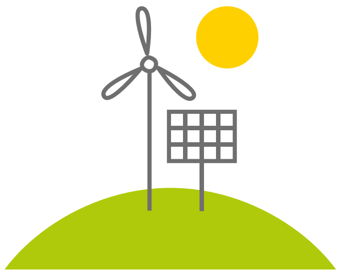


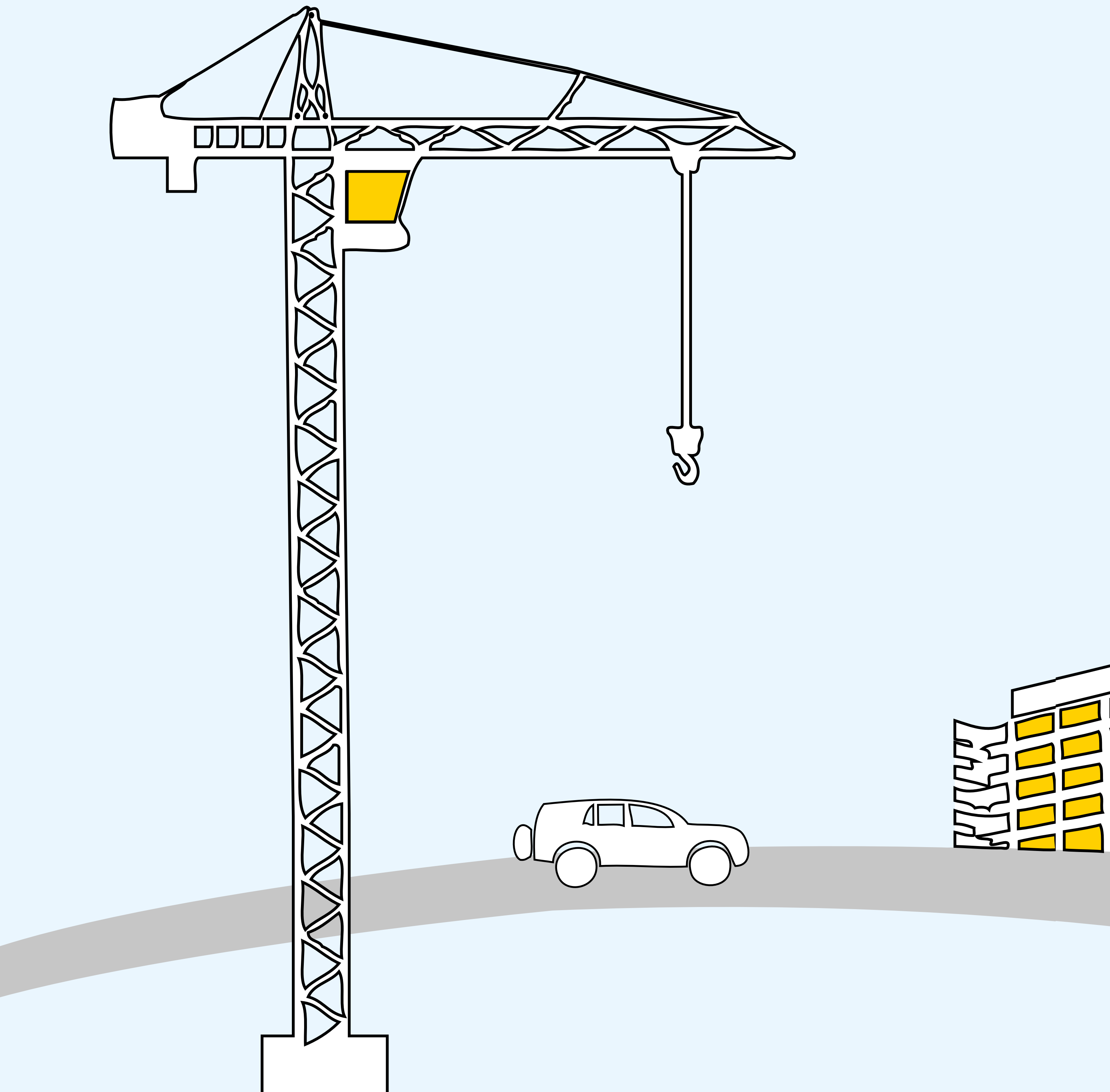
Annual Report 2015

Dawood Lawrencepur Limited

INCREASE

PROFITS

REDUCE ENERGY COST



REON is one of the leading EPC (Engineering, Procurement and Construction) solution providers in Pakistan. These solutions include designing of system, procurement of material from distinct manufacturers and construction of complete PV System (on-grid and hybrid) to deliver cost effective & trustworthy solutions. Our technical expertise and implementation of international HSE standards ensure safety of the employees as well as the environment.

Tenaga Generasi Limited, a subsidiary of Dawood Lawrencepur Limited, is an Independent Power Producer (IPP) project that consists of the construction, operation & maintenance of a wind farm & associated facilities in the province of Sindh, in south-eastern Pakistan. The Project is aimed at creating a better environment by lowering atmospheric emissions.

CONTENTS

OUR VISION

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

OUR MISSION

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

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

COMPANY INFORMATION

BOARD OF DIRECTORS
Shahid Hamid Pracha (Chairman)
Inam ur Rahman (Chief Executive)
Shafiq Ahmed
Abdul Samad Dawood
Shahzada Dawood
Dr. Jawaid Abdul Ghani
Hasan Reza Ur Rahim
Ghias Uddin Khan

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
Ghias Uddin Khan

CHIEF FINANCIAL OFFICER 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
Standard Chartered Bank (Pakitan) Limited

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

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

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

LAHORE OFFICE
01-Canal Park, Near Jail Road Underpass
Gulberg 2, Lahore-54000
Ph# : 042-35959146-9
Fax# : 042-35959145

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

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

OUR VALUES

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

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

Ethics & Integrity

OPERATING HIGHLIGHTS

	PARTICULARS	UNIT	December 2015 Continuing Operations	December 2015 Discontinued Operations	December 2015 Total	December 2014 Continuing Operations	December 2014 Discontinued Operations	December 2014 Total	December 2013 Continuing Operations	December 2013 Discontinued Operations	December 2013 Total
A)	INCOME STATEMENT										
1	Sales Value	Rs. In (000)	175,765	26,377	202,142	129,199	70,423	199,622	134,318	84,255	218,573
2	Gross Profit / (Loss)	Rs. In (000)	32,758	3,567	36,325	27,051	(12,896)	14,155	18,514	(10,980)	7,534
3	Operating Profit / (Loss)	Rs. In (000)	(222,635)	(110,748)	(333,383)	(132,070)	(181,811)	(313,881)	(159,111)	(81,134)	(240,245)
4	Profit / (Loss) Before Taxation	Rs. In (000)	811,413	664,129	1,475,542	(161,657)	82,865	(78,792)	(264,873)	(72,993)	(337,866)
5	Profit / (Loss) After Taxation	Rs. In (000)	617,990	664,129	1,282,119	(171,722)	82,865	(88,857)	(267,173)	(72,993)	(340,166)
B)	DIVIDEND										
1	Cash Dividend	%	50	-	50	-	-	-	10	-	10
2	Stock Dividend	%	-	-	-	-	-	-	-	-	-
C)	BALANCE SHEET										
1	Total Assets Employed	Rs. In (000)	2,135,764	260,633	2,396,397	803,255	323,226	1,126,481	1,058,024	194,529	1,252,553
2	Current Assets	Rs. In (000)	1,043,589	178,048	1,221,637	292,495	205,512	498,007	552,095	-	552,095
3	Current Liabilities	Rs. In (000)	316,218	32,146	348,364	345,802	-	345,802	376,457	-	376,457
4	Paid Up Capital	Rs. In (000)	590,578	-	590,578	590,578	-	590,578	590,578	-	590,578
5	Shareholders Equity	Rs. In (000)	2,041,699	-	2,041,699	762,931	-	762,931	853,779	-	853,779
6	No. of Ordinary Shares	In (000)	59,058	-	59,058	59,058	-	59,058	59,058	-	59,058
D)	RATIO ANALYSIS										
1	Gross Profit / (Loss)	%	18.64	13.52	17.97	20.94	(18.31)	7.09	13.78	(13.03)	3.45
2	Earning Per Share	Rs.	10.46	11.25	21.71	(2.91)	1.40	(1.50)	(4.52)	(1.24)	(5.76)
3	Dividend Yield	%	-	-	-	-	-	0	-	-	7.15
4	Return on Equity	%	-	-	62.80	-	-	(11.65)	-	-	(39.84)
5	Break-up Value of Shares	Rs.	-	-	34.57	-	-	12.92	-	-	14.46
6	Market Value of Shares	Rs.	-	-	139.99	-	-	120.53	-	-	83.95
7	Price Earning Ratio	Rs.	-	-	6.45	-	-	(80.11)	-	-	(14.57)
8	Dividend Payout Ratio	%	-	-	-	-	-	-	-	-	(104.17)
E)	PRODUCTION										
1	Capacity										
	Polyester Yarn	Kgs In (000)	-	-	-	-	-	-	-	-	-
	Yarn	Kgs In (000)	-	-	-	-	-	-	358	-	358
	Cloth	Mtrs In (000)	-	-	-	-	-	-	754	-	754
2	Actual Production										
	Polyester Yarn	Kgs In (000)	-	-	-	-	-	-	-	-	-
	Yarn Kgs	Kgs In (000)	-	-	-	-	-	-	30	-	30
	Cloth Mtrs.	Mtrs In (000)	-	-	-	-	-	-	113	-	113
3	Capacity Utilization - Yarn	%	-	-	-	-	-	-	8	-	8
	- Cloth	%	-	-	-	-	-	-	15	-	15
F)	OTHERS										
1	Employees	Nos.	31	-	31	79	-	79	88	21	109
2	Capital Expenditures	Rs. In (000)	17,290	-	17,290	20,508	647	21,155	17,331	-	17,331

December 2012			December 2011			December 2010		
Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
'Restated		Restated						
385,205	4,693	389,898	374,667	7,465	382,132	380,862	11,502	392,364
46,795	(1,489)	45,306	35,106	1,737	36,843	50,656	1,276	51,932
(34,600)	(69,900)	(104,500)	(44,747)	(46,436)	(91,183)	(13,316)	(37,874)	(51,190)
123,456	(27,528)	95,928	55,089	(30,535)	24,554	124,017	(40,452)	83,565
118,642	(27,528)	91,114	46,793	(30,535)	16,258	99,956	(40,452)	59,504
50	-	50	10	-	10	5	-	5
-	-	-	-	-	-	15	-	15
1,550,451	194,529	1,744,980	1,540,995	188,675	1,729,670	1,512,696	195,272	1,707,968
1,155,176	-	1,155,176	1,133,714	-	1,133,714	1,262,848	-	1,262,848
99,854	-	99,854	130,910	-	130,910	133,907	-	133,907
590,578	-	590,578	590,578	-	590,578	513,547	-	513,547
1,551,965	-	1,551,965	1,539,875	-	1,539,875	1,525,504	-	1,525,504
59,058	-	59,058	59,058	-	59,058	59,058	-	59,058
12.15	(31.73)	11.62	9.37	23.27	9.64	13.30	11.09	13.24
2.01	(0.47)	1.54	0.79	(0.52)	0.28	1.69	(0.68)	1.01
-	-	2.19	-	-	3.23	-	-	4.60
-	-	5.87	-	-	1.06	-	-	3.90
-	-	26.28	-	-	26.07	-	-	25.83
-	-	45.75	-	-	31.00	-	-	43.47
-	-	29.65	-	-	112.61	-	-	43.14
-	-	64.82	-	-	473.80	-	-	198.00
-	-	-	-	-	-	-	-	-
358	-	358	358	-	358	358	-	358
754	-	754	754	-	754	754	-	754
-	-	-	-	-	-	-	-	-
96	-	96	136		136	170		170
541	-	541	541		541	664		664
27	-	27	38		38	47		47
72	-	72	72		72	88		88
572	144	716	617	154	771	612	166	815
4,997	-	4,997	3,207		3,207	8,725	-	8,725

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

Respect for our People

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to all the shareholders of Dawood Lawrencepur Limited (the "Company") that the Sixty Sixth (66th) Annual General Meeting of the Company will be held on Friday, April 8, 2016 at 1000 hours at Beach Luxury Hotel, M.T. Khan Road, Karachi to transact the following business after recitation from the Holy Quran:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2015 together with the Auditor's and Directors' Reports thereon.

2. To approve as recommended by the Directors, payment of final cash dividend of Rs. 5/- per share i.e. 50% for the year ended December 31, 2015.

3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

1. To consider and, if deemed fit, pass the following resolution as Special Resolution with or without modification for alterations in the Articles of Association of the Company:

   "RESOLVED that pursuant to Section 28 and other applicable provisions, if any, of the Companies Ordinance, 1984 and any other law(s), a new Article 63(a) be added immediately after Article 63, and the Articles 67 of the Articles of Association of Dawood Lawrencepur Limited be altered to read as under;

   63(a). **Electronic Voting:** The Company shall comply with the mandatory e-voting requirements as may be prescribed by the Securities and Exchange Commission of Pakistan from time to time.

   67.An instrument appointing a proxy may be in the following form, or in any other form which the Directors shall approve:

DAWOOD LAWRENCEPUR LIMITED

<u>Option 1</u>

<u>Appointing other person as Proxy</u>

I/We____ of ________ ____ being a member of Dawood Lawrencepur Limited and holder of ________________________ *(number of shares)* Ordinary Shares as per Registered Folio No. ___________________ hereby appoint Mr. __ ______________________________of _____________ or failing whom Mr. _____________ ____________________of _______________ as my/our proxy to vote for me/us and on my/our behalf at the (annual, extraordinary general meeting, as the case may be) of the Company to be held on ___________________and at any adjournment thereof. Signed under my / our this__________________________ day of _________, 20_____

Option 2

E-voting as per The Companies (E-voting) Regulations, 2016

I/We, ____ of ____, being a member of Dawood Lawrencepur Limited, holder of ______________________ Ordinary Share(s) as per Register Folio No. ____________ hereby opt for e-voting through intermediary and hereby consent the appointment of execution officer ____________ as proxy and will exercise e-voting as per the Companies (E-voting) Regulations, 2016 and hereby demand for poll for resolutions. My secured email address is ______________, please send login details, password and electronic signature through email.

____

Signature should agree

with the specimen signature

registered with the Company

Signed in the presence of:

______________ ______________

Signature of Witness Signature of Witness

FURTHER RESOLVED that the Company Secretary be and is hereby authorized to do all acts, deed and things, take all steps and action necessary, ancillary and incidental for altering the Articles of Association of the Company including filling of all requisite documents/ statutory forms as may be required to filed with the Registrar of Companies and complying with all other regulatory requirements so as to effectuate the alterations in the Articles of Association and implementing the aforesaid resolution."

2. To consider and, if thought appropriate, pass with or without modification, the following Special Resolution in terms of Section 208 of the Companies Ordinance 1984, for equity investment in the Company's Subsidiary Company, Tenaga Generasi Limited:

"RESOLVED that approval of members of Dawood Lawrencepur Limited be and is hereby accorded in terms of Section 208 of the Companies Ordinance, 1984 for long term investment of upto USD 35.3 million (in equivalent Pakistani Rupees) for subscribing upto 380 million fully paid up ordinary shares, at par value of Rs. 10 each, of Tenaga Generasi Limited, a Subsidiary Company as per terms and conditions disclosed to the members.

FURTHER RESOLVED that the Chief Executive Officer and the Company Secretary of the Company be and are hereby authorized to do all such things and acts necessary for this investment in the best interests of the Company, including but not limited to the execution of all/any documents and completion of all legal formalities and filing of documents required for the purposes of implementing this resolution."

A Statements under section 160(1)(b) of the Companies Ordinance, 1984, setting forth all material facts pertaining to the Special Business referred to above is annexed to this notice is being sent to Members.

By Order of the Board

Karachi
March 03, 2016

Hafsa Shamsie
Company Secretary

Notes:

1. **Closure of Share Transfer Books:**

The Share Transfer Books of the Company will remain closed from April 1, 2016 to April 8, 2016 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar, Messrs. Central Depository Company of Pakistan Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400, by close of business (5:00 p.m.) on March 31, 2016, will be treated in time to entitle the transferees to attend and vote at the Annual General Meeting.

2. **Participation in the Annual General Meeting:**

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

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

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

A. For Attending the Meeting

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

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

A. For Appointing Proxies

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

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

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

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

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

4. New Tax Implications on dividends:

<u>Increased Tax Rates on Filers / Non-Filers:</u>

Through the Finance Act, 2015, enhanced rate of withholding tax on dividend amount has been prescribed in the Income Tax Ordinance, 2001 (Ordinance). New tax rates are as under;

a. For Filers of Income Tax return: 12.5%

b. For Non-Filers of Income Tax return:17.5%

A 'filer' is a taxpayer, whose name appears in the Active Taxpayers List (ATL) issued by FBR from time to time, whereas 'non-filer' is a person other than a 'filer'. FBR has uploaded an ATL on its website, which can be accessed at http: //fbr.gov.pk

The Company / Share Registrar will check each shareholder's status on the latest ATL available at the first day of Book Closure and, if the shareholder's name does not appear on the ATL, the increased rate of withholding tax at 17.5% would be applied. In case of 'filer' withholding rate of 12.5% will be applicable.

The corporate shareholders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate physical shareholders should send copy of their NTN certificate to our Share Registrar, mentioning their Folio no. and Company name.

<u>Taxation for Joint Shareholders:</u>

The FBR has clarified that where the shares are held in joint accounts / names, each account / joint holder will be treated individually as either a filer or a non-filer and tax will be deducted according to his/her shareholding. The shareholders who are having joint shareholding status are requested to kindly intimate their joint shareholding proportions to the Share Registrar of the Company i.e. Messrs. Central Depository Company of Pakistan Limited as per the following format:

Company Name	Folio/CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder	
			Name & CNIC No.	Shareholding proportion (No.of Shares)	Name & CNIC No.	Shareholding proportion (No.of Shares)

If the shareholding proportion is not advised or determined, each joint shareholder will be assumed to hold equal proportion of shares and deduction of withholding tax will be made accordingly.

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

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

5. Notice to members who have not provided their CNIC:

As instructed by the Securities & Exchange Commission of Pakistan (SECP) dividend warrants cannot be issued without insertion of CNIC Numbers; therefore, all shareholders holding physical shares and have not as yet despite various letters and notices, submitted photocopy of their valid Computerized National Identity Card are once again requested to send a photocopy of their valid CNIC along with the folio numbers to the Company's Share Registrar. In case of non-receipt of the copy of a valid CNIC, the Company would be unable to comply with the said SROs of SECP and, therefore, will be constrained under Section 251 (2) (a) of the Companies Ordinance 1984 to withhold dividend warrants of such Shareholders.

6. Payment of dividend electronically (e-mandate):

In order to enable a more efficient method of cash dividend, SECP through its Circular No. 8(4) SM/CDC 2008 of April 5, 2013, the SECP has announced an e-dividend mechanism where shareholders can get their dividend credited directly into their respective bank accounts electronically by authorizing the Company to electronically credit their dividend to their accounts. Accordingly, all non CDC shareholders are requested to send their bank account details to the Company's Registrar. Shareholders who hold shares with CDC or Participants/ Stock Brokers, are advised to provide the mandate to CDC or their Participants/ Stock Brokers.

7. Audited Financial Statements Through e-mail:

SECP through its Notification SRO 787 (I)/2014 dated September 8, 2014 has allowed the circulation of Audited Financial Statements along with Notice of Annual General Meeting to the members of the Company through e-mail. Shareholders of the Company are requested to give their consent on prescribed format to our Share Registrar to update their record if they wish to receive Annual Audited Financials Statement and Notice of General Meeting through email. However, if shareholders, in addition, request for hard copy of Annual Audited Financial Statements, the same shall be provided free of cost within seven days of receipt of such request.

8. Consent for Video Conference Facility

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

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

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

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

____

Signature of Members

9. Change of Address and Non-Deduction of Zakat Declaration Form:

Physical shareholders are requested to notify any change in their addresses immediately and if applicable provide their non-deduction of Zakat Declaration Form to the Company's Shares Registrar, Messrs. Central Depository Company of Pakistan Limited. Furthermore, if not provided earlier, members holding shares in CDC/Participants accounts are also requested to update their addresses and if applicable, to provide their non-deduction of Zakat Declaration Form to CDC or their Participants/Stock Brokers.

STATEMENT UNDER SECTION 160 (1) (B) OF THE COMPANIES ORDINANCE, 1984

THIS STATEMENT SETS OUT THE MATERIAL FACTS CONCERNING THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING OF THE COMPANY

TO BE HELD ON APRIL 08, 2016

1. AMENDMENTS IN THE ARTICLES OF ASSOCIATION OF THE COMPANY

Securities and Exchange Commission of Pakistan has issued Companies (E-Voting) Regulation 2016 on January 22, 2016 vide S.R.O 43(1)/2016. The directors have recommended alteration in the Articles of Association by inserting a new Article 63 (a) therein and replace Article 67 which will give the members option to be part of the decision making in the general meeting of the Company through electronic means.

The directors are not interested, directly or indirectly, in the above business except to the extent of their investment as has been detailed in the pattern of Shareholding annexed to the Directors Report.

Addition of New Article 63(a);

63(a). **Electronic Voting:** The Company shall comply with the e-voting requirements as may be prescribed by the Securities and Exchange Commission of Pakistan from time to time.

Article 67 be altered to read as;

67. An instrument appointing a proxy may be in the following form, or in any other form which the Directors shall approve:

DAWOOD LAWRENCEPUR LIMITED

Option 1

Appointing other person as Proxy

I/We____ of ________ ____ being a member of Dawood Lawrencepur Limited and holder of ______________________ *(number of shares)* Ordinary Shares as per Registered Folio No. __________________ hereby appoint Mr. ____________ __________________of ____________ or failing whom Mr. ________________________ ______of ______________ as my/our proxy to vote for me/us and on my/our behalf at the (annual, extraordinary general meeting, as the case may be) of the Company to be held on __________________and at any adjournment thereof. Signed under my / our this__________ ______________ day of _________, 20_____

Option 2

E-voting as per The Companies (E-voting) Regulations, 2016

I/We, ____ of ____________ ____, being a member of Dawood Lawrencepur Limited, holder of _________________________ Ordinary Share(s) as per Register Folio No. ___________ hereby opt for e-voting through intermediary and hereby consent the appointment of execution officer ______________ as proxy and will exercise e-voting as per the Companies (E-voting) Regulations, 2016 and hereby demand for poll for resolutions. My secured email address is ________________, please send login details, password and electronic signature through email.

