ANNUAL REPORT 2013

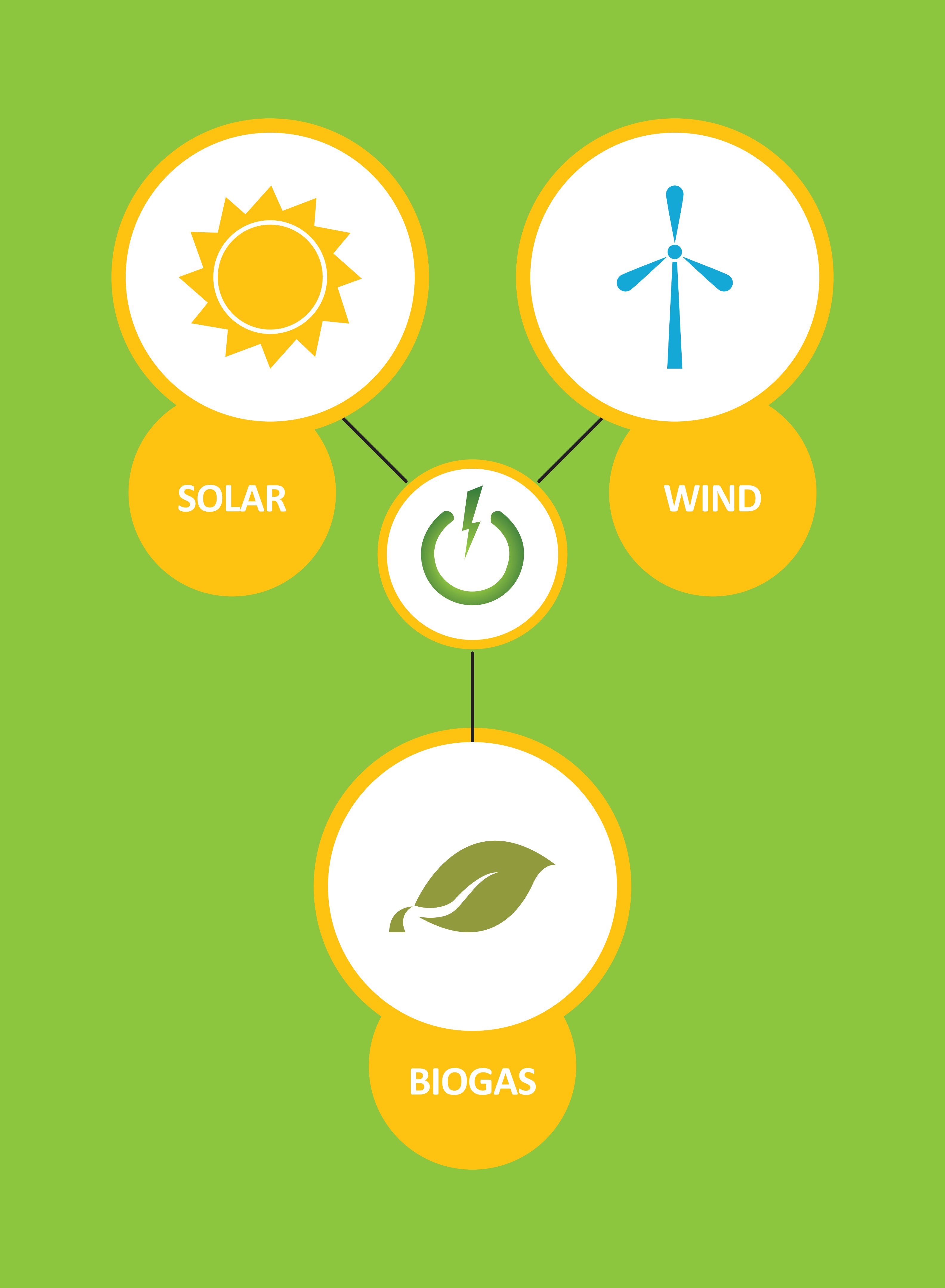
TOWARDS A BETTER TOMORROW

Dawood Lawrencepur Limited

Reon
Energy Solutions

Towards a Better Tomorrow

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


SOLAR
WIND
BIOGAS

In 2013 - Various solar projects were completed through installation of ground mounted and roof top power solutions, solar water pumps and specialized business solutions.

Wind energy is cost competitive with other conventional energy forms and also provides energy security. Hence it will maintain its importance in the energy mix in any medium to long term energy strategy of the country.

The Company also ventured into the Biogas market with products catering to the ever consolidating dairy and meat industry.

Contents

Vision

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

Mission

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

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

Core Values

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

ON A FASTER
ROUTE TO SUCCESS

TOWARDS
BETTER LIVING

Ethics and Integrity

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.

Company Information

Board of Directors

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

Board Audit Committee

Ali Aamir (Chairman)
Shafiq Ahmed
Jawaid Abdul Ghani

Human Resource and Remuneration Committee

Shahid Hamid Pracha (Chairman)
A. Samad Dawood
Sarfaraz Ahmed Rehman

CFO and Company Secretary

Hafsa Shamsie

Auditors

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

Bankers

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

Legal Advisor

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

Share Registrar

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

Registered / Head Office

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

Mills

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

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

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

Respect for Our People

Our core 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 and together we will strive for excellence. We will learn and share knowledge and ideas and promote employee development.

TOWARDS RENEWABLE ENERGY

Operating Highlights

	PARTICULARS	UNIT	December 2013 Continuing Operations	December 2013 Discontinued Operations	December 2013 Total	December 2012 Continuing Operations	December 2012 Discontinued Operations	December 2012 Total	December 2011 Continuing Operations	December 2011 Discontinued Operations	December 2011 Total
						------------------ Restated ------------------					
A)	INCOME STATEMENT										
1	Sales Value	Rs. In (000)	134,318	84,255	218,573	385,205	4,693	389,898	374,667	7,465	382,132
2	Gross Profit / (Loss)	Rs. In (000)	18,514	(10,980)	7,534	46,795	(1,489)	45,306	35,106	1,737	36,843
3	Operating Profit / (Loss)	Rs. In (000)	(159,111)	(81,134)	(240,245)	(34,600)	(69,900)	(104,500)	(44,747)	(46,436)	(91,183)
4	Profit / (Loss) Before Taxation	Rs. In (000)	(264,873)	(72,993)	(337,866)	123,456	(27,528)	95,928	55,089	(30,535)	24,554
5	Profit / (Loss) After Taxation	Rs. In (000)	(267,173)	(72,993)	(340,166)	118,642	(27,528)	91,114	46,793	(30,535)	16,258
B)	DIVIDEND										
1	Cash Dividend	%	10	-	10	50	-	50	10	-	10
2	Stock Dividend	%	-	-	-	-	-	-	-	-	-
C)	BALANCE SHEET										
1	Total Assets Employed	Rs. In (000)	1,058,024	194,529	1,252,553	1,550,451	194,529	1,744,980	1,540,995	188,675	1,729,670
2	Current Assets	Rs. In (000)	552,095	-	552,095	1,155,176	-	1,155,176	1,133,714	-	1,133,714
3	Current Liabilities	Rs. In (000)	376,457	-	376,457	99,854	-	99,854	130,910	-	130,910
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)	853,779	-	853,779	1,551,965	-	1,551,965	1,539,875	-	1,539,875
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)	%	13.78	(13.03)	3.45	12.15	(31.73)	11.62	9.37	23.27	9.64
2	Earning Per Share	Rs.	(4.52)	(1.24)	1.54	2.01	(0.47)	1.54	0.79	(0.52)	0.28
3	Dividend Yield	%	-	-	7.15	-	-	2.19	-	-	3.23
4	Return on Equity	%	-	-	(39.84)	-	-	5.87	-	-	1.06
5	Break-up Value of Shares	Rs.	-	-	14.46	-	-	26.28	-	-	26.07
6	Market Value of Shares	Rs.	-	-	83.95	-	-	45.75	-	-	31.00
7	Price Earning Ratio	Rs.	-	-	54.44	-	-	29.65	-	-	112.61
8	Dividend Payout Ratio	%	-	-	104.17	-	-	64.82	-	-	473.80
E)	PRODUCTION										
1	Capacity										
	Polyester Yarn	Kgs In (000)	-	-	-	-	-	-	-	-	-
	Yarn	Kgs In (000)	358	-	358	358	-	358	358	-	358
	Cloth	Mtrs In (000)	754	-	754	754	-	754	754	-	754
2	Actual Production										
	Polyester Yarn	Kgs In (000)	-	-	-	-	-	-	-	-	-
	Yarn Kgs	Kgs In (000)	30	-	30	96	-	96	136	-	136
	Cloth Mtrs.	Mtrs In (000)	113	-	113	541	-	541	541	-	541
3	Capacity Utilization - Yarn	%	8	-	8	27	-	27	38	-	38
	- Cloth	%	15	-	15	72	-	72	72	-	72
F)	OTHERS										
1	Employees	Nos.	88	21	109	572	144	716	617	154	771
2	Capital Expenditures	Rs. In (000)	17,331	-	17,331	4,997	-	4,997	3,207	-	3,207

December 2010			December 2009 (Six months period)			June 2009		
Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
380,862	11,502	392,364	193,365	24,388	217,753	350,372	29,847	380,219
50,656	1,276	51,932	52,924	3,621	56,545	76,512	996	77,508
(13,316)	(37,874)	(51,190)	30,602	(24,552)	6,050	35,389	(91,111)	(55,722)
124,017	(40,452)	83,565	(84,337)	(22,639)	(106,976)	(94,956)	(92,328)	(187,284)
99,956	(40,452)	59,504	(85,426)	(22,639)	(108,065)	(104,156)	(92,179)	(196,335)
5	-	5	-	-	-	-	-	-
15	-	15	-	-	-	-	-	-
1,512,696	195,272	1,707,968	975,147	708,993	1,684,140	940,985	729,759	1,670,744
1,262,848	-	1,262,848	549,450	-	549,450	467,189	-	467,189
133,907	-	133,907	148,742	-	148,742	142,657	-	142,657
513,547	-	513,547	513,547	-	513,547	513,547	-	513,547
1,525,504	-	1,525,504	1,490,704	-	1,490,704	1,486,466	-	1,486,466
59,058	-	59,058	59,058	-	59,058	59,058	-	59,058
13.30	11.09	13.24	26.98	14.84	24.73	21.84	3.34	20.38
1.69	(0.68)	1.01	(1.44)	(0.38)	(2.10)	(1.76)	(1.56)	(3.32)
-	-	4.60	-	-	-	-	-	-
-	-	3.90	-	-	(7.25)	-	-	(13.21)
-	-	25.83	-	-	25.00	-	-	25.17
-	-	43.47	-	-	59.02	-	-	34.68
-	-	43.14	-	-	(32.00)	-	-	(10.43)
-	-	198.00	-	-	-	-	-	-
-	-	-	-	700	700	-	-	1,400
358	-	358	179	12,581	12,760	-	-	25,519
754	-	754	377	2,153	2,530	-	-	55,060
-	-	-	-	-	-	-	-	-
170	-	170	93	-	93	-	-	229
664	-	664	307	-	307	-	-	796
47	-	47	52	-	52	-	-	1
88	-	88	81	-	81	-	-	16
612	166	815	612	23	635	604	23	627
8,725	-	8,725	3,986	-	3,986	164,515	-	164,515

TOWARDS
ACHIEVING MORE

Health, Safety and Environment Stewardship

We will create a culture of learning and practicing safety as well as caring about the environment. We will promote the health and well-being of our employees. We will provide products and 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.

Notice of Annual General Meeting

Notice is hereby given that the Sixty Fourth (64th) Annual General Meeting of Dawood Lawrencepur Limited will be held at Beach Luxury Hotel, M.T. Khan Road, Karachi at 0930 hours on Thursday, April 10, 2014, to transact the following business after recitation from the Holy Quran:

Ordinary Business:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended December 31, 2013 together with the Auditors' and Directors' reports thereon.

2. To appoint the Auditors for the year ending December 31, 2014 and to fix their remuneration. The retiring Auditors, Messrs M. Yousuf Adil Saleem & Company, being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

1. To consider and approve the disposal of all the assets relating to the Company's discontinued units, Burewala Textile Mills (Dawoodabad Burewala), Dawood Cotton Mills (Landhi), Dilon Mills (Landhi), and Lawrencepur Woolen and Textile Mills (Attock) comprising of lands, buildings/civil-work, plant and machinery and related assets by passing the following resolution as an ordinary resolution, with or without any modification, addition or deletion in terms of Section 196 (3) (a) of the Companies Ordinance, 1984:

   "**RESOLVED,** that consent of the general meeting be and is hereby accorded to the disposal of all the assets relating to the Company's discontinued units; Burewala Textile Mills (Dawoodabad Burewala) comprising of land, buildings/civil-work, plant and machinery and related assets; disposal of land, buildings/civil-work of Dawood Cotton Mills (Landhi) and Dilon Mills (Landhi); and disposal of all assets of Lawrencepur Woolen and Textile Mills (District Attock) comprising of land, buildings/civil-work, plant and machinery, related equipment, stores/spares, and all other assets, and that the Board of Directors of the Company be and are hereby authorized to sell and otherwise dispose of the said assets in such lot or lots and in such manner and on such basis and on such terms and subject to such conditions and for such consideration as may be determined by the Board of Directors of the Company.

   FURTHER RESOLVED, that the Board of Directors of the Company or their nominee(s) / representative(s) be and are hereby authorized and empowered on behalf of the Company to do all acts, deeds and things and take all necessary steps for the disposal including negotiations and signing of the documents, deeds and papers, agreements and all other documents as may be necessary in order to give effect to, implement and complete the sale of the assets as aforesaid and all matters connected, necessary and incidental thereto."

For and on behalf of the Board

Karachi
February 25, 2014

Hafsa Shamsie
Company Secretary

Notes:

1. Share Transfer Books of the Company will remain closed from April 3, 2014 to April 10, 2014 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar, C & K Management Associates (Private) Limited, 404-Trade Tower, Abdullah Haroon Road, Near Metropole Hotel, Karachi, by the close of business on April 2, 2014 will be treated in time for the purpose of attending and voting at the Annual General Meeting.

2. All Members of the Company are entitled to attend the Meeting and vote there at in person or through Proxy. A Proxy, duly appointed, shall have such rights in respect to speaking and voting at the Meeting as are available to a Member. The proxies shall produce their original CNICs or original Passport at the time of the Meeting.

3. A Member of the Company may appoint another Member as his/her Proxy to attend and vote instead of him/her. In the case of corporate entities, the Board of Directors' resolution / Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, unless provided earlier, shall be submitted to the Company along with the Proxy Form.

4. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") 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 holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport at the time of attending the Meeting.
    b. In case of corporate entity, the Board's 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.

    B. For Appointing Proxies

    a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
    b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
    c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
    d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
    e. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

5. In order to be effective, Proxy Forms, duly filled and signed, must be received at the Company's Registered Office, Dawood Centre, M.T. Khan Road, Karachi, not less than forty eight (48) hours before the Meeting. A blank Proxy Form is attached herewith.

Statement of material facts under section 160(1)(B) of the companies ordinance, 1984 relating to the special business to be transacted at the Annual General Meeting convened for April 10, 2014

Disposal of Assets of Discontinued Units:

Burewala Textile Mills / Dawood Cotton Mills / Dilon Mills

The Burewala Textile Mills (Dawoodabad Burewala), a unit of the Company, was closed down in the year 2009 due to inefficiencies associated with old plant and machinery of this textile unit and losses in cotton yarn and grey fabric business. Dilon Mills (Landhi), a unit of the Company, was closed down in December 2006 on account of higher cost of imported polyester chips and cheaper import of filament yarn. Dawood Cotton Mills (Landhi), a unit of the Company, was closed down in 2007 on account of continuing plant inefficiencies.

The Board of Directors of the Company in their meeting held on December 21, 2011 after due consideration had decided to dispose of the assets of Burewala Textile Mills (Dawoodabad, Burewala), Dawood Cotton Mills (Landhi) and Dilon Mills (Landhi) subject to the consent of the general meeting which was obtained in the general meeting held on January 25, 2012.

Due to transaction size and adverse market conditions, despite intense negotiations with some interested parties, the sale deal has not yet been closed. Consequently, the Directors of the Company in their meeting held on February 25, 2014 have considered this matter and decided to re-obtain the consent of shareholders for continuation of search for an appropriate buyer.

Lawrencepur Woolen and Textile Mills

Operations of Lawrencepur Woolen and Textile Mills, a unit of the Company were suspended on August 28, 2013 due to falling demand and its adverse impact on the worsted fabric industry in Pakistan.

The Board of Directors of the Company in their meeting held on February 25, 2014 after due consideration has decided to dispose of all the assets of Lawrencepur Woolen and Textile Mills (Attock) subject to the consent of the general meeting.

The information required under Notification No. S.R.O. 1227/2005 dated December 12, 2005 is as follows:

S. No.	Description of Information	Detail of Information
1	Detail of assets to be disposed of: • Description of assets	Land, buildings/civil-work, plant and machinery of ginning units, weaving units, spinning units, dismantled machinery, a laboratory, fire fighting equipment including without limitation all plant, machinery, related equipment, stores and spares of Burewala Mills. Land of Burewala Mills is located at Chak# 439/EB, Burewala, Tehsil Vehari, District Multan and measuring 310 acres – 09 Marlas.

		Land, buildings/civil-work of Dawood Cotton Mills and Dilon Mills is located at Plots # HT-5 and HT-6, KDA Scheme 3, Landhi Industrial Area, Karachi and measuring 10.65 acres and 40.45 acres respectively. Land, buildings/civil-work, plant and machinery, related equipment, stores/spares, and all other assets of Lawrencepur Woolen and Textile Mills. Land of Lawrencepur Woolen and Textile Mills measuring 230 acres is located at Mouza Qaziabad and Ghersheen, Tehsil Hasanabdal, District Attock.
	• Cost of assets	Rs. 810 million
	• Book value of assets	Rs. 223 million
	• Revalued amount	Rs. 4,190 million as per valuation reports dated March13, 2013, December 13, 2013, and December 17, 2013 of M/s. Joseph Lobo (Pvt.) Limited.
	• Approximate current market price / fair value	Current market price / fair value is expected to be in line with the re-valued amount as stated above (as per revaluation reports dated March 13, 2013, December 13, 2013, and December 17, 2013 of M/s Joseph Lobo (Pvt) Limited). The exact amount, however, will be ascertained only after receipt of bids/quotations.
2	The proposed manner of disposal	The LWTM assets will be disposed of through advertisement in the newspapers and the sale price will be determined on the basis of offers received through said advertisement in newspapers. BTM, DCM and Dilon assets have already been advertised in newspapers.
3	Reason for the disposal of assets	Due to inefficiencies associated with old plant and machinery and losses in the cotton yarn and grey fabric business, the directors with a view to save shareholders value had decided to close down the operations of Burewala Textile Mills unit. Similarly, Dilon Mills was closed down on account of higher cost of imported polyester chips and cheaper import of filament yarn. Dawood Cotton Mills was closed down on account of continuing plant inefficiencies. Lawrencepur Woolen and Textile Mills were closed down due to falling demand and its adverse impact on the worsted fabric industry in Pakistan. In line with the Company's strategic intent, the Board decided to dispose of these assets and focus on the renewable energy business.
4	Benefits expected to accrue to the shareholders	The proceeds from the disposal of these assets will be invested in energy and other businesses of the Company.
5	Nature and extent of interest, if any, of Directors	None of the Directors have any direct or indirect interest in the sale or disposal of the assets save and except as Shareholders of the Company.

