



Quarterly Report  
March 31, 2021

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# Our Vision

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

# Our Mission

We aim to be the leading renewable energy solutions company of Pakistan, with a turnover exceeding Rs.50 billion by 2025. We will achieve this by resolutely following our Core Values and by:

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

# Company Information

## Board of Directors

- Mr. Shahid Hamid Pracha (Chairman)
- Mr. Shahzada Dawood
- Ms. Sabrina Dawood
- Mr. Shafiq Ahmed
- Mr. Hasan Reza Ur Rahim
- Mr. Shabbir Hussain Hashmi
- Mr. Zamin Zaidi
- Mr. Mujtaba Haider Khan (Chief Executive Officer)

## Board Audit Committee

- Mr. Shabbir Hussain Hashmi (Chairman)
- Mr. Shahzada Dawood
- Mr. Hasan Reza Ur Rahim

## Human Resource and Remuneration Committee

- Mr. Hasan Reza Ur Rahim (Chairman)
- Mr. Shahid Hamid Pracha
- Mr. Shabbir Hussain Hashmi

## Chief Financial Officer

- Mr. Saad Faridi

## Company Secretary

- Mr. Imran Chagani

## Head of Internal Audit

- Mr. Amjad Ali

## Auditors

- A. F. Ferguson & Co.  
(Chartered Accountants)

## Bankers

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

## Legal Advisor

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

## Share Registrar

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

## Registered / Head Office

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

## Lahore Office

- Regus 9<sup>th</sup> Floor Tricon Corporate Centre, 73-E Jail Road Lahore - 54660.
- Tel.: 042-32301579

## Mills

- Dawoodabad
- Railway Station Road and Luddan Road, Chak 439, E.B, Tehsil Burewala, District Vehari.
- Tel.: 067-3353347, 3353145, 3353246
- Fax: 067-3354679

## DawoodPur

- G.T. Road, Faqirabad, District Attack.
- Tel.: 057-2641074-6
- Fax: 057-2641073

**DAWOOD LAWRENCEPUR LIMITED**  
**DIRECTORS' REVIEW REPORT**  
FOR THE QUARTER ENDED March 31, 2021

The Directors are pleased to present their report together with the unaudited unconsolidated condensed interim financial statements of the Company and the unaudited consolidated condensed interim financial statements of the Group for the period ended March 31, 2021.

**BUSINESS REVIEW**

**Renewable Energy Business**

2021 has begun with Reon seeing the highest ever revenue booked in Q1 of any preceding year. The Company has surpassed PKR 1 Billion in revenue this quarter on the back of record spillover deals achieved in 2020. The Company has also acquired 8 MWs of EPC business, majority of it in the textile sector, as well as another 121 telecom sites worth of business this quarter. The Company has also succeeded in procuring its first international contract for the design and construction of 5.3 MW solar system for the Lusail Bus Depot in Qatar. We envisage that as part of our market diversification strategy, we will continue to add to our international portfolio as more experience is gained on the risks and rewards of operating overseas.

The economic outlook is still very uncertain due to the risk posed by the third wave of the pandemic. The global supply chain has also experienced significant disruption due to the pandemic and other events such as the closure of the Suez Canal, resulting in delayed deliveries, higher freight rates and commodity prices. Our response has been to monitor and adapt to the unfolding changes in the environment and keep the company focused on delivering value for our customers while ensuring the safety and protection of our employees and wider stakeholders.

In the wake of the re-emergence of COVID 19 threat, the company took a number of steps to ensure the safety and health of its employees and workers. Work-from-home for all office-based staff has been encouraged and where necessary, offices have been closed to protect employees and comply with Government directives. The highest standards of safety and vigilance are being ensured for limited numbers mobilized on our dispersed customer sites, keeping safety and health of employees as the utmost priority.

**Wind Energy Project**

The Plant is operating satisfactorily and meeting the expected targets for availability and BOP loss. The BOP Loss for the period was 1.73 % against a target of 2.5 %, whilst the Availability was 98.83 % against a target of 98.0 %. Health Safety and the Environment (HSE) remained the priority and 449,863 safe man-hours have been clocked since COD with zero injury rate. The plant has been operating safely, without injury, for 1,646 days.

The plant, together with Dawood HydroChina and Zephyr, continues to supply power to K Electric. This arrangement is providing stable operations and both grid outage and curtailment has substantially reduced. The total energy billed during the current quarter (13.34 GWh) is lower than the P90 level (22.73 GWh). The Plant experienced unusually low winds during the first quarter of 2021, and this trend is likely to continue in the second quarter. However, it is expected that the wind during the later summer months will improve and the estimated production is 120.0 GWh against the P90 level of 126.3 GWh. The shift in the wind pattern is a global phenomenon.

During Q1 2021 the average wind speed observed was 5.28 m/sec, which is appreciably lower than the P90 wind speed of 5.83 m/sec. The trend of the wind speed has altered appreciably, with lower wind during the summer months and substantially higher winds during the winter months. This trend

appears to be changing as the wind during Q1 2021 was much lower than that in the corresponding period of 2020. It is envisaged that the wind during the summer months will improve in relation to the speeds experienced during 2020.

### **FINANCIAL HIGHLIGHTS**

The unconsolidated financial highlights of the Company are as under:

|  | <b>Three months<br/>ended March<br/>31, 2021</b> | <b>Three months<br/>ended March<br/>31, 2020</b> |
|--|--|--|
|  | <b>Rupees in thousands</b>                       |  |
| Revenue – net                                  | -  | 981  |
| Cost of revenue                                | -  | (604)  |
| Gross (loss) / profit                          | -  | 377  |
| Other income                                   | 21,263   | 38,823   |
| Loss before taxation from continued operations | (3,169)  | (940)  |
| Loss from discontinued operations              | (6,788)  | (2,999)  |
| Taxation                                       | (1,279)  | (754)  |
| <b>Loss after taxation</b>                     | <b>(11,236)</b>                                  | <b>(4,693)</b>                                   |
| Unappropriated profit brought forward          | 2,960,800  | 2,708,349  |
| <b>Unappropriated profit carried forward</b>   | <b>2,949,564</b>                                 | <b>2,703,656</b>                                 |
| Earnings per share - basic & diluted (Rupees)  | (0.08)   | (0.03)   |

During the three months ended March 31, 2021, dividend income from associate - Dawood Hercules Corporation Limited amounted to PKR Nil against PKR Nil for the period ended March 31, 2020.

Consolidated revenues for the period were PKR 1,413.2 million as against PKR 1,196.1 million for comparative period. The increase was led by higher revenue from solar energy projects amounting to PKR 1,105 million. After considering, the share of profit from associate of PKR 485.9 million (March 31, 2020: share of profit of PKR (45.7) million), the consolidated profit after tax for the three-month period ended stood at PKR 237.3 million as against PKR 18.1 million for the similar period last year. Consolidated earnings per share attributable to the owners of the Holding Company was PKR 4.34 as against PKR (0.40) for the comparative period last year.

### **FUTURE OUTLOOK**

#### **Renewable Energy Business**

Following the renewed global impetus on mitigating Climate Change, industries which differentiate themselves by being committed to renewables are more likely to be recognized as compatible partners internationally. This is likely in future to translate into soft pressure underpinning international trade and economic relations as well and will potentially impact the country's exports performance.

The Government has announced increase in energy prices as part of the Circular Debt Management Plan (CDMP) in line with commitments made with the IMF. This is likely to push commercial and industrial customers to look for alternative sources of power, of which renewables will remain a competitive and viable option. The environment is therefore ripe for these businesses to improve their international acceptability and competitiveness by converting to solar powered energy options.

With loaning of PKR 435.7 Bn extended to businesses under SBP TERF facility, an improving industrial expansion and growth outlook is on the cards which should translate into higher energy demands for the country, especially in the Commercial and Industrial segment. Large scale Chinese suppliers have

already announced significant deals entered into with the Pakistani market to supply PV modules in 2021. However, owing to large demand of solar panels and energy as a whole worldwide, import-related supply challenges may become a cause of concern. In addition, battery-oriented solutions are also expected to make major strides in the energy eco-system of the country in the near future. The uncertain impact of the pandemic could go a long way in shaping up the industrial demand, trade and investment dynamics in the country.

Finally, it goes without saying that with the upcoming Budget, continuity and policy stability will remain a critical factor in enabling country's economic growth prospects. If anything, there is a need to incentivize growth across a broader front and the Government is well advised to dig deep to find solutions. This, as well as the developing COVID situation in the country, remain the final caveats to an otherwise optimistic outlook for solar power.

### **Wind Energy Project**

The wind power sector is still facing the full impact of the circular debt and payments from the Government are severely curtailed, with the outstanding payment at 7 months level.

The wind plants in Jhimpir continue to face curtailment as the evacuation priority is for the coal and LNG projects, which have a lower tariff than wind, as these have been classified as must-run plants together with wind. Currently TGL is not being affected as it is being evacuated to K Electric. However, there are now indications that power evacuation will be done on commercial basis with the low tariff plants given the priority.

During the quarter under review, the government actively pursued their target for a reduction in the cost of energy. The main emphasis is on elimination / reduction of the capacity payment charges for the thermal plants and a reduction in the applicable tariff for all power plants. The Negotiation Committee initiated the dialogue with the Wind IPPs which primarily focused on reduction in ROE and O&M costs, with actualization of insurance costs. The restructuring of the loan is currently on a best effort basis. After intense negotiation, the draft Agreements were initialed by the various IPPs with a stipulation that these will be finalized after obtaining the consent of the Financiers and the Board of Director of the IPP. A repayment mechanism, based of two payments, six months apart was agreed. Each payment is to consist of 1/3 cash, 1/3 as PIBs and the remaining 1/3 as Sukuk bonds. The process of applying for a reduction in tariff was initiated by the projects under the 1994 and 2002 power policy. The wind IPPs have not initiated this process as they are awaiting the approval from their DFIs. The DFIs are in negotiations with the government and are seeking clarity on the way forward for the sector, especially with respect to the sector reforms being negotiated with the IMF. The payment of the outstanding amounts of the IPPs for whom the revised tariff has been issued is still on.

The tariff bidding process has still not fully evolved, and this is a cause of concern for the developers. This process has still not been clarified even though the new renewable energy policy has been issued. The government has cancelled the 7 LOI for wind-solar hybrid installations. The tariff will now be covered by the new RE Policy.

