest on loan	**6**	-
	Reimbursable expenses incurred by the Company	**61**	46

(Amounts in thousand)

Relationship	Nature of transaction	2018	2017
		-------------Rupees-------------	
b. Associated companies			
Dawood Hercules Corporation Limited	Dividend income	**623,455**	311,728
	Reimbursable expenses incurred by the Company	**26**	23
	Reimbursable expenses incurred on behalf of the Company	**4,421**	8,398
Sach International (Private) Limited	Sale of fabric by the Company	**-**	477
	Reimbursable expenses incurred by the Company	**70**	123
	Reimbursable expenses incurred on behalf of the Company	**-**	1,970
	Royalty charged	**16,911**	14,461
	Rental Income	**250**	-
	Penalty charged	**207**	5
The Dawood Foundation	Rental charges	**-**	5,440
	Reimbursable expenses incurred on behalf of the Company	**201**	-
	Maintenance utility payable	**-**	1,573
Engro Fertilizers Limited	Rental income	**1,517**	7,691
Fatima Fertilizer Company Limited	Rental income	**13,697**	-
Fauji Fertilizer Limited	Rental income	**1,749**	-

40. NUMBER OF EMPLOYEES

	2018	2017
	-------------Rupees-------------	
Average number of employees during the year	**20**	16
Mangement employees	**17**	20
Factory worker	**1**	1
	18	21

41. GENERAL

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

42. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison, wherever considered neccesary. Following major reclassification has been made during the year:

(Amounts in thousand)

Description	Reclassified		Amount
	From	To	(Rupees)
Statement of financial position			
Unpaid dividend	Trade and other payables	Unpaid dividend	43,393

43. NON-ADJUSTING EVENT AFTER REPORTING DATE

The Board of Directors in its meeting held on February 22, 2019 has proposed a final cash dividend of Rs. 4 (2017: cash dividend of Rs.1) per share for the year ended December 31, 2018 amounting to Rs. 236,231 (2017: Rs. 59,058), for approval of the members at the Annual General Meeting to be held on April 30, 2019. This is in addition to an interim cash dividend of Rs. 2 per share (2017: Rs Nil) resulting in a total dividend of Rs. 6 per share for the year 2018 (2017: Rs. 1 per share). The amount of total dividend is calculated at the number of shares outstanding as at December 31, 2018.

44. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were authorized for issue on February 22, 2019 by the Board of Directors of the Company.

Mujtaba Haider Khan	Shahid Hamid Pracha	Haroon Naseer
Chief Executive Officer	Director	Chief Financial Officer


Sindh Enrgo Coal Mining Company
Tharparker, Sindh

Consolidated Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the members of Dawood Lawrencepur Limited

Opinion

We have audited the annexed consolidated financial statements of Dawood Lawrencepur Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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>

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Following is the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
i)	**Application of the Fourth Schedule to the Companies Act, 2017** (Refer note 3.1 to the consolidated financial statements) The Fourth Schedule to the Companies Act, 2017 became applicable to the Group for the first time for the preparation of the annual consolidated financial statements. As part of transition to the requirements, management performed an analysis to identify differences between the previous and the current Fourth Schedules and as a result certain amendments relating to presentation and disclosures were made in the consolidated financial statements. In view of the various new disclosures prepared and presented in the consolidated financial statements, we considered this a key audit matter.	We reviewed and understood the requirements of the Fourth Schedule to the Companies Act, 2017. Our audit procedures included the following: - considered the management's process to identify the additional disclosures required in the Group's consolidated financial statements; - obtained relevant underlying supports for the additional disclosures and assessed their appropriateness for sufficient audit evidence; and - verified on test basis supporting evidence for additional disclosures and ensured appropriateness of the disclosures made.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Page 3 of 4

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Osama Kapadia.

A. F. Ferguson & Co.,
Chartered Accountants
Karachi

Date: April 1, 2019

Consolidated Statement of Financial Position

As At December 31, 2018

(Amounts in thousand)	Note	2018	2017
		------------Rupees------------	
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	**12,444,974**	11,205,846
Intangible assets	7	**23,180**	24,294
Long term investments	8	**10,841,231**	8,969,639
Long term deposits	9	**2,778**	4,428
Long term loans to employees	10	**19**	308
		23,312,182	20,204,515
Current Assets			
Stores and spares	11	**22,278**	7,822
Stock-in-trade	12	**100,273**	96,178
Trade debts	13	**1,284,571**	739,062
Loans and advances	14	**26,210**	8,481
Deposits, prepayments and other receivables	15	**225,832**	116,006
Accrued interest		**6,915**	11,333
Taxes recoverable		**8,661**	27,636
Cash and bank balances	16	**642,585**	941,433
		2,317,325	1,947,951
Assets classified as 'held for sale'	17	**-**	37,238
TOTAL ASSETS		**25,629,507**	22,189,704
EQUITY AND LIABILITIES			
Equity			
Issued, subscribed and paid-up capital	18	**590,578**	590,578
Capital reserves		**206,666**	206,666
Unappropriated profits		**11,210,699**	9,057,908
Unrealized gain on remeasurement of available for sale investments		**9,327**	10,763
Non-controlling interest		**940,763**	818,537
		12,958,033	10,684,452
Non-Current Liabilities			
Staff retirement gratuity	19	**27,635**	28,228
Deferred taxation	20	**1,614,487**	1,333,533
Borrowings	21	**8,693,131**	8,026,609
		10,335,253	9,388,370
Current Liabilities			
Current portion of long term borrowings	21	**952,830**	1,074,976
Unclaimed dividend		**44,635**	43,393
Unpaid dividend		**3,589**	-
Short term borrowings	22	**574,451**	561,820
Trade and other payables	23	**554,451**	272,360
Provision	25.1.5	**5,816**	5,816
Accrued markup	24	**200,449**	158,517
		2,336,221	2,116,882
Contingencies and Commitments	25		
TOTAL EQUITY AND LIABILITIES		**25,629,507**	22,189,704

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

Mujtaba Haider Khan	Shahid Hamid Pracha	Haroon Naseer
Chief Executive Officer	Director	Chief Financial Officer

Consolidated Statement of Profit or Loss

For The Year Ended December 31, 2018

(Amounts in thousand except for earning / (loss) per share)	Note	2018	2017
		------------Rupees------------	
CONTINUING OPERATIONS			
Revenue - net	26	**3,079,977**	2,537,377
Cost of revenue	27	**(1,550,787)**	(1,262,162)
Gross profit		**1,529,190**	1,275,215
Selling and distribution expenses	28	**(186,236)**	(154,111)
Administrative expenses	29	**(232,747)**	(253,298)
Other operating expenses	30	**(64,544)**	(6,555)
Other income	31	**34,334**	56,170
Operating profit		**1,079,997**	917,421
Finance cost	32	**(798,779)**	(736,882)
Share of profit of associate	8	**2,306,573**	560,026
Profit before taxation		**2,587,791**	740,565
Taxation	33	**(382,036)**	(318,081)
Profit from continuing operations		**2,205,755**	422,484
DISCONTINUED OPERATIONS			
Profit / (loss) from discontinued operations	34	**87,153**	(20,675)
Profit for the year		**2,292,908**	401,809
Profit attributable to:			
- Owners of the Holding Company		**2,171,162**	291,528
- Non-controlling interest		**121,746**	110,281
		2,292,908	401,809
Earnings / (loss) per share - Basic and diluted			
- Continuing operations	35.1	**35.29**	5.29
- Discontinued operations	35.2	**1.48**	(0.35)

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

Mujtaba Haider Khan	Shahid Hamid Pracha	Haroon Naseer
Chief Executive Officer	Director	Chief Financial Officer

Consolidated Statement of Comprehensive Income

For The Year Ended December 31, 2018

(Amounts in thousand)	Note	2018	2017
		------------Rupees------------	
Profit for the year		2,292,908	401,809
Other comprehensive income / (loss):			
Items that may be reclassified subsequently through profit or loss account			
Loss on remeasurement of 'available for sale' investments		(1,436)	(3,394)
Share of other comprehensive income from investment in associate - net of tax	8.1	17,869	2,316
		16,433	(1,078)
Items that will not be reclassified subsequently through profit or loss account			
Remeasurement of defined benefit obligation - Actuarial loss	19.6	(2,045)	(2,236)
		14,388	(3,314)
Total comprehensive income for the year		2,307,296	398,495
Total comprehensive income / (loss) attributable to:			
- Continuing operations		2,220,143	419,170
- Discontinued operations		87,153	(20,675)
		2,307,296	398,495
Total comprehensive income attributable to:			
- Owners of the Holding Company		2,185,550	288,214
- Non-controlling Interest		121,746	110,281
		2,307,296	398,495

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

Mujtaba Haider Khan	Shahid Hamid Pracha	Haroon Naseer
Chief Executive Officer	Director	Chief Financial Officer

Consolidated Statement of Changes In Equity

For The Year Ended December 31, 2018

(Amounts in thousand)

	Attributable to owners of the Holding Company									Non controlling interest (NCI)	Total
		Capital reserves					Revenue reserves				
	Ordinary Shares	Merger reserve	Share premium reserve	Capital reserve	Capital redemption reserve fund	Total	Unappropriated profit	Unrealized gain on remeasurement of available for sale investments	Total		
	Rupees										
Balance as at January 1, 2017	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
Transactions with owners											
Final cash dividend for the year ended December 31, 2016 @ Rs. 5 per share	-	-	-	-	-	-	(295,289)	-	(295,289)	-	(295,289)
Profit for the year	-	-	-	-	-	-	291,528	-	291,528	110,281	401,809
Other comprehensive income / (loss)	-	-	-	-	-	-	80	(3,394)	(3,314)	-	(3,314)
Total comprehensive income for the year	-	-	-	-	-	-	291,608	(3,394)	288,214	110,281	398,495
Effect of other transactions of associate	-	-	-	-	-	-	(22,185)	-	(22,185)	-	(22,185)
Balance at December 31, 2017	590,578	10,521	136,865	33,311	25,969	206,666	9,057,908	10,763	9,865,915	818,537	10,684,452
Balance as at January 1, 2018	**590,578**	**10,521**	**136,865**	**33,311**	**25,969**	**206,666**	**9,057,908**	**10,763**	**9,865,915**	**818,537**	**10,684,452**
Transactions with owners											
Final cash dividend for the year ended December 31, 2017 @ Rs. 1 per share	**-**	**-**	**-**	**-**	**-**	**-**	**(59,058)**	**-**	**(59,058)**	**-**	**(59,058)**
Interim cash dividend for the year ended December 31, 2018 @ Rs. 2 per share	**-**	**-**	**-**	**-**	**-**	**-**	**(118,117)**	**-**	**(118,117)**	**-**	**(118,117)**
Share issuance cost	**-**	**-**	**-**	**-**	**-**	**-**	**(515)**	**-**	**(515)**	**-**	**(515)**
Shares issued to NCI	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**480**	**480**
	-	**-**	**-**	**-**	**-**	**-**	**(177,690)**	**-**	**(177,690)**	**480**	**(177,210)**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,171,162**	**-**	**2,171,162**	**121,746**	**2,292,908**
Other comprehensive income / (loss)	**-**	**-**	**-**	**-**	**-**	**-**	**15,824**	**(1,436)**	**14,388**	**-**	**14,388**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,186,986**	**(1,436)**	**2,185,550**	**121,746**	**2,307,296**
Effect of other transactions of associate	**-**	**-**	**-**	**-**	**-**	**-**	**143,495**	**-**	**143,495**	**-**	**143,495**
Balance as at December 31, 2018	**590,578**	**10,521**	**136,865**	**33,311**	**25,969**	**206,666**	**11,210,699**	**9,327**	**12,017,270**	**940,763**	**12,958,033**

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

Mujtaba Haider Khan	Shahid Hamid Pracha	Haroon Naseer
Chief Executive Officer	Director	Chief Financial Officer

Consolidated Statement Of Cash Flows

For The Year Ended December 31, 2018

(Amounts in thousand)	2018	2017
	-------------Rupees-------------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**2,674,944**	719,890
Add: (Gain) / Loss before taxation attributable to discontinued operations	**(87,153)**	20,675
Profit before taxation from continuing operations	**2,587,791**	740,565
Adjustment for non-cash charges and other items:		
Depreciation	**580,629**	545,310
Amortization	**1,211**	5,402
Provision for gratuity - net	**11,068**	6,492
Reversal of provision for slow moving and obsolete stock-in-trade - net	**(52,809)**	(2,477)
Provision for impairment against doubtful debts - net	**1,718**	2,186
Provision for warranty	**8,097**	2,679
Finance cost	**798,779**	736,882
Gain / loss on disposal of property, plant and equipment	**(440)**	(274)
Share of profit of associate	**(2,306,573)**	(560,026)
Dividend income	**(466)**	(900)
Profit on deposits	**(11,928)**	(27,725)
Operating profit before working capital changes	**1,617,077**	1,448,114
(Increase) / decrease in current assets		
Stores and spares	**(662)**	39,436
Stock-in-trade	**37,399**	43,949
Trade debts	**(547,399)**	(402,220)
Loans and advances	**(17,804)**	160,051
Deposits, prepayments and other receivables	**(107,359)**	325,023
Increase/ (decrease) in current liabilities		
Trade and other payables	**249,327**	(739,366)
	(386,498)	(573,127)
Net cash generated from operations	**1,230,579**	874,987
Gratuity paid	**(13,706)**	(5,047)
Long term loans	**289**	(259)
Long term deposits	**1,650**	(1,650)
Taxes paid	**(82,107)**	(63,746)
Discontinued operations	**12,891**	308
Net cash generated from operating activities	**1,149,596**	804,593

Consolidated Statement of Cash Flows
For The Year Ended December 31, 2018

(Amounts in thousand)	2018	2017
	---------Rupees---------	
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(203,358)**	(31,224)
Sale proceeds from disposal / transfer of property, plant and equipment	**611**	738
Purchase of intangible assets	**(97)**	(429)
Interest received	**16,346**	16,392
Dividend received	**623,921**	312,628
Discontinued operations	**134,715**	-
Net cash generated from investing activities	**572,138**	298,105
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	**-**	280,620
Repayment of borrowings	**(1,104,502)**	(336,959)
Finance costs paid	**(756,847)**	(710,358)
Shares capital issued to NCI	**480**	-
Payment of dividend	**(172,344)**	(288,755)
Net cash used in financing activities	**(2,033,213)**	(1,055,452)
Net (decrease) / increase in cash and cash equivalents	**(311,479)**	47,246
Cash and cash equivalents at beginning of the year	**379,613**	332,367
Cash and cash equivalents at end of the year	**68,134**	379,613
Cash and cash equivalents		
Cash and bank balance	**642,585**	941,433
Short term borrowings	**(574,451)**	(561,820)
	68,134	379,613

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

Mujtaba Haider Khan	Shahid Hamid Pracha	Haroon Naseer
Chief Executive Officer	Director	Chief Financial Officer

Notes To The Consolidated Financial Statements
For The Year Ended December 31, 2018

(Amounts in thousand)

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 repealed Companies Ordinance, 1984 (now Companies Act, 2017) among Dawood Cotton Mills Limited, Dilon Limited, Burewala Textile Mills Limited and Lawrencepur Woolen and Textile Mills Limited. The shares of the Holding Company are listed on Pakistan Stock Exchange. The Holding Company manages its investment in its subsidiary and associated companies which are currently engaged in the business of alternate energy, trading and marketing of renewable energy solutions, mainly solar, to commercial and industrial consumers, along with the legacy textile business.

The business units of the Holding Company and its subsidiaries include the following:

Business Units	**Geographical Location**
Head Office / Registered Office of the Holding Company and its subsidiaries	3rd Floor, Dawood Centre, M.T. Khan Road Karachi.
Factories of the Holding Company	
BTM Factory	Dawoodabad, Railway Station Road and Luddan Road Chak 439, E.B, Tehsil Burewala, District Vehari.
LWTM Factory	G.T Road Faqirabad, District Attock.
Regional offices of the subsidiary company	
Solar Project Sales Office I	3rd Floor, Asia House L-block, Gulberg III, main Ferozpur road, Lahore
Solar Project Sales Office II	Emirates Tower, suite # 324, 3rd Floor Capital Territory, F 7 Markaz F-7, Islamabad
Solar and Wind Power Plant of the subsidiary companies	
Solar Power Plant	Block II, District Tharparkar, Sindh
Wind Farm	Khutikun Area, Gharo, District Thatta Sindh.

(Amounts in thousand)

1.2 In prior years, the Holding Company suspended operations of Lawrencepur Woolen and Textile Milles (LWTM), Burewala Textile Mills (BTM), Dilon (DL) and Dawood Cotton Mills (DCM). Land, building, plant and machinery and related assets of DL, DCM and LWTM were disposed off. Further, plant and machinery and other related assets classified as 'held for sale' of BTM were also disposed off during the year.

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	
		2018	2017
- 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%**	100%
- Abrax (Private) Limited (note 1.5.4)	December 31	**100%**	100%
- Greengo (Private) Limited (note 1.5.5)	December 31	**100%**	100%
- Reon Alpha (Private) Limited (note 1.5.6)	December 31	**100%**	100%
Associated Company:			
- Dawood Hercules Corporation Limited (note 1.5.7)	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 repealed Companies Ordinance, 1984 (now Companies Act, 2017) 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 7,000,000 ordinary shares of REL having face value of Rs. 10 each, against right offer.

(Amounts in thousand)

Further REL has 60% shareholding in Grid Edge (Private) Limited (GEL) a subsidiary company, which is a private limited company, incorporated in Pakistan on August 8, 2018 under the Companies Act, 2017. The principal business of the company is to own and operate electric power generation project and to supply electricity as an independent power producer.

