

Half Year Ended June 30, 2015 (Un-audited)

**BETTER
-
STARTS
TODAY**



Dawood Lawrencepur Limited



BETTER - STARTS TODAY

We always imagine the future to be bigger, brighter and better – yet we are here; now and today. That’s where Reon comes in, because we make it better - today.

With renewable energy solutions for everyone, we embrace the future with open arms and bright ideas, because tomorrow can only be better if it starts today.

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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
Dr. Jawaid Abdul Ghani
Hasan Reza Ur Rahim

Board Audit Committee

Dr. Jawaid Abdul Ghani (Chairman)
Shafiq Ahmed
Hasan Reza Ur Rahim

Human Resource and Remuneration Committee

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

CFO and Company Secretary

Hafsa Shamsie

Auditors

Deloitte Yousuf Adil
(Chartered Accountants)

Bankers

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

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

FOR THE HALF YEAR ENDED JUNE 30, 2015

The Directors are pleased to present the un-audited financial statements of Dawood Lawrencepur Limited for the half year ended June 30, 2015.

OPERATING RESULTS

Renewable energy business turnover of the Company for the half year ended June 30, 2015 was Rs 84.74 million as against Rs 60.22 million for the similar period last year. The Company successfully commenced construction of a large scale 1MW solar installation, revenue of which will positively impact business results in the coming months. In line with low seasonal demand, textiles sales shown under discontinued operations, were Rs 10.91 million as compared to Rs 37.96 million for the similar period last year. Strengthening of core functions like Supply Chain and Engineering have led to an increase in the operating loss of the Company to Rs 159.93 million as compared to a loss of Rs 111.46 million last year.

The summary of operating results is as follows:

	Half year ended June 30, 2015 Rupees (million)	Half year ended June 30, 2014 Rupees (million)
Sales	84.74	60.22
Operating Loss	(112.93)	(94.49)
Share of profit from associate	324.36	264.96
Other operating income	84.00	79.24
Profit after taxation from continuing operations	(52.77)	(52.29)
(Loss)/ Profit from discontinued operations	(38.81)	224.99
(Loss)/ Profit from discontinued operations	(91.58)	172.70

EARNINGS PER SHARE

Losses per share on a standalone basis for the half year were Rs 1.55 per share as compared to a profit of Rs. 2.92 per share realized on account of asset sale proceeds in June 2014. Earnings per share for the Group were Rs 2.40 as compared to Rs 5.70 per share for the similar period last year.

PROGRESS REVIEW

Reon, operating as a business division of the Company won a number of solar projects in the first half of the year and is on its way to establish itself as a force to reckon with in the Renewables market. The team is bracing itself for challenges that lie ahead as operational scale increases, adopting best design, engineering and project management practices.

The Lawrencepur brand licensing arrangement continues to reap benefits for the shareholders in the form of royalty income. The Company continues to work towards its strategic intent firstly of focusing on the renewables market by transferring its renewable energy business to its wholly owned subsidiary, Reon Energy Limited and secondly of liquidating its textile assets for which negotiations are underway with prospective bidders.

With regard to the Wind Power Project, post achievement of the first strategic milestone i.e. Financial Close and GOP Guarantee, the Company has successfully completed the next step i.e. First Disbursement of debt financing from Overseas Private Investment Corporation (OPIC), International Finance Corporation (IFC) and local lender consortium and equity injection by IFC. With regard to Project construction, an offshore and onshore Notice to Commence (NTC) has been issued to the EPC contractor and Project Commencement Date has been declared.

BUSINESS OUTLOOK

Developing nations are adding capacity from renewable energy projects at nearly twice the rate of developed countries. The surge reflects the economic advantage that cleaner technologies have in emerging markets, which are scaling up energy installations to match the demands of expanding populations and economies. The cost of providing electricity from wind and solar power plants has plummeted over the last five years, so much so that in some markets renewable generation is now cheaper than coal or natural gas. The situation has resulted in major developments in renewable energy markets in developing countries including Pakistan as witnessed by the fact that several large scale projects have been announced both by the government and corporate sector.

With regard to the Wind Project, construction of the Project is expected to commence shortly and Commercial Operations is expected in the fourth quarter of 2016. Under the Energy Purchase Agreement, NTDC will purchase power from the Company for twenty years post commencement of operations and has committed to ensure grid connection availability to the Project by December 2015 as power transmission is the Government's responsibility. Energy through wind projects is fast getting to be a mature and proven technology in Pakistan. The Company remains optimistic about Wind Energy given its cost competitiveness over other conventional energy forms and the promise of energy security, and is committed to deliver the Project within budgeted time and cost.

On Behalf of the Board



INAM UR RAHMAN
Chief Executive

Karachi:
August 27, 2015



Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSJ, Shahrah-e-Faisal
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AUDITOR’S REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **DAWOOD LAWRENCEPUR LIMITED** (“the Company”) as at June 30, 2015, and the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of comprehensive income and condensed interim statement of changes in equity, together with the notes forming part thereof, for the half year then ended (here-in-after referred to as “condensed interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended June 30, 2015 have not been reviewed, as we were required to review only the cumulative figures for the half year ended June 30, 2015.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended June 30, 2015, is not prepared in all material respect, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Engagement Partner:
Naresh Kumar

Karachi

Condensed Interim Balance Sheet (Unaudited)

As At June 30, 2015

		(Unaudited) June 30, 2015	(Audited) December 31, 2014
	Note	----- Rupees in '000 -----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	135,411	144,696
Intangible assets	5	12,938	14,191
Long term investments	6	661,201	459,043
Long term deposits		<u>10,544</u>	<u>10,544</u>
		<u>820,094</u>	<u>628,474</u>
Current assets			
Stores and spares		12,708	12,000
Stock-in-trade	7	268,279	280,519
Trade debts	8	87,582	51,533
Loans and advances		81,223	51,117
Deposits, prepayments and other receivables	9	101,977	82,535
Cash and bank balances		<u>3,661</u>	<u>20,303</u>
		555,430	498,007
		<u>1,375,524</u>	<u>1,126,481</u>
SHARE CAPITAL AND RESERVES			
Share capital		590,578	590,578
Reserves		216,976	217,432
Accumulated losses		<u>(136,658)</u>	<u>(45,079)</u>
		670,896	762,931
LIABILITIES			
Non current liabilities			
Deferred liabilities	10	21,867	17,748
Current liabilities			
Running finance	11	429,078	178,491
Trade and other payables		213,380	139,216
Accrued markup		8,506	5,132
Provision for taxation		<u>31,797</u>	<u>22,963</u>
		682,761	345,802
		<u>1,375,524</u>	<u>1,126,481</u>
CONTINGENCIES AND COMMITMENTS			
	12		

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.