**MUJTABA HAIDER KHAN**  
Chief Executive Officer

**SHAHID HAMID PRACHA**  
Chairman

Karachi, April 29, 2021

**DAWOOD LAWRENCEPUR LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED MARCH 31, 2021**

**DAWOOD LAWRENCEPUR LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2021**

(Amounts in thousand)

|   | Note | Unaudited<br>March 31,<br>2021 | Audited<br>December 31,<br>2020 |  |  |
|---|------|--------------------------------|---------------------------------|--|--|
|   |      | Rupees-----                    |                                 |  |  |
| <b>ASSETS</b>                               |      |                                |                                 |  |  |
| <b>Non-current assets</b>                   |      |                                |                                 |  |  |
| Property, plant and equipment               |      | 18,718                         | 19,292                          |  |  |
| Intangible assets                           |      | 21                             | 27                              |  |  |
| Long-term investments                       | 4    | 3,503,284                      | 3,502,996                       |  |  |
| Long-term deposits                          |      | 2,778                          | 2,778                           |  |  |
| <b>Total non-current assets</b>             |      | <b>3,524,801</b>               | <b>3,525,093</b>                |  |  |
| <b>Current assets</b>                       |      |                                |                                 |  |  |
| Stores and spares                           |      | 892                            | 892                             |  |  |
| Stock                                       | 5    | 16,522                         | 17,780                          |  |  |
| Trade debts                                 |      | 23                             | 23                              |  |  |
| Loans to subsidiaries                       | 6    | 738,088                        | 738,101                         |  |  |
| Loans and advances                          |      | 3,325                          | 2,930                           |  |  |
| Deposits, prepayments and other receivables | 7    | 125,385                        | 165,917                         |  |  |
| Taxes recoverable                           |      | 8,784                          | -                               |  |  |
| Interest accrued                            | 8    | 134,029                        | 123,153                         |  |  |
| Cash and bank balances                      | 9    | 71,962                         | 29,713                          |  |  |
| <b>Total current assets</b>                 |      | <b>1,099,010</b>               | <b>1,078,509</b>                |  |  |
| <b>TOTAL ASSETS</b>                         |      | <b>4,623,811</b>               | <b>4,603,602</b>                |  |  |
| <b>EQUITY AND LIABILITIES</b>               |      |                                |                                 |  |  |
| <b>Equity</b>                               |      |                                |                                 |  |  |
| Share capital                               |      | 592,998                        | 592,998                         |  |  |
| Capital reserves                            |      | 206,666                        | 206,666                         |  |  |
| Unappropriated profit                       |      | 2,949,564                      | 2,960,800                       |  |  |
| <b>Total equity</b>                         |      | <b>3,749,228</b>               | <b>3,760,464</b>                |  |  |
| <b>Non-current liabilities</b>              |      |                                |                                 |  |  |
| Staff retirement benefits                   |      | 3,190                          | 2,755                           |  |  |
| <b>Current liabilities</b>                  |      |                                |                                 |  |  |
| Trade and other payables                    |      | 55,449                         | 46,132                          |  |  |
| Contract liabilities                        |      | -                              | -                               |  |  |
| Unpaid dividend                             |      | -                              | -                               |  |  |
| Unclaimed dividend                          |      | 69,977                         | 70,307                          |  |  |
| Provision                                   |      | 7,360                          | 7,360                           |  |  |
| Short-term borrowings                       | 10   | 720,489                        | 699,795                         |  |  |
| Taxes payable                               |      | -                              | 270                             |  |  |
| Accrued mark-up                             |      | 18,118                         | 16,519                          |  |  |
| <b>Total current liabilities</b>            |      | <b>871,393</b>                 | <b>840,383</b>                  |  |  |
| <b>Contingencies and commitments</b>        | 11   | <b>874,583</b>                 | <b>843,138</b>                  |  |  |
| <b>TOTAL EQUITY AND LIABILITIES</b>         |      | <b>4,623,811</b>               | <b>4,603,602</b>                |  |  |

The annexed notes from 1 to 18 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

**DAWOOD LAWRENCEPUR LIMITED  
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2021**

[Amounts in thousand except for earnings / (loss) per share]

|   | Note | March 31,<br>2021 | March 31,<br>2020 |
|---|------|-------------------|-------------------|
|   |      | Rupees-----       |                   |
| <b>CONTINUING OPERATIONS</b>                |      |                   |                   |
| Revenue from contracts with customers - net |      | -                 | 981               |
| Cost of revenue                             |      | -                 | (604)             |
| Gross profit                                |      | -                 | 377               |
| Selling and distribution expenses           |      | -                 | (112)             |
| Administrative expenses                     |      | (9,600)           | (11,821)          |
| Other expenses                              |      | -                 | (3,292)           |
|   |      | (9,600)           | (15,225)          |
| Other income                                |      | 21,263            | 38,823            |
| Finance cost                                |      | (14,832)          | (24,915)          |
| Loss before taxation                        |      | (3,169)           | (940)             |
| Taxation                                    |      | (1,279)           | (754)             |
| Loss after taxation                         |      | (4,448)           | (1,694)           |
| <b>DISCONTINUED OPERATIONS</b>              |      |                   |                   |
| Loss from discontinued operations           |      | (6,788)           | (2,999)           |
| Loss for the period                         |      | (11,236)          | (4,693)           |
|   |      | <b>Restated</b>   |                   |
| Loss per share - basic and diluted          |      |                   |                   |
| Continuing operations                       | 12   | (0.08)            | (0.03)            |
| Loss per share - basic and diluted          |      |                   |                   |
| Discontinued operations                     | 12   | (0.11)            | (0.05)            |

The annexed notes from 1 to 18 form an integral part of these unconsolidated financial statements.

**Chief Executive Officer**

**Director**

**Chief Financial Officer**

**DAWOOD LAWRENCEPUR LIMITED**  
**UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE QUARTER ENDED MARCH 31, 2021**

(Amounts in thousand)

|   | <b>March 31,<br/>2021</b> | <b>March 31,<br/>2020</b> |
|---|---------------------------|---------------------------|
|   | Rupees-----               |                           |
| Loss for the period   | (11,236)                  | (4,693)                   |
| Other comprehensive loss:   |                           |                           |
| <i>Items that will not be reclassified to profit<br/>or loss:</i>       |                           |                           |
| Remeasurement of post employment benefit<br>obligation - actuarial loss | -                         | -                         |
| <b>Total comprehensive loss for the period</b>                          | <b>(11,236)</b>           | <b>(4,693)</b>            |

The annexed notes from 1 to 18 form an integral part of these unconsolidated financial statements.

**Chief Executive Officer**

**Director**

**Chief Financial Officer**

**DAWOOD LAWRENCEPUR LIMITED**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED MARCH 31, 2021**

11

(Amounts in thousand)

| Share capital  | Capital reserves |                       |                            |               |               | Revenue reserve       | Total                             |
|--|------------------|-----------------------|----------------------------|---------------|---------------|-----------------------|-----------------------------------|
|  | Merger reserve   | Share premium reserve | Capital redemption reserve | Others        | Total         | Unappropriated profit |                                   |
| <b>Rupees</b>  |                  |                       |                            |               |               |                       |                                   |
| <b>Balance as at January 1, 2020 (Audited)</b>                     | 590,578          | 10,521                | 136,865                    | 25,969        | 33,311        | 206,666               | 2,708,349 3,505,593               |
| Loss for the period  | -                | -                     | -                          | -             | -             | -                     | (4,693) (4,693)                   |
| <b>Balance as at March 31, 2020 (Unaudited)</b>                    | <u>590,578</u>   | <u>10,521</u>         | <u>136,865</u>             | <u>25,969</u> | <u>33,311</u> | <u>206,666</u>        | <u>2,703,656</u> <u>3,500,900</u> |
| <b>Balance as at December 31, 2020 / January 1, 2021 (Audited)</b> | 592,998          | 10,521                | 136,865                    | 25,969        | 33,311        | 206,666               | 2,960,800 3,760,464               |
| Loss for the period  | -                | -                     | -                          | -             | -             | -                     | (11,236) (11,236)                 |
| <b>Balance as at March 31, 2021 (Unaudited)</b>                    | <u>592,998</u>   | <u>10,521</u>         | <u>136,865</u>             | <u>25,969</u> | <u>33,311</u> | <u>206,666</u>        | <u>2,949,564</u> <u>3,749,228</u> |

The annexed notes from 1 to 18 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

**DAWOOD LAWRENCEPUR LIMITED**  
**UNCONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE QUARTER ENDED MARCH 31, 2021**

(Amounts in thousand)

|   | Note | March 31,<br>2021 | March 31,<br>2020 |
|---|------|-------------------|-------------------|
|   |      | Rupees -----      |                   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                       |      |                   |                   |
| Loss before taxation  |      | (9,957)           | (3,939)           |
| Add: Loss before taxation attributable to discontinued operations |      | 6,788             | 2,999             |
| Loss before taxation from continuing operations                   |      | (3,169)           | (940)             |
| <b>Adjustments for non-cash charges and other items:</b>          |      |                   |                   |
| Depreciation  |      | 299               | 469               |
| Amortization  |      | 6                 | 9                 |
| Provision for gratuity - net                                      |      | 435               | 218               |
| Provision for National Investment Trust                           |      | -                 | 3,292             |
| Finance costs   |      | 14,832            | 24,915            |
| loss on disposal of property, plant and equipment                 |      | -                 | 39                |
| Royalty income  |      | (1,417)           | (3,562)           |
| Gain on NIT unit  |      | (288)             | -                 |
| Mark up charged to related parties                                |      | (18,902)          | (34,595)          |
| Profit on deposits  |      | (13)              | (37)              |
|   |      | (8,217)           | (10,192)          |
| <b>Working capital changes</b>                                    |      |                   |                   |
| <b>Decrease / (increase) in current assets</b>                    |      |                   |                   |
| Loans and advances  |      | 5                 | (878)             |
| Deposits, prepayments and other receivables                       |      | 41,949            | (23,230)          |
|   |      | 41,954            | (24,108)          |
| <b>(Decrease) / increase in current liabilities</b>               |      |                   |                   |
| Trade and other payables  |      | 10,926            | 7,619             |
| Contract liabilities  |      | -                 | (472)             |
|   |      | 52,880            | (16,961)          |
| <b>Cash used in operations</b>                                    |      |                   |                   |
| Finance cost paid   |      | 44,663            | (27,153)          |
| Taxes paid  |      | (13,233)          | (27,882)          |
| Discontinued operations   |      | (10,333)          | 402               |
|   |      | (7,264)           | (4,587)           |
| <b>Net cash used in operating activities</b>                      |      | <b>13,833</b>     | <b>(59,220)</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                       |      |                   |                   |
| Purchase of property, plant and equipment                         |      | -                 | 192               |
| Subordinated loans to subsidiaries                                |      | 13                | (300,003)         |
| Mark up received from related parties                             |      | 8,026             | 4,235             |
| Profit received on deposits                                       |      | 13                | 37                |
| <b>Net cash generated from investing activities</b>               |      | <b>8,052</b>      | <b>(295,539)</b>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                       |      |                   |                   |
| Payment of dividend   |      | (330)             | (198)             |
| Net decrease in cash and cash equivalents                         |      | 21,555            | (354,957)         |
| Cash and cash equivalents at beginning of the period              |      | (670,082)         | (545,983)         |
| Cash and cash equivalents at end of the period                    | 9    | (648,527)         | (900,940)         |

The annexed notes from 1 to 18 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

**DAWOOD LAWRENCEPUR LIMITED  
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED MARCH 31, 2021**

**(Amounts in thousand)**

**1. LEGAL STATUS AND OPERATIONS**

- 1.1** Dawood Lawrencepur Limited (the Company) was incorporated in Pakistan in the year 2004 as a public listed company. It was formed as a result of a Scheme of Arrangement for Amalgamation in terms of the provisions of the (now repealed) Companies Ordinance, 1984 between Dawood Cotton Mills Limited (DCM), Dilon Limited (DL), Burewala Textile Mills Limited (BTM) and Lawrencepur Woollen and Textile Mills Limited (LWTM). The shares of the Company are listed on the Pakistan Stock Exchange Limited. The Company manages investment in its subsidiaries and associated companies and 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 business units of the Company include the following:

| <b>Business units</b>           | <b>Geographical location</b>   |
|---------------------------------|--|
| Head office (registered office) | 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi.   |
| BTM Factory                     | Dawoodabad, Railway Station Road and<br>Luddan Road, Chak 439, E.B, Tehsil<br>Burewala, District Vehari. |
| LWTM Factory                    | G.T. Road, Faqirabad, District Attock.   |

- 1.2** In prior years, the Company suspended operations of LWTM, BTM, DL and DCM. Land, building, plant and machinery and related assets of DL and DCM were disposed off. Furthermore, plant and machinery and related assets of LWTM and BTM were also disposed off in prior periods. Currently, the Company does not have any industrial unit in production.
- 1.3** The Company continues to operate the 'Lawrencepur' brand name under a license.

