

First Quarter Ended March 31, 2014 (Un-audited)

TOWARDS A BETTER

T O M  R R O W



Dawood Lawrencepur Limited



Towards a Better Tomorrow

REON Energy Solutions – a renewable energy division of Dawood Lawrencepur Limited; aims to provide energy-starved customers with technically sound and cost-effective solutions through their technical and financial expertise and to assist the customers through the journey to energy sufficiency.

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Vision

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

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

Company Information

Board of Directors

Shahid Hamid Pracha (Chairman)
Inam ur Rahman (Chief Executive)
Shafiq Ahmed
Abdul Samad Dawood
Shahzada Dawood
Sarfaraz Ahmed Rehman
Ali Aamir
Jawaid Abdul Ghani

Board Audit Committee

Ali Aamir (Chairman)
Shafiq Ahmed
Jawaid Abdul Ghani

Human Resource and Remuneration Committee

Shahid Hamid Pracha (Chairman)
Abdul Samad Dawood
Sarfaraz Ahmed Rehman

CFO and Company Secretary

Hafsa Shamsie

Auditors

M. Yousuf Adil Saleem & Co.
(Chartered Accountants)

Bankers

Bank Al-Habib Limited
Habib Bank Limited
National Bank of Pakistan
MCB Bank Limited
Barclays Bank PLC

Legal Advisor

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

Share Registrar

C&K Management Associates (Pvt.) Ltd.
404-Trade Tower, Abdullah Haroon Road
Near Metropole Hotel, Karachi-75530
Ph# : 021-35685930, 35687839

Registered / Head Office

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

Mills

Landhi
Landhi Industrial Area Karachi.
Ph# : 021-35018476, 35018751
Fax# : 021- 35018463, 35024520

Dawoodabad
District Vehari
Ph# : 067- 3353347, 3353145,
3353246
Fax# : 067- 3354679

Dawoodpur
District Attock
Ph# : 057-2641074-6
Fax# : 057-2641073

Directors' Review

The Directors are pleased to present the un-audited condensed interim financial information of Dawood Lawrencepur Limited for the quarter ended March 31, 2014.

OPERATING RESULTS

Turnover of the Company for the quarter ended March 31, 2014 was Rs 47.5 million and at par with the similar period last year. Rs. 24.4m (52%) of the revenue came from the renewable energy business as the Company continued to implement its strategic portfolio shift away from its legacy textile business which contributed Rs 23.1m to the total turnover of the Company. However, investment in development of human resource and technical capabilities as well as expenditure incurred to understand and seed the nascent renewable energy market kept costs under pressure. Resultantly, the operating loss of the Company increased to Rs 51 million as compared to a loss of Rs 25.2 million last year.

The summary of operating results is as follows:

	Quarter ended 31 March 2014 Rupees (million)	Quarter ended 31 March 2013 Rupees (million)
Sales	24.4*	47.6
Operating Loss	(51.00)	(25.20)
Share of profit from associate	165.46	23.48
Other operating income	3.28	13.92
(Loss) / profit from discontinued operations	(13.48)	(11.51)
Profit after taxation from continuing operations	93.06	13.12
Profit for the quarter	79.58	1.61

*Sales revenue from continuing operations (renewable energy business) only

Loss per share on a standalone basis for the quarter was Rs.1.12 per share as compared to a profit of Rs. 0.92 per share in March 2013. Earnings per share for the Group were Rs 1.35 per share as compared to Rs. 0.03 per share for the similar period last year.

PROGRESS REVIEW:

Following on from the significant amount of work on exploratory and pilot projects in the solar photo voltaic business in 2013, the Company continues to establish itself in the renewable energy industry with a focus on providing customized integrated solutions to energy-starved industrial and commercial customers. On the back of its technical capability, the Company was able to commence and deliver a number of sizeable projects during the period under review, both in the solar as well as the biogas industries. Strategic partnerships and collaborations with significant organizations is a preferred mode for market penetration and towards this end, the Company has formed alliances with d.light design, DuPont Apollo (a wholly owned subsidiary of DuPont, USA) and various non-government organizations.

Further to suspension of operations at Lawrencepur Woolen Textile Mill in August 2013, the Labour Court allowed closure of the Mill during the period under review. The 'Lawrencepur'

brand continues to flourish and grow in the local market thereby augmenting Company income through royalty proceeds and the Company remains committed to managing the brand to ensure sustainable shareholder returns in the future.

BUSINESS OUTLOOK

The Company is heartened by the level of customer acceptability for its “Reon” brand which promises reliability, technical competence and customization. The Company expects to install an increasing number of medium to large scale solutions to a cross section of industrial customers over the coming months and is confident that its technical capability will help deliver satisfaction to all stakeholders.