INAM UR RAHMAN
Chief Executive


HASANI REZA UR RAHIM
Director

Condensed Interim Profit and Loss Account (Unaudited)

For The Half Year Ended June 30, 2015

	Quarter Ended		Half Year Ended		
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	
Note	Rupees in '000		Rupees in '000		
CONTINUING OPERATIONS					
Sales - net	63,449	35,813	84,737	60,217	
Cost of goods sold	<u>(44,191)</u>	<u>(33,561)</u>	<u>(61,238)</u>	<u>(51,731)</u>	
Gross profit	19,258	2,252	23,499	8,486	
Other income	80,832	78,571	84,003	79,238	
Selling and distribution expenses	28,494	23,649	57,362	45,646	
Administrative expenses	42,919	28,203	79,064	57,331	
Finance cost	9,219	8,406	15,121	16,491	
Workers welfare fund	-	3,858	-	3,858	
	<u>(80,632)</u>	<u>(64,116)</u>	<u>(151,547)</u>	<u>(123,326)</u>	
Profit / (loss) before taxation	19,458	16,707	(44,045)	(35,602)	
Taxation	<u>(8,408)</u>	<u>(16,166)</u>	<u>(8,725)</u>	<u>(16,683)</u>	
Profit / (loss) after taxation from continuing operations	11,050	541	(52,770)	(52,285)	
DISCONTINUED OPERATIONS					
(Loss) / profit from discontinued operations	13.1	(20,700)	238,464	(38,808)	224,988
(Loss) / profit for the period	<u>(9,650)</u>	<u>239,005</u>	<u>(91,578)</u>	<u>172,703</u>	
Earnings per share - Basic and diluted					
Continuing operations (Rs.)	<u>0.19</u>	0.01	<u>(0.89)</u>	<u>(0.89)</u>	
Discontinued operations (Rs.)	<u>(0.35)</u>	4.04	<u>(0.66)</u>	<u>3.81</u>	

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.


INAM UR RAHMAN
Chief Executive


HASAN REZA UR RAHIM
Director

Condensed Interim Statement of Comprehensive Income (Unaudited)

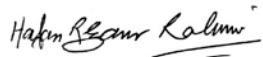
For The Half Year Ended June 30, 2015

	Quarter Ended		Half Year Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	Rupees in '000		Rupees in '000	
(Loss) / profit after taxation	(9,650)	239,005	(91,578)	172,703
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss				
Surplus on remeasurement of 'available for sale' investments	(1,240)	920	(456)	2,134
Total comprehensive (loss) / income	<u>(10,890)</u>	<u>239,925</u>	<u>(92,034)</u>	<u>174,837</u>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



INAM UR RAHMAN
Chief Executive



HASAN REZA UR RAHIM
Director

Condensed Interim Cash Flow Statement (Unaudited)

For The Half Year Ended June 30, 2015

	Half year ended June 30, 2015			Half year ended June 30, 2014		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	Rupees in '000					
	(Un-audited)					
A. CASH FLOWS FROM OPERATING ACTIVITIES						
(Loss) / profit before taxation	(44,045)	(38,808)	(82,853)	(35,602)	224,988	189,386
Adjustments for :						
Depreciation	2,356	10,551	12,907	1,925	1,759	3,684
Amortization	2,772	-	2,772	309	-	309
Provision for gratuity	4,474	-	4,474	3,698	-	3,698
Provision against doubtful debts	2,218	20	2,238	-	-	-
Reversal of provision against doubtful debts	-	-	-	-	(1,308)	(1,308)
Reversal of provision against stock in trade	-	(3,000)	(3,000)	-	-	-
Provision against stock in trade	-	468	468	-	-	-
Provision against stores and spares	-	-	-	1,347	-	1,347
Finance cost	15,121	-	15,121	16,491	-	16,491
(Gain) / loss on disposal of property, plant and equipment	(693)	-	(693)	(89)	(251,024)	(251,113)
Dividend income	(78,782)	-	(78,782)	(77,932)	-	(77,932)
Operating loss before working capital changes	(96,579)	(30,769)	(127,348)	(89,853)	(25,585)	(115,438)
(Increase) / decrease in current assets						
Stores and spares	(708)	-	(708)	-	63	63
Stock in trade	6,974	7,798	14,772	(117,196)	31,530	(85,666)
Trade debts	(48,632)	10,345	(38,287)	(4,977)	65,898	60,921
Loans and advances	(26,058)	(175)	(26,233)	(20,036)	12,115	(7,921)
Deposits, prepayments and other receivables	(844)	2,911	2,067	4,843	(199,277)	(194,434)
Increase/ (decrease) in current liabilities						
Trade and other payables	80,546	(6,382)	74,164	11,835	(4,732)	7,103
	11,278	14,497	25,775	(125,531)	(94,403)	(219,934)
Cash (used in) from operations	(85,301)	(16,272)	(101,573)	(215,384)	(119,988)	(335,372)
Gratuity paid	(365)	-	(365)	(1,604)	(530)	(2,134)
Finance cost paid	(11,747)	-	(11,747)	(13,318)	-	(13,318)
Tax paid	(25,274)	-	(25,274)	(8,362)	(1,361)	(9,723)
Net cash (used in) from operating activities	(122,677)	(16,272)	(138,949)	(238,668)	(121,879)	(360,547)
B. CASH FLOWS FROM INVESTING ACTIVITIES						
Payment for purchase of items of property, plant and equipment	(4,525)	-	(4,525)	(5,686)	-	(5,686)
Sale proceeds from disposal of items of property, plant and equipment	1,596	-	1,596	541	251,067	251,608
Payment for purchase of software	(1,519)	-	(1,519)	(13,669)	-	(13,669)
Investment in subsidiary	(202,614)	-	(202,614)	-	-	-
Dividend received	78,782	-	78,782	77,932	-	77,932
Net cash (used in) / generated from investing activities	(128,280)	-	(128,280)	59,118	251,067	310,185
C. CASH FLOWS FROM FINANCING ACTIVITIES						
Payment of dividend	-	-	-	(151)	-	(151)
Net cash used in financing activities	-	-	-	(151)	-	(151)
Net (decrease) / increase in cash and cash equivalent (A+B+C)	(250,957)	(16,272)	(267,229)	(179,701)	129,188	(50,513)
Cash and cash equivalent at beginning			(158,188)	-	-	(241,452)
Cash and cash equivalent at end	(250,957)	(16,272)	(425,417)	(179,701)	129,188	(291,965)
Cash and cash equivalent			3,661			7,426
Cash and bank balances			(429,078)			(299,391)
Running finance						
			(425,417)			(291,965)

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.