**2 Basis of preparation**

- 2.1** This unconsolidated condensed interim financial information of the Company for the quarter ended Mar 31, 2021 is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed. These unconsolidated condensed interim financial statements do not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2020.
- 2.2** The preparation of this unconsolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

**2.3** During the preparation of this unconsolidated condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to audited financial statements of the Company for the year ended December 31, 2020.

### **3 ACCOUNTING POLICIES**

**3.1** The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the audited financial statements for the year ended December 31, 2020,

**3.2** There are certain other International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning January 1, 2021. These are considered not to be relevant or have any significant effect on the Company's financial reporting and operations and, therefore, not disclosed in these unconsolidated condensed interim financial statements.

**3.3** Taxes on income in the interim period are accrued using tax rate that would be applicable to expected total annual profit or loss.

| Unaudited<br>March 31,<br>2021 | Audited<br>December 31,<br>2020 |
|--------------------------------|---------------------------------|
| <b>Rupees-----</b>             |                                 |

### **4 LONG TERM INVESTMENTS**

|  |                  |           |
|--|------------------|-----------|
| Investment in related parties at cost (Note 4.1)                               | <b>3,519,102</b> | 3,519,102 |
| Less: Provision for impairment   | <b>(30,007)</b>  | (30,007)  |
|  | <b>3,489,095</b> | 3,489,095 |
| Other investments  |                  |           |
| - Financial assets at fair value through profit or loss (note 6.2)             | 14,174           | 13,886    |
| - Financial assets at fair value through other comprehensive income (note 6.2) | 15               | 15        |
|  | <b>14,189</b>    | 13,901    |
|  | <b>3,503,284</b> | 3,502,996 |

#### **4.1 Investment in related parties - at cost**

##### ***Subsidiary - unquoted***

Tenaga Generasi Limited

Percentage holding 75% (2020: 75%)

227,027,613 (2020: 227,027,613)

fully paid ordinary shares of Rs. 10 each

|                  |           |
|------------------|-----------|
| <b>2,294,804</b> | 2,294,804 |
|------------------|-----------|

|   |  |
|---|--|
| <b>Unaudited<br/>March 31,<br/>2021</b> | <b>Audited<br/>December 31,<br/>2020</b> |
|---|--|

**Rupees-----**

***Wholly owned subsidiaries - unquoted***

Reon Energy Limited

Percentage holding 100% (2020: 100%)  
102,600,000 (2020: 102,600,000)  
fully paid ordinary shares of Rs. 10 each

**1,026,000**

1,026,000

Reon Alpha (Private) Limited

Percentage holding 100% (2020: 100%)  
13,300,100 (2020: 13,300,100)  
fully paid ordinary shares of Rs. 10 each

**133,001**

133,001

Mozart (Private) Limited

Percentage holding 100% (2020: 100%)  
100 (2020: 100)  
fully paid ordinary shares of Rs. 10/- each

**1**

1

Greengo (Private) Limited

Percentage holding 100% (2020: 100%)  
100 (2020: 100)  
fully paid ordinary shares of Rs. 10/- each

**1**

1

Abrax (Private) Limited

Percentage holding 100% (2020: 100%)  
100 (2020: 100)  
fully paid ordinary shares of Rs. 10/- each

**1**

1

**3,455,829**

3,455,828

***Associate - quoted***

Dawood Hercules Corporation Limited

Percentage holding 16.19% (2020: 16.19%)  
77,931,896 (2020: 77,931,896)  
fully paid ordinary shares of Rs. 10/- each  
Market value Rs. 8,651,220 (2020: Rs. 9,471,843)

**65,294**

65,294

**3,521,123**

**3,521,122**

**5.**

**STOCK**

**Renewable energy**

Finished goods  
Provision for slow moving and obsolete items

**43,872**

43,872

**(41,256)**

(41,256)

**2,616**

2,616

**Textile**

Finished goods  
Provision for write down to net realisable value

**21,448**

22,706

**(7,542)**

(7,542)

**13,906**

15,164

**16,522**

17,780

|  | Unaudited<br>March 31,<br>2021 | Audited<br>December 31,<br>2020 |
|--|--------------------------------|---------------------------------|
|  | Rupees-----                    |                                 |
| <b>6. LOANS TO SUBSIDIARIES - UNSECURED</b>                                    |                                |                                 |
| Subordinated loans to subsidiary companies:                                    |                                |                                 |
| - Tenaga Generasi Limited  | <b>437,000</b>                 | 437,000                         |
| - Reon Energy Limited  | <b>300,000</b>                 | 300,000                         |
| - Abrax (Private) Limited  | <b>393</b>                     | 378                             |
| - Mozart (Private) Limited   | <b>359</b>                     | 344                             |
| ; - Greengo (Private) Limited  | <b>336</b>                     | 379                             |
|  | <b>738,088</b>                 | <b>738,101</b>                  |
| <b>7. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>                          |                                |                                 |
| - unsecured, considered good   |                                |                                 |
| Security deposits  | <b>8,964</b>                   | 8,964                           |
| Prepayments  | <b>3,269</b>                   | 2,224                           |
| Sales tax  | <b>4,859</b>                   | 4,942                           |
| Others (notes 7.1)   | <b>108,293</b>                 | 149,787                         |
|  | <b>125,385</b>                 | <b>165,917</b>                  |
| <b>7.1</b> This includes amount due from related parties as follows:           |                                |                                 |
| Sach International (Private) Limited   | <b>41,796</b>                  | 39,507                          |
| Tenaga Generasi Limited  | <b>65,041</b>                  | 97,616                          |
| Reon Alpha (Private) Limited   | <b>433</b>                     | 193                             |
|  | <b>107,270</b>                 | <b>137,316</b>                  |
| <b>8. INTEREST ACCRUED</b>   |                                |                                 |
| Interest accrued (note 8.1)  | <b>134,029</b>                 | 123,153                         |
| <b>8.1</b> This represents mark-up receivable from related parties as follows: |                                |                                 |
| Tenaga Generasi Limited  | <b>129,107</b>                 | 118,388                         |
| Reon Energy Limited  | <b>4,713</b>                   | 4,613                           |
| Reon Alpha (Private) Limited   | <b>62</b>                      | 30                              |
| Mozart (Private) Limited   | <b>46</b>                      | 38                              |
| Abrax (Private) Limited  | <b>51</b>                      | 42                              |
| Greengo (Private) Limited  | <b>50</b>                      | 42                              |
|  | <b>134,029</b>                 | <b>123,153</b>                  |

| Unaudited<br>March 31,<br>2021 | Audited<br>December 31,<br>2020 |
|--------------------------------|---------------------------------|
| <b>Rupees-----</b>             |                                 |

## 9. CASH AND BANK BALANCES

|                                |               |               |
|--------------------------------|---------------|---------------|
| Cash in hand                   | <b>82</b>     | 82            |
| <b>Balances with banks in:</b> |               |               |
| - current accounts             | <b>69,762</b> | 27,519        |
| - deposit accounts (note 9.1)  | <b>2,118</b>  | 2,112         |
|                                | <b>71,880</b> | 29,631        |
|                                | <b>71,962</b> | <b>29,713</b> |

- 9.1** These represent deposits with commercial banks and carry profit at the rate of 5.5% (2020: 5.5%) per annum.

| Unaudited<br>March 31,<br>2021 | Audited<br>December 31,<br>2020 |
|--------------------------------|---------------------------------|
| <b>Rupees-----</b>             |                                 |

## 10. SHORT-TERM BORROWINGS

|   |                |                |
|---|----------------|----------------|
| Running finance under mark-up arrangement (note 10.1) | <b>220,489</b> | 199,795        |
| Money market loan (note 10.2)                         | <b>500,000</b> | 500,000        |
|   | <b>720,489</b> | <b>699,795</b> |

- 10.1** This denotes short-term running finance facility aggregating to Rs.1,000,000 (December 31, 2020: Rs 1,500,000) obtained under mark-up arrangement from a commercial bank. Out of the aforementioned facility, the Company has negotiated sub-limits for financing the operations of REL amounting to Rs. 300,000. This facility is secured by way of a first pari passu mortgage charge on immovable property (including land and building), current assets, and pledge over the Company's investments in related party. Rate of mark-up applicable on this facility is three months KIBOR plus 100 basis points (December 31, 2020: three months KIBOR plus 90 basis points to three months KIBOR plus 100 basis points) per annum. During the period, Rs. 500,000 facility has been extinguished and securities have been released.

- 10.2** This denotes money market loan obtained for three months from the running finance facility obtained under the mark-up arrangement from a commercial bank. This facility is secured by way of a first pari passu mortgage charge on immovable property (including land and building), current assets, and pledge over the Company's investments in related party. Rate of mark up applicable on this facility is three months KIBOR plus 100 basis points (as at December 31, 2020: three months KIBOR plus 100 basis points). The facility of the loan is six month.

## 11. CONTINGENCIES AND COMMITMENTS

- 11.1** There have been no material changes in contingencies and commitments as reported in the annual audited statements for the year ended December 31, 2020.

## 12. LOSS PER SHARE - BASIC AND DILUTED

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

|   | Unaudited<br>March 31,<br>2021 | Unaudited<br>March 31,<br>2020  |
|---|--------------------------------|---------------------------------|
|   | Rupees-----                    |                                 |
|   | Restated                       |                                 |
| <b>Continuing operations</b>                              |                                |                                 |
| Loss for the period                                       | <u>(4,448)</u>                 | <u>(1,694)</u>                  |
| -----Number of shares-----                                |                                |                                 |
| Weighted average number of ordinary shares (in thousands) | <u>59,298</u>                  | <u>59,298</u>                   |
| -----Rupees-----  |                                |                                 |
| Earnings per share  | <u>(0.08)</u>                  | <u>(0.03)</u>                   |
| <b>Discontinued operations</b>                            |                                |                                 |
| Loss for the period                                       | <u>(6,788)</u>                 | <u>(2,999)</u>                  |
| -----Number of shares-----                                |                                |                                 |
| Weighted average number of ordinary shares (in thousands) | <u>59,298</u>                  | <u>59,298</u>                   |
| -----Rupees-----  |                                |                                 |
| Loss per share  | <u>(0.11)</u>                  | <u>(0.05)</u>                   |
| -----   |                                |                                 |
|   | Unaudited<br>March 31,<br>2021 | Audited<br>December 31,<br>2020 |
|   | Rupees-----                    |                                 |

## 13. FINANCIAL INSTRUMENTS BY CATEGORY

### 13.1 Financial assets as per statement of financial position

#### *Financial assets at fair value through profit or loss*

|                       |        |        |
|-----------------------|--------|--------|
| Long-term investments | 14,174 | 13,886 |
|-----------------------|--------|--------|

#### *Financial assets at fair value through other comprehensive income*

|                       |    |    |
|-----------------------|----|----|
| Long-term investments | 15 | 15 |
|-----------------------|----|----|

|  | Unaudited<br>March 31,<br>2021 | Audited<br>December 31,<br>2020 |
|--|--------------------------------|---------------------------------|
|  | Rupees-----                    |                                 |
| <b><i>Financial assets at amortised cost</i></b> |                                |                                 |
| Long-term deposits                               | 2,778                          | 2,778                           |
| Trade debts                                      | 23                             | 23                              |
| Loans to subsidiaries                            | <b>738,088</b>                 | 738,101                         |
| Loans to employees                               | 1,031                          | 636                             |
| Deposits and other receivables                   | 117,257                        | 158,751                         |
| Interest accrued                                 | 134,029                        | 123,153                         |
| Cash and bank balances                           | 71,962                         | 29,713                          |
|  | <b>1,081,378</b>               | <b>1,069,076</b>                |