Customer Satisfaction

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

TOWARDS
PROVIDING SOLUTIONS

Directors' Report

The Directors of Dawood Lawrencepur Limited are pleased to present their report together with the audited Financial Statements for the year ended December 31, 2013.

BUSINESS REVIEW

The Company continued on its strategic journey of shifting business focus from textiles to the renewable energy sector. As a step in this direction, the Company suspended operations of Lawrencepur Woolen and Textile Mills during the year and offered a 'Voluntary Separation Scheme' to its staff. Shareholders however continue to benefit from custodianship of the 'Lawrencepur' brand as it operates under license to an associated company which has successfully increased its retail presence all over Pakistan through establishment of branded outlets in key cities and has run an integrated marketing campaign to strengthen brand equity.

During the year, acute energy shortage continued to plague the nation in response to which the Company explored various areas in the renewable energy space in order to ascertain where it could add the most value; both for the customers as well as for the Company.

The Company has chosen the name – Reon – (Renewable Energy ON) for its future business focus on renewable energy. Simple and easy to recall, REON is set to become the most recognizable name in the renewable energy universe in Pakistan going forward. New Vision and Mission Statements have been approved by the Board of Directors and the management is aligning all resources accordingly. By utilizing the key strengths developed over the period i.e. technology, engineering expertise, financial acumen, quality leadership, and business values, the team will establish 'Reon' as the most preferred supplier of clean energy in the Country.

Textiles

Worsted fabric market and manufacturing dynamics have changed over the past few years with China becoming the world centre for worsted fabric manufacturing which necessitated a rethink in the Company's strategic direction for woolen textiles. Our textile business had been encountering challenges on many fronts; shifting customer preferences, rising input costs on the back of power outages and volatile fuel prices, competition from the un-organized sector and dearth of skilled manpower to deliver exceptional product quality. In light of these challenges and in order to maximize shareholder value, the Company felt it more appropriate to exit the worsted textile industry and instead focus on the renewable energy sector which is both a dire need of our economy as well as an abundantly available indigenous resource in our Country. However, the Company continues to remain committed to manage the 'Lawrencepur' brand in a way that will ensure sustainable returns for stakeholders.

Renewable Energy Business

In 2013 the Company has done a significant amount of work on exploratory and pilot projects in the solar photo voltaic business. Research and development of various products was completed through installation of ground mounted and roof top power solutions, solar water pumps and specialized business solutions in Sindh and Punjab. Based on these successful projects completed during the year, the Company is now set to pitch these solutions to special need clients who will remain our prime area of focus going forward.

Market acceptability of portable solar lights, launched in 2012, is growing fast owing to their affordable price and ease of use and have been widely successful in rural areas.

Solar technology is now being successfully used in utility scale projects around the world. As technology continues to develop, energy from solar solutions has become cheaper than diesel opening up a huge market especially in a country like Pakistan. The intent of the Company is to provide energy-starved customers with technically sound and cost-effective customized solutions through its technical and financial expertise and to assist them through the journey to energy sufficiency.

During the year, a Distributor Agreement was signed with DuPont Apollo (a wholly owned subsidiary of DuPont, USA) for sale of their solar energy equipment in Pakistan. Reon also represents DuPont as its Engineering, Procurement and Construction (EPC) partner for solar projects in Pakistan which will lead to an immediate transfer of technical know-how and help Reon install large-scale projects of international quality standards in Pakistan. Additionally, this arrangement will give the Company an opportunity to learn from DuPont's technology, safety standards, project engineering capability and product offerings all of which will help establish Reon as the partner of choice for our customers.

The Company also ventured into the Biogas market with products catering to the ever consolidating dairy and meat industry. The Company has also entered into several research and development arrangements with leading universities as well as specialized international consultants in the sector.

Wind Energy Project

During the period under review, the Company applied for the Up-front Tariff as announced by NEPRA. The application was accepted by NEPRA which brings TGL in the list of projects that will be given grid-interconnectivity latest by June 2015 for evacuation by December 2015. The NEPRA tariff award is still awaited, and is expected shortly. Given the delay in tariff announcement, the Company is now expecting to achieve financial close in the third quarter of 2014.
Due to the uncertain environment, TGL has continued to proceed with caution and prudence by meeting all development milestones and yet keeping costs to a minimum. The Energy Purchase Agreement (EPA) and Implementation Agreement (IA) for Feed-in-Tariff have recently been approved by the Economic Coordination Committee (ECC) paving the way for rapid deployment of projects.

The financial highlights of the Company are as under:

	For the Year Ended December 31, 2013 Rupees '000	For the Year Ended December 31, 2012 Rupees '000
Sales from continuing operations	134,318	385,205
Gross profit	18,514	46,795
Other operating Income	104,285	160,284
Provisions	(2,528)	(1,794)
Voluntary Separation Scheme	(201,812)	-
(Loss) / profit after taxation from continuing operation	(267,173)	118,642
Loss from discontinued operations	(72,993)	(27,528)
(Loss) / profit for the year	(340,166)	91,114
Un-appropriated profit brought forward	355,168	337,279
Un-appropriated profit carried forward	49,027	355,168
(Loss) / earnings per share – basic and diluted (net)	Rs. (5.76)	Rs. 1.54

During the year, the Company began to establish itself in the renewable energy sector and set up proof-of-concept projects to showcase to prospective customers. The Company achieved a turnover of Rs. 134.3 million for the year from continuing operations against Rs. 385.2 million last year. Despite lower turnover, the Company was able earn a healthy gross margin percentage from renewable product sales.

In a bid to provide the customers with the highest quality technical customer service, the Company ramped up its human resource capability with its commensurate impact on costs. This coupled with the costs associated with suspension of Lawrencepur Woolen and Textile Mill operations resulted in a loss before tax from continuing operations of Rs. 267.2 million as against a profit of Rs. 118.6 million last year.

Aggregate loss per share for the year from continuing and discontinued operations of the Company on a standalone basis was Rs. 5.76 per share as compared to a profit of Rs. 1.54 per share last year.

The consolidated operating loss from continuing operations of the Group for the year stood at Rs. 176.7 million as against loss of Rs. 49.6 million last year with a share of profit from associate of Rs. 515.8 million as against Rs. 266.2 million last year. The consolidated profit before tax from continuing operations was Rs. 106.9 million as against Rs. 232.7 million in 2012.

The consolidated aggregate earnings per share for the year was Rs. 0.57 per share as compared to Rs. 3.47 per share for last year.

Asset Disposal Program

The Company continued its effort to dispose of the assets as per shareholder approval obtained earlier. The sale of the Burewala Textile Mills Unit is in the final stages of negotiation whilst the disposal process for Dawood Cotton Mills and Dilon Mills is pending in light of difficult market dynamics. In line with the Company's strategic intent, the Company will utilize all sales proceeds when realized towards establishing its position in the renewable energy sector.

FUTURE OUTLOOK

Every hour the sun beams onto Earth more than enough energy required to satisfy global energy needs for an entire year. The need for advanced solar technology to harness the sun's energy and make it useable is the need of the day as ironically today solar technology caters to less than one tenth of one percent of global energy demand.

Pakistan today possesses a dismal power production and distribution system and is facing an energy crisis with no near-term solution in sight.

The Company views both the above facts as a great area of opportunity for early movers who are willing and able to invest in the requisite resources to establish themselves in the market and to profitably and sustainably improve customer lives. Hence the Company will strive to establish the 'Reon' brand to be associated with reliability, technical competence, customer focus and customization.

We realize that profitable, consistent and competitive growth requires reshaping of businesses and hence we will constantly scan the environment to evaluate new areas of alternate energy opportunities in a bid to deliver the highest shareholder value. We endeavor to provide large-scale solutions to a cross-section of industrial customers in line with their energy requirements and financial affordability along with specialized innovative business solutions for smaller commercial customers. We are confident that our technical prowess combined with the promise of clean and increasingly price competitive renewable energy will enable us to capture a sizeable market share along with satisfying an urgent need of the national economy.

With regard to the Wind Power Project, the timelines for the way forward for all wind power producers remains largely dependent on the Government. Wind energy is cost competitive with other conventional energy forms and also provides energy security hence it will maintain its importance in the energy mix in any medium to long term energy strategy. The need for timely action on part of the Government to develop this crucial sector remains imperative yet overlooked.

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 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, 2013, 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
Mr. Ali Aamir	4	4
Mr. Shafiq Ahmed	4	4
Mr. Sulaiman S. Mehdi	4	3
Mr. Haroon Mahenti	4	0

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 AND PROVIDENT FUND

The face value of the investments of the Gratuity and Provident Fund of the management cadre staff was 7.25 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, 2013, a total of seven 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 H. Pracha	7	7
Mr. Inam ur Rahman	7	7
Mr. Shafiq Ahmed	7	7
Mr. A. Samad Dawood	7	6
Mr. Shahzada Dawood	7	1
Mr. Haroon Mahenti	7	0
Mr. Sulaiman S. Mehdi	7	4
Mr. Mir Muhammad Nasir	7	0
Mr. Sarfaraz Ahmed Rehman	7	3
Mr. Ali Aamir	7	7

During the year ended December 31, 2013, one meeting of the Human Resource & Remuneration Committee (HRRC) was held. The position of attendance during respective tenure was as follows:

Name of Director	Meetings	
	Held	Attended
Mr. Shahid H. Pracha	1	1
Mr. Sarfaraz Ahmed Rehman	1	1
Mr. A. Samad Dawood	1	1
Mr. Mir Muhammad Nasir	1	0

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

The present auditors, M/s. Yousuf Adil Saleem & Co., Chartered Accountants, whose tenure finished on 31st December 2013, being eligible have offered themselves for reappointment. The Audit Committee has recommended the appointment of M/s. Yousuf Adil Saleem & Co., Chartered Accountants as the statutory auditors of the Company for the year ending December 31, 2014.

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.

Inam ur Rahman
Chief Executive

Shahid Hamid Pracha
Chairman

Karachi:
February 25, 2014

TOWARDS
GAINING CONFIDENCE

Shareholder Value Creation

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

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.

Statement of Compliance with the Code of Corporate Governance

For the year ended December 31, 2013

This statement is being presented by the Board of Directors (the Board) to comply with the Code of Corporate Governance (Code) contained in Listing Regulations of Karachi and Lahore Stock Exchanges 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:

1. The Company encourages representation of independent non-executive Directors and Directors representing minority interests on its Board of Directors. The Board includes:

Category	Names
Non-Executive Directors	1. Mr. Shahid Hamid Pracha
	2. Mr. Shafiq Ahmed
	3. Mr. A. Samad Dawood
	4. Mr. Shahzada Dawood
	5. Mr. Haroon Mahenti
	6. Mr. Sulaiman S. Mehdi
	7. Mr. Mir Muhammad Nasir
	8. Mr. Sarfaraz Ahmed Rehman
	9. Mr. Ali Aamir
Executive Director	1. Mr. Inam ur Rahman

An independent director has been appointed on the Board in the election of directors held on January 20, 2014.

2. 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).

3. 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.

4. During the year, no casual vacancy occurred on the Board.

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

6. 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.

7. 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.

8. The meetings of the Board were presided over by the Chairman 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 appropriately recorded and circulated.

9. The Board is acquainted with the Code, 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. One (1) Director successfully attended the directors' training program during the year which now makes a total of four (4) duly certified Directors. Arrangements will also be made for other Directors to acquire certification under the directors' training program.

10. The Board has approved the appointment of Head of Internal Audit including his remuneration and terms and conditions of employment. There was no new appointment of Company Secretary and CFO during the year.

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

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

13. 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.

14. The Company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an Audit Committee. It comprises of four (4) members, all of whom are non-executive Directors including the Chairman of the Committee.

16. 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 Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.

17. The Board has formed a Human Resource and Remuneration Committee. It comprises of four (4) members, all of whom are non-executive Directors including Chairman of the Committee.

18. The Board has set up an effective Internal Audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company. The Internal Audit Department reports directly to the Audit Committee.

19. 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.

20. 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.

21. 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.

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

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

For and on behalf of the Board of Directors

Inam ur Rahman
Chief Executive

Dated: February 25, 2014

Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **Dawood Lawrencepur Limited** to comply with the Listing Regulations of the Karachi and Lahore Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance 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 reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. 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's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Listing Regulations of the Karachi and Lahore Stock Exchanges require the Company to place before the Board of Directors for their consideration and approval 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 recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before 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 does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended December 31, 2013.

M. Yousuf Adil Saleem & Co.
Chartered Accountants

Karachi
Dated: February 25, 2014

Financial Statements

Contents

Auditors' Report to the Members

We have audited the annexed balance sheet of **Dawood Lawrencepur Limited** (the Company) as at **December 31, 2013** and the related profit and loss account, statement of comprehensive income, cash flow statement, and 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 balance sheet and 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 accounts and are further in accordance with accounting policies consistently applied except disclosed in note 3.10, 3.12 and 3.17 to which we concur;

   ii. the expenditure incurred during the period was for the purpose of the Company's business; and

   iii. the business conducted, investments made and the expenditure incurred during the period 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 balance sheet, profit and loss account, statement of comprehensive income cash flow statement and 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, 2013 and of the loss, comprehensive income, its cash flows and changes in equity for the year then ended; and,

d. in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of the Ordinance.

M. Yousuf Adil Saleem & Co.
Chartered Accountants

Engagement Partner
Mushtaq Ali Hirani

Karachi
Dated: February 25, 2014

Balance Sheet

As at December 31, 2013

	Note	2013	2012 (Restated)	2011 (Restated)
			Rupees in '000	
ASSETS				
Non-current assets				
Property, plant and equipment	4	48,453	40,962	55,169
Intangible assets	5	1,147	1,294	551
Long term investments	6	445,785	342,475	341,017
Long term deposits	7	10,544	10,544	10,544
		505,929	395,275	407,281
Current assets				
Stores and spares	8	36,582	37,531	45,206
Stock-in-trade	9	261,306	295,152	319,688
Trade debts	10	94,882	159,017	82,643
Loans and advances	11	42,108	15,651	12,948
Deposits, prepayments and other receivables	12	96,961	69,983	69,268
Short term investments	13	-	554,448	574,691
Cash and bank balances	14	20,256	23,394	29,270
		552,095	1,155,176	1,133,714
Assets classified as 'held for sale'	15	194,529	194,529	188,675
		1,252,553	1,744,980	1,729,670
SHARE CAPITAL AND RESERVES				
Share capital	16	590,578	590,578	590,578
Reserves		214,174	606,219	604,761
Unappropriated profit		49,027	355,168	337,279
		853,779	1,551,965	1,532,618
LIABILITIES				
Non current liabilities				
Deferred liabilities	17	9,419	82,555	66,142
Current liabilities				
Running finance	18	261,708	-	-
Trade and other payables	19	109,618	99,854	123,104
Accrued markup		5,131	-	-
Provision for taxation		12,898	10,606	7,806
		389,355	110,460	130,910
		1,252,553	1,744,980	1,729,670
CONTINGENCIES AND COMMITMENTS	20			

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

SHAHID HAMID PRACHA
Chairman

INAM UR RAHMAN
Chief Executive

Profit and Loss Account
For the year ended December 31, 2013

	Note	2013	2012
		Rupees in '000	
			Restated
CONTINUING OPERATIONS			
Sales - net	21	134,318	385,205
Cost of goods sold	22	(115,804)	(338,410)
Gross profit		18,514	46,795
Other income	23	104,285	160,284
Selling and distribution expenses	24	(60,372)	(10,505)
Administrative expenses	25	(117,253)	(70,890)
Finance cost	26	(5,707)	(434)
Reversal or impairment / provision	27	(2,528)	(1,794)
		(185,860)	(83,623)
		(63,061)	123,456
Voluntary separation scheme (VSS) cost	28	(201,812)	-
(Loss) / profit before taxation		(264,873)	123,456
Taxation	29	(2,300)	(4,814)
(Loss) / profit after taxation from continuing operations		(267,173)	118,642
DISCONTINUED OPERATIONS			
Loss from discontinued operations	30	(72,993)	(27,528)
(Loss) / profit for the year		(340,166)	91,114
Earnings per share - Basic and diluted			
Continuing operations (Rs.)	31	(4.52)	2.01
Earnings per share - Basic and diluted			
Discontinued operations (Rs.)	31	(1.24)	(0.47)

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

SHAHID HAMID PRACHA
Chairman

INAM UR RAHMAN
Chief Executive

Statement of Comprehensive Income

For the year ended December 31, 2013

	2013	2012
	Rupees in '000	
		Restated
(Loss) / profit after taxation	(340,166)	91,114
Other comprehensive income		
Experience adjustment	(6,984)	-
	(347,150)	91,114
Surplus on remeasurement of 'available for sale' investments	3,310	1,458
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses	-	(14,167)
Total comprehensive income	(343,840)	78,405

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

SHAHID HAMID PRACHA
Chairman

INAM UR RAHMAN
Chief Executive

Cash Flow Statement

For the year ended December 31, 2013

	Note	For the year ended December 31, 2013 Continuing operations	Discontinued operations	Total	For the year ended December 31, 2012 Continuing operations	Discontinued operations	Total
		------------------	Rupees in '000	------------------	Restated		Restated
A. CASH FLOWS FROM OPERATING ACTIVITIES							
Profit / (loss) before taxation		(264,873)	(72,993)	(337,866)	123,456	(27,528)	95,928
Adjustments for :							
Depreciation		3,669	3,702	7,371	6,210	2,052	8,262
Amortization		497	-	497	537	-	537
Provision for gratuity		20,221	144	20,365	14,696	447	15,143
Finance cost		5,707	7	5,714	-	-	-
Impairment on fixed assets		-	-	-	1,430	-	1,430
Provision against trade debts		4,167	-	4,167	2,322	-	2,322
Reversal of provision against trade debts		-	-	-	(1,958)	-	(1,958)
Reversal of provision against stock in trade		-	(1,675)	(1,675)	-	(4,400)	(4,400)
Debtors written off during the year		-	-	-	(5,092)	-	(5,092)
Loss / (gain) on disposal of property, plant and equipment		354	-	354	(15,824)	(1,395)	(17,219)
Dividend income		(78,682)	-	(78,682)	(78,632)	-	(78,632)
Gain on sale of short-term investments-net		(21,850)	-	(21,850)	(55,758)	-	(55,758)
Operating loss before working capital changes		(330,790)	(70,815)	(401,605)	(8,612)	(30,824)	(39,437)
(Increase) / decrease in current assets							
Stores and spares		(46)	995	949	7,675	-	7,675
Stock in trade		(63,587)	99,108	35,521	24,536	6,183	30,719
Trade debts		(7,051)	67,019	59,968	(72,298)	652	(71,646)
Loans and advances		(16,095)	2,429	(13,666)	1,175	-	1,175
Deposits, prepayments and other receivables		(31,405)	4,427	(26,978)	11,653	-	11,653
Increase/ (decrease) in current liabilities							
Trade and other payables		13,083	(11,088)	1,995	(24,356)	-	(24,356)
		(105,101)	162,890	57,789	(51,615)	6,835	(44,780)
Cash (used in) / generated from operations		(435,891)	92,075	(343,816)	(60,228)	(23,989)	(84,217)
Gratuity paid		(100,341)	(144)	(100,485)	(18,540)	-	(18,540)
Finance cost paid		(576)	(7)	(583)	-	-	-
Tax paid		(12,797)	-	(12,797)	(12,618)	-	(12,618)
Net cash (used in) / generated from operating activities		(549,605)	91,924	(457,681)	(91,386)	(23,989)	(115,375)
B. CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of property, plant and equipment		(15,849)	(1,482)	(17,331)	(4,997)	-	(4,997)
Sale proceeds from disposal of property, plant and equipment		2,114	-	2,114	19,096	-	19,096
Purchase of intangible assets		(350)	-	(350)	(1,280)	-	(1,280)
Investment in a subsidiary		(100,000)	-	(100,000)	-	-	-
Purchase of short-term investments		(48,000)	-	(48,000)	(115,000)	-	(115,000)
Sales proceeds from disposal of short-term investments		624,299	-	624,299	191,000	-	191,000
Dividend received		78,682	-	78,682	78,632	-	78,632
Net cash generated from/(used in) investing activities		540,895	(1,482)	539,413	167,451	-	167,451
C. CASH FLOWS FROM FINANCING ACTIVITIES							
Payment of dividend		(346,578)	-	(346,578) -	(57,953)	-	(57,953)
Net cash used in financing activities		(346,578)	-	(346,578)	(57,953)	-	(57,953)
Net (decrease)/increase in cash and cash equivalent (A+B+C)		(355,288)	90,442	(264,845)	18,113	(23,989)	(5,876)
Cash and cash equivalent at beginning		(41,448)	64,842	23,394	(59,561)	88,831	29,270
Cash and cash equivalent at end		(396,736)	155,284	(241,452)	(41,448)	64,842	23,394
Cash and Cash Equivalent							
Cash and bank balances	14			20,256			23,394
Running finance	18			(261,708)			-
				(241,452)			23,394