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

	2018
	-----Rupees-----
Current assets	1,206
Total assets	1,206
Current liabilities	621
Total liabilities	621

	August 8, 2018 (date of incorporation) to December 31, 2018
	-----Rupees-----
Revenue	-
Total comprehensive loss for the year	(615)
Total comprehensive loss allocated to NCI	(246)
Accumulated NCI	234
Cash and cash equivalents	1,206
Net cash generated from / (utilized in):	
- operating activities	6
- investing activities	-
- financing activities	1,200
	1,206
Proportion of ownership interest held by non-controlling interest	40%

1.5.2 Tenaga Generasi Limited

Tenaga Generasi Limited (TGL) was incorporated in Pakistan on December 01, 2005 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) 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 Dispatch Company (NTDC) under the Energy Purchase Agreement (EPA) dated December 29, 2015. The EPA is for 20 years.

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

	2018	2017
	-------------Rupees-------------	
Current assets	**1,738,427**	1,568,140
Non-current assets	**12,191,861**	11,145,980
Total assets	**13,930,288**	12,714,120
Current liabilities	**1,364,249**	1,496,195
Non-current liabilities	**8,888,950**	8,028,804
Total liabilities	**10,253,199**	9,524,999
Revenue	**2,294,460**	2,040,853
Total comprehensive income for the year	**487,968**	441,124
Total comprehensive income allocated to NCI	**121,992**	110,281
Accumulated NCI	**940,529**	818,537
Cash and cash equivalents	**585,968**	909,353
Net cash (utilized in) / generated from:		
- operating activities	**1,426,669**	1,057,772
- investing activities	**14,236**	(6,381)
- financing activities	**(1,764,290)**	(635,321)
	(323,385)	416,070
Proportion of ownership interest held by non-controlling interest	**25%**	25%

(Amounts in thousand)

1.5.3 Mozart (Private) Limited

Mozart (Private) Limited (MPL) was incorporated in Pakistan on October 4, 2016 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) 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. Balance relating to MPL have been incorporated based on unaudited financial statements provided by the management, since, the amounts involved were not material, (loss after taxation for the year of Rs. 169).

1.5.4 Abrax (Private) Limited

Abrax (Private) Limited (APL) was incorporated in Pakistan on October 4, 2016 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a private limited company to manage Company's legacy assets located in Burewala. The registered office of APL is situated at 3rd Floor, Dawood Centre, M.T.Khan Road, Karachi in the province of Sindh. APL is a wholly owned subsidiary of the Holding Company. Balance relating to APL have been incorporated based on unaudited financial statements provided by the management, since, the amounts involved were not material, (loss after taxation for the year of Rs. 206).

1.5.5 Greengo (Private) Limited

Greengo (Private) Limited (APL) was incorporated in Pakistan on October 4, 2016 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a private limited company to manage Company's legacy assets located in Attock Mill. The registered office of GPL is situated at 3rd Floor, Dawood Centre, M.T.Khan Road, Karachi in the province of Sindh. GPL is a wholly owned subsidiary of the Holding Company. Balance relating to GPL have been incorporated based on unaudited financial statements provided by the management, since, the amounts involved were not material, (loss after taxation for the year of Rs. 206).

1.5.6 Reon Alpha (Private) Limited

Reon Alpha (Private) Limited (RAPL) was incorporated in Pakistan on October 23, 2017 under the Companies Act, 2017 as a private limited company to carry out business of trading and construction of renewable energy projects. The principal business of RAPL is to own and operate electric power generation project and supply of electricity as an independent power producer. RAPL is in the process of setting up a 5 MW solar power project at District Thar, in the province of Sindh, to provide clean electricity to Sindh Engro Coal Mining Company (SECMC) under a 15-year Energy Purchase Agreement. The registered office of RAPL is situated at 3rd Floor, Dawood Centre, M.T.Khan Road, Karachi in the province of Sindh. RAPL is a wholly owned subsidiary of the Holding Company.

(Amounts in thousand)

1.5.7 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 Act, 2017) 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% (2017: 16.19%) in DHCL. Summarized financial information of DHCL is disclosed in note 8.

2. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

Following is the summary of significant transactions and events that have effected the Group's financial position and performance during the year.

2.1 Sale of 'Held for sale' asset

During the year, the Holding Company disposed off assets classified as 'held for sale'. The gain on disposal of the assets amounted to Rs. 97,477.

2.2 EPC Agreement with Fauji Cement Company Limited

During the year, REL entered in EPC contract of 12.5 MW with Fauji Cement Company Limited.

2.3 Circular debt in Energy Sector

Circular debt in the country’s energy sector has increased significantly. This has impacted recoveries from the power purchaser with the receivables soaring upto 5 months of invoices during the first half.

3. 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 years presented, unless otherwise stated.

3.1 Basis of preparation

3.1.1 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.

(Amounts in thousand)

3.1.2 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan compromise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provision and directives issued under the Companies Act, 2017.

Where provisions and directives issued under the Companies Act, 2017 differ from IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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

3.1.4 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 4.

3.1.5 Initial application of a standards, amendments or an interpretation to an existing Standards

a) Standards, amendments to published standards and interpretation that became effective during the year and are relevant to the Group

The following interpretation to the accounting and reporting standards as applicable in Pakistan is effective for the first time for the year ended December 31, 2018:

IFRIC 22 ' Foreign currency transaction and advance consideration

This interpretation clarifies the determination of the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, a date of transaction should be determined as above for each payment or receipt. The interpretation does not have a significant impact on the Group's consolidated financial statements.

(Amounts in thousand)

In addition to the foregoing, the Companies Act, 2017 which is effective on these consolidated financial statements has added certain disclosures which have been included. The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on January 1, 2018 are considered not to be relevant or to have any significant effect on the Group's financial reporting and operations and are therefore not disclosed in these consolidated financial statements.

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, amendments and interpretations are not effective for the financial year beginning on January 1, 2018 and have not been early adopted by the Group:

- **IFRS 9 'Financial instruments' (effective for annual periods beginning on or after January 1, 2019)**

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVPL). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The Group is yet to assess the full impact of the standard.

(Amounts in thousand)

- **IFRS 15, 'Revenue from contracts with customers' (effective for annual periods beginning on or after January 1, 2019)**

  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 recognized 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 annual periods beginning on or after January 1, 2019)**

  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 statement of financial position) and an operating lease (off statement of financial position). 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.

- **Amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors' (effective for periods beginning on or after January 1, 2019)**

  These amendments and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information. These amendments are not expected to have a significant impact on the Group's consolidated financial statements.

(Amounts in thousand)

- **Amendments to IAS 19, 'Employee benefits' on plan amendment, curtailment or settlement' (effective for periods beginning on or after January 1, 2019)**

  These amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is not expected to have a significant impact on the Group's consolidated financial statements.

- **IFRIC 23, 'Uncertainty over income tax treatments' (effective for periods beginning on or after January 1, 2019)**

  This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRIC had clarified previously that IAS 12, not IAS 37 'Provisions, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation is not expected to have a significant impact on the Group's 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's financial statements and operations therefore, have not been presented in these consolidated financial statements.

(Amounts in thousand)

3.1.6 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 or loss.

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 or loss.

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 or loss. 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 or loss.

3.2 Property, plant and equipment

3.2.1 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 or loss.

(Amounts in thousand)

3.2.2 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.

3.2.3 Depreciation

Depreciation is charged to profit or loss 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.

3.2.4 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).

3.3 Intangible assets

3.3.1 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.

3.3.2 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.

(Amounts in thousand)

3.4 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 profit or loss. Other equity transaction of the associates are recognized directly in equity.

3.5 Financial instruments

3.5.1 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. The Group's loans and receivable comprise trade debts, loans, advances, deposits, other receivables and cash and cash equivalents in the statement of financial position.

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 reporting date.

(Amounts in thousand)

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.

3.5.2 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 i.e. 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 or 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 or loss.

Interest on available-for-sale assets calculated using the effective interest method is recognised in profit or loss. Dividends on available for sale equity instruments are recognised in profit or 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 or loss. For available-for-sale financial assets, the cumulative loss is reclassified from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available for sale are not reversed through profit or loss.

(Amounts in thousand)

3.5.3 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 profit or loss.

3.5.4 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 statement of financial position 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.

3.5.5 Impairment of financial assets

For financial assets the Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The impairment loss is recognized by reducing the carrying amount of the asset and the amount of loss is recognized in income in case of financial assets carried at amortized cost. If in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of previously recognized impairment loss is also recognized in the income.

(Amounts in thousand)

3.6 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 statement of 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 or loss when the exchange (gain) / loss capitalized in property, plant and equipment affects profit or loss.

However, for the reasons explained in note 6, 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.

3.7 Stores, spares and loose tools

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 reporting 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.

(Amounts in thousand)

3.8 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.

3.9 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.

3.10 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 consolidated statement of cash flows.

3.11 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.

(Amounts in thousand)

3.12 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.

3.13 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 reporting date.

3.14 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.

Trade and other payables are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

3.15 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.

3.16 Employees' retirement benefits

3.16.1 Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Holding 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 Holding 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 Holding Company's 'Lawrencepur Woolen and Textile Mills Unit' and 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. Remeasurement gains and losses arising from the actuarial valuation are recognized immediately in consolidated statement of comprehensive income.

3.16.2 Defined benefit scheme

TGL and REL operate unfunded gratuity schemes for its permanent employees. Their net obligation in respect of unfunded gratuity schemes 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 annually by a qualified actuary using the Projected Unit Credit method, related details of which are given in note 19 to the consolidated financial statements.

3.16.3 All remeasurement gains / losses are recognized in consolidated statement of comprehensive income.

3.17 Taxation

3.17.1 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 reporting date and any adjustment to tax payable in respect of previous years.

3.17.2 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.

(Amounts in thousand)

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 profit or loss, unless it relates to item recognised in equity in which case it is also recognized in equity.

3.18 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.

3.18.1 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.

3.18.2 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.

3.18.3 Revenue recognition on supply of electricity

Revenue from the sale of electricity to National Transmission and Dispatch Company (NTDC), the sole customer of the Group, is recognised based on the Net Energy Delivered. The Group also recognizes revenue for Non-Project Missed Volume (NPMV). NPMV is defined in the Energy Purchase Agreement (EPA) as a volume of electricity not delivered by the Company due to solely to a Non-Project Event (NPE) i.e. events which are outside the control of the Company (e.g constraints on the Grid System, variations in the Grid System Frequency or voltage outside technical limits, etc. Revenue is recognised based on the rates and mechanism laid down in the EPA.

(Amounts in thousand)

3.18.4 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.

3.18.5 Dividend income

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

3.18.6 Capital gain

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

3.19 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.

3.20 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 reporting date. Foreign exchange differences are recognized in the profit or loss.

3.21 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.

(Amounts in thousand)

3.22 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 or loss. Non-current assets classified as held for sale are not depreciated or amortized.

3.23 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 Group that makes the strategic decisions.

Management has disclosed information as required by IFRS - 8 'Operating Segments' in note 40 to these consolidated financial statements.

3.24 Dividend and appropriation to reserves

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

4. 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 Group 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:

4.1 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.

(Amounts in thousand)

4.2 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.

4.3 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.

4.4 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.

4.5 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.

4.6 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 or loss.

4.7 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 profit or loss and is not subsequently reversed.

(Amounts in thousand)

4.8 Provision for warranty claims

The Group recognizes the estimated liability to replace damaged equipment still under warranty at the reporting date on the basis of historical claim information. The Group provides manufacturer's warranty on equipment ranging from 1 to 10 years and performance warranty for 25 years. The ratio of warranty claims filed during the year to previous year's cost of sales is taken into account for determining the estimated liability.

5. PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	----Rupees----	
Operating assets, at net book value (note 5.1)	**12,105,365**	11,065,489
Capital work in progress (note 5.4)	**201,115**	1,863
Capital spares (note 5.5)	**138,494**	138,494
	12,444,974	11,205,846

(Amounts in thousand)

5.1 Operating assets

	Land		Building									
	Freehold	Leasehold (notes 4.1.3 and 4.1.4)	Freehold	Leasehold	Plant and machinery	Wind measuring equipment	Furniture, fixtures and office equipment	Computers	Tools and equipment	Vehicles	Renewable energy units	Total
	----------Rupees----------											
As at January 1, 2017												
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)
	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
Year ended December 31, 2017												
Opening 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
Additions including transfers (note 5.4)	-	-	-	6,574	6,149	-	13,736	630	-	-	-	27,089
Capitalization adjustment for exchange loss (note 6)	-	-	-	75,021	289,323	-	-	-	-	-	-	364,344
Transfer to held for sale												
Cost	-	-	-	-	(274,717)	-	-	-	(2,893)	-	-	(277,610)
Accumulated depreciation	-	-	-	-	237,765	-	-	-	2,607	-	-	240,372
					(36,952)				(286)			(37,238)
Disposals (note 5.3)												
Cost	-	-	-	-	-	-	(441)	-	(55)	(312)	-	(808)
Accumulated depreciation	-	-	-	-	-	-	117	-	55	172	-	344
	-	-	-	-	-	-	(324)	-	-	(140)	-	(464)
Depreciation charge (note 5.2)	-	(8,412)	(491)	(110,387)	(425,672)	(186)	(8,089)	(489)	(308)	(2,652)	(446)	(557,132)
Closing net book value	3,157	13,118	4,419	2,261,810	8,721,502	1,671	30,201	3,052	10,645	10,678	5,236	11,065,489
As at December 31, 2017												
Cost	**3,157**	**38,194**	**70,557**	**2,399,717**	**9,338,439**	**3,881**	**89,706**	**14,299**	**15,014**	**26,386**	**7,657**	**12,007,007**
Accumulated depreciation	**-**	**(25,076)**	**(66,138)**	**(137,907)**	**(616,937)**	**(2,210)**	**(59,505)**	**(11,247)**	**(4,369)**	**(15,708)**	**(2,421)**	**(941,518)**
Net book value	**3,157**	**13,118**	**4,419**	**2,261,810**	**8,721,502**	**1,671**	**30,201**	**3,052**	**10,645**	**10,678**	**5,236**	**11,065,489**
Year ended December 31, 2018												
Opening net book vaue	**3,157**	**13,118**	**4,419**	**2,261,810**	**8,721,502**	**1,671**	**30,201**	**3,052**	**10,645**	**10,678**	**5,236**	**11,065,489**
Additions (note 5.4)	**-**	**-**	**-**	**-**	**13**	**-**	**2,023**	**207**	**-**	**-**	**-**	**2,243**
Capitalization adjustment for exchange loss (note 6)	**-**	**-**	**-**	**333,676**	**1,286,894**	**-**	**-**	**-**	**-**	**-**	**-**	**1,620,570**
Disposals (note 5.3)												
Cost	**-**	**-**	**-**	**-**	**-**	**-**	**(403)**	**(353)**	**(45)**	**(221)**	**-**	**(1,022)**
Accumulated depreciation	**-**	**-**	**-**	**-**	**-**	**-**	**265**	**353**	**12**	**221**	**-**	**851**
	-	**-**	**-**	**-**	**-**	**-**	**(138)**	**-**	**(33)**	**-**	**-**	**(171)**
Depreciation charge (note 5.2)	**-**	**(650)**	**(442)**	**(119,236)**	**(449,714)**	**(167)**	**(9,244)**	**(506)**	**(253)**	**(2,108)**	**(446)**	**(582,766)**
Closing net book value	**3,157**	**12,468**	**3,977**	**2,476,250**	**9,558,695**	**1,504**	**22,842**	**2,753**	**10,359**	**8,570**	**4,790**	**12,105,365**
As at December 31, 2018												
Cost	**3,157**	**38,194**	**70,557**	**2,733,393**	**10,625,346**	**3,881**	**91,326**	**14,153**	**14,969**	**26,165**	**7,657**	**13,628,798**
Accumulated depreciation	**-**	**(25,726)**	**(66,580)**	**(257,143)**	**(1,066,651)**	**(2,377)**	**(68,484)**	**(11,400)**	**(4,610)**	**(17,595)**	**(2,867)**	**(1,523,433)**
Net book value	**3,157**	**12,468**	**3,977**	**2,476,250**	**9,558,695**	**1,504**	**22,842**	**2,753**	**10,359**	**8,570**	**4,790**	**12,105,365**
Annual rate of depreciation	**0%**	**4% to 33%**	**10%**	**5%**	**5% to 20%**	**10%**	**10% to 35%**	**33%**	**10% to 33%**	**20%**	**10%**	

(Amounts in thousand)

5.1.1 The above include assets with an aggregate carrying value of Rs. 16,229 (2017: Rs. 18,367) which relate to discontinued textile unit, LWTM and BTM.

5.1.2 The Group's assets include equipments having cost of Rs. 3,370 (2017: Rs. 3,370) which have been installed at The Searle Company Limited and LCC Pakistan (Private) Limited for providing energy sales and proof of concept to the customer.

5.1.3 This represents allocation of land by Alternate Energy Development Board (AEDB) for setting up of a Wind Power Farm. Possession of the land and the site sub lease have been obtained by TGL.

5.1.4 Leasehold land is secured in favor of lenders to secure the various financing arrangements.

	2018	2017
5.2 Depreciation charge for the year has been allocated as under:	-------------Rupees-------------	
Cost of revenue (note 27)	**567,534**	525,393
Selling and distribution expenses (note 28)	**920**	1,475
Administrative expenses (note 29)	**14,312**	30,264
	582,766	557,132

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

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)
		---------- Rupees ----------			
Furnitures, fixtures and office equipments					
By Company policy to existing / separating employees having net book value of less than Rs. 500	346	228	118	61	(57)
Insurance Claim - EFU General Insurance Limited	57	37	20	22	2
	403	265	138	83	(55)
Tools and equipment	45	12	33	3	(30)
Computers	353	353	-	25	25
Vehicles	221	221	-	500	500
December 31, 2018	**1,022**	**851**	**171**	**611**	**440**
December 31, 2017	808	344	464	738	274

(Amounts in thousand)

5.4 Capital work-in-progress

	2018	2017
This represents as follows:	-------------Rupees-------------	
Cost incurred :		
Engineering, procurement & construction costs (note 5.4.1)	**185,237**	-
Engineering, and construction services (note 5.4.1)	**13,483**	-
Advances and others	**2,395**	12,542
	201,115	12,542
Transferred to:		
- operating assets (note 5.1)	**-**	(5,860)
- capital spares assets (note 5.5)	**-**	(4,819)
	201,115	1,863

5.4.1 Capital work in progress represents directly attributable expenses for engineering, procurement and construction of 5 MW Solar Power Plant at a total cost of Rs 391,897 in District Tharparkar, Sindh.

