

A year of revolution
Quarterly Report
March 31, 2017 (Un-audited)



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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 & services
- ♦ Building strategic partnerships with technology suppliers, vendors and financial institutions
- ♦ Becoming the employer of choice and developing a culture that inspires performance excellence and teamwork

Company Information

Board of Directors

Mr. Shahid Hamid Pracha (Chairman)
Mr. Mujtaba Haider Khan (CEO)
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. Shahid Hamid Pracha (Chairman)
Mr. Abdul Samad Dawood
Mr. Hasan Reza Ur Rahim

Chief Financial Officer

Mr. Shafiq Ahmed

Company Secretary

Mr. Imran Chagani

Auditors

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

Bankers

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

Legal Adviser

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

Share Registrar

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

Registered / Head Office

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

Lahore Office

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

Mills

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

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

Directors' Review Report

For the quarter ended March 31, 2017

The Directors are pleased to present the unaudited condensed interim financial information of Dawood Lawrencepur Limited for the quarter ended March 31, 2017.

BUSINESS REVIEW

Renewable Energy Business

Reon Energy Limited (REL), a wholly owned subsidiary of Dawood Lawrencepur Limited has been offering solar energy solutions to top tier companies. REL has been able to win contracts from these companies in the food, pharmaceutical and government sectors. The team is also actively involved in innovating the structuring of the Company's offerings by involving external technology partners, financiers and Special Purpose Vehicles (SPVs) whilst providing long term contracts for reliable and complete energy management solutions.

Wind Energy Project

Wind energy project installed under the 75% subsidiary Tenaga Generasi Limited (TGL) is operating satisfactorily and meeting the expected performance targets. We expect to achieve Project Close Out after the first principal repayment – due in July this year. Meanwhile several thermal IPPs have called their Sovereign Guarantee against energy payments, which is adding to overall payment stress. TGL will only be able to meet all its financial commitments with some additional sponsor support this year.

In terms of power generation, it is pertinent to note that the wind speed patterns during the months of January and February were lower than the historical averages in each respective month while March experienced higher than projected wind speeds. The turbines on the other hand, performed up to expectations in these wind speed environments.

Grid outage and power curtailment by the power purchaser continues to be a key concern area for management, which is pursuing this with the power purchaser as well as NTDC. Also, the delay in the installation of the 220kV line from Gharo to Jhimpir has had a direct impact on the curtailment. Regular follow up with NTDC is being maintained to expedite this work and to obtain acceptance on connection to this line prior to completion of the 220kV Substation at Gharo. The total energy billed by TGL since the start-up of the Plant is 34.62 GWh.

The revenues of TGL from sale of electricity were quite regular till the payment for December 2016. Since then, however, there have been delays, which are adversely affecting the entire energy sector. Management is pursuing TGL's payments on a daily basis in order to obtain priority.

FINANCIAL HIGHLIGHTS

The financial highlights of the Company are as under

	Quarter ended 31 March 2017	Quarter ended 31 March 2016
	Rupees in thousands	
Sales – net	70,635	182,718
Cost of sales	(68,117)	(166,982)
Gross Profit	2,518	15,736
Other Income	162,565	9,737
Profit / (loss) before taxation - continued operations	139,228	(9,119)
Discontinued operations	(8,520)	(17,506)
Taxation	(24,811)	(398)
Profit / (loss) after taxation	105,897	(27,023)
Unappropriated profit brought forward	2,048,812	1,234,247
Unappropriated profit carried forward	2,154,709	1,207,224
Earnings per share - basis & diluted (Rupees)	1.79	0.46

Consolidated revenues were PKR 502.82 million as against PKR 91.18 million for 2016. The increase is mainly due to dispatches of electricity to NEPRA by TGL and improvement in the sales of renewable energy business undertaken in REL of PKR 113.40 million. After considering, the share of profit from associate – Dawood Hercules Corporation Limited of PKR 175.242 million (2016: 421.54 million), the consolidated profit for the quarter stood at PKR 50.472 million as against 363.179 million for the similar period last year. Consolidated earnings per share was PKR 0.85 as against PKR 6.15 for the comparative period last year.

FUTURE OUTLOOK

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

Motivated by the massive crash in the solar power tariff bids across the world, Pakistan is set to shift from feed-in tariff mechanism to competitive auctions in the solar power sector. Thus, tariffs are likely to experience a free fall in the country, finding a new floor every time, similar to other countries that have adopted the mechanism. This will help achieve the long anticipated exponential growth in the renewable energy business both for commercial users and the national power purchaser. With the Group's financial strength and the Company's capability to deliver medium to large scale projects, the Company is well poised to utilize this opportunity and develop a sustainable business model.

The primary focus of the renewable energy business for the coming years will be on large scale industrial and commercial sectors, a highly energy-dependent segment of the market. The Company is actively lobbying with the government directly and through other channels to positively influence short and long term policy.



Mujtaba Haider Khan
Chief Executive Officer

Karachi, April 24, 2017

کمپنی کے مالیاتی نکات درج ذیل ہیں:

برائے ۳۱ مارچ ۲۰۱۷ کو ختم ہونے والی سہ ماہی
برائے ۳۱ مارچ ۲۰۱۶ کو ختم ہونے والی سہ ماہی

روپے ہزار میں	روپے ہزار میں	
182,718	70,635	فروخت کا حجم۔ خالص
(166,982)	(68,117)	فروخت کی لاگت
15,736	2,518	مجموعی منافع
9,737	162,565	دیگر آمدنی
(9,119)	139,228	جاری کاروبار سے قبل از ٹیکس منافع / (خسارہ)
(17,506)	(8,520)	موقوف کاروبار
(398)	(24,811)	ٹیکس
(27,023)	105,897	بعد از ٹیکس منافع / (خسارہ)
1,234,247	2,048,812	غیر تخصیصی منافع Brought Forward
1,207,224	2,154,709	غیر تخصیصی منافع Carried Forward
0.46	1.79	فی حصص آمدنی۔ (روپے) Basic and Diluted

پہلی سہ ماہی 2017 تک مجموعی آمدنی 2016 کے 91.8 ملین روپے کے مقابلے میں 502.82 ملین روپے رہی۔ آمدنی میں اضافے کی بنیادی وجوہات میں TGL کی جانب سے NEPA کو بجلی کی ترسیل اور REL کے تحت کئے گئے 113.40 ملین روپے کے قابل تجدید توانائی کے کاروبار کی فروخت میں بہتری شامل تھیں۔ داؤد ہرکولیس لمیٹڈ، شریک کارکنینی جانب سے 175.242 ملین روپے (2016: 421.54) ملین روپے کے منافع کو شامل کر کے زیر جائزہ سہ ماہی کا انضمامی منافع گزشتہ سال کی اسی مدت کے 363.179 ملین روپے کے مقابلے میں 50.472 ملین روپے رہا۔ انضمامی فی حصص آمدنی گزشتہ سال کی متعلقہ مدت کے 6.15 روپے کے مقابلے میں 0.85 روپے رہی۔

مستقبل کے آثار

کونسل اور CNG کی حکومتی پالیسی قابل تجدید توانائی کی ترقی پر براہ راست اثر انداز ہو رہی ہے۔ موجودہ صورت حال میں حکومت کی جانب سے پین بجلی سے چلنے والے توانائی کے منصوبوں کی منظوری روک دی گئی ہے۔ مزید برآں حکومت سندھ پین بجلی کے منصوبوں میں دلچسپی لے رہی ہے لیکن سست رفتاری اور عدم وضاحت کی وجہ سے معاملات تعطل کا شکار ہیں۔