### 13.2 Financial liabilities as per statement of financial position

#### *Financial assets at amortised cost*

|                          |                |                |
|--------------------------|----------------|----------------|
| Trade and other payables | 55,443         | 45,568         |
| Short-term borrowings    | 720,489        | 699,795        |
| Accrued mark-up          | 18,118         | 16,519         |
|                          | <b>794,050</b> | <b>761,882</b> |

### 14. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

#### Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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); and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The Company held the following assets measured at fair values:

|  | As at March 31, 2021 |         |         |        |
|--|----------------------|---------|---------|--------|
|  | Level 1              | Level 2 | Level 3 | Total  |
|  | Rupees-----          |         |         |        |
| <b>Non-current assets</b>  |                      |         |         |        |
| <i>Financial assets at fair value through profit or loss</i>             |                      |         |         |        |
| - Long-term investments (investments in units of mutual funds)           | -                    | 14,174  | -       | 14,174 |
| <i>Financial assets at fair value through other comprehensive income</i> |                      |         |         |        |
| - Long-term investments (investments in unquoted equity shares)          | -                    | -       | 15      | 15     |
|  | -                    | 14,174  | 15      | 14,189 |
| <br><b>As at December 31, 2020</b>                                       |                      |         |         |        |
|  | Level 1              | Level 2 | Level 3 | Total  |
|  | Rupees-----          |         |         |        |
| <b>Non-current assets</b>  |                      |         |         |        |
| <i>Financial assets at fair value through profit or loss</i>             |                      |         |         |        |
| - Long-term investments (investments in units of mutual funds)           | -                    | 13,886  | -       | 13,886 |
| <i>Financial assets at fair value through other comprehensive income</i> |                      |         |         |        |
| - Long-term investments (investments in unquoted equity shares)          | -                    | -       | 15      | 15     |
|  | -                    | 13,886  | 15      | 13,901 |

## 15. SEGMENT REPORTING

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

- Renewable energy solutions- This includes business of trading and constructions of renewable energy projects, mainly solar to commercial and industrial consumers which has been transferred to REL in prior years;
- Textile - This was legacy business of the Company and has been discontinued in prior years; and
- Other operations - It mainly includes management of investment in associate by the Company.

## 15.1 Segment results

|  | Renewable energy |         | Textile - discontinued operations |          | Other operations |          | Total     |          |
|--|------------------|---------|-----------------------------------|----------|------------------|----------|-----------|----------|
|  | March 31,        |         | March 31,                         |          | March 31,        |          | March 31, |          |
|  | 2021             | 2020    | 2021                              | 2020     | 2021             | 2020     | 2021      | 2020     |
| Rupees-----                                |                  |         |                                   |          |                  |          |           |          |
| Revenue from contract with customers - net |                  |         |                                   |          |                  |          |           |          |
| At a point in time                         | -                | -       | 1,192                             | 1,270    | -                | -        | 1,192     | 1,270    |
| Over time                                  | -                | 981     | -                                 | -        | -                | -        | -         | 981      |
| Revenue from external customers            | -                | 981     | 1,192                             | 1,270    | -                | -        | 1,192     | 2,251    |
| Cost of revenue                            | -                | (604)   | (1,258)                           | (1,281)  | -                | -        | (1,258)   | (1,885)  |
| Segment gross loss                         | -                | 377     | (66)                              | (11)     | -                | -        | (66)      | 366      |
| Dividend income                            | -                | -       | -                                 | -        | -                | -        | -         | -        |
| Selling and distribution expenses          | -                | (112)   | (12)                              | (13)     | -                | -        | (12)      | (125)    |
| Administrative expenses                    | (1,992)          | (2,806) | (11,122)                          | (13,624) | (7,607)          | (9,015)  | (20,721)  | (25,445) |
| Other expenses                             | -                | -       | -                                 | -        | -                | (3,292)  | -         | (3,292)  |
| Other income                               | -                | -       | 4,411                             | 10,649   | 21,263           | 38,823   | 25,674    | 49,472   |
| Finance costs                              | -                | -       | -                                 | -        | (14,832)         | (24,915) | (14,832)  | (24,915) |
| Taxation                                   | -                | -       | -                                 | -        | (1,279)          | (754)    | (1,279)   | (754)    |
| Segment (loss) / profit                    | (1,992)          | (2,541) | (6,789)                           | (2,999)  | (2,455)          | 847      | (11,236)  | (4,693)  |

|                           | Renewable energy  |                      | Textile - discontinued operations |                      | Unallocated       |                      | Total             |                      |
|---------------------------|-------------------|----------------------|-----------------------------------|----------------------|-------------------|----------------------|-------------------|----------------------|
|                           | Unaudited         | Audited              | Unaudited                         | Audited              | Unaudited         | Audited              | Unaudited         | Audited              |
|                           | March 31,<br>2021 | December 31,<br>2020 | March 31,<br>2021                 | December 31,<br>2020 | March 31,<br>2021 | December 31,<br>2020 | March 31,<br>2021 | December 31,<br>2020 |
| Rupees-----               |                   |                      |                                   |                      |                   |                      |                   |                      |
| Total segment assets      | 25,885            | 36,644               | 27,415                            | 28,548               | 4,570,511         | 4,538,410            | 4,623,811         | 4,603,602            |
| Total segment liabilities | 8,364             | 2,562                | 4,329                             | 5,937                | 861,891           | 834,640              | 874,583           | 843,138              |

## 16. RELATED PARTY TRANSACTIONS AND BALANCES

**16.1** Balances with related parties have been disclosed in the respective notes to these unconsolidated financial statements. Details of transactions with related parties, other than those disclosed elsewhere in these unconsolidated financial statements, are as follows:

| Relationship                   | Nature of transaction                                   | Unaudited         | Unaudited         |
|--------------------------------|---|-------------------|-------------------|
|                                |   | March 31,<br>2021 | March 31,<br>2020 |
| Rupees-----                    |   |                   |                   |
| <b>a. Subsidiary companies</b> |   |                   |                   |
| Tenaga Generasi Limited        | Expenses reimbursable to the Company                    | 843               | 2,163             |
|                                | Expenses reimbursable by the Company                    | 194               | 248               |
|                                | Equity arrangement fee (SBLC) / SBLC cost reimbursement | 24,078            | 29,591            |
|                                | Interest on outstanding receivable balance              | 1,805             | 2,982             |
|                                | Interest on subordinated loans                          | 10,163            | 17,191            |

| <b>Relationship</b>          | <b>Nature of transaction</b>  | <b>Unaudited<br/>March 31,<br/>2021</b> | <b>Unaudited<br/>March 31,<br/>2020</b> |
|------------------------------|---|---|---|
|                              |   | <b>Rupees-----</b>                      |   |
| Reon Energy Limited          | Expenses reimbursable to the Company<br>Interest on expenses reimbursable<br>by the Company | <b>1,409</b><br><b>33</b>               | 20,161<br>23                            |
|                              | Subordinated Loan   | <b>-</b>                                | 300,000                                 |
|                              | Interest on loans disbursed by the Company  | <b>6,877</b>                            | 14,357                                  |
|                              | Reimbursable expenses incurred on<br>behalf of the Company                                  | <b>6,110</b>                            | 4,085                                   |
| Mozart (Private) Limited     | Unsecured loan disbursed by the Company<br>Interest on loan                                 | <b>15</b><br><b>8</b>                   | 2<br>11                                 |
| Abrax (Private) Limited      | Unsecured loan disbursed by the Company<br>Interest on loan                                 | <b>15</b><br><b>9</b>                   | -<br>12                                 |
| Greengo (Private) Limited    | Unsecured loan disbursed by the Company<br>Interest on loan                                 | <b>15</b><br><b>8</b>                   | -<br>12                                 |
| Reon Alpha (Private) Limited | Interest on reimbursement of expenses<br>Expenses reimbursable to the Company               | <b>31</b><br><b>241</b>                 | 7<br>253                                |

  

| <b>b. Associated companies</b>          |   | <b>Unaudited<br/>March 31,<br/>2021</b>               | <b>Unaudited<br/>March 31,<br/>2020</b> |
|---|---|---|---|
|   |   | <b>Rupees-----</b>                                    |   |
| Dawood Hercules<br>Corporation Limited  | Reimbursable expenses<br>incurred on behalf of the Company                                  | <b>-</b><br><b>88</b>                                 | -<br>72                                 |
| Sach International (Private)<br>Limited | Expenses reimbursable to the Company<br>Royalty charged<br>Rental income<br>Penalty charged | <b>64</b><br><b>1,417</b><br><b>165</b><br><b>643</b> | 86<br>3,562<br>165<br>689               |

## 17. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on April 29, 2021 has approved an interim cash dividend of Rs. 3.5 per share for the period ended March 31, 2021 amounting to Rs. 207.549 million. These unconsolidated condensed interim financial statements do not include the effects of this appropriation which will be accounted for in the unconsolidated condensed interim financial statements of the Company in the subsequent reporting period.

## 17. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were authorized for issue on April 29, 2021 by the Board of Directors of the Company.

## 18. GENERAL

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

Chief Executive Officer

Director

Chief Financial Officer

**DAWOOD LAWRENCEPUR LIMITED  
CONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2021**

**DAWOOD LAWRENCEPUR LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2021**

(Amounts in thousand)

|   | Note | Unaudited<br>March 31<br>2021 | Audited<br>December 31,<br>2020 |
|---|------|-------------------------------|---------------------------------|
|   |      | Rupees                        |                                 |
| <b>ASSETS</b>                               |      |                               |                                 |
| <b>Non-current assets</b>                   |      |                               |                                 |
| Property, plant and equipment               |      | 12,048,734                    | 12,493,884                      |
| Right-of-use assets                         |      | 109,053                       | 116,689                         |
| Intangible assets                           |      | 39,205                        | 41,193                          |
| Long-term investments                       | 6    | 11,389,143                    | 10,909,397                      |
| Long-term deposits                          |      | 2,778                         | 2,778                           |
| Long-term loans to employees                |      | -                             | 95                              |
| <b>Total non-current assets</b>             |      | 23,588,913                    | 23,564,036                      |
| <b>Current assets</b>                       |      |                               |                                 |
| Stores and spares                           |      | 892                           | 892                             |
| Stock-in-trade                              |      | 656,373                       | 241,852                         |
| Trade debts                                 |      | 2,458,457                     | 2,896,123                       |
| Contract assets                             |      | 362,216                       | 324,240                         |
| Loans and advances                          |      | 114,348                       | 55,330                          |
| Deposits, prepayments and other receivables |      | 1,109,625                     | 1,075,134                       |
| Accrued interest                            |      | 4,005                         | 7,369                           |
| Taxes recoverable                           |      | 125,417                       | 130,757                         |
| Short-term investments                      |      | 108,062                       | 96,024                          |
| Cash and bank balances                      |      | 464,539                       | 689,185                         |
| <b>Total current assets</b>                 |      | 5,403,934                     | 5,516,906                       |
| <b>TOTAL ASSETS</b>                         |      | 28,992,847                    | 29,080,942                      |
| <b>EQUITY AND LIABILITIES</b>               |      |                               |                                 |
| <b>Share capital</b>                        | 7    | 592,998                       | 592,998                         |
| Capital reserves                            |      | 206,666                       | 206,666                         |
| Unappropriated profit                       |      | 13,603,837                    | 13,358,781                      |
| Non-controlling interest                    |      | 1,472,729                     | 1,492,729                       |
| <b>TOTAL EQUITY</b>                         |      | 15,876,230                    | 15,651,174                      |
| <b>Non-current liabilities</b>              |      |                               |                                 |
| Staff retirement benefits                   |      | 64,551                        | 60,575                          |
| Deferred government grant                   |      | 2,057                         | 3,056                           |
| Deferred taxation                           |      | 1,550,899                     | 1,478,980                       |
| Long-term borrowings                        |      | 6,979,457                     | 7,802,777                       |
| Non-current portion of lease liabilities    |      | 102,595                       | 109,778                         |
| <b>Total non-current liabilities</b>        |      | 8,699,559                     | 9,455,166                       |
| <b>Current liabilities</b>                  |      |                               |                                 |
| Current portion of:                         |      |                               |                                 |
| Long-term borrowings                        |      | 1,320,213                     | 1,304,685                       |
| Deferred government grant                   |      | 6,369                         | 5,369                           |
| Lease liabilities                           |      | 25,926                        | 29,355                          |
| Unclaimed dividend                          |      | 69,977                        | 70,307                          |
| Unpaid dividend                             |      | -                             | -                               |
| Short-term borrowings                       | 8    | 824,358                       | 992,745                         |
| Trade and other payables                    |      | 1,173,225                     | 1,005,778                       |
| Provision                                   |      | 7,360                         | 7,360                           |
| Contract liabilities                        |      | 854,788                       | 410,985                         |
| Accrued mark-up                             |      | 134,842                       | 148,018                         |
| <b>Total current liabilities</b>            |      | 4,417,058                     | 3,974,602                       |
| <b>TOTAL LIABILITIES</b>                    |      | 13,116,617                    | 13,429,768                      |
| <b>Contingencies and commitments</b>        | 9    |                               |                                 |
| <b>TOTAL EQUITY AND LIABILITIES</b>         |      | 28,992,847                    | 29,080,942                      |