The 50 Mega Watt Wind Power Plant being set up at Gharo awaits tariff award by the government impacting achievement of Project milestones with financial close date being pushed further out than the earlier estimated Q3 2014. Whilst the Company remains optimistic about the future of Wind Energy given its cost competitiveness over other conventional energy forms and the promise of energy security, there are many macro-level challenges facing the Project. The timelines for the way forward for all wind power producers remain largely dependent on the Government speed in resolution of regulatory issues like award of tariff and approval of draft EPA / IA. Delays in Government response time along with possible lack of suitable policies could lead to this very crucial sector being yet again overlooked by investors, an occurrence which will be to the detriment of the country’s economic recovery.

On Behalf of the Board



INAM UR RAHMAN
Chief Executive

Karachi:
April 24, 2014

Condensed Interim Balance Sheet (Un-Audited)

As at March 31, 2014

		(Unaudited) March 31 , 2014	(Audited) December 31, 2013
	Note	---- Rupees in '000 ----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	47,067	48,453
Intangible assets		1,015	1,147
Long term investments		446,999	445,785
Long term deposits		10,544	10,544
		505,625	505,929
Current assets			
Stores and spares		36,525	36,582
Stock-in-trade		259,036	261,306
Trade debts		73,282	94,882
Loans and advances		58,517	42,108
Deposits, prepayments and other receivables		92,377	96,961
Cash and bank balances		3,383	20,256
		523,120	552,095
Assets classified as 'held for sale'		194,529	194,529
		1,223,274	1,252,553
SHARE CAPITAL AND RESERVES			
Share capital		590,578	590,578
Reserves		215,388	214,174
Unappropriated (loss) / profit		(17,275)	49,027
		788,691	853,779
LIABILITIES			
Non current liabilities			
Deferred liabilities		12,724	9,419
Current liabilities			
Running finance		289,710	261,708
Trade and other payables		110,815	109,618
Accrued markup		7,919	5,131
Provision for taxation		13,415	12,898
		421,859	389,355
		1,223,274	1,252,553

CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.


INAM UR RAHMAN
Chief Executive


ALI AAMIR
Director

Condensed Interim Profit and Loss Account (Un-Audited)

For the Quarter Ended March 31, 2014

	Quarter ended	
	Mar 31, 2014	Mar 31, 2013
	----- Rupees in '000 -----	
CONTINUING OPERATIONS		
Sales - net	24,404	47,556
Cost of goods sold	(18,170)	(43,624)
Gross profit	6,234	3,932
Other income	667	91,076
Selling and distribution expenses	(21,997)	(3,735)
Administrative expenses	(29,128)	(25,393)
Finance cost	(8,085)	(91)
	(59,210)	(29,219)
(Loss) / profit before taxation	(52,309)	65,788
Taxation	(517)	(433)
(Loss) / profit after taxation from continuing operations	(52,826)	65,355
DISCONTINUED OPERATIONS		
Loss from discontinued operations	(13,476)	(11,509)
(Loss) / profit for the period	(66,302)	53,846
Earnings per share - Basic and diluted		
Continuing operations (Rs.)	(0.89)	1.11
Earnings per share - Basic and diluted		
Discontinued operations (Rs.)	(0.23)	(0.19)

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.


INAM UR RAHMAN
Chief Executive


ALI AAMIR
Director

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Quarter Ended March 31, 2014

	Quarter Ended	
	Mar 31, 2014	Mar 31, 2013
	---- Rupees in '000 ----	
(Loss) / profit after taxation	(66,302)	53,846
Other comprehensive income		
Surplus on remeasurement of 'available for sale' investments	1,214	256
Total comprehensive income	(65,088)	54,102

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.



INAM UR RAHMAN
Chief Executive



ALI AAMIR
Director

Condensed Interim Cash Flow Statement (Un-Audited)