____

Signature should agree with the specimen signature registered with the Company

Signed in the presence of:

__________________ __________________

Signature of Witness Signature of Witness

Article 67 Before Alteration;

67. An instrument appointing a proxy may be in the following form, or in any other form which the Directors shall approve:

I/We ____ of ____________________________________ _______________ being a member of **Dawood Lawrencepur Limited AND HOLDER** of _______ Shares as per Share Register Folio No. ______ and/or CDC Participant ID No. ___________________ and Sub Account No. _________ hereby appoint _______________________________

(Name)

of ____or failing him ______________ ____

(Name)

of ____as my /our proxy to vote for me/us and on my/our behalf, at the _____Annual General Meeting / Extra Ordinary General Meeting of the Company to be held on ____________, at ________ and at any adjournment thereof.

As witnessed given under my/our hand (s) _________________day of _______200__

1. **Witness:**

Signature______________________

Name_________________________________

NIC No.________________________

Address________________________

Affix Revenue Stamps of 5/-

____

Signature of Members

2. **Witness:**

Signature________ Shareholder's Folio No.

Name____________________ CDC A/c No. ________________

NIC No.___________ NIC No. ______________________

Address___________

2. INVESTMENT IN THE SUBSIDIARY COMPANY

Tenaga Generasi Limited (TGL) was a wholly owned subsidiary of Dawood Lawrencepur Limited (DLL). However, due to participation of International Finance Corporation, the shareholding of DLL in TGL has come down from 100% to 75%. Accordingly, the Directors have recommended passing of special resolution for further investments in TGL.

#	Nature of information required to be disclosed pursuant to the Companies (investments in associated companies or undertakings) Regulations, 2012	Relevant Information
1.	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	Tenaga Generasi Limited (hereinafter, referred to as "**TGL**") is a subsidiary of Dawood Lawrencepur Limited ("**DLL**" or "**Company**").
2.	Purpose, benefits and period of investment	**Purpose & Benefit** The objective of the Company is to establish itself in the alternate energy space through investment in the Wind Power Project of TGL. The Project of TGL consists of the construction, operation and maintenance of a 49.5 MW wind farm and associated facilities in Mirpur Sakro, District Thatta, Sindh. The Project is an Independent Power Producer and will sell electricity to the National Transmission and Despatch Company Limited under a 20-year Energy Purchase Agreement. NTDC's payment obligations under the EPA will be guaranteed by the Government of Pakistan. **Period of Investment** Long term investment. The investment proposed herein will be made in multiple tranches over the course of the next few months until the Project of TGL achieves its commercial operations (which is expected by end of 2016).

		Benefits of Investment The investment will bring attractive returns to the shareholders of DLL in the form of dividend based on 20 years Energy Purchase Agreement with the Government as the Project has an attractive rate of return based on the tariff.
3.	Maximum amount of investment	Pak Rupee Equivalent of upto USD 35.3 million.
4.	Maximum price at which securities will be acquired	PKR 10/- per ordinary share
5.	Maximum number of securities to be acquired	Upto 380 million ordinary shares of Rs. 10/- each
6.	Number of securities/units and percentage thereof held before and after the proposed investment	**Before acquisition** 91.38 million shares of Rs. 10/- each – 75% **After acquisition** Upto 380 million shares of Rs. 10/- each – 75% or higher
7.	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	N/A
8.	In case of investment in unlisted securities fair market value of such securities determined in terms of regulation 6(1)	TGL's Wind Power Project is currently in a construction phase. The current fair value of investment is assumed at PKR 10/- due to the above factor. The fair value of the investment will be applicable once the company commences its operations.
9.	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	PKR 9.25 per share (December 31, 2015 audited accounts).
10.	Earning/(Loss) per share of the associated company or associated undertaking for the last three years	Loss per share 2015 (0.48) Loss per share 2014 (0.26) Loss per share 2013 (0.41)
11.	Sources of fund from which securities will be acquired	Company's cash resources

12.	If the securities are intended to be acquired using borrowed funds; a. justification for investment through borrowings; and b. detail of the guarantees and assets pledged for obtaining such funds	N/A
13.	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	TGL is an associated company and the investment will be made in Right Shares, hence no agreement is required for this investment.
14	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	None of the directors, sponsors, majority shareholders and their relatives have any interest in the proposed acquisition, except to the extent of their shareholding in the associated company or associated undertaking or the transaction under consideration. Further, TGL is a subsidiary of DLL and some of its directors are shareholders of DLL holding the following number of shares; Shahid Hamid Pracha: 1,000 Inam ur Rahman: 7,134 Shafiq Ahmed: 1,154 Abdul Samad Dawood: 1,677,177
15.	Any other important details necessary for the members to understand the transaction	None

16.	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, disclose further information as follows:	
	a. Description of the project and its history since conceptualization.	The Project is currently under construction. China Machinery Engineering Corporation (CMEC) is the Engineering, Procurement and Construction (EPC) Contractor. The Project is financed through Debt (75%) and Equity (25%). Debt participants include International Finance Corporation (IFC). Overseas Private Investment Corporation (OPIC) and consortium of local lenders. Equity participants include the Company and IFC.
	b. Starting and expected date of completion of work.	The work on the Project started on 2015 and it is expected to reach Commercial Operations Date (COD) in late 2016.
	c. Time by which such project shall become commercially viable.	Q4 2016
	d. Expected time by which the project shall start paying return on investment.	2017

The Directors submit that they have carried out necessary due diligence for the proposed investment in TGL and duly signed recommendation of the due diligence report shall be available for inspection of members in the general meeting along with latest audited accounts of TGL.

Inspection:

All the documents related to the special businesses including original and amended Articles and agreement between DLL and TGL for investment are being kept at the register office of the Company for inspection during usual business hours till the date of the Annual General Meeting.

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

Health, Safety & Environment Stewardship

DIRECTORS' REPORT
For the year ended December 31, 2015

The Directors of Dawood Lawrencepur Limited are pleased to present their Report together with the audited Financial Statements for the year ended December 31, 2015.

Business Review

The Company, aspiring to become a leader in renewable energy, has two subsidiaries looking after its wind and solar businesses. Tenaga Generasi Limited is mandated to construct and operate a 49.5MW Wind Energy Project which is expected to come online in late 2016. Reon Energy Limited is mandated to design and construct world class solar projects and continue to look for opportunities in other renewable energy segments. During the year, transition of solar and peripheral business operations to the newly formed company, Reon Energy Limited, commenced. The Company continues to look for opportunities to either liquidate or deploy its legacy textile assets for developing the renewable energy business.

Textiles

The Lawrencepur brand licensing arrangement continues to reap benefits for the shareholders in the form of royalty income. As another step towards implementing its strategy of exiting the textile business, the Company profitably sold land belonging to its closed down textile units, Dawood Cotton Mill and Dilon Limited, during the period under review. The Company has made considerable efforts to minimize costs associated with the textile business and reduce working capital in a bid to channel all savings into the area of strategic importance i.e. renewable energy. During the period under review, the Company continued to look for buyers for Burewala Textile Mill assets.

Renewable Energy Business

Reon Energy Limited, a wholly owned subsidiary, is now looking after the solar energy business for the Company and is in the process of crafting the best possible business portfolio within the solar energy realm for better long term shareholder returns.

During the year, several medium to large scale projects were successfully installed and commissioned whilst conforming to the highest occupational safety standards. Projects were delivered for a variety of customers, including Unilever Pakistan and Asia Petroleum Limited, with the biggest being a 1MW installation for Nobel Energy - a part of the Wah Nobel Group. The Company is now recognized as the leader in high quality installations whilst providing customers with clean energy and also minimizing their energy price risk. During the year the Company has focused on supply chain management and engineering collaborations to bring in efficiencies which have ultimately benefited customers.

The Company is now directing all focus to the high-growth areas in the solar energy space. Solar energy solutions help provide energy security and minimize energy costs for businesses. In addition, renewable energy addresses environmental concerns regarding carbon emissions and greenhouse gases. These factors together with declining prices of solar generation equipment indicate a huge potential in the market.

Reon Energy Solutions believes in adhering to the highest levels of safety for all stakeholders; customers, staff, contractors. Company safety policies and procedures are strictly complied with and zero tolerance is exercised for misdemeanors. As a step towards reaffirming its safety commitment, the Company successfully obtained ISO14001 Certification during the period under review and is now working towards obtaining OHSAS 18001 Certification in the future.

Wind Energy Project

The Financial Close for the Project was achieved on 27 March 2015 and construction is proceeding as per plan with an objective of achieving Project COD by early Q4, 2016. During the period under review, International Finance Corporation (IFC) became an equity partner in the Project with 25% shareholding. Health Safety and Environment (HSE) is our priority and 235,756 safe man-hours were clocked in by the end of the year. All HSE objectives, as per international requirements, are being implemented. The shipment of first consignment of Wind Turbine Generator (WTG) equipment, including blades and towers has now reached the site and is under installation. A quality Temporary Site Facility has been installed and all Contractor and Company personnel are now based on site. The Project has almost 15 Kms of internal roads on which 80 % work has been completed. The piling for the WTG foundations are complete and construction will commence in January 2017.

The key element of concern remains the timely availability of the NTDC grid. New transmission lines are being constructed primarily for wind projects in the relevant corridor and the Company is closely monitoring that progress.

The financial highlights of the Company are as under:

	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
Sales from continuing operations	175,765	129,199
Gross profit	32,758	27,051
Other operating income	1,034,048	89,310
Profit / (loss) after taxation from continuing operation	622,548	(171,722)
Profit / (loss) from discontinued operations	659,571	82,865
Profit / (loss) for the year	1,282,119	(88,857)
Un-appropriated profit / (loss) brought forward	(45,079)	49,027
Un-appropriated profit / (loss) carried forward	1,234,247	(45,079)
Earnings per share – basic and diluted (net)	Rs. 21.7	Rs. 1.50

During the year, the Company installed some key projects for high profile clients, including a one megawatt project for Nobel Energy. The Company achieved a turnover of Rs. 175.8 million for the year from continuing operations against Rs. 129.2 million last year. The gross margin remained at par with last year.

Dividend income from long term investments resulted in profit after tax from discontinuing operations of Rs. 622.5 million as against loss after tax of Rs. 171.72 million last year on a standalone basis.

Aggregate earnings per share for the year from continuing and discontinued operations of the Company on a standalone basis were Rs. 21.7 per share as compared to losses of Rs. 1.51 per share last year.

The consolidated operating loss from continuing operations of the Group for the year stood at Rs. 288.4 million as against loss of Rs. 270.0 million last year with a share of profit from associate of

Rs. 3,420.4 million as against Rs. 398.3 million last year. The consolidated profit before tax from continuing operations was Rs. 3,161.1 million as against Rs. 149.1 million in 2014.

The consolidated aggregate earnings per share for the year were Rs. 59.6 per share as compared to Rs. 3.75 per share for last year.

Appropriation and Dividend

The Board recommends a final cash dividend of 50% (Rs. 5.00 per share) for the year ended December 31, 2015.

Future Outlook

The increasing viability of solar power is soon expected to make it the most attractive energy solution for businesses. However there is limited support for the sector in Pakistan. Both developed and developing countries have introduced several aggressive government interventions to support and grow the sector. Your Company is working with the government in Pakistan to introduce such programs that can quickly escalate the use of renewable energy and make Pakistan energy self-sufficient. Financial institutions and international development organizations must play a significant role to help the renewable energy industry advance beyond its nascent stage in Pakistan. Policy makers must enable programs that support the energy demand of large scale businesses. Last but not least, corporations need to set time-bound renewable energy targets for creating self-sustaining ventures.

Pakistan is located in a region with ample solar irradiation that makes it suitable to utilize solar power technologies. The Government must facilitate investors to enter into large utility scale solar projects through consistent polices aimed at achieving a win-win solution for the investor as well as the Government. However recent actions have been to the contrary and become a cause of concern in investor circles. Despite the government's favor for thermal power, distributed solar power generation has very good potential in the country. The electricity starved industrial and commercial sector needs energy security and solar solutions installed on otherwise unused rooftops/ open facility. These solar installations benefit the owner in terms of reduced electricity costs and the sale of excess electricity to grid in case of net metering which, once implemented, could prove to be a key game changer for the market.

The Company is actively building capability to cater to the target energy dependent sectors with customized solutions and an aim to provide maximum value for our customers. Additionally we will continue to explore other areas of interest in the renewable energy space to honor our promise of 'energy abundance' to our customers.

Wind Energy Project

In the absence of short term fixes to the energy deficit situation, the projects in the energy pipeline have gained more significance. The availability of international funding and the shorter construction time makes renewable energy projects very attractive for developers and investors. Energy through wind projects is now a mature and proven technology. The successful operation of a couple of projects in a location nearby to TGL has also provided assurance and confidence to all stakeholders including the lenders and the power purchasers. The Government has also been somewhat regular with electricity payments and the wind energy sector has, till now, largely been insulated from the chronic circular debt concern.

The downturn in the oil prices is affecting the Government policy with regards to the pace of development of renewable energy. However, the Company is optimistic about wind energy given its cost competitiveness over other conventional energy forms and the promise of energy security, and remains committed to deliver the Project within budgeted time and cost.

Corporate Governance

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

Code Of Conduct

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

Vision And Mission

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

Corporate And Financial Reporting Framework

It is certified that:

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

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

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

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

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

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

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

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

Board Audit Committee

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

During the year ended December 31, 2015, a total of four meetings of the Board Audit Committee were held. The position of attendance during respective tenure was as follows:

Name of Director	Meetings	
	Held	Attended
Dr. Jawaid Abdul Ghani	4	-
Mr. Shafiq Ahmed	4	4
Mr. Hasan Reza Ur Rahim	4	4

Pattern Of Shareholding

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

Key Operating And Financial Data

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

Value Of Investments Of Gratuity Fund

The face value of the investments of the Gratuity Fund of the management cadre staff was Rs. 2.82 million on the closing date.

Trading In Company Shares

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

Board Meetings

During the year ended December 31, 2015, a total of nine meetings of the Board of Directors were held. The position of attendance during respective tenure was as follows:

Name of Director	Meetings	
	Held	Attended
Mr. Shahid Hamid Pracha	9	9
Mr. Inam ur Rahman	9	9
Mr. Shafiq Ahmed	9	8
Mr. Abdul Samad Dawood	9	2
Mr. Shahzada Dawood	9	5
Mr. Sarfaraz Ahmed Rehman	5	1
Dr. Jawaid Abdul Ghani	9	-
Mr. Hasan Reza Ur Rahim	9	6
Mr. Ghias Uddin Khan	1	-

Mr. Sarfaraz Ahmed Rehman resigned from the Board on August 24, 2015 and Mr. Ghias Uddin Khan was appointed as Director in his place on November 19, 2015. The Board would like to record its appreciation for the distinctive and valuable contribution made by Mr. Sarfaraz Ahmed Rehman as Director of the Board and welcome Mr. Ghias Uddin Khan to the Board.

Human Resource And Remuneration Committee Meetings

During the year ended December 31, 2015, a total of two meetings of the Human Resource and Remuneration Committee (HR&RC) were scheduled one of which was adjourned due to lack of quorum. The position of attendance during respective tenure was as follows:

Name of Director	Meetings		
	Held	Adjourned	Attended
Mr. Shahid Hamid Pracha	2	1	1
Mr. Abdul Samad Dawood	2	-	1
Mr. Sarfaraz Ahmed Rehman	1	N/A	1

Mr. Sarfaraz Ahmed Rehman resigned from the Board on August 24, 2015 and Mr. Ghias Uddin Khan was appointed as Member of HR&RC in his place on November 20, 2015.

Certificate Of Related Party Transactions

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

Auditors

Messrs. Deloitte Yousuf Adil, Chartered Accountants have been the statutory auditors of the Company since 2010. The Board Audit Committee, responsible for financial oversight of the Company has been deliberating the prospect of rotation of auditors as part of its effort to continuously improve the standards of corporate governance. The Committee has proposed that for the year 2016 Messrs. A. F. Ferguson & Co., Chartered Accountants be appointed as the statutory auditors of the Company. The Board of Directors has endorsed the recommendation.

The Board of Directors wishes to place on record and acknowledge the highest standard of professional independence, objectivity and effectiveness shown by Messrs. Deloitte Yousuf Adil during their tenure as statutory auditors.

Acknowledgement

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

Shahid Hamid Pracha
Chairman

Inam ur Rahman
Chief Executive

Karachi:
March 03, 2016

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

Dawood Lawrencepur Limited

Customer Satisfaction

BUSINESS CODE OF CONDUCT

The Company strongly believes in conducting and growing its business on the principles of integrity, fairness and high ethical standards. The Company takes pride in adherence to its principles and shall continue to serve its customers, stakeholders and society on the basis of the following Business Code of Conduct:

1. The Company believes in ethical and fair business practices and open competitive markets. Developing any association within the segment, industry or with competitors to distort pricing and availability is contradictory to our business code of conduct.

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

3. The Company will ensure compliance with the laws of Pakistan.

4. The Company will ensure protection of Intellectual Property rights and comply with related legislation regarding protection of copyright, trade secrets, patents, etc. We expect our employees to comply with the Company policy on Information Protection and neither solicit confidential information from others nor disclose the Company's trade secrets, or any confidential information that may come into their knowledge during the course of their employment to any unauthorized person or party.

5. The Company as a responsible corporate citizen shall strongly adhere to the principles of corporate governance and comply with regulatory obligations enforced by regulatory bodies for improving corporate performance.

6. The Company expects employees to demonstrate integrity and honesty in doing business for the Company and dealing with people. Any unfair or corrupt practices either to solicit business for the Company or for personal gain of the employee is fundamentally inconsistent with the Company's Business Code of Conduct. Employees must avoid situations in which personal interest conflicts with or interferes with their duty to be loyal to the Company.

7. The Company's funds shall not be used, directly or indirectly, for the purpose of any unlawful payments.

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

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

10. Agreements with agents or consultants must be in writing and must clearly and accurately set forth the services to be performed, the basis for earning the commission or fee involved, and the applicable rate or fee. Any such payments must be reasonable in amount, not excessive in

light of the practice in the trade, and commensurate with the value of the services rendered. The agent, or consultant must be advised that the agreement may be publically disclosed and must agree to such public disclosure.

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

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

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

14. All employees, including managers, are expected to treat all other employees and subordinates with respect and fairness. Employees are encouraged to report incidents of violence or aggressive behaviour and managers are expected to investigate so that such incidents are not repeated.

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

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

17. The Company will not allow improper use of email and internet. The employees are expected to read and comply with the Company policy on email and computer network use.

18. The Company will ensure its recruitment and selection process is of a high standard, based on merit and free from discrimination.

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

20. The behavior of employees reflects the image of the Company. Employees are expected to act professionally and abide by the Companies policies, rules, regulations and code of conduct. Any violations must be reported to HR or the Chief Executive of the Company, who will ensure that any reported violations are investigated and upon being proven, proper action is taken.

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

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Shareholder Value Creation

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

For the year ended December 31, 2015

This statement is being presented to comply with the Code of Corporate Governance (the CCG) contained in Rule Book and Listing Regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

i. The Company encourages representation of independent non-executive Directors and Directors representing minority interests on its Board of Directors (the Board). At present the Board includes:

Category	Names
Independent Directors	Dr. Jawaid Abdul Ghani
Executive Directors	Mr. Inam ur Rahman – Chief Executive Officer
Non-Executive Directors	Mr. Shahid Hamid Pracha Mr. Shafiq Ahmed Mr. Abdul Samad Dawood Mr. Shahzada Dawood Mr. Hasan Reza Ur Rahim Mr. Ghias Uddin Khan

The independent Director meets the criteria of independence of Rule Book and Listing Regulations of Karachi and Lahore Stock Exchanges.

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

iii. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI. None of the Directors is a member of any of the Stock Exchanges or has been declared as a defaulter by that stock exchange.

iv. A casual vacancy occurring on the Board on August 24, 2015 was filled up by the Directors within 87 days.

v. The Company has prepared a “Code of Conduct”, and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

vi. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

vii. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.

viii. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board Meetings, along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were recorded and circulated.

ix. The Board is acquainted with the CCG, applicable laws and their duties and responsibilities to enable them to effectively manage the affairs of the Company for and on behalf of the shareholders. During the year, Mr. Hasan Reza Ur Rahim completed certification and arrangement will be made for other directors to acquire certification under the directors’ training program before June 30, 2016.

x. There was no new appointment of Company Secretary, CFO and Head of Internal Audit during the year.

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

xii. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

xiii. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholdings.

xiv. The Company has complied with all the corporate and financial reporting requirements of the CCG.

xv. The Board has formed an Audit Committee. It comprises of three (3) members i.e. one independent director and two non-executive directors.

xvi. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

xvii. The Board has formed a Human Resource and Remuneration Committee. It comprises of three (3) members, all of whom are non-executive Directors including the Chairman of the Committee.

xviii. The Board has set up an effective Internal Audit function, which is equipped with suitably qualified and experienced personnel who are conversant with the policies and procedures of the Company. The Internal Audit Department reports directly to the Audit Committee.

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

xx. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

xxi. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchanges.

xxii. Material / price sensitive information has been disseminated among all market participants at once through stock exchanges.

xxiii. We confirm that all other material principles enshrined in the Code have been complied with.

For on behalf of Board of Directors

Inam ur Rahman
Chief Executive

Karachi
Dated: March 03, 2016

Deloitte.

Deloitte Yousuf Adil
Chartered Accountants
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REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Dawood Lawrencepur Limited (the Company) for the year ended December 31, 2015 to comply with the requirements of the Pakistan Stock Exchange (formerly Karachi and Lahore Stock Exchange Limited), where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risk and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance with the Code of Corporate Governance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code, as applicable to the Company for the year ended December 31, 2015.

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner:
Nadeem Yousuf Adil

Dated: March 03, 2016
Place: Karachi

IMPACTING INDUSTRIES

UNCONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

Deloitte.

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed unconsolidated balance sheet of **Dawood Lawrencepur Limited** (the Company) as at December 31, 2015 and the related unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the unconsolidated balance sheet and unconsolidated profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the unconsolidated balance sheet, unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, gives the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2015 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and

Deloitte.

Deloitte Yousuf Adil
Chartered Accountants

d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, (XVIII of 1980).

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner:
Nadeem Yousuf Adil

Date: March 03, 2016
Place: Karachi

Unconsolidated Balance Sheet

As at December 31, 2015

	Note	2015	2014
		Rupees in '000	
ASSETS			
Non-current assets			
Property, plant and equipment	4	107,553	144,696
Intangible assets	5	11,061	14,191
Long term investments	6	1,036,280	459,043
Long term deposits	7	2,778	10,544
		1,157,672	628,474
Current assets			
Stores and spares	8	13,266	12,000
Stock in trade	9	210,307	280,519
Trade debts	10	117,144	51,533
Loans and advances	11	210,174	51,117
Deposits, prepayments and other receivables	12	121,726	82,535
Short term investments	13	539,848	-
Cash and bank balances	14	9,172	20,303
		1,221,637	498,007
Assets classified as 'held for sale'	15	17,088	-
TOTAL ASSETS		2,396,397	1,126,481
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorized capital		750,000	750,000
Issued, subscribed and paid-up capital	16	590,578	590,578
Capital reserve		206,666	206,666
Unrealized gain on remeasurement of available for sale investments		10,208	10,766
Accumulated profit / (loss)		1,234,247	(45,079)
		2,041,699	762,931
LIABILITIES			
Non current liabilities			
Deferred liabilities	17	6,334	17,748
Current liabilities			
Running finance	18	12,566	178,491
Trade and other payables	19	119,484	139,216
Accrued markup		23	5,132
Provision for taxation		216,291	22,963
		348,364	345,802
TOTAL EQUITY AND LIABILITIES		2,396,397	1,126,481
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes from 1 to 38 form an integral part of these unconsolidated financial statements.