دنیا بھر میں سستی توانائی کے ٹیرف کی بولیوں میں زبردست گراؤت کے باعث پاکستان سستی توانائی کے شعبہ میں Feed-in-Tariff کے طریقہ کار سے مسابقتی بیلامی (Competitive Auctions) میں تبدیلی کے لئے تیار ہے۔ چنانچہ ملک میں ٹیرف کے کھلے گراؤ کی توقع ہے جس سے ہر بار نئے میدان تلاش کئے جائیں گے، ان ممالک کی طرح جنہوں نے یہ طریقہ کار اختیار کیا ہے۔ اس سے قبل قابل تجدید توانائی کے کاروبار میں کاروباری صارفین اور قومی پاور پریجرز، دونوں کے لئے طویل عرصے سے متوقع قوت نمائندگی کے حصول میں مدد ملے گی۔ گروپ کے مالیاتی استحکام اور اوسط تادیرمانے درجے کے منصوبوں کی پیداوار کے لئے اپنی استعداد کے ساتھ، کمپنی اس موقع سے فائدہ اٹھانے اور ایک پائیدار کاروباری ڈھانچہ کی تعمیر کے لئے پوری طرح تیار ہے۔

آئندہ سالوں میں بڑے پیمانے کے صنعتی اور تجارتی شعبہ جات قابل تجدید توانائی کے کاروبار کے لئے توجہ کا اہم مرکز ہوں گے جو مارکیٹ کا سب سے زیادہ توانائی پر انحصار کرنے والا حصہ ہے۔ کمپنی حکومت سے براہ راست اور بالواسطہ ذرائع سے قلیل اور طویل المدتی پالیسی میں مثبت تبدیلیوں کے لئے مسلسل رابطہ قائم رکھے ہوئے ہے۔

محمد حیدر خان

کراچی، اپریل ۲۰۱۷

چیف ایگزیکٹو آفیسر

ڈائریکٹرز کی جائزہ رپورٹ

برائے اختتام سہ ماہی، ۳۱ مارچ ۲۰۱۷

ڈائریکٹرز نہایت مسرت کے ساتھ ۳۱ مارچ ۲۰۱۷ کو ختم ہونے والی سہ ماہی کے لئے واؤڈ لائٹس پور کی غیر جائزہ شدہ مختصر عبوری مالیاتی معلومات پیش کرتے ہیں۔

کاروبار کا جائزہ

قابل تجدید توانائی کا کاروبار

واؤڈ لائٹس پور کی کلی ملکیتی ذیلی کمپنی، ریان انرجی لمیٹڈ (REL) ملک کی سرکردہ کمپنیوں کو شمسی توانائی سے بجلی پیدا کرنے کے حل فراہم کر رہی ہے۔ ریان انرجی لمیٹڈ نے غذائی اشیاء، ادویہ سازی اور حکومتی شعبہ جات کی کمپنیوں سے معاہدے کئے ہیں۔ کمپنی طویل المیعاد معاہدوں یا قابل بھروسہ اور مکمل توانائی کے انتظام کی خدمات کی فراہمی کے سلسلے میں بیرونی ٹیکنالوجی پارٹنرز، فنانسرز اور SPVs کے اشتراک سے کمپنی کی خدمات میں تنوع اور ساخت میں بہتری کے لئے کوشاں ہے۔

پن بجلی کے منصوبہ

پن بجلی کا منصوبہ جو کمپنی کی ذیلی کمپنی نانا گجراہی لمیٹڈ (TGL) کے تحت قائم کیا گیا ہے، تسلی بخش انداز سے کام کر رہا ہے اور متوقع اہداف حاصل کر رہا ہے۔ TGL اپنے واجب الادا قرضے کی پہلی قسط جولائی میں ادا کرے گی جس کے بعد پروجیکٹ کلوز ہوگا۔ متعدد تھرل IPPs نے توانائی کی ادائیگیوں کے عوض میں تاخیر کی وجہ سے sovereign ضمانتیں طلب کرنے کا ارادہ ظاہر کیا ہے جس کا براہ راست اثر TGL پر پڑ سکتا ہے۔ اس تناظر میں TGL اس سال محض اسی صورت میں اپنی مالیاتی ذمہ داریاں پوری کرنے میں کامیاب ہو سکے گی اگر اسے کمپنی کی طرف سے اضافی مالیاتی اعانت فراہم کی جائے گی۔

ماہ جنوری اور فروری کے دوران ہوا کی رفتار کا انداز، تاریخی اوسط رفتار سے کم رہا جبکہ مارچ کے مہینے میں ہوا کی رفتار متوقع شرح سے زائد رہی۔ دوسری جانب ٹرانسمی کارکردگی ہوا کی رفتار کے اس منظر نامے میں توقع کے مطابق رہی۔

گرڈ آؤٹج اور پاور پریچرز کی جانب سے بجلی کی تخفیف TGL کے لئے بدستور ایک اہم مسئلہ ہے، جس کے حل کے لئے انتظامیہ پاور پریچرز اور NTDC کے مسلسل رابطے میں ہے، گھارو سے چھپھر تک 220Kv لائن کی تنصیب میں تاخیر نے اس تخفیف پر براہ راست اثرات مرتب کئے ہیں۔ اس سلسلے میں NTDC کے ساتھ مسلسل رابطہ رکھا گیا ہے تاکہ اس کام کو جلد از جلد مکمل کیا جاسکے اور گھارو کے مقام پر 220Kv کے سب اسٹیشن کی تکمیل سے قبل اس لائن سے متعلق منظوری حاصل کی جاسکے۔ TGL کے آغاز سے اب تک 34.62 گیگا واٹ بجلی کی ترسیل کی جا چکی ہے۔

TGL کی بجلی کی فروخت سے ہونے والی آمدنی دسمبر 2016 کی ادائیگی تک کافی حد تک باقاعدہ رہی تاہم اس کے بعد سے اس میں تاخیر ہوئی جو پورے توانائی کے شعبہ کو بری طرح متاثر کر رہی ہے۔ انتظامیہ پیٹنگی حصول کے لئے روزانہ کی بنیاد پر TGL کی ادائیگیوں کے لئے تدارک اختیار کر رہی ہے۔

Condensed Interim Unconsolidated Balance Sheet

As at March 31, 2017

	(Unaudited) March 31 2017	(Audited) December 31 2016
ASSETS	Note	Rupees in '000
Non-current assets		
Property, plant and equipment		86,873
Intangible assets		5,880
Long term investments	6	2,603,622
Long term deposits		<u>2,778</u>
		<u>2,694,865</u>
Current assets		
Stores and spares		7,789
Stock in trade	7	86,558
Trade debts		35,398
Loans and advances		2,595
Taxes recoverable		59,891
Deposits, prepayments and other receivables		262,684
Cash and bank balances	8	300,330
		<u>716,001</u>
		<u>755,245</u>
TOTAL ASSETS		<u>3,410,866</u>
		<u>3,454,398</u>
EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital		
Authorized capital		750,000
Issued, subscribed and paid-up capital		<u>590,578</u>
Capital reserve		206,666
Unrealized gain on remeasurement of available for sale investments		15,480
Unappropriated profit		<u>2,154,709</u>
		<u>2,967,433</u>
		<u>2,861,124</u>
LIABILITIES		
Non current liabilities		
Deferred liabilities		6,175
		-
Current liabilities		
Short term borrowings	9	466,487
Trade and other payables		116,508
Accrued markup		10,279
		<u>437,258</u>
		<u>593,274</u>
TOTAL EQUITY AND LIABILITIES		<u>3,410,866</u>
		<u>3,454,398</u>
CONTINGENCIES AND COMMITMENTS		
	10	

The annexed notes from 1 to 17 form an integral part of these condensed interim unconsolidated financial information.



