



New Horizons

“We have always held to the hope, the belief, the conviction that there is a better life, a better world, beyond the horizon.”



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Vision

To pursue sustained growth through a diversified business portfolio for enhancing stakeholder value

Mission

To be a responsible corporate citizen with respect for the society

To achieve a safe and healthy business environment

To provide an excellent working environment and growth potential for employees

To strive for excellence through commitment, integrity, honesty and teamwork

To make honest and ethical behavior a way of life

To improve quality of life for our employees

Company Information

Board of Directors

Shahid H. Pracha (Chairman)
Inam ur Rahman (Chief Executive)
Shafiq Ahmed
A. Samad Dawood
Shahzada Dawood
Haroon Mahenti
Sulaiman S. Mehdi
Mir Muhammad Nasir
Sarfaraz Ahmed Rehman
Ali Aamir

Board Audit Committee

Ali Aamir (Chairman)
Sulaiman S. Mehdi
Haroon Mahenti
Shafiq Ahmed

Human Resource and Remuneration Committee

Shahid H. Pracha (Chairman)
A. Samad Dawood
Mir Muhammad Nasir
Sarfaraz Ahmed Rehman

CFO and Company Secretary

Hafsa Shamsie

Auditors

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

Bankers

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

Legal Advisor

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

Share Registrar

C&K Management Associates (Pvt.) Ltd.
404-Trade Tower, Abdullah Haroon
Road, Near Metropole Hotel
Karachi-75530

Registered / Head Office

3rd Floor, Dawood Centre
M. T. Khan Road
Karachi-75530
Ph#: 021-35686001-16
Fax#: 021- 35633970
E-mail: info.reon@dawoodhercules.com
Website: www.dawoodlawrencepur.com

Mills

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

Dawoodabad

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

Dawoodpur

District Attock
Ph#: 0597-2641074-6
Fax#: 0597-2641073

Directors' Review

The Directors are pleased to present the un-audited financial statements of Dawood Lawrencepur Limited for the half year ended June 30, 2013.

OPERATING RESULTS

Turnover of the Company for the half year ended June 30, 2013 was Rs 89.65 million as against Rs 211.85 million for the similar period last year with a gross margin of Rs 5.92 million as compared to Rs 35.94 million last year. Turnover suffered on account of muted fabric demand whose margin dropped due to an unfavorable sales mix and high fixed costs of the production unit. Sale generated from robust margin yielding renewable energy products helped lift overall gross margins for the period under review. A decline in profitability of the textiles business coupled with startup costs associated with a new business, have led to an increase in the operating loss of the Company to Rs 69.57 million as compared to a loss of Rs 17.36 million last year.

The summary of operating results is as follows:

	Half year ended June 30, 2013 Rupees (million)	Half year ended June 30, 2012 Rupees (million)
Sales	89.65	211.85
Operating Loss	(69.57)	(17.36)
Share of profit from associate	146.31	274.94
Other operating income	24.40	52.46
Adjustment of impairment loss of Associate	-	(37.99)
(Loss)/ Profit from discontinued operations	(17.54)	14.86
Profit after taxation from continuing Operations	76.56	236.35
Profit for the half year	59.02	251.21

EARNINGS PER SHARE

Earnings per share on standalone basis for the half year were Rs.0.24 per share as compared to Rs. 1.53 per share in June 2012. Earnings per share for the Group were Rs 1.00 as compared to Rs. 4.25 per share for the similar period last year.

PROGRESS REVIEW

The launch of the renewable energy business has picked up considerable momentum during the year. During the period under review, the Company registered and commenced the use of "Reon" brand name for the renewable energy segment. Sale of portable solar lights commenced earlier in the year and the Company engaged several high profile clients for sales of biogas and solar solutions offering innovative custom-made renewable energy solutions. The Company has built a team of highly experienced professionals in the industry to deliver top notch products and services and establish "Reon" as the most trusted name in renewable energy market.

The Textile business segment continues to suffer losses owing to high fixed costs and a gradual decline in demand for our product offering. The licensee of the “Lawrencepur” brand is working to generate consumer demand whilst the Company is making efforts to minimize textiles overheads and manage the working capital situation.

With regard to the Wind Power Project, during the period under review, NEPRA announced a revised and reduced feed-in tariff on April 24, 2013. The Company has principally decided to proceed with this feed-in tariff, in line with the preferences of the international lenders, and is in the process of amending its Project contracts to reflect this regime.

BUSINESS OUTLOOK

Renewable energy remains the fastest growing sector in the world energy market, with investment of ~244 billion dollars in year 2012. The emerging economies have shown greater interest in recent past owing to fast growing power needs and escalating prices of conventional sources of energy. The Company is focusing on smaller off-grid domestic and business biogas and solar solutions in the short and medium term until clarity is obtained regarding government support for large on-grid projects.

Along with developing new products, the Company is engaged in channel development and establishing supply chain partnerships to build a sustainable renewable energy business portfolio.

Due to a highly challenging manufacturing environment, the Company is assessing the viability of textile manufacturing in the Country whilst the licensee of the Lawrencepur brand is all set to launch stores nationwide to reinstate Lawrencepur as the Country’s most renowned men’s’ suiting brand for six decades.

Due to its long term commitment to the renewable energy business, the Company is moving forward with the 50 MW wind energy project being set up at Gharo, despite the challenges in the energy sector. A decision was taken by the Government on August 08, 2013 in which all the feed-in tariff issues raised by the developers were rejected. However, it is imperative that the Government address the key concerns of the project developers and initiate key sectoral reforms in order to benefit from cheaper wind energy to resolve Country’s energy crisis.

On Behalf of the Board



INAM UR RAHMAN
Chief Executive

Karachi:
August 28, 2013

Auditors' Report to the Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Dawood Lawrencepur Limited ("the Company") as at June 30, 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the interim financial information, for the half year then ended (here-in-after referred to as the "interim financial information"). The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended June 30, 2012 and 2013 have not been reviewed, as we were required to review only the cumulative figures for the half year ended June 30, 2013.

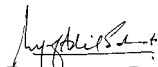
Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended June 30, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants



Engagement Partner:
Mushtaq Ali Hirani

Karachi
August 28, 2013

Condensed Interim Balance Sheet (Un-Audited)

As at June 30, 2013

		(Unaudited) June 30, 2013	(Audited) December 31, 2012 (restated)
		-----Rupees in '000-----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	40,813	40,962
Intangible assets		1,051	1,294
Long term investments	5	444,319	342,475
Long term deposits		10,544	10,544
		<u>496,727</u>	<u>395,275</u>
Current assets			
Stores and spares		36,747	37,531
Stock-in-trade		315,582	295,152
Trade debts		63,267	159,017
Loans and advances		31,976	15,651
Deposits, prepayments and other receivables		92,839	69,983
Short term investments	6	226,665	554,448
Cash and bank balances		30,340	23,394
		<u>797,416</u>	<u>1,155,176</u>
Assets classified as "held for sale"		194,529	194,529
		<u>1,488,672</u>	<u>1,744,980</u>
SHARE CAPITAL AND RESERVES			
Authorized 75,000,000 (2012: 75,000,000) -Ordinary shares of Rs. 10/- each		750,000	750,000
Issued, subscribed and paid up capital		590,578	590,578
Reserves		608,063	606,219
Unappropriated profit		73,985	355,168
		<u>1,272,626</u>	<u>1,551,965</u>
LIABILITIES			
Non current liabilities			
Deferred liability	7	88,427	82,555
Current liabilities			
Trade and other payables		108,029	99,854
Provision for taxation		19,590	10,606
		<u>127,619</u>	<u>110,460</u>
CONTINGENCIES AND COMMITMENTS	8	<u>1,488,672</u>	<u>1,744,980</u>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.