Shahid Hamid Pracha
Chairman

Inam ur Rahman
Chief Executive

Unconsolidated Profit and Loss Account

For the year ended December 31, 2015

	Note	2015	2014
		Rupees in '000	
CONTINUING OPERATIONS			
Sales - net	21	175,765	129,199
Cost of sales	22	(143,007)	(102,148)
Gross profit		32,758	27,051
Other income	23	1,034,048	89,310
Selling and distribution expenses	24	(112,004)	(118,897)
Administrative expenses	25	(113,235)	(127,315)
Finance cost	26	(25,596)	(31,806)
		(250,835)	(278,018)
Profit / (loss) before taxation from continuing operation		815,971	(161,657)
Taxation	27	(193,423)	(10,065)
Profit / (loss) after taxation from continuing operations		622,548	(171,722)
DISCONTINUED OPERATIONS			
Profit from discontinued operations	28	659,571	82,865
Profit / (loss) for the year		1,282,119	(88,857)
Earnings / (loss) per share - Basic and diluted			
Continuing operations (Rs.)	29.1	10.54	(2.91)
Earnings per share - Basic and diluted			
Discontinued operations (Rs.)	29.2	11.17	1.40

The annexed notes from 1 to 38 form an integral part of these unconsolidated financial statements.

Shahid Hamid Pracha
Chairman

Inam ur Rahman
Chief Executive

Unconsolidated Statement of Comprehensive Income

For the year ended December 31, 2015

	Note	2015	2014
		Rupees in '000	
Profit / (loss) after taxation		1,282,119	(88,857)
Other comprehensive income			
Items that may not be reclassified subsequently through profit and loss account			
Remeasurement of defined benefit obligation	17.1.7	(2,793)	(5,249)
		1,279,326	(94,106)
Items that may be reclassified subsequently through profit and loss account			
(Loss) / gain on remeasurement of 'available for sale' investments		(558)	3,258
Total comprehensive income / (loss)		1,278,768	(90,848)

The annexed notes from 1 to 38 form an integral part of these unconsolidated financial statements.

Shahid Hamid Pracha
Chairman

Inam ur Rahman
Chief Executive

Unconsolidated Cash Flow Statement

For the year ended December 31, 2015

	2015			2014		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	Rupees in '000					
A. CASH FLOWS FROM OPERATING ACTIVITIES						
Profit / (loss) before taxation	815,971	659,571	1,475,542	(161,657)	82,865	(78,792)
Adjustments for						
Depreciation	7,044	18,302	25,346	4,911	92,915	97,826
Amortization	4,689	-	4,689	625	-	625
Provision for staff retirement gratuity	6,018	-	6,018	7,096	-	7,096
Provision against stock-in-trade	6,396	5,026	11,422	5,215	-	5,215
Provision against stores and spares	-	-	-	-	2,131	2,131
Provision against sales tax refundable	-	-	-	-	4,085	4,085
Provision against trade debts	6,289	1,167	7,456	-	-	-
Reversal of provision against trade debts	-	-	-	(447)	(4,339)	(4,786)
Finance cost	25,596	50	25,646	31,806	3	31,809
Gain on disposal of property, plant and equipment	(792)	(762,950)	(763,742)	(89)	(245,082)	(245,171)
Dividend income				(78,752)	-	(78,752)
Capital gain on sale of investments - held for trading	(2,510)	-	(2,510)	-	-	-
Unrealised gain on sale of investments - held for trading	(5,337)	-	(5,337)	-	-	-
Operating loss before working capital changes	(155,159)	(74,276)	(229,435)	(191,292)	(67,422)	(258,714)
(Increase) / decrease in current assets						
Stores and spares	(1,266)	-	(1,266)	-	36,582	36,582
Stock in trade	37,575	16,657	54,232	(110,826)	86,398	(24,428)
Trade debts	(78,320)	9,811	(68,509)	48,135	-	48,135
Loans and advances	15,645	(52,996)	(37,351)	2,501	725	3,226
Deposits, prepayments and other receivables	(99,811)	43,124	(56,687)	14,012	(4,197)	9,815
Increase / (decrease) in current liabilities						
Trade and other payables	(51,622)	32,146	(19,476)	36,604	(6,567)	30,037
	(177,799)	48,742	(129,057)	(9,574)	112,941	103,367
Cash (used in) / generated from operations	(332,958)	(25,534)	(358,492)	(200,866)	45,519	(155,347)
Staff retirement benefits paid	(2,731)	-	(2,731)	(4,016)	-	(4,016)
Deposits transferred on sale of property for cash	-	7,766	7,766	-	-	-
Finance cost paid	(30,755)	-	(30,755)	(31,809)	-	(31,809)
Taxes paid	(121,800)	-	(121,800)	(12,235)	-	(12,235)
Net cash (used in) / generated from operating activities	(488,244)	(17,768)	(506,012)	(248,926)	45,519	(203,407)
B. CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of property, plant and equipment	(17,290)	-	(17,290)	(20,508)	(647)	(21,155)
Sale proceeds from disposal of property, plant and equipment	3,043	772,698	775,741	562	252,620	253,182
Purchase of intangible assets	(1,559)	-	(1,559)	(13,669)	-	(13,669)
Investment in subsidiaries	(577,795)	-	(577,795)	(10,000)	-	(10,000)
Purchase of short-term investments	(969,000)	-	(969,000)	-	-	-
Sales proceeds from disposal of short-term investments	437,000	-	437,000	-	-	-
Dividend received	1,013,965	-	1,013,965	78,752	-	78,752
Net cash (used in) / generated from investing activities	(111,636)	772,698	661,062	35,137	251,973	287,110
C. CASH FLOWS FROM FINANCING ACTIVITIES						
Payment of dividend	(256)	-	(256)	(439)	-	(439)
Net cash used in financing activities	(256)	-	(256)	(439)	-	(439)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(600,136)	754,930	154,794	(214,228)	297,492	83,264
Cash and cash equivalents at beginning of the year	(345,310)	187,122	(158,188)	(131,082)	(110,370)	(241,452)
Cash and cash equivalents at end of the year	(945,446)	942,052	(3,394)	(345,310)	187,122	(158,188)

The annexed notes from 1 to 38 form an integral part of these unconsolidated financial statements.

Shahid Hamid Pracha
Chairman

Inam ur Rahman
Chief Executive

Unconsolidated Statement of Changes In Equity

For the year ended December 31, 2015

	Ordinary Shares	Capital Reserves				Accumulated (loss) / profit	Unrealized gain on remeasurement of available for sale investments	Total
		Merger reserve	Share premium reserve	Capital reserve	Capital redemption reserve fund			
	Rupees in '000							
Balance at December 31, 2013	590,578	10,521	136,865	33,311	25,969	49,027	7,508	853,779
Loss for the year	-	-	-	-	-	(88,857)	-	(88,857)
Other comprehensive income	-	-	-	-	-	(5,249)	3,258	(1,991)
Total comprehensive (loss)/income for the year	-	-	-	-	-	(94,106)	3,258	(90,848)
Balance at December 31, 2014	590,578	10,521	136,865	33,311	25,969	(45,079)	10,766	762,931
Profit for the year	-	-	-	-	-	1,282,119	-	1,282,119
Other comprehensive income	-	-	-	-	-	(2,793)	(558)	(3,351)
Total comprehensive income/(loss) for the year	-	-	-	-	-	1,279,326	(558)	1,278,768
Balance at December 31, 2015	590,578	10,521	136,865	33,311	25,969	1,234,247	10,208	2,041,699

The annexed notes from 1 to 38 form an integral part of these unconsolidated financial statements.

Shahid Hamid Pracha
Chairman

Inam ur Rahman
Chief Executive

1. GENERAL INFORMATION

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

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

1.3 The ‘Lawrencepur’ brand name continues to operate under license.

2. BASIS OF PREPARATION

2.1 Basis of measurement

These financial statements has been prepared on the historical cost convention except that obligations under certain staff retirement benefits have been measured at present value and certain investments which have been measured at fair market value.

2.2 Statement of compliance

These financial statements (“financial statement”) have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates, if any, are recognized prospectively commencing from the period of revision.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the financial statements in the subsequent years are as follows:

Useful lives and depreciation rate of :

- Property, plant and equipment (note 4)
- Intangible assets (note 5)

Valuation of stores and spares (note 8)
Valuation of stock in trade (note 9)
Staff retirement gratuity (note 17.1)
Taxation (note 17.2)
Impairment loss of ‘available for sale ‘ investments (note 6.2)

2.5 New accounting standards / amendments and IFRS interpretations that are effective for the year ended December 31, 2015

The following standards, amendments and interpretations are effective for the year ended December 31, 2015. These standards, interpretations and the amendments are either not relevant to the Company’s operations or are not expected to have significant impact on the Company’s financial statements other than certain additional disclosures.

Standards / Amendments / Interpretations	Effective from accounting period beginning on or after
IFRS 10 – Consolidated Financial Statements	January 01, 2015
IFRS 11 – Joint Arrangements	January 01, 2015
IFRS 12 – Disclosure of Interests in Other Entities	January 01, 2015
IFRS 13 – Fair Value Measurement	January 01, 2015
Amendments to IAS 19 Employee Benefits: Employee contributions	July 01, 2014
IAS 27 (Revised 2011) – Separate Financial Statements	January 01, 2015
IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures	January 01, 2015

Certain annual improvements have also been made to a number of IFRSs which did not have material effect on the financial statements of the Company.

2.6 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company’s operations or are not expected to have significant impact on the Company’s financial statements other than certain additional disclosures.

Standards / Amendments / Interpretations	Effective from accounting period beginning on or after
Amendments to IFRS 11 - Accounting for acquisitions of interests in joint operations	January 01, 2016
Amendments to IAS 1 - Disclosure initiative	January 01, 2016

Standards / Amendments / Interpretations	Effective from accounting period beginning on or after
Amendments to IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortization	January 01, 2016
Amendments to IAS 16 and IAS 41 Agriculture: Bearer plants	January 01, 2016
Amendments to IAS 27 - Equity method in separate financial statements	January 01, 2016
Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associate or joint venture	January 01, 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the consolidation exception	January 01, 2016

Certain annual improvements have also been made to a number of IFRSs which are not expected to have a material effect on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 16 – Leases

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Property, plant and equipment and capital work in progress

3.1.1 Recognition & measurement

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

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

3.1.2 Subsequent costs

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

3.1.3 Depreciation

Depreciation is charged to profit and loss account applying reducing balance method, whereby the cost of an asset is written off over its estimated useful life. Depreciation on additions is charged from the date on which the asset is available for use and on disposals up to the date of deletion. Freehold land is not depreciated. The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

3.1.4 Impairment

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

3.2 Intangible assets

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

3.3 Financial instruments

All financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets include trade debts, other receivables, loans, advances and deposits. These are recognized initially at cost plus directly attributable transaction costs, if any, and subsequently measured at fair value or amortized cost using effective interest rate method as the case may be less provision for impairment, if any. Exchange gains and losses arising in respect of financial assets or liabilities in foreign currency are added to the respective carrying amounts.

3.4 Investments

The Company recognizes an investment when it becomes a party to the contractual provisions of the instrument. A regular way purchase of financial assets is recognized using trade date accounting. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded. Financial liabilities are not recognized unless one of the parties has performed its part of the contract or the contract is a derivative contract.

3.4.1 Investments in subsidiaries and associated companies

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

3.4.2 Investments available for sale

Investments 'available for sale' are initially recognized at fair value, plus attributable transactions cost. Subsequent to initial recognition these are measured at fair value. Gains or losses on available-for-sale investments resulting from changes in fair value are recognized directly in equity through other comprehensive income until the investments are sold or disposed off, or until the investments are determined to be impaired, at that time cumulative gain or loss previously reported in equity is included in the current year's profit and loss account.

All other investments in unquoted securities are stated at cost, less provision for impairment, if any.

3.4.3 Held-to-maturity investments

Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. These are recorded at amortized cost using the effective interest rate method, less any amount written off to reflect impairment.

3.4.4 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Company as fair value through profit or loss or available-for-sale. This includes receivable against sale of investments and other receivables.

3.4.5 Financial assets at fair value through profit or loss

An instrument is classified as 'fair value through profit or loss' if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sales decisions based on their fair values. Upon initial recognition, attributable transaction costs are recognized in the profit and loss account when incurred. Financial instruments at fair value through profit or loss are subsequently measured at fair value, and changes therein are recognized in the profit and loss account. Purchases and sales of investments are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the investment.

3.4.6 Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

For available-for-sale financial assets, the Company assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement - is removed from equity and recognized in the profit and loss account. Impairment losses on equity investments are not reversed through the income statement. Increases in their fair value after impairment are recognized directly in equity.

3.4.7 Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with International Accounting Standard 39: Financial Instruments; Recognition and Measurement.

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expired.

3.5 Stores, spares and loose tools

Stores, spares and loose tools are valued at weighted average cost except for items in transit, which are stated at cost incurred up to the balance sheet date. For items which are slow moving, adequate provision is made for any excess book value over estimated realizable value and for this, the Company reviews the carrying amount of stores and spares on a regular basis and accordingly provision is made for obsolescence.

3.6 Stock-in-trade

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

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

3.7 Provisions

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

3.8 Cash and cash equivalents

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

3.9 Discontinued operations

3.9.1 Discontinued operations

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

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

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

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

3.10 Employees' retirement benefits - defined benefit plan

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

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

3.11 Taxation

Income tax expense comprises current tax, which is recognized in profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is also directly recognized in equity.

3.11.1 Current

Provision for current taxation is based on income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any. The charge for current tax include adjustments to charge for prior years, if any.

3.11.2 Deferred

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

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

3.12 Revenue recognition

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

Project revenue

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

Sale of goods

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

Interest income

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

Dividend income

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

Capital gain

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

3.13 Borrowing costs

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

3.14 Foreign currency translation

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

3.15 Earnings per share

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

3.16 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.17 Non-current assets held for sales

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

3.18 Segment reporting

Segment reporting is based on the operating/business segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenditure. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment. The business segments are engaged in providing products or services which are subject to risks and rewards which differ from the risks and rewards of other segments. Segments reported are renewable energy and textile discontinued business which also reflects the management structure of the Company. There is no geographical segmentation as the Company's operations are only in Pakistan.

'Management has disclosed information as required by IFRS- 8 'Operating Segments' in note 31 to these financial statements'.

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Cost at January 01, 2015	Additions/ (disposals)/ Reclassification*	Transfer to assets held for sale	Cost at December 31, 2015	Accumulated depreciation at January 01, 2015	Depreciation/ (Disposals)/ reclassification* for the year	Transfer to assets held for sale	Accumulated depreciation at December 31, 2015	Carrying value as at December 31, 2015	Annual rate of depreciation
	------------	------------	------------	------------	Rupees in '000	------------	------------	------------	------------	%
Freehold land	3,157	-	-	3,157	-	-	-	-	3,157	0%
Leasehold land	1,081	(1,081)	-	-	505	5 (510)	-	-	-	1%
Building on freehold land	70,557	-	-	70,557	64,498	603	-	65,101	5,456	10%
Building on leasehold land	54,414	(54,414)	-	-	45,030	758 (45,788)	-	-	-	10%
Plant and machinery	377,705	- (118)*	-	377,587	296,074	16,327 (19)*	-	312,382	65,205	10%-20%
Furniture, fixtures and office equipment	66,882	1,249 (1,673)	-	66,458	48,347	1,925 (1,458)	-	48,814	17,644	10%
Computers	10,880	465 (242)	(3,899)	7,204	8,286	1,568 (238)	(2,759)	6,857	347	33%
Tools and equipment	15,292	1,834 118* (264)	(10,151)	6,829	4,381	1,427 19* (89)	(2,390)	3,348	3,481	10%
Vehicles	19,373	11,762 (6,080)	(10,037)	15,018	12,492	2,056 (3,672)	(4,180)	6,696	8,322	20%
Renewable energy projects	5,645	1,980	(3,195)	4,430	677	677	(865)	489	3,941	10%-50%
2015	624,986	17,290 (63,754)	(27,282)	551,240	480,290	25,346 (51,755)	(10,194)	443,687	107,553	

4.1 The above include assets with an aggregate carrying value of Rs. 80.11 million (2014: Rs 107.89 million) which relate to discontinued textile units.

4.1 PROPERTY, PLANT AND EQUIPMENT

Particulars	Cost at January 01, 2014	Additions/ (disposals)/ transfer*	Transfer from held for sale	Cost at December 31, 2014	Accumulated depreciation at January 01, 2014	Transfer from held for sale	Depreciation/ (Disposals)/ transfer* for the year	Accumulated depreciation at December 31, 2014	Carrying value as at December 31, 2014	Annual rate of depreciation %
	----------	----------	----------	----------	Rupees in '000	----------	----------	----------	----------	
Freehold land	48	1,636 (1,636)	3,109	3,157	-	-	-	-	3,157	-
Leasehold land	1,081	-	-	1,081	499	-	6	505	576	1
Building on freehold land	39,294	-	31,263	70,557	36,272	26,735	1,491	64,498	6,059	10
Building on leasehold land	54,414	-	-	54,414	43,987	-	1,043	45,030	9,384	10
Plant and machinery	228,152	- (227,713) (321)	377,587	377,705	221,343	210,515	86,877 (222,580) (81)	296,074	81,631	10-20
Furniture, fixtures and office equipment	28,901	10,132 1,870 (9,684)	35,663	66,882	15,275	30,720	3,415 115 (1,178)	48,347	18,535	10
Computers	9,693	1,363 (176)	-	10,880	7,041	-	1,372 (127)	8,286	2,594	33
Tools and Equipment	-	4,585 7,814	2,893	15,292	-	2,147	1,171 1,063	4,381	10,911	10
Vehicles	21,350	2,626 (4,603)	-	19,373	14,170	-	1,732 (3,410)	12,492	6,881	20
Renewable energy projects	4,107	2,449 321 (1,232)	- **	5,645	-	-	719 81 (123)	677 **	4,968	10-50
2014	387,040	22,791 (234,128) (1,232) **	450,515	624,986	338,587	270,117	97,826 (226,117) (123) **	480,290	144,696	

4.2 Depreciation for the year has been allocated as under :

	Note	2015	2014
		Rupees in '000	
Administrative expenses	25	24,097	96,498
Selling and distribution expenses	24	1,249	1,328
		25,346	97,826

4.3 The following assets were disposed off during the year :

Description		Cost	Accumulated depreciation	Carrying value	Sale proceed	Gain / (loss)	Mode of disposal	Particulars of buyers
		---------------------- Rupees in '000 ----------------------						
Leasehold land		1,081	510	571	46,825	46,254	Tender	Worldwide Developers (Pvt) Ltd
Building on leasehold land		54,414	45,788	8,626	707,763	699,137	Tender	Worldwide Developers (Pvt) Ltd
Furniture and Fixture		1,673	1,458	215	17,647	17,432	Tender	Worldwide Developers (Pvt) Ltd
Tools and equipment		79	26	53	32	(21)	Company policy	Abid Zafar (employee)
Vehicles	Suzuki cultus	849	513	336	456	120	Company policy	Waqas Hassan Sheikh (employee)
	Suzuki mehran	578	266	312	380	68	Company policy	Muhammad Yousuf (employee)
	Honda civic	1,927	1,021	906	1,600	694	Insurance claim	EFU General Insurance
	Honda civic	1,878	1,333	545	329	(216)	Company policy	Inam ur Rahman (Chief Executive Officer)
	Suzuki cultus	848	539	309	605	296	Tender	Imran Raza
		6,080	3,672	2,408	3,370	962		
Others		427	301	126	104	(22)		
2015		63,754	51,755	11,999	775,741	763,742		
2014		234,128	226,117	8,011	253,182	245,171		

		Note	2015	2014
			Rupees in '000	
5.	INTANGIBLE ASSETS			
	Computer software	5.1	11,061	608
	Work-in-progress		-	13,583
			11,061	14,191
5.1	Computer software			
	Cost			
	Balance as on January 1		4,754	4,668
	Addition during the year		15,142	86
	Balance as on December 31		19,896	4,754
	Amortization @ 33%			
	Balance as on January 1		4,146	3,521
	During the year		4,689	625
	Balance as on December 31		(8,835)	(4,146)
	Carrying amount		11,061	608
	Rate of amortization (%)		33	33
6.	LONG TERM INVESTMENTS			
	Investment in related parties at cost	6.1	1,023,617	445,822
	Other investments	6.2	12,663	13,221
			1,036,280	459,043

	Note	2015	2014
		Rupees in '000	

6.1 Investment in related parties - at cost

	Note	2015	2014
Subsidiary - unquoted			
Tenaga Generasi Limited			
Percentage holding 75% (2014: 100%)			
91,379,552 (2014: 34,600,000) fully paid ordinary shares of Rs. 10/- each	6.1.1 & 6.1.2	938,323	370,528
Wholly owned subsidiary - unquoted			
Reon Energy Limited			
Percentage holding 100% (2014: 100%)			
2,000,000 (2014: 1,000,000) fully paid ordinary shares of Rs. 10/- each		20,000	10,000
Associated company - quoted			
Dawood Hercules Corporation Limited			
Percentage holding 16.19% (2014: 16.19%)			
77,931,896 (2014: 77,931,896) fully paid ordinary shares of Rs. 10/- each	6.1.2	65,294	65,294
Market value Rs. 9,285 million (2014: 6,586 million)			
		1,023,617	445,822

6.1.1 The Company has subscribed 56,779,552 ordinary shares of Tenaga Generasi Limited having face value of Rs. 10 each during the year, against the Right Offer of 77,136,325 shares.

6.1.2 66,262,722 (2014: 18,000,000) shares of 'Dawood Hercules Corporation Limited' and 34,599,995 (2014: Nil) shares of 'Tenaga Generasi Limited' are pledged against various facilities procured from commercial banks (refer note 18 & 20.2).