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

SHAHID HAMID PRACHA
Chairman

INAM UR RAHMAN
Chief Executive

Statement of Changes in Equity

For the year ended December 31, 2013

	Ordinary shares	Capital Reserves				General reserve	Unappropriated profit	Unrealized gain on remeasurement of available for sale investments	Total
		Merger reserve	Share premium reserve	Capital reserve	Capital redemption reserve fund				
	---Rupees in '000---								
Balance at 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 17.1.4.	-	-	-	-	-	-	(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 17.1.4.	-	-	-	-	-	-	(14,167)	-	(14,167)
Total comprehensive income for the year ended December 31, 2012	-	-	-	-	-	-	91,114	1,458	92,572
Final cash dividend for the year ended December 31, 2011 @ Re. 1 per share	-	-	-	-	-	-	(59,058)	-	(59,058)
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 year ended December 31, 2013	-	-	-	-	-	-	(347,150)	3,310	(343,840)
Final cash dividend for the year ended December 31, 2012 @ Rs. 5 per share	-	-	-	-	-	-	(295,289)	-	(295,289)
Interim cash dividend for the year ended December 31, 2013 @ Re. 1 per share	-	-	-	-	-	-	(59,058)	-	(59,058)
Transfer to unappropriated profit						(395,355)	395,355	-	-
Balance at December 31, 2013	590,578	10,521	136,865	33,311	25,969	-	49,027	7,508	853,778

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

SHAHID HAMID PRACHA
Chairman

INAM UR RAHMAN
Chief Executive

Notes to the Financial Statements
For the year ended December 31, 2013

1. GENERAL INFORMATION

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

1.2 During the year effective from August 28, 2013, the Company suspended operations of Lawrencepur Woolen and Textile Mills (LWTM) .The results of discontinued operations include Dawood Cotton Mills Limited and Lawrencepur Woolen and Textile Mills Limited. However, the ‘Lawrencepur’ brand name will continue to operate under license.

1.3 The Company in the year 2008 suspended its manufacturing operations located at Burewala, District Vehari and closed down the 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 currently negotiating terms and conditions for sale of these assets.

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 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 life and depreciation rate of:

- Property, plant and equipment
- Intangible assets

Provision against stock in trade and stores and spares
Employees benefits
Taxation
Impairment loss of ‘available for sale ‘ investments

2.5 Standards, interpretation and amendment adopted during the year

During the year, the following standards, amendments to standards and interpretations including amendments to interpretations became effective, however, the application of these amendments and interpretations did not have material impact on the financial statements of the Company:

Standards/Amendments/Interpretations	Effective for periods beginning on or after
Amendments to IAS 1 - Presentation of Financial Statements – Clarification of Requirements for Comparative information	January 01, 2013
“Amendments to IAS 16 - Property, Plant and Equipment – Classification of servicing equipment	January 01, 2013
“Amendments to IAS 32 Financial Instruments: Presentation - Tax effects of distributions to holders of an equity instrument, and transaction costs of an equity transaction	January 01, 2013
“Amendments to IAS 34 - Interim Financial Reporting - Interim reporting of segment information for total assets and total liabilities	January 01, 2013
Amendments to IFRS 7 Financial Instruments: Disclosures - Offsetting financial assets and financial liabilities	January 01, 2013
IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine	January 01, 2013

The amendments to IAS 19 - Employee Benefits is effective from accounting period beginning on or after January 01, 2013 and have significant impact on the Company's financial statements for the year as discussed in the pursing paragraph. These changes are considered as change in policy.

IAS 1 - Presentation of Financial Statements – Presentation of items of Other Comprehensive Income

The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, net gains on hedges of net investments, exchange differences on translation of foreign operations, net movements on cash flow hedges and net losses or gains on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans). Income tax on items of other comprehensive income is required to be allocated on the same basis i.e. the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments require retrospective application.

As a result of amendments in IAS 1, The Company modified the presentation of the item of OCI in its Statements of Profit and Loss and Other Comprehensive Income, to present items that would be reclassified to profit and loss in the future separately from those that would never be. Comparative information has been re-presented on the same basis.

IAS 19 - Employee Benefits (as revised in 2011)

In the current year, the Company has applied IAS 19 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time.

IAS 19 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligation and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous versions of IAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a 'net interest' amount under IAS 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset. These changes have had an impact on the amounts recognised in profit or loss and other comprehensive income in prior years. In addition, IAS 19 (as revised in 2011) introduces certain changes in the presentation of the defined benefit cost including more extensive disclosures.

Specific transitional provisions are applicable to the first-time application of IAS 19 (as revised in 2011). The Company has applied the relevant transitional provisions and restated the comparative amounts on a retrospective basis.

The impact of amendments to IAS 19 Employee Benefits on the financial statements has been disclosed in note 17.1.4 .

2.6 New, revised and amended standards and IFRIC 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 for periods beginning on or after
Amendments to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities	January 01, 2014
IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets	January 01, 2014
IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting	January 01, 2014
IFRIC 21 - Levies	January 01, 2014

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been considered by the Company as the standards and their relevant amendments 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 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- IAS 27 (Revised 2011) – Separate Financial Statements due to non-adoption of IFRS 10 and IFRS 11
- IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures due to non- adoption of IFRS 10 and IFRS 11

There is no potential impact of standards, amendments and interpretations not yet effective on the financial statements of the Company.

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 Assets subject to finance lease

Lease in terms of which the Company assumes substantially all the risks and rewards of ownership, are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Outstanding obligations under the lease less finance cost allocated to future periods are shown as a liability.

Finance cost under lease agreements are allocated to the periods during the lease term so as to produce a constant periodic rate of mark up on the remaining balance of principal liability for each period.

3.1.4 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.

3.1.5 Impairment

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization 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

3.2.1 Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. 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 balance sheet 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 where control exists, and associates where significant influence can be established are initially stated at cost. Subsequently, the recoverable amount is estimated to determine the extent of impairment losses, if any, and carrying amounts 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 adjusted for impairment, if any, in the recoverable amounts of such investments.

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 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 investments, the Company assesses at each balance sheet 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 and / or identified as surplus to the Company's requirements, 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 raw material 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 balance sheet 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 statement of cash flows.

3.9 Non-current assets held for sale and discontinued operations

3.9.1 Non-current assets held for sale

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 (or disposal group) 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 re-measurement are recognized in profit or loss. Non-current assets classified as held for sale are not depreciated or amortized.

3.9.2 Discontinued operations

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of or is being held for sale, or is a subsidiary acquired exclusively with a view of resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, whichever occurs earlier.

3.10 Employees' retirement benefits

3.10.1 Defined contribution plan

A defined contribution plan is a post – employment benefit plan under which the Company pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss when they are due. The Company operates a defined contribution provident fund for the permanent employees at Burewala Unit. Monthly contributions are made, both by the Company and employees, to the fund at the rate of 8.33% of basic salary.

3.10.2 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 recognised immediately and presented in statement of comprehensive income.

Due to recent amendments in IAS-19 'Employee Benefits', corresponding figures are restated in Profit and Loss Account, Other Comprehensive Income and Statement of Changes in Equity.

Details of the scheme and effect of restatements have been disclosed in note 17.1.4.

As per the actuarial valuation carried out as at December 31, 2013, following significant assumptions were used for determining the gratuity liability:

	2013	2012
	%	
Discount rate	12.5	11
Expected rate of salary increase	11.5	10
Expected return on plan assets	12.5	12.5

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 balance sheet 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 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 sale

Revenue from the sale of projects is recognized on the basis of stage of completion percentage.

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 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 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 period 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 textile continued business, renewable energy and textile discontinued business which also reflects the management structure of the Company. There is no geographical segment as the Company's operations are only in Pakistan.

Due to the materiality of the operations of the renewable energy segment in the current year, the management has disclosed information as required by IFRS- 8 'Segment reporting' in note 33 to these financial statements. Hence the comparative figures were also restated.

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Cost at January 01, 2013	Additions/ (disposals)	Cost at December 31, 2013	Accumulated depreciation at January 01, 2013	Depreciation/ (Disposals) for the year	Accumulated depreciation at December 31, 2013	Carrying value as at December 31, 2013	Annual rate of depreciation %
	----------	----------	----------	Rupees in '000	----------	----------	----------	
Freehold land	48	-	48	-	-	-	48	-
Leasehold land	1,081	-	1,081	493	6	499	582	1
Building on freehold land	39,294	-	39,294	35,981	291	36,272	3,022	10
Building on leasehold land	54,414	-	54,414	42,828	1,159	43,987	10,427	10
Plant and machinery	227,713	439	228,152	219,693	1,650	221,343	6,809	20
Furniture, fixtures and office equipment	21,644	7,866 (609)	28,901	14,565	962 (252)	15,275	13,626	10
Computer equipment	8,654	2,999 (1,960)	9,693	6,676	1,748 (1,383)	7,041	2,652	33
Vehicles	22,111	1,920 (2,681)	21,350	13,762	1,555 (1,147)	14,170	7,180	20
Promotional and demo projects	-	4,107	4,107	-	-	-	4,107	5
2013	374,959	17,331 (5,250)	387,040	333,998	7,371 (2,782)	338,587	48,453	

4.1 The above includes carrying value of land, building on land, furniture fixtures & office equipment, plant & machinery, and vehicles amounting to Rs. 0.630 million, Rs. 13.452 million, Rs. 6.951 million, Rs. 6.415 million, and Rs. 1.090 million respectively, aggregated to Rs. 28.538 million (2012: Rs 14.174 million) held as idle assets which relates to discontinued units.

For comparative year

Particulars	Cost at January 01, 2012	Additions/ (disposals)/ (Impairment)*	Transfer	Cost at December 31, 2012	Accumulated depreciation at January 01, 2012	Depreciation/ (Disposals)/ (Impairment)* for the year	Transfer	Accumulated depreciation at December 31, 2012	Carrying value at December 31, 2012	Annual rate of depreciation %
	----------	----------	----------	----------	Rupees in '000	----------	----------	----------	----------	
Freehold land	3,157	-	(3,109)	48	-	-	-	-	48	-
Leasehold land	1,081	- -	- -	1,081	487	6	-	493	588	1
Building on freehold land	70,557	-	(31,263)	39,294	62,025	691	(26,735)	35,981	3,313	10
Building on leasehold land	54,414	-	-	54,414	41,540	1,287	-	42,828	11,586	10
Plant and machinery	283,776	- (56,063)	-	227,713	273,095	2,122 (55,524)	-	219,693	8,020	20
Furniture, fixtures and office equipment	22,855	2,108 (3,319)	- *	21,644	15,729	725 (1,889)	- *	14,565	7,079	10
Computer equipment	8,168	486	-	8,654	5,836	840	-	6,676	1,978	33
Vehicles	25,895	2,403 (6,187)	-	22,111	16,022	2,591 (4,851)	-	13,762	8,349	20
2012	469,903	4,997 (62,250) (3,319)	(34,372)	374,959	414,734	8,262 (60,375) (1,889)	(26,735)	333,998	40,962	

Notes to the Financial Statements
For the year ended December 31, 2013

	Note	2013	2012
		Rupees in '000	
4.2 Depreciation for the year has been allocated as under:			
Cost of goods sold	22	1,436	3,370
Selling and distribution expenses	24	1,146	288
Administrative expenses	25	4,789	4,604
		7,371	8,262

4.3 The following assets were disposed off during the year:

Description	Cost	Accumulated depreciation	Carrying value	Sale proceed	Mode of disposal	Particulars of buyer
	---------- Rupees in '000 ----------					
Furniture & Fixtures	291	135	156	50	Tender	Mr. Aurungzaib
Furniture & Fixtures	60	9	51	52	Transfer	Sach International (Pvt) Ltd (Associated Company)
Mobile	29	21	8	-	Company policy	Mr. Amin Dawood (employee)
Mobile	29	21	8	-	Company policy	Ms. Humera Ahmed (employee)
Mobile	10	6	4	-	Company policy	Mr. Walayat Abdullah (employee)
Mobile	10	5	5	-	Company policy	Mr. Asif Comboh (employee)
Mobile	18	8	10	-	Company policy	Ms. Hafsa Shamsie (employee)
Mobile	27	10	17	5	Company policy	Mr. Samir Asrar Ali (employee)
Mobile	10	3	7	-	Company policy	Mr. Shiraz Aziz (employee)
Mobile	39	5	33	30	Company policy	Ms. Hafsa Shamsie (employee)
Mobile	25	15	10	-	Company policy	Mr. Inam ur Rahman (employee)
Mobile	10	2	8	6	Company policy	Mr. M. Adeel (employee)
Mobile	10	1	9	8	Company policy	Mr. Ahmad Shahzad (employee)
Mobile	27	6	21	18	Company policy	Mr. Abu Bakar(employee)
Mobile	15	5	10	10	Transfer	Sach International (Pvt) Ltd (Associated Company)
Computer equipment	59	16	43	38	Theft	
Computer equipment	218	31	187	10	Tender	Mr. M. Shoaib
Computer equipment	476	410	66	5	Tender	Mr. Salman
Computer equipment	75	58	17	-	Company policy	Mr. Shiraz Aziz (employee)
Computer equipment	56	16	40	40	Company policy	Mr. Zubair M. Kazmi (employee)
Computer equipment	1,076	852	224	224	Transfer	Sach International (Pvt) Ltd (Associated Company)
Vehicles	848	413	435	519	Company policy	Mr. M. Niaz (Employee)
Vehicles	1,833	734	1,099	1,099	Transfer	Sach International (Pvt) Ltd (Associated Company)
2013	5,250	2,782	2,467	2,113		
2012	62,250	60,375	1,877	18,779		

	Note	2013	2012
		Rupees in '000	
5. INTANGIBLE ASSETS			
Computer software	5.1	1,147	1,294
5.1 Computer software			
Cost			
Balance as on January 1		4,318	3,038
Addition during the year		350	1,280
Balance as on December 31		4,668	4,318
Amortization @ 33%			
Balance as on January 1		3,024	2,487
During the year		497	537
Balance as on December 31		3,521	3,024
Carrying amount		1,147	1,294
6. LONG TERM INVESTMENTS			
Investment in related parties at cost	6.1	435,822	335,822
Other investments	6.2	9,963	6,653
		445,785	342,475
6.1 Investment in related parties - at cost			
Wholly owned subsidiary - unquoted Tenaga Generasi Limited Percentage holding 100% (2012: 100%) 34,600,000 (2012: 24,600,000) fully paid ordinary shares of Rs. 10/- each		370,528	270,528
Associated Company - quoted Dawood Hercules Corporation Limited Percentage holding 16.19% (2012: 16.19%) 77,931,896 (December 31, 2012: 77,931,896) fully paid ordinary shares of Rs. 10/- each Market value Rs. 4,373 million (2012: 2,535 million)	6.1.1	65,294	65,294
		435,822	335,822

6.1.1 18 million (2012: Nil) shares of 'Dawood Hercules Corporation Limited' are pledged against short term running finance facility (refer Note 18).

6.2 Other investments
- Available for sale investments

2013	2012	Name of Investee	2013	2012
No. of Shares / Units			Rupees in '000	
Listed Securities				
200,000	200,000	National Investment (Unit) Trust	9,948	6,638
Un-Listed Securities				
1,500	1,500	Asian Co-operative Society Limited	15	15
			9,963	6,653

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

	2013	2012
Fair value of investments	9,963	6,653
Surplus on remeasurement of investments as at December 31	(7,508)	(4,198)
Cost of investments	2,455	2,455

7. LONG TERM DEPOSITS

	2013	2012
Electricity and gas	9,019	9,019
Others	1,525	1,525
	10,544	10,544

8. STORES AND SPARES

	2013	2012
Stores	23,358	23,983
Spares	33,535	33,859
	56,893	57,842
Provision for slow moving and obsolete items	(20,311)	(20,311)
	36,582	37,531

Notes to the Financial Statements
For the year ended December 31, 2013

	Note	2013	2012
		Rupees in '000	
9. STOCK-IN-TRADE			
Renewable energy			
Renewable energy products		71,188	10,091
Renewable energy products in transit		2,490	-
		73,678	10,091
Textile			
Raw material		3,276	5,926
Work in process		6,338	52,801
Finished goods		191,374	240,709
Waste		-	619
		200,988	300,055
Provision for slow moving and obsolete items	9.1	(13,360)	(14,994)
		187,628	285,061
		261,306	295,152

9.1 Provision for slow moving and obsolete items

		2013	2012
Raw material		3,276	4,915
Work in process		3,259	3,259
Finished goods		6,825	6,820
		13,360	14,994

10. TRADE DEBTS

	Note	2013	2012
Unsecured			
Considered good			
- Due from related party	10.2	87,417	145,763
- Due from others		7,465	13,254
		94,882	159,017
Considered doubtful		21,906	17,739
		116,788	176,756
Provision against doubtful debts	10.1	(21,906)	(17,739)
		94,882	159,017

10.1 Movement in provision for doubtful debt

		2013	2012
Opening balance		17,739	22,467
Provision made during the year		4,167	2,322
Reversal made during the year		-	(1,958)
Debtors written off during the year		-	(5,092)
Closing balance		21,906	17,739

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, 2013		
Sach International (Private) Limited	83,605	83,605
Pebbles (Private) Limited	2,248	3,188
Director	1,564	1,564
December 31, 2012		
Sach International (Private) Limited	145,763	213,979

10.3 All past due amounts have been provided for impairment. The amount receivable from related party is outstanding for not more than six months.