For the Quarter Ended March 31, 2014

	Quarter ended Mar 31, 2014			Quarter ended Mar 31, 2013		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	Rupees in '000					
A. CASH FLOWS FROM OPERATING ACTIVITIES						
(Loss) / profit before taxation	(52,309)	(13,476)	(65,785)	65,788	(11,509)	54,279
Adjustments for:						
Depreciation	880	880	1,760	1,176	361	1,537
Amortization	152	-	152	122	-	122
Provision for gratuity	5,091	-	5,091	4,946	47	4,993
Finance cost	8,085	-	8,085	-	-	-
Loss / (gain) on disposal of property, plant and equipment	(89)	-	(89)	75	3	78
Dividend income	-	-	-	(77,932)	-	(77,932)
Gain on sale of short-term investments-net	-	-	-	(10,480)	-	(10,480)
Operating loss before working capital changes	(38,189)	(12,596)	(50,785)	(16,305)	(11,098)	(27,403)
(Increase) / decrease in current assets						
Stores and spares	-	57	57	399	-	399
Stock in trade	(16,327)	18,597	2,270	2,739	15	2,754
Trade debts	(2,128)	23,728	21,600	55,295	-	55,295
Loans and advances	(14,545)	(1,128)	(15,673)	(3,842)	-	(3,842)
Deposits, prepayments and other receivables	7,014	(2,430)	4,584	(8,525)	-	(8,525)
Increase/ (decrease) in current liabilities						
Trade and other payables	4,988	(3,668)	1,320	5,628	-	5,628
	(20,998)	35,156	14,158	51,694	15	51,709
Cash used in generated from operations	(59,188)	22,560	(36,628)	35,389	(11,083)	24,306
Gratuity paid	(1,786)	-	(1,786)	(1,497)	-	(1,497)
Finance cost paid	(5,297)	-	(5,297)	-	-	-
Tax paid	(736)	-	(736)	(528)	-	(528)
Net cash (used in) / generated from operating activities	(67,007)	22,560	(44,447)	33,365	(11,083)	22,281
B. CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of property, plant and equipment	(796)	-	(796)	(1,283)	-	(1,283)
Sale proceeds from disposal of property, plant and equipment	512	-	512	1,536	18	1,554
Purchase of intangible assets	(21)	-	(21)	-	-	-
Purchase of short-term investments	-	-	-	(25,000)	-	(25,000)
Net cash generated from / (used in) investing activities	(306)	-	(306)	(24,747)	18	(24,729)
C. CASH FLOWS FROM FINANCING ACTIVITIES						
Payment of dividend	(122)	-	(122)	-	-	-
Net cash used in financing activities	(122)	-	(122)	-	-	-
Net (decrease) / increase in cash and cash equivalent (A+B+C)	(67,435)	22,560	(44,875)	8,617	(11,065)	(2,448)
Cash and cash equivalent at beginning	(241,452)	-	(241,452)	(41,448)	64,842	23,394
Cash and cash equivalent at end	(308,887)	22,560	(286,327)	(32,831)	53,777	20,946
Cash and cash equivalent			3,383			20,946
Cash and bank balances			(289,710)			-
Running finance			(286,327)			20,946

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.


INAM UR RAHMAN
Chief Executive


ALI AAMIR
Director

Condensed Interim Statement of Changes in Equity (Un-Audited)

For the Quarter Ended March 31, 2014

	Capital Reserves					General reserve	Un-appropriated profit / (loss)	Unrealized gain / (loss) on re-measurement of available for sale investments	Total
	Merger reserve	Share premium reserve	Capital reserve	Capital redemption reserve fund					
Ordinary shares									
Balance at January 01, 2013 - restated	590,578	136,865	33,311	25,969	395,355	355,168	4,198	1,551,965	
Total comprehensive income for the quarter ended March 31, 2013	-	-	-	-	-	53,846	256	54,102	
Balance at March 31, 2013	590,578	136,865	33,311	25,969	395,355	409,014	4,454	1,606,067	
Balance at January 01, 2014	590,578	136,865	33,311	25,969	-	49,027	7,508	853,779	
Total comprehensive income for the quarter ended March 31, 2014	-	-	-	-	-	(66,302)	1,214	(65,088)	
Balance at March 31, 2014	590,578	136,865	33,311	25,969	-	(17,275)	8,722	788,691	

Rupees in ,000

Balance at January 01, 2013 - restated
Total comprehensive income for the quarter ended March 31, 2013

Balance at March 31, 2013

Balance at January 01, 2014

Total comprehensive income for the quarter ended March 31, 2014

Balance at March 31, 2014

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.



INAM UR RAHMAN
Chief Executive



ALI AAMIR
Director

Notes to the Condensed Interim Financial Information (Un-Audited)

For the Quarter Ended March 31, 2014

1. GENERAL INFORMATION

- 1.1 Dawood Lawrencepur Limited, "the Company" was incorporated in Pakistan in the year 2004 as a public listed company 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 the Karachi and Lahore Stock Exchanges. The Company 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 registered office of the Company is situated at 3rd Floor, Dawood Centre, M.T.Khan Road, Karachi in the province of Sindh.
- 1.2 The Company suspended operations of its Woolen Textile Mill in August 2013 and the Labour Court granted permission to the Company for closure of the Mill in February 2014. The results of discontinued operations include Dawood Cotton Mill, Burewala Textile Mill and Lawrencepur Woolen and Textile Mill. The 'Lawrencepur' brand name continues to operate under license.
- 1.3 The Company in the year 2008 suspended its manufacturing operations located at Burewala, District Vehari and closed down the Mill in 2009. All assets relating to the closed down unit have been classified as discontinued operations, and are accounted for as per the requirement of IFRS - 5 'Non-current Assets Held for Sale and Discontinued Operations'. The Company is currently negotiating terms and conditions for sale of these assets.

2. BASIS OF PREPARATION

2.1 Basis of measurement

This condensed interim financial information has been prepared on the historical cost convention except that certain investments are carried at fair value and staff retirement benefits have been measured at present value.

2.2 Statement of compliance

This condensed interim financial information of the Company for the quarter ended March 31, 2014 has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting.

The disclosures made in this condensed interim financial information have been limited based on the International Accounting Standard 34 - Interim Financial Reporting. This does not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2013.