INAM UR RAHMAN
Chief Executive



ALI AAMIR
Director

Condensed Interim Profit and Loss Account (Un-Audited)

For the Half Year Ended June 30, 2013

Quarter ended		Half Year Ended	
June 30, 2013	June 30, 2012 (restated)	June 30, 2013	June 30, 2012 (restated)

-----Rupees in '000 -----

CONTINUING OPERATIONS

Textile

Sales - net	31,232	122,943	75,802	209,893
Cost of goods sold	(31,424)	(107,544)	(73,027)	(174,748)
Gross profit	(192)	15,399	2,775	35,145

Renewable energy

Sales - net	10,864	1,952	13,850	1,952
Cost of goods sold	(8,685)	(1,157)	(10,705)	(1,157)
Gross profit	2,179	795	3,145	795

Other operating income	9,589	32,324	100,665	126,170
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Selling and distribution expenses	13,564	1,684	22,975	4,965
Administrative expenses	22,722	24,895	42,530	42,237
Provision against doubtful debts	446	-	446	-
	(36,732)	(26,579)	(65,951)	(47,202)

(Loss) / profit before taxation	(25,156)	21,939	40,634	114,908
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Taxation	(8,551)	(8,085)	(8,984)	(9,507)
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(Loss) / profit after taxation from continuing operations	(33,707)	13,854	31,650	105,401
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DISCONTINUED OPERATIONS

(Loss) / profit from discontinued operations	(6,035)	(753)	(17,544)	14,860
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(Loss) / profit for the period	(39,742)	13,101	14,106	120,261
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Earnings per share - Basic and diluted Continuing operations (Rs.)	(0.57)	0.23	0.54	1.78
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Earnings per share - Basic and diluted Discontinued operations (Re.)	(0.10)	(0.01)	(0.30)	0.25
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The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.


INAM UR RAHMAN
Chief Executive


ALI AAMIR
Director

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Half Year Ended June 30, 2013

Quarter Ended		Half Year Ended	
June 30, 2013	June 30, 2012 restated	June 30, 2013	June 30, 2012 restated

..... Rupees in '000.....

(Loss) / profit for the period (restated)	(39,742)	13,101	14,106	120,261
Other comprehensive income				
Surplus on remeasurement of 'available for sale' investments	1,588	50	1,844	872
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses referred in note 3.1	-	(7,093)	-	(7,093)
	<u>1,588</u>	<u>(7,043)</u>	<u>1,844</u>	<u>(6,221)</u>
Total comprehensive (loss) / income for the period	<u>(38,154)</u>	<u>6,058</u>	<u>15,950</u>	<u>114,040</u>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.



INAM UR RAHMAN
Chief Executive



ALI AAMIR
Director

Condensed Interim Cash Flow Statement (Un-Audited)

For the Half Year Ended June 30, 2013

	Half year ended June 30, 2013			Half year ended June 30, 2012		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations Restated	Discontinued Operations	Total
----- Rupees in ,000 -----						
A. CASH FLOWS FROM OPERATING ACTIVITIES						
Profit /(loss) before taxation	40,634	(17,544)	23,090	114,908	14,860	129,768
Adjustments for:						
Depreciation	2,366	719	3,085	3,367	1,033	4,400
Amortization	243	-	243	225	-	225
Furniture and fixture written off	-	-	-	1,430	-	1,430
Provision for staff retirement gratuity	8,733	95	8,828	7,043	253	7,296
Loss / (gain) on disposal of property, plant and equipment	418	3	421	(13,981)	(253)	(14,234)
Gain on sale of short-term investments	-	-	-	(13,901)	-	(13,901)
Unrealized gain on remeasurement of short-term investments	(18,716)	-	(18,716)	(15,366)	-	(15,366)
Dividend income	(77,932)	-	(77,932)	(77,932)	-	(77,932)
Provision against doubtful trade debts	120	326	446	-	-	-
	(44,134)	(16,401)	(60,535)	5,793	15,893	21,686
(Increase) / decrease in current assets						
Stores and spares	784	-	784	1,546	-	1,546
Stock in trade	(20,430)	-	(20,430)	(26,064)	1,782	(24,282)
Trade debts	95,304	-	95,304	(42,429)	-	(42,429)
Loans and advances	(6,700)	-	(6,700)	265	-	265
Deposits, prepayments and other receivables	(21,743)	-	(21,743)	13,431	-	13,431
Increase/ (decrease) in current liabilities						
Trade and other payables	1,224	-	1,224	(5,001)	-	(5,001)
	48,439	-	48,439	(58,252)	1,782	(56,470)
Cash generated from / (used in) operations	4,305	(16,401)	(12,096)	(52,459)	17,675	(34,784)
Gratuity paid	(4,070)	-	(4,070)	(9,027)	-	(9,027)
Taxes paid	(9,625)	-	(9,625)	(10,956)	-	(10,956)
Net cash (used in) / generated from operating activities	(9,390)	(16,401)	(25,791)	(72,442)	17,675	(54,767)
B. CASH FLOWS FROM INVESTING ACTIVITIES						
Sale proceeds from disposal of property, plant and equipment	1,532	18	1,550	14,530	523	15,053
Purchase of property, plant and equipment	(3,007)	-	(3,007)	(2,594)	-	(2,594)
Capital work in process	(1,900)	-	(1,900)	-	-	-
Purchase of intangible assets	-	-	-	(97)	-	(97)
Investment in a subsidiary	(100,000)	-	(100,000)	-	-	-
Purchase of short term investment	(48,000)	-	(48,000)	-	-	-
Sale proceeds from sale of short term investments	394,500	-	394,500	21,001	-	21,001
Dividend	77,932	-	77,932	77,932	-	77,932
Net cash generated from investing activities	321,057	18	321,075	110,772	523	111,295
C. CASH FLOWS FROM FINANCING ACTIVITIES						
Payment of dividend	(288,338)	-	(288,338)	(57,759)	-	(57,759)
Net cash used in financing activities	(288,338)	-	(288,338)	(57,759)	-	(57,759)
Net increase / (decrease) in cash and cash equivalents (A+B-C)	23,329	(16,383)	6,946	(19,429)	18,198	(1,231)
Cash and cash equivalents at beginning of the period	(41,448)	64,842	23,394	110,439	(81,169)	29,270
Cash and cash equivalents at end of the period	(18,119)	48,459	30,340	91,010	(62,971)	28,039

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.