	Note	2013	2012
		Rupees in '000	
11. LOANS AND ADVANCES			
Unsecured			
Considered good			
Advance tax		25,399	12,608
Loans and advances to employee		3,315	1,949
Advance to suppliers		13,394	997
Others		-	97
		42,108	15,651
12. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Income tax refundable	12.1	61,765	61,765
Security deposits		4,030	632
Prepayments		3,412	2,248
Letters of credit		16,979	773
Sales tax	12.2	5,188	2,198
Others	12.3	5,587	2,367
		96,961	69,983

	2013	2012
	Rupees in '000	
12.1 Income tax refundable		
Advance		
Considered good	61,765	61,765
Considered doubtful	21,509	21,509
	83,274	83,274
Provision against doubtful receivables	(21,509)	(21,509)
	61,765	61,765
12.2 Sales tax		
Sales tax		
Considered good	5,188	2,198
Considered doubtful	8,128	8,128
	13,316	10,326
Provision against doubtful receivables	(8,128)	(8,128)
	5,188	2,198

12.3 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, 2013		
Sach International (Private) Limited	2,360	5,674
Tenaga Generasi Limited	2,609	2,609
Cyan Limited	45	45
December 31, 2012		
Sach International (Private) Limited	2,242	5,028
Tenaga Generasi Limited	20	4,607
Cyan Limited	9	9

13. SHORT TERM INVESTMENTS

	Note	2013	2012
		Rupees in '000	
Held for trading at 'fair value through profit or loss'	13.1	-	554,448

2013	2012	Name of Investee	2013	2012
No. of Units				
-	2,950,257	Meezan Cash Fund	-	147,926
-	1,494,217	UBL Liquidity Plus Fund - Class - C	-	149,837
-	1,307,736	MCB Cash Management Optimizer Fund	-	131,127
-	12,489,024	NAFA Government Securities Liquid Fund	-	125,558
			-	554,448

	Note	2013	2012
		Rupees in '000	
13.1 Reconciliation between fair value and cost of investments classified as 'held for trading at fair value through profit or loss'			
Fair value of investments		-	554,448
Movement in unrealized (loss)/gain on remeasurement			
Opening		97,614	74,860
Reclassified to Profit and loss on disposal of investments		(97,614)	-
Recognised during the year			22,754
Closing		-	97,614
Cost of investments		-	456,834
14. CASH AND BANK BALANCES			
Cash in hand		375	619
Cash at banks			
In current accounts		16,197	18,389
In deposit accounts	14.1	3,684	4,386
		19,881	22,775
		20,256	23,394

14.1 These represent deposits with commercial banks and carry profit at the rate of 6% (2012: 5%) per annum.

	Note	2013	2012
		Rupees in '000	
15. ASSETS CLASSIFIED AS 'HELD FOR SALE'			
Property, plant and equipment	15.1	180,398	180,398
Stock-in-trade		-	36
Stores and spares		15,578	15,578
		195,976	196,012
Provision for slow moving / obsolescence on stock in trade and stores & spares	15.2	(1,447)	(1,483)
		194,529	194,529

15.1 Property, plant and equipment

Particulars	Cost at January 01, 2013	Transfer	Disposal	Cost at December 31, 2013	Accumulated depreciation at January 01, 2013	Transfer	Depreciation adjusted for the year	Accumulated depreciation at December 31, 2013	Carrying value at December 31, 2013
	Rupees in '000								
Freehold land	3,109	-	-	3,109	-	-	-	-	3,109
Building on freehold land	31,263	-	-	31,263	26,735	-	-	26,735	4,528
Plant and machinery	377,587	-	-	377,587	210,515	-	-	210,515	167,072
Electric installations	35,663	-	-	35,663	30,720	-	-	30,720	4,943
Tools and equipment	2,893	-	-	2,893	2,147	-	-	2,147	746
2013	450,515	-	-	450,515	270,117	-	-	270,117	180,398

For comparative year

Particulars	Cost at January 01, 2012	Transfer	Disposal	Cost at December 31, 2012	Accumulated depreciation at January 01, 2012	Transfer	Depreciation adjusted for the year	Accumulated depreciation at December 31, 2012	Carrying value at December 31, 2012
	Rupees in '000								
Freehold land	-	3,109	-	3,109	-	-	-	-	3,109
Building on freehold land	-	31,263	-	31,263	-	26,735	-	26,735	4,528
Plant and machinery	379,520	-	(1,933)	377,587	212,447	-	(1,932)	210,515	167,072
Electric installations	35,663	-	-	35,663	30,720	-	-	30,720	4,943
Tools and equipment	2,893	-	-	2,893	2,147	-	-	2,147	746
2012	418,076	34,372	(1,933)	450,515	245,314	26,735	(1,932)	270,117	180,398

	2013	2012
	Rupees in '000	
15.2 Movement in slow moving / obsolescence on stock in trade and stores and spares		
Opening balance	1,483	5,883
Reversal during the year	(36)	(4,400)
Closing balance	1,447	1,483

16. SHARE CAPITAL

16.1 Authorized capital

2013	2012		2013	2012
Number of shares				
75,000,000	75,000,000	Ordinary shares of Rs.10/- each	750,000	750,000

16.2 Issued, subscribed and paid up capital

2013	2012		2013	2012
Number of shares			Rupees in '000	
		Ordinary shares of Rs.10/- each		
2,204,002	2,204,002	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

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

	2013	2012
	Number of shares	
Dawood Corporation (Private) Limited	28,974,998	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	302,718
Dawood Industries (Private) Limited	494,921	495,351
Sach International (Private) Limited	3,776	3,776
	36,243,822	36,243,822

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.

	Note	2013	2012
		Rupees in '000	
			(Restated)
17. DEFERRED LIABILITIES			
Gratuity	17.1	9,419	82,555
Deferred taxation	17.2	-	-
		9,419	82,555
17.1 Movement in the liability recognized in the balance sheet			
Opening balance		82,555	66,137
Net charge for the year	17.1.1	20,365	15,132
		102,920	81,269
Liability transferred from Sach International (Pvt) Limited		1,277	5,642
Payments made during the year	17.1.3	(101,762)	(18,541)
Experience adjustment		6,984	14,185
Closing balance		9,419	82,555

	2013	2012
	Rupees in '000	
17.1.1 Charge for defined benefit plan		
Current service cost	8,529	6,865
Interest cost	9,332	8,533
Return on plan assets	(251)	(266)
Losses arising on plan settlement	2,755	-
	20,365	15,132
17.1.2 Reconciliation		
Present value of defined benefit obligation	11,711	84,838
Fair value of plan assets	(2,292)	(2,283)
	9,419	82,555

17.1.3 Payments made during the year include gratuity of Rs. 95.36 million paid to employees of LWTM who opted for 'Voluntary Separation Scheme' announced by management during the year.

	December 2013	December 2012 (Restated)	December 2011 (Restated)	December 2010 (Restated)	December 2009 (Restated)
	Rupees in '000				
Present value of defined benefit obligation	11,711	84,838	68,269	50,644	51,059
Fair value of plan assets	(2,292)	(2,283)	(2,132)	(2,082)	(2,163)
Deficit in the plan	9,419	82,555	66,137	48,562	48,896
Liability in balance sheet	9,419	82,555	66,137	48,562	48,896
Experience adjustment arising on plan liabilities losses / (gain)	6,743	14,185	7,026	(4,537)	749
Experience adjustment arising on plan assets losses	(241)	(116)	(221)	(341)	(130)

17.1.4 Effects of change in accounting policy

In the current year, the Company has adopted IAS 19 Employees Benefits (as revised in 2011) and the related consequential amendments for the first time.

IAS 19 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension and gratuity assets or liability recognised in the balance sheet to reflect the full value of the plan deficit or surplus. Further, the interest cost and expected return on plan assets used in previous version of IAS 19 are replaced with a 'net interest' amount under IAS 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or assets. These changes have had an impact on the amounts recognised in the profit and loss and other comprehensive income in prior years. In addition, IAS 19 (as revised in 2011) introduced certain changes in the presentation of the defined benefit cost including more extensive disclosures.

Specific transitional provisions are applicable to first-time application of IAS 19 (as revised in 2011). The Company has applied the relevant transitional provisions and restated the comparatives on the retrospective basis in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Effect of retrospective application of change in accounting policy is as follows:

	As previously reported on Dec 31, 2012	Effect of prior period restatement on Jan 1, 2012	Effect of restatement for the year ended Dec 31, 2012	Restatement amount as on Dec 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	376,557	7,257	14,132	355,168

	Year ended Dec 31, 2012	Prior to Jan 01, 2012
	-------- Rupees in '000 --------	
Effect on profit and loss account		
Net increase in profit before tax	35	-
Effect on other comprehensive income		
Net decrease in other comprehensive income		
Recognition of actuarial gains / (losses)		
-transferred from profit and loss account	35	-
-adjusted against deferred liability-staff gratuity	14,132	-
	14,167	-

17.2 Deferred taxation

Deferred tax asset works out to Rs. 308.810 million (2012: Rs. 219.666 million). However, it is likely that the income of the Company will be taxable based on turnover tax and under final tax regime in future, hence as a matter of prudence, deferred tax asset is not recognized.

18. RUNNING FINANCE

The Company has arranged secured running finance of Rs. 400 million (2012: Nil) under a mark-up arrangement . The facility is subject to markup @ 3 month KIBOR + 1.1% which is determined at the start of each quarter and is payable on quarterly basis in arrear. The running finance under mark-up arrangement is secured by way of pledge over 18 million shares of 'Dawood Hercules Corporation Limited'.

	Note	2013	2012
		Rupees in '000	
19. TRADE AND OTHER PAYABLES			
Creditors		22	1,645
Accrued expenses		31,704	34,118
Unclaimed dividend		29,905	22,136
Due to Islamic Development Bank	19.1	25,969	25,969
Advance from customers and others	19.2	18,659	10,871
Workers' welfare fund		1,997	4,416
Gratuity to ex - staff		119	119
Deposits	19.3	457	522
Withholding tax		786	58
		109,618	99,854

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 has been created.

19.2 These include amounts due to following related party:

	2013	2012
	Rupees in '000	
The Dawood Foundation	92	-
Dawood Hercules Corporation Limited	1,063	-
DH Fertilizer Limited	195	241

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

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

a) 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 liability of above mentioned issues is Rs. 10.27 million. The appeal effect order has not been passed by the said authority in this respect.

For the tax years 2004 and 2005 the Additional Commissioner Inland Revenue, during the year 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 demand 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. 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 the matter is pending. The tax liability of this adjustment amounts to Rs. 7.22 million.

For the tax years 2006, 2008 & 2009, during the year, 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 the matter is pending, the liability amount contested in the appeal is Rs. 26.07 million.

Since the outcome of the above appeals and tax thereon are pending at different forums and in view of the fact that management is confident that the appeals will be decided in the Company's favour, no provision has been made in these financial statements.

b) The Company is contingently liable against guarantees and counter guarantees amounting to Rs 15.13 million (2012: Rs. 106.29 million). These are secured by way of lien over certain movables and receivables.

20.2 Commitments

Letters of credit outstanding for purchase of renewable energy products amounting to Rs. 9.98 million (2012: Nil).

	Note	2013	2012
		Rupees in '000	
21. SALES - NET			
Renewable energy			
Project sales		14,079	-
Solar lights		12,886	3,013
Others		5,045	3,257
		32,010	6,270
Less: Commission and discount		(23)	(30)
		31,987	6,240
Textile			
Fabric		170,142	377,426
Yarn		16,444	4,774
Waste		-	2,680
		186,586	384,880
Less: Commission and discount		-	(1,222)
		186,586	383,658
Related to discontinued operations		(84,255)	(4,693)
		134,318	385,205
22. COST OF GOODS SOLD			
Renewable energy			
Finished goods			
Opening stock		10,091	-
Purchases and related expenses		85,330	14,452
Closing stock		(71,188)	(10,091)
Cost of goods sold		24,233	4,361
Textile			
Work in process			
Opening balance		53,420	103,912
Manufacturing expenses	22.1	91,174	392,067
Less: Sold during the year		(821)	(1,903)
Closing balance		(6,338)	(53,420)
Cost of goods manufactured		137,435	440,656
Finished goods			
Opening balance		240,745	140,320
Closing balance		(191,374)	(240,745)
		49,371	(100,425)
Cost of goods sold		186,806	340,231
Related to discontinued operations		(95,235)	(6,182)
		115,804	338,410

	Note	2013	2012
		Rupees in '000	
22.1 Manufacturing expenses			
Raw material consumed	22.1.1	2,646	184,386
Salaries, wages and allowances	22.1.2	63,541	114,403
Electricity, gas and water		16,504	64,720
Stores and spares consumed	22.1.3	1,830	13,522
Travelling and conveyance		2,955	3,550
Depreciation	4.2	1,436	3,370
Insurance		490	1,716
Workers' canteen		1,116	1,019
Repairs and maintenance		406	604
Postage and telephone		250	365
Other manufacturing overheads		-	4,412
		91,174	392,067
22.1.1 Raw material consumed			
At January 01,		5,926	56,835
Purchases and related expenses		(4)	137,871
Less: Sold during the year		-	(4,394)
At December 31,		(3,276)	(5,926)
		2,646	184,386

22.1.2 Staff salaries and benefits include Rs. 2.4 million (2012: Rs. 9.3 million) in respect of staff retirement benefits.

	2013	2012
	Rupees in '000	
22.1.3 Stores and spares consumed		
At January 01,	57,842	64,254
Purchases and related expenses	881	12,560
Less: Sold during the year	-	(5,450)
	58,723	76,814
At December 31,	(56,893)	(57,842)
	1,830	13,522

Notes to the Financial Statements
For the year ended December 31, 2013

	Note	2013	2012
		Rupees in '000	
23. OTHER INCOME			
Income / (loss) from financial assets			
Dividend Income			
Dawood Hercules Corporation Limited		77,932	77,932
National Investment (Unit) Trust		750	700
		78,682	78,632
Profit on deposits		1,371	1,650
Capital gain on sale of investments - held for trading		21,850	33,004
Unrealized gain on short term investments		-	22,754
		23,221	57,408
		101,903	136,040
Income / (loss) from non financial assets			
Scrap sales		-	22,798
(Loss) / profit on sale of property, plant and equipment		(354)	17,219
Profit on sale of stocks and stores		-	3,823
Other income		4,808	9,580
Royalty income		2,927	3,062
Storage income		3,695	6,822
Exchange loss		(582)	(1,088)
		10,494	62,216
		112,397	198,256
Related to discontinued operations	30	(8,112)	(37,972)
		104,285	160,284
24. SELLING AND DISTRIBUTION EXPENSES			
Salaries and allowances	24.1	32,339	3,075
Sales promotion		123	1,384
Storage and forwarding		762	795
Depreciation	4.2	1,146	288
Conveyance and travelling		7,924	2,143
Rent, rates and taxes		5,823	416
Printing and stationery		617	170
Repairs and maintenance		1,107	195
Freight and insurance		392	331
Advertisement		4,567	1,021
Miscellaneous		5,572	687
		60,372	10,505

24.1 This includes staff retirement benefits of Rs. 4.16 million (2012: Rs. 0.01 million).

Notes to the Financial Statements
For the year ended December 31, 2013

	Note	2013	2012
		Rupees in '000	
25. ADMINISTRATIVE EXPENSES			
Salaries and allowances	25.1	107,344	60,989
Legal and professional		16,630	25,051
Rent, rates and taxes		10,774	20,966
Electricity and gas		13,280	6,450
Depreciation	4.2	4,789	4,604
Printing and stationery		3,021	3,544
Workers' welfare fund		-	2,013
Fees and subscription		9,577	3,831
Insurance		3,131	2,503
Conveyance and travelling		3,949	2,481
Repairs and maintenance		3,410	2,137
Postage and telephone		2,106	1,954
Entertainment		887	705
Auditors' remuneration	25.2	600	600
Amortization	5.1	497	537
Miscellaneous		7,412	936
		187,407	139,301
Related to discontinued operations		(70,154)	(68,411)
		117,253	70,890

25.1 Staff salaries and benefits include Rs. 12.4 million (2012: Rs. 5.9 million) in respect of staff retirement benefits.

	2013	2012
	Rupees in '000	
25.2 Auditors' remuneration		
Annual audit fee	375	375
Audit fee of consolidated financial statements	55	55
Half yearly review and other certification fee	170	170
	600	600
26. FINANCE COST		
Mark-up on running finance	5,131	
Bank charges	583	434
	5,714	434
Related to discontinued operations	(7)	-
	5,707	434

	2013	2012
	Rupees in '000	
27. REVERSAL OR IMPAIRMENT / PROVISION		
Provision for doubtful debts	4,167	2,322
Fixed assets written off	-	1,430
Reversal of provision against doubtful debts	-	(1,958)
Reversal of provision against stock in trade-Discontinued	(36)	(4,400)
Reversal of provision against stock in trade-Continued	(1,639)	-
	2,492	(2,606)
Related to discontinued operations	36	4,400
	2,528	1,794

28. VOLUNTARY SEPARATION SCHEME (VSS) COST

During the year, the Company offered Voluntary Separation Scheme (VSS) to employees of LWTM. Under this scheme, 459 employees opted for separation. The Company has incurred additional cost of Rs 201.81 million in this respect. In addition, the consequential impact on retirement benefit schemes has been determined through actuarial valuations, the results of which are summarised in note 17 to these financial statements.

	2013	2012
	Rupees in '000	
29. TAXATION		
Current year	2,300	10,606
Prior year	-	(5,792)
	2,300	4,814

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 income that is separately taxed under respective sections of the Income Tax Ordinance, 2001.

	Note	2013	2012
		Rupees in '000	
30. LOSS FROM DISCONTINUED OPERATIONS			
Sales - net		84,255	4,693
Cost of goods sold	22	(95,235)	(6,182)
Gross loss		(10,980)	(1,489)
Other income	23	8,112	37,972
Administrative expenses		(70,154)	(68,411)
Finance cost		(7)	-
Reversal of provision against stock in trade		36	4,400
Net loss from discontinued operations		(72,993)	(27,528)

	2013	2012
	Rupees in '000	
		Restated

31. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company which is based on:-

31.1 Continuing operations

	2013	2012 Restated
(Loss) / profit after taxation (Rs.)	(267,173)	118,642
Weighted average number of ordinary shares outstanding during the year	59,058	59,058
Earnings per share (Rs.)	(4.52)	2.01

31.2 Discontinued operations

	2013	2012 Restated
Loss after taxation	(72,993)	(27,528)
Weighted average number of ordinary shares outstanding during the year	59,058	59,058
Earnings per share (Rs.)	(1.24)	(0.47)

32. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	2013		2012	
	Chief Executive	Executives	Chief Executive	Executives
	Rupees in '000			
Remuneration	2,296	7,151	1,409	4,088
House rent allowance	1,148	2,263	704	1,756
Utilities	574	503	352	394
Retirement benefits	216	545	107	972
Other allowance	2,169	3,637	1,465	2,059
	6,403	14,099	4,037	9,269
No. of person (s)	1	4	1	5

Chief executive and other executives of the Company are entitled to use Company maintained vehicles.