INAM UR RAHMAN
Chief Executive


HASAN REZA UR RAHIM
Director

Condensed Interim Statement of Changes in Equity (Unaudited)

For The Half Year Ended June 30, 2015

	Ordinary shares	Capital Reserves				Accumulated profit/ (loss)	Unrealized gain on remeasurement of available for sale investments	Total
		Merger reserve	Share premium reserve	Capital reserve	Capital redemption reserve fund			
Balance as at January 01, 2014	590,578	10,521	136,865	33,311	25,969	49,026	7,508	853,778
Profit after tax for the half year ended June 30, 2014	-	-	-	-	-	172,703	-	172,703
Other comprehensive income	-	-	-	-	-	-	2,134	2,134
Total comprehensive income						172,703	2,134	174,837
Balance at June 30, 2014 (Un-audited)	590,578	10,521	136,865	33,311	25,969	221,729	9,642	1,028,615
Balance as at December 31, 2014 (Audited)	590,578	10,521	136,865	33,311	25,969	(45,080)	10,766	762,930
Loss after tax for the half year ended June 30, 2015	-	-	-	-	-	(91,578)	-	(91,578)
Other comprehensive loss	-	-	-	-	-	-	(456)	(456)
Total comprehensive loss						(91,578)	(456)	(92,034)
Balance at June 30, 2015 (Un-audited)	590,578	10,521	136,865	33,311	25,969	(136,658)	10,310	670,896

Rupees in '000

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



INAM UR RAHMAN
Chief Executive



HASAN REZA UR RAHIM
Director

Notes to the Condensed Interim Financial Information (Unaudited)

For The Half Year Ended June 30, 2015

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, Dillon 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 trading 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), Dillon Limited (DL) and Dawood Cotton Mills Limited (DCM). Plant and Machinery of LWTM, DL and DCM was sold in prior years. The results of all these textile units are shown under 'discontinued operations'.
- 1.3 The Company is in the process of selling DL and DCM assets. Shareholders' approval for land and building has been obtained in prior year.
- 1.4 The 'Lawrencepur' brand name continues to operate under license.

2 BASIS OF PREPARATION

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

2.1 Statement of compliance

This condensed interim financial information 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. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with financial statements for the year ended December 31, 2014.

This condensed interim financial information is being submitted to the shareholders as required by the Listing Regulations of Karachi and Lahore Stock Exchanges and Section 245 of the Companies Ordinance, 1984.

This condensed interim financial information is presented in Pak Rupees, which is the functional and presentation currency of the Company and rounded off to the nearest thousand of rupees.

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

Notes to the Condensed Interim Financial Information (Unaudited)

For The Half Year Ended June 30, 2015

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, 2014.

- 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, 2014.

	Note	(Unaudited) June 30, 2015	(Audited) December 31, 2014
----- Rupees in '000 -----			
4. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	4.2	135,062	144,696
Capital work in progress		349	-
		<u>135,411</u>	<u>144,696</u>

- 4.1 Additions and disposals during the period are as follows:

	(Unaudited) Half year ended June 30, 2015		(Unaudited) Half year ended June 30, 2014	
	Acquisition at cost	Disposal at written down value	Acquisition at cost	Disposal at written down value
----- Rupees in '000 -----				
Plant and machinery	-	-	-	-
Promotional and demo projects	-	-	2,449	-
Furniture, fixture and office equipment	1,249	-	781	-
Computers	266	-	810	29
Tools and equipment	722	-	-	-
Vehicles	1,939	905	1,646	467
	<u>4,176</u>	<u>905</u>	<u>5,686</u>	<u>496</u>

- 4.2 Land & building and plant & machinery of 'Burewala Textile Mills' with book value of 79.6 million are pledged with commercial banks against various funded and non-funded bank facilities.
- 4.3 Property, plant and equipment include assets having carrying value amounting to Rs. 98.53 million (December 31, 2014: Rs. 107.88 million) held as idle assets which relate to discontinued units of Dawood Cotton Mills, Burewala Textile Mills and Lawrencepur Woolen and Textile Mills.

	Note	(Unaudited) June 30, 2015	(Audited) December 31, 2014
----- Rupees in '000 -----			
5. INTANGIBLE ASSETS			
Softwares	5.1	<u>12,938</u>	<u>14,191</u>
5.1 This includes amount related to Enterprise Resource Program implemented during the period.			

Notes to the Condensed Interim Financial Information (Unaudited)

For The Half Year Ended June 30, 2015

Note	(Unaudited)		(Audited)	
	June 30, 2015		December 31, 2014	
----- Rupees in '000 -----				
6	LONG TERM INVESTMENTS			
	Investments in related parties at cost	6.1	648,436	445,822
	Other Investments - available for sale	6.5	12,765	13,221
			<u>661,201</u>	<u>459,043</u>
6.1	Investments in related parties - at cost			
	Wholly owned subsidiary - unquoted			
	Tenaga Generasi Limited			
	Percentage holding 100% (2014: 100%)			
	51,610,000 (2014: 34,600,000) fully paid ordinary shares of Rs. 10/- each	6.2 6.3	540,628	370,528
	Advance against rights issue of 3,251,430 fully paid ordinary shares of Rs. 10/- each		32,514	-
	Wholly owned subsidiary - unquoted			
	Reon Energy Limited			
	Percentage holding 100% (2014: 100%)			
	1,000,000 (2014: 1,000,000) fully paid ordinary shares of Rs. 10/- each		10,000	10,000
	Associated Company - quoted			
	Dawood Hercules Corporation Limited			
	Percentage holding 16.19% (2014: 16.19%)	6.4	65,294	65,294
	77,931,896 (2014: 77,931,896) fully paid ordinary shares of Rs. 10/- each			
	Market value Rs. 9,100 million (2014: 6,586 million)			
			<u>648,436</u>	<u>445,822</u>
6.2	During the period, the subsidiary company issued 17.01 million shares of Rs. 10 each which were fully subscribed by the Company			
6.3	The Company has pledged 34,599,995 shares (2014: Nil) of 'Tenaga Generasi Limited' with a commercial bank against various banking arrangements.			
6.4	The Company has pledged 73,000,000 shares (2014: 18 million) of 'Dawood Hercules Corporation Limited' with a commercial bank against various banking arrangements.			
6.5	Other investments - Available for sale investments			
			(Unaudited)	(Audited)
	2015	2014	2015	2014
	Number of shares /		Name of Investee	
	Units		----- Rupees in '000-----	
Listed Securities				
	200,000	200,000	National Investment (Unit) Trust	12,750
				13,206
Un-Listed Securities				
	1,500	1,500	Asian Co-operative Society Limited	15
				13,221
			<u>12,765</u>	<u>13,221</u>
6.5.1	Reconciliation between fair value and cost of investments classified as 'available for sale'			
	Cost of investments		2,455	2,455
	Surplus on remeasurement of investments as at June 30		10,310	10,766
	Fair value of investments		<u>12,765</u>	<u>13,221</u>

Notes to the Condensed Interim Financial Information (Unaudited)

For The Half Year Ended June 30, 2015

		(Unaudited) June 30, 2015	(Audited) December 31, 2014
	Note	----- Rupees in '000 -----	
7	STOCK-IN-TRADE		
	Renewable energy - continuing operations	172,316	179,289
	Textile - discontinued operations	95,963	101,230
		<u>268,279</u>	<u>280,519</u>

7.1 The stock of textile has been written down to net realisable value by Rs. 468,151.

8 TRADE DEBTS

This includes an amount of Rs. 65.54 million on account of contract work-in-progress which has been recognised on the basis of stage of completion.