5.5 Capital spares

	2018	2017
	-------------Rupees-------------	
Balance at beginning of the year	**138,494**	133,675
Add: Transfers from capital work in progress - net	**-**	4,819
Balance at end of the year	**138,494**	138,494

5.6 The details of immovable fixed assets (i.e land and buildings) are as follows:

Description of location	Address	Total Area of Land in Acres
BTM Factory	Dawoodabad, Railway Station Road and Luddan Road, Chak 439, E.B, Tehsil Burewala, District Vehari	313 Acres
LWTM Factory	G.T Road, Faqirabad District Attock	227 Acres
Leasehold land including wind measuring equipment and building thereon	KhutiKun Area, Gharo, District Thatta, Sindh	4881 Acres

(Amounts in thousand)

6. 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 aforementioned SRO, Company has capitalized exchange loss of Rs. 1,620,584 pertaining to the current year (2017: Rs. 364,344) in property, plant and equipment (note 5.1).

6.1 Additional Disclosure under SRO 24 (1) 2012

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

	(Increase) / Decrease	(Increase) / Decrease	(Increase) / Decrease
	Unappropiated Profit	Property, plant and equipment	Derivative financial asset (liability)
	--------------------------Rupees--------------------------		
As at January 1, 2017	(56,496)	(3,326)	59,822
For the year ended December 31, 2017			
- Recognition of exchange loss (net of depreciation)	363,798	(363,798)	-
- Change in fair value of derivatives	(74,554)	-	74,554
	289,244	(363,798)	74,554
As at December 31, 2017 / January 1, 2018	232,748	(367,124)	134,376

(Amounts in thousand)

	(Increase) / Decrease Unappropiated Profit	(Increase) / Decrease Property, plant and equipment	(Increase) / Decrease Derivative financial asset (liability)
	-----------------	Rupees	-----------------
For the year ended December 31, 2018			
- Recognition of exchange loss (net of depreciation)	1,578,185	(1,578,185)	-
- Change in fair value of derivatives	(5,663,759)	-	5,663,759
	(4,085,574)	**(1,578,185)**	**5,663,759**
As at December 31, 2018	**(3,852,826)**	**(1,945,309)**	**5,798,135**

	2018	2017
	------Rupees	------
7. INTANGIBLE ASSETS		
Goodwill (note 7.1)	**22,834**	22,834
Computer software (note 7.2)	**346**	1,460
	23,180	24,294

7.1 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 consolidated 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, 2018, the management of the Group carried out an impairment testing of its goodwill recognized in these consolidated 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, 2018.

(Amounts in thousand)

7.2 Computer software

	2018	2017
	------------Rupees------------	
Cost		
Balance as on January 1	**21,548**	21,119
Addition during the year	**97**	429
Balance as on December 31	**21,645**	21,548
Amortization		
Balance as on January 1	**(20,088)**	(14,686)
Amortization during the year (note 29)	**(1,211)**	(5,402)
Balance as on December 31	**(21,299)**	(20,088)
Carrying amount	**346**	1,460

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

8. LONG TERM INVESTMENTS

	2018	2017
Investment in associate (note 8.1)	**10,828,538**	8,955,510
Other investments (note 8.4)	**12,693**	14,129
	10,841,231	8,969,639

8.1 Investment in associate

	2018	2017
Associate - quoted		
Dawood Hercules Corporation Limited (DHCL)		
Opening balance	**8,955,510**	8,691,306
Add:		
- Share of profit after taxation	**2,306,573**	560,026
- Share of other comprehensive income	**21,023**	2,725
- Other equity transactions	**168,887**	13,181
	2,496,483	575,932
Less: Dividend received	**(623,455)**	(311,728)
	10,828,538	8,955,510

8.1.1 The Holding Company has invested in an associate DHCL with ownership of 16.19% (2017: 16.19%), comprising of 77,931,896 (2017: 77,931,896) fully paid ordinary shares of Rs. 10/- each, having market value of Rs. 8,662,130 (2017: Rs. 8,719,021).

(Amounts in thousand)

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

	2018	2017
	------------Rupees------------	
Revenue	**171,568,238**	128,592,511
Profit after tax	**33,148,889**	16,247,161
Other comprehensive income	**506,314**	76,050
Total comprehensive income	**33,655,203**	16,323,211
Profit attributable to:		
- Owners of DHCL	**14,246,897**	3,459,088
- Non-controlling interest of DHCL	**18,901,992**	12,788,073
	33,148,889	16,247,161
Non-current assets	**245,431,483**	202,948,201
Current assets	**176,182,156**	127,627,553
Investment held for sale	**-**	6,611,468
Total assets	**421,613,639**	337,187,222
Less:		
Non-current liabilities	**139,270,260**	94,410,520
Current liabilities	**80,600,240**	65,311,814
Total liabilities	**219,870,500**	159,722,334
Net assets	**201,743,139**	177,464,888
Net assets attributable to:		
- Owners of DHCL	**66,886,221**	55,316,613
- Non-controlling interest of DHCL	**134,856,918**	122,148,275
	201,743,139	177,464,888
Group's share in %	**16.19%**	16.19%
Share of net assets	**10,828,879**	8,955,760
Others	**(341)**	(250)
Carrying amount	**10,828,538**	8,955,510

(Amounts in thousand)

8.1.3 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.

8.2 The Holding Company has pledged 34,599,737 (2017: 32,199,737) ordinary shares of Rs. 10 each of DHCL and 34,599,995 (2017: 34,599,995) ordinary shares of Rs. 10 each of TGL for financing facilities procured from commercial banks.

8.3 The details of shares pledged as security are as follows:

		As at December 31, 2018			As at December 31, 2017		
Bank	Shares pledged	Number of shares pledged	Face value of shares pledged	Market value of pledged shares	Number of shares pledged	Face value of shares pledged	Market value of pledged shares
			------------Rupees------------			------------Rupees------------	
Pledged against short term financing and other facilities availed by the Company (notes 22 and 25.2.2)							
Standard Chartered Bank (Pakistan) Limited	Dawood Hercules Corporation Limited	**24,399,737**	**243,997**	**2,712,031**	21,999,737	219,997	2,461,331
Bank Al-Habib Limited		**10,200,000**	**102,000**	**1,133,730**	10,200,000	102,000	1,141,176
Pledged under Sponsor Share Agreement							
Citibank N.A.	Tenaga Generasi Limited	**34,599,995**	**346,000**	**-***	34,599,995	346,000	-*

* Tenaga Generasi Limited is an unlisted company.

8.4 **Other investments**

- Available for sale investments

2018	2017		2018	2017
Number of Shares / Units		**Name of Investee**	-------------Rupees-------------	
		Listed Securities		
200,000	200,000	National Investment (Unit) Trust	**12,678**	14,114
		Un-Listed Securities		
1,500	1,500	Asian Co-operative Society Limited	**15**	15
			12,693	14,129

Notes To The Consolidated Financial Statements
For The Year Ended December 31, 2018

(Amounts in thousand)

8.5	Reconciliation between fair value and cost of investments classified as 'available for sale'	2018	2017
		------------Rupees------------	
	Fair value of investments	**12,693**	14,129
	Surplus on remeasurement of investments as at year end	**(10,238)**	(11,674)
	Cost of investments	**2,455**	2,455

9. LONG TERM DEPOSITS

Deposits for utilities	**1,718**	1,718
Others	**1,060**	2,710
	2,778	4,428

10. LONG TERM LOANS TO EMPLOYEES
- Secured, considered good

Long term loans to employees (notes 10.1 and 10.2)	**396**	768
Less: Current portion (note 14)	**(377)**	(460)
	19	308

10.1 Reconciliation of the carrying amount of loans to employees

Balance at beginning of the year	**768**	550
Disbursement	**695**	1,290
Repayment	**(1,067)**	(1,072)
Balance at end of the year	**396**	768

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

10.3 The maximum aggregate amount due from employees at the end of any month during the year was Rs. 768 (2017: Rs. 858).

Notes To The Consolidated Financial Statements

For The Year Ended December 31, 2018

(Amounts in thousand)

11.	STORES AND SPARES	2018	2017
		------------Rupees------------	
	Stores, spares and loose tools		
	- in hand	**19,825**	15,611
	- in transit	**3,345**	-
		23,170	15,611
	Provision for slow moving and obsolete items (note 11.1)	**(892)**	(7,789)
		22,278	7,822
11.1	**The movement in provision during the year is as follows:**		
	Balance at the beginning of the year	**(7,789)**	(7,789)
	Add: reversal for the year	**6,897**	-
	Balance at the end of the year	**(892)**	(7,789)
12.	**STOCK-IN-TRADE**		
	Renewable energy		
	Finished goods (notes 12.1)	**99,721**	138,858
	Provision for impairment (note 12.2)	**(31,817)**	(83,788)
		67,904	55,070
	Textile		
	Finished goods	**36,103**	47,418
	Provision for write down to net realizable value (note 12.2)	**(3,734)**	(6,310)
		32,369	41,108
		100,273	96,178

12.1 This includes stock with an aggregate carrying value of Rs. 406 (2017: 2,144) which is held by third party at reporting date.

(Amounts in thousand)

		2018	2017
12.2	The movement in provision during the year is as follows:	-------------Rupees-------------	
	Balance at the beginning of the year	**90,098**	98,116
	Add: Charge for the year	**-**	8,835
	Less: Provision reversed during the year	**(52,809)**	(16,853)
	Less: Provision written off	**(1,738)**	-
	Balance at the end of the year	**35,551**	90,098

13. **TRADE DEBTS**

	2018	2017
- Secured, considered good		
Alternate energy (notes 13.1 and 13.2)	**988,910**	579,423
- Unsecured, considered good		
Renewable energy - projects (notes 13.3 and 13.4)	**89,165**	69,279
Renewable energy - others	**-**	3,924
Gross amount due from customers (note 13.7)	**206,496**	86,254
Textile	**-**	182
	295,661	159,639
	1,284,571	739,062
- Considered doubtful		
Renewable energy	**7,401**	5,683
Others	**32**	32
	7,433	5,715
	1,292,004	744,777
Provision for impairment against doubtful debts - net (notes 13.5 and 13.6)	**(7,433)**	(5,715)
	1,284,571	739,062

13.1 These debts of TGL includes delayed payment charges, are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and as such are considered good.

13.2 Trade debts from alternate energy represents:

- Rs. 263,186 (2017: Rs. 224,197) which is neither past due nor impaired;
- Rs. 555,910 (2017: Rs. 314,327) which is overdue by upto 88 days (2017: 79 days) but not impaired. These carry markup at the rate of 3 months KIBOR plus 4.5% per annum; and

(Amounts in thousand)

- Rs. 169,814 (2017: Rs. 40,900) denoting unbilled revenue in respect of NPMV as defined in the Energy Purchase Agreement (refer note 3.18.3). The Company, based on discussion with CPPA expects to reach an agreement for billing and recovery of the amount and does not expect any material adjustments to trade debts and revenue recognised.

13.3 Trade debts include Rs. 50,585 (2017: Rs. 43,267) which are past due but not impaired. The credit quality of these receivables can be assessed with reference to their historical performance with no defaults ever.

	2018	2017
	-------------Rupees-------------	
Upto 2 months	**36,214**	23,136
More than 2 months	**14,371**	20,131
	50,585	43,267

13.4 Trade debts include Rs. 38,580 (2017: Rs. 26,012) 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.

13.5 As at December 31, 2018, trade debts aggregating to Rs.7,433 (2017: Rs. 5,715) were deemed to have been impaired and provided for. These have been outstanding for more than six months.

13.6 Movement in provision during the year is as follows:

	2018	2017
	-------------Rupees-------------	
Opening balance	**5,715**	3,529
Charge for the year	**1,718**	5,743
Provision reversed during the year	**-**	(3,557)
Closing balance	**7,433**	5,715

13.7 Gross amount due from customers:

	2018	2017
Contract costs incurred plus recognized profits less recognized losses	**702,196**	239,726
Less: Progress billings	**(495,700)**	(153,472)
	206,496	86,254

(Amounts in thousand)

13.8 The maximum aggregate amount due from related party, Mr. Hussain Dawood, at the end of any month during the year amounts to Rs.1,842 (2017: Rs. 1,842). This receivable is outstanding for more than one year and is past due but not impaired.

	2018	2017
	------------Rupees------------	
14. LOANS AND ADVANCES - Unsecured, considered good		
Loans and advances to employees (notes 14.1 to 14.3)	**1,995**	1,454
Current portion of long term loan (notes 10 and 14.1)	**377**	460
Advance to suppliers	**23,838**	6,567
	26,210	8,481

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

14.2 The maximum aggregate amount due from employees at the end of any month during the year was Rs.1,995 (2017: Rs.1,858).

14.3 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.

	2018	2017
15. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	------------Rupees------------	
Security deposits (note 15.1 and 15.5)	**23,477**	18,858
Prepayments (note 15.2)	**9,849**	6,358
Delayed payment charges (note 15.3)	**81,558**	19,344
Sales tax refundable	**47,419**	35,170
Others (note 15.4)	**16,735**	13,854
Workers' profit participation fund (note 23.6)	**46,794**	22,422
	225,832	116,006

15.1 This includes security deposit refundable from The Dawood Foundation, related party, paid under lease agreement amounting to Rs. 1,550 (2017: Rs. 1,550).

(Amounts in thousand)

15.2 RAPL is in the process of entering into a finance agreement with Faysal Bank Limited (FBL) to finance 75% of the project relating to Power Purchase Agreement with SECMC, through State Bank of Pakistan (SBP) Refinance Facility. The tenure of the loan will be for 10 years and markup under SBP facility will be 4% per annum. The loan will be secured through hypothecation charge over all moveable assets of RAPL and assignment of receivables of RAPL in favor of FBL. Transaction cost amounting to Rs. 2,697 on borrowing will be amortized over the tenure of the loan. No amount has been utilized against this facility as at period end.

15.3 This represents mark-up on over due trade debts, out of which Rs. 5,905 is over due by 365 days or more.

15.4 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**	
	2018	2017	**2018**	2017
	------------Rupees------------		------------Rupees------------	
Sach International (Private) Limited	**9,137**	7,049	**10,891**	10,952
Engro Fertilizer Limited	**-**	1,878	**1,878**	4,382
	9,137	8,927		

15.5 This includes Rs. 5,250 (2017: Nil) paid to Sindh Engro Coal Mining Company in respect of engineering, procurement and construction contract. The maximum aggregate amount outstanding from related parties in respect of security deposit at the end of any month during the year was Rs. 6,800 (2017: Rs. 1,550).

(Amounts in thousand)

	2018	2017
16. CASH AND BANK BALANCES	-------------Rupees-------------	
Cash in hand	**341**	414
Cash at banks		
- In current accounts	**21,451**	10,439
- In deposit accounts - local currency (note 16.1)	**594,643**	898,568
- In deposit accounts - foreign currency (note 16.2)	**26,150**	32,012
	642,244	941,019
	642,585	941,433

16.1 This includes deposits with commercial banks and carry profit at the rate ranging from 4% to 8% (2017: 3.74% to 5.15%) per annum.

16.2 Foreign currency deposits carry return at the average LIBOR of 1.62% (2017: 0.90%) per annum.

17. ASSET CLASSIFIED AS HELD FOR SALE

During the year, the Company sold assets with net book value of Rs. 37,238, with proceeds on disposal of the assets amounting to Rs. 134,715.

17.1 Movement in account balance is as follows:	2018	2017
	-------------Rupees-------------	
Opening balance	**37,238**	-
Transferred from property, plant and equipment	**-**	37,238
Sold during the year	**(37,238)**	-
Closing balance	**-**	37,238

Particulars	Sold to	Cost	Accumulated depreciation	Transfer from operating assets	Sales Proceeds	Gain on disposal
Plant and machinery	Hameed and Sons	274,717	237,765	36,952	133,813	96,861
Tools and equipment	Hameed and Sons	2,893	2,607	286	902	616
		277,610	240,372	37,238	134,715	97,477

(Amounts in thousand)

18. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

18.1 Authorized capital

2018	2017		2018	2017
--------Number of shares--------			-------------Rupees-------------	
75,000,000	75,000,000	Ordinary shares of Rs.10/- each	**750,000**	750,000

18.2 Issued, subscribed and paid up capital

2018	2017		2018	2017
--------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 (note 18.2.3)	**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

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

	2018	2017
	-------------Rupees-------------	
Dawood Corporation (Private) Limited	**29,016,622**	29,016,622
The Dawood Foundation	**2,979,324**	2,979,324
Patek (Private) Limited	**3,713,984**	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
	39,173,722	38,961,622

18.2.2 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.

(Amounts in thousand)

18.2.3 Shares issued for consideration other than cash represents shares issued to the shareholders of the amalgamating companies in accordance with the share-swap ratio stipulated in the Scheme of Arrangement for Amalgamation.