Notes to the Financial Statements
For the year ended December 31, 2013

33. SEGMENT REPORTING

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

- Renewable energy solutions
- Textile

Textile is further subdivided into the following two segments;

- Continued operations
- Discontinued operations

Segment analysis is as under;

33.1 Segment results

	Renewable energy		Textile - Continued operations		Textile - discontinued operations		Unallocated		The Company	
	December 31,		December 31,		December 31,		December 31,		December 31,	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	Rupees in '000									
				(Restated)						(Restated)
Revenue	31,987	6,240	102,331	378,965	84,255	4,693	-	-	218,573	389,898
Cost of goods sold	(24,233)	(4,361)	(91,571)	(334,049)	(95,235)	(6,182)	-	-	(211,039)	(344,592)
									-	
Segment gross profit	7,754	1,879	10,760	44,916	(10,980)	(1,489)	-	-	7,534	45,306
Administrative expenses	(45,636)	(5,178)	(71,617)	(65,712)	(70,154)	(68,411)	-	-	(187,407)	(139,301)
Selling and distribution expenses	(57,423)	(2,075)	(2,949)	(8,430)	-	-	-	-	(60,372)	(10,505)
Finance cost	-	-	-	-	(7)	-	(5,707)	(434)	(5,714)	(434)
Other income	-	-	-	-	8,148	42,372	104,285	160,284	112,433	202,656
Reversal or impairment / provision	-	-	-	-	-	4,400	(2,528)	(6,194)	(2,528)	(1,794)
Voluntary separation scheme (VSS) cost	-	-	(201,812)	-	-	-	-	-	(201,812)	-
Taxation	-	-	-	-	-	-	(2,300)	(4,814)	(2,300)	(4,814)
Segment net profit	(95,305)	(5,374)	(265,618)	(29,226)	(72,993)	(23,128)	93,750	148,842	(340,166)	91,114

33.2 Segment assets

	Renewable energy		Textile - Continued operations		Textile - discontinued operations		Unallocated		The Company	
	December 31,		December 31,		December 31,		December 31,		December 31,	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	Rupees in '000									
						(Restated)				(Restated)
Property, plant and equipment	19,918	-	-	40,962	208,933	180,398	-	-	228,851	221,360
Intangible assets	-	-	-	-	-	-	1,147	1,294	1,147	1,294
Long term investments	-	-	-	-	-	-	445,785	342,475	445,785	342,475
Long term deposits	-	-	-	-	10,544	10,544	-	-	10,544	10,544
Stores and spares	45	-	-	37,531	50,631	14,095	-	-	50,676	51,626
Stock-in-trade	73,677	10,091	-	285,061	187,664	36	-	-	261,341	295,188
Trade debts	11,277	4,227	-	154,790	83,604	-	-	-	94,881	159,017
Loans and advances	16,098	-	-	15,651	26,013	-	-	-	42,111	15,651
Deposits, prepayments and other receivables	31,405	-	-	69,983	65,556	-	-	-	96,961	69,983
Short term investments	-	-	-	-	-	-	-	554,448	-	554,448
Cash and bank balances	-	-	-	-	-	-	20,256	23,394	20,256	23,394
Total segment assets	152,420	14,318	-	603,978	632,945	205,073	467,188	921,611	1,252,553	1,744,980
Segment Liabilities										
Deferred liabilities	8,690	-	-	79,621	729	2,934	-	-	9,419	82,555
Running finance	-	-	-	-	-	-	261,708	-	261,708	-
Trade and other payables	13,083	-	-	79,938	96,535	19,916	-	-	109,618	99,854
Accrued markup	-	-	-	-	-	-	5,131	-	5,131	-
Provision for taxation	-	-	-	-	-	-	12,898	10,606	12,898	10,606
	21,773	-	-	159,559	97,264	22,850	279,737	10,606	398,774	193,015

33.3 Included in the revenues arising from direct sales of fabric of Rs. 186.52 million are revenues of approximately Rs. 172.59 million which arose from sales to the Company's largest customer. No other single customer contributed 10% or more to Company's revenue .

34. TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties. Related parties comprise of a subsidiary company, associated undertakings, directors, key management personnel and others. 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	2013	2012
			Rupees in '000	
a.	Subsidiary company			
	Tenaga Generasi Limited	Reimbursement of expenses to the Company	13,090	10,835
		Subscription of ordinary shares	100,000	-
b.	Associated companies			
	Dawood Hercules Corporation Limited	Dividend income	77,932	77,932
		Reimbursement of expenses by the Company	4,397	1,298
		Reimbursement of expenses to the Company	32	-
		Purchase of asset	-	855
	D H Fertilizer Limited	Reimbursement of expenses by the Company	970	-
		Reimbursement of expenses to the Company	12	-
		Sale of renewable energy products	102	-
	Sach International (Private) Limited	Sale of fabric	172,588	262,920
		Reimbursement of expenses to the Company	2,705	5,600
		Royalty charged	2,927	3,552
		Retirement and other benefits transferred to the Company	1,113	-
		Purchase of fabric	-	8,657
		Transfer of assets by the Company	1,384	-
	Cyan Limited	Insurance claims received	-	430
		Purchase of assets	-	305
		Reimbursement of expenses to the Company	65	-
	Sui Northern Gas Pipelines Limited	Utility charges paid	6,816	19,683
		Sale of fabric	-	2,590
	The Dawood Foundation	Rental charges paid	4,829	8,631
		Reimbursement of expenses by the Company	1,355	1,689

Relationship	Nature of transaction	2013	2012
		Rupees in '000	
Inbox Business Technologies (Pvt) Limited	Hardware maintenance charges paid	250	250
	Purchase of software	-	1,184
Pebbles (Private) Limited	Sale of solar solutions	3,188	-
Dawood Public School	Sale of renewable energy products	59	-
	Promotional solar solutions	510	-
c. Other related parties			
Dawood Lawrencepur Limited (Burewala Mills) - Staff Provident Fund	Contribution by the Company	97	111
Directors	Sale of solar solutions	1,564	-

35. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise trade and other payables, and short term borrowings. The Company's financial assets comprise of trade debts, bank balances and investments in equity securities. The Company also holds loans, advances, deposits and other receivables.

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).

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.

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 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. 597.42 million (2012: Rs. 1,095.92 million), the financial assets which are subject to credit risk amounted to Rs. 131.38 million (2012: Rs. 175.60 million).

35.1.1 Credit risk related to receivables

The Company only deals in local sales. Customer credit risk is managed by business unit subject to the 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 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, 2013, the Company had approximately 137 customers (2012: 82 customers) that owed Rs. 94.88 million (2012: Rs. 159.017 million). There was 1 customer (2012: 2 customers) with balance greater than Rs. 5 million covering over 88.56% (2012: 94%) of trade debts. As at December 31, 2013, Rs. 4.17 million are overdue for more than 180 days which have been provided for in accordance with Company 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 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, 2013, where the 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	A-1+	AAA

35.2 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, 2013		
	Total	Up to three months	More than three months & up to one year
	-----------------	Rupees in '000	-----------------
Running finance	261,708	261,708	-
Trade and other payables	109,618	88,505	21,113
Accrued markup	5,131	5,131	-
	376,457	355,344	21,113

	As at December 31, 2012		
	Total	Up to three months	More than three months & up to one year
	-----------------	Rupees in '000	-----------------
Trade and other payables	99,854	84,045	15,809

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 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

As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

35.3.2 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, 2013, the Company does not have any exposure in foreign currency asset or liability.

35.3.3 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. 9.96 million (2012: Rs. 6.65 million). A decrease / increase of 5% on the KSE market index would have an impact of approximately Rs. 0.1655 million (2012: Rs. 0.0729 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. 370.5 million (2012: Rs. 270.5 million) to unlisted equity securities in a wholly owned subsidiary and in listed equity securities in an associate of Rs. 65.29 million (2012: Rs. 65.29 million) having fair value of Rs. 4,373 million (2012: Rs. 2,535 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.

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:

	Loans & advances	Available for sale	Fair value through profit or loss	Total
	---------- Rupees in '000 ----------			
Assets as per balance sheet - December 31, 2013				
Long term investments	-	445,785	-	445,785
Short term investments	-	-	-	-
Cash and bank balances	20,256	-	-	20,256
Trade debts - net	94,882	-	-	94,882
Long term deposits	10,544	-	-	10,544
Loans and advances	16,709	-	-	16,709
Deposits and other receivables	9,617	-	-	9,617
	152,008	445,785	-	597,793

	At amortized cost	Total
	------- Rupees in '000 -------	
Liabilities as per balance sheet - December 31, 2013		
Short term finance	261,708	261,708
Trade and other payables	109,618	109,618
Accrued markup	5,131	5,131
	376,457	376,457

	Loans & advances	Available for sale	Fair value through profit or loss	Total
	---------- Rupees in '000 ----------			
Assets as per balance sheet - December 31, 2012				
Long term investments	-	342,475	-	342,475
Short term investments	-	-	554,448	554,448
Cash and bank balances	23,394	-	-	23,394
Trade debts - net	159,017	-	-	159,017
Long term deposits	10,544	-	-	10,544
Loans and advances	3,043	-	-	3,043
Deposits and other receivables	2,999	-	-	2,999
	198,997	342,475	554,448	1,095,920

	At amortized cost	Total
	------- Rupees in '000 -------	
Liabilities as per balance sheet - December 31, 2012		
Trade and other payables	99,854	99,854

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).

	Level 1	Level 2	Level 3	Level 4
	---------- Rupees in '000 ----------			
Available for sale				
Long term investments	75,257	-	-	75,257

36. 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 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:

	December 31, 2013	December 31, 2012
	-------- Rupees in '000 --------	
Short term finance	261,708	-
Accrued markup	5,131	-
Trade and other payables	109,618	99,854
Total debt	376,457	99,854
Cash and bank balance	(20,256)	(23,394)
Net debt	356,201	76,460
Share capital	590,578	590,578
Reserves	214,174	606,219
Unappropriated profit	49,027	355,168
Equity	853,779	1,551,965
Capital	1,209,980	1,628,425
Gearing ratio	29.44%	4.70%

Notes to the Financial Statements
For the year ended December 31, 2013

37. NUMBER OF EMPLOYEES

The total average number of employees during the year and as at December 31, 2013 and 2012 respectively are as follows:

	2013	2012
	--------Rupees in '000--------	
Average number of employees during the year	341	397
Number of employees as at December 31	79	385

38. CORRESPONDING FIGURES

Comparative information has been re-classified, re-arranged or additionally incorporated in these financial statements, as disclosed in note 3.17 and 17.1.4, to facilitate comparison and to conform with changes in presentation in the current year.

39. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on February 25, 2014 by the Board of Directors of the Company.

40. 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

Auditors' Report to the Members

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of **Dawood Lawrencepur Limited** (the Holding Company) and its subsidiary company **Tenaga Generasi Limited** (the Group) as at December 31, 2013 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 Dawood Lawrencepur Limited and its subsidiary Company. These consolidated financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these 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 respects, the financial position of the Group as at December 31, 2013 and the results of their operations, cash flows and changes in equity for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

M. Yousuf Adil Saleem & Co.
Chartered Accountants

Engagement Partner
Mushtaq Ali Hirani

Karachi
Dated: February 25, 2014

Consolidated Balance Sheet
As at December 31, 2013

	Note	2013	2012 (Restated)	2011 (Restated)
		---------------Rupees in '000	---------------	
ASSETS				
Non-current assets				
Property, plant and equipment	4	235,209	215,565	188,357
Intangible assets	5	24,124	24,378	23,385
Long term investments	6	4,615,752	4,224,587	4,083,174
Long term deposits	7	10,544	10,544	10,544
		4,885,629	4,475,074	4,305,460
Current assets				
Stores and spares	8	36,582	37,531	45,206
Stock-in-trade	9	261,306	295,152	319,688
Trade debts	10	94,882	159,017	82,643
Loans and advances	11	42,301	15,919	13,080
Deposits, prepayments and other receivables	12	95,147	71,229	69,901
Short term investments	13	107,624	575,658	654,837
Cash and bank balances	14	35,415	48,916	52,314
		673,257	1,203,422	1,237,669
Assets classified as held for sale	15	194,529	194,529	188,675
		5,753,416	5,873,024	5,731,804
SHARE CAPITAL AND RESERVES				
Share capital	16	590,578	590,578	590,578
Reserves		208,282	598,655	580,393
Unappropriated profit		4,549,834	4,481,863	4,349,942
		5,348,694	5,671,096	5,520,913
LIABILITIES				
Non current liabilities				
Deferred liabilities	17	11,388	83,572	66,931
Current liabilities				
Running finance	18	261,708	-	-
Trade and other payables	19	113,171	106,892	135,419
Accrued markup		5,131	-	-
Provision for taxation		13,323	11,463	8,541
		393,333	118,355	143,960
		5,753,416	5,873,024	5,731,804

CONTINGENCIES AND COMMITMENTS 20

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

SHAHID HAMID PRACHA
Chairman

INAM UR RAHMAN
Chief Executive

Consolidated Profit and Loss Account

For the year ended December 31, 2013

	Note	2013	2012 (Restated)
		-----------Rupees in '000	-----------
CONTINUING OPERATIONS			
Sales - net	21	134,318	385,205
Cost of goods sold	22	(115,804)	(338,410)
Gross profit		18,514	46,795
Other income	23	32,482	89,358
Selling and distribution expenses	24	(60,372)	(10,505)
Administrative expenses	25	(134,844)	(85,929)
Finance cost	26	(5,898)	(662)
Provisions and impairment / reversals	27	(2,528)	(1,794)
		(203,642)	(98,890)
		(152,646)	37,263
Voluntary separation scheme (VSS) cost	28	(201,812)	-
		(354,458)	37,263
Impairment loss on 'available for sale' investments - Associated Company		-	(37,988)
Share of profit from associates excluding impairment loss on 'available for sale' investments		515,794	266,229
Profit before taxation		161,336	265,505
Taxation	29	(54,397)	(32,830)
Profit after taxation from continuing operations		106,940	232,674
DISCONTINUED OPERATIONS			
Loss from discontinued operations	30	(72,993)	(27,528)
Profit for the year		33,947	205,146
Earnings per share - Basic and diluted Continuing operations (Rs.)	31	1.81	3.94
Earnings per share - Basic and diluted Discontinued operations (Rs.)	31	(1.24)	(0.47)

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

SHAHID HAMID PRACHA
Chairman

INAM UR RAHMAN
Chief Executive

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2013

	Note	2013	2012 (Restated)
		-------Rupees in '000 -------	
Profit after taxation		33,947	205,146
Other comprehensive income			
Surplus / (Deficit) on remeasurement of 'available for sale investment'			
- Holding Company		3,310	1,458
- associated company		1,672	20,648
		38,929	227,252
Experience adjustment	17.1	(6,984)	-
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses			
- Holding Company		-	(14,167)
- associated company		-	(287)
Total comprehensive income		31,945	212,798

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

SHAHID HAMID PRACHA
Chairman

INAM UR RAHMAN
Chief Executive

Consolidated Cash Flow Statement

For the year ended December 31, 2013

	For the year ended December 31, 2013			For the year ended December 31, 2012		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	---------- Rupees in '000 ----------					
A. CASH FLOWS FROM OPERATING ACTIVITIES				Restated		Restated
Profit / (loss) before taxation	161,336	(72,993)	88,343	265,505	(27,528)	237,977
Adjustments for :						
Depreciation	4,310	3,702	8,012	6,964	2,052	9,016
Amortization	603	-	603	604	-	604
Provision for gratuity	21,118	144	21,262	15,347	447	15,794
Impairment of fixed assets	-	-	-	1,430	-	1,430
Debtors written off	-	-	-	(5,092)	-	(5,092)
Reversal of provision against stock in trade	-	(1,675)	(1,675)	(1,958)	(4,400)	(6,358)
Provision against trade debts	4,167	-	4,167	2,322	-	2,322
Loss/(Gain) on disposal of property, plant and equipment	367	-	367	(15,824)	(1,395)	(17,219)
Impairment loss on investments in associates	-	-	-	37,988	-	37,988
Share of profit from an associate	(515,794)	-	(515,794)	(266,229)	-	(266,229)
Dividend income	(750)	-	(750)	(700)	-	(700)
Interest income	(1,215)	-	(1,215)	(2,442)	-	(2,442)
Finance cost	5,898	7	5,905	-	-	-
Gain on sale of short-term investments	(26,765)	-	(26,765)	(60,322)	-	(60,322)
Operating loss before working capital changes	(346,725)	(70,815)	(417,540)	(22,407)	(30,824)	(53,231)
(Increase) / decrease in current assets						
Stores and spares	(46)	995	949	7,675	-	7,675
Stock in trade	(63,587)	99,108	35,521	24,536	6,183	30,719
Trade debts	(7,051)	67,019	59,968	(72,298)	652	(71,646)
Loans and advances	(16,083)	2,429	(13,654)	1,157	-	1,157
Deposits, prepayments and other receivables	(31,282)	4,427	(26,855)	11,026	-	11,026
Increase/ (decrease) in current liabilities						
Trade and other payables	11,974	(11,088)	886	(29,633)	-	(29,633)
	(106,075)	162,890	56,815	(57,537)	6,835	(50,702)
Cash (used in) / generated from operations	(452,800)	92,075	(360,725)	(79,944)	(23,989)	(103,933)
Gratuity paid	(100,365)	(144)	(100,509)	(18,960)	-	(18,960)
Finance cost paid	(767)	(7)	(774)	-	-	-
Dividend received	77,932	-	77,932	77,932	-	77,932
Tax paid	(13,592)	-	(13,592)	(13,457)	-	(13,457)
Net cash (used in) / generated from operating activities	(489,592)	91,924	(397,668)	(34,429)	(23,989)	(58,418)
B. CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of property, plant and equipment	(15,901)	(1,482)	(17,383)	(5,329)	-	(5,329)
Capital work in progress	(12,684)	-	(12,684)	(41,939)	-	(41,939)
Purchase of intangible asset	(350)	-	(350)	(1,596)	-	(1,596)
Sale proceeds from disposal of property, plant and equipment	2,121	-	2,121	19,195	-	19,195
Purchase of short-term investments	(158,500)	-	(158,500)	(121,000)	-	(121,000)
Sales proceeds from disposal of short-term investments	653,299	-	653,299	260,500	-	260,500
Dividend received	750	-	750	700	-	700
Interest received	1,784	-	1,784	2,442	-	2,442
Net cash generated from investing activities	470,519	(1,482)	469,037	112,973	-	112,973

	For the year ended December 31, 2013			For the year ended December 31, 2012		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	---------- Rupees in '000 ----------					
				Restated		Restated
C. CASH FLOWS FROM FINANCING ACTIVITIES						
Payment of dividend	(346,578)	-	(346,578)	(57,953)	-	(57,953)
Net cash used in financing activities	(346,578)	-	(346,578)	(57,953)	-	(57,953)
Net increase / (decrease) in cash and cash equivalent (A+B+C)	(365,651)	90,442	(275,209)	20,591	(23,989)	(3,398)
Cash and cash equivalent at beginning	4,357	44,559	48,916	(16,234)	68,548	52,314
Cash and cash equivalent at end	(361,295)	135,001	(226,293)	4,357	44,559	48,916
Cash and cash equivalent						
Cash and bank balances	-	-	35,415	-	-	48,916
Running finance	-	-	(261,708)	-	-	-
	-	-	(226,293)	-	-	48,916

SHAHID HAMID PRACHA
Chairman

INAM UR RAHMAN
Chief Executive

Consolidated Statement of Changes in Equity

For the year ended December 31, 2013

	Ordinary shares	Capital Reserves				General Reserve	Unappropri-ated Profit	Unrealized gain / (loss) on remeas-urement of available for sale invest-ments	Share of other com-prehensive income of associated company	Total
		Merger Reserve	Share Premium	Capital Reserve	Capital Redemption Reserve Fund					
	.... Rupees in '000									
Balance at December 31, 2011 as previously reported	590,578	10,521	136,865	33,311	25,969	395,355	4,357,199	2,740	(24,368)	5,528,170
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses referred in note 17.1.4.	-	-	-	-	-	-	(7,257)	-	(3,557)	(10,814)
Balance at December 31, 2011 - restated	590,578	10,521	136,865	33,311	25,969	395,355	4,349,942	2,740	(27,925)	5,517,356
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 17.1.4.	-	-	-	-	-	-	(14,167)	-	(287)	(14,454)
Total comprehensive income for the year ended December 31, 2012	-	-	-	-	-	-	205,146	1,458	20,648	227,252
Issue of bonus shares @ Re. 1 for the year ended December 31, 2011		-	-	-	-	-	(59,058)	-	-	(59,058)
Balance at December 31, 2012 - restated	590,578	10,521	136,865	33,311	25,969	395,355	4,481,863	4,198	(7,564)	5,671,096
Total comprehensive income for the year ended December 31, 2013	-	-	-	-	-	-	26,963	3,310	1,672	31,945
Final Cash Dividend for the year ended December 31, 2012 @ Rs. 5 per share	-	-	-	-	-	-	(295,289)	-	-	(295,289)
Interim cash dividend for the year ended December 31, 2013 @ Re. 1 per share	-	-	-	-	-	-	(59,058)	-	-	(59,058)
Transfer to Unappropriated profit	-	-	-	-	-	(395,355)	395,355	-	-	-
	590,578	10,521	136,865	33,311	25,969	-	4,549,834	7,508	(5,892)	5,348,694

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

SHAHID HAMID PRACHA
Chairman

INAM UR RAHMAN
Chief Executive

Notes to the Consolidated Financial Statements
For the year ended December 31, 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 a Scheme of Arrangement for Amalgamation in terms of the provisions of the Companies Ordinance, 1984 between Dawood Cotton Mills Limited, Dilon Limited, Burewala Textile Mills Limited, Lawrencepur Woolen and Textile Mills Limited. The shares of the Holding Company are listed on the Karachi and Lahore Stock Exchanges. The Holding Company is engaged in the business of trading and marketing of renewable energy solutions, mainly solar, to commercial and industrial consumers, along with the legacy textile business. The registered office of the Company is situated at 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi, in the province of Sindh.