Notes to the Condensed Interim Financial Information (Un-Audited)

For the Quarter Ended March 31, 2014

2.3 Functional and presentation currency

All amounts are in Pakistani Rupees which is the functional and presentation currency of the Company unless stated otherwise.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND RISK MANAGEMENT POLICIES

3.1 The accounting policies, underlying estimates and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of annual audited financial statements of the Company for the year ended December 31, 2013.

3.2 The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2013.

4 PROPERTY, PLANT AND EQUIPMENT

Operating assets

(Unaudited) March 31, 2014	(Audited) December 31, 2013
----- Rupees in '000 -----	

47,067	48,453
--------	--------

(Unaudited) March 31, 2014		(Audited) December 31, 2013	
Acquisition at cost	Disposal at written down value	Acquisition at cost	Disposal at written down value
----- Rupees in '000 -----			

4.1	Plant and machinery	-	-	439	-
	Promotional and demo projects	-	-	4,107	-
	Furniture, fixture and office equipment	195	-	7,866	357
	Computer equipment	601	-	2,999	577
	Vehicles	-	422	1,920	1,534
		796	422	17,331	2,468

4.2 Property, plant and equipment include assets amounting to Rs. 27.656 million (Dec 2013: Rs. 28.538 million) held as idle assets which relates to discontinued units.

Notes to the Condensed Interim Financial Information (Un-Audited)

For the Quarter Ended March 31, 2014

5. CONTINGENCIES AND COMMITMENTS

There is no material change in contingencies and commitments since financial year ended December 31, 2013 except the following:

5.1 Contingencies

The Company is contingently liable against guarantees and counter guarantees amounting to Rs 25.53 million (Dec 2013: Rs. 15.13 million). These are secured by way of lien over certain movables and receivables.

5.2 Commitments

Letters of credit outstanding for purchase of renewable energy products amount to Rs. 11.77 million (Dec 2013: Rs. 9.98 million).

6. SEGMENT REPORTING

Management has determined the operating segments for allocation of resources and assessment of performance. The Company is organized into the following two reportable operating segments;

- Renewable energy solutions
- Textile

Textile is further subdivided into the following two segments;

- Continuing operations
- Discontinued operations

Notes to the Condensed Interim Financial Information (Un-Audited)

For the Quarter Ended March 31, 2014

Segment analysis is as under;

6.1 Segment results	Renewable energy		Textile - continuing operations		Textile - discontinued operations		Unallocated		The Company	
	March 31, 2014	2013	March 31, 2014	2013	March 31, 2014	2013	March 31, 2014	2013	March 31, 2014	2013
Revenue	24,404	2,986	-	44,570	23,066	38	-	-	47,470	47,594
Cost of goods sold	(18,170)	(2,021)	-	(41,603)	(18,653)	(15)	-	-	(36,823)	(43,639)
Segment gross profit	6,234	965	-	2,967	4,413	23	-	-	10,647	3,955
Administrative expenses	(29,128)	(5,676)	-	(19,717)	(21,359)	(12,772)	-	-	(50,487)	(38,165)
Selling and distribution expenses	(21,997)	(3,505)	-	(230)	(74)	-	-	-	(22,071)	(3,735)
Finance cost	-	-	-	-	-	-	-	(8,085)	(8,085)	(91)
Other income	667	-	-	2,258	3,543	1,240	-	-	88,817	4,210
Taxation	-	-	-	-	-	-	-	(517)	(433)	(433)
Segment net profit	(44,224)	(8,216)	-	(14,722)	(13,476)	(11,509)	(8,602)	88,293	(66,302)	53,846

6.2 Segment assets	Renewable energy		Textile - continuing operations		Textile - discontinued operations		Unallocated		The Company	
	Mar 31, 2014	Dec 31, 2013	Mar 31, 2014	Dec 31, 2013	Mar 31, 2014	Dec 31, 2013	Mar 31, 2014	Dec 31, 2013	Mar 31, 2014	Dec 31, 2013
Segment assets	178,614	152,420	-	-	593,263	632,945	451,397	467,188	1,223,274	1,252,553
Segment liabilities	30,596	21,773	-	-	92,943	97,264	311,044	279,737	434,583	398,774

Notes to the Condensed Interim Financial Information (Un-Audited)

For the Quarter Ended March 31, 2014

7. TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties. Related parties comprise of a subsidiary company, associated undertakings, directors, key management personnel and others. Transactions with related parties are as follows:

	Relationship	Nature of transaction	(Unaudited)	(Unaudited)
			March 31, 2014	March 31, 2013
			---- Rupees in '000 ----	
a.	Subsidiary company			
	Tenaga Generasi Limited	Reimbursable expenses to the Company	2,981	2,005
b.	Associated companies			
	Dawood Hercules Corporation Limited	Dividend income	-	77,932
		Reimbursable expenses by the Company	1,119	-
		Reimbursable expenses to the Company	22	-
	D H Fertilizer Limited	Reimbursable expenses by the Company	2,009	329
	Sach International (Private) Limited	Sale of fabric	13,564	40,338
		Reimbursable expenses to the Company	126	2,227
		Royalty charged	1,655	905
		Penal charges against overdue receivables	594	-
		Transfer of assets by the Company	-	1,514
	Cyan Limited	Reimbursable expenses to the Company	30	20
	The Dawood Foundation	Rental charges paid	1,207	1,208
		Reimbursable expenses by the Company	546	543
	Inbox Business Technologies (Pvt) Limited	Hardware maintenance charges paid	279	250
	Pebbles (Private) Limited	Penal charges against overdue receivables	30	-
c.	Key management personnel	Salaries and employee benefits	7,317	2,913

Notes to the Condensed Interim Financial Information (Un-Audited)

For the Quarter Ended March 31, 2014

8. CORRESPONDING FIGURES

Comparative information has been re-classified, re-arranged or additionally incorporated in this condensed interim financial information to facilitate comparison and to conform with changes in presentation in the current year.

9. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 24, 2014 by the Board of Directors of the Company.

10. GENERAL

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



INAM UR RAHMAN
Chief Executive



ALI AAMIR
Director

Condensed Interim
Consolidated
Financial Information
(Un-audited)

Condensed Interim Consolidated Balance Sheet (Un-Audited)

As at March 31, 2014

		(Unaudited) March 31, 2014	(Audited) December 31, 2013
	Note	----- Rupees in '000 -----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	233,939	235,209
Intangible assets		23,965	24,124
Long term investments		4,769,207	4,615,752
Long term deposits		10,544	10,544
		<u>5,037,656</u>	<u>4,885,629</u>
Current assets			
Stores and spares		36,525	36,582
Stock-in-trade		259,036	261,306
Trade debts		73,282	94,882
Loans and advances		58,761	42,301
Deposits, prepayments and other receivables		87,706	95,147
Short term investments		107,824	107,624
Cash and bank balances		19,677	35,415
		<u>642,811</u>	<u>673,257</u>
Assets classified as 'held for sale'		194,529	194,529
		<u>5,874,996</u>	<u>5,753,416</u>
SHARE CAPITAL AND RESERVES			
Share capital		590,578	590,578
Reserves		213,903	208,282
Unappropriated profit		4,629,413	4,549,834
		<u>5,433,894</u>	<u>5,348,694</u>
LIABILITIES			
Non current liabilities			
Deferred liabilities		14,835	11,388
Current liabilities			
Running finance		289,710	261,708
Trade and other payables		114,652	113,171
Accrued markup		7,919	5,131
Provision for taxation		13,985	13,323
		<u>426,266</u>	<u>393,333</u>
		<u>5,874,996</u>	<u>5,753,416</u>

CONTINGENCIES AND COMMITMENTS

5

The annexed notes from 1 to 10 form an integral part of this condensed interim consolidated financial information.


INAM UR RAHMAN
Chief Executive


ALI AAMIR
Director

Condensed Interim Consolidated Profit And Loss Account (Un-Audited)

For the Quarter Ended March 31, 2014

	Quarter ended	
	Mar 31, 2014	Mar 31, 2013
----- Rupees in '000 -----		
CONTINUING OPERATIONS		
Sales - net	24,404	47,556
Cost of goods sold	(18,170)	(43,624)
Gross profit	6,234	3,932
Other income	3,283	13,924
Selling and distribution expenses	(21,997)	(3,735)
Administrative expenses	(33,428)	(28,753)
Finance cost	(8,199)	(133)
	(63,624)	(32,621)
Share of profit from associate excluding impairment loss on 'available for sale' investments	165,459	23,482
Profit before taxation	111,352	8,717
Taxation	(18,297)	4,400
Profit after taxation from continuing operations	93,055	13,117
DISCONTINUED OPERATIONS		
Loss from discontinued operations	(13,476)	(11,509)
Profit for the period	79,579	1,608
Earnings per share - Basic and diluted		
Continuing operations (Rs.)	1.58	0.22
Earnings per share - Basic and diluted		
Discontinued operations (Rs.)	(0.23)	(0.19)

The annexed notes from 1 to 10 form an integral part of this condensed interim consolidated financial information.


INAM UR RAHMAN
Chief Executive


ALI AAMIR
Director

Condensed Interim Consolidated Statement of Comprehensive Income (Un-Audited)

For the Quarter Ended March 31, 2014

	Quarter Ended	
	Mar 31, 2014	Mar 31, 2013
	----- Rupees in '000 -----	
Profit after taxation	79,579	1,608
Other comprehensive income		
Surplus on remeasurement of 'available for sale' investments		
- holding company	1,214	256
- associated company	4,407	(9,528)
Total comprehensive income	85,200	(7,664)

The annexed notes from 1 to 10 form an integral part of this condensed interim consolidated financial information.