Mujtaba Haider Khan
Chief Executive



Shabbir Hussain Hashmi
Director

Condensed Interim Unconsolidated Profit and Loss Account

For the quarter ended March 31, 2017

	Note	(Unaudited) 2017	(Unaudited) 2016
Rupees in '000			
CONTINUING OPERATIONS			
Revenue - net	11	70,635	182,718
Cost of revenue		(68,117)	(166,982)
Gross profit		2,518	15,736
Other income		162,565	9,737
Selling and distribution expenses		(5,235)	(7,812)
Administrative expenses		(13,193)	(24,575)
Finance cost		(7,427)	(2,205)
		(25,855)	(34,592)
Profit / (loss) before taxation		139,228	(9,119)
Taxation	12	(24,811)	(398)
Profit / (loss) after taxation		114,417	(9,517)
DISCONTINUED OPERATIONS			
Loss from discontinued operations		(8,520)	(17,506)
Profit/ (loss) for the period		105,897	(27,023)
Earnings / (loss) per share - Basic and diluted			
Continuing operations (Rs.)		1.94	(0.16)
Loss per share - Basic and diluted			
Discontinued operations (Rs.)		(0.14)	(0.30)

The annexed notes from 1 to 17 form an integral part of these condensed interim unconsolidated financial information.



Mujtaba Haider Khan
Chief Executive



Shabbir Hussain Hashmi
Director

Condensed Interim Unconsolidated Statement of Comprehensive Income

For the quarter ended March 31, 2017

	(Unaudited) 2017	(Unaudited) 2016
	Rupees in '000	
Profit / (loss) after taxation	105,897	(27,023)
Other comprehensive income		
Items that may be reclassified subsequently through profit and loss account		
Gain on remeasurement of available for sale' investments	412	6
Total comprehensive income for the period	<u>106,309</u>	<u>(27,017)</u>

The annexed from 1 to 17 form an integral part of these condensed interim unconsolidated financial information.



Mujtaba Haider Khan
Chief Executive



Shabbir Hussain Hashmi
Director

Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the quarter ended March 31, 2017

	Ordinary Shares	Capital Reserves				Total	Unappropriated profit	Unrealized gain on remeasurement of available for sale investments	Total
		Merger reserve	Share premium reserve	Capital reserve	Capital redemption reserve fund				
..... Rupees in '000									
Balance at January 01, 2016	590,578	10,521	136,865	33,311	25,969	206,666	1,234,247	10,208	2,041,699
Loss for the period	-	-	-	-	-	-	(27,023)	-	(27,023)
Other comprehensive income	-	-	-	-	-	-	-	6	6
Total comprehensive income for the period	-	-	-	-	-	-	(27,023)	6	(27,017)
Balance at March 31, 2016	590,578	10,521	136,865	33,311	25,969	206,666	1,207,224	10,214	2,014,682
Balance at January 01, 2017	590,578	10,521	136,865	33,311	25,969	206,666	2,048,812	15,068	2,861,124
Profit for the period	-	-	-	-	-	-	105,897	-	105,897
Other comprehensive income	-	-	-	-	-	-	-	412	412
Total comprehensive income for the period	-	-	-	-	-	-	105,897	412	106,309
Balance at March 31, 2017	590,578	10,521	136,865	33,311	25,969	206,666	2,154,709	15,480	2,967,433

The annexed from 1 to 17 form an integral part of these condensed interim unconsolidated financial information.



Mujtaba Haider Khan
Chief Executive



Shabbir Hussain Hashmi
Director

Condensed Interim Unconsolidated Cash Flow Statement

For the quarter ended March 31, 2017

	(Unaudited) 2017			(Unaudited) 2016		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
----- Rupees in '000 -----						
A. CASH FLOWS FROM OPERATING ACTIVITIES						
Profit / (loss) before taxation	139,228	(8,520)	130,708	(9,119)	(17,506)	(26,625)
Adjustments for						
Depreciation	3,068	480	3,548	1,298	3,560	4,858
Amortization	1,268	-	1,268	1,298	-	1,298
Provision for staff retirement gratuity	890	-	890	323	-	323
Provision / (reversal of) provision against trade debts	470	-	470	(618)	(1,100)	(1,718)
Finance cost	7,312	-	7,312	2,205	-	2,205
Capital gain on sale of investments - held for trading	-	-	-	(3,749)	-	(3,749)
Operating loss before working capital changes	152,236	(8,040)	144,196	(8,362)	(15,046)	(23,408)
(Increase) / decrease in current assets						
Stores and spares	-	-	-	867	-	867
Stock in trade	(37,117)	3,791	(33,326)	96,415	10,515	106,930
Trade debts	(58,587)	239	(58,348)	(1,736)	2,541	805
Loans and advances	(4,293)	195	(4,098)	(7,560)	55,676	48,116
Deposits, prepayments and other receivables	(177,268)	(538)	(177,806)	45,731	(63,501)	(17,770)
Increase / (decrease) in current liabilities						
Trade and other payables	(38,612)	62,419	23,807	(41,216)	4,208	(37,008)
	(315,877)	66,106	(249,771)	92,501	9,439	101,940
Cash (used in) / generated from operations	(163,641)	58,066	(105,575)	84,139	(5,607)	78,532
Finance cost paid	(10,279)	-	(10,279)	(115)	-	(115)
Taxes paid	(2,742)	-	(2,742)	(3,735)	-	(3,735)
Net cash (used in) / generated from operating activities	(176,662)	58,066	(118,596)	80,289	(5,607)	74,682
B. CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of property, plant and equipment	(116)	-	(116)	(1,723)	-	(1,723)
Sale proceeds from disposal of property, plant and equipment	-	-	-	17,135	-	17,135
Investment in subsidiaries	-	-	-	(782,310)	-	(782,310)
Sales proceeds from disposal of short-term investments	-	-	-	543,597	-	543,597
Net cash used in investing activities	(116)	-	(116)	(223,301)	-	(223,301)
C. CASH FLOWS FROM FINANCING ACTIVITIES						
Payment of dividend	-	-	-	(2)	-	(2)
Net cash used in financing activities	-	-	-	(2)	-	(2)
Net decrease in cash and cash equivalents (A+B+C)	(176,778)	58,066	(118,712)	(143,014)	(5,607)	(148,621)
Cash and cash equivalents at beginning of the period	-	-	(166,157)	(3,394)	-	(3,394)
Cash and cash equivalents at end of the period	(176,778)	58,066	(284,869)	(146,408)	(5,607)	(162,015)
Cash and cash equivalent:						
Cash and bank balances			10,047			2,216
Running finance			(294,916)			(154,231)
			(284,869)			(152,015)

The annexed from 1 to 17 form an integral part of these condensed interim unconsolidated financial information.



Mujtaba Haider Khan
Chief Executive



Shabbir Hussain Hashmi
Director

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter ended March 31, 2017

1 LEGAL STATUS AND OPERATIONS

- 1.1 Dawood Lawrencepur Limited, “the Company” was incorporated in Pakistan in the year 2004 as a public listed company. It was formed as a result of a Scheme of Arrangement for Amalgamation in terms of the provisions of the Companies Ordinance, 1984 between Dawood Cotton Mills Limited, Dilon Limited, Burewala Textile Mills Limited and Lawrencepur Woolen and Textile Mills Limited. The shares of the Company are listed on Pakistan Stock Exchange Limited. The Company is currently engaged in the business of trading and marketing of renewable energy solutions, mainly solar, to commercial and industrial consumers, along with the legacy textile business. The registered office of the Company is situated at 3rd Floor, Dawood Centre, M.T.Khan Road, Karachi in the province of Sindh.
- 1.2 In prior years, the Company suspended operations of Lawrencepur Woolen and Textile Mills Limited (LWTM), Burewala Textile Mills Limited (BTM), Dilon Limited (DL) and Dawood Cotton Mills Limited (DCM) and sold assets of LWTM. DL and DCM property was sold in 2015. The results of discontinued operations include LWTM and BTM.
- 1.3 The ‘Lawrencepur’ brand name continues to operate under license.