9 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

It includes an amount of Rs. 61 million receivable from Federal Board of Revenue (FBR) on account of income tax refundable.

		(Unaudited) June 30, 2015	(Audited) December 31, 2014
	Note	----- Rupees in '000 -----	
10	DEFERRED LIABILITIES		
	Staff retirement gratuity	21,867	17,748
	Deferred taxation	-	-
		<u>21,867</u>	<u>17,748</u>

10.1 The amount of employee retirement benefit obligation is based on the estimated expense for the fiscal year 2015 i.e. 8.9 million as calculated by the independent valuer in its report for the year December 2014. The expense for the 6 months has been recorded proportionately over the period.

10.2 Deferred tax asset works out to Rs. 427.727 million (2014: Rs. 362.87 million). It is likely that the income of the Company will be taxable based on turnover tax and under final tax regime in future, hence as a matter of prudence, deferred tax asset has not been recognized.

11 RUNNING FINANCE

The Company has arranged running finance of Rs. 650 million (Dec 2014: 400 million) under a mark-up arrangement. The facility is subject to markup @ 3 month KIBOR + 1% (Dec 2014: 3 month KIBOR + 1.1%) which is determined at the start of each quarter and is payable on a quarterly basis in arrears. The running finance under mark-up arrangement is secured by way of pledge over Company's investment in a related party and equitable mortgage over property at Burewala Textile Mills.

12 CONTINGENCIES AND COMMITMENTS

There is no material change in contingencies and commitments since financial year ended December 31, 2014 except the following:

Notes to the Condensed Interim Financial Information (Unaudited)

For The Half Year Ended June 30, 2015

12.1 Contingencies

- a) The Company is contingently liable against following guarantees and counter guarantees:
 - Rupee denominated bank guarantees of Rs. 152.31 million (December 2014: Rs.128.13 million) favoring various local vendors.
 - A bank guarantee of USD 1,732,500 (December 2014: Nil) favoring National Transmission and Dispatch Company issued on behalf of a wholly owned subsidiary 'Tenaga Generasi Limited'.
 - The Company is contingently liable to provide support to its wholly owned subsidiary, Tenaga Generasi Limited, for an amount of USD 13 million (2014: Nil) to finance Project cost overruns.
- b) The Company has filed an appeal with ATIR against the order of CIR(A) in sales tax audit case.
- c) Other contingencies remains as disclosed in the annual audited financial statements of the Company for the year ended December 31, 2014.

12.2 Commitments

The Company is committed, as 'Sponsor', to make further equity contribution under the 'Sponsor Support Agreement' dated March 11, 2015 for an amount of up to USD 16.65 million (2014: Nil) to its wholly owned subsidiary, Tenaga Generasi Limited.

13 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 - continuing operations
- Textile - discontinued operations.

Notes to the Condensed Interim Financial Information (Unaudited)

For The Half Year Ended June 30, 2015

Segment analysis is as under:

	Renewable energy - continuing operations		Textile - discontinued operations		Others		Total	
	June 30,		June 30,		June 30,		June 30,	
	2015	2014	2015	2014	2015	2014	2015	2014
	-----Rupees in '000-----							
	----- (un-audited) -----							
13.1 Segment results								
Revenue	84,737	60,217	10,913	37,957	-	-	95,650	98,174
Cost of goods sold	(61,238)	(51,731)	(8,550)	(31,593)	-	-	(69,788)	(83,324)
Segment gross profit	23,499	8,486	2,363	6,364	-	-	25,862	14,850
Administrative expenses	(79,064)	(57,331)	(48,812)	(39,696)	-	-	(127,876)	(97,027)
Selling and distribution expenses	(57,362)	(45,646)	(102)	(458)	-	-	(57,464)	(46,104)
Finance cost	(15,121)	-	-	-	-	(16,491)	(15,121)	(16,491)
Other income - refer note 13.3	84,003	-	7,852	258,778	-	79,238	91,855	338,016
Workers' welfare fund	-	-	-	-	-	(3,858)	-	(3,858)
Taxation	(847)	-	(109)	-	(7,878)	(16,683)	(8,834)	(16,683)
Segment net (loss) / profit	(44,891)	(94,491)	(38,808)	224,988	(7,878)	42,206	(91,578)	172,703
	Renewable energy - continuing operations		Textile - discontinued operations		Others		Total	
Jun 30, 2015	Dec 31, 2014	Jun 30, 2015	Dec 31, 2014	Jun 30, 2015	Dec 31, 2014	Jun 30, 2015	Dec 31, 2014	
375,583	309,684	322,141	323,226	677,800	493,571	1,375,524	1,126,481	
156,307	70,794	79,897	86,170	468,424	206,586	704,628	363,550	
13.2 Segment assets								
Segment liabilities								
13.3 Other Income mainly includes dividend from Dawood Hercules Corporation Limited amounting to 77.9 million, income from agriculture income 2.5 million, rental income 2.053 million and royalty income on Lawrencepur brand amounting to 4.08 million.								

Notes to the Condensed Interim Financial Information (Unaudited)

For The Half Year Ended June 30, 2015

14 TRANSACTIONS WITH RELATED PARTIES

The Company carries out transactions with various related parties. Related parties comprise of subsidiary companies, associated undertakings, directors, key management personnel and others. Transactions with related parties are carried at agreed terms, except those with employees which carried out as per terms of employment.

	(Un-audited) June 30, 2015	(Un-audited) June 30, 2014
	----- Rupees in '000 -----	
Tenaga Generasi Limited - Subsidiary company		
Reimbursable expenses to the Company	102,477	6,274
Subscription of ordinary shares	170,100	-
Advance against issuance of share capital	32,514	-
Reon Energy Limited - Subsidiary company		
Reimbursable expenses to the Company	810	-
Dawood Hercules Corporation Limited - Associated company (Common Directorship)		
Dividend income	77,932	77,932
Reimbursable expenses to the Company	-	27
Reimbursable expenses by the Company	1,238	2,203
D H Fertilizer Limited - Associated company (Common Directorship)		
Reimbursable expenses by the Company	-	2,766
Sach International (Private) Limited - Associated company (Common Directorship)		
Sale of fabric	294	23,806
Reimbursable expenses to the Company	520	374
Royalty charged by the Company	4,487	3,558
Penalty charges against overdue receivables	223	674
Cyan Limited - Associated company (Common Directorship)		
Reimbursable expenses to the Company	-	34
Other related parties		
The Dawood Foundation		
Rental charges paid	2,656	2,415
Reimbursable expenses by the Company	931	1,148
Inbox Business Technologies (Private) Limited		
Hardware maintenance charges paid	95	279

Notes to the Condensed Interim Financial Information (Unaudited)

For The Half Year Ended June 30, 2015

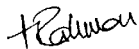
	(Un-audited) June 30, 2015	(Un-audited) June 30, 2014
	----- Rupees in '000 -----	
Pebbles (Private) Limited		
Penalty charges against overdue receivables	-	93
National Database and Registration Authority (NADRA)		
Verification charges	8	8
Key management personnel		
Salaries and employee benefits	16,373	16,187

15 DATE OF AUTHORIZATION FOR ISSUE

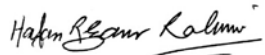
This condensed interim financial information was authorized for issue on August 27, 2015 by the Board of Directors of the Company.