INAM UR RAHMAN
Chief Executive


ALI AAMIR
Director

Condensed Interim Consolidated Cash Flow Statement (Un-Audited)

For the Quarter Ended March 31, 2014

	Quarter ended Mar 31, 2014			Quarter ended Mar 31, 2013		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
----- Rupees in '000 -----						
A. CASH FLOWS FROM OPERATING ACTIVITIES						
Profit / (loss) before taxation	111,352	(13,476)	97,876	8,717	(11,509)	(2,792)
Adjustments for :						
Depreciation	1,009	880	1,889	1,344	361	1,705
Amortization	179	-	179	142	-	142
Provision for gratuity	5,233	-	5,233	5,067	47	5,114
Finance cost	8,199	-	8,199	42	-	42
Interest income	(285)	-	(285)	(299)	-	(299)
Share of profit from associates	(165,459)	-	(165,459)	(23,483)	-	(23,483)
(Gain) / loss on disposal of property, plant and equipment	(220)	-	(220)	89	3	92
Gain on sale of short-term investments-net	(2,200)	-	(2,200)	(10,960)	-	(10,960)
Operating loss before working capital changes	(42,192)	(12,596)	(54,788)	(19,341)	(11,098)	(30,439)
(Increase) / decrease in current assets						
Stores and spares	-	57	57	399	-	399
Stock in trade	(16,327)	18,597	2,270	2,739	15	2,754
Trade debts	(2,128)	23,728	21,600	55,295	-	55,295
Loans and advances	(14,542)	(1,128)	(15,670)	(3,831)	-	(3,831)
Deposits, prepayments and other receivables	6,659	(2,430)	4,229	(9,000)	-	(9,000)
Increase/ (decrease) in current liabilities						
Trade and other payables	8,244	(3,668)	4,576	5,121	-	5,121
	(18,094)	35,156	17,062	50,723	15	50,738
Cash used in generated from operations	(60,286)	22,560	(37,726)	31,382	(11,083)	20,299
Gratuity paid	(1,786)	-	(1,786)	(1,357)	-	(1,357)
Finance cost paid	(5,411)	-	(5,411)	(42)	-	(42)
Tax paid	(790)	-	(790)	(612)	-	(612)
Net cash (used in)/generated from operating activities	(68,273)	22,560	(45,713)	29,371	(11,083)	18,287
B. CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of property, plant and equipment	(796)	-	(796)	(1,336)	-	(1,336)
Sale proceeds from disposal of property, plant and equipment	1,085	-	1,085	1,611	18	1,629
Additions to capital work in progress	(688)	-	(688)	(4,269)	-	(4,269)
Purchase of intangible assets	(21)	-	(21)	-	-	-
Interest received	516	-	516	1,218	-	1,218
Purchase of short-term investments	-	-	-	(30,500)	-	(30,500)
Sales proceeds from disposal of short-term investments	2,000	-	2,000	-	-	-
Net cash generated from / (used in) investing activities	2,096	-	2,096	(33,276)	18	(33,258)
C. CASH FLOWS FROM FINANCING ACTIVITIES						
Payment of dividend	(122)	-	(122)	-	-	-
Net cash used in financing activities	(122)	-	(122)	-	-	-
Net (decrease) / increase in cash and cash equivalent (A+B+C)	(66,300)	22,560	(43,740)	(3,905)	(11,065)	(14,970)
Cash and cash equivalent at beginning	(226,293)	-	(226,293)	4,357	44,559	48,916
Cash and cash equivalent at end	(292,593)	22,560	(270,033)	452	33,494	33,946
Cash and cash equivalent						
Cash and bank balances			19,677			33,946
Running finance			(289,710)			-
			(270,033)			33,946

The annexed notes from 1 to 10 form an integral part of this condensed interim consolidated financial information.


INAM UR RAHMAN
Chief Executive


ALI AAMIR
Director

Condensed Interim Consolidated Statement of Changes in Equity (Un-Audited)

For the Quarter Ended March 31, 2014

	Capital Reserves					General reserve	Unappropriated profit	Unrealized gain on remeasurement of available for sale investments	Share of other comprehensive income of associated company	Total
	Ordinary shares	Merger reserve	Share premium reserve	Capital reserve	Capital redemption reserve fund					
	Rupees in '000									
Balance at January 01, 2013 - restated	590,578	10,521	136,865	33,311	25,969	395,355	4,481,863	4,198	(7,564)	5,671,096
Total comprehensive income for the quarter ended March 31, 2013	-	-	-	-	-	-	1,608	256	(9,628)	(7,664)
Balance at March 31, 2013	590,578	10,521	136,865	33,311	25,969	395,355	4,483,471	4,454	(17,092)	5,663,432
Balance at January 01, 2014	590,578	10,521	136,865	33,311	25,969	-	4,549,834	7,508	(5,892)	5,348,694
Total comprehensive income for the quarter ended March 31, 2014	-	-	-	-	-	-	79,579	1,214	4,407	85,200
Balance at March 31, 2014	590,578	10,521	136,865	33,311	25,969	-	4,629,413	8,722	(1,485)	5,433,894

The annexed notes from 1 to 10 form an integral part of this condensed interim consolidated financial information.