INAM UR RAHMAN
Chief Executive


ALI AAMIR
Director

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

For the Half Year Ended June 30, 2013

	Ordinary Shares	Capital Reserves				General Reserve	Unappropriated Profit	Other comprehensive income		Total
		Merger Reserve	Share Premium Reserve	Capital Reserve	Capital Redemption Reserve Fund			Unrealized gain / (loss) on remeasurement of available for sale investments		
Balance at December 31, 2011 as previously reported	590,578	10,521	136,865	33,311	25,969	395,355	344,536	2,740		1,539,875
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses referred in note 3.1	-	-	-	-	-	-	(7,257)	-		(7,257)
Balance at December 31, 2011 - restated	590,578	10,521	136,865	33,311	25,969	395,355	337,279	2,740		1,532,618
Balance at January 01, 2012 - restated	590,578	10,521	136,865	33,311	25,969	395,355	337,279	2,740		1,532,618
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses referred in note 3.1	-	-	-	-	-	-	(7,093)	-		(7,093)
Final cash dividend for the year ended December 31, 2011 @ Rs. 1 per share	-	-	-	-	-	-	(69,058)	-		(69,058)
Total comprehensive income for the half year ended June 30, 2012	-	-	-	-	-	-	120,261	872		121,133
Balance at June 30, 2012 - restated	590,578	10,521	136,865	33,311	25,969	395,355	391,389	3,612		1,587,600

Rupees in ,000

Balance at January 01, 2012 - restated	590,578	10,521	136,865	33,311	25,969	395,355	337,279	2,740	1,532,618
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses referred in note 3.1	-	-	-	-	-	-	(14,132)	-	(14,132)
Final cash dividend for the year ended December 31, 2011 @ Rs. 1 per share	-	-	-	-	-	-	(59,058)	-	(69,058)
Total comprehensive income for the year ended December 31, 2012	-	-	-	-	-	-	91,079	1,458	92,537
Balance at December 31, 2012 - restated	590,578	10,521	136,865	33,311	25,969	395,355	355,168	4,198	1,551,965
Total comprehensive income for the half year ended June 30, 2013	-	-	-	-	-	-	14,106	1,844	15,950
Final cash dividend for the year ended December 31, 2012 @ Rs. 5 per share	-	-	-	-	-	-	(295,289)	-	(295,289)
Balance at June 30, 2013	590,578	10,521	136,865	33,311	25,969	395,355	73,985	6,042	1,272,626

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.


INAM UR RAHMAN
 Chief Executive


ALI AAMIR
 Director

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

For the Half Year Ended June 30, 2013

1. GENERAL INFORMATION

- 1.1 Dawood Lawrencepur Limited, "the Company" was incorporated in Pakistan in the year 2004 as a public limited company formed as a result of Scheme of Arrangement for Amalgamation in terms of the provisions of the Companies Ordinance, 1984 between Dawood Cotton Mills Limited, Dilon Limited, Burewala Textile Mills Limited and Lawrencepur Woolen and Textile Mills Limited. The shares of the Company are listed on the Karachi and Lahore Stock Exchanges. The Company is principally engaged in the business of manufacture and sale of yarn and fabrics made from natural and man-made fibers and blends thereof. The Company is also engaged in the business of trading and marketing renewable energy solutions, mainly solar, to domestic and industrial consumers. The registered office of the Company is situated at 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi.
- 1.2 The Company in the year 2008 suspended its manufacturing operations located at Burewala, District Vehari and closed down the mills in 2009. All assets relating to the closed down unit have been classified as discontinued operations, and are accounted for as per the requirement of IFRS - 5 'Non-current Assets Held for Sale and Discontinued Operations'. The Company is in the final stages of signing an agreement for sale of these assets.

2. BASIS OF PREPARATION

This condensed interim financial information has been prepared on the historical cost convention except that certain investments are carried at fair value and staff retirement benefits have been measured at present value. All amounts are in Pakistani Rupees which is the functional and presentation currency of the Company unless stated otherwise.

2.1 Statement of compliance

This condensed interim financial information of the Company for the half year ended June 30, 2013 has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting.

- 2.2 The disclosures made in this condensed interim financial information have been limited based on the International Accounting Standard 34 - Interim Financial Reporting. This does not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2012. The profit and loss account has been prepared using a classification based on function of income and expenses of the Company.
- 2.3 This condensed interim financial information is unaudited, however it is subjected to a limited scope review by the auditors and is being submitted to the shareholders in accordance with Section 245 of the Companies Ordinance, 1984.

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

- 3.1 The accounting policies, underlying estimates and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of annual audited financial statements of the Company for the year ended December 31, 2012 except for the adoption of IAS 19 as given below.

Application of amendments in IAS - 19, (revised) ' Employee Benefits'

Consequent to the revision of IAS 19 "Employee Benefits" which is effective for annual periods beginning on or after January 1, 2013, the Company has changed its accounting policy wherein, the actuarial gains and losses on employees' retirement benefit plans are recognised immediately in other comprehensive income.

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

For the Half Year Ended June 30, 2013

Previously, the actuarial gains/losses in excess of the corridor limit were recognised in profit and loss account over the remaining service life of the employees. The change in accounting policy has been accounted for retrospectively and the comparative figures have thereby been restated.

3.1.1 Effect of retrospective application of change in accounting policy are as follows:

	As previously reported on December 31, 2012	Effect of prior period restatement on January 1, 2012	Effect of restatement for the year December 31, 2012	Restatement amount as on December 31, 2012
	-----Rupees in ,000-----			
Effect on balance sheet				
Deferred liability - staff gratuity	61,166	7,257	14,132	82,555
Net decrease in unappropriated profit	<u>376,557</u>	<u>7,257</u>	<u>14,132</u>	<u>355,168</u>

Effect on profit and loss account

Net increase in profit before tax

6 Months ended June 30, 2012	Prior to 1 January 2012
Rupees in ,000	

24 -

Effect on other comprehensive income

Net decrease in other comprehensive income

Amortization of actuarial gains / (losses)

-transferred from profit and loss account

-adjusted against deferred liability-staff gratuity

24 -

7069 -

7,093 -

3.2 The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2012.

(Unaudited) June 30, 2013	(Audited) December 31, 2012
Rupees in ,000	

4. PROPERTY, PLANT AND EQUIPMENT

Operating assets - at net book value

Capital work in progress - at cost

38,913	40,962
<u>1,900</u>	-
<u>40,813</u>	<u>40,962</u>

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

For the Half Year Ended June 30, 2013

	(Unaudited) June 30, 2013		(Unaudited) June 30, 2012	
	Acquisition at cost	Disposal at written down value	Acquisition at cost	Disposal at written down value
	-----Rupees in ,000-----			
4.1 Plant and machinery	320	-	-	25
Equipment	269	356	595	-
Computer equipment	1,329	517	190	-
Vehicles	1,090	1,099	1,809	794
	3,008	1,972	2,594	819

- 4.2 Property, plant and equipment include temporary idle property relating to discontinued operations with a carrying value of Rs. 13.36 million (December 31, 2012: Rs. 14.174 million).