2 BASIS OF PREPARATION

2.1 Basis of measurement

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

- 2.2 This condensed interim unconsolidated financial statements of the Company for the quarter ended March 31, 2017 has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34- “Interim Financial Reporting” and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. These unconsolidated condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRSs).
- 2.3 These condensed interim unconsolidated financial information comprise of the condensed interim unconsolidated balance sheet as at March 31, 2017 and the condensed interim unconsolidated profit and loss account, the condensed interim unconsolidated statement of total comprehensive income, the condensed interim unconsolidated statement of changes in equity, the condensed interim unconsolidated cash flow statement and notes thereto for the quarter then ended.
- 2.4 The comparative balance sheet presented in these condensed interim unconsolidated financial statements as at December 31, 2016 have been extracted from the audited financial statements of the Company for the year then ended. The comparative figures presented in the condensed interim unconsolidated profit and loss account condensed interim unconsolidated statement, of total comprehensive income, condensed interim unconsolidated statement of changes in equity and

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter ended March 31, 2017

condensed interim unconsolidated statement of cash flow for the quarter ended Mar 31, 2016 have been extracted from un-audited condensed interim unconsolidated financial information of the company for the quarter then ended.

3 ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended December 31, 2016.
- 3.2 New standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2017 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these condensed interim unconsolidated financial information.

4 ACCOUNTING ESTIMATES

The preparation of these condensed interim unconsolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

5 SEASONALITY OF OPERATIONS

The principal activity of the Company is to manage investments in its subsidiary and associated companies. Revenue of the Company mainly comprises of dividend income and sales of renewable solutions. Dividends are dependent on the profitability and the decisions of directors and shareholders of the subsidiary and associated companies regarding the declaration and approval of dividends, whereas the majority of costs of the Company are fixed and hence are more evenly spread throughout the year.

In addition certain renewable energy business are being undertaken which were awarded to the company due to compliance of certain regulatory requirement.

		(Unaudited) Mar 31, 2017	(Audited) Dec 31, 2016
	Note	Rupees in '000	
6 LONG TERM INVESTMENTS			
Investment in subsidiary companies	6.1	2,520,805	2,520,805
Investment in associated companies	6.2	65,294	65,294
Other investments	6.3	17,935	17,523
		<u>2,604,034</u>	<u>2,603,622</u>

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter ended March 31, 2017

(Unaudited) (Audited)
Mar 31, 2017 Dec 31, 2016
Rupees in '000

6.1 Investment in subsidiary companies - at cost

Subsidiary - unquoted

Tenaga Generasi Limited

Percentage holding 75% (2016: 75%)

227,027,613 (2016: 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% (2016:100%)

100 (2016: 100) fully paid ordinary shares of Rs. 10/- each

1 1

Reon Energy Limited

Percentage holding 100% (2016: 100%)

22,600,000 (2016: 22,600,000) fully paid ordinary shares of Rs. 10/- each

226,000 226,000

2,520,805 2,520,805

6.2 Associated company - quoted

Dawood Hercules Corporation Limited

Percentage holding 16.19% (2016: 16.19%)

77,931,896 (2016: 77,931,896) fully paid ordinary shares of Rs. 10/- each

Market value Rs.10,327 million (2016: 11,247 million)

65,294 65,294

6.2.1 The Company has pledged 29.66 million (2016: 66.26 million) ordinary shares of Rs. 10 each of Dawood Hercules Corporation Limited and 34.60 million (2016: 34.60 million) ordinary shares of Rs. 10 each of Tenaga Generasi Limited against various financing facilities procured from commercial banks. Details of shares pledge are as follows:

Bank	As at March 31, 2017			As at December 31, 2016		
	Number of shares pledged (in '000)	Face value of pledged shares ------(Rupees in '000) -----	Market value/cost of pledged shares	Number of shares pledged (in '000)	Face value of pledged shares ------(Rupees in '000) -----	Market value/cost of pledged shares
Pledged against financing facilities availed by the Company						
Short term:						
Dawood Hercules Corporation Limited						
Bank Al Habib Limited	9,262	92,620	1,227,308	9,262	92,620	1,336,784
Standard Chartered Bank Limited	20,394	203,940	2,702,409	57,000	570,000	8,226,810
	<u>29,656</u>			<u>66,262</u>		
Tenaga Generasi Limited						
Standard Chartered Bank Limited	34,600	346,000	346,000	34,600	346,000	346,000

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter ended March 31, 2017

6.3 Other Investments Available for sale investment

2017	2016	Name of investee	(Unaudited) Mar 31, 2017	(Audited) Dec 31, 2016
Units / No. of Shares			Rupees in '000	
		Listed Securities		
200,000	200,000	National Investment (Unit) Trust	17,920	17,508
		Un-Listed Securities		
1,500	1,500	Asian Co-operative Society Limited	15	15
			<u>17,935</u>	<u>17,523</u>

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

Fair value of investment	17,935	17,523
Surplus on remeasurement of investments as at year end	(15,480)	(15,068)
Cost of investments	<u>2,455</u>	<u>2,455</u>

7 STOCK IN TRADE

Renewable energy

Finished goods	89,933	52,816
Provision for slow moving and obsolete items	(16,484)	(16,484)
	<u>73,449</u>	<u>36,332</u>

Textile

Finished goods	58,286	62,077
Provision for slow moving and obsolete items	(11,851)	(11,851)
	<u>46,435</u>	<u>50,226</u>
	<u>119,884</u>	<u>86,558</u>

8. CASH AND BANK BALANCES

Cash in hand	203	413
Balances with banks in:		
- current accounts	6,986	10,101
- deposit accounts	2,858	289,816
	<u>9,844</u>	<u>299,917</u>
	<u>10,047</u>	<u>300,330</u>

9 SHORT TERM BORROWINGS

9.1 This represents utilized portion of running finance facility obtained from Standard Chartered Bank (Pakistan) Limited (SCBL) of Rs 500 million (2016: Rs. 500 million) under a mark-up arrangement. The facility is subject to markup of 3 months KIBOR + 100 basis points which is determined at the start of each quarter and is payable on quarterly basis in arrears. The running finance under mark-up arrangement is secured by way of deposit of title deeds of land and pledge over Company's investment in related parties. The facility will expire on Jan 31, 2018.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter ended March 31, 2017

9.2 This represents utilized portion of running finance facility obtained from Bank Al Habib of Rs. 650 million (2016: Rs. 650 million) under a mark-up arrangement. The facility is subject to markup ranging of 3 months KIBOR + 65 basis points which is determined at the start of each quarter and is payable on quarterly basis in arrears. The running finance under mark-up arrangement is secured by way of deposit of title deeds of land and pledge over Company's investment in related parties. Out of the above facility of Rs 650 million, Rs 300 million has been allocated to subsidiary company Reon Energy Limited as a sub limit. The facility will expire on Jan 31, 2018.

10 CONTINGENCIES AND COMMITMENTS

There have been no material changes in contingencies and commitments as reported in the annual audited statements for the year ended December 31, 2016.

	Note	2017	2016
Rupees in '000			
11 REVENUE - NET			
<i>Renewable energy</i>			
Project revenue		6,172	85,044
Solar lights		2	379
Others	11.1	64,461	97,295
		<u>70,635</u>	<u>182,718</u>
<i>Textile- discontinued operations</i>			
Fabric		3,308	8,123
Related to discontinued operations		(3,308)	(8,123)
		<u>70,635</u>	<u>182,718</u>

11.1 Includes in this amount is Rs. 63.74 million (2016: 93.73 million) in respect of sales of inventory made to the wholly owned subsidiary.