The annexed notes from 1 to 16 form an integral part of these consolidated condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

**DAWOOD LAWRENCEPUR LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2021**

| (Amounts in thousand except for earnings / (loss) per share) |    | Quarter Ended    |                  |
|--|----|------------------|------------------|
| Note   |    | March 31<br>2021 | March 31<br>2020 |
| -----Rupees-----   |    |                  |                  |
| <b>CONTINUING OPERATIONS</b>                                 |    |                  |                  |
| Revenue from contracts with customers - net                  | 10 | 1,413,208        | 1,196,059        |
| Cost of revenue  |    | (1,273,706)      | (785,469)        |
| <b>Gross profit</b>  |    | 139,502          | 410,590          |
| Selling and distribution expenses                            |    | (85,597)         | (78,519)         |
| Administrative expenses                                      |    | (88,575)         | (71,661)         |
| Other expenses   |    | (3,442)          | (5,830)          |
| Other income   |    | 13,941           | 25,069           |
| <b>Operating (loss) / profit</b>                             |    | (24,171)         | 279,649          |
| Finance cost   |    | (132,722)        | (210,866)        |
| Share of profit / (loss) of associate                        |    | 485,903          | (45,731)         |
| <b>Profit before taxation</b>                                |    | 329,010          | 23,052           |
| Taxation   |    | (91,687)         | (4,923)          |
| <b>Profit from continuing operations</b>                     |    | 237,323          | 18,129           |
| <b>DISCONTINUED OPERATIONS</b>                               |    |                  |                  |
| Loss from discontinued operations                            |    | (6,788)          | (2,999)          |
| <b>Profit for the period</b>                                 |    | 230,535          | 15,130           |
| <b>Profit / (loss) attributable to:</b>                      |    |                  |                  |
| - Owners of the Holding Company                              |    | 250,535          | (26,625)         |
| - Non-controlling interest                                   |    | (20,000)         | 41,755           |
|  |    | 230,535          | 15,130           |
| <b>Earnings / (loss) per share - basic and diluted</b>       |    | <b>Restated</b>  |                  |
| - Continuing operations                                      | 11 | 4.34             | (0.40)           |
| - Discontinued operations                                    | 11 | (0.11)           | (0.05)           |

The annexed notes from 1 to 16 form an integral part of these consolidated condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

**DAWOOD LAWRENCEPUR LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2021**

(Amounts in thousand)

|   | <b>Quarter Ended</b>     |                          |
|---|--------------------------|--------------------------|
|   | <b>March 31<br/>2021</b> | <b>March 31<br/>2020</b> |
| <b>Rupees-----</b>  |                          |                          |
| Profit for the period   | 230,535                  | 15,130                   |
| <b>Other comprehensive (loss) / income:</b>                               |                          |                          |
| <i>Items that may be reclassified subsequently through profit or loss</i> |                          |                          |
| Share of other comprehensive income of associate - net of tax             | (5,479)                  | 27,157                   |
| <i>Items that will not be reclassified to profit or loss</i>              |                          |                          |
| Share of other comprehensive income / (loss) of associate - net of tax    | -                        | -                        |
| Remeasurement of defined benefit obligation - Actuarial gain / (loss)     | -                        | -                        |
|   | (5,479)                  | 27,157                   |
| <b>Total comprehensive income for the period</b>                          | <b>225,056</b>           | <b>42,287</b>            |
| <b>Total comprehensive income / (loss) attributable to:</b>               |                          |                          |
| - Continuing operations   | 231,844                  | 45,286                   |
| - Discontinued operations   | (6,788)                  | (2,999)                  |
|   | <b>225,056</b>           | <b>42,287</b>            |
| <b>Total comprehensive income / (loss) attributable to:</b>               |                          |                          |
| - Owners of the Holding Company   | 245,056                  | 532                      |
| - Non-controlling Interest  | (20,000)                 | 41,755                   |
|   | <b>225,056</b>           | <b>42,287</b>            |

The annexed notes from 1 to 16 form an integral part of these consolidated condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

**DAWOOD LAWRENCEPUR LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED MARCH 31, 2021**

(Amounts in thousand)

|  | Attributable to owners of the Holding Company |                  |                       |                            |               |                |                       |  |                   | Non-Controlling Interest (NCI) | Total             |  |  |
|--|---|------------------|-----------------------|----------------------------|---------------|----------------|-----------------------|--|-------------------|--------------------------------|-------------------|--|--|
|  | Share capital                                 | Capital reserves |                       |                            |               |                | Revenue reserves      |  |                   |                                |                   |  |  |
|  |   | Merger reserve   | Share premium reserve | Capital redemption reserve | Others        | Total          | Unappropriated profit | Unrealized gain on remeasurement of available-for-sale investments | Total             |                                |                   |  |  |
| Rupees-----  |   |                  |                       |                            |               |                |                       |  |                   |                                |                   |  |  |
| <b>Balance as at January 1, 2020 (Audited)</b>     | 590,578                                       | 10,521           | 136,865               | 25,969                     | 33,311        | 206,666        | 12,094,910            | -  | 12,094,910        | 1,210,800                      | 14,102,954        |  |  |
| (Loss) / Profit for the period                     | -   | -                | -                     | -                          | -             | -              | (26,625)              | -  | (26,625)          | 41,755                         | 15,130            |  |  |
| Other comprehensive income                         | -   | -                | -                     | -                          | -             | -              | 27,157                | -  | 27,157            | -                              | 27,157            |  |  |
| Total comprehensive income for the period          | -   | -                | -                     | -                          | -             | -              | 532                   | -  | 532               | 41,755                         | 42,287            |  |  |
| <b>Balance as at March 31, 2020 (Unaudited)</b>    | <b>590,578</b>                                | <b>10,521</b>    | <b>136,865</b>        | <b>25,969</b>              | <b>33,311</b> | <b>206,666</b> | <b>12,095,442</b>     | <b>-</b>   | <b>12,095,442</b> | <b>1,252,555</b>               | <b>14,145,241</b> |  |  |
| <b>Balance as at January 1, 2021 (Audited)</b>     | 592,998                                       | 10,521           | 136,865               | 25,969                     | 33,311        | 206,666        | 13,358,781            | -  | 13,358,781        | 1,492,729                      | 15,651,174        |  |  |
| Profit / (loss) for the period                     | -   | -                | -                     | -                          | -             | -              | 250,535               | -  | 250,535           | (20,000)                       | 230,535           |  |  |
| Other comprehensive loss                           | -   | -                | -                     | -                          | -             | -              | (5,479)               | -  | (5,479)           | -                              | (5,479)           |  |  |
| Total comprehensive income / (loss) for the period | -   | -                | -                     | -                          | -             | -              | 245,056               | -  | 245,056           | (20,000)                       | 225,056           |  |  |
| <b>Balance as at March 31, 2021 (Unaudited)</b>    | <b>592,998</b>                                | <b>10,521</b>    | <b>136,865</b>        | <b>25,969</b>              | <b>33,311</b> | <b>206,666</b> | <b>13,603,837</b>     | <b>-</b>   | <b>13,603,837</b> | <b>1,472,729</b>               | <b>15,876,230</b> |  |  |

The annexed notes from 1 to 16 form an integral part of these consolidated condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

**DAWOOD LAWRENCEPUR LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2021**

| (Amounts in thousand)   | Quarter Ended    |                  |
|---|------------------|------------------|
|   | March 31<br>2021 | March 31<br>2020 |
|   | Rupees           |                  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                             |                  |                  |
| Profit before taxation  | 322,222          | 20,053           |
| Add: Loss before taxation attributable to discontinued operations       | 6,788            | 2,999            |
| Profit before taxation from continuing operations                       | <u>329,010</u>   | <u>23,052</u>    |
| <b>Adjustment for non-cash charges and other items:</b>                 |                  |                  |
| Depreciation  | 195,719          | 180,268          |
| Amortization  | 1,864            | 151              |
| Provision for impairment against financial assets                       | 1,802            | -                |
| Amortization of transaction cost  | 7,264            | -                |
| Provision for gratuity - net  | 4,734            | 4,128            |
| Provision for warranty  | 9,834            | 4,864            |
| Finance cost  | 125,458          | 210,866          |
| Gain on disposal of property, plant and equipment                       | -                | 39               |
| Interest income on short-term investments                               | (1,602)          | (10,017)         |
| Royalty income  | (1,417)          | (3,562)          |
| Grant income  | (1,347)          | -                |
| Share of profit of associate  | (485,903)        | 45,731           |
| Unrealized Loss on investment   | -                | 3,292            |
| Profit on deposits  | (2,937)          | (6,696)          |
| Operating profit before working capital changes                         | <u>182,479</u>   | <u>452,116</u>   |
| <b>(Increase) / decrease in current assets</b>                          |                  |                  |
| Stock-in-trade  | (415,779)        | (95,503)         |
| Trade debts   | 435,864          | 316,331          |
| Contract assets   | (37,976)         | (174,964)        |
| Loans and advances  | (58,618)         | (965)            |
| Deposits, prepayments and other receivables                             | (33,074)         | (36,380)         |
| <b>Increase / (decrease) in current liabilities</b>                     |                  |                  |
| Contract liabilities  | 443,803          | 19,099           |
| Trade and other payables  | 159,187          | (330,370)        |
|   | <u>493,407</u>   | <u>(302,752)</u> |
| <b>Net cash generated from operations</b>                               |                  |                  |
| Gratuity paid   | (758)            | (11,008)         |
| Long-term loans   | 95               | 689              |
| Taxes paid  | (14,428)         | (14,150)         |
| Discontinued operations   | (7,265)          | (4,587)          |
| <b>Net cash generated from operating activities</b>                     | <u>653,530</u>   | <u>120,308</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                             |                  |                  |
| Purchase of property, plant and equipment                               | (36,969)         | (16,828)         |
| Sale proceeds from disposal / transfer of property, plant and equipment | -                | 192              |
| Purchase of intangible assets   | -                | (10,123)         |
| Purchase of short-term investments                                      | (12,038)         | -                |
| Redemption of short-term investments                                    | -                | 285,848          |
| Interest received   | 7,903            | 24,389           |
| <b>Net cash (used in) / generated from investing activities</b>         | <u>(41,104)</u>  | <u>283,478</u>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                             |                  |                  |
| Proceeds from borrowings  | 84,450           | -                |
| Repayment of borrowings   | (603,559)        | (552,076)        |
| Payment of lease liability  | (14,701)         | (14,815)         |
| Finance costs paid  | (134,545)        | (269,530)        |
| Payment of dividend   | (330)            | (198)            |
| <b>Net cash used in financing activities</b>                            | <u>(668,685)</u> | <u>(836,619)</u> |
| <b>Net decrease in cash and cash equivalents</b>                        | <u>(56,259)</u>  | <u>(432,833)</u> |
| Cash and cash equivalents at beginning of the period                    | (303,560)        | (389,320)        |
| <b>Cash and cash equivalents at end of the period</b>                   | <u>(359,819)</u> | <u>(822,153)</u> |

The annexed notes from 1 to 16 form an integral part of these consolidated condensed interim financial statements.