6.2 Other investments

- Available for sale investments

2015	2014	Name of Investee	2015	2014
Units / No. of Shares			Rupees in '000	
		Listed Securities		
200,000	200,000	National Investment (Unit) Trust	12,648	13,206
		Un-Listed Securities		
1,500	1,500	Asian Co-operative Society Limited	15	15
			12,663	13,221

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

	2015	2014
Fair value of investments	12,663	13,221
Surplus on remeasurement of investments as at year end	(10,208)	(10,766)
Cost of investments	2,455	2,455

		Note	2015	2014
			Rupees in '000	
7.	LONG TERM DEPOSITS			
	Deposits for utilities		1,718	9,019
	Others		1,060	1,525
			2,778	10,544
8.	STORES AND SPARES			
	Stores		12,356	11,090
	Spares		4,488	4,488
			16,844	15,578
	Provision for slow moving and obsolete items		(3,578)	(3,578)
			13,266	12,000
9.	STOCK IN TRADE			
	Renewable energy			
	Finished goods	9.1	146,929	182,920
	Stock in transit		-	1,584
			146,929	184,504
	Provision for slow moving and obsolete items	9.2	(11,611)	(5,215)
			135,318	179,289
	Textile			
	Finished goods		86,840	108,055
	Provision for slow moving and obsolete items	9.2	(11,851)	(6,825)
			74,989	101,230
			210,307	280,519

9.1 The above include stock with an aggregate carrying value of Rs. 0.5 million (2014 : Rs. 0.6 million) which is held by third parties at reporting date.

		2015	2014
		Rupees in '000	
9.2	Provision for slow moving and obsolete items		
	Finished goods - renewable energy	11,611	5,215
	Finished goods - textile	11,851	6,825
		23,462	12,040
9.3	Movement of provision against finished goods		
	Balance as at January 01	12,040	13,360
	Provision / (reversal) for the year	11,422	(1,320)
	Balance as at December 31	23,462	12,040

	Note	2015	2014
		Rupees in '000	

10. TRADE DEBTS

- Unsecured, considered good

	Note	2015	2014
Textile		1,602	12,606
Renewable energy - projects		109,983	17,430
Gross amount due from customers	10.1	4,365	14,413
Renewable energy - others		1,194	7,084
		117,144	51,533
Considered doubtful			
Textile		1,167	17,033
Renewable energy		1,792	87
		2,959	17,120
	10.2	120,103	68,653
Provision against doubtful debts	10.3	(2,959)	(17,120)
		117,144	51,533

10.1 Gross amount due from customers :

	2015	2014
Contract costs incurred plus recognized profits less recognized losses	4,968	94,635
Less : Progress billings	(603)	(80,222)
Gross amount due from customers	4,365	14,413

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

	Amount Outstanding	Maximum month end balance
	Rupees in '000	
December 31, 2015		
Sach International (Private) Limited	2,769	2,769
Director	1,738	1,738
December 31, 2014		
Sach International (Private) Limited	12,606	26,181
Pebbles (Private) Limited	-	3,188
Director	1,738	1,738

10.3 Movement in provision for doubtful debts

	2015	2014
	Rupees in '000	
Opening balance	17,120	21,906
Provision written off during the year against trade debts	(17,033)	-
Provision during the year	2,872	(4,786)
Closing balance	2,959	17,120

10.4 There is no amount that is past due but not impaired.

		Note	2015	2014
			Rupees in '000	
11.	LOANS AND ADVANCES			
	Unsecured, considered good			
	Advance tax		159,340	37,634
	Loans and advances to employees		1,177	4,435
	Advance to suppliers		49,657	9,048
			210,174	51,117
12.	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
	Income tax refundable		61,765	61,765
	Security deposits		6,797	5,078
	Prepayments		1,538	3,127
	Letters of credit		-	203
	Sales tax		8,987	-
	Others	12.1	42,639	12,362
			121,726	82,535

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

	Amount Outstanding	Maximum month end balance
	Rupees in '000	
December 31, 2015		
Sach International (Private) Limited	9,802	12,087
Tenaga Generasi Limited	30,998	31,413
Reon Energy Limited	1,839	1,839
December 31, 2014		
Sach International (Private) Limited	7,322	7,322
Tenaga Generasi Limited	3,897	3,897
Reon Energy Limited	1,027	1,027
Cyan Limited	8	8

		2015	2014
		Rupees in '000	
13.	SHORT TERM INVESTMENTS At fair value through profit or loss		
	Units of mutual fund	539,848	-

The Company holds 5,236,023 (2014: Nil) units of MCB Cash Management Optimizer Fund, at cost of Rs. 102.08 per unit, with Net Asset Value of Rs. 103.10 per unit.

	Note	2015	2014
		Rupees in '000	

14. CASH AND BANK BALANCES

	Note	2015	2014
Cash in hand		189	303
Cash at banks			
In current accounts		6,652	17,536
In deposit accounts	14.1	2,331	2,464
		8,983	20,000
		9,172	20,303

14.1 These represent deposits with commercial banks and carry profit at the rate ranging from 4.4% to 5.5% (2014: 6%) per annum.

	Note	2015	2014
		Rupees in '000	

15. ASSETS CLASSIFIED AS HELD FOR SALE

	Note	2015	2014
Property, plant and equipment	15.1	17,088	-

15.1 During the year, the shareholders of the Company, in their Annual General Meeting, decided to transfer renewable energy business to Reon Energy Limited (REL), a wholly owned subsidiary. It was subsequently decided to complete the transition in phases. It was also decided that existing contracts will continue to be executed by the Company till their completion. Dedicated Renewable Energy Business employees of the Company were transferred to REL during the year, however, appropriate fixed assets that have been identified for sale to REL will be sold to it subsequent to year end. Fixed assets assessed appropriate for transfer to REL, have now been classified as 'Held for sale' in accordance with the requirement of applicable accounting standard. The disposal group identified as such is stated below at lower of carrying amount and fair value less cost to sell and comprised of the following assets:

Particulars	Cost at January 01, 2015	Transfer from operating assets	Cost at December 31, 2015	Accumulated depreciation at January 01, 2015	Transfer from operating assets	Depreciation adjusted for the year	Accumulated depreciation at December 31, 2015	Carrying value at December 31, 2015
	---------- Rupees in '000 ----------							
Tools and equipment	-	10,151	10,151	-	2,390	-	2,390	7,761
Computers	-	3,899	3,899	-	2,759	-	2,759	1,140
Vehicles	-	10,037	10,037	-	4,180	-	4,180	5,857
Renewable energy projects	-	3,195	3,195	-	865	-	865	2,330
2015	-	27,282	27,282	-	10,194	-	10,194	17,088

16. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

16.1 Authorized capital

2015	2014		2015	2014
Number of Shares			Rupees in '000	
75,000,000	75,000,000	Ordinary shares of Rs.10/- each	750,000	750,000

16.2 Issued, subscribed and paid up capital

2015	2014		2015	2014
Number of Shares			Rupees in '000	
2,204,002	2,204,002	Ordinary shares of Rs.10/- each fully paid in cash	22,040	22,040
12,805,118	12,805,118	Issued for consideration other than cash other than cash	128,051	128,051
44,048,739	44,048,739	Fully paid as bonus	440,487	440,487
59,057,859	59,057,859		590,578	590,578

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

	2015	2014
	Number of Shares	
Dawood Corporation (Private) Limited	29,277,716	28,974,998
Patek (Private) Limited	3,501,884	3,501,884
Cyan Limited	2,965,095	2,965,095
Pebbles (Private) Limited	-	302,718
Dawood Industries (Private) Limited	494,921	494,921
Sach International (Private) Limited	3,776	3,776
	36,243,392	36,243,392

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

17. DEFERRED LIABILITIES

	Note	2015	2014
		Rupees in '000	
Staff retirement gratuity	17.1	6,334	17,748
Deferred taxation	17.2	-	-
		6,334	17,748

17.1 Staff retirement gratuity

17.1.1 The details of employee retirement benefit obligation based on actuarial valuation carried out by independent actuary as at December 31, 2015 using the Projected Unit Credit Method are as follows:

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

	2015	2014
	%	
Discount rate	10.00	11.25
Expected rate of salary increase	9.00	10.25
Expected return on plan assets	10.00	11.25

	Note	2015	2014
		Rupees in '000	
17.1.3 Balance sheet reconciliation			
Present value of defined benefit obligation	17.1.4	9,149	20,370
Fair value of plan assets	17.1.5	(2,815)	(2,622)
Net liability at end of the year		6,334	17,748
17.1.4 Movement in present value of defined benefit obligation			
Present value of defined benefit obligation at beginning of the year		20,370	11,712
Current service cost		4,175	6,170
Interest cost		2,138	1,213
Benefits paid		(2,731)	(4,016)
Liability transferred to subsidiary company	15.1	(17,494)	-
Remeasurements: experience adjustments		2,691	5,291
Present value of defined benefit obligation at end of the year		9,149	20,370
17.1.5 Movement in fair value of plan assets			
Fair value of plan assets at beginning of the year		2,622	2,293
Contributions made by the Company		2,731	4,016
Interest income		295	287
Benefits paid		(2,731)	(4,016)
(Loss)/ return on plan assets excluding interest income		(102)	42
Fair value of plan assets at end of the year		2,815	2,622
17.1.6 Expense recognized in profit and loss account			
Current service cost		4,175	6,170
Interest cost on defined benefit obligation		2,138	1,213
Interest income on plan assets		(295)	(287)
Expense for the year		6,018	7,096
17.1.7 Remeasurement losses recognized in other comprehensive income			
Experience adjustments		2,691	5,291
Interest loss / (income) on plan assets		102	(42)
		2,793	5,249

		2015	2014
		Rupees in '000	
17.1.8	**Net recognized liability**		
	Net liability at beginning of the year	17,748	9,419
	Expense recognized in profit and loss account	6,018	7,096
	Remeasurement losses recognized in other comprehensive income	2,793	5,249
	Liability transferred to subsidiary company	(17,494)	-
	Contributions during the year	(2,731)	(4,016)
	Net liability at end of the year	6,334	17,748
17.1.9	**Plan assets comprise of following**		
	Investment in mutual funds	2,670	2,477
	Cash at bank	145	145
		2,815	2,622
17.1.10	**Sensitivity analysis for actuarial assumptions**		
	Discount rate (+100 bps)	8,196	18,333
	Discount rate (-100 bps)	10,241	22,750
	Future salary increase rate (+100 bps)	10,254	22,790
	Future salary increase rate (-100 bps)	8,169	18,262

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

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

17.1.12 The expected maturity analysis of undiscounted retirement benefit plan is:

	Rupees in '000
Less than a year	319
Between 1-2 years	348
Between 2-3 years	389
Between 3-4 years	418
Between 4-5 years	454
More than 5 years	102,592

17.2 Deferred taxation

Deferred tax asset works out to Rs. 480.37 million (2014: Rs. 362.87 million). It is likely that the income of the Company will be taxable based on alternate corporate tax and under final tax regime in future, hence as a matter of prudence, deferred tax asset is not recognized.

18. RUNNING FINANCE

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

19. TRADE AND OTHER PAYABLES

	Note	2015	2014
		Rupees in '000	
Creditors		5,370	8,538
Accrued expenses		11,402	25,248
Unclaimed dividend		29,210	29,466
Due to Islamic Development Bank	19.1	25,969	25,969
Due to customers of energy projects	19.2	40,005	-
Advance from customers and others	19.3	5,816	32,209
Sales tax payable		-	6,844
Workers' welfare fund		-	1,997
Deposits	19.4	377	2,477
Withholding tax		1,335	6,468
		119,484	139,216

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

19.2 Due to customers against energy projects

	2015	2014
	Rupees in '000	
Contract costs incurred plus recognized profits less recognized losses	59,453	-
Less : Progress billings	(99,458)	-
Gross amount due to customers	(40,005)	-

19.3 These include amounts due to following related parties:

	2015	2014
The Dawood Foundation	-	361
Dawood Hercules Corporation Limited	-	1,805

Also includes Rs. 5.8 million (2014: Rs. 5.8 million) interest payable to National Investment (Unit) Trust (NIT) in respect of deposit received for subscription of shares in the Company. The Company is currently negotiating with NIT to resolve its pending case in the High Court of Sindh.

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

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

a) For the tax year 2003, the Taxation Officer in his order disallowed expenses relating to gratuity, lease rentals, employee perquisites and utilities amounting to Rs. 18.6 million. The Commissioner Inland Revenue (Appeals) [CIR(A)] has also maintained these disallowances. The Company filed an appeal against these disallowances before Appellate Tribunal Inland Revenue (ATIR). In 2010, ATIR in its order set aside the order of taxation officer and remanded back the matters to taxation officer for reconsideration. The tax incidence of the above mentioned disallowances is Rs. 6.5 million. The Taxation Officer has not yet initiated his proceedings.

b) For tax years 2004, 2005 and transitional year of 2005, the Additional Commissioner Inland Revenue (ACIR) through its order erroneously allocated expenses from business income to dividend income and capital gains and revised expenses to Rs. 62.5 million from the original allocation of Rs. 136.1 million, resulting in reduction in tax incidence to Rs. 21.9 million. The Company later filed an appeal before CIR(A) on this matter, who upheld the order of ACIR. Thereafter, the Company again filed an appeal before ATIR which is pending for hearing.

Further for tax year 2004, the matter of disallowance of adjustment of assessed losses of amalgamating companies amounting to Rs. 20.62 million against the income of the Company is also pending at Lahore High Court.

c) For tax years 2008 and 2009, the CIR(A), in prior year, in his order did not allow to set off dividend income against business losses, having tax impact of Rs. 13.92 million. The Company filed an appeal before ATIR for both years which is pending for hearing.

d) A sales tax audit was initiated by the Sales Tax Department for the period July 2010 to June 2011. The Company received an order from DCIR, raising an erroneous demand of Rs. 5.88 million relating mainly to inadmissible input taxes, non-payment of sales tax on scrap scales and non-payment of withholding sales tax. The Company filed an appeal against the order before CIR(A) who upheld the demand of DCIR and the Company filed an appeal before ATIR against this order. The hearing was held during the year and outcome is still pending.

The outcome of the above pending matters is not certain. Based on the facts of the matters and in view of its tax advisers, management is confident of a favorable outcome on these matters and as such no further provision has been considered necessary.

20.2 The Company is contingently liable against following guarantees and counter guarantees:

- Rupee denominated bank guarantees of Rs. 68.31 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 subsidiary ‘Tenaga Generasi Limited’.

- The Company is contingently liable to provide support to its subsidiary, Tenaga Generasi Limited, for an amount of USD 13 million (2014: Nil) to finance Project cost overruns.

20.3 Commitments

The Company is committed, as Sponsor, to make further equity contribution under the ‘Sponsor Support Agreement’ dated March 11, 2015 entered into among relevant stakeholders including the Company, for an amount upto USD 16.33 million (2014 : Nil) to its subsidiary, Tenaga Generasi Limited.

		Note	2015	2014
			Rupees in '000	
21.	SALES - NET			
	Renewable energy			
	Project revenue	21.1	160,764	82,788
	Solar lights and panels		11,527	32,845
	Others		5,339	15,491
			177,630	131,124
	Less: returns and discounts		(1,865)	(1,925)
			175,765	129,199
	Textile			
	Fabric		26,377	70,423
			26,377	70,423
	Related to discontinued operations		(26,377)	(70,423)
			175,765	129,199

21.1 It includes Rs. 62.03 million (2014: Rs. 43.34 million) relating to projects in progress at reporting date.

		Note	2015	2014
			Rupees in '000	
22.	COST OF SALES			
	Renewable energy			
	Opening stock		184,504	71,188
	Purchases and related expenses		105,432	215,464
	Closing stock		(146,929)	(184,504)
	Cost of goods sold	22.1	143,007	102,148
	Textile			
	Work in process			
	Opening balance		-	6,338
	Less: sold during the year		-	(6,338)
	Cost of goods manufactured		-	-
	Finished goods			
	Opening balance		108,055	191,374
	Reclassification		4,570	-
	Donations		(2,975)	-
	Closing balance		(86,840)	(108,055)
			22,810	83,319
	Cost of goods sold		22,810	83,319
	Related to discontinued operations		(22,810)	(83,319)
			143,007	102,148

22.1 It includes Rs. 59.9 million (2014: Rs. 33.41 million) relating to projects in progress at reporting date.

23. OTHER INCOME

	Note	2015	2014
		Rupees in '000	
Income from financial assets			
Dividend Income			
Dawood Hercules Corporation Limited		1,013,115	77,932
National Investment (Unit) Trust		850	820
		1,013,965	78,752
Profit on deposits		1,098	179
Capital gain on sale of investments - held for trading		2,510	-
Unrealized gain on sale of investments - held for trading		5,337	-
		8,945	179
Income from non financial assets			
Gain on disposal of property, plant and equipment	23.1	763,742	245,171
Gain on sale of stores and spares and stock-in-trade		-	8,271
Royalty income		9,557	9,436
Storage income		2,954	4,096
Others		9,762	8,970
		786,015	275,944
		1,808,925	354,875
Related to discontinued operations	28	(774,877)	(265,565)
		1,034,048	89,310

23.1 During the year, the Company disposed off property, plant and equipment relating to Dawood Cotton Mills and Dilon Limited, at a price of Rs. 772.23 million, with net book value of Rs. 9.41 million.

24. SELLING AND DISTRIBUTION EXPENSES

	Note	2015	2014
		Rupees in '000	
Salaries and allowances	24.1	66,855	63,952
Sales promotion		1,333	2,616
Storage and forwarding		571	-
Depreciation	4.2	1,249	1,328
Conveyance and travelling		12,262	13,385
Fees and subscription		6,761	4,555
Postage and telephone		1,518	2,661
Electricity, gas and water		562	550
Rent, rates and taxes		2,455	5,227
Printing and stationery		194	2,013
Repairs and maintenance		1,800	5,529
Freight and insurance		1,108	1,582
Advertisement		14,456	14,016
Miscellaneous		1,424	2,372
		112,548	119,786
Related to discontinued operations	28	(544)	(889)
		112,004	118,897

24.1 This includes staff retirement benefits of Rs. 2.55 million (2014: Rs. 3.02 million).

25. ADMINISTRATIVE EXPENSES

	Note	2015	2014
		Rupees in '000	
Salaries and allowances	25.1	92,115	108,721
Legal and professional		24,820	3,333
Rent, rates and taxes		8,725	9,442
Electricity and gas		13,887	12,752
Depreciation	4.2	24,097	96,498
Printing and stationery		3,028	3,411
Fees and subscription		19,809	14,066
Insurance		3,461	4,342
Conveyance and travelling		5,801	7,106
Repairs and maintenance		4,995	11,187
Postage and telephone		2,248	3,333
Entertainment		2,332	1,900
Auditors' remuneration	25.2	625	625
Amortization	5.1	4,689	625
Provision against stores and spares		-	2,131
Provision against stock in trade and doubtful receivables		14,320	9,300
Miscellaneous		6,562	7,455
		231,514	296,227
Related to discontinued operations	28	(113,721)	(168,912)
		117,793	127,315

25.1 This includes staff retirement benefits of Rs. 3.47 million (2014: Rs. 4.08 million).

25.2 Auditors' remuneration

	Note	2015	2014
		Rupees in '000	
Annual audit fee		400	400
Audit fee of consolidated financial statements		55	55
Half yearly review and other certification fee		170	170
		625	625

26. FINANCE COST

	Note	2015	2014
Mark-up on running finance		24,254	30,421
Bank charges		1,392	1,388
		25,646	31,809
Related to discontinued operations	28	(50)	(3)
		25,596	31,806

27. TAXATION

	2015	2014
Current year	193,423	10,065

27.1 Relationship between tax expense and accounting profit

The relationship between tax expense and accounting profit has not been presented in these financial statements as the total income falls under: (a) turnover tax under section 113 (c) and other income that is separately taxed under respective sections of the Income Tax Ordinance, 2001.

27.2 Finance Act, 2015 introduced income tax at the rate of 10% on undistributed reserves where such reserves of the company are in excess of its paid up capital and the company derives profits for a tax year but does not distribute requisite cash dividend within six months of the end of the said tax year. Liability in respect of such income tax, if any, is recognised when the prescribed time period for distribution of dividend expires.

		Note	2015	2014
			Rupees in '000	
28.	**PROFIT FROM DISCONTINUED OPERATIONS**			
	Sales - net	21	26,377	70,423
	Cost of goods sold	22	(22,810)	(83,319)
	Gross income/(loss)		3,567	(12,896)
	Other income	23	774,877	265,565
	Administrative expenses	25	(118,279)	(168,912)
	Selling and distribution expenses	24	(544)	(889)
	Finance cost	26	(50)	(3)
	Net profit from discontinued operations		659,571	82,865
29.	**EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED**			
29.1	**Continuing operations**			
	Profit / (loss) after taxation (Rs.)		622,548	(171,722)
	Weighted average number of ordinary shares outstanding during the year (number of shares)		59,058	59,058
	Earnings / (loss) per share (Rs.)		10.54	(2.91)
29.2	**Discontinued operations**			
	Profit after taxation (Rs.)		659,571	82,865
	Weighted average number of ordinary shares outstanding during the year (number of shares)		59,058	59,058
	Earnings per share (Rs.)		11.17	1.40

Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2015 and December 31, 2014 which would have any effect on the earnings per share if the option to convert is exercised.

30. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	2015		2014	
	Chief Executive	Executives	Chief Executive	Executives
	---------- Rupees in '000 ----------			
Remuneration	2,708	37,256	3,233	38,507
House rent allowance	1,354	4,859	1,617	6,118
Utilities	677	1,080	808	1,360
Retirement benefits	308	4,796	308	5,138
Other allowance	406	27,728	316	28,904
	5,453	75,719	6,282	80,026
No. of person (s)	1	33	1	33

30.1 Chief executive of the Company is entitled to use company maintained vehicle.

30.2 In addition, meeting fee of Rs. 50,000 (2014: Rs. 50,000) per meeting was paid to two non-executive directors for meetings attended during the year. The non-executive directors are not entitled to any remuneration except meeting fee.