19. STAFF RETIREMENT GRATUITY

The details of staff retirement benefit obligation based on actuarial valuations carried out by independent actuary as at December 31, 2018 under the Projected Unit Credit Method are as follows:

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

	2018		2017	
	Gratuity Fund	**Un-funded gratiuty scheme**	Gratuity Fund	Un-funded gratiuty scheme
	------%------			
Financial assumptions:				
Discount rate	**13.25**	**13.75**	8.25	9.50
Expected rate of salary increase	**12.25**	**12.75**	7.25	8.50
Expected return on plan assets	**13.25**	**-**	8.25	-
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

	2018		2017	
	Gratuity Fund	**Un-funded gratiuty scheme**	Gratuity Fund	Un-funded gratiuty scheme
	------Rupees------			
19.2 Statement of financial position reconciliation				
Present value of defined benefit obligation (note 19.3)	**4,245**	**27,635**	5,844	28,228
Fair value of plan assets (note 19.4)	**(3,101)**	**-**	(2,963)	-
Net Liability at end of the year	**1,144**	**27,635**	2,881	28,228

(Amounts in thousand)

19.3 Movement in present value of defined benefit obligation

	2018		2017	
	Gratuity Fund	**Un-funded gratiuty scheme**	Gratuity Fund	Un-funded gratiuty scheme
	----------Rupees----------			
Present value of defined benefit obligation at beginning of the year	**5,844**	**28,228**	8,213	23,612
Current service cost	**906**	**9,882**	569	8,302
Interest cost	**349**	**176**	656	1,823
Benefits paid	**(3,230)**	**(11,796)**	-	(5,191)
Gain arising on plan settlements	**-**	**-**	(4,533)	-
Benefits due but not paid	**-**	**(417)**	-	(1,566)
Liability transferred from / (to) funded scheme	**-**	**-**	731	(731)
Remeasurements: experience adjustments	**376**	**1,562**	208	1,979
Present value of defined benefit obligation at end of the year	**4,245**	**27,635**	5,844	28,228

19.4 Movement in fair value of plan assets

Fair value of plan assets at beginning of the year	**2,963**	**-**	2,928	-
Contributions (refunded to) / made by the company	**3,230**	**-**	(144)	-
Interest income	**245**	**-**	228	-
Benefits paid	**(3,230)**	**-**	-	-
Remeasurement loss on plan assets excluding interest income	**(107)**	**-**	(49)	-
Fair value of plan assets at end of the year	**3,101**	**-**	2,963	-

19.5 Expense recognized in profit or loss

Current service cost	**906**	**9,882**	569	8,302
Gain arising on plan settlements	**-**	**-**	(4,533)	-
Interest cost on defined benefit obligation	**349**	**176**	656	1,823
Interest income on plan assets	**(245)**	**-**	(228)	-
Expense for the year	**1,010**	**10,058**	(3,536)	10,125

19.6 Remeasurement losses recognized in other comprehensive income

Experience adjustments	**376**	**1,208**	208	1,979
Remeasurement loss on plan obligation excluding interest income	**107**	**354**	49	-
	483	**1,562**	257	1,979

(Amounts in thousand)

		2018		2017	
		Gratuity Fund	**Un-funded gratiuty scheme**	Gratuity Fund	Un-funded gratiuty scheme
19.7	**Net recognized liability**	---Rupees---			
	Net liability at beginning of the year	**2,881**	**26,032**	5,285	23,612
	Expense recognized in profit or loss	**1,010**	**10,058**	(3,536)	10,125
	Remeasurement losses recognized in other comprehensive income	**483**	**1,562**	257	1,979
	Liability transferred from / (to) subsidiary company	**-**	**-**	731	(731)
	Benefits due but not paid	**-**	**(417)**	-	(1,566)
	Contribution refunded / (payments made) during the year	**(3,230)**	**(11,796)**	144	(5,191)
	Net liability at end of the year	**1,144**	**25,439**	2,881	28,228
19.8	**Plan assets comprise of following:**				
	Investment in mutual funds	**3,101**	**-**	2,962	-
	Cash at bank	**-**	**-**	1	-
		3,101	**-**	2,963	-
		---%---			
	Investment in mutual funds	**100**	**-**	99.97	-
	Cash at bank	**-**	**-**	0.03	-
		100	**-**	100.00	-
19.9	**Year end sensitivity of the defined benefit obligation to changes in weighted principle assumption is:**				
	Discount rate (+100 bps)	**3,879**	**24,377**	5,343	23,504
	Discount rate (-100 bps)	**4,671**	**29,725**	6,429	29,013
	Future salary increase rate (+100 bps)	**4,677**	**29,787**	6,437	29,065
	Future salary increase rate (-100 bps)	**3,867**	**24,281**	5,327	23,413

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 statement of financial position.

19.10 The weighted average duration of the defined benefit obligation is 9 - 10 years.

19.11 Expected future cost for the year ending December 31, 2019 is Rs. 14,701.

(Amounts in thousand)

19.12 Historical information of staff retirement benefits:

	2018	2017	2016	2015	2014
	------Rupees------				
Gratuity Fund					
Present value of defined benefit obligation	**(4,245)**	(5,844)	(8,213)	(9,149)	(20,370)
Fair value of plan assets	**3,101**	2,963	2,928	2,815	2,622
Deficit	**(1,144)**	(2,881)	(5,285)	(6,334)	(17,748)
Un-funded gratuity scheme					
Present value of defined benefit obligation	**(27,635)**	(28,228)	(23,612)	(22,851)	(2,581)
Fair value of plan assets	**-**	-	-	-	-
Deficit	**(27,635)**	(28,228)	(23,612)	(22,851)	(2,581)

	2018	2017
	------Rupees------	
20. DEFERRED TAXATION		
20.1 Taxable temporary differences in respect of investments in associate accounted for using equity method	**1,614,487**	1,333,533

20.2 Deferred tax asset / liability arises due to taxable temporary differences between tax base and carrying value of the Group's assets and liabilities as at December 31, 2018. Such differences arises due to accelerated depreciation on the Group's assets, unused losses and provisions recognized in the consolidated statement of financial position. Currently, the Group is in a position of net deferred tax asset. However, since the renewable energy segment of the Group is in an early stage of business to confirm the availability of future taxable profits, net deferred tax asset amounting to Rs. 542,736 (2017: Rs.661,418) including those on unused losses, has not been recognized in these consolidated financial statements.

(Amounts in thousand)

21. BORROWINGS - Secured

	2018	2017
	-------------Rupees-------------	
Foreign currency borrowings (notes 21.1, 21.2 and 21.3)	**7,738,328**	7,010,761
Local currency borrowings (note 21.1)	**2,119,837**	2,331,322
	9,858,165	9,342,083
Transaction costs		
Transaction cost to date	**(305,947)**	(305,947)
Accumulated amortization	**93,743**	65,449
	(212,204)	(240,498)
	9,645,961	9,101,585
Less: Current portion shown under current liabilities	**(952,830)**	(1,074,976)
	8,693,131	8,026,609

21.1 TGL 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 installments commencing from July 2017. As at December 31, 2018, the outstanding balance of the borrowing was US Dollars 55,631 (2017: US Dollar 63,446) for international loan.

21.2 As at December 31, 2018, the amount payable within one year to Overseas Private Investment Corporation (OPIC), International Finance Corporation (IFC) a related party, Habib Bank Limited and Soneri Bank Limited amounted to Rs. 523,906, Rs. 261,953, Rs. 111,313 and Rs. 55,657 respectively.

21.3 This includes loan from International Finance Corporation (IFC), a related party, amounting to Rs. 2,579,443 (2017: Rs. 2,336,920).

21.4 The borrowing is secured by an equitable mortgage on the immovable property and the hypothecation of current and future assets of TGL.

21.5 Following are the changes in the long term borrowings (i.e. for which cash flows have been classified as financing activities in the statement of cash flows).

(Amounts in thousand)

	2018	2017
	-------------Rupees-------------	
Balance as at January 1	**9,101,585**	8,765,286
Amortization of transaction cost	**28,294**	28,294
Loan disbursed	**-**	280,620
Loan repaid	**(1,104,502)**	(336,959)
Exchange loss	**1,620,584**	364,344
Balance as at December 31	**9,645,961**	9,101,585

22. SHORT TERM BORROWINGS

22.1 This includes utilized portion of short-term running finance facility by the Holding Company aggregating to Rs. 1,000,000 (2017: Rs. 1,000,000) obtained under mark-up arrangements from Bank Al-Habib Limited. Out of the aforementioned facility, the unutilized facility amounts to Rs. 372,314 (2017: Rs. 379,872). The Holding Company has negotiated sub limits with the banks for financing the operations of REL amounting to Rs. 300,000. The running finance under mark-up arrangement is secured by way of deposit of title deeds of the Holding Company's fixed assets, first ranking hypothecation charge over receivables and stocks and pledge over Holding Company's investment in related party, as more fully explained in note 8.3. Rate of mark-up applicable to the facility ranges from three month KIBOR plus 65 basis points to three month KIBOR plus 75 basis points (2017: three month KIBOR plus 65 basis points) per annum. The facility will expire on January 30, 2019.

22.2 This includes utilized portion of short-term running finance facility by the Holding Company aggregating to Rs. 500,000 (2017: Rs 500,000) obtained under mark-up arrangements from Standard Chartered Bank (Pakistan) Limited. The running finance under mark-up arrangement is secured by way of ranking charge over Holding Company's fixed assets and pledge over Holding Company's investment in related party, as more fully explained in note 8.3. Rate of mark-up applicable to the facility is three months KIBOR plus 90 basis points (2017: three months KIBOR plus 90 basis points) per annum. The facility will expire on March 31, 2019.

(Amounts in thousand)

23. TRADE AND OTHER PAYABLES	2018	2017
	-------------Rupees-------------	
Creditors	**246,230**	91,465
Payable to related parties (note 23.1)	**1,139**	7,580
Accrued liabilities	**130,669**	56,931
Due to Islamic Development Bank (note 23.2)	**25,969**	25,969
Due to customers of energy projects (note 23.3)	**29,939**	56,083
Provision for onerous contract	**81**	-
Advance from customers and others	**35,927**	501
Payable to gratuity fund (notes 19.2 and 19.3)	**1,561**	4,447
Deposits (note 23.4)	**809**	465
Warranty provision (note 23.5)	**10,527**	2,666
Workers' profits participation fund (note 23.6)	**24,372**	22,422
Unrealized loss on derivative instrument (note 23.8)	**2,369**	-
Provision for tax (note 23.7)	**29,075**	-
Withholding tax	**2,014**	2,392
Sales tax payable	**12,963**	-
Others	**807**	1,439
	554,451	272,360

23.1 This represents amounts due to following related parties:	2018	2017
	-------------Rupees-------------	
Dawood Hercules Corporation Limited	**985**	5,773
The Dawood Foundation	**154**	509
Engro Powergen Limited	**-**	1,298
	1,139	7,580

23.2 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.

(Amounts in thousand)

		2018	2017
23.3	**Gross amount due to customers of energy projects:**	-------------Rupees-------------	
	Contract costs incurred plus recognized profits less recognized losses	**94,968**	122,130
	Less: Progress billings	**(124,907)**	(178,213)
		(29,939)	(56,083)

23.4 All deposits are interest free and are payable on demand. These amount include Rs. 346 (2017: Nil) utilized as per the agreement with respective parties. The balance is not kept in a separate bank account.

		2018	2017
23.5	**Warranty obligation**	-------------Rupees-------------	
	Opening balance	**2,666**	-
	Add: Charge for the year (note 28)	**8,097**	3,979
	Less: Utilization during the year	**(236)**	(1,313)
	Closing balance	**10,527**	2,666

23.6 This represents workers' profits participation fund liability. The Company has also recognised corresponding asset being a pass-through item under EPA. The movement in workers' profits participation fund payable is as follows:

	2018	2017
	-------------Rupees-------------	
Balance at the beginning of the year	**22,422**	-
Allocation for the year	**24,372**	22,422
Interest on fund utilised in Company's business	**2,444**	-
	49,238	22,422
Less: payment made during the year	**(24,866)**	-
Balance at the end of the year	**24,372**	22,422

23.7 This represents provision recorded against tax demand raised to TGL during the year, detail of which are disclosed in note 25.1.11.

23.8 As at December 31, 2018, REL has outstanding forward exchange agreements with banks for amounts aggregating to CNY 7,641 to manage exchange rate exposure on outstanding foreign currency payment under the terms of suppliers credit. Under the aforementioned agreements, the Company would pay respective rate agreed at initiation of the agreement on settlement dates. As December 31, 2018, the fair value of these derivatives is Rs. 2,369.

(Amounts in thousand)

		2018	2017
		-------------Rupees-------------	
24.	**ACCRUED MARKUP**		
	Markup on long term borrowing	**188,541**	148,674
	Markup on short borrowing	**11,908**	9,843
		200,449	158,517

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 Disallowances of expenses claimed (Tax year 2003)

The Holding Company had filed an appeal dated June 21, 2010 against the order of Commissioner Inland Revenue (Appeals) [CIR(A)] dated April 3, 2005 before Appellate Tribunal Inland Revenue (ATIR) on disallowance of expenses of gratuity, lease rentals, employee perquisites and utilities aggregating to Rs. 32,278. 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. 11,297. The Taxation Officer has not yet initiated any proceedings.

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

Previously the Additional Commissioner Inland Revenue (ACIR) in his order dated January 1, 2011, 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. 136,105. Total reduction in incidence of tax is Rs.25,762. The Holding Company filed an appeal where disallowances of Rs. 62,500 were upheld by CIR (A). The Holding Company filed an appeal before ATIR dated July 30, 2013, where decision in favor of the Holding Company was given dated December 18, 2018.

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

Previously the ACIR in his order dated May 6, 2014 did not allow to set off dividend income against business losses of tax years 2008 & 2009 having tax impact of Rs. 13,926. An appeal was filed with the ATIR dated March 29, 2013, where decision in favor of the Holding Company was given dated December 18, 2018.

(Amounts in thousand)

25.1.4 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 dated May 22, 2014 raising an erroneous demand of Rs. 5,880 relating mainly to inadmissible input taxes, non-payment of sales tax on scrap sales and non-payment of withholding sales tax. The Holding Company filed an appeal on January 02, 2015 against the order dated January 2, 2015 before CIR(A) who upheld the demand of DCIR. Subsequently the Holding Company again filed an appeal before ATIR which is pending hearing.

25.1.5 In 1975, LWTM offered 130,520 right shares to NIT which offer was accepted by NIT and acknowledged by LWTM. These events took place during the validity of the Consent Order dated January 2, 1976 issued by the Controller of Capital Issues. As payment for the said shares was made after the expiry of the Consent Order, LWTM claimed it was no longer obliged to issue the shares to NIT. According to the October 3, 1998 Judgment, a valid and binding contract existed between the parties and LWTM is obliged to issue the shares to NIT. In 2016, the Sindh High Court (SHC) decided the case in favour of National Investment (Unit) Trust (NIT), where the Holding Company was ordered for the release of unissued shares, bonus shares, dividend accrued and interest till the date of the Decree of the SHC. During the year, NIT has filed an Execution Application before the SHC for the Order passed by SHC, whereby NIT have lodged claim of Rs 4,699 being the compensation on the deposit amount, along with 286,641 shares of the Holding Company and respective dividend on shares amounting to Rs. 9,031. The management of the Holding Company noted certain discrepancies in the order whereby the number of shares in the Execution Application was in excess by 44,691 and respective dividend on the shares is Rs. 796, which will be filed by the Holding Company in the SHC on the next date of hearing. Provision relating to interest payable to NIT in respect of deposit received for subscription of shares amounts to Rs 5,800 (2017: Rs. 5,800).

25.1.6 The Holding Company has obtained stay order from the Honorable High Court of Sindh dated August 2, 2017, with regards to the amendment inserted through Finance Act, 2017 relating to the taxation of undistributed profits as stated in section 5A of Income Tax Ordinance, 2001. No provision for tax in accordance with the said provision has been recognised as the Holding Company, based on opinion of its legal advisor, is confident that the matter will be decided in its favor. Had the provision for tax on undistributed reserves be recorded, the profit after tax would have been lower by Rs. 93,168.

(Amounts in thousand)

25.1.7 The Holding Company received order from Additional Commissioner Inland Revenue dated December 10, 2018 for Tax Year 2017, where demand of Rs 43,726 was raised. The ACIR stated that the recovery of demand to the extent of Super Tax amounting to Rs 42,329 will not be pursed as per the direction of Honorable Sindh High Court, whereas the remaining balance demanded was adjusted against refunds of the tax year 2016. The Holding Company has filed an appeal dated December 24, 2018 against the order with Assistant Commissioner Income Tax (ACIR) which is pending for hearing.

25.1.8 The Holding Company has extended a Corporate Guarantee amounting to USD 10,000 to Standard Chartered Bank (Pakistan) Limited (SCB) against SBLC facility granted to its subsidiary company, Tenaga Generasi Limited. Furthermore, the Holding Company has also pledged shares of DHCL with SCB against the SBLC as more fully explained in note 8.3.

25.1.9 In 2017, one of the TGL's contractors has levied late payment charges amounting to US Dollars 111 on payments pertaining to the construction phase of the project. TGL believes that the delay did not occur due to any inadvertence on its part and expects the same will be waived off. Accordingly, no provision has been made in this respect in these consolidated financial statements.

25.1.10 On April 27, 2018, the Officer Inland Revenue (OCIR) through an order raised a sales tax demand for TGL of Rs. 97,283 along with a default surcharge arising due to inadmissibility of input sales tax credit related to civil works carried out on account of building and foundation of wind turbines. TGL filed an appeal before the CIRA on May 14, 2018 on the grounds that sales tax at 14% was paid on services for installation of wind project which is related to the core taxable activity for the business and is, therefore, admissible as per law. The appeal is pending hearing. Simultaneously on the application by TGL, the High Court of Sindh granted stay on May 28, 2018 against any recovery proceeding by the tax authorities. The management of TGL, based on the advice of its tax consultants, is confident of a favorable outcome of this matter. Accordingly, no provision has been recognized in this respect in these consolidated financial statements.

25.1.11 On December 28, 2017, the TGL received an order in respect of Tax Year of 2016 from the Assistant Commissioner Inland Revenue (ACIR) amounting to Rs. 344,383 for alleged failure of TGL to deduct and deposit withholding tax amounting to Rs. 282,281 along with penalty and default surcharge of Rs. 33,874 and Rs. 28,228 respectively. TGL filed an appeal before the Commissioner Inland Revenue Appeals (CIRA) on January 17, 2018, who remanded the case back to ACIR for fresh consideration on January 24, 2018. The ACIR after fresh consideration again raised a demand of Rs. 344,383 on April 17, 2018 against which TGL filed another appeal with CIRA on May 28, 2018. Simultaneously on the application by TGL, the High Court of Sindh granted stay against any recovery proceedings by the tax authorities on June 21, 2018. The management, based on the advice of its tax consultants

(Amounts in thousand)

believes that TGL has a good case on merits and a favorable outcome is expected. However, as a matter of caution TGL has recognised a provision of Rs. 29,075 has been recognized in these consolidated financial statements representing the management's current best estimate of the amount that is likely to be paid in respect of this matter.