**Chief Executive Officer**

**Director**

**Chief Financial Officer**

**DAWOOD LAWRENCEPUR LIMITED****NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2021**

(Amounts in thousand)

**1. LEGAL STATUS AND OPERATIONS**

- 1.1 Dawood Lawrencepur Limited (the Holding Company) was incorporated in Pakistan in the year 2004 as a public listed company. It was formed as a result of a Scheme of Arrangement for Amalgamation in terms of the provisions of the repealed Companies Ordinance, 1984 (now Companies Act, 2017) between Dawood Cotton Mills Limited (DCM), Dillon Limited (DL), Burewala Textile Mills Limited (BTM) and Lawrencepur Woolen and Textile Mills Limited (LWTM). The shares of the Holding Company are listed on Pakistan Stock Exchange. The Holding Company manages its investment in its subsidiary and associated companies and 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 business units of the Holding Company include the following:

| <b>Business Units</b> | <b>Geographical Location</b> |
|-----------------------|------------------------------|
|-----------------------|------------------------------|

|   |   |
|---|---|
| Head Office / Registered Office of the Holding Company and its subsidiaries | 3rd Floor Dawood Centre, M.T Khan Road Karachi. |
|---|---|

**Factories of the Holding Company**

|             |  |
|-------------|--|
| BTM Factory | Dawoodabad, Railway Station Road and Luddan Road Chak 439, E.B, Tehsil Burewala District Vehari. |
|-------------|--|

|              |                                      |
|--------------|--------------------------------------|
| LWTM Factory | G.T Road Faqirabad, District Attock. |
|--------------|--------------------------------------|

**Regional offices of the subsidiary company**

|                              |   |
|------------------------------|---|
| Solar Project Sales Office I | 3rd Floor, Asia House L-block, Gulberg III, main Ferozpur road, Lahore. |
|------------------------------|---|

|                               |   |
|-------------------------------|---|
| Solar Project Sales Office II | Emirates Tower, suite # 324, 3rd Floor Capital Territory, F7 Markaz, Islamabad. |
|-------------------------------|---|

**Solar and Wind Power Plant of the subsidiary companies**

|                   |   |
|-------------------|---|
| Solar Power Plant | Block II, District Tharparkar, Sindh.         |
| Wind Farm         | Khutinkun Area, Gharo, District Thatta Sindh. |

- 1.2 In prior years, the Holding Company suspended operations of LWTM, BTM, DL and DCM. Land, building, plant and machinery and related assets of DL and DCM were disposed off . Further, plant and machinery and related assets of LWTM and BTM were also disposed off in the prior period.

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

- 1.4 The "Group" consists of:

**The Holding Company:** Dawood Lawrencepur Limited (incorporated in Pakistan)

**Subsidiary Companies:** Companies in which the Holding Company owns over 50% of voting rights:

|   | Period Ended | Percentage of direct holding |      |
|---|--------------|------------------------------|------|
|   |              | 2021                         | 2020 |
| - Reon Energy Limited (note 1.4.1)      | Mar 31       | 100%                         | 100% |
| - Tenega Generasi Limited (note 1.4.2)  | Mar 31       | 75%                          | 75%  |
| - Mozart (Private) Limited (note 1.4.3) | Mar 31       | 100%                         | 100% |

|   |        |             |      |
|---|--------|-------------|------|
| - Abrax (Private) Limited (note 1.4.4)      | Mar 31 | <b>100%</b> | 100% |
| - Greengo (Private) Limited (note 1.4.5)    | Mar 31 | <b>100%</b> | 100% |
| - Reon Alpha (Private) Limited (note 1.4.6) | Mar 31 | <b>100%</b> | 100% |

#### 1.4.1 **Reon Energy Limited**

Reon Energy Limited (REL) was incorporated in Pakistan on September 15, 2014 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public unlisted company to carry out the business of trading and marketing of renewable energy solutions, mainly solar, to commercial and industrial consumers. The registered office of REL is situated at 3rd Floor, Dawood Centre, M.T.Khan Road, Karachi in the province of Sindh. REL is a wholly owned subsidiary of the Holding Company.

#### 1.4.2 **Tenaga Generasi Limited**

Tenaga Generasi Limited (TGL) was incorporated in Pakistan on December 01, 2005 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) 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 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi, in the Province of Sindh.

The Company has set up a 49.5 MW Wind Power Plant at Gharo, Sindh. The Project achieved 'Financial Close' in March 2015 and has received the Government of Pakistan Guarantee. The Plant commenced commercial operations on October 11, 2016. The electricity generated has been transmitted to the National Transmission and Despatch Company (NTDC) under the Energy Purchase Agreement (EPA) till June 18, 2019. However, subsequently electricity generated is being transmitted to K-Electric Limited.

#### 1.4.3 **Mozart (Private) Limited**

Mozart (Private) Limited (MPL) was incorporated in Pakistan on October 4, 2016 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a private limited company to manage investments in associated company. The registered office of MPL is situated at 3rd Floor, Dawood Centre, M.T.Khan Road, Karachi in the province of Sindh. MPL is a wholly owned subsidiary of the Holding Company.

#### 1.4.4 **Abrax (Private) Limited**

Abrax (Private) Limited (APL) was incorporated in Pakistan on October 4, 2016 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a private limited company to manage Holding Company's legacy assets located in Burewala Mill. The registered office of APL is situated at 3rd Floor, Dawood Centre, M.T.Khan Road, Karachi in the province of Sindh. APL is a wholly owned subsidiary of the Holding Company.

#### 1.4.5 **Greengo (Private) Limited**

Greengo (Private) Limited (GPL) was incorporated in Pakistan on October 4, 2016 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a private limited company to manage Holding Company's legacy assets located in Attock Mill. The registered office of GPL is situated at 3rd Floor, Dawood Centre, M.T.Khan Road, Karachi in the province of Sindh. GPL is a wholly owned subsidiary of the Holding Company.

#### 1.4.6 **Reon Alpha (Private) Limited**

Reon Alpha (Private) Limited (RAPL) was incorporated in Pakistan on October 23, 2017 under the Companies Act, 2017 as a private limited company to carry out business of trading and construction of renewable energy projects. The principal business of RAPL is to own and operate electric power generation project and supply of electricity as an independent power producer. RAPL is in the process of setting up a 5 MW solar power project at District Thar, in the province of Sindh, to provide clean electricity to Sindh Engro Coal Mining Company (SECMC) under a 15- year Energy Purchase Agreement. The registered office of RAPL is situated at 3rd Floor, Dawood Centre, M.T.Khan Road, Karachi in the province of Sindh. RAPL is a wholly owned subsidiary of the Holding Company.

#### 1.5 **Associated company**

The Holding Company also holds investments in Dawood Hercules Corporation Limited (DHCL, an associate) the details of which have been provided in note 6.1.

'Dawood Hercules Corporation Limited (DHCL) was incorporated in Pakistan on April 17, 1968 as a public limited company under the Companies Act 1913 (now Companies Act, 2017) (the Act) and its shares are quoted on Pakistan Stock Exchange Limited. The principal activity of DHCL is to manage investments in its subsidiary and associated companies. The registered office of DHCL is situated at Dawood Center, M.T. Khan Road, Karachi. The Holding Company holds ownership of 16.19% (2020: 16.19%) in DHCL.

## **2. BASIS OF PREPARATION**

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34), issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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

- 3.1 The accounting policies and the methods of computation adopted in the preparation of this consolidated condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Holding Company for the year ended December 31, 2020.
- 3.2 The financial risk management objectives and policies of the Holding Company are also consistent with those disclosed in the audited consolidated financial statements of the Holding Company for the year ended December 31, 2020.
- 3.3 The preparation of this consolidated condensed interim financial information in conformity with the approved accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of accounting policies of the Holding Company. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future years if the revision affects both current and future periods.

## **4. BASIS OF CONSOLIDATION**

The condensed interim financial statements of the subsidiary companies has been consolidated on a line by line basis. The carrying value of investments held by the Holding Company is eliminated against the subsidiaries' share capital and pre-acquisition reserves.

Non-controlling interest has been presented as a separate item in this consolidated condensed interim financial statements. All material intercompany balances and transactions have been eliminated.

The consolidated condensed interim financial statements is presented in Pakistan Rupees, which is the Holding Company's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income, except where such gains and losses are directly attributable to the acquisition, construction or production of a qualifying asset, in which case, such gain and losses are capitalized as part of the cost of that asset.

## **5. SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS**

On March 11, 2020, the World Health Organization declared COVID-19 (the virus) a 'pandemic'. In Pakistan the Federal Government and Provincial Governments have provided various directions and are taking measures to respond to the virus. The Group's management is observing the directives issued by the government and continues to monitor the developing situation and would proactively manage any risk arising thereof. The Group observed the lockdown from March 11, 2020 to August 17, 2020 which resulted in delays in finalization of contracts with customers as well as execution of the on going projects of its subsidiary company REL during that period. The Group's management based on their current assessment has concluded that there are material implications of COVID-19 on the operations of the renewable segment of the Group. Furthermore, the impact of the pandemic on the alternative energy segment of the Group was immaterial.

| Unaudited<br>March 31,<br>2021 | Audited<br>December 31,<br>2020 |
|--------------------------------|---------------------------------|
|--------------------------------|---------------------------------|

## 6. LONG TERM INVESTMENTS

|  |                   |                   |
|--|-------------------|-------------------|
| Share of investment in an associate (note 6.1) | <b>11,374,954</b> | 10,895,496        |
| Other investments                              | <b>14,189</b>     | 13,901            |
|  | <b>11,389,143</b> | <b>10,909,397</b> |

### 6.1 Share of investment in an associate

|  |                   |                   |
|--|-------------------|-------------------|
| Associated company - quoted                  |                   |                   |
| Dawood Hercules Corporation Limited          |                   |                   |
| Opening balance                              | <b>10,895,496</b> | 10,364,454        |
| Add: Share of profit after taxation          | <b>485,904</b>    | 1,227,619         |
| Share of other comprehensive (loss) / income | <b>(6,446)</b>    | 4,810             |
| Other equity transactions                    | <b>-</b>          | -                 |
| Less: Dividend received                      | <b>479,458</b>    | 1,232,429         |
|  | <b>-</b>          | (701,387)         |
|  | <b>11,374,954</b> | <b>10,895,496</b> |