12 TAXATION

Current period	<u>24,811</u>	<u>398</u>
----------------	---------------	------------

12.1 The Company has recorded provision for tax amounting to Rs 24.811 million for the quarter ended March 31, 2017.

13 SEGMENT REPORTING

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

- Renewable energy solutions
- Textile - discontinued operations

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter ended March 31, 2017

Segment analysis is as under;

13.1 Segment results	Renewable energy		Textile - discontinued operations				Unallocated		Total	
	March 31,		March 31,		March 31,		March 31,		March 31,	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	----- Unaudited ----- Rupees in '000 -----									
Revenue	70,635	182,718	3,308	8,123	-	-	-	-	73,943	190,841
Cost of goods sold	(68,117)	(166,982)	(19,440)	(9,023)	-	-	-	-	(87,557)	(176,005)
Segment gross profit	2,518	15,736	(16,132)	(900)	-	-	-	-	(13,614)	14,836
Administrative expenses	(13,193)	(24,575)	-	(17,417)	-	-	-	-	(13,193)	(41,992)
Selling and distribution expenses	(5,235)	(7,812)	-	(6)	-	-	-	-	(5,235)	(7,818)
Finance cost	-	-	-	-	(7,427)	(2,205)	-	(2,205)	(7,427)	(2,205)
Other income	-	-	7,612	817	162,565	9,737	170,177	10,554	170,177	10,554
Taxation	-	-	-	-	(24,811)	(398)	(24,811)	(398)	(24,811)	(398)
Segment net profit / (loss)	(40,721)	(16,651)	(8,520)	(17,506)	130,327	7,134	105,897	(27,023)	105,897	(27,023)
	----- Unaudited -----									
	Unaudited Mar 31 2017	Audited Dec 31, 2016	Unaudited Mar 31, 2017	Audited Dec 31, 2016	Unaudited Mar 31, 2017	Audited Dec 31, 2016	Unaudited Mar 31, 2017	Audited Dec 31, 2016	Unaudited Mar 31, 2017	Audited Dec 31, 2016
Segment assets	628,176	347,400	130,786	137,275	2,651,904	2,969,723	3,410,866	3,454,398	3,410,866	3,454,398
Segment liabilities	82,678	30,427	59,663	12,965	301,092	549,882	443,433	593,274	443,433	593,274

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter ended March 31, 2017

14 TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties. Related parties comprise of subsidiary companies, associated undertakings, directors, key management personnel and others. Transaction with related parties are carried out at agreed terms. Remuneration of key management personnel are as per terms of employment.

Relationship	Nature of transaction	(Unaudited)	(Unaudited)
		March 31, 2017	March 31, 2016
		Rupees in '000	
a. Subsidiary company			
Tenaga Generasi Limited	Expenses incurred by the Company	3,757	80,756
	Equity arrangement fee	20,764	9,740
	Subscription of ordinary shares	-	609,310
Reon Energy Limited	Subscription of ordinary shares	-	173,000
	Sales of fixed assets by the Company	-	17,135
	Sales of renewable energy products by the Company	-	98,761
	Sale of Inventory	65,058	-
	Interest on reimbursement of expenses	1,640	-
	Interest on loan	37	-
	Short term loan	7,000	-
	Expenses incurred by the Company	25,844	30,192
	Expenses incurred on behalf of the Company	6,815	10,271
Greengo (Pvt) Limited	Expenses incurred by the Company	2	-
Mozart (Pvt) Limited	Expenses incurred by the Company	0,385	-
Abrax (Pvt) Limited	Expenses incurred by the Company	1	-
b. Associated companies			
Dawood Hercules Corporation Limited	Expenses incurred by the Company	-	583
	Expenses incurred on behalf of the Company	23	-
	Dividend Income	155,864	-
Sach International (Private) Limited	Sale of fabric	-	161
	Expenses incurred by the Company	36	122
	Expenses incurred on behalf of the Company	1,956	-
	Royalty charged	2,201	2,309
	Penalty	-	167
The Dawood Foundation	Rental charges paid	1,842	1,643
	Expenses incurred by the Company	287	1,907
National Database and Registration Authority (NADRA)	Verification charges	-	1
c. Key management personnel	Salaries and benefits	4,398	9,187

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter ended March 31, 2017

15 OTHER INFORMATION

The Board of Directors of the Company at its meeting held on March 10, 2017 had proposed a final cash dividend @ Rs. 5/-per share amounting to Rs. 295,289,295 for year ended December 31, 2016 for approval at the Annual General Meeting to be held on April 25, 2017, which was subsequently approved by the Shareholders. This condensed interim unconsolidated financial information does not reflect this proposed dividend.

16 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim unconsolidated financial information was authorized for issue on April 24, 2017 by the Board of Directors of the Company.

17 GENERAL

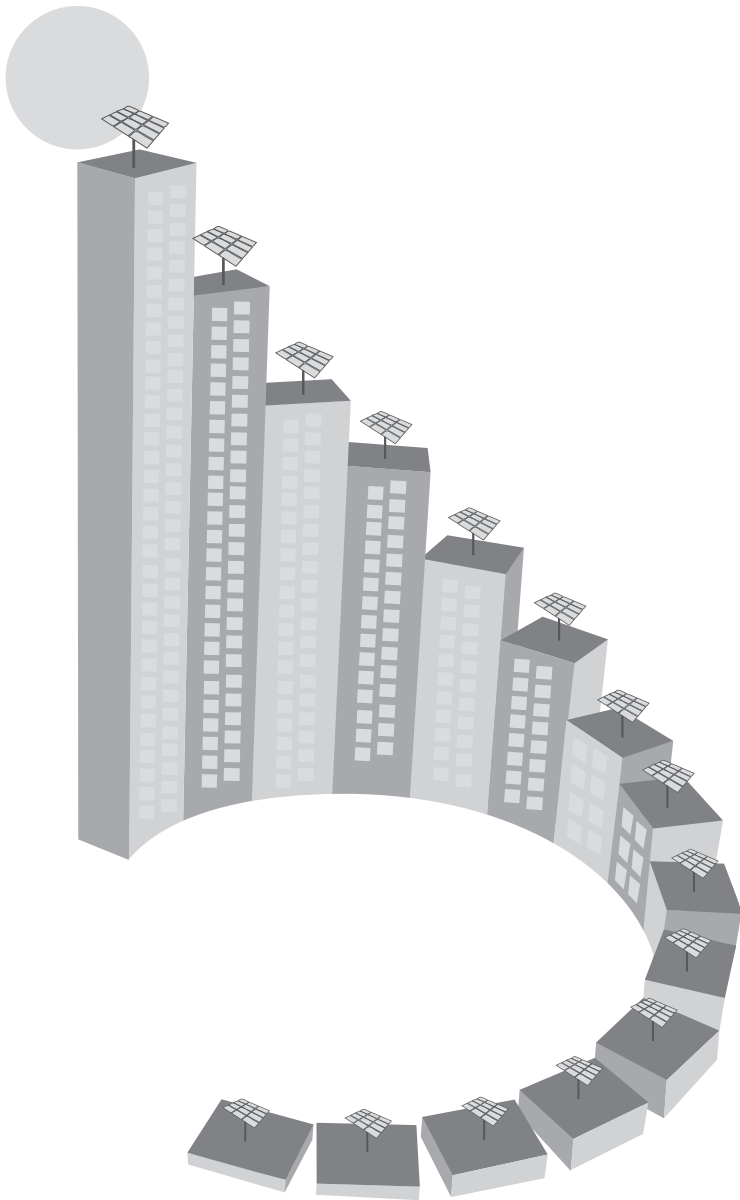
Figures have been rounded off to the nearest thousand of Rupees.