25.1.12 On May 30, 2018, the Additional Commissioner Inland Revenue issued show-cause notice to REL for the tax period from March 2016 to September 2017 and raised sales tax demand amounting to Rs 4,778 besides imposition of default surcharge and penalty. The demand primarily arose on account of inadmissibility of input tax adjustment on certain supplies and services. REL filed an appeal against the order before the Commissioner Inland Revenue (Appeals) on June 14, 2018. Simultaneously on the application by REL, the High Court of Sindh granted stay against any recovery proceedings by the tax authorities on July 19, 2018. Based on the opinion of its tax consultant, REL is confident of a favorable outcome of the appeal, and, accordingly sales tax recoverable has not been reduced by the effect of the aforementioned order.

25.2 The Group is contingently liable against following guarantees and counter guarantees:

Rupee denominated bank guarantees of Rs. 139,719 (December 2017: Rs. 116,987) favoring Government and other parties. These have been issued against mobilization advances and performance of the goods and services rendered for a tenure varying from three months to three years.

25.2.1 During the year, the Holding Company has provided Corporate Guarantee amounting to Rs. 300,000 to MCB Bank Limited to secure unfunded facility provided to REL for import/ purchase of plant, machinery, stores and spares. Further, the Holding Company has also provided Corporate Guarantee upto Rs. 400,000 to Bank Al Habib Limited in respect of transfer of sub limit of Rs. 300,000 to REL, as fully explained in note 22.1.

25.2.2 The Holding Company has provided Corporate Guarantee amounting to Rs. 400,000 to Bank Al Habib Limited, in respect of transfer of sub limit of Rs. 300,000 to REL, as fully explained in note 22.1.

25.2.3 The Holding Company has provided performance guarantee to Dada Enterprises (Private) Limited, relating to 1.6 Mega Watt Solar Power Plant installed by REL for a period of 10 years starting from the installation of the plant.

(Amounts in thousand)

25.3 Commitments

25.3.1 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.

25.3.2 The Group has commitments in respect of:

	2018	2017
	------------Rupees------------	
Purchase orders	**36,102**	11,369
Letter of credit	**477,203**	67,010
Forward foreign exchange contracts	**11,627**	-
Operating lease arrangements -		
Not later than one year (note 25.3.2.1)	**9,762**	10,221
Later than one year (note 25.3.2.1)	**39,048**	39,048
	573,742	127,648

25.3.2.1 The Holding Company has signed lease agreements for premises on rent from the Dawood Foundation, a related party. The same is revocable by either party through prior notice of at least 3 months. Further, TGL has entered into operating lease arrangements with Alternate Energy Development Board (AEDB) for rental of leasehold land as disclosed in note 5. The lease rentals due under this arrangement are payable in monthly installments for the period same as the term of the Energy Purchase Agreement.

26. REVENUE - NET

	2018	2017
	------------Rupees------------	
Renewable and Alternate energy		
Project revenue (notes 26.1 and 26.3)	**822,487**	527,710
Solar lights	**22**	-
Alternate energy (note 26.2)	**2,650,221**	2,387,798
Others	**128**	13
	3,472,858	2,915,521
Less: Return and discount	**(2,500)**	(1,738)
Less: Sales tax	**(390,381)**	(376,406)
	3,079,977	2,537,377

(Amounts in thousand)

	2018	2017
	------------Rupees------------	
Textile		
Fabric	**11,263**	14,001
Less: Sales tax	**(810)**	(1,410)
	10,453	12,591
	3,090,430	2,549,968
Related to discontinued operations (note 34)	**(10,453)**	(12,591)
	3,079,977	2,537,377

26.1 This includes Rs. 337,315 (2017: Rs. 253,388) relating to projects in progress at reporting date.

26.2 This include unbilled revenue in respect of NPMV amounting to Rs. 128,914 (2017: Rs. 40,900) as explained in note 13.2.

26.3 This denotes project revenue in respect of goods and rendering of services amounting to Rs.683,565 and Rs. 71,180 (2017: Rs.354,517 and Rs. 93,998) respectively and trading income amounting to Rs. 32,627 (2017: Rs. 48,412).

27. COST OF REVENUE

	2018	2017
	------------Rupees------------	
Renewable energy		
Opening stock	**138,858**	185,486
Purchases and related expenses (note 27.3)	**549,759**	315,481
Salaries and allowances	**8,966**	7,042
Contracted services	**22,359**	59,728
Travelling expenses	**30,241**	4,528
Miscellaneous expenses	**-**	3,334
Provision for slow moving and obsolete items - net	**-**	(2,477)
Closing stock	**(99,721)**	(138,858)
	650,462	434,264

(Amounts in thousand)

	2018	2017
	-------------Rupees-------------	
Alternate energy		
Salaries, allowances and benefits	**7,566**	9,297
Depreciation (note 5.2)	**567,534**	525,393
Insurance	**29,558**	38,850
Travelling expenses	**3,474**	2,920
Fuel	**558**	135
Repair Maintenance	**163**	430
Operations and maintenance cost	**271,150**	236,584
Energy import charges	**6,738**	9,621
Lease rental	**9,762**	-
Others	**3,822**	4,668
	900,325	827,898
Textile - Finished goods		
Opening balance	**47,418**	62,077
Provision for slow moving and obsolete stores and spares and other adjustments - net	**(2,576)**	(5,541)
Donations / other expenses	**-**	64
Closing balance	**(36,103)**	(47,418)
	8,739	9,182
Related to discontinued operations (note 34)	**(8,739)**	(9,182)
	1,550,787	1,262,162

27.1 Cost of revenue of renewable energy includes Rs. 286,683 (2017: Rs. 203,568) relating to projects in progress at reporting date.

27.2 Includes Rs. 81 (2017: Nil) in respect of onerous contract.

27.3 This includes Rs. 52,809 (2017: Rs.16,853) on account of reversal of provision for impairment of stock in-trade.

(Amounts in thousand)

	2018	2017
	------------Rupees------------	
28. SELLING AND DISTRIBUTION EXPENSES		
Salaries and allowances (note 28.1)	**128,696**	96,416
Storage and forwarding	**-**	6
Depreciation (note 5.2)	**920**	1,475
Conveyance and travelling	**13,198**	15,185
Fees and subscription	**6,750**	3,973
Postage and telephone	**1,471**	1,204
Electricity, gas and water	**1,526**	986
Rent, rates and taxes	**12,213**	12,688
Printing and stationery	**1,898**	4,363
Repairs and maintenance	**2,523**	1,329
Freight and insurance	**989**	389
Advertisement	**3,769**	6,259
Warranty obligation- net (notes 23.5 and 28.2)	**8,097**	2,679
Entertainment	**1,258**	1,222
Miscellaneous	**3,039**	6,079
	186,347	154,253
Related to discontinued operations (note 34)	**(111)**	(142)
	186,236	154,111

28.1 Salaries and allowances include Rs. 7,410 (2017: Rs. 5,392) in respect of staff retirement benefits.

28.2 Includes Rs. Nil (2017: 1,300) in respect of income on warranty claims.

	2018	2017
29. ADMINISTRATIVE EXPENSES	------------Rupees------------	
Salaries and allowances (note 29.1)	**144,995**	151,577
Legal and professional	**23,059**	21,737
Rent, rates and taxes	**12,723**	15,481
Electricity and gas	**11,278**	10,921
Depreciation (note 5.2)	**14,312**	30,264
Amortization (note 7.2)	**1,211**	5,402
Printing and stationery	**2,743**	3,078
Fees and subscription	**40,787**	40,114
Insurance	**1,875**	2,600
Conveyance and travelling	**5,599**	9,068
Repairs and maintenance	**5,493**	5,941

(Amounts in thousand)

	2018	2017
	-------------Rupees-------------	
Postage and telephone	**4,050**	4,437
Entertainment	**3,778**	4,084
Provision for doubtful debts - net	**1,061**	-
Auditors' remuneration (note 29.2)	**6,597**	5,665
Miscellaneous	**6,573**	6,082
	286,134	316,451
Related to discontinued operations (note 34)	**(53,387)**	(63,153)
	232,747	253,298

29.1 Salaries and allowances include Rs. 4,366 (2017: Rs. 4,735) in respect of staff retirement benefits.

29.2 Auditors' remuneration

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

	2018	2017
	-------------Rupees-------------	
Fee for:		
- annual audit	**1,958**	1,425
- half yearly review	**648**	574
- certification and other advisory services	**140**	2,863
- consolidated financial statements	**153**	-
- taxation services	**2,075**	500
- other assurance services	**1,010**	100
Reimbursement of expenses	**613**	203
	6,597	5,665

30. OTHER OPERATING EXPENSES

	2018	2017
Provision for impairment against doubtful debts - net	**657**	2,186
Exchange loss	**34,812**	4,369
Provision for tax	**29,075**	-
	64,544	6,555

Notes To The Consolidated Financial Statements
For The Year Ended December 31, 2018

(Amounts in thousand)

	2018	2017
	------------Rupees------------	
31. OTHER INCOME		
Income from financial assets		
Dividend income National Investment (Unit) Trust	**466**	900
Profit on deposits	**11,928**	27,725
Exchange gain	**-**	1,990
	12,394	30,615
Income from non-financial assets and others		
Refund of insurance premium	**8**	5,134
Royalty income	**16,912**	14,461
Gain on disposal of held for sale asset (note 17)	**97,477**	-
Gain on sale of stores and spares	**14,893**	-
Warehouse rental	**19,062**	37,565
Gain on disposal of property, plant and equipment	**440**	274
Others	**12,085**	7,336
	160,877	64,770
	173,271	95,385
Related to discontinued operations (note 34)	**(138,937)**	(39,215)
	34,334	56,170

	2018	2017
32. FINANCE COST		
Markup on long term borrowings	**736,869**	644,751
Amortisation of transaction cost	**28,294**	28,293
Interest on WPPF	**2,444**	-
Markup on short term borrowings	**41,930**	35,500
Other financial and bank charges	**51,455**	47,686
	860,992	756,230
Less: Delayed payment charges of overdue trade debts	**(62,213)**	(19,344)
Related to discontinued operations (note 34)	**-**	(4)
	798,779	736,882

Notes To The Consolidated Financial Statements
For The Year Ended December 31, 2018

(Amounts in thousand)

	2018	2017
	------------Rupees------------	
33. TAXATION		
Current		
- for the year (notes 33.1 to 33.4)	**132,803**	61,171
- for prior year - net (note 33.4)	**(3,235)**	37,404
	129,568	98,575
Deferred	**252,468**	219,506
	382,036	318,081

33.1 The comparison of tax provisions as per financial statements and tax assessments for last three years are as follows:

Tax Year	Tax Provisions	Tax Assessments
	------------Rupees------------	
2016	150,299	125,921
2017	211,555	176,725
2018	**57,936**	**57,936**

The Group computes tax provisions based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available. Accordingly, the management of the Holding Company has assessed the sufficiency of the tax provisions and believes that tax provisions are sufficient to reflect the actual tax liability of the Group.

33.2 Income 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 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.

33.3 This includes minimum tax charged under section 113 of the Income Tax Ordinance, 2001 on the REL's turnover for the year amounting to Rs. 12,421 (2017: Rs 7,520).

33.4 Includes 'Super Tax for rehabilitation of temporary displaced persons' at the rate of 2% on specified income for the tax year 2019 (i.e. for the year ended December 31, 2018) levied through Finance Act, 2017 amounting to 13,283 (2017: Rs. 37,342).

(Amounts in thousand)

33.5 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 the majority of taxable income falls under final tax regime whereas other income is separately taxed under respective sections of the Income Tax Ordinance, 2001.

34. LOSS FROM DISCONTINUED OPERATIONS

	2018	2017
	Rupees	
Revenue - net (note 26)	**10,453**	12,591
Cost of revenue (note 27)	**(8,739)**	(9,182)
Gross profit	**1,714**	3,409
Selling and distribution expenses (note 28)	**(111)**	(142)
Administrative expenses (note 29)	**(53,387)**	(63,153)
Other income (note 31)	**138,937**	39,215
Finance cost (note 32)	**-**	(4)
Net profit / (loss) from discontinued operations	**87,153**	(20,675)

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

35.1 Continuing operations

	2018	2017
Profit for the year (attributable to the owners of the Holding Company) (Rupees in thousand)	**2,084,009**	312,203
Weighted average number of ordinary shares (in thousands)	**59,058**	59,058
Earnings per share (Rupees)	**35.29**	5.29

(Amounts in thousand)

	2018	2017
	------------Rupees------------	
35.2 Discontinued operations		
Profit / (loss)for the year (attributable to the owners of the Holding Company)	**87,153**	(20,675)
Weighted average number of ordinary shares (in thousands)	**59,058**	59,058
Earnings / (loss) per share (Rupees)	**1.48**	(0.35)

36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2018			*2017		
	Directors		Executives	Directors		Executives
	Chief Executive	Others		Chief Executive	Others	
	------------Rupees------------					
Managerial remuneration	**12,565**	**2,143**	**86,318**	12,083	4,059	72,764
Bonus	**-**	**-**	**3,345**	-	-	8,873
House rent allowance	**-**	**-**	**685**	-	-	610
Medical Allowance	**677**	**-**	**4,047**	594	-	5,316
Utilities	**-**	**-**	**152**	-	-	136
Fuel Allowance	**15**	**-**	**715**	118	-	684
Vehicle maintenance allowance	**-**	**-**	**15,611**	-	-	11,316
Retirement benefits	**-**	**-**	**2,616**	-	-	884
Fees	**-**	**1,900**	**250**	-	1,800	250
Other benefits	**260**	**-**	**5,736**	199	-	5,944
Total	**13,517**	**4,043**	**119,475**	12,994	5,859	106,777
Number of persons, including those who worked part of the year	**1**	**5**	**44**	1	5	40

* Comparative figures have been restated to reflect changes in the definition of executive as per Companies Act, 2017.

(Amounts in thousand)

37. FINANCIAL INSTRUMENTS BY CATEGORY

37.1 Financial assets as per statement of financial position

	2018	2017
	------------Rupees------------	
- Loans and receivables		
Long term deposits	**2,778**	4,428
Trade debts	**1,284,571**	739,062
Loans and advances	**2,391**	2,222
Accrued interest	**6,915**	11,333
Deposits and other receivables	**168,564**	74,478
Cash and bank balances	**642,585**	941,433
	2,107,804	1,772,956
- Available for sale		
Long term investments	**12,693**	14,129

37.2 Financial liabilities as per statement of financial position

	2018	2017
- At amortized cost		
Long term borrowings	**9,645,961**	9,101,585
Unclaimed dividend	**44,635**	43,393
Unpaid dividend	**3,589**	-
Short term borrowings	**574,451**	561,820
Trade and other payables	**407,992**	183,849
Accrued markup	**200,449**	158,517
	10,877,077	10,049,164

37.3 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 consolidated financial statements approximate their fair values.

(Amounts in thousand)

38. FINANCIAL RISK MANAGEMENT

38.1 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) 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 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. The Group's exposure to currency risks in other businesses is 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.

(Amounts in thousand)

The Group's exposure to interest rate risk on long term borrowings for 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, 2018, if interest rates on the Group's short term 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. 5,745 (2017: lower / higher by Rs. 5,618).

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 Group is not materially exposed to price risk in its financial instruments as at December 31, 2017.

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, 2018, the Group has deposits with banks and financial institutions amounting to Rs. 642,244 (2017: Rs. 941,019). The credit risk on liquid funds is limited because the counter parties are banks with reasonably highly credit ratings as follows:

Banks / Investments	**Rating agency**	**Rating**	
		Short-term	**Long-term**
Bank Al-Habib Limited	PACRA	A1+	AA+
Habib Bank Limited	JCR-VIS	A-1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
Faisal Bank Limited	PACRA	A1+	AA
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++

(Amounts in thousand)

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 reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual cash flows.

	2018			2017		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
Financial liabilities	Rupees					
Borrowings	952,830	8,905,335	9,858,165	1,074,976	8,267,107	9,342,083
Short term borrowings	574,451	-	574,451	561,820	-	561,820
Unclaimed dividend	44,635	-	44,635	43,393	-	43,393
Unpaid dividend	3,589	-	3,589	-	-	-
Trade and other payables	407,992	-	407,992	183,849	-	183,849
Accrued markup	200,449	-	200,449	158,517	-	158,517
	2,183,946	8,905,335	11,089,280	2,022,555	8,267,107	10,289,662

38.2 Fair value estimation

The table below analyses 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).

(Amounts in thousand)

	2018			
	Level 1	**Level 2**	**Level 3**	**Total**
	-----------------------------Rupees-----------------------------			
Long term investments	**12,678**	**-**	**15**	**12,693**

	2017			
	Level 1	Level 2	Level 3	Total
	-----------------------------Rupees-----------------------------			
Long term investments	14,114	-	15	14,129

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

39. 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 net borrowings (total borrowings less cash and bank balances) divided by total capital. Total capital is calculated as 'equity' in the statement of financial position plus net borrowings. The gearing ratio as at December 31 is at follows:

	2018	2017
	-------------Rupees-------------	
Net borrowings	**9,577,827**	8,721,972
Equity	**12,958,033**	10,684,452
	22,535,860	19,406,424
Gearing ratio	**42.50%**	44.94%

(Amounts in thousand)

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.

40. SEGMENT REPORTING

40.1 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.