		(Unaudited) June 30, 2013	(Audited) December 31, 2012
	Note	Rupees in ,000	
5. LONG TERM INVESTMENTS			
Investments in related parties at cost	5.1	435,822	335,822
Other investments in listed and unlisted securities		8,497	6,653
		444,319	342,475
5.1 Investments in related parties at cost			
Wholly owned subsidiary - unquoted Tenaga Generasi Limited			
Percentage holding 100% (December 31, 2012: 100%) 24,600,000 (December 31, 2012: 24,600,000) fully paid ordinary shares of Rs. 10/- each		270,528	270,528
Advance against rights issue of 10,000,000 fully paid ordinary shares of Rs. 10/- each	5.1.1	100,000	-
Associated company - quoted Dawood Hercules Corporation Limited			
Percentage holding 16.19% (December 31, 2012: 16.19%) 77,931,896 (December 31, 2012: 77,931,896) fully paid ordinary shares of Rs. 10/- each Market value Rs. 3,593 million (December 31, 2012: 2,535 million)		65,294	65,294
		435,822	335,822

- 5.1.1 These shares have been issued to the Company on July 09, 2013.

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

For the Half Year Ended June 30, 2013

	(Unaudited) June 30, 2013	(Audited) December 31, 2012
Note	Rupees in ,000	

6. SHORT TERM INVESTMENTS

Financial assets at fair value through profit or loss	226,665	554,448
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Financial assets at fair value through profit or loss

June 30, 2013 No. of Units	December 31, 2012	Name of Investee	June 30, 2013	December, 31 2012 (Restated)
868,190	2,950,257	Meezan Cash Fund	43,444	147,926
1,054,772	1,494,217	UBL Liquidity Plus Fund	105,557	149,837
559,438	1,307,736	MCB Cash Management Optimizer Fund	56,521	131,127
2,106,257	12,489,024	NAFA Government Securities Liquid Fund	21,143	125,558
			226,665	554,448

7. DEFERRED LIABILITY

	(Unaudited) June 30, 2013	(Audited) December, 31 2012 (Restated)
Staff gratuity	88,427	82,555
Unrecognized deferred tax asset	-	-
	88,427	82,555

Deferred tax asset works out to Rs. 189.975 Million (December 31, 2012: Rs. 189.127 million). Management believes income of the Company is likely to be assessed based on turnover tax and under final tax regime in future, hence as a matter of prudence, deferred tax asset is not recognized.

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

8.1.1 For the tax year 2003 the Taxation Officer while framing assessment disallowed expenses relating to gratuity, lease rentals, employee perquisites and utilities amounting to Rs. 29.34 million. The Company had filed an appeal against these issues before Appellate Tribunal Inland Revenue (ATIR). The appeal has been heard and the issues have been set aside by the said Tribunal and remanded to the taxation officer for reconsideration. The tax impact of above mentioned issues is Rs. 10.27 million.

For the tax year 2004 to 2005 the Additional Commissioner Inland Revenue, during the period set aside proceedings of the appeal filed by the Company on account of allocation of expenses amounting to Rs. 47.64 million and has raised additional tax demands amounting to Rs. 15.32 million. In reply, the Company has filed an appeal before the Commissioner Inland Revenue contesting on the grounds of refund adjustment not considered in the said demands amounting to Rs. 39.34 million, tax charged at higher rates amounting to Rs. 2.26 million and erroneous allocation of common expenses amounting to Rs. 21.88 million.

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

For the Half Year Ended June 30, 2013

Further for the tax year 2004 ATIR disallowed Rs. 20.62 million as adjustment of brought forward losses of the Company, however, the Company has filed an appeal before the High Court and a decision is awaited. The tax impact of this adjustment amounts to Rs. 7.22 million.

For the tax year 2006, 2008 & 2009, during the period, the Deputy Commissioner Inland Revenue (DCIR) has made a decision on application filed by the Company and raised tax demand of Rs. 19.98 million as against original demand of Rs. 59.4 million. The Company again filed an appeal in respect of minimum taxation, dividend income and export sales before Appellate Tribunal Inland Revenue (ATIR) and a decision is awaited, the amount contested in the appeal is Rs. 26.07 million.

Total amount of contingent tax liabilities for all the assessment years in contest mentioned above amounts to Rs. 52.79 million (2012: .Rs. 134.35 million)

8.1.2 The Company is contingently liable against guarantees and counter guarantees amounting to Rs 12.29 million (December 31, 2012: Rs. 106.29 million).

8.2 Commitments

The Company has commitments against letters of credit for purchase of renewable energy products amounting to Rs. 38.42 million (December 31, 2012: Nil).

9. SEGMENT REPORTING

During the period management has determined the operating segments for allocation of resources and assessment of performance. The Company is organised into the following two reportable operating segments;

- Textile
- Renewable energy solutions

Textile is further subdivided into two segments that is continued and discontinued, results of which are separately given in profit and loss account.

Segment analysis is as under;

	(Unaudited) Quarter ended June 30, 2013	(Unaudited) Quarter ended June 30, 2012	(Unaudited) Half year ended June 30, 2013	(Unaudited) Half year ended June 30, 2012
-----Rupees in ,000-----				
9.1 Segment Results				
Textile:				
Revenue	31,232	122,943	75,802	209,893
Segment results (loss) / profit	(6,390)	(11,933)	(15,163)	2,803
Renewable energy				
Revenue	10,864	1,952	13,850	1,952
Segment results (loss) / profit	(11,222)	795	(19,438)	795

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

For the Half Year Ended June 30, 2013

Reconciliation of segment results with profit after tax is as follows:

	Quarter Ended		Half year Ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
-----Rupees in ,000-----				
Gross profit for reportable segments	1,987	16,194	5,920	35,940
Other operating expenses	(13,564)	(26,579)	(22,977)	(47,202)
(Loss) / profit from discontinued operations	(6,035)	(753)	(17,544)	14,860
Profit after tax	(17,612)	(11,138)	(34,601)	3,598
Other operating income	9,589	32,324	100,665	126,170
Unallocated expenses	(23,168)	-	(42,974)	-
Taxation	(8,551)	(8,085)	(8,984)	(9,507)
Net (loss) / profit	(39,742)	13,101	14,106	120,261

9.2 Segment assets

	Textile	Renewable Energy Rupees in ,000	Total
As at June 30, 2013	537,491	43,732	581,224
As at December 31, 2012	603,978	14,318	618,296

Reconciliation of segment assets with total assets in the balance sheet is as follows:

	(Unaudited) June 30, 2013 Rupees in '000	(Audited) December 31, 2012 Rupees in '000
Total for reportable assets	581,224	618,296
Other assets	712,919	932,155
Assets held for sale	194,529	194,529
Total as per balance sheet	1,488,672	1,744,980

10. TRANSACTIONS WITH RELATED PARTIES

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

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

For the Half Year Ended June 30, 2013

Relationship	Nature of Transaction	(Unaudited)	(Audited)
		June 30, 2013	December 31, 2012
		Rupees in '000	
a. Subsidiary Company			
Tenaga Generasi Limited	Reimbursement of expenses	8,068	5,201
	Subscription of ordinary shares	100,000	-
b. Associated Companies			
Dawood Hercules Corporation Limited	Dividend income	77,932	77,932
	Purchase of asset	-	855
	Reimbursement of expenses	2,637	170
Sach International (Pvt) Limited	Sale of fabric	69,969	119,912
	Reimbursement of expenses to the Company	672	3,769
	Royalty charged	1,858	-
	Retirement and other benefits transferred to the Company	1,113	5,748
	Transfer of assets by the Company	1,514	-
	Transfer of assets to the Company	395	-
D H Fertilizer Limited	Reimbursement of expenses	665	652
Cyan Limited	Insurance claim received	-	430
	Reimbursement of expenses	31	-
Sui Northern Gas Pipelines Limited	Utility charges paid	5,505	11,232
	Sale of fabric	-	2,590
Dawood Foundation	Rental charges paid	2,415	3,908
	Reimbursement of expenses	989	824
Inbox Business Technologies (Pvt) Limited	Hardware maintenance charges paid	250	751
c. Dawood Lawrencepur Limited (Burewala Mills) - Staff Provident Fund			
	Contribution by the Company	48	-
d. Dawood Lawrencepur Limited - Employees Gratuity Fund			
	Contribution by the Company	588	-
e. Key management personnel			
	Salaries and employee benefits	9,330	9,914

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

For the Half Year Ended June 30, 2013

11. RECLASSIFICATION

Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions for the purpose of comparison. Reclassifications made during the period is due to segment reporting of a new segment "Renewable Energy" where the comparative amount of Rs. 0.795 million in profit and loss account of the segment has been shown seperately from other income as results of renewable energy.