Mujtaba Haider Khan
Chief Executive



Shabbir Hussain Hashmi
Director



Condensed Interim Consolidated
Financial Information (Unaudited)

Condensed Interim Consolidated Balance Sheet

As at March 31, 2017

	Note	(Unaudited) March 31 2017	(Audited) December 31 2016
Rupees in '000			
ASSETS			
Non-current assets			
Property, plant and equipment		11,272,249	11,405,112
Intangible assets		27,973	29,267
Long term investments	4	8,728,619	8,708,829
Long term deposits		2,778	2,778
Long term loan		-	49
		<u>20,031,619</u>	<u>20,146,035</u>
Current assets			
Stores and spares		47,258	47,258
Stock in trade		176,909	149,447
Trade debts		669,216	326,655
Loans and advances		32,192	19,581
Taxes recoverable		40,083	62,465
Deposits, prepayments and other receivables		482,079	338,671
Cash and bank balances	5	311,519	798,854
		<u>1,759,256</u>	<u>1,742,931</u>
TOTAL ASSETS		<u>21,790,875</u>	<u>21,888,966</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorized capital		<u>750,000</u>	<u>750,000</u>
Issued, subscribed and paid-up capital		590,578	590,578
Capital reserve		206,666	206,666
Unrealized gain on remeasurement of available for sale investments		14,569	14,157
Unappropriated profit		9,139,726	9,083,774
Non-controlling interest		702,776	708,256
		<u>10,654,315</u>	<u>10,603,431</u>
LIABILITIES			
Non current liabilities			
Borrowings	6	8,052,194	8,471,798
Deferred taxation		1,080,670	1,078,251
Staff retirement gratuity		30,514	23,612
		<u>9,163,378</u>	<u>9,573,661</u>
Current liabilities			
Trade and other payables		487,590	811,030
Short term borrowings	7	336,273	466,487
Current portion of long term borrowings		1,006,221	293,487
Accrued markup		143,098	140,870
		<u>1,973,182</u>	<u>1,711,874</u>
TOTAL EQUITY AND LIABILITIES		<u>21,790,875</u>	<u>21,888,966</u>
CONTINGENCIES AND COMMITMENTS			
	8		

The annexed notes from 1 to 13 form an integral part of these condensed interim consolidated financial information.



Mujtaba Haider Khan
Chief Executive



Shabbir Hussain Hashmi
Director

Condensed Interim Consolidated Profit And Loss Account

For the quarter ended March 31, 2017

	(Unaudited) March 31 2017	(Unaudited) March 31, 2016
Rupees in '000		
CONTINUING OPERATIONS		
Revenue - net	502,815	91,181
Cost of revenue	(321,397)	(74,739)
Gross profit	181,418	16,442
Other income	18,355	16,774
Selling and distribution expenses	(42,131)	(20,102)
Administrative expenses	(65,764)	(49,638)
Finance cost	(179,764)	(2,231)
	(287,659)	(71,971)
	(87,886)	(38,755)
Share of profit from investment in an associate	175,242	421,538
Profit before taxation	87,356	382,783
Taxation	(28,364)	(2,098)
Profit after taxation	58,992	380,685
DISCONTINUED OPERATIONS		
Loss from discontinued operations	(8,520)	(17,506)
Profit for the period	<u>50,472</u>	<u>363,179</u>
Earnings per share - Basic and diluted Continuing operations (Rs.)	<u>1.00</u>	<u>6.45</u>
Earnings / (loss) per share - Basic and diluted Discontinued operations (Rs.)	<u>(0.14)</u>	<u>(0.30)</u>
Profit / (loss) attributable to:		
Owners of the Holding Company	55,952	364,277
Non-controlling interest	(5,480)	(1,099)
	<u>50,472</u>	<u>363,179</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim consolidated financial information.



Mujtaba Haider Khan
Chief Executive



Shabbir Hussain Hashmi
Director

Condensed Interim Consolidated Statement of Comprehensive Income

For the quarter ended March 31, 2017

	(Unaudited) March 31 2017	(Unaudited) March 31, 2016
	Rupees in '000	
Profit after taxation	50,472	363,179
Other comprehensive income:		
Items that may be reclassified subsequently through profit and loss account		
Gain / (loss) on remeasurement of 'available for sale' investments	412	(4,566)
Total comprehensive income for the period	50,884	358,613
Total comprehensive income attributable to:		
- Continuing operations	59,404	376,119
- Discontinued operations	(8,520)	(17,506)
	50,884	358,613
Total comprehensive income attributable to:		
- Owners of the Holding Company	56,364	359,712
- Non-controlling interest	(5,480)	(1,099)
	50,884	358,613

The annexed notes from 1 to 13 form an integral part of these condensed interim consolidated financial information.



Mujtaba Haider Khan
Chief Executive



Shabbir Hussain Hashmi
Director

Condensed Interim Consolidated Statement Of Changes In Equity (Unaudited)

For the quarter ended March 31, 2017

	Ordinary Shares	Capital Reserves				Un- appropriated profit	Unrealized gain on remeasurement of available for sale investments	Non controlling interest	Total	
		Merger reserve	Share premium reserve	Capital reserve	Capital redemption reserve fund					Total
Balance at January 1, 2015 - restated	590,578	10,521	136,865	33,311	25,969	206,666	5,722,164	9,297	301,436	6,830,141
Profit for the period	-	-	-	-	-	364,277	-	-	(1,099)	363,178
Share purchased during the period	-	-	-	-	-	-	-	-	202,854	202,854
Share issue cost	-	-	-	-	-	(63)	-	-	-	(63)
Other comprehensive income	-	-	-	-	-	-	(4,566)	-	-	(4,566)
Total comprehensive income for the period	-	-	-	-	-	364,244	(4,566)	-	201,755	561,433
Balance at March 31, 2016	590,578	10,521	136,865	33,311	25,969	206,666	6,086,408	4,731	503,191	7,391,574
Balance at January 1, 2017	590,578	10,521	136,865	33,311	25,969	206,666	9,083,774	14,157	708,256	10,603,431
Profit / (loss) for the period	-	-	-	-	-	-	55,952	-	(5,480)	50,472
Other comprehensive income	-	-	-	-	-	-	-	412	-	412
Total comprehensive income for the period	-	-	-	-	-	-	55,952	412	(5,480)	50,884
Balance at March 31, 2017	590,578	10,521	136,865	33,311	25,969	206,666	9,139,726	14,569	702,776	10,654,315

----- Rupees in '000

The annexed notes from 1 to 13 form an integral part of these condensed interim consolidated financial information.