(Amounts in thousand)

40.2 Segment analysis is as under:

	Renewable energy		Textile - discontinued		Alternate Energy		Unallocated		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	-----------------------------------Rupees-----------------------------------									
Revenue	**785,517**	496,524	**10,453**	12,591	**2,294,460**	2,040,853	**-**	-	**3,090,430**	2,549,968
Cost of revenue	**(650,462)**	(434,264)	**(8,739)**	(9,182)	**(900,325)**	(827,898)	**-**	-	**(1,559,526)**	(1,271,344)
Segment gross profit / (loss)	**135,055**	62,260	**1,714**	3,409	**1,394,135**	1,212,955	**-**	-	**1,530,904**	1,278,624
Selling and distribution expenses	**(186,236)**	(154,111)	**(111)**	(142)	**-**	-	**-**	-	**(186,347)**	(154,253)
Administrative expenses	**(125,184)**	(131,283)	**(53,387)**	(63,153)	**(69,073)**	(80,640)	**(38,490)**	(41,375)	**(286,134)**	(316,451)
Other operating expenses	**(657)**	(2,186)	**-**	-	**(63,887)**	(2,379)	**-**	-	**(64,544)**	(4,565)
Dividend income	**-**	-	**-**	-	**-**	-	**466**	900	**466**	900
Other income	**-**	-	**138,937**	39,215	**10,668**	29,514	**23,200**	23,766	**172,805**	92,495
Finance cost	**(2,498)**	-	**-**	(4)	**(755,736)**	(699,636)	**(40,545)**	(37,246)	**(798,779)**	(736,886)
Share of profit from associate	**-**	-	**-**	-	**-**	-	**2,306,573**	560,026	**2,306,573**	560,026
Taxation	**(11,519)**	-	**-**	-	**520**	(7,314)	**(371,037)**	(310,767)	**(382,036)**	(318,081)
Segment net profit	**(191,039)**	(225,320)	**87,153**	(20,675)	**516,627**	452,500	**1,880,167**	195,304	**2,292,908**	401,809
Segment assets										
Property, plant and equipment	**224,257**	28,855	**16,229**	18,367	**12,191,861**	11,144,330	**12,627**	14,294	**12,444,974**	11,205,846
Asset classified as held for sale	**-**	-	**-**	37,238	**-**	-	**-**	-	**-**	37,238
Intangible assets	**-**	-	**-**	-	**-**	-	**23,180**	24,294	**23,180**	24,294
Long term investments	**-**	-	**-**	-	**-**	-	**10,841,231**	8,969,639	**10,841,231**	8,969,639
Long term deposits	**-**	-	**2,778**	2,778	**-**	1,650	**-**	-	**2,778**	4,428
Long term loans	**19**	308	**-**	-	**-**	-	**-**	-	**19**	308
Stores and spares	**-**	-	**892**	7,789	**21,386**	33	**-**	-	**22,278**	7,822
Stock-in-trade	**67,904**	55,070	**32,369**	41,108	**-**	-	**-**	-	**100,273**	96,178
Trade debts	**295,661**	159,457	**-**	182	**988,910**	579,423	**-**	-	**1,284,571**	739,062
Loans and advances	**26,055**	4,671	**-**	75	**155**	3,735	**-**	-	**26,210**	8,481
Deposits, prepayments and other receivables	**87,643**	78,359	**-**	11,604	**135,093**	26,043	**3,096**	-	**225,832**	116,006
Accrued Interest	**-**	-	**-**	-	**6,915**	11,333	**-**	-	**6,915**	11,333
Taxes recoverable	**-**	-	**-**	-	**-**	-	**8,661**	27,636	**8,661**	27,636
Cash and bank balances	**36,584**	21,838	**-**	-	**585,967**	909,353	**20,034**	10,242	**642,585**	941,433
Total segment assets	**738,123**	348,558	**52,268**	119,141	**13,930,287**	12,675,900	**10,908,829**	9,046,105	**25,629,507**	22,189,704
Segment liabilities										
Borrowings	**-**	-	**-**	-	**9,645,961**	9,101,585	**-**	-	**9,645,961**	9,101,585
Staff retirement gratuity	**26,816**	26,032	**-**	-	**819**	2,196	**-**	-	**27,635**	28,228
Deferred taxation	**-**	-	**-**	-	**-**	-	**1,614,487**	1,333,533	**1,614,487**	1,333,533
Short term borrowings	**186,183**	-	**-**	-	**-**	-	**388,268**	561,820	**574,451**	561,820
Unclaimed dividend	**-**	-	**-**	-	**-**	-	**44,635**	43,393	**44,635**	43,393
Unpaid dividend	**-**	-	**-**	-	**-**	-	**3,589**	-	**3,589**	-
Provision	**-**	-	**-**	-	**-**	-	**5,816**	5,816	**5,816**	5,816
Trade and other payables	**346,237**	68,358	**6,199**	74,622	**161,643**	128,704	**40,372**	676	**554,451**	272,360
Accrued markup	**1,225**	-	**-**	-	**188,541**	148,687	**10,683**	9,830	**200,449**	158,517
Total segment liabilities	**560,461**	94,390	**6,199**	74,622	**9,996,964**	9,381,172	**2,107,850**	1,955,068	**12,671,474**	11,505,252

(Amounts in thousand)

40.3 Included in the gross revenue arising from energy projects of Rs. 822,487 (2017: Rs. 527,710) is revenue of approximately Rs. 449,718 (2017: Rs. 428,780) 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:

	2018	2017
	-------------Rupees-------------	
LCC Pakistan (Private) Limited	**-**	170,788
Unilever Pakistan Foods Limited	**3,524**	2,752
Basic Health Unit	**3,994**	58,268
Fauji Cement Company Limited	**184,200**	-
Dada Dairies and Enterprises	**163,000**	-
Engro Eximp	**95,000**	-
Abbott Laboratory	**-**	47,411
RVFC- Renala	**-**	29,410
Eastern Products	**-**	17,993
Fazaia Housing Scheme	**-**	16,658
Servis Industries Limited	**-**	85,500
	449,718	428,780

40.4 The revenue from alternate energy comprises of sale to only one customer i.e. Central Power Purchasing Agency (CPPA).

41. TRANSACTIONS AND BALANCES 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 companies and 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. Transactions and balances with related parties other than those disclosed elsewhere in these consolidated financial statements are as follows:

(Amounts in thousand)

Name of Related parties	Direct Shareholding	Relationship
Dawood Corporation (Private) Limited	49.13%	Major Shareholder / Common Directorship
Dawood Hercules Corporation Limited	16.19%	Associates / Common Directorship
Fatima Fertilizer Company Limited	N/A	Shareholding of director / Common Directorship / Associated Company
Engro Energy Limited	N/A	Common Directorship
Sach International (Private) Limited	0.01%	Associate
The Dawood Foundation	5.04%	Common Directorship
Engro Fertilizers Limited	N/A	Shareholding of director / Common Directorship
Fauji Fertilizer Bin Qasim Ltd	N/A	Common Directorship / Associated Company
Fauji Fertilizers Limited	N/A	Common Directorship / Associated Company / Shareholding of director
Hafeez Ur Rehman	N/A	Key management personnel
Hasan Raza ur Rahim	N/A	Director
Imran Chagani	N/A	Key management personnel
Inam Ur Rahman	N/A	Key management personnel
International Finance Corporation	25%	Other related party with holding in TGL
Jahangir Piracha	N/A	Director
Javed Akbar	N/A	Director
Mujtaba Haider Khan	N/A	Key Management personnel / Director
Nazia Hasan	N/A	Key management personnel
Shabbir Hussain Hashmi	N/A	Director
Shafiq Ahmed	N/A	Key Management personnel / Director
Shahid Hamid Pracha	N/A	Director
Shahzada Dawood	1.77%	Company's Sponsor / Director
Abdul Samad Dawood	1.15%	Company's Sponsor / Director
Staff Retirement Benefit - Gratuity	N/A	Post Employment Benefits

(Amounts in thousand)

Relationship	Nature of transaction	2018	2017
		------------Rupees------------	
Associated companies			
Dawood Hercules Corporation Limited	Reimbursable expenses by the Group	**9,885**	11,113
	Reimbursable expenses to the Group	**4,527**	8,437
	Dividend income	**623,455**	311,728
Sach International (Private) Limited	Sale of fabric	**-**	477
	Reimbursable expenses to the Group	**-**	1,970
	Reimbursable expenses incurred by the Group	**70**	123
	Royalty charged	**16,911**	14,461
	Rental Income	**250**	-
	Penalty charged	**207**	5
Cyan Limited	Reimbursable expenses to the Group	**-**	145
The Dawood Foundation	Rental charges	**-**	5,440
	Reimbursable expenses by the Group	**10,522**	1,955
	Maintenance and utility payable	**-**	1,573
Engro Fertilizer Limited	Rental income	**1,517**	7,691
Engro Energy Limited (formerly Engro Powergen Limited)	Project management fee	**3,733**	4,800
	Reimbursable expenses by the Group	**9,733**	9,875
	Operation and maintenance cost	**65,176**	-
Fatima Fertilizer Company Limited	Rental income	**13,697**	-
Fauji Fertilizer Limited	Rental income	**1,749**	-
Other related parties			
International Finance Corporation	Borrowing cost charged to the Group	**125,391**	140,070
	Loan repayment	**297,672**	89,814
	Loan received	**-**	280,620
	Supervision fees	**3,450**	3,736
	Commitment fee	**-**	434
	Accrued markup	**48,754**	37,011
Key management personnel	Salaries and other benefits	**44,484**	45,326
Director	Fees	**3,000**	2,700

(Amounts in thousand)

41.1 Except as stated above, the related party status of outstanding balances as at December 31, 2018 are disclosed in the respective notes.

41.2 Following are the name of associated company incorporated outside Pakistan with whom TGL had entered into transaction or had agreements and arrangements in place during the year.

Name of Party	Registered Address	Country of Incorporation	Relationship	Chief Executive Officer	Operational Status	Direct Holding	Auditor's opinion on latest Financial statements
International Finance Corporation	2121 Pennsylvania Avenue, NW Washington, DC 20433 USA	United States of America	Associated company / Lender	Philippe Le Houerou	Active	25%	Unqualified Opinion

42. CAPACITY AND PRODUCTION

	2018	2017
	-------------MWh-------------	
Maximum generation possible	**154,910**	127,109
Net electrical output	**113,843**	115,379

42.1 Output produced by the plant is dependent on the load demanded by CPPA and plant availability.

43. NUMBER OF EMPLOYEES

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

	2018	2017
Number of employees as at December 31		
- Management employees	**93**	103
- Factory employees	**1**	1
Average number of employees during the year	**100**	94

Notes To The Consolidated Financial Statements

For The Year Ended December 31, 2018

(Amounts in thousand)

44 SEASONALITY OF OPERATIONS

The energy generation of TGL is subject to seasonal fluctuations because of weather conditions in the region. Energy generation is at peak during the high wind season, which primarily occurs between April to August. In the remaining period, TGL gets generally lower wind potential.

45. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison, the effects of which are not material.

	Reclassified		
Description	**From**	**To**	**Amount**
Statement of financial position			
Unpaid dividend	Trade and other payables	Unpaid dividend	43,393
Provision	Trade and other payables	Provision	5,816

46. NON-ADJUSTING EVENT AFTER REPORTING DATE

The Board of Directors of the Holding Company in its meeting held on February 22, 2019 has proposed a final cash dividend of Rs. 4 (2017: cash dividend of Rs. 1) per share for the year ended December 31, 2018 amounting to Rs. 236,231 (2017: Rs. 59,058), for approval of the members at the Annual General Meeting to be held on April 30, 2019. This is in addition to an interim cash dividend of Rs. 2 per share (2017: Rs. Nil) resulting in a total dividend of Rs. 6 per share for the year 2018. The amount of total dividend is calculated at the number of shares outstanding as at December 31, 2018.

47. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on February 22, 2019 by the Board of Directors of the Holding Company.

Mujtaba Haider Khan	Shahid Hamid Pracha	Haroon Naseer
Chief Executive Officer	Director	Chief Financial Officer

Pattern of Shareholding

As At December 31, 2018

Size of Holding Rs. 10 Shares		Number of Shareholders	Total Shares held
1	100	2,764	112,827
101	500	1,708	428,994
501	1,000	482	357,409
1,001	5,000	577	1,296,976
5,001	10,000	83	575,954
10,001	15,000	32	377,668
15,001	20,000	18	308,954
20,001	25,000	10	225,148
25,001	30,000	3	85,669
30,001	35,000	2	63,445
35,001	40,000	4	150,044
40,001	45,000	3	127,537
45,001	50,000	4	195,110
55,001	60,000	2	115,400
60,001	65,000	1	62,159
80,001	85,000	1	84,608
95,001	100,000	1	97,302
100,001	105,000	1	101,800
115,001	120,000	1	116,000
120,001	125,000	1	122,200
125,001	130,000	1	129,200
235,001	240,000	1	240,000
275,001	280,000	1	275,595
280,001	285,000	1	282,000
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
675,001	680,000	1	677,177
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
2,965,001	2,970,000	1	2,965,095
2,975,001	2,980,000	1	2,979,324
3,710,001	3,715,000	1	3,713,984
4,560,001	4,565,000	1	4,563,205
29,015,001	29,020,000	1	29,016,622
		5,719	**59,057,859**

Pattern of Shareholding

As At December 31, 2018

Catagories of Shareholders	Number of Shareholders	Total Shares held	Total Shares held
Directors, CEO and their spouse and minor children	8	1,759,553	2.98%
Associated companies, undertakings and related parties	6	39,173,722	66.33%
Investment Corporation of Pakistan	8	804	*
Banks, Development Financial Institutions, Non-Banking Financial Institutions	26	390,011	0.66%
Insurance Companies	4	557,415	0.94%
Modarabas and Mutual Funds	3	380,995	0.65%
Shareholders holding 10% or more	1	29,016,622	49.13%
General Public			
Residents	5,110	12,025,076	20.36%
Non-residnets	26	27,433	0.05%
Others			
Foreign Companies	4	4,154,657	7.03%
Others	524	588,193	1.00%
Total (Excluding: Shareholder holding 10% or more)	**5,719**	**59,057,859**	**100.00%**

*Negligible

Pattern of Shareholding
As At December 31, 2018

Shareholders' Catagories	Number 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	3,713,984
Dawood Corporation (Pvt.) Ltd.	1	29,016,622
Cyan Limited	1	2,965,095
Dawood Foundation	1	2,979,324
Mutual Funds		
CDC - Trutsee NAFA Asset Allocation Fund	1	55,400
CDC - Trustee National Investment (Unit) Trust	1	275,595
CDC - Trustee AKD Opportunity Fund	1	50,000
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	677,177
Mrs. Ayesha Dawood (w/o Mr. Abdul Samad Dawood)	1	30,000
Mr. Mujtaba Haider Khan	1	1,150
Mr. Shafiq Ahmed	1	1,154
Mr. Hasan Reza ur Rahim	1	1,079
Mr. Shabbir Hussain Hashmi	1	1,150
Executives	-	-
Public Sector Companies & Corporation	14	598,032
Banks, DFIs, NBFIs, Insurance Companies Takaful, Modarabas & Pension Funds	29	390,787
Shareholders holding five percent or more voting rights		
Dawood Corporation (Pvt.) Ltd.	1	29,016,622
Hussain Dawood	1	4,563,205
Patek (Pvt.) Ltd.	1	3,713,984
Dawood Foundation	1	2,979,324
Cyan Limited	1	2,965,095

پن بجلی کے منصوبے

پن بجلی کا شعبہ دیگر IPPs کی طرح ہمیشہ بڑھتے گردشی قرضے کے مسائل کا شکار ہے، جو کہ اب 1.2 کھرب روپے ہو چکا ہے۔ قلیل سے وسط مدتی عرصے میں تمام IPPs بشمول پن بجلی کا شعبہ وصولیوں کے حوالے سے مشکلات کا شکار رہے گا۔ تاہم، ادائیگی کے اعتبار سے حکومتی صورتحال میں بہتری اور توانائی کے شعبے میں بہتر اصلاحات کی مدد سے

اس مسئلہ پر قابو پایا جا سکتا ہے۔ تاہم اس شعبے میں ہمارے پروجیکٹ دوسروں کے مقابلے میں وصولیوں کا بہتر ریکارڈ رکھتے ہیں۔ نئی پاور پالیسی کی متوقع آمد کے باعث مجموعی طور پر اس شعبے کے آثار بہتری کی جانب گامزن ہیں۔

ایک بات یقینی ہے کہ زیادہ تر توجہ پن بجلی اور شمسی توانائی پر مبنی پیداوار پر مبذول رہے گی۔ توقع ہے کہ حکومت نئی ونڈ IPPs کے لئے ٹیرف مقرر کرتے وقت Reverse Auction Mechanism اختیار کرے گی جس سے شعبے میں بقایا جات کی ادائیگی کے بہت سے مسائل حل ہونے کی توقع ہے۔ پن بجلی کی استعداد، پیمائش اور قوت میں اضافے کے ساتھ ٹیرف میں مزید کمی کا امکان ہے جو توانائی کے خریداروں کے لئے مزید مجموعی مسابقتی لاگت کا باعث ہوگی۔

خ۔ اظہار تشکر

کمپنی کا بورڈ اپنے حصص یافتگان کے اعتماد اور تعاون کے لئے ان کا انتہائی مشکور ہے۔ ہم اپنے تمام حصہ داران، بشمول ہمارے ساتھ شریک مالیاتی اداروں کا ان کی مدد اور تعاون کے لئے شکریہ ادا کرنا چاہتے ہیں اور انہیں یقین دہانی کروانا چاہتے ہیں کہ ہم ان کے متعلقہ مفادات کے تحفظ کے عزم پر کاربند ہیں۔

ہم اپنی انتظامیہ اور ملازمین کا کمپنی کی ترقی اور خوشحالی میں معاونت کے لئے شکریہ ادا کرتے ہیں۔

شاہد حامد پراچہ
چیئرمین

مجتبیٰ حیدر خان
چیف ایگزیکٹو آفیسر

کراچی: 22 فروری، 2019

e- انٹرنل کنٹرول کا نظام ساخت کے اعتبار سے مستحکم ہے اوراس پر مؤثر انداز سے عمل درآمد اور نگرانی کی جاتی ہے۔

f- کمپنی کی فعال انداز سے کارگزار ہونے کی صلاحیت پر کسی قسم کے کوئی شکوک وشبہات نہیں ہیں۔

g- کارپوریٹ گورننس کے معیاری طریق عمل سے کسی قسم کا مادی انحراف موجود نہیں ہے، جیسا کہ لسٹنگ ریگولیشنز میں بیان کیا گیا ہے۔

h- گزشتہ چھ سال کے عمل کاری اور مالیاتی اعداد وشمار مختصر صورت میں رپورٹ کے ساتھ منسلک ہیں۔