12. APPROVAL OF CONDENSED INTERIM FINANCIAL INFORMATION

This condensed interim financial information was authorized for issue on August 28, 2013 by the Board of Directors of the Company.

13. POST BALANCE SHEET EVENT

The Board of Directors at its meeting held on August 28, 2013 has declared an interim cash dividend @ Rs 1/- per share, amounting to Rs. 59,057,859. This condensed interim financial information do not reflect this dividend payable.

14. GENERAL

Figures have been rounded off to the nearest thousand rupee.



INAM UR RAHMAN
Chief Executive



ALI AAMIR
Director



Condensed Interim Consolidated
Financial Information
(Un-audited)



Condensed Interim Consolidated Balance Sheet (Un-Audited)

As at June 30, 2013

		(Unaudited) June 30, 2013	(Audited) December 31, 2012 (restated)
	Rupees in '000.....	
ASSETS	Note		
Non-current assets			
Property, plant and equipment	4	224,636	215,565
Intangible assets		24,093	24,378
Long term investments	5	4,276,844	4,224,596
Long term deposits		10,544	10,544
		<u>4,536,117</u>	<u>4,475,083</u>
Current assets			
Stores and spares		36,747	37,531
Stock-in-trade		315,582	295,152
Trade debtors		63,267	159,017
Loans and advances		32,365	15,919
Deposits, prepayments and other receivables		93,698	71,229
Short term investments	6	240,773	575,658
Cash and bank balances		143,865	48,916
		<u>926,297</u>	<u>1,203,422</u>
Assets classified as "held for sale"		194,529	194,529
		<u>5,656,943</u>	<u>5,873,034</u>
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised: 75,000,000 (December 31, 2012: 75,000,000) Ordinary shares of Rs. 10/- each		<u>750,000</u>	<u>750,000</u>
Issued, subscribed & paid up capital		590,578	590,578
Reserves		597,640	598,664
Unappropriated profit		4,245,593	4,481,865
		<u>5,433,811</u>	<u>5,671,107</u>
Non current liabilities			
Deferred liability	7	90,072	83,572
Current liabilities			
Trade and other payables		112,414	106,892
Provision for taxation		20,646	11,463
		<u>133,060</u>	<u>118,355</u>
		<u>5,656,943</u>	<u>5,873,034</u>
CONTINGENCIES AND COMMITMENTS	8		

The annexed notes from 1 to 14 form an integral part of this condensed interim consolidated financial information.



INAM UR RAHMAN
Chief Executive



ALI AAMIR
Director

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

For the Half Year Ended June 30, 2013

	Quarter ended		Half year ended	
	June 30, 2013	June 30, 2012 (restated)	June 30, 2013	June 30, 2012 (restated)
.....Rupees in '000.....				
CONTINUING OPERATIONS				
Textile				
Sales - net	31,233	122,943	75,802	209,893
Cost of goods sold	(31,424)	(107,544)	(73,027)	(174,748)
Gross profit	(192)	15,399	2,775	35,145
Renewable Energy				
Sales - net	10,864	1,952	13,850	1,952
Cost of goods sold	(8,685)	(1,157)	(10,705)	(1,157)
Gross profit	2,179	795	3,145	795
Other operating income	9,589	33,886	24,198	52,457
Selling and distribution expenses	(13,563)	(1,684)	(22,975)	(4,965)
Administrative expenses	(28,912)	(27,054)	(52,073)	(48,338)
Provisions against doubtful debts	(446)	-	(446)	-
	(42,921)	(28,738)	(75,494)	(53,303)
(Loss) / profit from operations	(31,345)	21,342	(45,376)	35,094
Finance cost	(42)	(220)	(84)	(357)
Impairment loss on 'available for sale' investments of associate company	-	-	-	(37,988)
Share of profit from associate excluding impairment loss on 'available for sale' investments	122,831	164,059	146,314	274,935
	122,789	163,839	146,230	236,590
Profit before taxation	91,444	185,181	100,854	271,684
Provision for taxation				
- Current	(8,645)	(8,292)	(9,183)	(9,868)
- Share of taxation from associate	(20,047)	(23,020)	(15,109)	(25,465)
	(28,692)	(31,312)	(24,292)	(35,333)
Profit after taxation from continuing operations	62,752	153,869	76,562	236,351
DISCONTINUED OPERATIONS				
(Loss) / profit from discontinued operations	(6,035)	(753)	(17,544)	14,860
Profit for the period	56,717	153,116	59,018	251,211
Earnings per share - Basic & diluted				
Continuing operations (Rs.)	1.06	2.61	1.29	4.00
Earnings per share - Basic & diluted				
Discontinued operations (Re.)	(0.10)	(0.01)	(0.30)	0.25

The annexed notes from 1 to 14 form an integral part of this condensed interim consolidated financial information.


INAM UR RAHMAN
Chief Executive


ALI AAMIR
Director

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

For the Half Year Ended June 30, 2013

	Quarter ended		Half year ended	
	June 30, 2013	June 30, 2012 restated	June 30, 2013	June 30, 2012 restated
Rupees in '000.....			
Profit after taxation (restated)	56,717	153,116	59,018	251,211
Other comprehensive income				
Surplus on remeasurement of 'available for sale investments'				
- holding company	1,588	50	1,844	872
- associated company	6,660	68,678	(2,868)	63,786
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses referred in note 3.1				
- holding company	-	(7,093)	-	(7,093)
- associated company	-	(278)	-	(278)
	8,248	61,357	(1,024)	57,287
Total comprehensive income	64,965	214,473	57,994	308,498

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.