Mujtaba Haider Khan
Chief Executive



Shabbir Hussain Hashmi
Director

Condensed Interim Consolidated Cash Flow Statement

For the quarter ended March 31, 2017

	(Unaudited) March 31, 2017			(Unaudited) March 31, 2016		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
----- Rupees in '000 -----						
A. CASH FLOWS FROM OPERATING ACTIVITIES						
Profit / (loss) before taxation	87,356	(8,520)	78,836	382,783	(17,506)	365,277
Adjustments for						
Depreciation	138,128	480	138,608	3,741	3,560	7,301
Amortization	1,345	-	1,345	1,360	-	1,360
Provision for staff retirement gratuity	3,272	-	3,272	1,695	-	1,695
Provision against trade debts	470	-	470	-	-	-
Reversal of provision against trade debts	-	-	-	(618)	(1,100)	(1,718)
Finance cost	179,764	-	179,764	2,231	-	2,231
Gain on disposal of property, plant and equipment	(11)	-	(11)	-	-	-
Share of profit from as associate	(175,242)	-	(175,242)	(421,539)	-	(421,539)
Capital gain on sale of investments - held for trading	-	-	-	(8,652)	-	(8,652)
Operating loss before working capital changes	235,082	(8,040)	227,042	(38,938)	(15,046)	(54,044)
(Increase) / decrease in current assets						
Stores and spares	-	-	-	816	-	816
Stock in trade	(31,253)	3,791	(27,462)	(344)	10,515	10,171
Trade debts	(343,270)	239	(343,031)	(3,369)	2,541	(828)
Loans and advances	(12,806)	195	(12,611)	(7,425)	55,676	48,251
Deposits, prepayments and other receivables	12,994	(538)	12,456	44,462	(63,501)	(19,039)
Increase / (decrease) in current liabilities						
Trade and other payables	(380,574)	62,419	(318,155)	(59,745)	4,208	(55,537)
	(754,909)	66,106	(688,803)	(25,605)	9,439	(16,166)
Cash (used in) / generated from operations	(519,827)	58,066	(461,761)	(64,603)	(5,607)	(70,210)
Staff retirement benefits paid	(1,655)	-	(1,655)	-	-	-
Finance cost paid	(177,536)	-	(177,536)	(53,107)	-	(53,107)
Taxes paid	(3,563)	-	(3,563)	(5,072)	-	(5,072)
Net cash (used in) / generated from operating activities	(702,581)	58,066	(644,515)	(122,782)	(5,607)	(128,389)
B. CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of property, plant and equipment	(5,745)	-	(5,745)	(22,525)	-	(22,525)
Sale proceeds from disposal of property, plant and equipment	11	-	11	17,503	-	17,503
Additions to capital work in progress	-	-	-	(3,379,999)	-	(3,379,999)
Additions to transaction costs	-	-	-	(11,608)	-	(11,608)
Purchase of intangible assets	(51)	-	(51)	-	-	-
Interest received	-	-	-	434	-	434
Purchase of short-term investments	-	-	-	(720,000)	-	(720,000)
Loan recovered	49	-	49	-	-	-
Sales proceeds from disposal of short-term investments	-	-	-	1,673,549	-	1,673,549
Net cash used in investing activities	(5,736)	-	(5,736)	(2,442,646)	-	(2,442,646)
C. CASH FLOWS FROM FINANCING ACTIVITIES						
Issue of fully paid ordinary shares in cash	-	-	-	202,853	-	202,853
Payment of long term loan	293,130	-	293,130	2,844,773	-	2,844,773
Payment of dividend	-	-	-	(2)	-	(2)
Net cash generated from financing activities	293,130	-	293,130	3,047,624	-	3,047,624
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(415,187)	58,066	(357,121)	482,196	(5,607)	476,589
Cash and cash equivalents at beginning of the period			332,367			498,078
Cash and cash equivalents at end of the period			(24,754)			974,667
Cash and cash equivalent:						
Cash and bank balances			311,519			1,128,898
Running finance			(336,273)			(154,231)
			(24,754)			974,667

The annexed notes from 1 to 13 form an integral part of these condensed interim consolidated financial information.



Mujtaba Haider Khan
Chief Executive



Shabbir Hussain Hashmi
Director

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter ended March 31, 2017

1 GENERAL INFORMATION

- 1.1 Dawood Lawrencepur Limited, "the Company" was incorporated in Pakistan in the year 2004 as a public listed company. It was formed as a result of a Scheme of Arrangement for Amalgamation in terms of the provisions of the Companies Ordinance, 1984 between Dawood Cotton Mills Limited, Dilon Limited, Burewala Textile Mills Limited and Lawrencepur Woolen and Textile Mills Limited. The shares of the Company are listed on Pakistan Stock Exchange limited. The Company is currently engaged in the business of trading and marketing of renewable energy solutions, mainly solar, to commercial and industrial consumers, along with the legacy textile business. The registered office of the Company is situated at 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi in the province of Sindh.
- 1.2 In prior years, the Company suspended operations of Lawrencepur Woolen and Textile Mills Limited (LWTM), Burewala Textile Mills Limited (BTM), Dilon Limited (DL) and Dawood Cotton Mills Limited (DCM) and sold assets of LWTM. DL and DCM property was sold in 2015. The results of discontinued operations include LWTM and BTM.
- 1.3 The 'Lawrencepur' brand name continues to operate under license.
- 1.4 The "Group" consists of:

The Holding Company: Dawood Lawrencepur Limited

Subsidiary Companies: Companies in which the Holding Company owns over 50% of voting rights:

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

	Period Ended	%age of direct holding	
		2017	2016
-Reon Energy Limited (note 1.5.1)	March 31	100%	100%
-Tenega Generasi Limited (note 1.5.2)	March 31	75%	75%
-Mozart (Private) Limited (note 1.5.3)	March 31	100%	100%
Associated Company:			
-Dawood Hercules Corporation Limited note (1.6)	March 31	16.19%	16.19%

1.5 Subsidiary companies

1.5.1 Reon Energy Limited

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

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter ended March 31, 2017

1.5.2 Tenaga Generasi Limited

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

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.

1.5.3 Mozart (Private) Limited

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

1.6 Associated company - Dawood Hercules Corporation Limited

Dawood Hercules Corporation Limited (DHCL) was incorporated in Pakistan on April 17, 1968 as a public limited company under the Companies Act 1913 (now Companies Ordinance, 1984) (the Ordinance) and its shares are quoted on Pakistan Stock Exchange Limited. The principal activity of DHCL is to manage investments in its subsidiary and associated companies. The registered office of DHCL is situated at Dawood Center, M.T. Khan Road, Karachi. The Holding Company holds ownership of 16.19% (2016: 16.19%) in DHCL.

2 BASIS OF PREPARATION

2.1 Basis of measurement

These consolidated condensed interim financial information of the Group for the quarter ended March 31, 2017 is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. These consolidated condensed interim financial information should be read in conjunction with the audited consolidated financial statements of the Group for the year ended December 31, 2016.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter ended March 31, 2017

- 2.2 The preparation of this consolidated condensed interim financial information in conformity with the approved accounting standards 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. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The disclosures made in these condensed interim consolidated financial information have been limited based on the International Accounting Standard 34, "Interim Financial Reporting". They do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2016.

- 2.3 During the preparation of this consolidated condensed interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that apply to the consolidated financial statements of the Group for the year ended December 31, 2016.

3 ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are consistent with those applied in the preparation of the financial statements for the year ended December 31, 2016.
- 3.2 There are certain new International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning January 1, 2016. These are considered not to be relevant or have any significant effect on the Holding Company's financial reporting and operations and, therefore, not disclosed in this condensed interim consolidated financial information.

		(Unaudited) March 31 2017	(Audited) December 31 2016
4 LONG TERM INVESTMENTS	Note	Rupees in '000	
Share of investment in an associate	4.1	8,710,684	8,691,306
Other investments	4.2	17,935	17,523
		<u>8,728,619</u>	<u>8,708,829</u>
4.1 Share of investment in an associate			
Associated company - quoted			
Dawood Hercules Corporation Limited			
Opening balance		8,691,306	5,337,092
Add: Share of profit after taxation		175,242	4,138,901
Share of other comprehensive income		-	(741)
Other equity transaction		-	579,863
		<u>8,866,548</u>	<u>4,718,023</u>
Less: Dividend		(155,864)	(1,363,809)
		<u>8,710,684</u>	<u>8,691,306</u>

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter ended March 31, 2017

4.1.1 The Holding Company has invested in an associate DHCL with ownership of 16.19% (2016: 16.19%), comprising of 77,931,896 fully paid ordinary shares of Rs. 10/- each. The market value of investment as at March 31, 2017 was Rs. 10,237 million (2016: Rs. 11,248 million).