16 GENERAL

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



INAM UR RAHMAN
Chief Executive



HASAN REZA UR RAHIM
Director

Condensed Interim
Consolidated
Financial Information
(Unaudited)

Condensed Interim Consolidated Balance Sheet (Unaudited)

As At June 30, 2015

	Note	(Un-audited) June 30, 2015	(Audited) December 31, 2014 (Restated)	(Audited) December 31, 2013 (Restated)
		----- Rupees in '000 -----		
ASSETS				
Non-current assets				
Property, plant and equipment	5	514,732	334,604	205,533
Intangible assets	6	36,535	37,063	24,124
Long term prepayments	7	281,599	44,701	29,357
Long term investments	8	5,186,928	4,939,421	4,615,752
Long term deposits		10,544	10,544	10,544
		<u>6,030,338</u>	<u>5,366,333</u>	<u>4,885,309</u>
Current assets				
Stores and spares		12,708	12,000	36,582
Stock-in-trade	9	268,279	280,519	261,306
Trade debts	10	87,582	51,533	94,882
Loans and advances		82,371	51,588	42,301
Deposits, prepayments and other receivables	11	94,288	79,419	95,147
Short term investments		-	72,001	107,624
Cash and bank balances		98,779	49,047	35,415
		<u>644,007</u>	<u>596,107</u>	<u>673,257</u>
Asset held for Sale		-	-	194,529
		<u>6,674,345</u>	<u>5,962,440</u>	<u>5,753,095</u>
SHARE CAPITAL AND RESERVES				
Share capital		590,578	590,578	590,578
Reserves		212,680	210,692	207,962
Accumulated loss		4,904,016	4,765,985	4,549,834
		<u>5,707,274</u>	<u>5,567,255</u>	<u>5,348,374</u>
LIABILITIES				
Non current liabilities				
Deferred liabilities	12	24,767	20,329	11,388
Current liabilities				
Running finance	13	429,078	178,491	261,708
Trade and other payables		471,587	167,774	113,171
Accrued markup		8,506	5,132	5,131
Provision for taxation		33,133	23,459	13,323
		<u>942,304</u>	<u>374,856</u>	<u>393,333</u>
		<u>6,674,345</u>	<u>5,962,440</u>	<u>5,753,095</u>

CONTINGENCIES AND COMMITMENTS 14

The annexed notes from 1 to 18 form an integral part of this condensed interim consolidated financial information.



INAM UR RAHMAN
Chief Executive



HASAN REZA UR RAHIM
Director

Condensed Interim Consolidated Profit and Loss Account (Unaudited)

For The Half Year Ended June 30, 2015

	Quarter Ended		Half Year Ended		
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	
Note	Rupees in '000		Rupees in '000		
CONTINUING OPERATIONS					
Sales - net	63,449	35,813	84,737	60,217	
Cost of goods sold	<u>(44,191)</u>	<u>(33,561)</u>	<u>(61,238)</u>	<u>(51,731)</u>	
Gross profit	19,258	2,252	23,499	8,486	
Other income	4,985	3,056	9,742	6,339	
Selling and distribution expenses	28,494	23,649	57,362	45,646	
Administrative expenses	53,026	32,932	95,214	66,360	
Finance cost	9,220	8,481	15,129	16,680	
Workers welfare fund	-	3,858	-	3,858	
	<u>(90,740)</u>	<u>(68,920)</u>	<u>(167,705)</u>	<u>(132,544)</u>	
Share of profit from investment in an associate	<u>(66,497)</u>	<u>(63,612)</u>	<u>(134,464)</u>	<u>(117,719)</u>	
	93,202	99,500	324,358	264,959	
Profit / (loss) before taxation	26,705	35,888	189,894	147,240	
Taxation	<u>(8,990)</u>	<u>(17,577)</u>	<u>(9,563)</u>	<u>(35,874)</u>	
Profit after taxation from continuing operations	17,715	18,311	180,331	111,366	
DISCONTINUED OPERATIONS					
(Loss) / profit from discontinued operations	15.1	(20,700)	238,464	(38,808)	224,988
(Loss) / profit for the period		<u>(2,985)</u>	<u>256,775</u>	<u>141,523</u>	<u>336,354</u>
Earnings per share - Basic and diluted					
Continuing operations (Rs.)		<u>0.30</u>	0.31	<u>3.05</u>	<u>1.89</u>
Discontinued operations (Rs.)		<u>(0.35)</u>	4.04	<u>(0.66)</u>	<u>3.81</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim consolidated financial information.



INAM UR RAHMAN
Chief Executive



HASAN REZA UR RAHIM
Director

Condensed Interim Consolidated Statement Of Comprehensive Income (Unaudited)

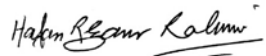
For The Half Year Ended June 30, 2015

	Quarter Ended		Half Year Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	Rupees in '000		Rupees in '000	
(Loss) / profit after taxation	(2,985)	256,775	141,523	336,354
Other comprehensive income				
Surplus on remeasurement of 'available for sale' investments	127	(2,957)	1,071	2,664
Total comprehensive (loss) / income	<u>(2,858)</u>	<u>253,818</u>	<u>142,594</u>	<u>339,018</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim consolidated financial information.



INAM UR RAHMAN
Chief Executive



HASAN REZA UR RAHIM
Director

Condensed Interim Consolidated Cash Flow Statement (Unaudited)