INAM UR RAHMAN
Chief Executive



ALI AAMIR
Director

Condensed Interim Consolidated Cash Flow Statement (Un-Audited)

For the Half Year Ended June 30, 2013

	Half year ended June 30, 2013			Half year ended June 30, 2012		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
..... Rupees in '000						
A. Cash Flow from Operating Activities:						
Profit / (loss) before taxation	100,854	(17,544)	83,310	271,684	14,860	286,544
Adjustments for:						
Depreciation	2,683	719	3,402	3,731	1,033	4,764
Amortization	284	-	284	253	-	253
Provision for gratuity	9,183	95	9,278	7,360	253	7,613
Interest income	(566)	-	(566)	(1,025)	-	(1,025)
Unrealized gain on short term investment	(19,615)	-	(19,615)	(17,652)	-	(17,652)
Property and plant written off	-	-	-	1,430	-	1,430
Provision against doubtful debts	120	326	446	-	-	-
Gain on sale of short term investment	-	-	-	(14,709)	-	(14,709)
Share of profit from associates	(146,314)	-	(146,314)	(274,935)	-	(274,935)
Loss / (gain) on sale of property and equipment	431	3	434	(13,978)	(253)	(14,231)
Impairment loss on available for sale investment	-	-	-	37,988	-	37,988
Finance cost	84	-	84	357	6	363
Operating (loss) / profit before working capital changes	(52,856)	(16,401)	(69,257)	504	15,899	16,403
(Increase) / Decrease in Current Assets						
Stores and spares	784	-	784	1,546	-	1,546
Stock-in-trade	(20,430)	-	(20,430)	(26,064)	1,782	(24,282)
Trade debts	95,304	-	95,304	(42,429)	-	(42,429)
Loans and advances	(6,694)	-	(6,694)	265	-	265
Deposits, prepayments and other receivables	(22,011)	-	(22,011)	13,673	-	13,673
Increase / (Decrease) in Current Liabilities						
Trade debts and other payable	(1,428)	-	(1,428)	(10,106)	-	(10,106)
	45,525	-	45,525	(63,115)	1,782	(61,333)
Cash generated from / (used) in operations	(7,331)	(16,401)	(23,732)	(62,611)	17,681	(44,930)
Gratuity paid	(3,930)	-	(3,930)	(9,027)	-	(9,027)
Tax paid	(9,751)	-	(9,751)	(11,190)	-	(11,190)
Financial cost paid	(84)	-	(84)	(357)	(6)	(363)
Net cash inflow / (outflow) from Operating Activities	(21,096)	(16,401)	(37,497)	(83,185)	17,675	(65,510)
B. Cash Flow from Investing Activities						
Capital work in progress	(11,433)	-	(11,433)	(25,306)	-	(25,306)
Sale proceeds of fixed assets	1,608	18	1,626	14,574	523	15,097
Short term investments - net	354,500	-	354,500	57,001	-	57,001
Dividend received	77,932	-	77,932	77,932	-	77,932
Interest received	1,220	-	1,220	1,284	-	1,284
Purchase of intangible assets	-	-	-	(298)	-	(298)
Fixed capital expenditure	(3,061)	-	(3,061)	(2,778)	-	(2,778)
Net cash (outflow) / inflow from Investing Activities	420,766	18	420,784	122,409	523	122,932
C. Cash Flow from Financing Activities						
Dividend paid	(288,338)	-	(288,338)	(57,759)	-	(57,759)
Net cash (outflow) from Financing Activities	(288,338)	-	(288,338)	(57,759)	-	(57,759)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	111,332	(16,383)	94,949	(18,535)	18,198	(337)
Cash and cash equivalents at the beginning of the period	4,357	44,559	48,916	133,483	(81,169)	52,314
Cash and cash equivalents at the end of the period	115,689	28,176	143,865	114,948	(62,971)	51,977

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.


INAM UR RAHMAN
Chief Executive


ALI AAMIR
Director

Condensed Interim Consolidated Statement of Changes in Equity

For the Half Year Ended June 30, 2013

	Capital Reserves				General Reserve	Unappropriated Profit	Other comprehensive income		Total
	Merger Reserve	Share Premium Reserve	Capital Reserve	Capital Redemption Reserve Fund			Unrealized gain / (loss) on remeasurement of available for sale investments	Share of other comprehensive income of associated company	
590,578	10,521	136,865	33,311	25,969	395,355	4,357,199	2,740	(24,368)	5,528,170
-	-	-	-	-	-	(7,257)	-	(3,557)	(10,814)
590,578	10,521	136,865	33,311	25,969	395,355	4,349,942	2,740	(27,925)	5,517,356
590,578	10,521	136,865	33,311	25,969	395,355	4,349,942	2,740	(27,925)	5,517,356
-	-	-	-	-	-	(7,093)	-	(278)	(7,371)
-	-	-	-	-	-	(59,058)	-	-	(59,058)
-	-	-	-	-	-	251,211	872	63,786	315,869
590,578	10,521	136,865	33,311	25,969	395,355	4,535,002	3,612	35,583	5,766,796

Rupees in '000

Balance at December 31, 2011 as previously reported

Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses referred in note 3.1

Balance at December 31, 2011 - restated

Balance at January 01, 2012 - restated

Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses referred in note 3.1

Final cash dividend for the year ended December 31, 2011 @ Rs. 1 per share

Total comprehensive income for the half year ended June 30, 2012

Balance at June 30, 2012 - restated

Balance at January 01, 2012 - restated	590,578	10,521	136,865	33,311	25,969	395,355	4,349,942	2,740	(27,925)	5,517,356
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses referred in note 3.1	-	-	-	-	-	-	(14,132)	-	(278)	(14,410)
Final cash dividend for the year ended December 31, 2011 @ Rs. 1 per share	-	-	-	-	-	-	(59,058)	-	-	(59,058)
Total comprehensive income for the year ended December 31, 2012	-	-	-	-	-	-	205,113	1,458	20,648	227,219
Balance at December 31, 2012 - restated	590,578	10,521	136,865	33,311	25,969	395,355	4,481,865	4,198	(7,555)	5,671,107
Total comprehensive income for the half year ended June 30, 2013	-	-	-	-	-	-	59,018	1,844	(2,868)	57,994
Final cash dividend for the year ended December 31, 2012 @ Rs. 5 per share	-	-	-	-	-	-	(295,289)	-	-	(295,289)
Balance at June 30, 2013	590,578	10,521	136,865	33,311	25,969	395,355	4,245,593	6,042	(10,423)	5,433,811

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.


 INAM UR RAHMAN
 Chief Executive


 ALI AAMIR
 Director

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

For the Half Year Ended June 30, 2013

1. GENERAL INFORMATION

The "Group" consists of:

1.1 Holding company

Dawood Lawrencepur Limited, "the Holding Company" was incorporated in Pakistan in 2004 as a public listed company formed as a result of Scheme of Arrangement for Amalgamation in terms of the provisions of the Companies Ordinance, 1984 between Dawood Cotton Mills Limited, Dilon Limited, Burewala Textile Mills Limited and Lawrencepur Woolen and Textile Mills Limited. The shares of the Holding Company are listed on the Karachi and Lahore Stock Exchanges. The Holding Company is principally engaged in the business of manufacture and sale of yarn and fabrics made from natural and man-made fibers and blends thereof. The Holding Company is also engaged in the business of trading and marketing renewable energy solutions, mainly solar, to domestic and industrial consumers. The registered office of the Holding Company is situated at 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi.

The Holding Company in the year 2008 suspended its manufacturing unit operations located at Dawoodabad, Burewala, District Vehari, and closed down the mill in 2009. The assets (plant, machinery and current assets) relating to the closed down unit have been classified as discontinued operations and are accounted for as per the requirements of IFRS-5 'Non-current Assets Held for Sale and Discontinued Operations'. The Holding Company is in final stages of negotiation for sale of these assets.