INAM UR RAHMAN
Chief Executive


ALI AAMIR
Director

Notes to the Condensed Interim Consolidated Financial Information (Un-Audited)

For the Quarter Ended March 31, 2014

1. GENERAL INFORMATION

1.1 Holding company

Dawood Lawrencepur Limited, "the Holding Company" was incorporated in Pakistan in 2004 as a public listed company 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, Lawrencepur Woolen and Textile Mills Limited. The shares of the Holding Company are listed on the Karachi and Lahore Stock Exchanges. The Holding Company 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 registered office of the Company is situated at 3rd Floor, Dawood Centre, M.T.Khan Road, Karachi, in the province of Sindh.

The Holding Company suspended operations of its Woolen Textile Mill in August 2013 and the Labour Court granted permission to the Company for closure of the Mill in February 2014. The results of discontinued operations include Dawood Cotton Mill, Burewala Textile Mill and Lawrencepur Woolen and Textile Mill. The 'Lawrencepur' brand name continues to operate under license.

The Holding Company in the year 2008 suspended its manufacturing operations located at Burewala, District Vehari and closed down the Mill in 2009. All assets relating to the closed down unit have been classified as discontinued operations, and are accounted for as per the requirement of IFRS - 5 'Non-current Assets Held for Sale and Discontinued Operations'. The Company is currently negotiating terms and conditions for sale of these assets.

1.2 Subsidiary company

The Holding Company has a wholly owned subsidiary namely Tenaga Generasi Limited "the Subsidiary Company". The Subsidiary Company was incorporated in 2005 as an unlisted public limited company under the Companies Ordinance, 1984 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 Dawood Centre, M.T. Khan Road, Karachi, in the Province of Sindh.

The Subsidiary Company is in the process of setting up a wind energy project in Mirpur Sakro, District Thatta, Sindh. It has finalized necessary contracts i.e. Engineering Procurement and Construction Agreement, Operations & Maintenance Agreement. A Letter of Support has been obtained from Alternative Energy Development Board (AEDB) and the Subsidiary Company has also filed a tariff application with National Electric Power Regulatory Authority (NEPRA) based on feed-in tariff regime.

1.3 Associated company

Holding Company also has investment in an associate 'Dawood Hercules Corporation Limited' - (ownership 16.19 %).

2. BASIS OF PREPARATION

2.1 Basis of measurement

This condensed interim consolidated financial information includes the financial information of Dawood Lawrencepur Limited (the Holding Company). The condensed

Notes to the Condensed Interim Consolidated Financial Information (Un-Audited)

For the Quarter Ended March 31, 2014

interim financial information of the Subsidiary Company has been consolidated on a line by line basis. This condensed interim consolidated financial information has 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 the equity method.

2.2 Statement of compliance

This condensed interim consolidated financial information of the Company for the quarter ended March 31, 2014 has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting.

The disclosures made in this condensed interim consolidated financial information have been limited based on the International Accounting Standard 34 - Interim Financial Reporting. This does not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2013.

2.3 Functional and presentation currency

All amounts are in Pakistani Rupees which is the functional and presentation currency of the Holding Company unless stated otherwise.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND RISK MANAGEMENT POLICIES

3.1 The accounting policies, underlying estimates and methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2013.

3.2 The financial risk management objectives and policies adopted by the Holding Company are consistent with those disclosed in the consolidated financial statements of the Holding Company for the year ended December 31, 2013.

(Unaudited)	(Audited)
March	December
31, 2014	31, 2013
----- Rupees in '000 -----	

4. PROPERTY, PLANT AND EQUIPMENT

Operating assets	4.1	50,321	52,279
Capital work in progress	4.2	183,618	182,930
		<u>233,939</u>	<u>235,209</u>

Notes to the Condensed Interim Consolidated Financial Information (Un-Audited)

For the Quarter Ended March 31, 2014

	(Unaudited) March 31, 2014		(Audited) December 31, 2013	
	Acquisition at cost	Disposal at written down value	Acquisition at cost	Disposal at written down value
----- Rupees in '000 -----				
4.1 Operating assets				
Plant and machinery	-	-	439	-
Promotional and demo projects	-	-	4,107	-
Furniture, fixture and office equipment	195	-	7,798	312
Computer equipment	601	-	3,118	644
Vehicles	-	422	1,920	1,534
	796	422	17,382	2,490
4.2 Capital work in progress				
Survey and consulting charges	-	-	-	-
Professional fee	688	11,970	11,970	-
Travelling, boarding and lodging	-	1,178	1,178	-
Advances	-	-	15	400
	688	13,148	13,163	400

4.3 Property, plant and equipment include assets amounting to Rs. 27.656 million (Dec 2013: Rs 28.538 million) held as idle assets which relates to discontinued units.