31. SEGMENT REPORTING

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

- Renewable energy solutions
- Textile - discontinued operations

Segment analysis is as under;

31.1 Segment results

	Renewable energy		Textile - discontinued operations		Unallocated		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	Rupees in '000							
Revenue	175,765	129,199	26,377	70,423	-	-	202,142	199,622
Cost of goods sold	(143,007)	(102,148)	(22,810)	(83,319)	-	-	(165,817)	(185,467)
Segment gross profit	32,758	27,051	3,567	(12,896)	-	-	36,325	14,155
Administrative expenses	(113,235)	(127,315)	(118,279)	(168,912)	-	-	(231,514)	(296,227)
Selling and distribution expenses	(112,004)	(118,897)	(544)	(889)	-	-	(112,548)	(119,786)
Finance cost	-	-	(50)	(3)	(25,596)	(31,806)	(25,646)	(31,809)
Other income		-	774,877	265,565	1,034,048	89,310	1,808,925	354,875
Taxation	-	-	-	-	(193,423)	(10,065)	(193,423)	(10,065)
Segment net profit	(192,481)	(219,161)	659,571	82,865	815,029	47,439	1,282,119	(88,857)

31.2 Segment assets

	Renewable energy 2015	Renewable energy 2014	Textile 2015	Textile 2014	Unallocated 2015	Unallocated 2014	Total 2015	Total 2014
Property, plant and equipment	27,837	37,526	79,716	107,170	-	-	107,553	144,696
Non-current assets held for sale	17,088	-	-	-	-	-	17,088	-
Intangible assets	-	-	-	-	11,061	14,191	11,061	14,191
Long term investments	-	-	-	-	1,036,280	459,043	1,036,280	459,043
Long term deposits	-	-	2,778	10,544	-	-	2,778	10,544
Stores and spares	1,266	-	12,000	12,000	-	-	13,266	12,000
Stock in trade	135,318	179,289	74,989	101,230	-	-	210,307	280,519
Trade debts	115,542	38,927	1,602	12,606	-	-	117,144	51,533
Loans and advances	129,146	23,085	81,028	28,032	-		210,174	51,117
Deposits, prepayments and								-
other receivables	113,206	30,856	8,520	51,644	-	35	121,726	82,535
Short term investments	-	-	-	-	539,848	-	539,848	-
Cash and bank balances	-	-	-	-	9,172	20,303	9,172	20,303
Total segment assets	539,403	309,683	260,633	323,226	1,596,361	493,572	2,396,397	1,126,481
Segment liabilities								
Deferred liabilities	-	-	-	-	6,334	17,748	6,334	17,748
Running finance	-	-	-		12,566	178,491	12,566	178,491
Trade and other payables	87,338	139,216	32,146	-	-	-	119,484	139,216
Accrued markup	-	-	-	-	23	5,132	23	5,132
Provision for taxation	-	-	-	-	216,291	22,963	216,291	22,963
Total segment liabilities	87,338	139,216	32,146	-	235,214	224,334	354,698	363,550

31.3 Included in the revenues arising from direct sales of fabric of Rs. 26.38 million (2014: Rs. 70.52 million) are revenues of approximately Rs. 0.76 million (2014: Rs. 38.7 million) which arose from sales to the Company's major customer. No other single customer contributed 10% or more to Company revenues from fabric sales.

Included in the revenues arising from energy projects of Rs. 160.76 million (2014: Rs. 82.79 million) are revenues of approximately Rs. 136.76 million (2014: Rs. 62.8 million) which arose from sales to the Company's major customers. No other single customer contributed 10% or more to Company revenues from energy projects.

32. TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties. Related parties comprise of subsidiary companies, associated undertakings, directors, key management personnel and others. Amounts due from and to other related parties, directors and key management personnel are shown under respective notes of receivables and payables. Transaction with related parties are carried out at agreed terms. Remuneration of key management personnel are as per terms of employment. Remuneration of directors and key management personnel is disclosed in Note 30. Other significant transactions with related parties are as follows:

	Relationship	Nature of transaction	2015	2014
			Rupees in '000	
a.	**Subsidiary company**			
	Tenaga Generasi Limited	Reimbursable expenses to the Company	50,919	11,276
		Equity arrangement fee	100,356	-
		Subscription of ordinary shares	567,796	-
	Reon Energy Limited	Subscription of ordinary shares	10,000	10,000
		Retirement and other benefits transferred	17,494	-
		Reimbursable expenses to the Company	56,783	1,027
		Sales by the Company	1,189	-
		Reimbursable expenses by the Company	34,716	-
b.	**Associated companies**			
	Dawood Hercules Corporation Limited	Dividend income	1,013,115	77,932
		Reimbursable expenses by the Company	2,172	7,320
		Reimbursable expenses to the Company	-	65
	D H Fertilizer Limited	Reimbursable expenses by the Company	-	2,766
	Sach International (Private) Limited	Sale of fabric	782	39,692
		Reimbursable expenses to the Company	705	656
		Royalty charged	10,664	9,436
		Penalty charged	490	1,030
	Cyan Limited	Consultancy charges	4,485	-
		Reimbursable expenses to the Company		100
	The Dawood Foundation	Rental charges paid	5,533	4,950
		Reimbursable expenses by the Company	1,573	1,829
	Inbox Business Technologies (Pvt) Limited	Hardware maintenance charges paid	95	279
	Pebbles (Private) Limited	Penalty charged	-	122

	Relationship	Nature of transaction	2015	2014
			Rupees in '000	
	National Database and Registration Authority (NADRA)	Verification charges	10	11
c.	Other related parties			
	Chief Executive Officer	Sale of solar products	13	-
		Proceeds against sale of vehicle (note 4.3)	329	-
	Directors	Sale of solar products	2	174

33. FINANCIAL RISK MANAGEMENT

The objective of the Company's overall financial risk management is to minimize earnings volatility and provide maximum return to the shareholders. The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing Company's financial risk exposures.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including cash flow interest rate risk, currency risk, equity price risk and fair value interest rate risk).

33.1 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company is exposed to credit risk from its operating activities primarily for trade debts and from its investing activities, including investment in securities, deposits with banks and other financial instruments.

Out of the total financial assets of Rs. 732.218 million (2014: Rs. 126.73 million), the financial assets which are subject to credit risk amounted to Rs. 732.03 million (2014: Rs. 126.73 million).

33.1.1 Credit risk related to receivables

The Company only deals in local sales. Customer credit risk is managed by the business unit subject to the Company's established policies, procedures and controls relating to customer credit risk management. The Company mainly deals with customers of high credit rating based on their internal assessment, taking account of their financial position, past experience and other factors. In addition, outstanding customer receivables are regularly monitored and appropriate actions are taken to minimize risk of bad debts.

At December 31, 2015, the Company had approximately 30 customers (2014: 106 customers) that owed Rs. 115.74 million (2014: Rs. 51.6 million). There were 3 customers (2014: 3 customers) with balances greater than Rs. 5 million covering over 82.68% (2014: 62.65%) of trade debts. As at December 31, 2015, Rs. 5.33 million (2014: Rs. 17.26 million) are overdue for more than 180 days which have been provided for in accordance with Company policy.

33.1.2 Credit risk related to financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by Chief Executive Officer and Chief Financial Officer in accordance with the Company's policy.

The credit risk on liquid funds (cash and bank balances) is limited because the counter parties are banks with a reasonably high credit rating. The names and credit rating of banks as at December 31, 2015, where the Company maintains its major bank balances are as follows:

Name of bank	Credit rating Short-term	Long-term
Bank Al Habib Limited	A1+	AA+
Habib Bank Limited	A-1+	AAA
MCB Bank Limited	A1+	AAA
National Bank of Pakistan	A1+	AAA

33.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring substantial losses or risk damage to the Company's reputation.

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

	As at December 31, 2015		
	Total	Up to three months	More than three months & up to one year
	------------- Rupees in '000 --------------		
Running finance	12,566	12,566	-
Trade and other payables	72,328	71,951	377
Accrued markup	23	23	-
	84,917	84,540	377

	As at December 31, 2014		
	Total	Up to three months	More than three months & up to one year
	------------- Rupees in '000	--------------	
Running finance	178,491	178,491	-
Trade and other payables	91,698	89,221	2,477
Accrued markup	5,132	5,132	-
	275,321	272,844	2,477

33.3 Market risk management

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

33.3.1 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term debt obligations with floating interest rates.

Interest rate sensitivity

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit for the year would decrease/increase by Rs. 0.98 million (2014: Rs. 0.09 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

33.3.2 Foreign exchange risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities which mainly include payables to foreign suppliers of goods in foreign currency. The Company deals in local sales and does not have any foreign currency exports or foreign debtors.

At December 31, 2015, Company does not have any exposure in foreign currency asset or liability.

33.3.3 Equity price risk management

The Company has investments in top listed and unlisted equity securities. These securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through proper review of individual and total equity investments. Reports on the equity portfolio are submitted to the senior management on a regular basis.

a) Investment at 'Available for sale ' - Equity securities

At the balance sheet date, the exposure to listed equity securities at fair value is Rs. 12.65 million (2014: Rs. 13.22 million). A decrease / increase of 5% on the KSE market index would have an impact of approximately Rs. 0.63 million (2014: Rs. 0.16 million) on the other comprehensive income of the Company, depending on whether or not the decline is significant and prolonged.

b) Investment in subsidiary and associated companies

The Company has exposure of Rs. 958.32 million (2014: Rs. 380.53 million) to unlisted equity securities in the subsidiaries and in listed equity securities in an associate of Rs. 65.29 million (2014: Rs. 65.29 million) having fair value of Rs. 9,285 million (2014: Rs. 6,586 million). These are held for strategic rather than trading purpose. The Company does not actively trade in these securities. Since these are carried at cost, hence decrease/increase of market index would have no impact on the financial statements.

33.4 Determination of fair values

33.4.1 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction other than in a forced or liquidation sale.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values except investment in an associate company which is stated at cost.

33.5 Financial instruments by category

The accounting policies for financial instruments have been applied for line items below:

	Loans & advances	Available for sale	Fair value through profit or loss	Total
	---------- Rupees in '000			----------
Assets as per balance sheet - December 31, 2015				
Long term investments	-	12,663	-	12,663
Cash and bank balances	9,172	-	-	9,172
Trade debts - net	117,144	-	-	117,144
Long term deposits	2,778	-	-	2,778
Loans and advances	1,177	-	-	1,177
Short term investments	-	-	539,848	539,848
Deposits and other receivables	49,436	-	-	49,436
	179,707	12,663	539,848	732,218

	At amortized cost	Total
	------- Rupees in '000	-------
Liabilities as per balance sheet - December 31, 2015		
Short term finance	12,566	12,566
Trade and other payables	72,328	72,328
Accrued markup	23	23
	84,917	84,917

	Loans & advances	Available for sale	Fair value through profit or loss	Total
	------------------------- Rupees in '000 -------------------------			
Assets as per balance sheet - December 31, 2014				
Long term investments	-	13,221	-	13,221
Cash and bank balances	20,303	-	-	20,303
Trade debts - net	51,533	-	-	51,533
Long term deposits	10,544	-	-	10,544
Loans and advances	13,483	-	-	13,483
Deposits and other receivables	17,643	-	-	17,643
	113,506	13,221	-	126,727

	At amortized cost	Total
	------- Rupees in '000 -------	
Liabilities as per balance sheet - December 31, 2014		
Short term finance	178,491	178,491
Trade and other payables	91,698	91,698
Accrued markup	5,131	5,131
	275,320	275,320

33.6 Fair value hierarchy

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2015			
	Level 1	Level 2	Level 3	Total
	------------------------- Rupees in '000 -------------------------			
Investments				
Short term investments	-	539,848	-	539,848
Long term investments	12,648	-	15	12,663
	12,648	539,848	15	552,511

	2014			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Investments				
Long term investments	13,221	-	-	13,221
	13,221	-	-	13,221

The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values.

There were no transfer between various level of fair value hierarchy during the year.

34. CAPITAL RISK MANAGEMENT

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

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares. The Company also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings less cash and bank balances. The gearing ratio is as follows:

	December 31, 2015	December 31, 2014
	Rupees in '000	
Short term finance	12,566	178,491
Cash and bank balance	(9,172)	(20,303)
Net debt	3,394	158,188
Share capital	590,578	590,578
Reserves	206,666	206,666
Unrealized gain on remeasurement of available for sale investments	10,208	10,766
Unappropriated profit	1,234,247	(45,079)
Equity	2,041,699	762,931
Debt and equity	2,045,093	921,119
Gearing ratio	0.17%	17.17%

35. NUMBER OF EMPLOYEES

The total average number of employees during the year and as at December 31, 2015 and 2014 respectively are as follows:

	2015	2014
Average number of employees during the year	31	79
Number of employees as at December 31	17	79

36. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on March 03, 2016 by the Board of Directors of the Company.

37 POST BALANCE SHEET EVENT

The Board of Directors of the Company at its meeting held on March 03, 2016 has proposed a final cash dividend @ Rs. 5/-per share amounting to Rs. 295,289,295 for year ended December 31, 2015 for approval at the Annual General Meeting to be held on April 08, 2016. These financial statements do not reflect this proposed dividend.

38. GENERAL

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

Shahid Hamid Pracha
Chairman

Inam ur Rahman
Chief Executive

CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

REDUCING
CARBON FOOTPRINT

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AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the annexed consolidated financial statements comprising of consolidated balance sheet of **Dawood Lawrencepur Limited** (the Holding Company) and its subsidiary companies **Tenaga Generasi Limited** and **Reon Energy Limited** (the Group) as at December 31, 2015, and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of the Holding Company and its subsidiary company Tenaga Generasi Limited, whereas financial statements of Reon Energy Limited were audited by another firm of chartered accountants whose report has been furnished to us and our opinion, in so far as it relates to the amount included for such company, is based solely on the report of such auditors. These consolidated financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on the accompanying consolidated financial statements based on our audit.

Our audit was conducted in accordance with the auditing standards as applicable in Pakistan and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly, in all material respect, the financial position of the Group as at December 31, 2015 and the results of the operations, cash flows and changes in equity for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Deloitte Yousuf Adil
Chartered Accountants

Engagement partner:
Nadeem Yousuf Adil

Date: March 03, 2016
Place: Karachi

Consolidated Balance Sheet
As at December 31, 2015

	Note	December 31, 2015	December 31, 2014 (Restated)	January 1, 2014 (Restated)
		---------------------Rupees in ‘000	---------------------	
ASSETS				
Non-current assets				
Property, plant and equipment	4	3,684,851	339,772	205,532
Intangible assets	5	34,568	37,063	24,124
Long term investments	6	7,244,802	4,939,421	4,615,752
Long term deposits	7	2,778	10,544	10,544
Transaction cost of borrowings	8	-	38,072	29,357
Long term loans	9	352	-	-
		10,967,351	5,364,872	4,885,309
Current assets				
Stores and spares	10	13,266	12,000	36,582
Stock in trade	11	210,307	280,519	261,306
Trade debts	12	118,944	51,533	94,882
Loans and advances	13	214,302	51,588	42,302
Deposits, prepayments and other receivables	14	92,088	79,419	95,147
Short term investments	15	944,897	86,001	107,624
Cash and bank balances	16	510,644	35,047	35,415
		2,104,448	596,107	673,258
Assets classified as ‘held for sale’		-	-	194,529
TOTAL ASSETS		13,071,799	5,960,979	5,753,096
SHARE CAPITAL AND RESERVES				
Authorized capital		750,000	750,000	750,000
Issued, subscribed and paid-up capital	17	590,578	590,578	590,578
Capital reserve		206,666	206,666	206,666
Unrealized gain on remeasurement of available for sale investments		9,297	4,943	1,616
Unappropriated profit		8,276,186	4,763,607	4,549,514
Non controlling interest		301,436	-	-
		9,384,163	5,565,794	5,348,374
LIABILITIES				
Non current liabilities				
Deferred liabilities	18	29,185	20,329	11,388
Long term debt	19	3,198,085	-	-
			-	
		3,227,270	20,329	11,388
Current liabilities				
Running finance	20	12,566	178,491	261,708
Trade and other payables	21	197,121	167,774	113,171
Accrued markup		32,912	5,132	5,132
Provision for taxation		217,767	23,459	13,323
		460,366	374,856	393,334
TOTAL EQUITY AND LIABILITIES		13,071,799	5,960,979	5,753,096
CONTINGENCIES AND COMMITMENTS	22			

The annexed notes from 1 to 40 form an integral part of these consolidated financial statements.

Shahid Hamid Pracha
Chairman

Inam ur Rahman
Chief Executive

Consolidated Profit and Loss Account

For the year ended December 31, 2015

	Note	2015	2014
		Rupees in '000	
CONTINUING OPERATIONS			
Sales - net	23	177,368	129,199
Cost of sales	24	(143,875)	(102,148)
Gross profit		33,493	27,051
Other income	25	29,062	20,769
Selling and distribution expenses	26	(129,043)	(118,897)
Administrative expenses	27	(167,281)	(146,112)
Finance cost	28	(25,613)	(31,999)
		(321,937)	(297,008)
		(259,382)	(249,188)
Share of profit from investment in an associate		3,420,433	398,274
Profit before taxation from continuing operations		3,161,051	149,086
Taxation	29	(300,892)	(10,551)
Profit after taxation from continuing operations		2,860,159	138,535
DISCONTINUED OPERATIONS			
Profit from discontinued operations	30	659,571	82,865
Profit for the year		3,519,730	221,400
Earnings per share - Basic and diluted Continuing operations (Rs.)	31.1	48.43	2.35
Earnings per share - Basic and diluted Discontinued operations (Rs.)	31.2	11.17	1.40
Profit / (loss) attributable to :			
Parent		3,522,518	221,400
Non controlling interest		(2,788)	-
		3,519,730	221,400

The annexed notes from 1 to 40 form an integral part of these consolidated financial statements.

Shahid Hamid Pracha
Chairman

Inam ur Rahman
Chief Executive

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2015

	Note	2015	2014
		Rupees in '000	
Profit after taxation		3,519,730	470,588
Other comprehensive income			
Items that may not be reclassified subsequently through profit and loss account			
Remeasurement of defined benefit obligation	18.1.7	(2,565)	(5,249)
		3,517,165	465,339
Items that may be reclassified subsequently through profit and loss account			
Gain on remeasurement of 'available for sale' investments		4,354	3,327
Total comprehensive income		3,521,519	468,666

The annexed notes from 1 to 40 form an integral part of these consolidated financial statements.

Shahid Hamid Pracha
Chairman

Inam ur Rahman
Chief Executive

Consolidated Cash Flow Statement

For the year ended December 31, 2015

	2015			2014 (Restated)		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	Rupees in '000					
A. CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before taxation	3,161,051	659,571	3,820,622	149,086	82,865	231,951
Adjustments for :						
Depreciation	15,915	18,302	34,217	5,365	92,915	98,280
Amortization	4,803	-	4,803	730	-	730
Staff retirement	9,404	-	9,404	7,707	-	7,707
Provision against stock-in-trade	6,396	5,026	11,422	5,215	-	5,215
Provision against stores & spares	-	-	-	-	2,131	2,131
Provision against sales tax refundable	-	-	-	-	4,085	4,085
Provision against trade debts	6,289	1,167	7,456	-	-	-
Reversal of provision against trade debts	-	-	-	(447)	(4,339)	(4,786)
Finance cost	25,613	50	25,663	31,999	3	32,002
Gain on disposal of property, plant and equipment	(792)	(762,950)	(763,742)	(220)	(245,082)	(245,302)
Share of profit from as associate	(3,420,433)	-	(3,420,433)	(398,274)	-	(398,274)
Dividend income	(850)	-	(850)	(820)	-	(820)
Interest income	(1,076)	-	(1,076)	(1,134)	-	(1,134)
Gain on sale of short-term investments	(7,301)	-	(7,301)	(2,451)	-	(2,451)
Unrealized gain on remeasurement of short term investments	(7,216)	-	(7,216)	(5,676)	-	(5,676)
Operating loss before working capital changes	(208,197)	(78,834)	(287,031)	(208,920)	(67,422)	(276,342)
(Increase) / decrease in current assets						
Stores and spares	(1,266)	-	(1,266)	-	36,582	36,582
Stock in trade	37,575	16,657	54,232	(110,826)	86,398	(24,428)
Trade debts	(80,120)	9,811	(70,309)	48,135	-	48,135
Loans and advances	13,228	(52,996)	(39,768)	2,228	725	2,953
Deposits, prepayments and other receivables	(83,810)	43,124	(40,686)	12,842	(4,197)	8,645
Increase/ (decrease) in current liabilities						
Trade and other payables	25,308	32,146	57,454	64,156	(6,567)	57,589
	(89,085)	48,742	(40,343)	16,535	112,941	129,476
Cash (used in) / generated from operations	(297,282)	(30,092)	(327,374)	(192,385)	45,519	(146,866)
Gratuity paid	(3,113)	-	(3,113)	(4,016)	-	(4,016)
Deposits transferred on sale of property for cash	-	7,766	7,766	-	-	-
Long term loans	(352)	-	(352)	-	-	-
Interest paid	(29,300)	-	(29,300)	-	-	-
Finance cost paid	(30,772)	-	(30,772)	(32,002)	-	(32,002)
Tax paid	(123,171)	-	(123,171)	(12,652)	-	(12,652)
Net cash (used in) / generated from operating activities	(483,989)	(22,326)	(506,315)	(241,056)	45,519	(195,537)
B. CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of property, plant and equipment	(3,258,623)	-	(3,258,623)	(65,738)	(647)	(66,385)
Sale proceeds from disposal of property, plant and equipment	3,043	772,698	775,741	1,136	252,620	253,756
Purchase of intangible assets	(2,309)	-	(2,309)	(13,669)	-	(13,669)
Addition to capital work in progress	-	-	-	-	-	-
Purchase of short-term investments	(1,621,500)	-	(1,621,500)	-	-	-
Sales proceeds from disposal of short-term investments	777,123	-	777,123	43,750	-	43,750
Interest received	1,208	-	1,208	1,057	-	1,057
Dividend received	1,013,965	-	1,013,965	78,752	-	78,752
Net cash (used in) / generated from investing activities	(3,087,093)	772,698	(2,314,395)	45,288	251,973	297,261
C. CASH FLOWS FROM FINANCING ACTIVITIES						
Long term loan received	3,409,113	-	3,409,113	-	-	-
Transaction cost of borrowings	(243,475)	-	(243,475)	(2,378)	-	(2,378)
Share issuance cost	(7,374)	-	(7,374)	-	-	-
Issue of fully paid ordinary shares in cash	304,224	-	304,224	-	-	-
Payment of dividend	(256)	-	(256)	(440)	-	(440)
Net cash generated from / (used in) financing activities	3,462,232	-	3,462,232	(2,818)	-	(2,818)
Net (decrease) / increase in cash and cash equivalent (A+B+C)	(108,850)	750,372	641,522	(198,586)	297,492	98,906
Cash and cash equivalents at beginning of the year	(353,006)	187,122	(143,444)	(131,980)	(110,370)	(242,350)
Cash and cash equivalents at end of the year	(461,856)	937,494	498,078	(330,566)	187,122	(143,444)
Cash and bank balance	-	-	510,644	-	-	35,047
Running finance	-	-	(12,566)	-	-	(178,491)
	-	-	498,078	-	-	(143,444)

The annexed notes from 1 to 40 form an integral part of these consolidated financial statements.