For The Half Year Ended June 30, 2015

	Half year ended June 30, 2015			Half year ended June 30, 2014		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	Rupees in '000					
	(Un-audited)					
A. CASH FLOWS FROM OPERATING ACTIVITIES						
Profit / (loss) before taxation	189,894	(38,808)	151,086	147,240	224,988	372,228
Adjustments for :						
Depreciation	6,595	10,551	17,146	2,167	1,759	3,926
Amortization	2,797	-	2,797	362	-	362
Provision for gratuity	4,885	-	4,885	4,167	-	4,167
Provision against doubtful debts	2,218	20	2,238	-	-	-
Reversal of provision against doubtful debts	-	-	-	(287)	(1,020)	(1,307)
Reversal of provision against stock in trade	-	(3,000)	(3,000)	-	-	-
Provision against stock in trade	-	468	468	-	-	-
Provision against stores and spares	-	-	-	1,347	-	1,347
Finance cost	15,129	-	15,129	16,680	-	16,680
(Gain) / loss on disposal of property, plant and equipment	(696)	-	(696)	(220)	(251,024)	(251,244)
Dividend income	-	(850)	(850)	-	-	-
Interest income	(504)	-	(504)	(560)	-	(560)
Share of profit from associates	(324,358)	-	(324,358)	(264,959)	-	(264,959)
Gain on sale of short term investments	(3,021)	-	(3,021)	(137)	-	(137)
Unrealised gain on remeasurement of short-term investments	-	-	-	(4,205)	-	(4,205)
Operating loss before working capital changes	(107,061)	(31,619)	(138,680)	(98,405)	(25,297)	(123,702)
(Increase) / decrease in current assets						
Stores and spares	(708)	-	(708)	-	63	63
Stock in trade	6,974	7,798	14,772	(117,196)	31,530	(85,666)
Trade debts	(48,632)	10,345	(38,287)	(4,690)	65,610	60,920
Loans and advances	(25,983)	(175)	(26,158)	(20,030)	12,115	(7,915)
Deposits, prepayments and other receivables	(1,094)	2,911	1,817	8,301	(199,277)	(190,976)
Increase/ (decrease) in current liabilities	87,635	(6,382)	81,253	9,437	(4,732)	4,705
Trade and other payables	18,192	14,497	32,689	(124,178)	(94,691)	(218,869)
Cash (used in) / generated from operations	(88,869)	(17,122)	(105,991)	(222,583)	(119,988)	(342,571)
Gratuity paid	(447)	-	(447)	(1,604)	(530)	(2,134)
Finance cost paid	(11,755)	-	(11,755)	(13,507)	-	(13,507)
Tax paid	(26,026)	-	(26,026)	(8,470)	(1,361)	(9,831)
Net cash generated from / (used in) operating activities	(127,097)	(17,122)	(144,219)	(246,164)	(121,879)	(368,043)
B. CASH FLOWS FROM INVESTING ACTIVITIES						
Payment for purchase of items of property, plant and equipment	(19,579)	-	(19,579)	(5,686)	-	(5,686)
Sale proceeds from disposal of items of property, plant and equipment	1,596	-	1,596	1,114	251,067	252,181
Capital work in progress	(156,780)	-	(156,780)	(14,068)	-	(14,068)
Payment for transaction cost of borrowings	(34,478)	-	(34,478)	-	-	-
Payment for purchase of software	(2,269)	-	(2,269)	(86)	-	(86)
Sales proceed from short term investments - net	75,022	-	75,022	6,750	-	6,750
Investment in subsidiary	1,070	-	1,070	1,049	-	1,049
Dividend received	78,782	-	78,782	77,932	-	77,932
Net cash (used in) / generated from investing activities	(66,636)	-	(66,636)	67,005	251,067	318,072

	Half year ended June 30, 2015			Half year ended June 30, 2014		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	----- Rupees in '000 -----					
	----- (Un-audited) -----					
C. CASH FLOWS FROM FINANCING ACTIVITIES						
Payment of dividend	-	-	-	(151)	-	(151)
Net cash used in financing activities	-	-	-	(151)	-	(151)
Net (decrease) / increase in cash and cash equivalent (A+B+C)	(183,733)	(17,122)	(200,855)	(179,310)	129,188	(50,122)
Cash and cash equivalent at beginning			(129,444)	-	-	(226,293)
Cash and cash equivalent at end	<u>(183,733)</u>	<u>(17,122)</u>	<u>(330,299)</u>	<u>(179,310)</u>	<u>129,188</u>	<u>(276,415)</u>
Cash and cash equivalent						
Cash and bank balances			98,779			22,976
Running finance			(429,078)			(299,391)
			<u>(330,299)</u>			<u>(276,415)</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim consolidated financial information.


 INAM UR RAHMAN
 Chief Executive


 HASAN REZA UR RAHIM
 Director

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

For The Half Year Ended June 30, 2015

	Ordinary shares	Capital Reserves				Capital redemption reserve fund	Accumulated profit / (loss)	Unrealized gain on remeasurement of available for sale investments	Total
		Merger reserve	Share premium reserve	Capital reserve	Share investments				
	Rupees in '000								
Balance at December 31, 2013 - as previously reported	590,578	10,521	136,865	33,311	25,969	4,549,834	1,616	5,348,694	
Effect of restatement - note 4	-	-	-	-	-	(320)	-	(320)	
Balance at December 31, 2013 - restated	590,578	10,521	136,865	33,311	25,969	4,549,514	1,616	5,348,374	
Profit after tax for the half year ended June 30, 2014	-	-	-	-	-	336,354	-	336,354	
Other comprehensive income	-	-	-	-	-	-	2,664	2,664	
Total comprehensive income	-	-	-	-	-	336,354	2,664	339,018	
Balance at June 30, 2014 (Un-audited)	590,578	10,521	136,865	33,311	25,969	4,885,868	4,280	5,667,392	
Balance at December 31, 2014 - as previously reported	590,578	10,521	136,865	33,311	25,969	4,765,985	4,943	5,568,172	
Effect of restatement - note 4	-	-	-	-	-	(917)	-	(917)	
Balance as at December 31, 2014 - restated	590,578	10,521	136,865	33,311	25,969	4,765,068	4,943	5,567,255	
Loss after tax for the half year ended June 30, 2015	-	-	-	-	-	141,523	-	141,523	
Share issue cost	-	-	-	-	-	(2,575)	1,071	(2,575)	
Other comprehensive loss	-	-	-	-	-	-	1,071	1,071	
Total comprehensive loss	-	-	-	-	-	138,948	1,071	140,019	
Balance at June 30, 2015 (Un-audited)	590,578	10,521	136,865	33,311	25,969	4,904,016	6,014	5,707,274	

The annexed notes from 1 to 18 form an integral part of this condensed interim consolidated financial information.



INAM UR RAHMAN
Chief Executive



HASAN REZA UR RAHIM
Director

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For The Half Year Ended June 30, 2015

1. GENERAL INFORMATION

The "Group" consists of :

- (i) Dawood Lawrencepur Limited (incorporated in Pakistan) - The Holding Company
- (ii) Tenaga Generasi Limited (incorporated in Pakistan) - a wholly owned Subsidiary Company (TGL)
- (iii) Reon Energy Limited (incorporated in Pakistan) - a wholly owned Subsidiary Company (Reon)

1.1 Holding company

Dawood Lawrencepur Limited, (the Holding 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 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 trading textile business. The registered office of the Holding Company is situated at 3rd Floor, Dawood Centre, M.T.Khan Road, Karachi in the province of Sindh.

In prior years, the Holding 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). Plant & machinery of LWTM, DL and DCM was sold in prior years. The results of all these textile units are shown under 'discontinued operations'

The Holding Company is in the process of selling DL and DCM assets. Shareholders' approval for sale of land and building has been obtained in prior year.

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

1.2 Subsidiary companies

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

TGL is setting up a 49.5 MW wind power plant at Gharo Sindh. The project has achieved Financial Close in March 2015 and has received the Government of Pakistan Guarantee. The Plant is expected to be operational in late 2016.