4.1.2 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.

4.2 Other Investment

Available for sale investment

			(Unaudited) March 31 2017	(Audited) December 31 2016
2017	2016	Name of investee	Rupees in '000	
Units/ No. of Shares				
Listed Securities				
200,000	200,000	National Investment (Unit) Trust	17,920	17,508
Un-Listed Securities				
1,500	1,500	Asian Co-operative Society Limited	15	15
			<u>17,935</u>	<u>17,523</u>

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

Fair value of investment	17,935	17,523
Surplus on remeasurement of investments as at year end	(15,480)	(15,068)
Cost of investments	<u>2,455</u>	<u>2,455</u>

5 CASH AND BANK BALANCES

Cash in hand	468	462
Cheques in hand	-	109,500
Balances with banks in:		
- current accounts	6,986	10,101
- deposit accounts		
- PKR accounts	304,065	403,661
- FCY accounts	-	275,130
	<u>311,051</u>	<u>688,892</u>
	<u>311,519</u>	<u>798,854</u>

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter ended March 31, 2017

- 5.1 The deposit carry profit at the rates ranging from 3.75% to 4% per annum (2016: 3.74% to 4%).

(Unaudited) March 31 2017	(Audited) December 31 2016
---------------------------------	----------------------------------

Rupees in '000

6 BORROWINGS - SECURED

Foreign currency borrowings	6,920,100	6,635,239
Local currency borrowings	2,398,838	2,398,838
	<u>9,318,938</u>	<u>9,034,077</u>
Transaction cost		
Transaction cost to date	(305,947)	(305,947)
Accumulated amortization	45,424	37,155
	<u>(260,523)</u>	<u>(268,792)</u>
Less: Current portion shown under current liabilities	(1,006,221)	(293,487)
	<u>8,052,194</u>	<u>8,471,798</u>

7 SHORT TERM BORROWING

- 7.1 This represents utilized portion of running finance facility obtained from Standard Chartered Bank (Pakistan) Limited (SCBL) of Rs 500 million (2016: Rs. 500 million) under a mark-up arrangement. The facility is subject to markup of 3 months KIBOR + 100 basis points which is determined at the start of each quarter and is payable on quarterly basis in arrears. The running finance under mark-up arrangement is secured by way of deposit of title deeds of land and pledge over Company's investment in related parties. The facility will expire on January 31, 2018.

- 7.2 This represents utilized portion of running finance facility obtained from Bank Al Habib of Rs 650 million (2016: Rs. 650 million) under a mark-up arrangement. The facility is subject to markup ranging of 3 months KIBOR + 65 basis points which is determined at the start of each quarter and is payable on quarterly basis in arrears. The running finance under mark-up arrangement is secured by way of deposit of title deeds of land and pledge over Company's investment in related parties. Out of the above facility of Rs 650 million, Rs 300 million has been allocated to subsidiary company Reon Energy Limited as a sub limit. The facility will expire on Jan 31 2018.

8 CONTINGENCIES AND COMMITMENTS

There have been no material changes in contingencies and commitments as reported in the annual audited consolidated financial statements of the Group, for the year ended December 31, 2016.

9 SEGMENT REPORTING

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

- Renewable energy solutions
- Alternate energy
- Textile - discontinued operations

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter ended March 31, 2017

Segment analysis is as under:

	-----Unaudited-----									
	Renewable energy		Textile - discontinued operations		Alternate energy		Unallocated		Total	
	March 31, 2017	2016	March 31, 2017	2016	March 31, 2017	2016	March 31, 2017	2016	March 31, 2017	2016
9.1 Segment results										
Revenue	120,291	83,058	3,308	8,123	382,524	-	-	-	506,123	91,181
Cost of goods sold	(101,826)	(65,716)	(19,440)	(9,023)	(219,571)	-	-	-	(340,837)	(74,739)
Segment gross profit	18,465	17,342	(16,132)	(900)	162,953	-	-	-	165,286	16,442
Administrative expenses	(38,348)	(22,538)	-	(17,417)	(27,416)	(9,683)	-	-	(65,764)	(49,638)
Selling and distribution expenses	(42,131)	(20,096)	-	(6)	-	(1)	-	-	(42,131)	(20,102)
Finance cost	(3,507)	-	-	-	(168,830)	-	(7,427)	(2,230)	(179,764)	(2,231)
Other income / (expense)	280	(817)	7,612	817	11,374	6,985	6,701	9,789	25,967	16,774
Share of profit from associate	-	-	-	-	-	-	175,242	421,538	175,242	421,538
Taxation	-	-	-	-	-	(1,695)	(28,364)	(403)	(28,364)	(2,098)
Segment net (loss) / profit	(65,241)	(26,109)	(8,520)	(17,506)	(21,919)	(4,394)	146,152	428,694	50,472	380,685
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	Mar 31, 2017	Dec 31, 2016	Mar 31, 2017	Dec 31, 2016	Mar 31, 2017	Dec 31, 2016	Mar 31, 2017	Dec 31, 2016	Mar 31, 2017	Dec 31, 2016
9.2 Segment assets	573,444	632,205	130,787	137,276	12,282,883	12,013,353	8,803,761	9,106,132	21,790,875	21,888,966
Segment liabilities	137,194	176,513	59,663	12,965	9,556,805	9,541,042	1,382,898	1,555,015	11,136,560	11,285,535

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter ended March 31, 2017

10 TRANSACTIONS WITH RELATED PARTIES

The Group in the normal course of business carries out transactions with various related parties. Related parties comprise of associated undertakings, directors, key management personnel and others. Transaction with related parties are carried out at agreed terms. Remuneration of key management personnel are as per terms of employment.

Relationship	Nature of transaction	(Unaudited)	(Unaudited)
		March 31, 2017	March 31, 2016
		Rupees in '000	
a. Associated companies			
Dawood Hercules Corporation Limited	Expenses incurred on behalf of the Group	4,071	611
	Dividend Income	155,864	-
	Expenses incurred by the Group	15	-
Sach International (Private) Limited	Sale of fabric	-	161
	Expenses incurred on behalf of the Group	1,956	122
	Expenses incurred by the Group	36	-
	Royalty charged	2,201	2,309
	Penalty	-	167
The Dawood Foundation	Rental charges paid	1,842	1,643
	Expenses incurred by the Group	287	1,907
National Database and Registration Authority (NADRA)	Verification charges	-	1
International Finance Corporation	Debt arrangement fee charged to the Group	434	2,843
	Borrowing cost charged to the Group	33,569	10,639
	Loan received	280,621	576,172
	Issue of right shares	-	202,854
	Supervision fees	655	-
Engro Powergen Limited	Project management fee	1,200	3,200
	Expenses incurred on behalf of the Group	1,840	8,606
b. Key management personnel	Salaries and benefits	33,721	22,399

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter ended March 31, 2017

11 OTHER INFORMATION

The Board of Directors in its meeting held on March 10, 2017 has proposed a final cash dividend of Rs. 5 per share for the year ended December 31, 2016 amounting to Rs. 295,289,295 for approval of the members at the Annual General Meeting to be held on 25th April 2017. The amount of total dividend is calculated at the number of shares outstanding as at December 31, 2016. This condensed interim unconsolidated financial information does not reflect this proposed dividend.

12 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial information was authorized for issue on April 24, 2017 by the Board of Directors of the Holding Company.

13 GENERAL

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



Mujtaba Haider Khan
Chief Executive



Shabbir Hussain Hashmi
Director

Notes

Lined area for writing notes, consisting of multiple horizontal lines.



Dawood Lawrencepur Limited

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