Shahid Hamid Pracha
Chairman

Inam ur Rahman
Chief Executive

Consolidated Statement of Changes In Equity

For the year ended December 31, 2015

	Ordinary Shares	Capital Reserves				Unappropriated profit	Unrealized gain on remeasurement of available for sale investments	Non controlling interest	Total
		Merger reserve	Share premium reserve	Capital reserve	Capital redemption reserve fund				
	……… 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	-	-	-	-	-	(319)	-	-	(319)
Balance at December 31, 2013 - restated	590,578	10,521	136,865	33,311	25,969	4,549,515	1,616	-	5,348,375
Profit for the year	-	-	-	-	-	221,400	-	-	221,400
Other comprehensive income	-	-	-	-	-	(5,249)	3,327	-	(1,922)
Total comprehensive (loss)/income for the year	-	-	-	-	-	216,151	3,327	-	219,478
Effect of restatement	-	-	-	-	-	(2,059)	-	-	(2,059)
Balance at December 31, 2014 - restated	590,578	10,521	136,865	33,311	25,969	4,763,607	4,943	-	5,565,794
Shares purchased during the year	-	-	-	-	-	-	-	304,224	304,224
Share issuance cost	-	-	-	-	-	(7,374)	-	-	(7,374)
Profit for the year	-	-	-	-	-	3,522,518	-	(2,788)	3,519,730
Other comprehensive income	-	-	-	-	-	(2,565)	4,354	-	1,789
Total comprehensive income/(loss) for the year	-	-	-	-	-	3,519,953	4,354	(2,788)	3,521,519
Balance at December 31, 2015	590,578	10,521	136,865	33,311	25,969	8,276,186	9,297	301,436	9,384,163

The annexed notes from 1 to 40 form an integral part of these consolidated financial statements.

Shahid Hamid Pracha
Chairman

Inam ur Rahman
Chief Executive

1. GENERAL INFORMATION

The "Group" consists of:

(i) Dawood Lawrencepur Limited (incorporated in Pakistan) - the "Holding Company"
(ii) Tenaga Generasi Limited (incorporated in Pakistan) - subsidiary (TGL)
(ii) Reon Energy Limited (incorporated in Pakistan) - a wholly owned subsidiary (REL)

1.1 Holding Company

Dawood Lawrencepur Limited, the "Holding Company" was incorporated in Pakistan in the year 2004 as a public listed company. It was formed as a result of a Scheme of Arrangement for Amalgamation in terms of the provisions of the Companies Ordinance, 1984 between Dawood Cotton Mills Limited, Dilon Limited, Burewala Textile Mills Limited and Lawrencepur Woolen and Textile Mills Limited. The shares of the Holding Company are listed on 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 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 Milles Limited (LWTM), Burewala Textile Mills Limited (BTM), Dilon Limited (DL) and Dawood Cotton Mills Limited (DCM). Assets of DL, DCM and LWTM were sold in prior years. The results of discontinued operations include DCM, DL, LWTM and BTM.

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

1.2 Subsidiary companies

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

1.2.2 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 guarantee from the Government of Pakistan. The Plant is expected to be operational in late 2016. As at December 31, 2015, the Holding Company owns 75% (2014: 100%) of the share capital of the subsidiary.

The details of non controlling interest are as follows:

	Proportion of ownership interest held by non-controlling interest		Loss allocated to non-controlling interest		Accumulated non-controlling interest	
	2015	2014	2015	2014	2015	2014
			----------Rupees in '000----------			
TGL	25%	-	(2,788)	-	301,436	-

The summarised financial information for TGL is given as follows. The summarised financial information below represents amount before intragroup elimination.

	2015	2014 (Restated)
	Rupees in ‘000	
Current assets	900,896	93,016
Non-current assets	3,560,211	233,186
Current liabilities	133,531	32,893
Non-current liabilities	3,201,396	2,581
Equity attributable to the owners of the company	824,743	290,729
Non-controlling interest	301,436	-

	For the year ended	
	2015	2014
	Rupees in ‘000	
Other income	7,747	9,392
Expenses	(36,942)	(18,389)
Loss for the year	(29,196)	(8,998)
Loss attributable to owners of the company	(26,407)	(8,998)
Loss attributable to non-controlling interest	(2,788)	-
Loss for the year	(29,196)	(8,998)
Other comprehensive income for the year	-	-
Total comprehensive loss	(29,196)	(8,998)
Net cash generated from operating activities	9,475	7,872
Net cash (used in) / generated from investing activities	(3,552,503)	150
Net cash generated from / (used in) financing activities	4,030,283	(4,437)
Net cash inflow	487,255	3,585

1.3 Associated company

The 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

2.1 Basis of measurement

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

2.2 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.3 Basis of consolidation

The financial statements of the subsidiary companies have been consolidated on a line-by-line basis and the carrying value of the investments held by the holding company have been eliminated against the shareholders equity in the subsidiary companies.

The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-group balances, transactions, incomes, expenses, profits and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Holding Company obtains control, and continue to be consolidated until the date that such control ceases.

2.4 Functional and presentation currency

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

2.5 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates, if any, are recognized prospectively commencing from the period of revision.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the financial statements in the subsequent years are as follows:

Useful lives and depreciation rates of :

- Property, plant and equipment
- Intangible assets

Valuation of stores and spares
Valuation of stock in trade
Staff retirement gratuity
Taxation
Impairment loss of ‘available for sale ‘ investments
Impairment of goodwill

2.6 New accounting standards / amendments and IFRS interpretations that are effective for the year ended December 31, 2015

The following standards, amendments and interpretations are effective for the year ended December 31, 2015. These standards, interpretations and the amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures.

Standards / Amendments / Interpretations	Effective for periods Beginning on or after
IFRS 10 – Consolidated Financial Statements	January 01, 2015
IFRS 11 – Joint Arrangements	January 01, 2015
IFRS 12 – Disclosure of Interests in Other Entities	January 01, 2015
IFRS 13 – Fair Value Measurement	January 01, 2015
Amendments to IAS 19 Employee Benefits: Employee contributions	January 01, 2015
IAS 27 (Revised 2011) – Separate Financial Statements	January 01, 2015
IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures	January 01, 2015

Certain annual improvements have also been made to a number of IFRSs which did not have material effect on the financial statements of the Company.

2.7 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures.

Standards / Amendments / Interpretations	Effective for periods Beginning on or after
Amendments to IFRS 11 - Accounting for acquisitions of interests in joint operations	January 01, 2016
Amendments to IAS 1 - Disclosure initiative	January 01, 2016
Amendments to IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortization	January 01, 2016
Amendments to IAS 16 and IAS 41 Agriculture: Bearer plants	January 01, 2016
Amendments to IAS 27 - Equity method in separate financial statements	January 01, 2016
Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associate or joint venture	January 01, 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the consolidation exception	January 01, 2016

Certain annual improvements have also been made to a number of IFRSs which are not expected to have a material effect on the Group's financial statements.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 16 – Leases

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Property, plant and equipment and capital work in progress

3.1.1 Recognition & measurement

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

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

3.1.2 Subsequent costs

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

3.1.3 Depreciation

Depreciation is charged to profit and loss account applying reducing balance method, whereby the cost of an asset is written off over its estimated useful life. Depreciation on additions is charged from the date on which the asset is available for use and on disposals up to the date of deletion. Freehold land is not depreciated. The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

3.1.4 Impairment

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

3.1.5 Capital Work in Progress

Capital work-in-progress are stated at cost less any recognized impairment. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

3.2 Intangible assets

3.2.1 Goodwill

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

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

3.2.2 Softwares

These are capitalized on the basis of the costs incurred to acquire and bring the specific software to use. Software is stated at cost less accumulated amortization and accumulated impairment losses, if any. These are amortized using the 'Straight Line Method' from the month the software is available for use up to the month of its disposal at the rate mentioned in note 5.2. The residual values, useful lives and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

3.3 Financial instruments

All financial assets and liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. Financial assets include trade debts, other receivables, loans, advances and deposits. These are recognized initially at cost plus directly attributable transaction costs, if any, and subsequently measured at fair value or amortized cost using effective interest rate method as the case may be less provision for impairment, if any. Exchange gains and losses arising in respect of financial assets or liabilities in foreign currency are added to the respective carrying amounts.

3.4 Investments

The Group recognizes an investment when it becomes a party to the contractual provisions of the instrument. A regular way purchase of financial assets is recognized using trade date accounting. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded. Financial liabilities are not recognized unless one of the parties has performed its part of the contract or the contract is a derivative contract.

3.4.1 Investment in associated company

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

3.4.2 Financial assets at fair value through profit or loss

An instrument is classified as 'fair value through profit or loss' if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sales decisions based on their fair values. Upon initial recognition, attributable transaction costs are recognized in the profit and loss account when incurred. Financial instruments at fair value through profit or loss are subsequently measured at fair value, and changes therein are recognized in the profit and loss account. Purchases and sales of investments are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the investment.

3.4.3 Investments available for sale

Investments 'available for sale' are initially recognized at fair value, plus attributable transactions cost. Subsequent to initial recognition these are measured at fair value. Gains or losses on available-for-sale investments resulting from changes in fair value are recognized directly in equity through other comprehensive income until the investments are sold or disposed off, or until the investments are determined to be impaired, at that time cumulative gain or loss previously reported in equity is included in the current year's profit and loss account.

All other investments in unquoted securities are stated at cost, less provision for impairment, if any.

3.4.4 Held-to-maturity investments

Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. These are recorded at amortized cost using the effective interest rate method, less any amount written off to reflect impairment.

3.4.5 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Group as fair value through profit or loss or available-for-sale. This includes receivable against sale of investments and other receivables.

3.4.6 Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

For available-for-sale financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement - is removed from equity and recognized in the profit and loss account. Impairment losses on equity investments are not reversed through the income statement. Increases in their fair value after impairment are recognized directly in equity.

3.4.7 Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with International Accounting Standard 39: Financial Instruments; Recognition and Measurement.

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expired.

3.5 Stores, spares and loose tools

Stores, spares and loose tools are valued at weighted average cost except for items in transit, which are stated at cost incurred up to the balance sheet date. For items which are slow moving, adequate provision is made for any excess book value over estimated realizable value and for this, the Group reviews the carrying amount of stores and spares on a regular basis and accordingly provision is made for obsolescence.

3.6 Stock-in-trade

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

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

3.7 Provisions

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

3.8 Cash and cash equivalents

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

3.9 Discontinued operations

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

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

(b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or

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

3.10 Employees' retirement benefits

Defined benefit plan

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

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

3.11 Taxation

Income tax expense comprises current tax, which is recognized in profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is also directly recognized in equity.

3.11.1 Current

Provision for current taxation is based on income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any. The charge for current tax include adjustments to charge for prior years, if any.

3.11.2 Deferred

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

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

3.12 Revenue recognition

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

Project revenue

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

Sale of goods

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

Interest income

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

Dividend income

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

Capital gain

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

3.13 Borrowings and their costs

Borrowings are recognized initially at fair value, net of transaction costs incurred, and subsequently at amortized costs. Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

3.14 Foreign currency translation

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

3.15 Earnings per share

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

3.16 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set-off the recognized amounts and the Group intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.17 Segment reporting

Segment reporting is based on the operating/business segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenditure. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment. The business segments are engaged in providing products or services which are subject to risks and rewards which differ from the risks and rewards of other segments. Segments reported are renewable energy and textile discontinued business which also reflects the management structure of the Group. There is no geographical segmentation as the Group's operations are only in Pakistan.

Management has disclosed information as required by IFRS- 8 'Segment reporting' in note 34 to these financial statements'.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2015	2014
		Rupees in '000	
Operating assets	4.1	158,339	147,625
Capital work in progress	4.6	3,526,512	192,147
		3,684,851	339,772

4.1 OPERATING ASSETS

Particulars	Cost at January 01, 2015	Additions/ (disposals)/	Cost at December 31, 2015	Accumulated depreciation at January 01, 2015	Depreciation/ (Disposals) for the year	Accumulated depreciation at December 31, 2015	Carrying value as at December 31, 2015	Annual rate of depreciation %
	Rupees in '000							
Freehold land	3,157	-	3,157	-	-	-	3,157	-
Leasehold land	1,081	38,194 (1,081)	38,194	505	8,256 (510)	8,251	29,943	1
Building on freehold land	70,557	-	70,557	64,498	603	65,101	5,456	10
Building on leasehold land	54,414	(54,414)	-	45,030	758 (45,788)	-	-	10
Plant and machinery	377,705	-	377,705	296,074	16,327	312,401	65,304	10-20
Wind measuring equipment	3,881	-	3,881	1,589	229	1,818	2,063	10
Furniture, fixtures and office equipment	66,882	1,331 (1,673)	66,540	48,347	1,925 (1,458)	48,814	17,726	10
Computers	11,344	1,177 (308)	12,213	8,583	1,799 (267)	10,115	2,098	33
Tools and equipment	15,325	2,523 (264)	17,584	4,403	1,495 (89)	5,809	11,775	10
Vehicles	20,287	11,762 (6,080)	25,969	12,946	2,148 (3,672)	11,422	14,547	20
Renewable energy projects	5,644	1,980	7,624	677	677	1,354	6,270	10-50
2015	630,277	56,967 (63,820)	623,424	482,652	34,217 (51,784)	465,805	158,339	

4.2 The above include assets with an aggregate carrying value of Rs. 80.11 million (2014: Rs 107.89 million) which relate to discontinued textile units.

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

OPERATING ASSETS

Particulars	Cost at January 01, 2014	Additions/ (disposals)/	Transfer from held for sale	Cost at December 31, 2014	Accumulated depreciation at January 01, 2014	Transfer from held for sale	Depreciation/ (Disposals) for the year	Accumulated depreciation at December 31, 2014	Carrying value as at December 31, 2014	Annual rate of depreciation %
	----------	----------	----------	----------	---------- Rupees in '000	----------	----------	----------	----------	
Freehold land	48	1,636 (1,636)	3,109	3,157	-	-	-	-	3,157	-
Leasehold land	1,081	-	-	1,081	499	-	6	505	576	1
Building on freehold land	39,294	-	31,263	70,557	36,272	26,735	1,491	64,498	6,059	10
Building on leasehold land	54,414	-	-	54,414	43,986	-	1,043	45,029	9,385	10
Plant and machinery	228,152	- (227,713) (321) *	377,587	377,705	221,343	210,515	86,877 (222,580) (81) *	296,074	81,631	10-20
Wind measuring equipment	3,881	-	-	3,881	1,335	-	255	1,590	2,291	10
Furniture, fixtures and office equipment	28,995	10,132 1,870 * (9,684) *	35,663	66,976	15,354	30,720	3,420 115 * (1,178) *	48,431	18,545	10
Computers	10,157	1,363 (176)	-	11,344	7,255	-	1,454 (127)	8,582	2,762	33
Tools and equipment	-	4,585 7,814 *	2,893	15,292	-	2,147	1,171 1,063 *	4,381	10,911	10
Vehicles	23,572	2,626 (5,911)	-	20,287	15,378	-	1,843 (4,275)	12,946	7,341	20
Renewable energy projects	4,107	2,449 321 * (1,232) **	-	5,645	-	-	720 81 * (123) *	677	4,968	10-50
2014	393,701	22,791 (235,436) (1,232) **	450,515	630,339	341,422	270,117	98,280 (226,982) (123) **	482,713	147,625	

	Note	2015	2014
		Rupees in '000	
4.3 Depreciation for the year has been allocated as under:			
Administrative expenses	27	32,968	96,952
Selling and distribution expenses	26	1,249	1,328
		34,217	98,280

4.4 The following assets were disposed off during the year:

Description	Cost	Accumulated depreciation	Carrying value	Sale proceed	Gain / (loss)	Mode of disposal	Particulars of buyer
	---------------------- Rupees in '000 ----------------------						
Leasehold land	1,081	510	571	46,825	46,254	Tender	Worldwide Developers (Pvt) Ltd
Building on leasehold land	54,414	45,788	8,626	707,763	699,137	Tender	Worldwide Developers (Pvt) Ltd
Furniture and Fixture	1,673	1,458	215	17,647	17,432	Tender	Worldwide Developers (Pvt) Ltd
Tools and Equipment	79	26	53	32	(21)	Company policy	Abid Zafar (employee)
Vehicle - Suzuki cultus	849	513	336	456	120	Company policy	Waqas Hassan Sheikh (employee)
Vehicle - Suzuki mehran	578	266	312	380	68	Company policy	Muhammad Yousuf (employee)
Vehicle - Honda civic	1,927	1,021	906	1,600	694	Insurance claim	EFU General Insurance
Vehicle - Honda civic	1,878	1,333	545	329	(216)	Company policy	Inam ur Rahman (Chief Executive)
Vehicle - Suzuki cultus	848	539	309	605	296	Tender	Imran Raza
	6,080	3,672	2,408	3,370	962		
Others	493	330	163	141	(22)		
2015	63,820	51,784	12,036	775,778	763,742		
2014	235,436	226,982	8,454	253,756	245,302		

4.5 Leasehold land with a carrying amount of approximately Rs. 29.94 million (2014: Nil) is charged in favor of a commercial bank to secure the various banking arrangements.

4.6 Capital work in progress

This represents cost incurred in respect of the following:

	2015	2014
	Rupees in '000	
Lease hold land	-	23,296
Professional fee	545,498	151,246
Exchange loss on borrowing	60,245	-
Traveling, boarding and lodging	33,643	17,605
Advances	3,423	-
Engineering, procurement & construction costs	2,811,239	-
Borrowing cost	72,464	-
	3,526,512	192,147

4.7 Rectification of prior period adjustment

During the year, TGL rectified prior period error in respect of recognition of transaction costs, incurred on loan and equity arrangements which were previously erroneously recorded as part of cost of 'capital work-in-progress'. As per requirements of International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors', prior balances of 'capital work-in-progress' have been restated as follows, with corresponding effect recorded against balance of 'long term debt' and 'unappropriated profits' disclosed in note 20 and 'Statement of Changes in Equity' in these financial statements.

	2015	2014
	Rupees in '000	
Property and equipment - capital work in progress		
Balance as previously reported	232,598	182,929
Transaction cost relating to:		
- borrowings, shown on balance sheet	(38,072)	(29,357)
- equity, taken to unappropriated profit till December 31, 2013	(320)	(320)
- For the year ended December 31, 2014	(2,059)	-
	192,147	153,253

There is no effect of the restatement on the balances reported in profit and loss account and earnings per share of the Group.

5. INTANGIBLE ASSETS

	Note	2015	2014
		Rupees in '000	
Goodwill	5.1	22,834	22,834
Computer software	5.2	11,734	646
Work-in-progress		-	13,583
		34,568	37,063

5.1 Goodwill

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

At December 31, 2015 the management of the Group carried out an impairment testing of its goodwill recorded in the financial statements statements as a result of acquisition of TGL. Based on the said testing, the NPV of the wind project was in excess of the respective carrying amount of goodwill as at December 31, 2015.

5.2 Computer software

	2015	2014
	Rupees in '000	
Cost		
Balance as on January 1	5,070	4,984
Addition during the year	15,892	86
Balance as on December 31	20,962	5,070
Amortization @ 33.33%		
Balance as on January 1	(4,425)	(3,694)
During the year	(4,803)	(730)
Balance as on December 31	(9,228)	(4,424)
Carrying amount	11,734	646

	Note	2015	2014
		Rupees in '000	
6. LONG TERM INVESTMENTS			
Share of investment in an associate	6.1	7,232,139	4,926,200
Other investments	6.2	12,663	13,221
		7,244,802	4,939,421

6.1 Investment in an associate

Associated Company - quoted

	Note	2015	2014
Dawood Hercules Corporation Limited (DHCL)			
Opening balance		4,926,200	4,605,789
Add: Share of profit after taxation		3,622,999	398,274
Share of other comprehensive income		2,878	69
Effect of adjustment	6.1.3	(306,823)	-
		3,319,054	398,343
Less: Dividend received		(1,013,115)	(77,932)
		7,232,139	4,926,200

6.1.1 The Holding Company has invested in an associate 'Dawood Hercules Corporation Limited' (DHCL) - ownership 16.19 % (2014: 16.19%), comprising of 77,931,896 fully paid ordinary shares of Rs. 10/- each, having market value of Rs. 9,285 million (2014: Rs. 6,586 million).

6.1.2 The financial year end of DHCL is December 31, 2015. Financial results as of September 30, 2015 (2014: September 30, 2014) have been used for the purpose of application of equity method.

6.1.3 This amount represents adjustment arising on account of change in accounting policy in the financial statement of the associated company, for recognition and measurement of investment in associates.

6.1.4 Summarized financial information of DHCL is as follows:

	2015	2014
	Rupees in '000	
As at September 30, 2015 (Unaudited)		
Total assets	56,634,695	40,037,904
Total liabilities	12,430,335	10,076,527
For 12 months October 01, 2014 to September 30, 2015 (Unaudited)		
- Revenue	24,632,188	3,612,761
- Expenses	2,254,183	1,152,759
- Profit after taxation	22,378,005	2,460,002
- Dividend	6,256,731	481,287
- Other comprehensive income	17,775	427

Reconciliation of net assets of the associate to the carrying amount of the Holding Company's interest in associate recognized in the financial statements:

	September 30, 2015 (Unaudited)	September 30, 2014 (Unaudited)
	Rupees in '000	
Net assets of the associate	44,204,360	29,961,377
Proportion of the Group's ownership interest in associate	16.19%	16.19%
	7,156,686	4,850,747
Other adjustments	75,453	75,453
Carrying amount of the Group's interest in associate	7,232,139	4,926,200

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

6.1.6 The Group has pledged 66,262,722 (2014: 18,000,000) shares of 'Dawood Hercules Corporation Limited' against various bank facilities procured from commercial banks.

6.2 Other investments
- Available for sale investments

2015	2014	Name of Investee	2015	2014
No. of Shares / Units			Rupees in '000	
Listed Securities				
200,000	200,000	National Investment (Unit) Trust	12,648	13,206
Un-Listed Securities				
1,500	1,500	Asian Co-operative Society Limited	15	15
			12,663	13,221

		2015	2014
		Rupees in '000	
6.3	**Reconciliation between fair value and cost of investments classified as 'available for sale'**		
	Fair value of investments	12,663	13,221
	Surplus on remeasurement of investments as at year end	(10,208)	(10,766)
	Cost of investments	2,455	2,455
7.	**LONG TERM DEPOSITS**		
	Deposits for utilities	1,718	9,019
	Others	1,060	1,525
		2,778	10,544
8.	**TRANSACTION COST OF BORROWINGS**		
	Opening balance	38,072	29,357
	Additions during the year	243,475	8,715
	Transferred to long term debt	(281,547)	-
		-	38,072
9.	**LONG TERM LOANS**		
	Loans to employees	1,576	-
	Recoverable within one year shown under current assets	(1,224)	-
		352	-
9.1	**Reconciliation of the carrying amount of loans to employees**		
	Balance at beginning of the year	-	-
	Transferred from the holding company	1,650	-
	Disbursement	511	-
	Repayment	(585)	-
	Balance at end of the year	1,576	-

9.2 This represents interest free loans to employees including executives, repayable in equal monthly installments over a two year period as per company's policy. The maximum amount outstanding at the end of any month during the year amounted to Rs. 1,669 (2014: Nil).