1.2 Subsidiary company

The Holding Company has a wholly owned subsidiary namely Tenaga Generasi Limited (TGL) "the Subsidiary Company". The Subsidiary Company was incorporated in 2005 as an unlisted public company under the Companies Ordinance, 1984 to primarily carry out business of power generation as independent power producer of wind power. The Subsidiary Company is in the process of setting up a wind energy project in Mirpur Sakro, District Thatta, Sindh. The registered office of the Subsidiary Company is situated at Dawood Centre, M.T. Khan Road, Karachi.

1.3 Associated company

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

2. BASIS OF PREPARATION

2.1 Basis of measurement

This condensed interim consolidated financial information includes the financial information of Dawood Lawrencepur Limited (the Holding Company). The condensed interim financial information of the Subsidiary Company has been consolidated on a line by line basis. This condensed interim consolidated financial information has been prepared under the historical cost convention,

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

For the Half Year Ended June 30, 2013

except that obligations under certain staff retirement benefits have been measured at present value, certain investments which have been measured at fair market value and investment in associate is accounted for using the equity method.

2.2 Statement of compliance

This condensed interim consolidated financial information for the half year ended June 30, 2013 has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures made in this condensed interim consolidated financial information have been limited based on the International Accounting Standard 34 - Interim Financial Reporting. They do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2012.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the functional and presentation currency of the Company.

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

- 3.1 The accounting policies, underlying estimates and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of annual audited financial statements of the Company for the year ended December 31, 2012 except for the adoption of IAS 19 as given below.

Application of amendments in IAS - 19, (revised) ' Employee Benefits'

Consequent to the revision of IAS 19 "Employee Benefits" which is effective for annual periods beginning on or after January 1, 2013, the Company has changed its accounting policy wherein, the actuarial gains and losses on employees' retirement benefit plans are recognised immediately in other comprehensive income.

Previously, the actuarial gains/losses in excess of the corridor limit were recognised in profit and loss account over the remaining service life of the employees. The change in accounting policy has been accounted for retrospectively and the comparative figures have thereby been restated.

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

For the Half Year Ended June 30, 2013

3.1.1 Effect of retrospective application of change in accounting policy are as follows:

As previously reported on December 31, 2012	Effect of prior period restatement on January 1, 2012	Effect of restatement for the year December 31, 2012	Restatement amount as on December 31, 2012
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..... Rupees in '000

Effect on balance sheet

Deferred liability - staff gratuity	62,183	7,257	14,132	83,572
Net decrease in unappropriated profit	4,503,254	7,257	14,132	4,481,865

6 Months ended June 30, 2012	Prior to 1 January 2012
.....Rupees in '000.....	

Effect on profit and loss account

Net increase in profit before tax	24	-
Effect on other comprehensive income		
Net decrease in other comprehensive income		
Amortization of actuarial gains / (losses)		
- transferred from profit and loss account	24	-
- adjusted against deferred liability-staff gratuity	7,069	-
	7,093	-
Amortization of actuarial gains / (losses) of associate	278	-

3.2 The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2012.

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

For the Half Year Ended June 30, 2013

(Unaudited)	(Audited)
June 30, 2013	December 31, 2012
.....Rupees in '000.....	

4. PROPERTY, PLANT AND EQUIPMENT

Operating assets - at net book value	42,996	45,398
Capital work in progress - at cost	181,640	170,167
	<u>224,636</u>	<u>215,565</u>

(Unaudited)		(Unaudited)	
June 30, 2013		June 30, 2012	
Acquisition at cost	Disposal at written down value	Acquisition at cost	Disposal at written down value
.....Rupees in '000.....			

4.1 Plant and machinery	320	-	-	25
Equipment	269	379	628	-
Computer equipment	1,382	582	341	(46)
Vehicles	1,090	1,099	1,808	794
	<u>3,061</u>	<u>2,060</u>	<u>2,777</u>	<u>773</u>

- 4.2 Property, plant and equipment include temporary idle property relating to discontinued operations with a carrying value of Rs. 13.36 million (December 31, 2012: Rs. 14.17 million).

(Unaudited)	(Audited)
June 30, 2013	December 31, 2012
(restated)	
.....Rupees in '000.....	

Note

5. LONG TERM INVESTMENTS

Investment in associated company	5.1	4,268,347	4,217,943
Other investments		8,497	6,653
		<u>4,276,844</u>	<u>4,224,596</u>

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

For the Half Year Ended June 30, 2013

(Unaudited) June 30, 2013Rupees in '000.....	(Audited) December 31, 2012
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5.1 Investment in associated company

Associated Company - quoted

Dawood Hercules Corporation Limited (DHCL)
Percentage holding 16.19% (December 31,
2012: 16.19%) 77,931,896 (December 31,
2012:77,931,896) fully paid ordinary shares
of Rs. 10/- each
Market value Rs. 3,593 million
(December 31, 2012: 2,535 million)

Opening balance :

Cost	65,294	65,294
Share of post acquisition profits	4,160,204	4,037,053
Share of other comprehensive income of associated company	(7,555)	(27,925)
	<u>4,217,943</u>	<u>4,074,422</u>

Movement during the period / year ;

Share of profit	146,314	266,229
Share of other comprehensive income of associated company	(2,868)	20,370
Share of taxation	(15,109)	(27,159)
Impairment loss on 'available for sale investments'	-	(37,988)
Dividend received	(77,932)	(77,932)
	<u>50,404</u>	<u>143,521</u>
	<u>4,268,347</u>	<u>4,217,943</u>

Financial results as at March 31, 2013 have been used for the purpose of application of equity method.

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

For the Half Year Ended June 30, 2013

(Unaudited)	(Audited)
June 30,	December 31,
2013	2012
.....Rupees in '000.....	

6. SHORT TERM INVESTMENTS

Held for trading at fair value through Profit and Loss

240,773	575,658
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Financial assets at fair value through profit or loss

June 30, 2013	December 31, 2012	Name of Investee		
No. of Units				
868,190	2,950,257	Meezan Cash Fund	43,444	147,926
1,054,772	1,494,217	UBL Liquidity Plus Fund	105,557	149,837
699,083	1,519,260	MCB Cash Management Optimizer	70,629	152,337
2,106,257	12,489,024	NAFA Govt. Securities Liquid Fund	21,143	125,558
			240,773	575,658

(Unaudited)	(Audited)
June 30,	December 31,
2013	2012
.....Rupees in '000.....	

Note

7. DEFERRED LIABILITY

Staff gratuity		90,072	83,572
Unrecognized deferred tax asset	7.1	-	-
		90,072	83,572

- 7.1 Deferred tax asset works out to Rs. 189.975 Million (December 31, 2012: Rs. 189.127 million). Management believes income of the Holding Company is likely to be assessed based on turnover tax and under final tax regime in future, hence as a matter of prudence, deferred tax asset is not recognized.

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

For the Half Year Ended June 30, 2013

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

8.1.1 For the tax year 2003 the Taxation Officer while framing assessment disallowed expenses relating to gratuity, lease rentals, employee perquisites and utilities amounting to Rs. 29.34 million. The Holding Company had filed an appeal against these issues before Appellate Tribunal Inland Revenue (ATIR). The appeal has been heard and the issues have been set aside by the said Tribunal and remanded to the taxation officer for reconsideration. The tax impact of above mentioned issues is Rs. 10.27 million.