During the year effective from August 28, 2013, the Company suspended operations of Lawrencepur Woolen and Textile Mills (LWTM).The results of discontinued operations include Dawood Cotton Mills Limited and Lawrencepur Woolen and Textile Mills Limited. However, the 'Lawrencepur' brand name will continue to operate under license.

The Holding 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 currently negotiating terms and conditions for sale of these assets.

1.2 Subsidiary company

The Holding Company has a wholly owned subsidiary namely Tenaga Generasi Limited "the Subsidiary Company". The Subsidiary Company was incorporated in 2005 as an unlisted public limited company under the Companies Ordinance, 1984 as a public unlisted company to primarily carry out the business of power generation as an independent power producer using wind energy. The registered office of the Subsidiary Company is situated at Dawood Centre, M.T. Khan Road, Karachi, in the Province of Sindh.

The Subsidiary Company is in the process of setting up a wind energy project in Mirpur Sakro, District Thatta, Sindh. It has finalized necessary contracts i.e. Engineering Procurement and Construction Agreement, Operations & Maintenance Agreement. A Letter of Support has been obtained from Alternative Energy Development Board (AEDB) valid uptil February 2014. The Subsidiary Company has also filed a tariff application with National Electric Power Regulatory Authority (NEPRA) based on feed-in tariff regime.

1.3 Associated company

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

2. BASIS OF PREPARATION

2.1 Basis of measurement

These consolidated 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 consolidated financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984, directives issued by the Securities and Exchange Commission of Pakistan (SECP) and approved accounting and financial reporting standards as applicable in Pakistan, unless otherwise disclosed. Approved accounting and financial reporting standards comprise of such International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as notified under the provisions of the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.3 Basis of consolidation

Subsidiaries are those enterprises in which the Holding Company has the power to govern the financial and operating policies ,directly or indirectly controls, beneficially owns or holds more than 50 percent of the voting securities or otherwise has power to elect and appoint more than 50 percent of its directors.

These financial statements of the subsidiary company 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 company.

The financial statements of the subsidiary 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.

Subsidiary is fully consolidated from the date of acquisition, being the date on which the 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 Pakistan Rupees which is the functional currency of the Group and figures are stated to the nearest thousand rupees.

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 life and depreciation rate of :

- Property, plant and equipment
- Intangible assets

Provision against stock in trade and stores and spares
Employee benefits
Taxation
Impairment loss of 'available for sale ' investments

2.6 Standards, interpretation and amendment adopted during the year

During the year, the following standards, amendments to standards and interpretations including amendments to interpretations became effective, however, the application of these amendments and interpretations did not have material impact on the financial statements of the Group:

Standards/Amendments/Interpretations	Effective for periods beginning on or after
Amendments to IAS 1 - Presentation of Financial Statements –	
Clarification of Requirements for Comparative information	January 01, 2013
"Amendments to IAS 16 - Property, Plant and Equipment – Classification of servicing equipment"	January 01, 2013
"Amendments to IAS 32 Financial Instruments: Presentation - Tax effects of distributions to holders of an equity instrument, and transaction costs of an equity transaction	January 01, 2013
"Amendments to IAS 34 - Interim Financial Reporting - Interim reporting of segment information for total assets and total liabilities	January 01, 2013
Amendments to IFRS 7 Financial Instruments: Disclosures - Offsetting financial assets and financial liabilities	January 01, 2013
IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine	January 01, 2013

The amendments to IAS 19 - Employee Benefits is effective from accounting period beginning on or after January 01, 2013 and have significant impact on the Company's financial statements for the year as discussed in the pursuing paragraph. These changes are considered as change in policy.

IAS 1 - Presentation of Financial Statements – Presentation of items of Other Comprehensive Income

"The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, net gains on hedges of net investments, exchange differences on translation of foreign operations, net movements on cash flow hedges and net losses or gains on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans). Income tax on items of other comprehensive income is required to be allocated on the same basis i.e. the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments require retrospective application."

As a result of amendments in IAS 1, The Group modified the presentation of the item of OCI in its Statements of Profit and Loss and Other Comprehensive Income, to present items that would be reclassified to profit and loss in the future separately from those that would never be. Comparative information has been re-presented on the same basis.

"IAS 19 - Employee Benefits (as revised in 2011)"

In the current year, the Group has applied IAS 19 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time.

IAS 19 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligation and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous versions of IAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a 'net interest' amount under IAS 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset. These changes have had an impact on the amounts recognised in profit or loss and other comprehensive income in prior years. In addition, IAS 19 (as revised in 2011) introduces certain changes in the presentation of the defined benefit cost including more extensive disclosures.

Specific transitional provisions are applicable to the first-time application of IAS 19 (as revised in 2011). The Company has applied the relevant transitional provisions and restated the comparative amounts on a retrospective basis.

The impact of amendments to IAS 19 Employee Benefits on the financial statements has been disclosed in note 17.1.4 .

2.7 New, revised and amended standards and IFRIC 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 IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities	January 01, 2014
IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets	January 01, 2014
IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting	January 01, 2014
IFRIC 21 - Levies	January 01, 2014

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been considered by the Group as the standards and their relevant amendments 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 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- IAS 27 (Revised 2011) – Separate Financial Statements due to non-adoption of IFRS 10 and IFRS 11
- IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures due to non- adoption of IFRS 10 and IFRS 11

There is no potential impact of standards, amendments and interpretations not yet effective on the financial statements of the Group.

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.

Disposal of assets is recognized when significant risks and rewards incidental to the ownership have been transferred to the buyers. 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 in 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 Assets subject to finance lease

"Lease in terms of which the Group assumes substantially all the risks and rewards of ownership, are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Outstanding obligations under the lease less finance cost allocated to future periods are shown as a liability."

Finance cost under lease agreements are allocated to the periods during the lease term so as to produce a constant periodic rate of markup on the remaining balance of principal liability for each period.

3.1.4 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 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.

3.1.5 Impairment

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised 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).

3.1.6 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.

3.2.2 Softwares

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. 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 upto 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 balance sheet 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 recognises an investment when it becomes a party to the contractual provisions of the instrument. A regular way purchase of financial assets is recognised 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 recognised 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

Investment are associates over which the Company have significant influence but not control, generally represented by a shareholding of 20% to 50% of the voting rights or by virtue of common directorship. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Holding Company's share of its associates, post acquisition profits, losses are recognised in the profit and loss account and its share of post acquisition comprehensive income is recognised in Holding Company' s other comprehensive income.

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 value. 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 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 transaction costs. 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 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 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 Company 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 investments, the Group assesses at each balance sheet 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 recognised in the income statement - is removed from equity and recognised 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 recognised directly in equity.

3.4.7 Derecognition

The Group derecognises 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 derecognised 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 and / or identified as surplus to the Group requirements, 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 raw material 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 balance sheet 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, 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 statement of cash flows.

3.9 Non-current assets held for sale and discontinued operations

3.9.1 Non-current assets held for sale

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 (or disposal group) 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 re-measurement are recognized in profit or loss. Non-Current assets classified as held for sale are not depreciated or amortized.

3.9.2 Discontinued operations

A discontinued operation is a component of the Holding Company's business that represents a separate major line of business or geographical area of operations that has been disposed of or is being held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

3.10 Employees' retirement benefits

3.10.1 Defined contribution plan

A defined contribution plan is a post – employment benefit plan under which the Group pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss when they are due. The Group operates a defined contribution provident fund for the permanent employees at Burewala Unit. Monthly contributions are made, both by the Group and employees, to the fund at the rate of 8.33% of basic salary.

3.10.2 Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Holding Company and subsidiary'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 and 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 Holding Company and subsidiary 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 'Lawrencepur Woolen and Textile Mills Unit', and 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 recognised immediately and presented in statement of comprehensive income.

Due to recent amendments in IAS-19 'Employee Benefits', corresponding figures are restated in Profit and Loss Account, Other Comprehensive Income and Statement of Changes in Equity.

Details of the scheme and effect of restatements have been disclosed in note 17.1.4

As per the actuarial valuation carried out as at December 31, 2013, following significant assumptions were used for determining the gratuity liability:

	2013	2012
Discount rate	12.5	11
Expected rate of salary increase	11.5	10
Expected return on plan assets	12.5	12.5

3.11 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or 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 balance sheet 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 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 recognised 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 recognised net of brokerages, commission and trade discounts.

Project sale
Revenue from the sale of projects is recognized on the basis of stage of completion percentage.

Sale of goods
Revenue from the sale of goods is recognised 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 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 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred except, to the extent of borrowing cost that is 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 the 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 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 period 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 textile continued business, renewable energy and textile discontinued business which also reflects the management structure of the Company. There is no geographical segment as the Company's operations are only in Pakistan.

Due to the materiality of the operations of the renewable energy segment in the current year, the management has disclosed information as required by IFRS- 8 'Segment reporting' in note 33 to these financial statements. Hence the comparative figures were also restated.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2013	2012
		Rupees in '000	
Operating assets	4.1	52,278	45,398
Capital work in progress	4.5	182,931	170,168
		235,209	215,565

4.1 Operating assets

Particulars	Cost at January 01, 2013	Additions/ (disposals)	Cost at December 31, 2013	Accumulated depreciation at January 01, 2013	Depreciation/ (Disposals)/ for the year	Accumulated depreciation at December 31, 2013	Carrying value at December 31, 2013	Annual rate of depreciation %
	---------- Rupees in '000 ----------							
Freehold land	48	-	48	-	-	-	48	-
Leasehold land	1,081	-	1,081	493	6	499	582	1
Buildings on freehold land	39,294	-	39,294	35,981	291	36,272	3,022	10
Buildings on leasehold land	54,414	-	54,414	42,827	1,159	43,986	10,428	10
Plant and machinery	227,713	439 -	228,152	219,693	1,650	221,343	6,809	20
Wind measurement equipment	3,881	-	3,881	1,052	283	1,335	2,546	10
Furniture, fixtures and office equipment	21,721	7,798 (525)	28,995	14,597	970 (213)	15,354	13,640	10
Computer equipment	9,128	3,118 (2,089)	10,157	6,856	1,844 (1,445)	7,255	2,902	33
Vehicles	24,333	1,920 (2,681)	23,572	14,717	1,808 (1,147)	15,378	8,194	20
Promotional and demo projects	-	4,107	4,107	-	-	-	4,107	5
2013	381,613	17,382 (5,295)	393,700	336,215	8,012 (2,805)	341,422	52,278	

4.2 The above includes carrying value of land, building on land, furniture fixtures & office equipment, plant & machinery, and vehicles amounting to Rs. 0.630 million, Rs. 13.452 million, Rs. 6.951 million, Rs. 6.415 million, and Rs. 1.090 million respectively, aggregated to Rs. 28.538 million (2012: Rs 14.174 million) held as idle assets which relates to discontinued units.

For comparative year

Particulars	Cost at January 01, 2012	Additions/ (disposals) (Impairment)	Transfer	Cost at December 31, 2012	Accumulated depreciation at January 01, 2012	Depreciation/ (Disposals)/ (Impairment) for the year	Transfer	Accumulated depreciation at December 31, 2012	Carrying value at December 31, 2012	Annual rate of depreciation %
	---------- Rupees in '000 ----------									
Freehold land	3,157	-	(3,109)	48	-	-	-	-	48	-
Leasehold land	1,081	-	-	1,081	487	6	-	493	588	1
Building on freehold land	70,557	-	(31,263)	39,294	62,025	691	(26,735)	35,981	3,313	10
Building on leasehold land	54,414	-	-	54,414	41,540	1,287	-	42,827	11,587	10
Plant and machinery	283,776	- (56,063)	- -	227,713	273,095	2,122 (55,524)	- -	219,693	8,020	20
Wind measuring equipment	3,881	-	-	3,881	737	314	-	1,052	2,829	10
Furniture, fixtures and office equipment	22,900	2,141 (3,319)	- *	21,721	15,741	745 (1,889)	- *	14,597	7,124	10
Computer equipment	8,472	785 (129)	- -	9,128	5,941	943 (28)	- -	6,856	2,272	33
Vehicles	28,117	2,403 (6,187)	- -	24,333	16,660	2,908 (4,851)	- -	14,717	9,616	20
2012	476,354	5,329 (62,379) (3,319)	(34,372)	381,613	416,227	9,016 (60,403) (1,889)	(26,735)	336,215	45,398	

Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

	Note	2013	2012
		-------Rupees in '000 -------	
4.3 Depreciation for the year has been allocated as under:			
Cost of goods sold	22	1,436	3,370
Selling and distribution expenses	24	1,146	239
Administrative expenses	25	5,430	5,358
		8,012	8,967

4.4 The following assets were disposed off during the year:

Description	Cost	Accu-mulated deprecia-tion	Carrying value	Sale proceed	Mode of disposal	Particulars of buyer
	-------------Rupees in '000 -------------					
Furniture & Fixtures	291	135	156	50	Tender	Mr. Aurangzaib
Furniture & Fixtures	60	9	51	52	Transfer	Sach International (Pvt) Ltd (Pvt) Ltd (Associated Company)
Office Equipment	16	5	11	8	Tender	Waqas Ahmed Shaikh
Office Equipment	28	18	10	-	Company policy	Hafeez ur Rehman (employee)
Mobile	29	21	8	-	Company policy	Mr. Amin Dawood (employee)
Mobile	29	21	8	-	Company policy	Ms. Humera Ahmed (employee)
Mobile	10	6	4	-	Company policy	Mr. Walayat Abdullah (employee)
Mobile	10	5	5	-	Company policy	Mr. Asif Comboh (employee)
Mobile	18	8	10	-	Company policy	Ms. Hafsa Shamsie (employee)
Mobile	27	10	17	5	Company policy	Mr. Samir Asrar Ali (employee)
Mobile	10	3	7	-	Company policy	Mr. Shiraz Aziz (employee)
Mobile	39	5	34	30	Company policy	Ms. Hafsa Shamsie (employee)
Mobile	25	15	10	-	Company policy	Mr. Inam ur Rahman (employee)
Mobile	10	2	8	6	Company policy	Mr. M. Adeel (employee)
Mobile	10	1	9	8	Company policy	Mr. Ahmad Shahzad (employee)
Mobile	27	6	21	18	Company policy	Mr. Abu Bakar(employee)
Mobile	15	5	10	10	Transfer	Sach International (Pvt) Ltd (Associated Company)
Computer equipment	59	16	43	38	Theft	
Computer equipment	218	31	187	10	Tender	Mr. M. Shoiab
Computer equipment	476	410	66	5	Tender	Mr. Salman
Computer equipment	75	58	17	-	Company policy	Mr. Sheraz Aziz (employee)
Computer equipment	56	16	40	40	Company policy	Mr. Zubair M. Kazmi (employee)
Computer equipment	1,076	852	224	224	Transfer	Sach International (Pvt) Ltd (Associated Company)
Vehicles	848	413	435	519	Company policy	Mr. M. Niaz (Employee)
Vehicles	1,833	734	1,099	1,099	Transfer	Sach International (Pvt) Ltd (Associated Company)
2013	5,295	2,805	2,490	2,122		
2012	62,379	60,403	1,977	18,832		

	Note	2013	2012
		-------Rupees in '000 -------	
4.5 Capital work in progress			
Lease hold land		23,296	23,296
Survey and consulting charges		24,638	24,638
Professional fee		115,128	103,157
Travelling, boarding and lodging		17,525	16,347
Soil investigations and grid inter connection study		147	147
Advances		2,197	2,582
		182,931	170,168
5. INTANGIBLE ASSETS			
Goodwill	5.1	22,834	22,834
Computer software	5.2	1,290	1,544
		24,124	24,378

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 consolidated financial statements.

	Note	2013	2012
		-------Rupees in '000 -------	
5.2 Computer software			
Cost			
Balance as on January 1		4,634	3,038
Addition during the year		350	1,597
Balance as on December 31		4,984	4,635
Amortization @ 33.33%			
Balance as on January 1		3,091	2,487
During the year	25	603	604
Balance as on December 31		3,694	3,091
Carrying amount		1,290	1,544

	Note	2013	2012
		-------Rupees in '000 -------	(Restated)
6. LONG TERM INVESTMENTS			
Share of investment in an Associate	6.1	4,605,789	4,217,934
Other investments	6.2	9,963	6,653
		4,615,752	4,224,587

6.1 Share of investment in an Associate

	2013	2012
Associated Company - quoted		
Dawood Hercules Corporation Limited (DHCL) Percentage holding 16.19% (2012: 16.19%) 77,931,896 (2012: 77,931,896) fully paid ordinary shares of Rs. 10/- each	65,294	65,294
Market value Rs. 4,373 million (2012: 2,535 million)		
Chief Executive Officer: Mr. Shahid Hamid Pracha		
	65,294	65,294
Opening balance		
Share of post-acquisition profits	4,160,204	4,037,053
Share of other comprehensive loss of associated company	(7,571)	(27,925)
	4,152,633	4,009,128
Add: share of profit before taxation	515,794	266,229
Share of other comprehensive loss of associated company	1,672	20,361
Less: share of taxation	(51,672)	(27,159)
share of impairment loss	-	(37,988)
	4,618,427	4,230,572
Less: dividend received	(77,932)	(77,932)
	4,605,789	4,217,934

6.1.1 The financial year end of DHCL is December 31, 2013. Financial results as of September 30, 2013 (2012: September 30, 2012) have been used for the purpose of application of equity method.

6.1.2 Summarized financial information of DHCL is as follows:

	2013	2012
	Rupees in '000	
Total assets	39,228,994	34,108,776
Total liabilities	11,246,708	8,404,337
For 12 months October 01, 2012/2011 to September 30, 2013/2012		
- Revenue	4,065,023	4,785,316
- Profit after taxation	3,185,878	1,242,018
- Dividend	481,287	481,287
- Other comprehensive income	10,325	58,003

6.1.3 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.