		2015	2014
		Rupees in '000	
10.	**STORES AND SPARES**		
	Stores	12,356	11,090
	Spares	4,488	4,488
		16,844	15,578
	Provision for slow moving and obsolete items	(3,578)	(3,578)
		13,266	12,000

	Note	2015	2014
		Rupees in '000	

11. STOCK IN TRADE

	Note	2015	2014
Renewable energy			
Finished goods	11.1	146,929	182,920
Stock in transit		-	1,584
		146,929	184,504
Provision for slow moving and obsolete items	11.2	(11,611)	(5,215)
		135,318	179,289
Textile			
Finished goods		86,840	108,055
Provision for slow moving and obsolete items	11.2	(11,851)	(6,825)
		74,989	101,230
		210,307	280,519

11.1 The above includes stock with an aggregate carrying value of Rs. 0.5 million (2014 : Rs. 0.6 million) held by third parties at reporting date.

	Note	2015	2014
		Rupees in '000	

11.2 Provision for slow moving and obsolete items

		2015	2014
Finished goods - textile		11,851	6,825
Finished goods - renewable energy		11,611	5,215
		23,462	12,040

11.3 Movement of provision against finished goods

		2015	2014
Balance as at January 01		12,040	13,360
Provision / (reversal) for the year		11,422	(1,320)
Balance as at December 31		23,462	12,040

12. TRADE DEBTS

	Note	2015	2014
Unsecured			
Considered good			
Textile		1,602	12,606
Gross amount due from customers	12.1	4,365	14,413
Renewable energy - projects		109,983	17,430
Renewable energy - others		2,994	7,084
		118,944	51,533
Considered doubtful			
Textile		1,167	17,033
Renewable energy		1,792	87
		2,959	17,120
	12.2	121,903	68,653
Provision against doubtful debts	12.3	(2,959)	(17,120)
		118,944	51,533

12.1 Gross amount due from customers

		2015	2014
Contract costs incurred plus recognized profits less recognized losses		4,968	94,635
Less : Progress billings		(603)	(80,222)
Gross amount due from customers		4,365	14,413

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

	Amount outstanding	Maximum month end balance
	Rupees in '000	
December 31, 2015		
Sach International (Private) Limited	2,769	2,769
Director	1,738	1,738
December 31, 2014		
Sach International (Private) Limited	12,606	26,181
Pebbles (Private) Limited	-	3,188
Director	1,738	1,738

	Note	2015	2014
		Rupees in '000	
12.3 Movement in provision for doubtful debt			
Opening balance		17,120	21,906
Provision written off during the year		(17,033)	-
Provision during the year		2,872	(4,786)
Closing balance		2,959	17,120

12.4 There is no amount that is past due but not impaired.

13. LOANS AND ADVANCES

	2015	2014
Unsecured, considered good		
Advance tax	160,772	37,826
Current portion of long term loan	1,224	-
Loans and advances to employees	1,681	4,714
Advance to suppliers	50,625	9,048
	214,302	51,588

14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2015	2014
Income tax refundable		61,765	61,765
Security deposits		7,217	5,116
Prepayments		2,586	3,148
Letters of credit		-	203
Sales tax		9,002	-
Profit receivable on TDRs		434	-
Others	14.1	11,084	9,187
		92,088	79,419

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

	Note	Amount Outstanding Rupees in '000	Maximum month end balance
December 31, 2015			
Sach International (Private) Limited		9,802	12,087
December 31, 2014			
Sach International (Private) Limited		7,322	7,322
Cyan Limited		8	8

15. SHORT TERM INVESTMENTS

	Note	2015 Rupees in '000	2014 Rupees in '000
At fair value through profit or loss	15.1	930,897	72,001
Held to maturity investments	15.2	14,000	14,000
		944,897	86,001

15.1 At fair value through profit or loss

Number of units 2015	Number of units 2014		2015 Average Cost (Rupees in '000)	2015 Fair Value (Rupees in '000)	2014 Fair Value (Rupees in '000)
7,067,791	139,573	MCB Cash Management Optimizer Fund	722,495	728,708	14,560
1,949,015	548,134	Askari Sovereign Cash Fund	201,186	202,189	57,441
			923,681	930,897	72,001

15.2 Held to maturity investments

	Note	2015 Rupees in '000	2014 Rupees in '000
Term deposit receipt	15.2.1	14,000	14,000

15.2.1 Term Deposit Receipt (TDR) has maturity of six months and is placed with a commercial bank carrying profit at the rate of 6.5% (2014: 8.1%) per annum.

16. CASH AND BANK BALANCES

	Note	2015 Rupees in '000	2014 Rupees in '000
Cash in hand		204	313
Cash at banks			
In current accounts		6,817	32,008
In deposit accounts - local currency	16.1	14,435	2,726
In deposit accounts - foreign currency		489,188	-
		510,440	34,734
		510,644	35,047

16.1 This includes deposits with commercial banks and carry profit at the rate ranging from 4% to 5.5% (2014: 5.5% to 6.5%) per annum.

17. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

17.1 Authorized capital

2015	2014		2015	2014
Number of shares			Rupees in '000	
75,000,000	75,000,000	Ordinary shares of Rs.10/- each	750,000	750,000

17.2 Issued, subscribed and paid up capital

2015	2014		2015	2014
Number of shares			Rupees in '000	
2,204,002	2,204,002	Ordinary shares of Rs.10/- each fully paid in cash	22,040	22,040
12,805,118	12,805,118	Issued for consideration other than cash	128,051	128,051
44,048,739	44,048,739	Fully paid as bonus	440,487	440,487
59,057,859	59,057,859		590,578	590,578

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

	2015	2014
Dawood Corporation (Private) Limited	29,277,716	28,974,998
Patek (Private) Limited	3,501,884	3,501,884
Cyan Limited	2,965,095	2,965,095
Pebbles (Private) Limited	-	302,718
Dawood Industries (Private) Limited	494,921	494,921
Sach International (Private) Limited	3,776	3,776
	36,243,392	36,243,392

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

18. DEFERRED LIABILITIES

	Note	2015	2014
		Rupees in '000	
Staff retirement gratuity	18.1	29,185	20,329
Deferred taxation	18.2	-	-
		29,185	20,329

18.1 Staff retirement gratuity

18.1.1 The details of employee retirement benefit obligation based on actuarial valuations carried out by independent actuary as at December 31, 2015 under the Projected Unit Credit Method are as follows:

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

	2015	2014
	--------------%--------------	
Discount rate	9.00 - 10.00	11.25
Expected rate of salary increase	8.00 - 9.00	10.25
Expected return on plan assets	10.00	11.25

	Note	2015	2014
		Rupees in '000	
18.1.3 Balance Sheet Reconciliation			
Present value of defined benefit obligation	18.1.4	32,000	22,950
Fair value of plan assets	18.1.5	(2,815)	(2,621)
Net Liability at end of the year		29,185	20,329
18.1.4 Movement in present value of defined benefit obligation			
Present value of defined benefit obligation at beginning of the year		22,950	13,680
Current service cost		7,561	6,781
Interest cost		2,138	1,214
Benefits paid		(3,113)	(4,016)
Remeasurements: experience adjustments		2,464	5,291
Present value of defined benefit obligation at end of the year		32,000	22,950
18.1.5 Movement in fair value of plan assets			
Fair value of plan assets at beginning of the year		2,622	2,292
Contributions made by the company		2,731	4,016
Interest income		295	287
Benefits paid		(2,731)	(4,016)
Return on plan assets excluding interest income		(102)	42
Fair value of plan assets at end of the year		2,815	2,621
18.1.6 Expense recognized in profit and loss account			
Current service cost		7,561	6,781
Interest cost on defined benefit obligation		2,138	1,214
Interest income on plan assets		(295)	(287)
Expense for the year		9,404	7,708
18.1.7 Remeasurement losses recognized in other comprehensive income			
Experience adjustments		2,464	5,291
Interest income on plan assets		101	(42)
		2,565	5,249
18.1.8 Net recognized liability			
Net liability at beginning of the year		20,329	11,388
Expense recognized in profit and loss account		9,404	7,708
Remeasurement losses recognized in other comprehensive income		2,565	5,249
Payments made during the year		(3,113)	(4,016)
Net liability at end of the year		29,185	20,329

		2015	2014
		Rupees in '000	
18.1.9	**Plan assets comprise of following**		
	Investment in mutual funds	2,670	2,477
	Cash at bank	145	144
		2,815	2,621
18.1.10	**Sensitivity analysis for actuarial assumptions**		
	Discount rate (+100 bps)	26,200	18,333
	Discount rate (-100 bps)	31,672	22,750
	Future salary increase rate (+100 bps)	31,744	22,790
	Future salary increase rate (-100 bps)	26,094	18,262

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

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

18.1.12 The expected maturity analysis of undiscounted retirement benefit plan is:

	Rupees in '000
Less than a year	319
Between 1-2 years	348
Between 2-3 years	389
Between 3-4 years	418
Between 4-5 years	454
More than 5 years	102,592

18.2 Deferred taxation

Deferred tax asset works out to Rs. 491.35 million (2014: Rs. 363.23 million). It is likely that the income of the Group will be taxable based on alternate corporate tax and under final tax regime in future, hence as a matter of prudence, deferred tax asset is not recognized.

		Note	2015	2014
			Rupees in '000	
19.	**LONG TERM DEBT**			
	Long term debt			
	Foreign currency debt	19.1	3,157,477	-
	Local currency debt	19.2	311,880	-
			3,469,357	-
	Transaction costs			
	Transaction cost to date		(281,547)	-
	Amortization for the year	19.3	10,275	-
			(271,272)	-
			3,198,085	-

19.1 TGL has arranged various long term foreign debt financing of USD 66 million (2014: Nil) under mark-up arrangements. The facilities are subject to markup @ 3 month LIBOR + 5% (2014: Nil) which is determined at the start of each quarter and is payable on a quarterly basis in arrears. These loans are repayable over a period of 10 years starting from post commercial operations date.

19.2 TGL has arranged long term local debt financing of Rs. 2.4 billion (2014: Nil) under mark-up arrangements. The facilities are subject to markup @ 3 month KIBOR + 3% (2014: Nil) which is determined at the start of each quarter and is payable on a quarterly basis in arrears. These loans are repayable over a period of 10 years starting from post commercial operations date.

19.3 Transaction costs are amortized using effective interest rate method over the tenor of the loans.

20. RUNNING FINANCE

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

21. TRADE AND OTHER PAYABLES

	Note	2015	2014
		Rupees in '000	
Creditors		5,850	29,582
Accrued expenses		26,313	32,762
Unclaimed dividend		29,210	29,466
Due to Islamic Development Bank	21.1	25,969	25,969
Due to customers	21.2	41,739	-
Advance from customers and others		5,816	26,760
Sales tax payable		374	6,844
Workers' welfare fund		-	1,997
Deposits	21.4	377	2,477
Withholding tax		1,764	6,468
Legal and professional fee		19,573	-
Staff allowances and benefits		4,012	-
Payable to related parties	21.3	36,124	5,449
		197,121	167,774

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

21.2 Due to customers:

	2015	2014
	Rupees in '000	
Contract costs incurred plus recognized profits less recognized losses	62,632	-
Less : Progress billings	(104,371)	-
Gross amount due to customers	(41,739)	-

21.3 These include amounts due to following related parties:

	2015	2014
The Dawood Foundation	-	361
Dawood Hercules Corporation Limited	98	1,805
Engro Powergen Limited	35,639	3,283
Hub Power Company Limited	387	-
	36,124	5,449

21.4 Includes Rs. 5.8 million (2014: Rs. 5.8 million) interest payable to National Investment (Unit) Trust (NIT) in respect of deposit received for subscription of shares in the Holding Company. The Holding Company is currently negotiating with NIT to resolve its pending case in the High Court of Sindh.

21.5 All deposits are interest free and re-payable on demand.

22. CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

a) For the tax year 2003, the Taxation Officer in his order disallowed expenses relating to gratuity, lease rentals, employee perquisites and utilities amounting to Rs. 18.6 million. The Commissioner Inland Revenue (Appeals) [CIR(A)] has also maintained these disallowances. The Holding Company filed an appeal against these disallowances before Appellate Tribunal Inland Revenue (ATIR). In 2010, ATIR in its order set aside the order of taxation officer and remanded back the matters to taxation officer for reconsideration. The tax incidence of the above mentioned disallowances is Rs. 6.5 million. The Taxation Officer has not yet initiated his proceedings.

b) For tax years 2004, 2005 and transitional year of 2005, the Additional Commissioner Inland Revenue (ACIR) through its order erroneously allocated expenses from business income to dividend income and capital gains and revised expenses to Rs. 62.5 million from the original allocation of Rs. 136.1 million, resulting in reduction in tax incidence to Rs. 21.9 million. The Holding Company later filed an appeal before CIR(A) on this matter, who upheld the order of ACIR. Thereafter, the Holding Company again filed an appeal before ATIR which is pending for hearing.

Further for tax year 2004, the matter of disallowance of adjustment of assessed losses of amalgamating companies amounting to Rs. 20.62 million against the income of the Holding Company is also pending at Lahore High Court.

c) For tax years 2008 and 2009, the CIR(A), in prior year, in his order did not allow to set off dividend income against business losses, having tax impact of Rs. 13.92 million. The Holding Company filed an appeal before ATIR for both years which is pending for hearing.

d) A sales tax audit was initiated by the Sales Tax Department for the period July 2010 to June 2011. The Holding Company received an order from DCIR, raising an erroneous demand of Rs. 5.88 million relating mainly to inadmissible input taxes, non-payment of sales tax on scrap scales and non-payment of withholding sales tax. The Holding Company filed an appeal against the order before CIR(A) who upheld the demand of DCIR and the Holding Company filed an appeal before ATIR against this order. The hearing was held during the year and outcome is still pending.

The outcome of the above pending matters is not certain. Based on the facts of the matters and in view of its tax advisers, management is confident of a favorable outcome on these matters and as such no further provision has been considered necessary.

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

- Rupee denominated bank guarantees of Rs. 68.31 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 subsidiary ‘Tenaga Generasi Limited’.

- The Holding Company is contingently liable to provide support to its subsidiary, Tenaga Generasi Limited, for an amount of USD 13 million (2014: Nil) to finance Project cost overruns.

22.3 Commitments

The Holding Company is committed, as Sponsor, to make further equity contribution under the 'Sponsor Support Agreement' dated March 11, 2015 entered into among relevant stakeholders including the Company, for an amount upto USD 16.33 million (2014 : Nil) to its subsidiary, Tenaga Generasi Limited.

	Note	2015	2014
		Rupees in '000	
23. SALES - NET			
Renewable energy			
Project revenue	23.1	162,367	82,788
Solar lights		11,527	32,845
Others		5,339	15,491
		179,233	131,124
Less: Returns and discounts		(1,865)	(1,925)
		177,368	129,199
Textile			
Fabric		26,377	70,423
		26,377	70,423
Related to discontinued operations	30	(26,377)	(70,423)
		-	-
		177,368	129,199

23.1 It includes Rs. 62.69 million (2014: Rs. 43.34 million) relating to projects in progress at reporting date.

	Note	2015	2014
		Rupees in '000	
24. COST OF SALES			
Renewable energy			
Opening stock		184,504	71,188
Purchases and related expense		106,300	215,464
Closing stock		(146,929)	(184,504)
Cost of goods sold	24.1	143,875	102,148
Textile			
Work in process			
Opening balance		-	6,338
Manufacturing expenses		-	-
Less: Sold during the year		-	(6,338)
Closing balance		-	-
Cost of goods manufactured		-	-
Finished goods			
Opening balance		108,055	191,374
Reclassification		4,570	-
Donations		(2,975)	-
Closing balance		(86,840)	(108,055)
		22,810	83,319
Cost of goods sold		22,810	83,319
Related to discontinued operations	30	(22,810)	(83,319)
		143,875	102,148

24.1 It includes Rs. 60.51 million (2014: Rs. 33.41 million) relating to projects in progress at reporting date.

	Note	2015	2014
		Rupees in '000	
25. OTHER INCOME			
Income from financial assets			
Dividend income from National Investment (Unit) Trust		850	820
Profit on deposits		2,557	1,313
Capital gain on sale of investments - held for trading		7,301	2,451
Unrealized gain on short term investments		7,216	5,676
		17,924	10,260
Income from non financial assets			
Gain on sale of property, plant and equipment	25.1	763,742	245,302
Gain on sale of stores and spares and stock-in-trade		-	8,271
Royalty income		9,557	9,436
Storage income		2,954	4,096
Others		9,762	8,969
		786,015	276,074
		803,939	286,334
Related to discontinued operations	30	(774,877)	(265,565)
		29,062	20,769

25.1 During the year, the Holding Company disposed off property, plant and equipment relating to Dawood Cotton Mills and Dilon Limited, at a price of Rs. 772.23 million, with net book value of Rs. 9.41 million.

	Note	2015	2014
		Rupees in '000	
26. SELLING AND DISTRIBUTION EXPENSES			
Salaries and allowances	26.1	75,035	63,952
Sales promotion		1,333	2,616
Storage and forwarding		571	-
Depreciation	4.3	1,249	1,328
Conveyance and travelling		16,128	13,385
Fees & Subscription		9,734	4,555
Postage and telephone		1,923	2,661
Electricity, gas and water		839	550
Rent, rates and taxes		3,389	5,227
Printing and stationery		204	2,013
Repairs and maintenance		1,827	5,529
Freight and insurance		1,108	1,582
Advertisement		14,613	14,016
Miscellaneous		1,634	2,372
		129,587	119,786
Related to discontinued operations	30	(544)	(889)
		129,043	118,897

26.1 This includes staff retirement benefits of Rs. 3.29 million (2014: Rs. 3.02 million).

27. ADMINISTRATIVE EXPENSES

	Note	2015	2014
		Rupees in '000	
Salaries and allowances	27.1	117,712	122,923
Legal and professional		24,987	4,417
Rent, rates and taxes		11,835	10,652
Electricity and gas		14,317	13,002
Depreciation	4.3	32,968	96,952
Printing and stationery		3,209	3,424
Fees and subscription		31,230	14,185
Insurance		3,942	4,829
Conveyance and travelling		6,917	7,106
Repairs and maintenance		5,240	11,567
Postage and telephone		2,949	3,347
Entertainment		2,861	1,923
Auditors' remuneration	27.2	1,076	810
Amortization		4,803	730
Provision against stores and spares		-	2,131
Provision against stock in trade and doubtful receivables		14,320	9,300
Miscellaneous		7,194	7,726
		285,560	315,024
Related to discontinued operations	30	(118,279)	(168,912)
		167,281	146,112

27.1 Staff salaries and benefits include Rs. 6.11 million (2014: Rs. 4.69 million) in respect of staff retirement benefits.

27.2 Auditors' remuneration

	Note	2015	2014
		Rupees in '000	
Annual audit fee		598	535
Audit fee of consolidated financial statements		55	55
Half yearly review and other certification fee		170	220
Other Assurance services		79	-
Taxation services		160	-
Others		14	-
		1,076	810

28. FINANCE COST

	Note	2015	2014
Mark-up on running finance		24,254	30,421
Bank charges		1,409	1,581
		25,663	32,002
Related to discontinued operations	30	(50)	(3)
		25,613	31,999

29. TAXATION

	Note	2015	2014
Current year		301,198	10,563
Prior year		(306)	(12)
		300,892	10,551

29.1 Relationship between tax expense and accounting profit

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

29.2 The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or modaraba, that derives profits for tax year and does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40 percent of its after tax profits or 50% of its paid up capital, whichever is less, within six months of the end of the tax year. The Board of Directors of the Holding Company intends to distribute sufficient cash dividend in the following year to comply with the above stated requirements. Accordingly, no provision for tax on undistributed reserves has been recognized in these financial statements.

	Note	2015	2014
		Rupees in '000	
30. PROFIT FROM DISCONTINUED OPERATIONS			
Sales - net	23	26,377	70,423
Cost of goods sold	24	(22,810)	(83,319)
Gross income		3,567	(12,896)
Other income	25	774,877	265,565
Administrative expenses	27	(118,279)	(168,912)
Selling expense	26	(544)	(889)
Finance cost	28	(50)	(3)
Net profit from discontinued operations		659,571	82,865
31. EARNINGS PER SHARE - BASIC AND DILUTED			
31.1 Continuing operations			
Profit after taxation (Rs.)		2,860,159	138,535
Weighted average number of ordinary shares outstanding during the year		59,058	59,058
Earnings per share (Rs.)		48.43	2.35
31.2 Discontinued operations			
Profit after taxation (Rs.)		659,571	82,865
Weighted average number of ordinary shares outstanding during the year		59,058	59,058
Earnings per share (Rs.)		11.17	1.40

Diluted earnings per share has not been presented as the Holding Company does not have any convertible instruments in issue as at December 31, 2015 and December 31, 2014 which would have any effect on the earnings per share if the option to convert is exercised.

32. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	2015		2014	
	Chief Executive	Executives	Chief Executive	Executives
	Rupees in '000			
Remuneration	8,126	42,641	7,160	39,585
House rent allowance	3,201	5,410	3,580	6,603
Utilities	1,600	1,202	1,790	1,467
Retirement benefits	616	5,309	1,682	5,472
Other allowance	892	29,380	1,159	29,204
	14,435	83,942	15,371	82,331
No. of person (s)	1	36	1	35

32.1 Chief executive is entitled use of the Holding Company maintained vehicle.

32.2 In addition, meeting fee of Rs. 50,000 (2014: Rs. 50,000) per meeting was paid to two non-executive directors for meetings attended during the year. The non-executive directors are not entitled to any remuneration except meeting fee.