- 1.2.2 Reon Energy Limited (Reon) 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 the Reon is situated at 3rd Floor, Dawood Centre, M.T.Khan Road, Karachi in the province of Sindh.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For The Half Year Ended June 30, 2015

1.3 Associated companies

Holding Company also has investment in an associate 'Dawood Hercules Corporation Limited' where it holds ownership of 16.19 % (2014: 16.19%).

2 BASIS OF PREPARATION

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

2.1 Statement of compliance

This condensed interim consolidated financial information 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. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures in the condensed interim consolidated financial information do not include the information reported for full annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2014.

This condensed interim consolidated financial information is being submitted to the shareholders as required by the Listing Regulations of Karachi and Lahore Stock Exchanges and Section 245 of the Companies Ordinance, 1984.

This condensed interim consolidated financial information is presented in Pak Rupees, which is the functional and presentation currency of the Holding Company and rounded off to the nearest thousand of rupee.

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, 2014.

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, 2014.

4. PRIOR PERIOD ADJUSTMENTS

4.1 In the current period, TGL has rectified prior period error related to the recognition of transaction costs on issuance of equity and loan which previously were being capitalised in capital work in progress. As a result of this rectification, the transaction cost relating to

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For The Half Year Ended June 30, 2015

loan are capitalised as 'transaction cost of borrowings' and shown separately on balance sheet whereas transaction cost relating to issuance of equity is adjusted through statement of changes in equity. Consequently, the comparative figures in this condensed interim consolidated financial information have been restated in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', details of which are as follows:

Effect on balance sheet

	December 31, 2014	Upto December 31, 2013
	----- Rupees -----	
Property and equipment - capital work in progress		
As previously reported	235,527	186,756
Effect of restatement	(45,618)	(29,676)
Restated amount	<u>189,909</u>	<u>157,080</u>
Transaction cost of borrowings		
As previously reported	-	-
Effect of restatement	44,701	29,357
Restated amount	<u>44,701</u>	<u>29,357</u>
Accumulated loss		
As previously reported	4,765,985	4,549,834
Effect of restatement	(917)	(320)
Restated amount	<u>4,765,068</u>	<u>4,549,514</u>
	(Unaudited) June 30, 2015	(Audited) December 31, 2014 Restated
Note	----- Rupees in '000 -----	

5. PROPERTY, PLANT AND EQUIPMENT

Operating assets	5.1	172,067	147,625
Capital work in progress	5.2	342,665	186,979
		<u>514,732</u>	<u>334,604</u>

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For The Half Year Ended June 30, 2015

5.1 Operating assets

Following is the cost of assets that have been added and net book value of the assets that were disposed-off during the period ended June 30, 2015.

	(Un-audited)		(Un-audited)	
	Half year ended June 30, 2015		Half year ended June 30, 2014	
	Acquisition at cost	Disposal at written down value	Acquisition at cost	Disposal at written down value
	-----Rupees in '000-----			
Leasehold land	38,194	-	-	-
Promotional and demo projects	-	-	2,449	-
Furniture, fixture and office equipment	1,249	-	781	-
Computers	379	37	810	29
Tools and equipment	769	-	-	-
Vehicles	1,939	905	1,646	910
	<u>42,530</u>	<u>942</u>	<u>5,686</u>	<u>939</u>

5.2 Capital work in progress

Following are the details of the additions to and transfer from work in process during half year ended June 30, 2015.

	(Un-audited)		(Un-audited)	
	Half year ended June 30, 2015		Half year ended June 30, 2014	
	Addition	Deletions / Transfer	Addition	Deletions / Transfer
	-----Rupees in '000-----			
Leasehold land	14,898	38,194	-	-
Professional fee	167,123	-	456	-
Travelling, boarding and lodging	5,691	-	30	-
Advances	5,818	-	-	-
	<u>193,530</u>	<u>38,194</u>	<u>486</u>	<u>-</u>

5.3 Land & building and plant & machinery of 'Burewala Textile Mills' with book value of 79.6 million are pledged with commercial banks against various funded and non-funded bank facilities.

5.4 Property, plant and equipment include assets having carrying value amounting to Rs. 98.53 million (December 31, 2014: Rs. 107.88 million) held as idle assets which relate to discontinued units of Dawood Cotton Mills, Burewala Textile Mills and Lawrencepur Woolen and Textile Mills.

5.5 Leasehold land of TGL charged in favor of commercial banks against various banking arrangements.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For The Half Year Ended June 30, 2015

	(Un-audited) June 30, 2015	(Audited) December 31, 2014
	-----Rupees in '000-----	
6 INTANGIBLE ASSETS		
Goodwill	22,834	22,834
Softwares	12,951	646
Capital work in progress	750	13,583
	<u>36,535</u>	<u>37,063</u>

	(Un-audited) June 30, 2015	(Audited) December 31, 2014 (Restated)
	-----Rupees in '000-----	

7 LONG TERM PREPAYMENTS

Opening balance	44,701	29,357
Additions during the period / year	236,898	15,344
	<u>281,599</u>	<u>44,701</u>

In line with note 4 these are transaction cost of borrowings for TGL from international and local lenders.

		(Un-audited) June 30, 2015	(Audited) December 31, 2014
	Note	-----Rupees in '000-----	
8 LONG TERM INVESTMENTS			
Share of investment in an associate	8.1	5,174,163	4,926,200
Other investments - available for sale	8.4	12,765	13,221
		<u>5,186,928</u>	<u>4,939,421</u>

8.1 Share of investment in an associate

Associated Company - quoted			
Dawood Hercules Corporation Limited			
Opening balance	8.2	4,926,200	4,605,789
Add: Share of profit after taxation		324,358	398,274
Share of other comprehensive income		1,537	69
		5,252,095	5,004,132
Less: Dividend		<u>(77,932)</u>	<u>(77,932)</u>
		<u>5,174,163</u>	<u>4,926,200</u>

8.2 The Holding Company has pledged 73 million (2014: 18 million) shares of 'Dawood Hercules Corporation Limited' with a commercial bank against various funded and non-funded bank facilities.

8.3 The Holding Company has pledged 34,599,995 (2014: Nil) shares of TGL with a commercial bank against various funded and non-funded bank facilities.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For The Half Year Ended June 30, 2015

8.4 Other investments - Available for sale investments

	2015	2014	Name of Investee	(Un-audited) 2015	(Audited) 2014
	Number of shares / Units			-----Rupees in '000-----	
Listed securities	200,000	200,000	National Investment (Unit) Trust	12,750	13,206
Un-listed securities	1,500	1,500	Asian Co-operative Society Limited	15	15
				<u>12,765</u>	<u>13,221</u>

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

Cost of investments	2,455	2,455
Surplus on remeasurement of investments as at June 30	10,310	10,766
Fair value of investments	<u>12,765</u>	<u>13,221</u>

		(Un-audited) June 30, 2015	(Audited) December 31, 2014
	Note	-----Rupees in '000-----	
9 STOCK-IN-TRADE			
Renewable energy - continuing operations		172,316	179,289
Textile - discontinued operations	9.1	95,963	101,230
		<u>268,279</u>	<u>280,519</u>

9.1 The stock of textile has been written down to net realisable value by Rs. 468,151.

10 TRADE DEBTS

This includes an amount of Rs. 65.54 million on account of contract work-in-progress which has been recognised on the basis of stage of completion.