## 7. SHARE CAPITAL

### 7.1 Authorized capital

| Unaudited<br>March 31,<br>2021 | Audited<br>December 31,<br>2020 |                                | Unaudited<br>March 31,<br>2021 | Audited<br>December 31,<br>2020 |
|--------------------------------|---------------------------------|--------------------------------|--------------------------------|---------------------------------|
| <b>Number of shares</b>        |                                 |                                | <b>Rupees</b>                  |                                 |
| 75,000,000                     | 75,000,000                      | Ordinary shares of Rs. 10 each | 750,000                        | 750,000                         |

### 7.2 Issued, subscribed and paid-up capital

| Unaudited<br>March 31,<br>2021 | Audited<br>December 31,<br>2020 |  | Unaudited<br>March 31,<br>2021 | Audited<br>December 31,<br>2020 |
|--------------------------------|---------------------------------|--|--------------------------------|---------------------------------|
| <b>Number of shares</b>        |                                 |  | <b>Rupees</b>                  |                                 |
| 2,204,002                      | 2,204,002                       | Ordinary shares of Rs. 10 each full 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 shares                       | 440,487                        | 440,487                         |
| 130,520                        | 130,520                         | Issued as right issue as per the Court's order   | 1,305                          | 1,305                           |
| 111,430                        | 111,430                         | Issued as bonus shares as per the Court's order  | 1,115                          | 1,115                           |
| <b>59,299,809</b>              | <b>59,299,809</b>               |  | <b>592,998</b>                 | <b>592,998</b>                  |

## **8. SHORT TERM BORROWING**

- 8.1 This includes short-term running finance facilities aggregating to Rs.1,000,000 (December 31, 2019: Rs 1,500,000) obtained under mark-up arrangement from various banks. Out of the aforementioned facilities, the Holding Company has negotiated sub-limits for financing the operations of REL amounting to Rs. 300,000. These facilities are secured by way of a first pari passu mortgage charge on immovable property (including land and building), current assets, and pledge over the Holding Company's investments in related party. Rate of mark-up applicable on these facilities ranges from three months KIBOR plus 100 basis points (December 31, 2020: three months KIBOR plus 90 basis points to three months KIBOR plus 100 basis points) per annum. During the period, Rs. 500,000 facility has been extinguished and securities have been released.
- 8.2 This includes money market loan obtained for three months from the running finance facility obtained under the mark-up arrangement from a commercial bank. This facility is secured by way of a first pari passu mortgage charge on immovable property (including land and building), current assets, and pledge over the Holding Company's investments in related party. Rate of mark up applicable on this facility is three months KIBOR plus 100 basis points (December 31, 2020: three months KIBOR plus 100 basis points). The facility of the loan is six month.
- 8.3 In 2020, a financing facility amounting to Rs. 25,000 (December 31, 2020: Nil) was obtained by REL for meeting working capital requirements. The facility carries mark up at the rate ranging from one month KIBOR to 6 month KIBOR plus 1.25% per annum and is secured by way of registered hypothecation charge over stock-in-trade and trades debts of REL.

## **9. CONTINGENCIES AND COMMITMENTS**

There have been no material change in status of contingencies and commitments as reported in the audited financial statement for the year ended December 31, 2020, except for the following:

### **9.1 Contingencies**

#### **9.1.1 Tenaga Generasi Limited - Sales Tax Audit**

On April 27, 2018, the Officer Inland Revenue (OCIR) through an order raised a sales tax demand of Rs. 97,283 along with a default surcharge arising due to inadmissibility of input sales tax credit related to civil works carried out on account of building and foundation of wind turbines. TGL filed an appeal before the CIRA on May 14, 2018 on the grounds that sales tax at 14% was paid on services for installation of wind project which is related to the core taxable activity for the business and is, therefore, admissible as per law. The appeal is pending for hearing. Simultaneously, on the application by TGL, the High Court of Sindh granted stay on May 28, 2018 against any recovery proceeding by the tax authorities. During February 2021, CIR (A) has passed an ordering confirming demand raised by tax officer. However, Management of TGL, based on the advice of its tax consultants, is confident of a favourable outcome of this matter from the Tribunal (ATIR). Accordingly, no provision has been recognized in this respect in this consolidated condensed interim financial information.

#### **9.1.2 Tenaga Generasi Limited - Sales tax audit (Tax year 2017)**

Sales tax audit u/s 25 of is conducted by FBR of TGL for TY 2017. After submission and hearing of the case CIR has passed and order of Rs. 348,074 excluding default surcharge and penalty of Rs. 167,075 and Rs. 17,414. The major disputed points raised in the order is related with input claimed on invoices rendered by CERIEC provided during construction phase and accrued sales tax liability of December 2016. The Management of the Company in consultation with tax advisor is exploring the options available including filing an appeal with CIR(A) against the order.

## **10. REVENUE - NET**

### **Renewable energy**

Project revenue (Solar)  
Alternate Energy (Wind)

### **Textile**

Fabric

Related to discontinued operations

|               |  | <b>Unaudited<br/>Quarter Ended</b> |                   |
|---------------|--|------------------------------------|-------------------|
|               |  | March 31,<br><b>2021</b>           | March 31,<br>2020 |
| <b>Rupees</b> |  |                                    |                   |
|               |  | 1,079,690                          | 539,359           |
|               |  | 333,518                            | 656,700           |
|               |  | 1,413,208                          | 1,196,059         |
|               |  | 1,192                              | 1,270             |
|               |  | 1,414,400                          | 1,197,329         |
|               |  | (1,192)                            | (1,270)           |
|               |  | <b>1,413,208</b>                   | <b>1,196,059</b>  |

**EARNING / (LOSS) PER SHARE - Basic and diluted**

There is no dilutive effect on the basic earnings / (loss) per share of the Group which is based on:

|  | Unaudited<br>Quarter Ended |                                 |
|--|----------------------------|---------------------------------|
|  | March 31,<br>2021          | March 31,<br>2020<br>(Restated) |
| <b>Continuing operations</b>   |                            |                                 |
| Profit / (loss) for the period (attributable to the owners of the Holding Company) | <b>257,323</b>             | (23,626)                        |
| Weighted average number of ordinary shares (in thousand)                           | 59,298                     | 59,298                          |
| Earning / (loss) per share   | <b>4.34</b>                | (0.40)                          |
| <b>Discontinued operations</b>   |                            |                                 |
| Loss for the period (attributable to the owners of the Holding Company)            | <b>(6,788)</b>             | (2,999)                         |
| Weighted average number of ordinary shares (in thousand)                           | 59,298                     | 59,298                          |
| Loss per share   | <b>(0.11)</b>              | (0.05)                          |

**12 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS****12.1 Financial risk factors**

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

There have been no changes in the risk management policies during the period, consequently this consolidated condensed interim financial statements does not include all the financial risk management information and disclosures required in the annual financial statements.

**12.2 Fair value hierarchy**

As per the requirements of IFRS 13 "Fair Value Measurement", the Company shall classify fair value instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- 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 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

|  | As at Mar 31, 2021 (Unaudited) |               |           |               |
|--|--------------------------------|---------------|-----------|---------------|
|  | Level 1                        | Level 2       | Level 3   | Total         |
| -----<br>Rupees-----   |                                |               |           |               |
| <b>Non-current assets</b>  |                                |               |           |               |
| <b>Financial assets at fair value through profit or loss</b>             |                                |               |           |               |
| - Long-term investments (investments in units of mutual funds)           | -                              | 14,174        | -         | 14,174        |
| <b>Financial assets at fair value through other comprehensive income</b> |                                |               |           |               |
| - Long-term investments (investments in unquoted equity shares)          | -                              | -             | 15        | 15            |
|  | <b>-</b>                       | <b>14,174</b> | <b>15</b> | <b>14,189</b> |

|  | As at December 31, 2020 (Audited) |               |           |               |
|--|-----------------------------------|---------------|-----------|---------------|
|  | Level 1                           | Level 2       | Level 3   | Total         |
|  | Rupees-----                       |               |           |               |
| <b>Non-current assets</b>  |                                   |               |           |               |
| <i>Financial assets at fair value through profit or loss</i>             |                                   |               |           |               |
| - Long-term investments (investments in units of mutual funds)           | -                                 | 13,886        | -         | 13,886        |
| <i>Financial assets at fair value through other comprehensive income</i> |                                   |               |           |               |
| - Long-term investments (investments in unquoted equity shares)          | -                                 | -             | 15        | 15            |
|  | <u>-</u>                          | <u>13,886</u> | <u>15</u> | <u>13,901</u> |

The carrying value of all financial assets and liabilities reflected in this consolidated condensed interim financial statements approximate their fair value.

### 13 SEGMENT REPORTING

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

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

Segment analysis is as under:

| 13.2                                       | Renewable energy               |                                 | Textile - discontinued operations |                                 | Alternate Energy               |                                 | Unallocated                    |                                 | Total                          |                                 |
|--|--------------------------------|---------------------------------|-----------------------------------|---------------------------------|--------------------------------|---------------------------------|--------------------------------|---------------------------------|--------------------------------|---------------------------------|
|  |                                |                                 |                                   |                                 |                                |                                 |                                |                                 |                                |                                 |
|  | March 31,<br>2021              | 2020                            | March 31,<br>2021                 | 2020                            | March 31,<br>2021              | 2020                            | March 31,<br>2021              | 2020                            | March 31,<br>2021              | 2020                            |
| -----Unaudited-----                        |                                |                                 |                                   |                                 |                                |                                 |                                |                                 |                                |                                 |
|  |                                |                                 |                                   |                                 |                                |                                 |                                |                                 |                                |                                 |
|  | Rupees-----                    |                                 |                                   |                                 |                                |                                 |                                |                                 |                                |                                 |
| Revenue from contract with customers - net |                                |                                 |                                   |                                 |                                |                                 |                                |                                 |                                |                                 |
| Timing of revenue recognition              |                                |                                 |                                   |                                 |                                |                                 |                                |                                 |                                |                                 |
| - At a point in time                       | -                              | -                               | 1,192                             | 1,270                           | -                              | -                               | -                              | -                               | 1,192                          | 1,270                           |
| - Over time                                | 1,079,690                      | 539,359                         | -                                 | -                               | 333,518                        | 656,700                         | -                              | -                               | 1,413,208                      | 1,196,059                       |
|  | 1,079,690                      | 539,359                         | 1,192                             | 1,270                           | 333,518                        | 656,700                         | -                              | -                               | 1,414,400                      | 1,197,329                       |
| Cost of revenue                            | (988,845)                      | (507,434)                       | (1,258)                           | (1,281)                         | (284,861)                      | (278,034)                       | -                              | -                               | (1,274,964)                    | (786,749)                       |
| Segment gross profit / (loss)              | 90,845                         | 31,925                          | (66)                              | (11)                            | 48,657                         | 378,665                         | -                              | -                               | 139,436                        | 410,579                         |
| Selling and distribution expenses          | (85,597)                       | (78,519)                        | (12)                              | (13)                            | -                              | -                               | -                              | -                               | (85,609)                       | (78,532)                        |
| Administrative expenses                    | (61,954)                       | (42,876)                        | (11,122)                          | (13,624)                        | (18,944)                       | (19,721)                        | (7,676)                        | (9,064)                         | (99,696)                       | (85,285)                        |
| Other expenses                             | (2,956)                        | (2,537)                         | -                                 | -                               | (486)                          | -                               | -                              | (3,292)                         | (3,442)                        | (5,829)                         |
| Other income                               | 8,793                          | 11,977                          | 4,411                             | 10,649                          | 2,787                          | 8,843                           | 2,361                          | 4,250                           | 18,352                         | 35,719                          |
| Finance cost                               | (18,686)                       | (7,865)                         | -                                 | -                               | (99,204)                       | (178,088)                       | (14,832)                       | (24,915)                        | (132,722)                      | (210,868)                       |
| Share of profit from associate             | -                              | -                               | -                                 | -                               | -                              | -                               | 485,903                        | (45,731)                        | 485,903                        | (45,731)                        |
| Taxation                                   | (16,715)                       | (8,465)                         | -                                 | -                               | (808)                          | (2,564)                         | (74,164)                       | 6,106                           | (91,687)                       | (4,923)                         |
| Segment net profit                         | (86,269)                       | (96,360)                        | (6,789)                           | (2,999)                         | (67,998)                       | 187,135                         | 391,592                        | (72,646)                        | 230,535                        | 15,130                          |
| -----Unaudited-----                        |                                |                                 |                                   |                                 |                                |                                 |                                |                                 |                                |                                 |
| 13.3                                       | Unaudited<br>March 31,<br>2021 | Audited<br>December 31,<br>2020 | Unaudited<br>March 31,<br>2021    | Audited<br>December 31,<br>2020 | Unaudited<br>March 31,<br>2021 | Audited<br>December 31,<br>2020 | Unaudited<br>March 31,<br>2021 | Audited<br>December 31,<br>2020 | Unaudited<br>March 31,<br>2021 | Audited<br>December 31,<br>2020 |
|  |                                |                                 |                                   |                                 |                                |                                 |                                |                                 |                                |                                 |
|  | Rupees-----                    |                                 |                                   |                                 |                                |                                 |                                |                                 |                                |                                 |
| Segment assets                             | 2,800,256                      | 2,273,276                       | 27,415                            | 28,548                          | 14,623,563                     | 15,770,790                      | 11,541,613                     | 11,008,328                      | 28,992,847                     | 29,080,942                      |
| Segment liabilities                        | 2,518,661                      | 1,880,670                       | 4,329                             | 5,937                           | 8,184,643                      | 9,231,063                       | 2,408,985                      | 2,312,098                       | 13,116,617                     | 13,429,768                      |