5. CONTINGENCIES AND COMMITMENTS

There is no material change in contingencies and commitments since financial year ended December 31, 2013 except the following:

5.1 The Holding Company is contingently liable against guarantees and counter guarantees amounting to Rs 25.53 million (Dec 2013: Rs. 15.13 million). These are secured by way of lien over certain movables and receivables.

5.2 Commitments

The Holding Company has commitments against letters of credit outstanding for purchase of renewable energy products amount to Rs. 11.77 million (Dec 2013: Rs. 9.98 million).

6. SEGMENT REPORTING

Management has determined the operating segments for allocation of resources and assessment of performance. The Company is organized into the following three reportable operating segments;

- Renewable energy solutions
- Textile
- Alternate energy

Textile is further subdivided into the following two segments;

- Continuing operations
- Discontinued operations

Notes to the Condensed Interim Consolidated Financial Information (Un-Audited)

For the Quarter Ended March 31, 2014

Segment analysis is as under;

	Renewable energy		Textile - continuing operations		Textile - discontinued operations		Alternate energy		Unallocated		The Company				
	Mar 31, 2014	2013	Mar 31, 2014	2013	Mar 31, 2014	2013	Mar 31, 2014	2013	Mar 31, 2014	2013	Mar 31, 2014	2013			
6.1 Segment results	Rupees in '000														
Revenue	24,404	2,986	-	44,570	23,066	38	-	-	-	-	-	47,594			
Cost of goods sold	(18,170)	(2,021)	-	(41,603)	(18,053)	(15)	-	-	-	-	-	(43,639)			
Segment gross profit	6,234	965	-	2,967	4,413	23	-	-	-	-	-	10,647			
Administrative expenses	(29,128)	(5,676)	-	(19,717)	(21,359)	(12,772)	(4,300)	(3,353)	-	-	-	(54,787)			
Selling and distribution expenses	(21,997)	(3,505)	-	(230)	(74)	-	-	-	-	-	-	(22,071)			
Finance cost	-	-	-	-	-	-	(114)	(42)	(8,085)	(91)	(8,199)	(133)			
Other income	667	-	-	2,258	3,543	1,240	2,616	780	-	10,885	6,826	15,163			
Profit from associate	-	-	-	-	-	-	-	-	165,459	23,482	165,459	23,482			
Taxation	-	-	-	-	-	-	(145)	(105)	(18,152)	4,498	(18,297)	4,383			
Segment net profit	(44,224)	(8,216)	-	(14,722)	(13,476)	(11,509)	(1,944)	(2,720)	139,222	38,774	79,579	1,608			
6.2 Segment assets	Rupees in '000														
Renewable energy	Mar 31, 2014	Dec 31, 2013	Textile - continuing operations	Mar 31, 2014	Dec 31, 2013	Textile - discontinued operations	Mar 31, 2014	Dec 31, 2013	Alternate energy	Mar 31, 2014	Dec 31, 2013	Unallocated	Mar 31, 2014	Dec 31, 2013	The Company
	173,265	150,058	-	-	593,263	632,940	312,029	310,429	4,796,439	4,659,989	5,874,996	5,874,996	5,753,416		
Segment liabilities	25,247	21,773	-	-	92,943	97,264	11,868	5,947	311,044	279,737	441,102	404,721			

Notes to the Condensed Interim Consolidated Financial Information (Un-Audited)

For the Quarter Ended March 31, 2014

7. TRANSACTIONS WITH RELATED PARTIES

The Company 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. Transactions with related parties are as follows:

Relationship	Nature of transaction	(Unaudited)	(Unaudited)
		March 31, 2014	March 31, 2013
		----- Rupees in '000 -----	
a. Associated companies			
D H Fertilizer Limited	Reimbursable expenses by the Company	2,009	329
Sach International (Private) Limited	Sale of fabric	13,564	40,338
	Reimbursable expenses to the Company	126	2,227
	Royalty charged	1,655	905
	Penal charges against overdue receivables	594	-
	Transfer of assets by the Company	-	1,514
Cyan Limited	Reimbursable expenses to the Company	30	20
The Dawood Foundation	Rental charges paid	1,207	1,208
	Reimbursable expenses by the Company	546	543
Inbox Business Technologies (Pvt) Limited	Hardware maintenance charges paid	279	250
Pebbles (Private) Limited	Penal charges against overdue receivables	30	-
b. Key management personnel			
	Salaries and employee benefits	10,247	6,232

Notes to the Condensed Interim Consolidated Financial Information (Un-Audited)

For the Quarter Ended March 31, 2014

8. CORRESPONDING FIGURES

Comparative information has been re-classified, re-arranged or additionally incorporated in this condensed interim consolidated financial information to facilitate comparison and to conform with changes in presentation in the current year.

9. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial information was authorized for issue on April 24, 2014 by the Board of Directors of the Holding Company.

10. GENERAL

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


INAM UR RAHMAN
Chief Executive


ALI AAMIR
Director



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