11 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

It includes an amount of Rs. 61 million receivable from Federal Board of Revenue (FBR) on account of income tax refundable.

		(Un-audited) June 30, 2015	(Audited) December 31, 2014
	Note	-----Rupees in '000-----	
12 DEFERRED LIABILITIES			
Staff retirement gratuity		24,767	20,329
Deferred taxation	12.1	-	-
		<u>24,767</u>	<u>20,329</u>

12.1 Deferred tax asset works out to Rs. 427.727 million (2014: Rs. 362.87 million). It is likely that the income of the Holding Company will be taxable based on turnover tax and under final tax regime in future, hence as a matter of prudence, deferred tax asset has not been recognized.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For The Half Year Ended June 30, 2015

13 RUNNING FINANCE

The Holding Company has arranged running finance of Rs. 650 million (Dec 2014: 400 million) under a mark-up arrangement. The facility is subject to markup @ 3 month KIBOR + 1% (Dec 2014: 3 month KIBOR + 1.1%) which is determined at the start of each quarter and is payable on a quarterly basis in arrears. The running finance under mark-up arrangement is secured by way of pledge over the Holding Company's investment in a related party and equitable mortgage over property at Burewala Textile Mills.

14 CONTINGENCIES AND COMMITMENTS

There is no material change in contingencies and commitments since financial year ended December 31, 2014 except the following;

14.1 Contingencies

- a) The Holding Company is contingently liable against following guarantees and counter guarantees:
 - Rupee denominated bank guarantees of Rs. 152.31 million (December 2014: Rs.128.13 million) favoring various local vendors.
 - A bank guarantee of USD 1,732,500 (December 2014: Nil) favoring National Transmission and Dispatch Company issued on behalf of TGL.
 - The Holding Company is contingently liable to provide support to TGL for an amount of USD 13 million (2014: Nil) to finance Project cost overruns.
- b) The Holding Company has filed an appeal with ATIR against the order of CIR(A) in sales tax audit case.
- c) Other contingencies remains as disclosed in the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2014.
- d) TGL has arranged a bank guarantee of USD 125,000 (December 2014: USD 125,000) to Alternate Energy Development Board (AEDB) for Letter of Support which is valid up to June 30, 2015.

14.2 Commitments

The Holding Company is committed, as 'Sponsor', to make further equity contribution under the 'Sponsor Support Agreement' dated March 11, 2015 for an amount of up to USD 16.65 million (2014: Nil) to TGL.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For The Half Year Ended June 30, 2015

15 SEGMENT REPORTING

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

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

Segment analysis is as under:

Segment results	Renewable energy - continuing operations		Textile - discontinued operations		Alternate Energy		Others		Total	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Revenue	84,737	60,217	10,913	37,957	-	-	-	-	95,650	98,174
Cost of goods sold	(61,238)	(51,731)	(8,550)	(31,593)	-	-	-	-	(69,788)	(83,324)
Segment gross profit	23,499	8,486	2,363	6,364	-	-	-	-	25,862	14,850
Administrative expenses	(79,321)	(57,331)	(48,812)	(39,696)	(15,893)	(9,029)	-	-	(144,026)	(106,056)
Selling and distribution expenses	(57,362)	(45,646)	(102)	(457)	-	-	-	-	(57,464)	(46,103)
Finance cost	(15,121)	-	7,852	258,777	(8)	(189)	6,217	(16,491)	(15,129)	(16,680)
Other income	-	-	-	-	3,525	5,033	-	1,306	17,594	265,116
Workers' welfare fund	-	-	-	-	-	-	264,959	-	-	264,959
Profit from associate	324,358	-	-	-	-	-	-	-	324,358	(3,858)
Taxation	(894)	-	(109)	-	(791)	(228)	(7,878)	(35,646)	(9,672)	(35,874)
Segment net profit	195,159	(94,491)	(38,808)	224,988	(13,167)	(4,413)	(1,661)	210,270	141,523	336,354
Revenue	366,387	305,943	322,141	323,226	748,780	326,486	5,237,037	5,006,785	6,674,345	5,962,440
Segment assets	149,033	158,051	79,897	-	269,717	30,550	468,424	206,584	967,071	395,185
Segment liabilities										

15.2

Segment liabilities

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For The Half Year Ended June 30, 2015

16 TRANSACTIONS WITH RELATED PARTIES

The Group carries out transactions with various related parties. Related parties comprise of associated undertakings, directors, key management personnel and others. Transactions with related parties are carried at agreed terms, except those with employees which carried out as per terms of employment.

	(Un-audited) June 30, 2015	(Un-audited) June 30, 2014
	-----Rupees in '000-----	
Dawood Hercules Corporation Limited - Associated company (Common Directorship)		
Dividend income	77,932	77,932
Reimbursable expenses to the Company	-	27
Reimbursable expenses by the Company	1,269	2,328
D H Fertilizer Limited - Associated company (Common Directorship)		
Reimbursable expenses by the Company	-	2,766
Sach International (Private) Limited - Associated company (Common Directorship)		
Sale of fabric	294	23,806
Reimbursable expenses to the Company	520	374
Royalty charged by the Company	4,487	3,558
Penalty charges against overdue receivables	223	674
Cyan Limited - Associated company (Common Directorship)		
Reimbursable expenses to the Company	-	34
Engro Powergen Limited - Associated company (Common Directorship)		
Project Management fees	6,400	-
Reimbursable expenses by the Company	13,222	-

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For The Half Year Ended June 30, 2015

	(Un-audited) June 30, 2015	(Un-audited) June 30, 2014
	-----Rupees in '000-----	
Other related parties		
The Dawood Foundation		
Rental charges paid	2,656	2,415
Reimbursable expenses by the Company	931	1,148
Inbox Business Technologies (Private) Limited		
Hardware maintenance charges paid	95	279
Pebbles (Private) Limited		
Penalty charges against overdue receivables	-	93
National Database and Registration Authority (NADRA)		
Verification charges	8	8
Key management personnel		
Salaries and employee benefits	20,467	22,245

17 DATE OF AUTHORIZATION FOR ISSUE

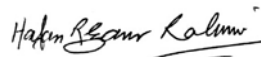
This condensed interim consolidated financial information was authorized for issue on August 27, 2015 by the Board of Directors of the Holding Company.

18 GENERAL

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



INAM UR RAHMAN
Chief Executive



HASAN REZA UR RAHIM
Director



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