ڈائریکٹرز کا معاوضہ

کمپنی ڈائریکٹرز کے معاوضے سے متعلق کمپنی کے دستور او رکمپنیز ایکٹ، 2017 کے مطابق ایک باضابطہ اور شفاف پالیسی کی حامل ہے۔

ڈائریکٹرز کی تربیت کا پروگرام

بورڈ نے کمپنی کے چیف ایگزیکٹو ڈائریکٹر جناب مجتبیٰ حیدر خان کے لئے ڈائریکٹرز ٹریننگ پروگرام کا انعقاد کیا۔ گزشتہ سالوں میں پانچ ڈائریکٹرز ٹریننگ پروگرام مکمل کر چکے ہیں۔

متعلقہ فریقین سے لین دین

کمپنی، کوڈ آف کارپوریٹ گورننس کے تقاضوں کے عین مطابق متعلقہ فریقین سے کئے گئے تمام لین دین کی تفصیلات آڈٹ کمیٹی کو جائزے اور بورڈ کو منظوری کے لئے پیش کرتی ہے۔

مابعد واقعات

مالی سال کے اختتام سے اس رپورٹ کی تاریخ تک ایسی کوئی تبدیلیاں یا یقین دہانیاں نہیں ہوئی ہیں جو کمپنی کی مالی حیثیت پر اثر انداز ہوئی ہوں۔

ح۔ مستقبل کے آثار

شمسی توانائی

ملک میں مجموعی کاروباری صورتحال ابتر ہو چکی ہے کیوں کہ پاکستانی روپے کی قدر میں نمایاں کمی کے ساتھ توانائی کی قیمتوں میں اضافہ ہوا ہے۔ اس کے باعث بہت سی صنعتوں کے سستی شمسی توانائی پر منتقلی کے رجحان میں تیزی آئی ہے، نتیجتاً REL نے زیر جائزہ سال میں Leads کی تعداد میں اضافہ ظاہر کیا ہے۔

ہمیں توقع ہے کہ آئندہ سالوں میں یہ رجحان مزید زور پکڑے گا کیوں کہ حکومت نئی پاور پالیسی کا اعلان کرنے کے لئے تیار ہے۔ جس کا مقصد 2030 تک قابل تجدید توانائی کا تناسب 30 فیصد تک بڑھانا ہے۔ ہندوستانی مثال کو سامنے رکھتے ہوئے ہمیں توقع ہے کہ شمسی فوٹو وولٹک پلانٹس سے 70 فیصد اضافی قابل تجدید توانائی کی استعداد شامل کی جا سکے گی۔

حکومت نے قابل تجدید توانائی کے آلات پر کسٹم ڈیوٹی سے استثنا اور ان آلات کی پیداوار پر ٹیکس کی چھوٹ جیسی موجودہ سبسڈی کو جاری رکھنے کا اعلان کیا ہے جس سے اس شعبہ میں مقامی اور بین الاقوامی سرمایہ کاری کے فروغ میں مدد ملے گی۔ سستی فنانسنگ کی دستیابی، سولر ایکیوپمنٹ کی کم ہوتی ہوئی لاگت اور نیٹ میٹرنگ پالیسی کی راہ ہموار ہونے کی وجہ سے شمسی توانائی کی مارکیٹ زبردست ترقی کے لئے تیار ہے۔

31 دسمبر، 2018 کو ختم ہونے والے سال کے دوران بورڈ آڈٹ کمیٹی (BAC) کے کل چار اجلاس منعقد ہوئے۔ متعلقہ مدت کے دوران حاضری کی تفصیل درج ذیل کے مطابق ہے:

ڈائریکٹرز کا نام	منعقدہ اجلاس	حاضری کی تعداد
جناب شبیر حسین ہاشمی	4	4
جناب حسن رضا الرحیم	4	3
جناب شہزادہ داؤد	4	2

ہیومن ریسورس اور مشاہرہ کمیٹی کے اجلاس

31 دسمبر، 2018 کے دوران ہیومن ریسورس اور مشاہرہ کمیٹی (HR&RC) کے تین اجلاس منعقد ہوئے۔ متعلقہ مدت کے دوران حاضری کی تفصیل درج ذیل کے مطابق ہے:

ڈائریکٹرز کا نام	منعقدہ اجلاس	حاضری کی تعداد
جناب شاہد حامد پراچہ	3	3
جناب عبدالصمد داؤد	3	1
جناب حسن رضا الرحیم	3	2

ڈائریکٹرز کی ذمہ داریوں کا بیان

ڈائریکٹرز پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز کے مطابق کاروباری اور مالیاتی رپورٹنگ کی ساخت پر عمل درآمد کو درج ذیل انداز سے یقینی بناتے ہیں:

a- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی نکات کمپنی کے معاملات، عمل کاری کے نتائج، کیش فلو اور ایکویٹی کی تبدیلی کو راست انداز میں پیش کرتے ہیں۔

b- کمپنی کے کھاتوں کے درست حسابات مرتب کئے گئے ہیں۔

c- مالیاتی نکات کی تیاری میں مستقلاً مناسب اکاؤنٹنگ پالیسیوں کا اطلاق کیا گیا ہے۔ اکاؤنٹنگ کے تخمینے مناسب عاقلانہ فیصلوں پر مبنی ہیں۔

d- مالیاتی نکات کی تیاری میں پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ کے معیارات پر عمل کیا گیا ہے اور ان سے کسی بھی قسم کے انحراف کو مناسب انداز سے ظاہر کیا گیا ہے۔

بورڈ آف ڈائریکٹرز

کمپنی کا بورڈ سات ڈائریکٹرز پر مشتمل ہے۔ بورڈ ممبران کی ترکیب درج ذیل کے مطابق ہے:

آزاد ڈائریکٹرز	1
نان۔ ایگزیکٹو ڈائریکٹرز	5
ایگزیکٹو ڈائریکٹرز	1

بورڈ آف ڈائریکٹرز کے اجلاس

31 دسمبر، 2018 کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کے کل آٹھ اجلاس منعقد ہوئے۔ متعلقہ مدت کے دوران حاضری کی صورت حال درج ذیل ہے:

ڈائریکٹر کا نام	منعقدہ اجلاس	حاضری کی تعداد
جناب شاہد حامد پراچہ	8	8
جناب شہزادہ داؤد	8	4
جناب عبدالصمد داؤد	8	5
جناب شفیق احمد	8	7
جناب حسن رضا الرحیم	8	6
جناب شبیر حسین ہاشمی	8	8
جناب مجتبیٰ حیدر خان	8	8

بورڈ آڈٹ کمیٹی کے اجلاس

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 اور اپنی تشکیل سے ہی مؤثر انداز سے 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 کے تقاضوں کے تحت انٹرنل اور ایکسٹرنل آڈیٹرز کے ساتھ علیحدہ علیحدہ میٹنگز منعقد کی ہیں۔

گریجویٹی فنڈ

کمپنی کے ملازمین کو ریٹائرمنٹ پر ملنے والے فوائد کی رقوم کا آڈٹ سال میں ایک مرتبہ کیا جاتا ہے اور اسے مناسب سرمایہ کاریوں کے ذریعے محفوظ کیا جاتا ہے۔ 31 دسمبر، 2018 تک گریجویٹی پلان کے لئے متعین کردہ رقوم 3.101 ملین روپے تھیں (2.963:2017 ملین روپے)۔

رسک مینجمنٹ

کمپنی کی رسک مینجمنٹ کی پالیسیاں کمپنی کو درپیش رسک کی شناخت اور تجزیے، موزوں رسک لمٹس کی تشکیل اور کنٹرول، اور لمٹس سے مطابقت کی نگرانی کے لئے تشکیل دی جاتی ہیں۔ مارکیٹ کے حالات اور کمپنی کی سرگرمیوں میں تبدیلیوں کی مناسبت سے رسک مینجمنٹ کی پالیسیاں اور نظام کا باقاعدگی سے جائزہ لیا جاتا ہے۔

کاروباری انتظام کاری

کمپنی کی انتظامیہ بہتر کاروباری انتظام کاری پر کاربند ہے اور بہترین طریق عمل سے مطابقت پر یقین رکھتی ہے۔ پاکستان اسٹاک ایکسچینج کے دستور اور لسٹنگ ریگیولیشنز میں موجود کوڈ آف کارپوریٹ گورننس کے تقاضوں پر باقاعدہ طور پر عمل کیا جاتا ہے۔ اس سلسلے میں ایک بیان رپورٹ کے ساتھ منسلک ہے۔

ضابطہ اخلاق

بورڈ نے ایک کاروباری ضابطۂ اخلاق اختیار کیا ہے اور کمپنی کے تمام ملازمین اس سے واقف ہیں اور انہوں نے اس پر دستخط کئے ہیں۔ پورے ادارے میں ضابطہ اخلاق پر سختی سے عمل کیا جاتا ہے کیونکہ تمام ملازمین اس میں بیان کردہ کاروباری اخلاقیات کے اصولوں کی پابندی کرتے ہیں۔

نظریہ اور مقصد

کمپنی کے نظریئے اور مقصد کی عکاسی پر مشتمل بیان رپورٹ کے ساتھ منسلک ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی کارپوریٹ سماجی ذمہ داری کو اپنے مرکزی کاروبار طریقہ ہائے کار اور حصہ داران کے انتظام سے ہم آہنگ کرنے پر پختہ یقین رکھتی ہے، جبکہ سماجی اور کاروباری اقدار کی تشکیل کمپنی کا بنیادی نصب العین ہے۔ قابل تجدید توانائی کے شعبے میں سرمایہ کاری کے واضح اختیار کے ساتھ کمپنی کی بنیادیں پائیداری اور حصہ داران کے مفادات پر استوار ہیں۔ کمپنی نے اپنی ایک شریک کار کمپنی کے ذریعے جولائی 2018 میں ''ریون نالج پارٹنرشپ پروگرام'' متعارف کروایا جس کا مقصد اسکولوں میں قابل تجدید توانائی کی معلومات پہنچانا اور بجلی کی تنصیبات سے محروم علاقوں میں روشنی کے لئے شمسی توانائی سے چلنے والی لالٹینیں فراہم کی ہیں۔ مزید برآں، پن بجلی کے فارم کے اطراف میں شمسی توانائی سے چلنے والا واٹر پمپ لگایا گیا تا کہ مقامی افراد کو پینے کا پانی مہیا کیا جا سکے۔ مزید برآں، کمپنی نے ''مینگرو وپلانٹیشن ڈرائیو'' کا بھی آغاز کیا ہے جو Juvenile مچھلی کی مختلف اقسام کے لئے نرسری گراؤنڈ کا کام دے گا اور جس سے غذائی تحفظ اور مقامی روزگار کے فروغ میں معاونت ملے گی۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، آئندہ سالانہ اجلاس عام کے اختتام پر ریٹائر ہورہے ہیں اور 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، 2019 کوختم ہونے والے سال کے لئے کمپنی کے قانونی آڈیٹرز کے طور پر دوبارہ تقرری کی تجویز دی ہے اور بورڈ نے اس تجویز کی تائید کی ہے۔

حصص کی تجارت، اوسط قیمت اور پاکستان اسٹاک ایکسچینج

زیر جائزہ سال کے دوران پاکستان اسٹاک ایکسچینج میں کمپنی کے 0.724 ملین حصص کی تجارت کی گئی۔ روزانہ اوسط قیمت کے اعتبار سے کمپنی کے حصص کی اوسط قیمت 171.93 روپے رہی جبکہ سال 2018 کے دوران 52 ہفتوں کی سب سے کم اور زیادہ شرح بالترتیب 155.01 روپے اور 196 روپے فی حصص رہی۔

کمپنی کے حصص کی تجارت

زیر جائزہ سال کے دوران ایک شریکِ کار کمپنی پاٹیک (پرائیویٹ) لمیٹڈ نے پاکستان اسٹاک ایکسچینج کے اسٹاک بروکر کے توسط سے کمپنی کے 212,100 حصص خریدے، جس کا بیان حصص یافتگی کی ساخت میں موجود ہے۔ کسی اور ڈائریکٹر، سی ای او، سی ایف او اور کمپنی سیکریٹری نے دوران سال کمپنی کے حصص کی تجارت نہیں کی۔

حصص یافتگی کی ساخت

31 دسمبر، 2018 تک کمپنی کی حصص یافتگی کی ساخت، مع دیگر ضروری معلومات، اس رپورٹ کے اختتام پر نامزدگی فارم کے ہمراہ دستیاب ہے۔

مارکیٹ کی سرمایہ کاری اور بُک ویلیو

اختتام سال پر کمپنی کی مارکیٹ کی سرمایہ کاری 9.7 ارب روپے (2017: 11.1 ارب روپے) تھی جبکہ مارکیٹ ویلیو 164.05 روپے فی حصص (2017: 188 روپے) اور بریک اپ ویلیو 52.3 روپے فی حصص تھی (2017: 45.81 روپے فی حصص)۔

تخصیص

بورڈ انتہائی مسرت کے ساتھ اپنے 69 ویں سالانہ اجلاس عام میں 4 روپے فی حصص حتمی نقد ڈیویڈنڈ کی منظوری کی تجویز اپنے حصص یافتگان کے روبرو پیش کرے گا۔ اس سال کا کل ڈیویڈنڈ 6 روپے فی حصص (60%) ہوجائے گا جس میں 2 روپے فی حصص (20%) عبوری نقد ڈیویڈنڈ بھی شامل ہے۔

اہم عمل کاری اور مالیاتی اعداد و شمار

گزشتہ چھ مالی سالوں کے اہم عمل کاری اور مالیاتی اعداد و شمار کا مختصر بیان اس رپوٹ کے ساتھ منسلک ہے۔

جنوری تا دسمبر کی مدت کے دوران ہوا کی اوسط رفتار P90 سطح سے قدرے زیادہ ریکارڈ کی گئی۔تاہم گرڈ آؤ ٹیج اور پاور پر چیزرز کی جانب سے بجلی کی تخفیف بھی بلا تعطل جاری رہی جو 52.2 فیصد NPMV(Non-Project Missed Volume) کا باعث بنی۔گھارو سے جھمپیر 220Kv لائن کی تنصیب میں تاخیر سے یہ تخفیف براہِ راست تاثر ہوئی۔اس لائن نے یکم اگست کو کام کا آغاز کیا اور ابھی 132Kv پر آپریٹ کررہی ہے۔نئے جھمپیر -2 گرڈ اسٹیشن کی تنصیب مکمل ہوگئی ہے اور امید کی جارہی ہے کہ تنا گا جنز اسی لمیٹڈ (TGL) کو اس کے نتیجے میں اس سرکٹ سے نکلنے میں کسی رکاوٹ کا سامنا نہیں کرنا پڑے گا۔اگست 2018 کے بعد سے تخفیف میں بڑی حد تک کمی واقع ہوئی ہے۔

زیرجائزہ مدت میں توانائی کی کل پیداوار 114.0 گیگاواٹ رہی جو P90 فیکٹر پر توانائی کی متوقع پیداوار یعنی 126.9 گیگاواٹ سے نمایاں حد تک کم تھی۔تخفیف کے بغیر 127.4 گیگاواٹ پیداوار حاصل کی جاسکتی تھی۔

لارنس پور برانڈ

کمپنی نے اپنے گزشتہ سالانہ اجلاسِ عام منعقدہ 25 اپریل، 2018 میں 'لارنس پور برانڈ' کی فروخت کے لئے اپنے حصص یافتگان کی منظوری حاصل کرلی تھی۔تاہم، دلچسپی رکھنے والے کچھ فریقین کے ساتھ گفت وشنید کے باوجود فروخت کا معاہدہ نہیں ہوسکا تھا۔ لہٰذا کمپنی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ 22 فروری 2019 میں اس معاملے کا دوبارہ جائزہ لیا اور ممکنہ خریدار کی تلاش کے لئے از سرِ نو حصص یافتگان کی رضامندی حاصل کرنے کا فیصلہ کیا۔''لارنس پور'' برانڈ کی فروخت سے حاصل ہونے والی آمدنی کو کمپنی کے قابل تجدید توانائی اور متعلقہ کاروبار میں لگایا جائے گا تاکہ حصص یافتگان کے منافع میں زیادہ سے زیادہ اضافہ کیا جاسکے۔

د۔ مالیاتی رپورٹ

مالیاتی کارکردگی

گروپ کی مجموعی آمدنی گزشتہ سال کی اسی مدت کے 2,537.37 ملین روپے کے مقابلے میں 3,079.98 ملین روپے رہی۔گروپ کا مجموعی منافع گزشتہ سال کی اسی مدت کے 1,275.21 ملین روپے کے مقابلے میں سال 2018 میں 1,529.19 ملین روپے رہا۔شریک کار کمپنی کی جانب سے منافع کا حصہ، 1,746.54 ملین روپے سے بڑھ کر 2,306.57 ملین روپے ہوگیا، جس کی وجہ شریکِ کار کمپنی کی بہتر کارکردگی تھی۔ 382.04 ملین روپے ٹیکس کی ادائیگی کے بعد جاری کاروبار سے 2,205.90 ملین روپے بعد از ٹیکس منافع حاصل ہوا جو سال 2017 کے 1,783.27 ملین روپے سے زیادہ رہا۔

انفرادی طور پر، زیرجائزہ سال میں کمپنی کی آمدنی گزشتہ سال کی اسی مدت کے 58.99 ملین رپے کے مقابلے میں 7.84 ملین روپے رہی جو کہ 51.15 ملین روپے کم ہے اور اس کی بنیادی وجہ قابل تجدید توانائی کے کاروبار کی کل ملکیتی ذیلی کمپنی کو منتقلی تھی۔