6.2 Other investments
- Available for sale investments

2013	2012	Name of Investee	2013	2012
No. of Shares / Units			Rupees in '000	
Listed Securities				
200,000	200,000	National Investment (Unit) Trust	9,948	6,638
Un-Listed Securities				
1,500	1,500	Asian Co-operative Society Limited	15	15
			9,963	6,653

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

	2013	2012
	Rupees in '000	
Fair value of investments	9,963	6,653
Surplus on remeasurement of investments as at December 31	(7,508)	(4,198)
Cost of investments	2,455	2,455

Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

	Note	2013	2012
		Rupees in '000	
7. LONG TERM DEPOSITS			
Electricity and gas		9,019	9,019
Others		1,525	1,525
		10,544	10,544
8. STORES AND SPARES			
Stores		23,358	23,983
Spares		33,535	33,859
		56,893	57,842
Provision for slow moving and obsolete items	8.1	(20,311)	(20,311)
		36,582	37,531
9. STOCK-IN-TRADE			
Renewable energy			
Renewable energy products		71,188	10,091
Renewable energy products in transit		2,490	-
		73,678	10,091
Textile			
Raw material		3,276	5,926
Work in process		6,338	52,801
Finished goods		191,374	240,709
Waste		-	619
		200,988	300,055
Provision for slow moving and obsolete items	9.1	(13,360)	(14,994)
		187,628	285,061
		261,306	295,152
9.1 Provision for slow moving and obsolete items			
Raw material		3,276	4,915
Work in process		3,259	3,259
Finished goods		6,825	6,820
		13,360	14,994
10. TRADE DEBTS			
Unsecured			
Considered good			
- Due from a related party		87,417	145,763
- Due from others		7,465	13,254
		94,882	159,017
Considered doubtful		21,906	17,739
		116,788	176,756
Provision against doubtful debts	10.1	(21,906)	(17,739)
		94,882	159,017

Notes to the Consolidated Financial Statements

For the year ended December 31, 2013

	2013	2012
	Rupees in '000	
10.1 Movement in provision for doubtful debt		
Opening balance	17,739	22,467
Provision made	4,167	2,322
Reversal made	-	(1,958)
Trade debts written off	-	(5,092)
Closing balance	21,906	17,739

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

	Amount Outstanding	Maximum month end balance
	Rupees in '000	
December 31, 2013		
Sach International (Private) Limited	83,605	83,605
Pebbles (Private) Limited	2,248	3,188
Director	1,564	1,564
December 31, 2012		
Sach International (Private) Limited	145,763	213,979

	Note	2013	2012
		Rupees in '000	
11. LOANS AND ADVANCES			
Unsecured			
Considered good			
Advance tax		25,587	12,858
Loans and advances to employees		3,321	1,967
Advances to suppliers		13,394	997
Others		-	97
		42,302	15,919
12. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Profit on TDRs		489	1,059
Income tax refundable	12.1	61,765	61,765
Security deposits		4,068	670
Prepayments		3,439	2,397
Letters of credit		16,979	773
Sales tax	12.2	5,188	2,198
Others	12.3	3,219	2,367
		95,147	71,229

	2013	2012
	Rupees in '000	
12.1 Income tax refundable		
Advance		
Considered good	61,765	61,765
Considered doubtful	21,509	21,509
	83,274	83,274
Provision against doubtful receivables	(21,509)	(21,509)
	61,765	61,765
12.2 Sales tax		
Sales tax		
Considered good	5,188	2,198
Considered doubtful	8,128	8,128
	13,316	10,326
Provision against doubtful receivables	(8,128)	(8,128)
	5,188	2,198

12.3 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, 2013		
Sach International (Private) Limited	2,360	5,674
Cyan Limited	45	45
December 31, 2012		
Sach International (Private) Limited	2,242	5,028
Cyan Limited	9	9

Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

		Note	2013	2012
			Rupees in '000	
13.	**SHORT TERM INVESTMENTS**			
	Held for trading at 'fair value through profit or loss'	13.1	107,624	575,658

2013	2012	Name of Investee	2013	2012
No. of Units				
454,445	1,519,260	MCB Cash Management Optimizer Fund	45,468	152,337
616,633	-	Askari Sovereign Cash Fund	62,156	-
-	2,950,257	Meezan Cash Fund	-	147,926
-	1,494,217	UBL Liquidity Plus Fund - Class - C	-	149,837
-	12,489,024	NAFA Government Securities Liquid Fund	-	125,558
			107,624	575,658

13.1 Reconciliation between fair value and cost of investments classified as 'held for trading at fair value through profit or loss'

	2013	2012
Fair value of investments	107,624	575,658
Unrealized gain on remeasurement of investment recognized in profit or loss account		
Opening	105,925	81,582
Unrealized during the year	4,186	24,343
Reversals during the year	(105,925)	-
Closing balance	(4,186)	(105,925)
Cost of investments	103,438	469,733

		Note	2013	2012
14.	**CASH AND BANK BALANCES**			
	Cash in hand		390	634
	Cash at banks			
	In current accounts		17,217	20,867
	In deposit accounts	14.1	17,808	27,415
			35,025	48,282
			35,415	48,916

14.1 These include Term Deposit Receipts (TDRs) amounting to Rs. 14 million (2012:Rs. 23 million) and deposits with commercial banks, and carry profit rate of 8.1% per annum (2012: 10.5%) and 6% (2012: 5%) per annum respectively.

		2013	2012
		Rupees in '000	
15. ASSETS CLASSIFIED AS HELD FOR SALE			
Plant and equipment	15.1	180,398	180,398
Stock-in-trade		-	36
Stores and spares		15,578	15,578
		195,976	196,012
Provision for slow moving and obsolete on stock in trade and stores and spares	15.2	(1,447)	(1,483)
		194,529	194,529

15.1 Plant and equipment

Particulars	Cost at January 01, 2013	Transfer	Disposal	Cost at December 31, 2013	Accumulated depreciation at January 01, 2013	Transfer	Depreciation adjusted for the year	Accumulated depreciation at December 31, 2013	Carrying value at December 31, 2013
	Rupees in '000								
Freehold land	3,109	-	-	3,109	-	-	-	-	3,109
Building on freehold land	31,263	-	-	31,263	26,735	-	-	26,735	4,528
Plant and machinery	377,587	-	-	377,587	210,515	-	-	210,515	167,072
Electric installations	35,663	-	-	35,663	30,720	-	-	30,720	4,943
Tools and equipment	2,893	-	-	2,893	2,147	-	-	2,147	746
2013	450,515	-	-	450,515	270,117	-	-	270,117	180,398

For comparative year

Particulars	Cost at January 01, 2012	Transfer	Disposals	Cost at December 31, 2012	Accumulated depreciation at January 01, 2012	Transfer	Depreciation adjusted for the year	Accumulated depreciation at December 31, 2012	Carrying value at December 31, 2012
	Rupees in '000								
Freehold land	-	3,109	-	3,109	-	-	-	-	3,109
Building on freehold land	-	31,263	-	31,263	-	26,735	-	26,735	4,528
Plant and machinery	379,520	-	(1,933)	377,587	212,447	-	(1,932)	210,515	167,072
Furniture, fixtures and office equipment	-								
Electric installations	35,663	-	-	35,663	30,720	-	-	30,720	4,943
Tools and equipment	2,893	-	-	2,893	2,147	-	-	2,147	746
2012	418,076	34,372	(1,933)	450,515	245,314	26,735	(1,932)	270,117	180,398

	2013	2012
	Rupees in '000	
15.2 Movement in slow moving / obsolescence on stock in trade and stores and spares		
Opening balance	1,483	5,883
Reversal during the year	(36)	(4,400)
Closing balance	1,447	1483

16. SHARE CAPITAL

16.1 Authorized capital

2013	2012		2013	2012
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

2013	2012		2013	2012
No. of shares			Rupees in '000	
		Ordinary shares of Rs.10/- each		
2,204,002	2,204,002	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

	2013	2012
	No. of shares	
16.2.1 Associates holding of the Company's share capital are as under:		
Dawood Corporation (Private) Limited	28,974,998	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	302,718
Dawood Industries (Private) Limited	495,351	495,351
Sach International (Private) Limited	3,776	3,776
	36,243,822	36,243,822

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.

	Note	2013	2012
		Rupees in '000	
			Restated
17. DEFERRED LIABILITIES			
Gratuity	17.1	11,388	83,572
Deferred taxation	17.2	-	-
		11,388	83,572
17.1 Movement in the liability recognized in the balance sheet			
Opening balance		83,572	66,926
Net charge for the year	17.1.1	21,341	15,780
		104,913	82,706
Liability transferred from Sach International (Pvt) Limited		1,417	5,642
Payments made during the year	17.1.3	(101,926)	(18,961)
Experience adjustment		6,984	14,185
Closing balance		11,388	83,572
17.1.1 Charge for defined benefit plan			
Current service cost		9,505	7,491
Interest cost		9,332	8,534
Return on plan assets		(251)	(266)
Past service cost		-	22
Loss arising on plan settlement		2,755	-
		21,341	15,780
17.1.2 Reconciliation			
Present value of defined benefit obligation		13,680	85,855
Fair value of plan assets		(2,292)	(2,283)
		11,388	83,572

17.1.3 Payments include gratuity of Rs. 95.36 million paid to employees of LWTM who opted for 'Voluntary Separation Scheme' (VSS) announced by management during the year.

	December 2013	December 2012	December 2011	December 2010	December 2009
	----- Rupees in '000 -----				
		(Restated)	(Restated)	(Restated)	(Restated)
Present value of defined benefit obligation	13,680	85,855	69,063	50,644	51,059
Fair value of plan assets	(2,292)	(2,283)	(2,132)	(2,082)	(2,163)
Deficit in the plan	11,388	83,572	66,931	48,562	48,896
Liability in balance sheet	11,388	83,572	66,931	48,562	48,896
Experience adjustment arising on plan liabilities losses / (gain)	14,069	14,069	7,026	(4,537)	749
Experience adjustment arising on plan assets losses	(241)	(116)	(221)	(341)	(130)

17.1.4 In the current year, the Holding Company has adopted IAS 19 Employees Benefits (as revised in 2011) and the related consequential amendments for the first time.

IAS 19 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension and gratuity assets or liability recognised in the balance sheet to reflect the full value of the plan deficit or surplus. Further, the interest cost and expected return on plan assets used in previous version of IAS 19 are replaced with a 'net interest' amount under IAS 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or assets. These changes have had an impact on the amounts recognised in the profit and loss and other comprehensive income in prior years. In addition, IAS 19 (as revised in 2011) introduced certain changes in the presentation of the defined benefit cost including more extensive disclosures.

Specific transitional provisions are applicable to first-time application of IAS 19 (as revised in 2011). The Holding Company has applied the relevant transitional provisions and restated the comparatives on the retrospective basis in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Effect of retrospective application of change in accounting policy is as follows:

Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

	As previously reported on Dec 31, 2012	Effect of prior period restatement on Jan 1, 2012	Effect of restatement for the year ended Dec 31, 2012	Restatement amount as on Dec 31, 2012
	------------------------------Rupees in '000------------------------------			
Effect on balance sheet				
Deferred liability - staff gratuity	62,183	7,257	14,132	83,572
Net decrease in unappropriated profit	376,557	7,257	14,132	355,168

	Year ended Dec 31, 2012	Prior to Jan 01, 2012
	----------Rupees in '000---------	
Effect on profit and loss account		
Net increase in profit before tax	35	-
Effect on other comprehensive income		
Net decrease in other comprehensive income		
Recognition of actuarial gains / (losses)		
-transferred from profit and loss account	35	-
-adjusted against deferred liability-staff gratuity	14,132	-
	14,167	-

17.2 Deferred taxation

Deferred tax asset works out to Rs. 308.810 million (2012: Rs. 219.666 million). However, it is likely that the income of the Holding Company will be taxable based on turnover tax and under final tax regime in future, hence, as a matter of prudence, deferred tax asset is not recognized.

18. RUNNING FINANCE

The Group has arranged secured running finance of Rs. 400 million (2012: Nil) under a mark-up arrangement . The facility is subject to markup @ 3 month KIBOR + 1.1% which is determined at the start of each quarter and is payable on quarterly basis in arrear. The running finance under mark-up arrangement is secured by way of pledge over 18 million shares of 'Dawood Hercules Corporation Limited'.

19. TRADE AND OTHER PAYABLES

	Note	2013	2012
		Rupees in '000	
Creditors		22	1,645
Accrued expenses		32,158	37,340
Due to Islamic Development Bank	19.1	25,969	25,969
Unclaimed dividend		29,905	22,136
Advance from customers and others	19.2	18,659	10,871
Staff allowances and benefits		5,096	8,232
Deposits	19.3	457	522
Gratuity to ex staff		119	119
Withholding tax		786	58
		113,171	106,892

19.1 This represents amount payable against the preference shares issued before the 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 has been created.

19.2 These include amounts due to following related parties:

	2013	2012
	Rupees in '000	
DH Fertilizer Limited	195	241
The Dawood Foundation	92	-
Dawood Hercules Corporation Limited	1,063	-

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

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

a) "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 liability of above mentioned issues is Rs. 10.27 million. The appeal effect order has not been passed by the said authority in this respect.

For the tax years 2004 and 2005 the Additional Commissioner Inland Revenue, during the year set aside proceedings of the appeal filed by the Holding Company on account of allocation of expenses amounting to Rs. 47.64 million and has raised additional tax demand 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 the matter is pending. The tax liability of this adjustment amounts to Rs. 7.22 million.

For the tax years 2006, 2008 & 2009, during the year, 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 the matter is pending, the liability amount contested in the appeal is Rs. 26.07 million.

Since the outcome of the above appeals and tax thereon are pending at different forums and in view of the fact that management is confident that the appeals will be decided in the Company's favour, no provision has been made in these financial statements.

b) The Holding Company is contingently liable against guarantees and counter guarantees amounting to Rs. 15.13 million (2012: Rs. 106.29 million). These are secured by way of lien over certain movables and receivables.

c) 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 which is valid up to February 28, 2014.

20.2 Commitments

a) The Holding Company has commitments against Letters of credit outstanding for purchase of renewable energy products amounting to Rs. 9.98 million (2012: Nil).

	Note	2013	2012
		Rupees in '000	
21. SALES - NET			
Renewable energy			
Project sales		14,079	-
Solar lights		12,886	3,013
Others		5,045	3,257
		32,010	6,270
Less: Commission and discount		(23)	(30)
		31,987	6,240
Textile			
Fabric		170,142	377,426
Yarn		16,444	4,774
Waste		-	2,680
		186,586	384,880
Less: Commission and discount		-	(1,222)
		186,586	383,658
Related to discontinued operations		(84,255)	(4,693)
		134,318	385,205
22. COST OF GOODS SOLD			
Renewable energy			
Finished goods			
Opening stock		10,091	-
Purchases and related expenses		85,330	14,452
Closing stock		(71,188)	(10,091)
Cost of goods sold		24,233	4,361
Textile			
Work in process			
Opening balance		53,420	103,912
Manufacturing expenses	22.1	91,174	392,067
Less: Sold during the year		(821)	(1,903)
Closing balance		(6,338)	(53,420)
Cost of goods manufactured		137,435	440,656
Finished goods			
Opening balance		240,745	140,320
Closing balance		(191,374)	(240,745)
		49,371	(100,425)
Cost of goods sold		186,806	344,592
Related to discontinued operations		(95,235)	(6,182)
		115,804	338,410

		Note	2013	2012
			Rupees in '000	
22.1	Raw material	22.1.1	2,646	184,386
	Salaries, wages and allowances	22.1.2	63,541	114,403
	Electricity, gas and water		16,504	64,720
	Stores and spares	22.1.3	1,830	13,522
	Travelling and conveyance		2,955	3,550
	Depreciation	4.3	1,436	3,370
	Insurance		490	1,716
	Workers' canteen		1,116	1,019
	Repairs and maintenance		406	604
	Postage and telephone		250	365
	Other manufacturing overheads		-	4,412
			91,174	392,067

22.1.1 Raw material

	2013	2012
At January 01,	5,926	56,835
Purchases and related expenses	(4)	137,871
Less: Sold during the year	-	(4,394)
At December 31,	(3,276)	(5,926)
	2,646	184,386

22.1.2 Staff salaries and benefits include Rs. 2.4 million (2012: Rs. 9.3 million) in respect of staff retirement benefits.

	Note	2013	2012
		Rupees in '000	
22.1.3 Stores and spares			
At January 01,		57,842	64,254
Purchases and related expenses		881	12,560
Less: Sold during the year		-	(5,450)
		58,723	71,364
At December 31,		(56,893)	(57,842)
		1,830	13,522

	Note	2013	2012
		Rupees in '000	
23. OTHER INCOME			
Income from financial assets			
Dividend Income			
National Investment (Unit) Trust		750	700
Profit on deposits		2,586	4,092
Capital gain on sale of investments			
- held for trading		22,579	35,979
- available for sale		-	-
Unrealized gain on short term investments		4,186	24,343
		29,350	64,414
Income from non financial assets			
Scrap sales		-	22,798
Profit on sale of property, plant and equipment		(354)	17,219
Profit on sale of stocks and stores		-	3,823
Other income		4,808	9,616
Royalty income		2,927	3,026
Storage income		3,695	6,822
Exchange Loss		(582)	(1,088)
		10,494	62,216
		40,594	127,330
Related to discontinued operations	30	(8,112)	(37,972)
		32,482	89,358
24. SELLING AND DISTRIBUTION EXPENSES			
Salaries and allowances	24.1	32,339	3,075
Sales promotion		123	1,384
Storage and forwarding		762	795
Depreciation	4.3	1,146	288
Conveyance and travelling		7,924	2,143
Rent, rates and taxes		5,823	416
Printing and stationery		617	170
Repairs and maintenance		1,107	195
Freight and insurance		392	331
Advertisement		4,567	1,021
Miscellaneous		5,572	687
		60,372	10,505

24.1 This includes staff retirement benefits of Rs. 4.16 million (2012: Rs. 0.01 million)

	Note	2013	2012
		Rupees in '000	
25. ADMINISTRATIVE EXPENSES			
Salaries and allowances	25.1	121,306	71,866
Legal and professional		16,673	25,081
Rent, rates and taxes		11,500	22,534
Electricity and gas		13,481	6,607
Depreciation	4.3	5,430	5,358
Printing and stationery		3,028	3,567
Workers' welfare fund		-	2,013
Fees and subscription		10,137	4,014
Insurance		3,822	3,199
Conveyance and travelling		4,002	2,714
Repairs and maintenance		3,410	2,137
Postage and telephone		2,180	2,061
Entertainment		927	735
Auditors' remuneration	25.2	725	725
Amortization	5.2	603	604
Miscellaneous		7,774	1,125
		204,998	154,340
Related to discontinued operations		(70,154)	(68,411)
		134,844	85,929

25.1 Staff salaries and benefits include Rs. 13.04 million (2012: Rs. 6.34 million) in respect of staff retirement benefits.