33. TRANSACTIONS WITH RELATED PARTIES

The Group in the normal course of business carries out transactions with various related parties. Related parties comprise companies under common directorship, directors, key management personnel and others. Amounts due from and to other related parties, directors and key management personnel are shown under respective notes of receivables and payables. Remuneration of directors and key management personnel is disclosed in Note 32. Other significant transactions with related parties are as follows:

Relationship	Nature of transaction	2015	2014
		Rupees in '000	
b. Associated companies			
Dawood Hercules Corporation Limited	Reimbursable expenses by the Holding Company	2,235	7,544
	Reimbursable expenses to the Holding Company	-	65
D H Fertilizer Limited	Reimbursable expenses by the Group	-	2,802
Sach International (Private) Limited	Sale of fabric	782	39,692
	Reimbursable expenses to the Group	705	656
	Royalty charged	9,557	9,436
	Penalty charged	490	1,030
Cyan Limited	Reimbursable expenses to the Company	-	100
	Consultancy charges	4,485	-
The Dawood Foundation	Rental charges paid	5,533	4,950
	Reimbursable expenses by the Group	1,573	1,829

	Relationship	Nature of transaction	2015	2014
			Rupees in '000	
	Inbox Business Technologies (Pvt) Limited	Hardware maintenance charges paid	95	279
	Pebbles (Private) Limited	Penalty charged	-	122
	National Database and Registration Authority (NADRA)	Verification charges	10	11
	Engro Powergen Limited	Project management fee	12,800	5,333
		Reimbursable expenses by the Group	63,873	10,163
	The Hub Power Company Limited	Advance received by the Group	387	-
c.	**Other related parties**			
	Directors	Sale of solar solutions	-	174
	International Finance Corporation	Debt arrangement fee charged to the Company	105,898	-
		Borrowing cost charged to the Company	13,469	-
		Reimbursable expenses by the Company	5,787	-
		Issuance of share capital	304,224	-

34 SEGMENT REPORTING

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

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

Segment analysis is as under;

34.1 Segment results

	Renewable energy		Textile - discontinued operations		Alternate Energy		Unallocated		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Rupees in '000									
Revenue	177,368	129,199	26,377	70,423	-	-	-	-	203,745	199,622
Cost of goods sold	(143,875)	(102,148)	(22,810)	(83,319)	-	-	-	-	(166,685)	(185,467)
Segment gross profit	33,493	27,051	3,567	(12,896)	-	-	-	-	37,060	14,155
Administrative expenses	(131,493)	(128,402)	(118,279)	(168,912)	(35,788)	(17,710)	-	-	(285,560)	(315,024)
Selling and distribution expenses	(129,043)	(118,897)	(544)	(889)	-	-	-	-	(129,587)	(119,786)
Finance cost	-	-	(50)	(3)	(14)	(193)	(25,599)	(31,807)	(25,663)	(32,003)
Other income	-	-	774,877	265,565	7,747	9,392	21,315	11,378	803,940	286,335
Profit from associate	-	-	-	-	-	-	3,420,433	398,274	3,420,433	398,274
Taxation	-	-	-	-	(1,140)	(486)	(299,752)	(10,065)	(300,892)	(10,551)
Segment net profit	(227,043)	(220,248)	659,571	82,865	(29,195)	(8,997)	3,116,397	367,780	3,519,730	221,400

	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Rupees in '000									

34.2 Segment assets

						(Restated)				(Restated)
Property, plant and equipment	44,925	37,526	79,716	107,170	3,560,210	195,076	-	-	3,684,851	339,772
Intangible assets	-	-	-	-	-	37	34,568	37,026	34,568	37,063
Transaction cost of borrowings	-	-	-	-	-	38,072	-	-	-	38,072
Long term investments	-	-	-	-	-	-	7,244,802	4,939,421	7,244,802	4,939,421
Long term deposits	-	-	2,778	10,544	-	-	-	-	2,778	10,544
Long term loans	352	-	-	-	-	-	-	-	352	-
Stores and spares	1,266	-	12,000	12,000	-	-	-	-	13,266	12,000
Stock in trade	135,318	179,289	74,989	101,230	-	-	-	-	210,307	280,519
Trade debts	117,342	38,927	1,602	12,606	-	-	-	-	118,944	51,533
Loans and advances	131,788	23,086	81,028	28,032	1,486	471	-		214,302	51,589
Deposits, prepayments and									-	-
other receivables	81,207	27,116	8,520	51,644	2,361	623	-	35	92,088	79,418
Short term investments	-	-	-	-	405,049	86,001	539,848	-	944,897	86,001
Cash and bank balances	-	-	-	-	492,000	4,744	18,644	30,303	510,644	35,047
Total segment assets	512,198	305,944	260,633	323,226	4,461,106	325,024	7,837,862	5,006,785	13,071,799	5,960,979
Segment liabilities										
Long term debt	-	-	-	-	3,198,085	-	-	-	3,198,085	-
Deferred Liabilities	-	-	-	-	3,310	2,581	25,875	17,748	29,185	20,329
Running Finance	-	-	-		-	-	12,566	178,491	12,566	178,491
Trade and other payables	96,777	140,303	32,146	-	68,198	27,471	-	-	197,121	167,774
Accrued Markup	-	-	-	-	32,889	-	23	5,132	32,912	5,132
Provision for taxation	-	-	-	-	1,446	498	216,321	22,961	217,767	23,459
Total segment liabilities	96,777	140,303	32,146	-	3,303,928	30,550	254,785	224,332	3,687,636	395,185

34.3 Included in the revenues arising from direct sales of fabric of Rs. 26.38 million (2014: Rs. 70.52 million) are revenues of approximately Rs. 0.76 million (2014: Rs. 38.7 million) which arose from sales to the Holding Company's major customer. No other single customer contributed 10% or more to the Holding Company revenues from fabric sales.

Included in the revenues arising from energy projects of Rs. 160.76 million (2014: Rs. 82.79 million) are revenues of approximately Rs. 136.76 million (2014: Rs. 62.8 million) which arose from sales to the Holding Company's major customers. No other single customer contributed 10% or more to the Group revenues from energy projects.

35. FINANCIAL RISK MANAGEMENT

The objective of the Group's overall financial risk management is to minimize earnings volatility and provide maximum return to the shareholders. The Board of Directors has overall responsibility for the establishment and oversight of the Group's financial risk management. The responsibility includes developing and monitoring the Group's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Group's financial risk exposures.

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including cash flow interest rate risk, currency risk, equity price risk and fair value interest rate risk).

35.1 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Holding Company's performance to developments affecting a particular industry.

The Holding Company and subsidiary are exposed to credit risk from its operating activities primarily for trade debts and from its investing activities, including investment in securities, deposits with banks and other financial instruments.

Out of the total financial assets of Rs. 1,611.48 million (2014: Rs. 215.36 million), the financial assets which are subject to credit risk amounted to Rs. 653.92 million (2014: Rs. 116.14 million).

35.1.1 Credit risk related to receivables

The Holding Company only deals in local sales. Customer credit risk is managed by business unit subject to the Holding Company's established policy, procedures and controls relating to customer credit risk management. The Company mainly deals with customers of high credit rating based on its internal assessment, taking account of financial position, past experience and other factors. In addition, outstanding customer receivables are regularly monitored and appropriate actions are taken to minimize risk of bad debts.

At December 31, 2015, the Group had approximately 33 customers (2014: 106 customers) that owed Rs. 81.9 million (2014: Rs. 51.6 million). There were 3 customers (2014: 3 customers) with balances greater than Rs. 5 million covering over 77.92% (2014: 62.65%) of trade debts. As at December 31, 2015, Rs. 7.31 million (2014: Rs. 17.26 million) are overdue for more than 180 days which have been provided for in accordance with Group policy.

35.1.2 Credit risk related to financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by Chief Executive Officer and Chief Financial Officer in accordance with the Group's policy.

The credit risk on liquid funds (cash and bank balances) is limited because the counter parties are banks with a reasonably high credit rating. The names and credit rating of major banks as at December 31, 2015, where the Holding Company maintains its major bank balances are as follows:

	Credit rating	
Name of bank	Short-term	Long-term
Bank Al Habib Limited	A1+	AA+
Habib Bank Limited	A1+	AAA
MCB Bank Limited	A1+	AAA
National Bank of Pakistan	A1+	AAA

35.2 Liquidity risk

Liquidity risk is the risk that the Holding Company and subsidiary companies will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Holding Company and subsidiary companies could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Holding Company and subsidiary Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring substantial losses or risk damage to the Holding Company and subsidiary Company's reputation.

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

	As at December 31, 2015			
	Total	Up to three months	More than three months & up to one year	More than 1 year
	---------------------- Rupees in '000 ----------------------			
Running finance	12,566	12,566	-	-
Trade and other payables	197,121	190,928	6,193	-
Accrued markup	32,912	32,912	-	-
Long term debt	3,198,085	-	-	3,198,085
	3,440,684	236,406	6,193	3,198,085

	As at December 31, 2014		
	Total	Up to three months	More than three months & up to one year
	---------------------- Rupees in '000 ----------------------		
Running finance	178,491	178,491	-
Trade and other payables	120,256	83,573	36,683
Accrued markup	5,132	5,132	-
	303,879	267,196	36,683

35.3 Market risk management

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Holding Company and subsidiary company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

35.3.1 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term and short term debt obligations with floating interest rates and investment in savings accounts and term deposit receipts.

35.3.2 Interest rate sensitivity

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) the profit for the year as follows. This analysis assumes that all other variables remain constant.

		Impact on profit and loss	
	Carrying amount	100 bps increase	100 bps decrease
	-------------- Rupees in '000 --------------		
As at December 31, 2015			
Deposit accounts - Asset	503,623	5,036	(5,036)
Term deposit receipt - Asset	14,000	140	(140)
Running finance - Liability	12,566	(126)	126
Long term debt - Liability	3,198,085	(31,981)	31,981

	Carrying amount	Impact on profit and loss 100 bps increase	100 bps decrease
	--------------	Rupees in '000	--------------
As at December 31, 2014			
Deposit accounts - Asset	2,726	27	(27)
Term deposit receipt - Asset	14,000	140	(140)
Running finance - Liability	178,491	(1,785)	1,785

35.3.3 Foreign exchange risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. During the year, the Group has obtained foreign currency loans aggregating to US $ 30,128,602 equivalent to Rs. 3,157.48 million and is exposed to currency risk. The average exchange rate applied during the year is Rs. 103.56 / US $ (2014: Nil) and the spot rate as at December 31, 2015 was Rs. 104.8 / US$ (2014: Nil).

The Group manages its currency risk by close monitoring of currency markets. As per central bank regulations, the Group cannot hedge its currency risk exposure. The Group has incurred exchange loss of Rs. 60.24 million (2014: Nil) during the year.

At December 31, 2015, if the Pakistan Rupee had weakened/strengthened by 5% against the US Dollar with all other variables held constant, profit for the year would have been lower/higher by Rs. 157.87 million (2014: Nil), mainly as a result of foreign exchange losses/gains on translation of US Dollar-denominated loans.

Further the Group is also exposed to currency risk because payables to foreign suppliers of goods are denominated in foreign currency. However the Group deals in local sales and does not have any foreign currency exports or foreign debtors.

35.3.4 Equity price risk management

The Group has investments in top listed and unlisted equity securities. These securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through proper review of individual and total equity investments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis.

Investment in equity securities

At the balance sheet date, the exposure to listed equity securities at fair value is Rs. 12.66 million (2014: Rs. 13.22 million). A decrease / increase of 5% on the KSE market index would have an impact of approximately Rs. 0.63 million (2014: Rs. 0.66 million) on the other comprehensive income of the Company, depending on whether or not the decline is significant and prolonged .

35.4 Determination of fair values

35.4.1 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction other than in a forced or liquidation sale.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values except investment in an associate company which is stated at cost.

35.5 Financial instruments by category

The accounting policies for financial instruments have been applied for line items below:

Assets as per balance sheet - December 31, 2015	Loans & advances	Available for sale	Fair value through profit or loss	Held to maturity	Total
	---- Rupees in '000 ----				
Long term investments	-	12,663	-	-	12,663
Short term investments	-	-	930,897	14,000	944,897
Cash and bank balances	510,644	-	-	-	510,644
Trade debts - net	118,944	-	-	-	118,944
Long term deposits	2,778	-	-	-	2,778
Loans and advances	3,257	-	-	-	3,257
Deposits and other receivables	18,301	-	-	-	18,301
	653,924	12,663	930,897	14,000	1,611,484

Liabilities as per balance sheet - December 31, 2015	At amortized cost	Total
	---- Rupees in '000 ----	
Running finance	12,566	12,566
Trade and other payables	194,983	194,983
Accrued markup	32,912	32,912
Long term debt	3,198,085	3,198,085
	3,438,546	3,438,546

Assets as per balance sheet - December 31, 2014	Loans & advances	Available for sale	Fair value through profit or loss	Held to maturity	Total
	---- Rupees in '000 ----				
Long term investments	-	13,221	-	-	13,221
Short term investments	-	-	72,001	14,000	86,001
Cash and bank balances	35,047	-	-	-	35,047
Trade debts - net	51,533	-	-	-	51,533
Long term deposits	10,544	-	-	-	10,544
Loans and advances	4,714	-	-	-	4,714
Deposits and other receivables	14,303	-	-	-	14,303
	116,141	13,221	72,001	14,000	215,363

Liabilities as per balance sheet - December 31, 2014	At amortized cost	Total
	---- Rupees in '000 ----	
Running finance	178,491	178,491
Trade and other payables	120,256	120,256
Accrued markup	5,132	5,132
	303,879	303,879

35.6 Fair value hierarchy

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2015			
	Level 1	Level 2	Level 3	Total
	------------------ Rupees in '000 ------------------			
Long term investments	12,648	-	15	12,663
Short term investments	-	930,897	-	930,897
	12,648	930,897	15	943,560

	2014			
	Level 1	Level 2	Level 3	Total
	------------------ Rupees in '000 ------------------			
Long term investments	13,206	-	15	13,221
Short term investments	-	72,001	-	72,001
	13,206	72,001	15	85,222

36. CAPITAL RISK MANAGEMENT

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

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders or issue new shares. The Group also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon, trade and other payables, less cash and bank balances. Capital signifies equity as shown in the balance sheet plus net debt. The gearing ratio is as follows:

	2015	2014
	--------- Rupees in '000 ---------	
Running finance	12,566	178,491
Long term debt	3,198,085	-
Cash and bank balance	(510,644)	(35,047)
Net debt	2,700,007	143,444
Share capital	590,578	590,578
Reserves	206,666	206,666
Unrealized gain on remeasurement of available for sale	9,297	4,943
Unappropriated profit	8,276,186	4,763,607
Equity	9,082,727	5,565,794
Capital	11,782,734	5,709,238
Gearing ratio	22.91%	2.51%

37. NUMBER OF EMPLOYEES

The total average number of employees during the year and as at December 31, 2015 and 2014 respectively are as follows:

	2015	2014
Average number of employees during the year	65	81
Number of employees as at December 31	83	81

38. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on March 03, 2016 by the Board of Directors of the Holding Company.

39. POST BALANCE SHEET EVENT

The Board of Directors of the Holding Company at its meeting held on March 03, 2016 has proposed a final cash dividend @ Rs. 5/-per share amounting to Rs. 295,289,295 for year ended December 31, 2015 for approval at the Annual General Meeting to be held on April 08, 2016. These financial statemens do not reflect this proposed dividend.

40. GENERAL

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

Shahid Hamid Pracha
Chairman

Inam ur Rahman
Chief Executive

Pattern of Shareholding
As at December 31, 2015

Size of Holding Rs. 10 Shares		Number of Shareholders	Total Shares held
1	100	2,777	113,704
101	500	1,749	445,004
501	1,000	517	385,403
1,001	5,000	649	1,431,291
5,001	10,000	89	612,838
10,001	15,000	33	388,556
15,001	20,000	15	250,791
20,001	25,000	15	344,304
25,001	30,000	7	197,063
30,001	35,000	2	64,161
35,001	40,000	5	188,900
40,001	45,000	2	87,267
45,001	50,000	3	147,895
50,001	55,000	1	55,000
55,001	60,000	2	113,178
60,001	65,000	1	62,159
65,001	70,000	1	69,500
80,001	85,000	1	84,608
95,001	100,000	1	100,000
135,001	140,000	1	135,387
145,001	150,000	1	149,000
195,001	200,000	2	398,200
275,001	280,000	1	275,595
390,001	395,000	1	394,295
490,001	495,000	1	494,921
555,001	560,000	1	556,639
570,001	575,000	1	575,000
715,001	720,000	1	719,808
1,015,001	1,020,000	2	2,032,393
1,045,001	1,050,000	1	1,046,843
1,080,001	1,085,000	1	1,081,357
1,175,001	1,180,000	2	2,353,492
1,675,001	1,680,000	1	1,677,177
2,965,001	2,970,000	1	2,965,095
2,975,001	2,980,000	1	2,979,324
3,500,001	3,505,000	1	3,501,884
3,560,001	3,565,000	1	3,563,205
29,015,001	29,020,000	1	29,016,622
		5,892	59,057,859

Pattern of Shareholding
As at December 31, 2015

Catagories of Shareholders	No. of Shareholders	No. of Shares Held	Percentage
Directors, CEO and their spouse and minor children	10	2,766,537	4.68%
Associated companies, undertakings and related parties	5	35,982,298	60.93%
NIT and ICP	8	804	*
Banks, Development Financial Institutions, Non-Banking Financial Institutions	26	83,682	0.14%
Insurance Companies	4	557,415	0.94%
Modarabas and Mutual Funds	2	337,754	0.57%
Shareholders holding 10% or more	1	29,016,622	49.13%
General Public			
Residents	5,272	11,549,718	19.56%
Non-residnets	26	43,633	0.07%
Others			
Foreign Companies	5	4,154,696	7.03%
Others	534	3,581,322	6.06%
Total (Excluding: Shareholder holding 10% or more)	5,892	59,057,859	100.00%

* Negligible

Pattern of Shareholding

As at December 31, 2015

Additional Information

Information on shareholding required under reporting framework of the Code of Corporate Governance is as follows:

Shareholders' Catagories	No. of Shareholders	No. of Shares Held
Associated Companies, undertakings and related parties		
Sach International (Pvt.) Ltd.	1	3,776
Dawood Industries (Pvt.) Ltd.	1	494,921
Patek (Pvt.) Ltd.	1	3,501,884
Dawood Corporation (Pvt.) Ltd.	1	29,016,622
Cyan Limited	1	2,965,095
Mutual Funds		
Golden Arrow Selected Stocks Fund Limited	1	62,159
CDC - Trustee National Investment (Unit) Trust	1	275,595
Directors and their spouses and minor children		
Inam ur Rahman	2	7,134
Shahzada Dawood	1	1,046,843
Abdul Samad Dawood	1	1,677,177
Shahid Hamid Pracha	1	1,000
Shafiq Ahmed	1	1,154
Jawaid Abdul Ghani	1	1,150
Hasan Reza Ur Rahim	1	1,079
Ghias Uddin Khan	1	1,000
Mrs. Ayesha Dawood (w/o Abdul Samad Dawood)	1	30,000
Executives	-	-
Public Sector Companies & Corporation	15	733,419
Banks, DFIs, NBFIs, Insurance Companies Takaful, Modarabas & Pension Funds	29	108,144
Shareholders holding five percent or more voting rights		
Dawood Corporation (Pvt.) Ltd.	1	29,016,622
Hussain Dawood	1	3,563,205
Patek (Pvt.) Ltd.	1	3,501,884
Dawood Foundation	1	2,979,324
Cyan Limited	1	2,965,095

Proxy Form

I/We ____
of ____________________ being a member of Dawood Lawrencepur Limited and holder of ___________ Ordinary Shares, as per:

Share Register Folio No. ___________ and/or
CDC Participant ID No. ___________ Sub A/c No. ___________
hereby appoint Mr./Ms. ____ of
_______ , or failing him/her Mr./Ms. ____
of ______________ ,as my/our proxy to attend, speak and vote for me/us and on my/ our behalf, at the Sixty Sixth (66^{th}) Annual General Meeting of the Company to be held on Friday, April 8, 2016 at Beach Luxury Hotel, M.T. Khan Road, Karachi and at any adjournment thereof.

Signed this ___________ day of ___________ 2016.

WITNESSES:

1. Signature: ____________________
   Name: ____________________
   Address: ____________________

   CNIC No. or ____________________
   Passport No. ____________________

2. Signature: ____________________
   Name: ____________________
   Address: ____________________

   CNIC No. or ____________________
   Passport No. ____________________

Signature on
Revenue Stamps
of Rupees Five

Signature should agree with the specimen signature with the Company.

IMPORTANT:

1. This Proxy Form, duly completed, must be deposited at the Company's Registered Office, not less than forty eight hours before the meeting.

2. CDC shareholders and their proxies are each requested to attach an attested photocopy of their new/ Computerized National Identity Card (CNIC) or Passport with this proxy form before submission to the Company.

3. All proxies attending the AGM are requested to bring their original CNIC/Passport for identification.

AFFIX
CORRECT
POSTAGE

The Company Secretary
Dawood Lawrencepur Limited
3rd Floor, Dawood Centre, M.T. Khan Road,
Karachi-75530
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www.dawoodlawrencepur.com

نمائندگی کا فارم

داؤد لارنس پور لمیٹڈ

داؤد لارنس پور لمیٹڈ کا چھیاسٹھواں سالانہ اجلاسِ عام

میں / مسمّٰی / مسمّاۃ____________________ساکن____________________________________

____________ ضلع____________بحیثیت ممبر داؤد لارنس پور لمیٹڈ، / مسمّٰی / مسمّاۃ ساکن____________کو بطورِ مختار (پراکسی) مقرر کرتا ہوں تاکہ وہ میری / ہماری جگہ اور میری / ہماری طرف سے کمپنی کے ۶۶واں سالانہ اِجلاس عام جو کہ بیچ لگژری ہوٹل، ایم ٹی خان روڈ، کراچی میں بتاریخ ۸ اپریل ۲۰۱۶ بروز جمعہ منعقد ہورہا ہے اور اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

دستخط__________بروز__________سنہ ۲۰۱۶

گواہ (۱)

دستخط گواہ : __________

نام : __________

قومی شناختی کارڈ نمبر یا : __________

پاسپورٹ نمبر : __________

گواہ (۲)

دستخط گواہ : __________

نام : __________

قومی شناختی کارڈ نمبر یا : __________

پاسپورٹ نمبر : __________

مطلوبہ (پانچ روپے کا)
ریوینوٹکٹ چسپاں کریں اور دستخط کریں

دستخط کمپنی کے پاس پہلے سے محفوظ دستخطی نمونہ کے مطابق ہونے ضروری ہیں۔

نوٹس :

- تمام نامزدگیاں اسی صورت میں مو ثر ہوں گی جب پراکسی فارم بنام کمپنی کے رجسٹرڈ آفس میں اجلاس کے انعقاد کے مقررہ وقت سے ۴۸ گھنٹے قبل موصول ہوں۔
- CDC اکاؤنٹ رکھنے والے / کارپوریٹ ممبر ان کے لیے مندرجہ بالا ضوابط کے علاوہ درج ذیل شرائط کو بھی پورا کرنا لازمی ہے :

۱) نامزدگی فارم دو اشخاص کی گواہی، پتے اور قومی شناختی کارڈ نمبر کے ساتھ پُر ہونے چاہیں۔

۲) نامزدگی فارم کے ساتھ سادہ حصص یافتگان اور مُجاز وکیل کے شناختی کارڈ کی تصدیق شدہ نقول منسلک ہونی چاہیں۔

۳) مُجاز وکیل (پراکسی ہولڈر) کے اجلاس کے وقت اپنا اصل شناختی کارڈ یا پاسپورٹ ضرور پیش کریں۔ ادارے کی صورت میں نامزد فارم (پراکسی فارم) کے ساتھ بورڈ آف ڈائریکٹرز کی قرار داد یا مختار نامہ بمعہ نامزد کردہ شخص کے دستخطی نمونہ کے ساتھ کمپنی ہذا میں جمع کروائیں۔

AFFIX
CORRECT
POSTAGE

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