فی حصص آمدنی

سال 2018 کے دوران کمپنی کی غیر انضمامی فی حصص آمدنی 9.56 روپے فی حصص رہی جبکہ سال 2017 کے دوران فی حصص آمدنی 2.43 روپے فی حصص تھی۔سال کی انضمامی فی حصص آمدنی ہولڈنگ کمپنی کی ملکیت کے تناسب سے 36.77 روپے فی حصص رہی۔(2017 : 4.94 روپے فی حصص)۔

یہ تمام پیش رفت محض ترقی یافتہ ممالک تک محدود نہیں ہے۔ ہندوستان نے 2022 تک 100,000 میگا واٹ شمسی اور 60,000 میگا واٹ پن بجلی کی پیداوار کا منصوبہ بنایا ہے۔ ہندوستان نے اس بات کو بخوبی سمجھ لیا ہے کہ اس کی توانائی کی ضروریات میں شمسی اور پن بجلی کی پیداوار ایک واضح صنعتی درجہ اختیار کر چکی ہے جس میں فیول کا استعمال نہ ہونے کی وجہ سے طویل مدت تک ممکنہ قیمتوں کے اندازے اور آپریشن اور دیکھ بھال کی انتہائی کم لاگت جیسے اضافی فوائد بھی شامل ہیں۔

استعداد میں حالیہ اضافے کے باوجود پاکستان کی فی کس بجلی کی کھپت 540 کلوواٹ ہے جو دنیا کی کم ترین کھپت میں سے ایک ہے جبکہ ملک کا بڑا حصہ ایسا ہے جہاں گرڈ سے بجلی کی فراہمی تک رسائی موجود نہیں ہے۔ پاکستان کی موجودہ بجلی کی پیداوار میں 64 فیصد حصہ تھرمل، 30 فیصد ہائیڈل، 3 فیصد نیوکلیئر اور باقی حصہ پن بجلی، شمسی توانائی اور کوئلے سے بجلی کی پیداوار کا ہے۔ اس میں ایک بڑی تبدیلی اس وقت آئے گی جب LNG اور کوئلے کے نئے پیداواری ادارے میدانِ عمل میں آئیں گے جس سے ممکنہ طور پر موجودہ گردشی قرضوں کا بحران شدید ہوگا اور ملک کی ادائیگیوں کے توازن، قرض کے معاہدوں پر دباؤ مزید بڑھے گا۔

ج۔ کاروباری جائزہ

قابل تجدید توانائی کا کاروبار

داؤد لارنس پور لمیٹڈ کی ایک کل ملکیتی ذیلی کمپنی ریون انرجی لمیٹڈ (REL) نے سیمنٹ، لیدر گڈز، ٹیکسٹائلز اور حکومتی شعبے سمیت متعدد اعلیٰ سطح کی کمپنیوں اور صنعتی اداروں سے معاہدے کئے ہیں۔ ان میں فوجی سیمنٹ کمپنی سے 12.5 میگا واٹ کا EPC آرڈر اور کوہِ نور ٹیکسٹائل ملز لمیٹڈ کے ساتھ 2 میگا واٹ کا EPC کنٹریکٹ شامل ہے۔ REL کی ٹیم فعال انداز سے بیرونی سرمایہ کاران اور ڈویلپمنٹ پارٹنرز کی شمولیت کے ذریعے اپنی پیشکش کی ساخت میں جدت پیدا کر رہی ہے اور بہترین کریڈٹ ہسٹری کے حامل AAA ریٹنگ صارفین سے طویل المیعاد بجلی کی خریداری کے معاہدے کر رہی ہے۔ اس نوعیت کا پہلا معاہدہ (PPA) سندھ اینگرو کول مائننگ کمپنی کے ساتھ 5 میگا واٹ کے BOT (Build, Operate, Transfer) پروجیکٹ کے لئے کیا جو 15 سال تک بجلی کی خریداری کا معاہدہ ہے، اس پروجیکٹ کا 50% کام مکمل ہوگیا ہے۔ مزید برآں، کریسنٹ باہومان کی لاہور میں فیکٹری سائٹ کے لئے 3 میگا واٹ کے کیپٹیو (Captive) پلانٹ کے لئے لیٹر آف انٹینٹ (LOI) بھی حاصل کیا گیا ہے۔ ملکی سطح پر نجی شعبے میں بجلی کی خریداری کے یہ دو سب سے بڑے معاہدے ہیں جس سے مستقبل میں REL کے لئے نجی شعبے کو توانائی کی فراہمی کے دروازے کھل جائیں گے۔ گزشتہ سال

REL نے ENI اور اینگرو انرجی لمیٹڈ کے ساتھ پرائیویٹ اور پبلک آئی پی پی پروجیکٹس کے مشترکہ قیام کے لئے شراکت داری کے بڑے معاہدے کئے ہیں۔ شراکت داری کے ایسے ہی دیگر کئی معاہدے بین الاقوامی اداروں کے ساتھ بھی زیرِ تکمیل ہیں۔

REL نے کاروباری اور صنعتی شعبے میں سب سے بڑی تنصیبات کے ساتھ ملک کی سب سے بڑی شمسی توانائی کی کمپنی ہونے کی حیثیت سے اعلیٰ معیار کی انجینئرنگ اور ایسٹ مینجمنٹ مہارتوں کے ذریعے اپنے صارفین کو امتیازی پروڈکٹ کی فراہمی پر توجہ مرکوز رکھی ہے۔

پن بجلی کے منصوبے

پن بجلی کا پلانٹ تسلی بخش رفتار سے کام جاری رکھے ہوئے ہے اور دستیابی اور بیلنس آف پیمنٹ (BOP) خسارے کے متوقع اہداف حاصل کر رہا ہے۔ گزشتہ سال BOP خسارہ 2.5 فیصد کے متوقع ہدف کے مقابلے میں 0.9 فیصد جبکہ دستیابی 97 فیصد کے متوقع ہدف کے مقابلے میں 98.7 فیصد رہی۔ صحت، تحفظ اور ماحول (HSE) بدستور ترجیح رہی اور کمرشل آپریشن کے آغاز کی تاریخ سے اب تک 195,000 محفوظ انداز سے کام کے گھنٹے بغیر کسی حادثہ کے مکمل کئے گئے۔

ڈائریکٹرز رپورٹ

برائے اختتام سال مورخہ 31 دسمبر 2018

داؤد لارنس پور لمیٹڈ (دی کمپنی) کے ڈائریکٹرز مسرت کے ساتھ 31 دسمبر 2018 کو ختم ہونے والے سال کے لئے جائزہ رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

الف۔ مرکزی سرگرمی

کمپنی کی مرکزی سرگرمی اپنی ذیلی اور شریک کار کمپنیوں میں سرمایہ کاری کو منظم کرنا ہے اور کمپنی موروثی ٹیکسٹائل کے کاروبار کے علاوہ تجارتی اور صنعتی صارفین کے ساتھ قابلِ تجدید توانائی، بالخصوص شمسی توانائی کے حل کی تجارت اور مارکیٹنگ کر رہی ہے۔

ب۔ کاروباری معلومات

سال 2018 میں دنیا بھر میں صاف توانائی (قابل تجدید توانائی) کی سرمایہ کاری مجموعی طور پر 332 ارب ڈالر رہی، اس طرح 2018 مسلسل پانچواں سال تھا جب سرمایہ کاری 300 ارب ڈالر سے زیادہ رہی۔ اگرچہ شرح گزشتہ سال سے 8% کم تھی تاہم صاف توانائی کی کم ہوتی لاگت اس پر مزید اضافے کا باعث بنے گی۔ کم کاربن بجلی کی مزید کم ہوتی ہوئی قیمتوں کے باعث بیشتر بڑی معیشتوں میں شمسی توانائی اور پن بجلی نئی پیداوار کے سستے ترین ذرائع بن چکے ہیں۔

قابل تجدید توانائی کے ادارے Ren21 کی شائع کردہ قابل تجدید توانائی کی گلوبل اسٹیٹس رپورٹ 2018 کے مطابق سولر پینلز کے ذریعے تقریباً نصف (یعنی 56 فیصد)، پن بجلی سے 29 فیصد اور ہائیڈروالیکٹرک اسکیمز سے 11 فیصد اضافی استعداد شامل کی گئی۔ قابل تجدید توانائی کے ذرائع کم لاگت کے باعث بہتر انتخاب بنتے جا رہے ہیں۔ بھارت اور چین میں ہونے والے حالیہ معاہدوں میں غیر محفوظ شدہ قابلِ تجدید توانائی کے لئے سطحی سطح کی توانائی (LCOE) کم از کم 0.027 ڈالر/کلوواٹ رکھی گئی ہے اور بلومبرگ نیو انرجی فنانس نے رپورٹ کیا ہے کہ عالمی سطح پر LCEO برائے پن بجلی اور شمسی توانائی سال 2018 کے آغاز سے بالترتیب 6 فیصد اور 13 فیصد کم ہو کر 0.06 ڈالر/کلوواٹ اور 0.052 ڈالر/کلوواٹ ہوگئی ہے۔ یہ شرح فوسل فیول کی پیداواری لاگت کے مساوی لاگت سے کم ہے جو قدرتی گیس اور کوئلے سے چلنے والے پلانٹس کے لئے بالترتیب 0.06 سے 0.117 ڈالر/کلوواٹ ہے۔

سال 2018 میں شمسی توانائی کے شعبے میں سرمایہ کاری مجموعی سرمایہ کاری کا 40 فیصد (130.8 ارب ڈالر) رہی اور 109 گیگاواٹ کی استعداد شامل کی گئی۔ 2017 کے مقابلے میں اگرچہ یہ سرمایہ کاری کم تھی، تاہم اس کی صلاحیت میں دس فیصد اضافہ ہوا۔ سال 2018 میں اعلیٰ درجے کے صنعتی ممالک نے قابلِ تجدید توانائی کے استعمال میں اضافہ کیا جیسے جرمنی نے 40 فیصد توانائی پن بجلی، شمسی، ہائیڈرو اور بائیوماس سے حاصل کی جو کہ کوئلے سے حاصل کردہ 39 فیصد سے زیادہ ہے۔ ڈنمارک میں کوئلے کی کھپت 25 فیصد کم ہوئی جبکہ قابل تجدید ذرائع سے پیداوار میں 11 فیصد اضافہ ہوا۔ امریکہ میں کل پیداوار کا 18 فیصد حصہ قابل تجدید ذرائع سے حاصل کیا گیا جبکہ نئی توانائی کی تنصیبات میں شمسی اور پن بجلی کے پروجیکٹس کا حصہ 62 فیصد رہا۔ چین ہائیڈل، پن اور شمسی توانائی کی دنیا کی سب سے بڑی نصب شدہ استعداد کا حامل ہے جو اس کی بجلی کی کل پیداوار کا 26.4% فیصد حصہ ہے۔ اس کے علاوہ چین فوٹو وولٹک سیلز کی مجموعی عالمی پیداوار کا 63% فیصد حصہ پیدا کرتا ہے۔

PHYSICAL SHAREHOLDERS
Bank Account Details for Payment of Cash Dividend
(Mandatory Requirement as per the Companies Act, 2017)

Dear Shareholder,

This is to inform you that in accordance with the Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is mandatory and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following information:

Details of Shareholder	
Name of shareholder	
Folio No.	
CNIC No.	
Cell number of shareholder	
Landline number of shareholder, if any	
Title of Bank Account	**Details of Bank Account**
International Bank Account Number (IBAN) **"Mandatory"**	**PK** ________________ **(24 digits)** (Kindly provide your accurate IBAN number after consulting with your respective bank branch since in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's name	
Branch name and address	
It is stated that the above-mentioned information is correct and in case of any change therein, I / we will immediately intimate Participant / Share Registrar accordingly. ______________________ Signature of shareholder	

You are requested to kindly send photocopy of this letter immediately duly filled in and signed by you along with legible photocopy of your valid CNIC at the Company's Share Registrar Office, **Central Depository Company of Pakistan Limited, Share Registrar Services, CDC House, 99-B, Block B, Main Shahrah-e-Faisal, Karachi. 74400, Pakistan.**

CDS SHAREHOLDERS
Bank Account Details for Payment of Cash Dividend
(Mandatory Requirement as per the Companies Act, 2017)

Dear Shareholder,

This is to inform you that in accordance with the Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank accounts of entitled shareholder as designated by them. In pursuance of the direction given by Securities and Exchange Commission of Pakistan (SECP), kindly immediately contact your relevant CDC Participant/CDC Investor Account Services Department and provide them your bank mandate information including International Bank Account Number (IBAN) which is now mandatory for all cash dividend payments.

In order to comply with regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide requisite bank mandate information to your respective Participant/CDC Investor Account Services Department immediately.

ELECTRONIC TRANSMISSION CONSENT FORM

The Securities & Exchange Commission of Pakistan through SRO 787(I)/2014 of September 8, 2014 allowed the Company to circulate its Annual Statement of Financial Position and Statement of Profit or Loss, auditor's report and directors' report etc. (Audited Financial Statements) along with the Company's Notice of Annual General Meeting to its shareholders through email. Those shareholders who wish to receive the Company's Annual Report through email are requested to complete the requisite form below.

CDC shareholders are requested to submit their Electronic Transmission Consent Form along with their CNIC directly to their broker (participant)/CDC; while shareholders having physical shares are to send the forms and a copy of their CNIC to 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.

Electronic Transmission Consent Form

Pursuant to the directions given by the Securities & Exchange Commission of Pakistan through its SRO 787(I)/2014 of September 8, 2014, I Mr. / Ms. ________________________________
S/o, D/o, W/o ____________________________________ hereby consent to have the Dawood Lawrencepur Limited Audited Financial Statements and Notice of Annual General Meeting delivered to me via email on my email address provided below:

Folio /CDC Account No.	
Postal Address:	
Email Address:	
Contact No:	
CNIC No.:	

It is stated that the above mentioned information is true and correct and that I shall notify the Company and its Share Registrar in writing of any change in my email address or withdrawal of my consent to email delivery of the Company's Audited Financial Statements and Notice of the Meeting.

Dear Shareholder,

REQUEST FORM FOR HARD COPY OF
ANNUAL AUDITED ACCOUNTS

The Securities and Exchange Commission of Pakistan, vide S.R.O 470(I)/2016 dated May 31, 2016, has allowed companies to circulate their Annual Statement of Financial Position, Statement of Profit or Loss , auditor's report, directors' report and ancillary statements/notes/documents ("Annual Audited Accounts") along with notice of general meeting to the registered addresses of its shareholders in electronic form through CD/DVD/USB.

However, Shareholders may request a hard copy of the Annual Audited Accounts along with notice of general meetings to be sent to their registered address instead of receiving the same in electronic form on CD/DVD/USB. If you require a hard copy of the Annual Audited Accounts, please fill the following form and send it to our Share Registrar or Company Secretary at the address given below.

Date:______________

I/We ____________________________________ request that a hard copy of the Annual Audited Accounts along with notice of general meetings be sent to me through post. My/our particulars in this respect are as follows:

Folio /CDC A/c No.	
Postal Address:	
Email Address:	
Contact No:	
CNIC No.	
Signature	

The form may be sent directly to Dawood Lawrencepur Limited Share Registrar or Company Secretary at the following address:

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B", S.M.C.H.S
Main Shahra-e-Faisal, Karachi, Pakistan
Tel: +92 (21) 111-111-500
Website: http://cdcpakistan.com

Dawood Lawrencepur Limited
Dawood Centre, M.T. Khan Road
Karachi -75530, Pakistan
Tel: +92 (21) 35632200
Email: info.reon@dawoodhercules.com
Website: www.dawoodlawrencepur.com

If you are a CDC Account Holder, you should submit your request directly to your CDC Participant through which you maintain your CDC account.

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 my/our proxy to attend, speak and vote for me/us and on my/our behalf, at the Annual General Meeting (AGM) of the Company to be held at The Dawood Foundation Business Hub, Ground Floor, Dawood Centre, M.T. Khan Road, Karachi on Tuesday, April 30, 2019 at 10:00 a.m. and at any adjournment thereof.

Signed this__________day of _______________ 2019.

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 رہم ________________ ساکن ________________

بحیثیت ممبر داؤدلارنس پورلمیٹڈ کے رکن وحامل ________________ عام حصص بمطابق شیئر رجسٹرڈ فولیو نمبر ________________ اور ریاسی ڈی سی

کے شراکتی آئی ڈی نمبر ________________ اور ذیلی کھاتہ نمبر ________________ محترم رمحترمہ ________________

________________ ساکن ________________ یا بصورتِ دیگر محترم رمحترمہ

________________ ساکن ________________ کو اپنی جگہ بروز منگل

مورخہ ۳۰ اپریل ۲۰۱۹ بوقت ۱۰:۰۰ بجے صبح بمقام داؤد فاؤنڈیشن بزنز حب، گراؤنڈ فلور، داؤد سینٹر، ایم ٹی خان روڈ، کراچی میں منعقد یا ملتوی ہونے والے کمپنی کے سالانہ اجلاسِ عام میں رائے دہندگی کے لئے اپنا نمائندہ مقرر کرتا رکرتی ہوں۔

دستخط ________________ بروز ________________ ۲۰۱۹

مطلوبہ (پانچ روپے کا)
ریوینیوٹکٹ چسپاں کریں اور دستخط کریں

گواہ (۱)

دستخط گواہ: ________________

نام: ________________

پتہ: ________________

قومی شناختی کارڈ نمبر یا: ________________

پاسپورٹ نمبر: ________________

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 پر اکسی فارم بنام کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقررہ وقت سے ۴۸ گھنٹے قبل موصول ہوں۔
- سی ڈی سی شئیر ہولڈرز اوران 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 پر اکسی ہولڈرز اپنی شناخت کے لئے اجلاس کے وقت اپنا اصل شناختی کارڈ یا پاسپورٹ ضرور پیش کریں۔

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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

Dawood
Lawrencepur
Limited

Registered Office:
3rd Floor, Dawood Center, M.T. Khan Road, Karachi- 75530, Pakistan.

UAN: (021) 111 736 611
Tel: (92 21) 3563 2200-09
Fax: (92 21) 3563 3970

info.reon@dawoodhercules.com
www.dawoodlawrencepur.com