	2013	2012
	Rupees in '000	
25.2 Auditors' remuneration		
Annual audit fee	450	450
Audit fee of consolidated financial statements	55	55
Half yearly review and other certification fee	220	220
	725	725
26. FINANCE COST		
Mark-up on running finance	5,131	-
Bank charges	774	662
	5,905	662
Related to discontinued operations	(7)	-
	5,898	662

	Note	2013	2012
		Rupees in '000	
27. PROVISIONS AND IMPAIRMENT / REVERSALS			
Provision for doubtful debts		4,167	2,322
Fixed assets written off		-	1,430
Reversal of provision against doubtful debts		-	(1,958)
Reversal of provision against stock in trade		(1,675)	(4,400)
		2,492	(2,606)
Related to discontinued operations	30	36	4,400
		2,528	1,794

28. VOLUNTARY SEPARATION SCHEME (VSS) COST

During the year, the Holding Company offered Voluntary Separation Scheme (VSS) to employees of LWTM. Under this scheme, 459 employees opted for separation. The Holding Company has incurred additional cost of Rs 201.81 million in this respect. The consequential impact on retirement benefit schemes has been determined through actuarial valuations, the results of which are summarised in note 17 to these financial statements.

	2013	2012
	Rupees in '000	
29. TAXATION		
Current year	2,725	11,463
Prior year	-	(5,792)
Share of taxation from associated company	51,672	27,159
	54,397	32,830

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 income that is separately taxed under respective sections of the Income Tax Ordinance, 2001.

	Note	2013	2012
		Rupees in '000	
30. LOSS FROM DISCONTINUED OPERATIONS			
Sales - net		84,255	4,693
Cost of goods sold		(95,235)	(6,182)
Gross loss		(10,980)	(1,489)
Other income	23	8,112	37,972
Administrative expenses		(70,154)	(68,411)
Finance cost		(7)	
Reversals		36	4,400
Net loss from discontinued operations		(72,993)	(27,528)

31. EARNINGS PER SHARE

- Basic & diluted

There is no dilutive effect on the basic earnings per share of the Company which is based on: -

	2013	2012
	Rupees in '000	
31.1 Continuing operations		
Profit after taxation	106,940	232,674
Weighted average number of ordinary shares outstanding during the year	59,058	59,058
Earnings per share (Rs.)	1.81	3.94
31.2 Discontinued operations		
Loss after taxation	(72,993)	(27,528)
Weighted average number of ordinary shares outstanding during the year	59,058	59,058
Earnings per share (Rs.)	(1.24)	(0.47)

32. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	2013		2012	
	Chief Executive	Executives	Chief Executive	Executives
Remuneration	5,916	10,666	4,226	7,785
House rent allowance	2,958	3,973	2,112	3,458
Utilities	1,479	1,239	1,056	1,075
Retirement benefits	808	651	107	972
Other allowance	4,625	5,048	3,643	4,268
	15,786	21,577	11,144	17,558
No. of person (s)	1	5	1	5

Chief executive and executives are entitled to use Company maintained vehicles.

33. SEGMENT REPORTING

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

- Renewable energy
- Textile
- Alternate Energy

Textile is further subdivided into the following two segments;

- Continued operations
- Discontinued operations

Segment analysis is as under;

33.1 Segment results	Renewable energy		Textile - continued operations		Textile - discontinued operations		Alternate energy		Unallocated		The Group	
	December 31,		December 31,		December 31,		December 31,		December 31,		December 31,	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	---Rupees in '000---											
				(Restated)								(Restated)
Revenue	31,987	6,240	102,331	378,965	84,255	4,693	-	-	-	-	218,573	389,898
Cost of goods sold	(24,233)	(4,361)	(91,571)	(334,049)	(95,235)	(6,182)	-	-	-	-	(211,039)	(344,592)
Segment gross profit	7,754	1,879	10,760	44,916	(10,980)	(1,489)	-	-	-	-	7,534	45,306
Administrative expenses	(45,636)	(5,178)	(71,617)	(65,712)	(70,155)	(68,411)	(17,589)	(15,038)	-	-	(204,997)	(154,339)
Selling and distribution expenses	(57,423)	(2,075)	(2,949)	(8,430)	-	-	-	-	-	-	(60,372)	(10,505)
Finance cost	-	-	-	-	(7)	-	(191)	(228)	(5,707)	(434)	(5,905)	(662)
Other income	-	-	-	-	8,112	42,372	6,129	7,006	26,353	82,352	40,594	131,730
Reversal or impairment / provision	-	-	-	-	36	4,400	-	-	(2,528)	(6,194)	(2,492)	(1,794)
Voluntary separation scheme (VSS) cost	-	-	(201,812)	-	-	-	-	-	-	-	(201,812)	-
Profit from associate	-	-	-	-	-	-	-	-	515,794	266,229	515,794	266,229
Impairment loss on 'available for sale' investments	-	-	-	-	-	-	-	-	-	(37,988)	-	(37,988)
Taxation	-	-	-	-	-	-	(425)	(857)	(53,972)	(31,973)	(54,397)	(32,830)
Segment net profit	(95,305)	(5,374)	(265,618)	(29,226)	(72,994)	(23,128)	(12,075)	(9,117)	479,940	271,992	33,948	205,147

33.2 Segment assets	Renewable energy		Textile - continued operations		Textile - discontinued operations		Alternate energy		Unallocated		The Group	
	December 31,		December 31,		December 31,		December 31,		December 31,		December 31,	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	---Rupees in '000---											
						(Restated)						(Restated)
Property, plant and equipment	19,918	-	-	40,962	208,932	180,398	186,756	174,605	-	-	415,606	395,965
Intangible assets	-	-	-	-	-	-	143	249	23,981	24,128	24,124	24,377
Long term investments	-	-	-	-	-	-	-	-	4,615,752	4,224,587	4,615,752	4,224,587
Long term deposits	-	-	-	10,544	10,544	-	-	-	-	-	10,544	10,544
Stores and spares	46	-	-	37,531	50,631	14,095	-	-	-	-	50,677	51,626
Stock-in-trade	73,677	10,091	-	285,061	187,664	36	-	-	-	-	261,341	295,188
Trade debts	11,277	4,227	-	154,790	83,604	-	-	-	-	-	94,881	159,017
Loans and advances	16,098	-	-	15,651	26,013	-	194	268	-	-	42,305	15,919
Deposits, prepayments and other receivables	29,042	-	-	69,983	65,552	-	553	1,245	-	-	95,147	71,228
Short term investments	-	-	-	-	-	-	107,624	21,210	-	554,448	107,624	575,658
Cash and bank balances	-	-	-	-	-	-	15,159	25,522	20,256	23,394	35,415	48,916
Total segment assets	150,058	14,318	-	614,522	632,940	194,529	310,429	223,099	4,659,989	4,826,557	5,753,416	5,873,025
Segment Liabilities												
Deferred liabilities	8,690	-	-	-	729	82,555	1,969	1,017	-	-	11,388	83,572
Running finance	-	-	-	-	-	-	-	-	261,708	-	261,708	-
Trade and other payables	13,083	-	-	-	96,535	99,850	3,553	7,042	-	-	113,171	106,892
Accrued markup	-	-	-	-	-	-	-	-	5,131	-	5,131	-
Provision for taxation	-	-	-	-	-	-	425	857	12,898	10,606	13,323	11,463
	21,773	-	-	-	97,264	182,405	5,947	8,917	279,737	10,606	404,721	201,928

33.3 Included in the revenues arising from direct sales of fabric of Rs. 186.52 million are revenues of approximately Rs. 172.59 million which arose from sales to the Company's largest customer. No other single customer contributed 10% or more to the Company's revenue .

34. TRANSACTIONS WITH RELATED PARTIES

The Holding Company in the normal course of business carries out transactions with various related parties. Related parties comprise of subsidiary company, associated company, directors and key management personnel. 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	2013	2012
			Rupees in '000	
a.	Associated companies			
	Dawood Hercules Corporation Limited	Dividend income	77,932	77,932
		Reimbursement of expenses by the Company	4397	1,298
		Reimbursement of expenses to the Company	32	-
		Purchase of fixed assets	-	855
	D H Fertilizer Limited	Reimbursement of expenses by the Company	970	-
		Reimbursement of expenses to the Company	12	-
		Sale of renewable energy products	102	-
	Sach International (Private) Limited	Sale of fabric	172,588	262,920
		Reimbursement of expenses to the Company	2,705	5,718
		Royalty paid to Company	2,927	3,552
		Purchase of fabric	-	8,657
		Retirement and other benefits transferred to the Company	1,113	-
		Transfer of assets by the Company	1,384	93
	Cyan Limited	Insurance claims received	-	430
		Purchase of fixed assets	-	305
		Reimbursement of expenses to the Company	65	-
b.	Other related parties			
	Sui Northern Gas Pipelines Limited	Payment of utility charges	6,816	19,683
		Sale of fabric	-	2,590
	The Dawood Foundation	Rental charges paid	4,829	8,631
		Reimbursement of expenses by the Company	1,355	1,689
	Inbox Business Technologies (Pvt) Limited	Hardware maintenance charges paid	250	250
		Purchase of software	-	1,184
	Pebbles (Private) Limited	Sale of solar solutions	3,188	-

Relationship	Nature of transaction	2013	2012
		Rupees in '000	
Dawood Public School	Sale of renewable energy products	59	-
	Promotional solar project	510	-
Dawood Lawrencepur Limited (Burewala Mills) - Staff Provident Fund	Contribution by Company	97	111
Director	Sale of solar solutions	1,564	-

35. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise trade and other payables. The Group's financial assets comprise of trade debts, bank balances and investments in equity securities and units of mutual fund that derive directly from its operations. The Group also holds loans, advances, deposits and other receivables.

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).

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 Group's financial risk exposures.

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. 4,888.71 million (2012: Rs. 5,025.88 million), the financial assets which are subject to credit risk amounted to Rs. 129.92 million (2012: Rs. 176.72 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, 2013, the Holding Company had approximately 137 customers (2012: 82 customers) that owed Rs. 94.88 million (2012: Rs. 159.017 million). There was 1 customer (2012: 2 customers) with balance greater than Rs. 5 million covering over 88.56% (2012: 94%) of trade debts. As at December 31, 2013, Rs. 4.17 million are overdue for more than 180 days which have been provided for in accordance with Holding Company 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, 2013, 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	A-1+	AAA

35.2 Liquidity risk

Liquidity risk is the risk that the Holding Company and subsidiary Company will encounter difficulty in meeting obligations associated with financial liabilities that are settles by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Holding Company and subsidiary 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 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 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, 2013		
	Total	Up to three months	More than three months & up to one year
	------------- Rupees in '000		-------------
Running finance	261,708	261,708	-
Trade and other payables	113,171	88,959	24,212
	5,131	5,131	-
Accrued markup	380,010	355,798	24,212

	As at December 31, 2012		
	Total	Up to three months	More than three months & up to one year
	------------- Rupees in '000 -------------		
Trade and other payables	106,892	87,267	19,625

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

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

35.3.2 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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities which mainly include payables to foreign suppliers of goods in foreign currency. The Group deals completely in local sales and does not have any foreign currency exports against foreign debtors.

At December 31, 2013, Group does not have any exposure in foreign currency asset or liability.

35.3.3 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.

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

At the balance sheet date, the exposure to listed equity securities at fair value is Rs. 9.95 million (2012: Rs. 6.64 million). A decrease / increase of 5% on the KSE market index would have an impact of approximately Rs. 0.49 million (2012: Rs. 0.332 million) on the other comprehensive income of the Company, depending on whether or not the decline is significant and prolonged .

b) Investment at 'Associated Company'

Holding Company has investment in an associate 'Dawood Hercules Corporation Limited' - (ownership 16.19 %). The associated company was incorporated in Pakistan on April 17, 1968, currently its shares are quoted on Karachi, Lahore and Islamabad Stock Exchanges. The principal activity of the Company is to manage investments in its subsidiary and associated companies. Summarized financial information of the associated company is disclosed in note 6.1

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.

35.5 Financial instruments by category

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

	Loan & advances	Available for sale	Fair value through profit or loss	Total
	------- Rupees in '000 -------			
Assets as per balance sheet - December 31, 2013				
Long term investments	-	4,615,752	-	4,615,752
Long term deposits	10,544	-	-	10,544
Short term investments	-	-	107,624	107,624
Trade debts - net	94,882	-	-	94,882
Loans and advances	16,715	-	-	16,715
Deposits and other receivables	7,776	-	-	7,776
Cash and bank balances	35,415	-	-	35,415
	165,332	4,615,752	107,624	4,888,708

	At amortized cost	Total
	------- Rupees in '000 -------	
Liabilities as per balance sheet - December 31, 2013		
Running finance	261,708	
Trade and other payables	113,171	113,171
Accrued markup	5,131	
	380,010	113,171

	Loan & advances	Available for sale	Fair value through profit or loss	Total
	------------------------ Rupees in '000 ------------------------			
Assets as per balance sheet - December 31, 2012				
Long term investments	-	4,224,587	-	4,224,587
Long term deposits	10,544	-	-	10,544
Short term investments	-	-	575,658	575,658
Trade debts - net	159,017	-	-	159,017
Loans and advances	3,061	-	-	3,061
Deposits and other receivables	4,095	-	-	4,095
Cash and bank balances	48,916	-	-	48,916
	225,633	4,224,587	575,658	5,025,878

	At amortized cost	Total
	------- Rupees in '000 -------	
Liabilities as per balance sheet - December 31, 2012		
Trade and other payables	106,892	106,892
	106,892	106,892

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

	Level 1	Level 2	Level 3	Total
	- - - - - - - - - - - - - Rupees in '000 - - - - - - - - - - - - -			
Financial assets at fair value through profit or loss				
Short term investments	107,624	-	-	107,624
Available for sale				
Long term investments	4,615,752	-	-	4,615,752

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:

	December 31, 2013	December 31, 2012
	--------- Rupees in '000 ---------	
Running finance	261,708	-
Accrued markup	5,131	-
Trade and other payables	113,171	106,892
Total debt	380,010	106,892
Cash and bank balance	(35,415)	(48,916)
Net debt	344,595	57,976
Share capital	590,578	590,578
Reserves	208,282	598,655
Unappropriated profit	4,549,834	4,481,863
Equity	5,348,694	5,671,096
Capital	5,693,289	5,729,071
Gearing ratio	6.05%	1.01%

37. NUMBER OF EMPLOYEES

The total average number of employees during the year and as at December 31, 2013 and 2012 respectively are as follows:

	2013	2012
Average number of employees during the year	344	400
Number of employees as at December 31	81	387

38. CORRESPONDING FIGURES

Comparative information has been re-classified, re-arranged or additionally incorporated in these financial statements, as disclosed in note 3.17 and 17.1.4, to facilitate comparison and to conform with changes in presentation in the current year.

39. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on February 25, 2014 by the Board of Directors of the Company.

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, 2013

Number of Shareholders	Type of Shareholdings			Total Shares Held
2780	1	TO	100	114,720
1802	101	TO	500	458,456
544	501	TO	1,000	409,317
684	1,001	TO	5,000	1,532,143
105	5,001	TO	10,000	734,829
34	10,001	TO	15,000	402,648
16	15,001	TO	20,000	273,805
14	20,001	TO	25,000	315,973
6	25,001	TO	30,000	161,040
2	30,001	TO	35,000	64,161
5	35,001	TO	40,000	192,004
4	40,001	TO	45,000	172,426
3	45,001	TO	50,000	147,895
1	55,001	TO	60,000	56,178
1	70,001	TO	75,000	72,808
1	90,001	TO	95,000	94,000
1	105,001	TO	110,000	110,000
1	125,001	TO	130,000	128,319
1	135,001	TO	140,000	135,387
1	275,001	TO	280,000	275,595
1	300,001	TO	305,000	302,718
1	390,001	TO	395,000	394,295
1	490,001	TO	495,000	494,921
1	555,001	TO	560,000	556,639
1	570,001	TO	575,000	575,000
1	715,001	TO	720,000	719,808
1	755,001	TO	760,000	757,000
3	1,015,001	TO	1,020,000	3,048,589
1	1,080,001	TO	1,085,000	1,081,357
1	1,135,001	TO	1,140,000	1,137,630
2	1,175,001	TO	1,180,000	2,353,492
1	2,965,001	TO	2,970,000	2,965,095
1	2,975,001	TO	2,980,000	2,979,324
1	3,360,001	TO	3,365,000	3,363,405
1	3,500,001	TO	3,505,000	3,501,884
1	28,970,001	TO	28,975,000	28,974,998
6,025			TOTAL	59,057,859

Pattern of Shareholding

For the year ended December 31, 2013

Categories of Shareholders as at December 31, 2013	Number of Shareholders	Total Shares Held	Percentage
Individuals	5,477	18,179,919	30.78%
Investment Companies	5	2,968,614	5.03%
Insurance Companies	3	557,415	0.94%
Joint Stock Companies	45	33,436,702	56.62%
Financial Institutions	14	269,086	0.46%
Mutual Funds	2	318,754	0.54%
Others			
Other Trusts	8	3,052,875	5.17%
Charitable Organizations	1	36,366	0.06%
Co-operative Societies	466	98,756	0.17%
Administrator, Abandoned Properties Organization	2	137,908	0.23%
Administrator General of Sindh	1	1,437	0.00%
Kukab Agencies (Pakistan)	1	27	0.00%
Total	6,025	59,057,859	100.00%

Disclosure Requirement under Code of Corporate Governance

			Shares Held
1	**Directors, and CEO**		
	Shahid Hamid Pracha	Chairman	1,000
	Inam ur Rahman	Chief Executive	7,134
	Shahzada Dawood	Director	1,016,196
	A. Samad Dawood	Director	1,137,630
	Haroon Mahenti	Director	15,315
	Shafiq Ahmed	Director	1,154
	Mir Muhammad Nasir	Director	1,150
	Sulaiman Sadruddin Mehdi	Director	1,150
	Sarfaraz Ahmed Rehman	Director	1,000
	Ali Aamir	Director	1,079
2	**Associated Companies**		
	Cyan Limited		2,965,095
	Dawood Corporation (Pvt.) Ltd.		28,974,998
	Sach International (Pvt.) Ltd.		3,776
	Dawood Industries (Pvt.) Ltd.		494,921
	Patek (Pvt.) Ltd.		3,501,884
	Pebbles (Pvt.) Ltd.		302,718
3	**Mutual Funds**		
	National Bank of Pakistan - Trustee Department		275,595
	Golden Arrow Selected Stock		43,159
4	**Public Sector Companies and Corporations**		
	Investment Corporation of Pakistan		1,355
5	**Banks, DFI, NBFI, Insurance Companies and Modaraba**		825,146
6	**Investment Companies**		2,968,614
7	**Joint Stock Companies**		158,405
8	**Other (Detail below)**		
	Others Trusts		3,052,875
	Charitable Organization		36,366
	Co-operative Societies		98,756
	Administrator General of Sindh		1,437
	Kaukab Agencies (Pakistan)		27
	Administrator, Abandoned Properties Organizations		137,908
9	**Shareholders holding five percent or more voting rights**		
	Dawood Corporation (Pvt.) Ltd.		28,974,998
	Patek (Pvt.) Ltd.		3,501,884
	Hussain Dawood		3,363,405
	Dawood Foundation		2,979,324
	Cyan Limited		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 ________ ,another member of the Company* (or failing him Mr./Ms. ________________________ of ______________, another member of the Company*) as my/our proxy to attend, speak and vote for me/us and on my/ our behalf, at the Sixty Fourth (64th) Annual General Meeting of the Company to be held on Thursday, April 10, 2014 at Beach Luxury Hotel, M.T. Khan Road, Karachi and at any adjournment thereof.

Signed this ____________ day of ____________ 2014.

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.

* Proxy representing a corporation may or may not himself be a member of 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

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