For the tax year 2004 to 2005 the Additional Commissioner Inland Revenue, during the period set aside proceedings of the appeal filed by the Company on account of allocation of expenses amounting to Rs. 47.64 million and has raised additional tax demands amounting to Rs. 15.32 million. In reply, the Holding Company has filed an appeal before the Commissioner Inland Revenue contesting on the grounds of refund adjustment not considered in the said demands amounting to Rs. 39.34 million, tax charged at higher rates amounting to Rs. 2.26 million and erroneous allocation of common expenses amounting to Rs. 21.88 million.

Further for the tax year 2004 ATIR disallowed Rs. 20.62 million as adjustment of brought forward losses of the Holding Company, however, the Holding Company has filed an appeal before the High Court and a decision is awaited. The tax impact of this adjustment amounts to Rs. 7.22 million.

For the tax year 2006, 2008 & 2009, during the period, the Deputy Commissioner Inland Revenue (DCIR) has made a decision on application filed by the Holding Company and raised tax demand of Rs. 19.98 million as against original demand of Rs. 59.4 million. The Holding Company again filed an appeal in respect of minimum taxation, dividend income and export sales before Appellate Tribunal Inland Revenue (ATIR) and a decision is awaited, the amount contested in the appeal is Rs. 26.07 million.

Total amount of contingent tax liabilities for all the assessment years in contest mentioned above amounts to Rs. 52.79 million (2012: Rs. 134.35 million)

8.1.2 The Subsidiary Company has arranged a bank guarantee of USD 125,000 (December 2012: USD 125,000) to Alternative Energy Development Board (AEDB) for Letter of Support. The guarantee is valid upto November 30, 2013.

8.1.3 The Holding Company is contingently liable against guarantees and counter guarantees amounting to Rs 12.29 million (December 31, 2012: Rs. 106.29 million).

8.2 Commitments

The Holding Company has commitments against letters of credit for purchase of renewable energy products amounting to Rs. 38.42 million (December 31, 2012: Nil).

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

For the Half Year Ended June 30, 2013

9. SEGMENT REPORTING

During the period, management has determined the operating segments for allocation of resources and assessment of performance. The Holding Company is organised into the following two reportable operating segments;

- Textile
- Renewable energy solutions

Textile is further subdivided into two segments i.e. continued and discontinued, results of which are separately given in profit and loss account.

Segment analysis is as under;

9.1 Segment Results	(Unaudited) Quarter ended June 30, 2013	(Unaudited) Quarter ended June 30, 2012	(Unaudited) Half year ended June 30, 2013	(Unaudited) Half year ended June 30, 2012
 Rupees in '000			

Textile:

Revenue	31,232	122,943	75,802	209,893
Segment results (loss) / profit	<u>(6,390)</u>	<u>(11,933)</u>	<u>(15,163)</u>	<u>2,803</u>

Renewable energy

Revenue	10,864	1,952	13,850	1,952
Segment results (loss) / profit	<u>(11,222)</u>	<u>795</u>	<u>(19,438)</u>	<u>795</u>

Reconciliation of segment results with profit after tax is as follows:

	Quarter Ended		Half year Ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
 Rupees in '000			
Gross profit for reportable segment	1,987	16,194	5,920	35,940
Other operating expenses	(13,564)	(26,579)	(22,977)	(47,202)
(Loss) / profit from discontinued operations	<u>(6,035)</u>	<u>(753)</u>	<u>(17,544)</u>	<u>14,860</u>
Profit after tax	<u>(17,612)</u>	<u>(11,138)</u>	<u>(34,601)</u>	<u>3,598</u>
Share of income from associate and other operating income	132,420	197,945	170,512	289,404
Unallocated expenses	(23,168)	-	(42,974)	-
Taxation	(28,692)	(31,312)	(24,292)	(35,333)
TGL expenses	(6,231)	(2,379)	(9,627)	(6,458)
Net profit	56,717	153,116	59,018	251,211

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

For the Half Year Ended June 30, 2013

9.2 Segment assets

	Textile	Renewable Energy	Total
Rupees in '000.....		
As at June 30, 2013	537,491	43,732	581,223
As at December 31, 2012	603,978	14,318	618,296

Reconciliation of segment assets with total assets in the balance sheet is as follows:

	(Unaudited) June 30, 2013Rupees in '000.....	(Audited) December 31, 2012
Total for reportable assets	581,223	618,296
Other assets	4,568,279	4,837,112
Held for Sale	194,529	194,529
TGL	312,912	223,097
Total as per balance sheet	5,656,943	5,873,034

10. TRANSACTIONS WITH RELATED PARTIES

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

Relationship		(Unaudited) June 30, 2013Rupees in '000.....	(Unaudited) June 30, 2012
a. Associated companies	Nature of transaction		
Dawood Hercules Corporation Limited	Dividend income	77,932	77,932
	Purchase of asset	-	855
	Reimbursement of expenses	2,637	170
Sach International (Private) Limited	Sale of fabric	69,969	119,912
	Reimbursement of expenses to the Company	672	3,769
	Royalty charged	1,858	-
	Transfer of assets by the Holding Company	1,514	-
	Transfer of assets to the Holding Company	395	-
	Retirement and other benefits transferred to the Holding Company	1,113	5,748
	Retirement and other benefits transferred from the Holding Company	-	6,572
Cyan Limited	Insurance claim received	-	430
	Reimbursement of expenses	31	-
D H Fertilizer Limited	Reimbursement of expenses	665	652
Sui Northern Gas Pipelines Limited	Utility charges paid	5,505	11,232
	Sale of fabric	-	2,590
The Dawood Foundation	Rental charges paid	2,415	3,908
	Reimbursement of expenses	989	824
Inbox Business Technologies (Pvt) Limited	Hardware maintenance charges paid	250	751

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

For the Half Year Ended June 30, 2013

Relationship	Nature of transaction	(Unaudited)	(Unaudited)
		June 30, 2013	June 30, 2012
	Rupees in '000.....	
b. Dawood Lawrencepur Limited (Burewala Mills) - Staff Provident Fund	Contribution by the Company	48	-
c. LWTM - Employees Gratuity Fund	Contribution by the Company	588	-
d. Key Management Personnel	Salaries and employee benefits	18,105	18,152

11. RECLASSIFICATION

Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions for the purpose of comparison. Reclassifications made during the period is due to segment reporting of a new segment "Renewable Energy" where the comparative amount of Rs. 0.795 million in profit and loss account of the segment has been shown separately from other income as results of renewable energy segment.

12. APPROVAL OF CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

This condensed interim consolidated financial information was authorized for issue on August 28, 2013 by the Board of Directors of the Holding Company.

13. POST BALANCE SHEET EVENT

The Board of Directors of Holding Company at its meeting held on August 28, 2013 has declared an interim cash dividend @ Rs 1/- per share, amounting to Rs. 59,057,859. This condensed consolidated interim financial information do not reflect this dividend payable.

14. GENERAL

Figures have been rounded off to the nearest thousand rupee.


INAM UR RAHMAN
Chief Executive


ALI AAMIR
Director



Dawood Lawrencepur Limited

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