**14 TRANSACTIONS WITH RELATED PARTIES**

Transaction with related parties, other than those which have been disclosed elsewhere in this consolidated condensed interim financial statements, are as follows:

| <b>Relationship</b>                  | <b>Nature of transaction</b>  | <b>Unaudited<br/>March 31,<br/>2021</b> | <b>Unaudited<br/>March 31,<br/>2020</b> |  |  |
|--------------------------------------|---|---|---|--|--|
|                                      |   | <b>Rupees-----</b>                      |   |  |  |
| <b>a. Associated companies</b>       |   |   |   |  |  |
|                                      |   |   |   |  |  |
| Dawood Hercules Corporation Limited  | Reimbursable expenses by the Group<br>Reimbursable expenses to the Group  | 2,872<br>102                            | 5,007<br>14                             |  |  |
| Sach International (Private) Limited | Reimbursable expenses incurred by the Group<br>Royalty charged by the Group<br>Penalty charged against overdue receivables<br>Rental Income | 64<br>1,417<br>643<br>165               | 86<br>3,562<br>689<br>165               |  |  |
| The Dawood Foundation                | Expenses incurred by the Group<br>Sales of goods to the company   | 4,374<br>7,040                          | 10,985<br>-                             |  |  |
| Engro Energy Limited                 | Operations and maintenance expenses<br>Project revenue<br>Extra work  | 87,234<br>802<br>3,825                  | 91,419<br>-<br>3,825                    |  |  |
| Enfrashare (Private) Limited         | Project revenue   | 268,458                                 | -                                       |  |  |
| International Finance Corporation    | Borrowing cost charged to Group<br>Repayment of loan<br>Supervision fee   | 27,372<br>166,808<br>870                | 42,336<br>152,429<br>1,155              |  |  |
| <b>b. Key management personnel</b>   |   |   |   |  |  |
|                                      |   |   |   |  |  |
| <b>c. Directors</b>                  | Salaries and benefits<br>Meeting fees   | <b>17,739</b><br><b>996</b>             | 14,235<br>600                           |  |  |

**15 NON-ADJUSTING EVENT AFTER STATEMENT OF FINANCIAL POSITION DATE**

The Board of Directors of the Holding Company in its meeting held on April 29, 2021 has approved an interim cash dividend of Rs. 3.5 per share amounting to Rs 207.549 million for the period ending March 31, 2021. This consolidated condensed interim financial statements do not recognize interim dividend from unappropriated profit as it has been declared subsequent to the reporting date.

**16 DATE OF AUTHORIZATION FOR ISSUE**

This consolidated condensed interim financial statements were authorized for issue on April 29, 2021 by the Board of Directors of the Holding Company.

Chief Executive

Director

Chief Financial Officer

دی ہے اور اب ان واجبات کو سات (07) ماہ ہو گئے ہیں۔

جھمپیر میں واقع وہ از جی پلانٹ کو شدید تخفیف کا سامنا ہے کیوں کہ بجلی کے حصول کی ترجیح ابھی بھی کوئی اور ایل این جی سے چلنے والے پروڈکٹس پر مرکوز ہے جن کا ٹیرف وہ از جی کے ٹیرف سے کم ہے اور اس کی وجہ انھیں، ہوا سے چلنے والے پلانٹس کے ساتھ لازمی چلنے والے پلانٹس، قرار دینا ہے۔ فی الوقت، TGL کی کل پیداواری حد تاثر نہیں ہو رہی ہے کیوں یہ بجلی کے ایکٹر کفر اہم کی جا رہی ہے۔ تاہم، اب اپنے اشارے مل رہے ہیں کہ بجلی کا حصول تجارتی بنیادوں پر کیا جائے گا جس کے لیے کم ٹیرف والے پلانٹس کو ترجیح دی جائے گی۔

زیر جائزہ سماں کے دوران، حکومت سرگرمی سے تو انہی کی قیمت کرنے کی کوشش کرتی رہی۔ حکومت کا بنیادی زور تحریل پلانٹس کے لیے کمپنی چار جزا خاتمه اکی کے علاوہ پاور پلانٹس کے لیے قابل اطلاق ٹیرف میں کمی پڑے ہے۔ حکومت کی مذاکراتی کمیٹی نے وہ از جی پیدا کرنے والے انڈپینڈنٹ پاور پروڈیورز (Wind IPPs) کے ساتھ مذاکرات کا آغاز کیا جس میں ابتدائی طور پر ریزن آن ایکوئین (ROE) اور آپریشنز اینڈ منیجنمنٹ نینس (O&M) پر ہونے والے اخراجات میں کمی کے ساتھ ہے کہ اخراجات پر توجہ دی جا رہی ہے۔ قرضوں کی رسماں کے ساتھ کچھ نگ کے لیے بہترین کوششیں کی جا رہی ہیں۔ طویل مذاکرات کے بعد متعدد IPPs نے، اس شرط کے ساتھ، معاهده کے مسودے پیش کیے کہ انھیں IPPs کے بورڈ آف ڈائریکٹرز اور سرمایہ فراہم کرنے والے اداروں سے (Financiers) رضامندی حاصل کرنے بعد حقیقی ملک دی جائے گی۔ چھ ماہ کے عرصے سے قطع نظر، دو قساط پر مشتمل ادائیگی کے میکالزم پر بھی اتفاق کیا گیا۔ ہر ادائیگی ایک تھائی نقدر قم، ایک تھائی بطور PIBs اور ایک تھائی صلوک باغذی صورت میں ہو گی۔ ٹیرف میں کمی کے اطلاق کے لیے پروڈکٹس نے سال 1994 اور سال 2002 کی پاور پالیسی کے تحت کام شروع کر دیا ہے۔ وہ IPPs نے یہ عمل شروع نہیں کیا ہے کیوں کہ انھیں اپنے ڈائریکٹ فارن انولیٹرز (DFIs) کی جانب سے منظوری کا انتظار ہے۔ ڈائریکٹ فارن انولیٹرز، حکومت کے ساتھ مذاکرات کر رہے ہیں اور شبے کے مستقبل کے بارے میں، بالخصوص اس شبے میں آئی ایم ایف کے ساتھ بات چیت میں طے کی جانے والی اصلاحات کے بارے میں، وضاحت چاہئے ہیں۔ انڈپینڈنٹ پاور پروڈیورز کے قابل ادا واجبات کی رقم، جس کے لیے نظر ثانی شدہ ٹیرف جاری کیا گیا ہے، ابھی بھی قابل ادا ہے۔

ٹیرف کے لیے بولی دینے کا طریقہ کارا بھی تک، مکمل طور پر، تیار نہیں ہے اور یہ بھی ڈیوپلپر ز کے لیے تشویش کا باعث ہے۔ اگرچہ قابل تجدید تو انہی کے بارے میں پالیسی جاری کر دی گئی ہے لیکن اس طریقہ کار کے بارے میں کوئی وضاحت بھی جاری نہیں کی گئی ہے۔ حکومت نے وہ سورہا برداشتیں کے لیے سات یہ آف انٹ (LOIs) منوچ کر دیے ہیں اور ٹیرف اب بھی قابل تجدید تو انہی پالیسی کے ماتحت ہے۔

شahnawaz  
Shahzad Javed

چیئرمین

محبی حیدر خان

چیف ایگزیکٹو آفیسر

کراچی، 29 اپریل، 2021ء

گزشہ برس، اسی عرصے کے دوران ہونے والی کل آمدی 1,196.1 ملین روپے کے مقابلے میں اس سال انعام شدہ آمدی 1,413.2 ملین روپے رہی۔ اس اضافے کی وجہ سی تو انائی کے پروجیکٹس ہونے والی بلند آمدی تھی جو 1,105.1 ملین روپے رہی۔ شریک کمپنی کی جانب سے منافع میں حصہ کے پیش نظر، جو 485.9 ملین روپے تھا (31 مارچ 2020: منافع میں حصہ (45.7) ملین روپے)، تین ماہ کے عرصے کے اقتام پر بعد از ٹکس انعام شدہ 237.3 ملین روپے ہو گیا جبکہ گزشہ برس اسی عرصے کے دوران یہ منافع 18.1 روپے تھا۔ فی حصہ آمدی میں اضافے کی وجہ ہولڈنگ کمپنی کے مالکان کی وجہ سے تھا جو 4.34 روپے فی حصہ تھی جبکہ گزشہ برس، اسی عرصے کے لیے یہ آمدی (0.40) روپے تھی۔

## مستقبل کا جائزہ

### قابل تجدید تو انائی کا کاروبار

موہی تبدیلی کے نئے عالمی زور میں تخفیف کے نتیجے میں ایسی صنعتیں جو خود کو قابل تجدید تو انائی سے وابستہ تصور کرتی ہیں، اس بات کا زیادہ امکان ہے کہ انھیں بین الاقوامی سطح پر مسابقاتی پارٹنر تسلیم کر لیا جائے۔ اس بات کا بھی امکان ہے کہ یہ ہلکے ہلکے دباو میں تبدیل ہو جائے جس کی بین الاقوامی تجارت اور اقتصادی تعلقات میں اہمیت ہو اور جس کا ممکن طور پر، ملک کی برآمدی کا رکرداری پر بھی اثر ہو۔

آنے ایم ایف کے ساتھ اپنے وعدے کے مطابق، حکومت نے، سرکردیہ ملجمحہ پلان (سی ڈی ایم پی) کے حصے کے طور پر بھلی کی قیمتوں میں اضافے کا اعلان کیا ہے۔ اس بات کا امکان ہے کہ یہ اقدام تجارتی اور صنعتی صارفین کو تو انائی کے مقابلہ تلاش کرنے پر مجبور کرے گا جن میں قابل تجدید تو انائی کو مسابقاتی اور قابل عمل آپشن کی حیثیت حاصل رہے گی۔ یہاں حل قطعی طور پر ایسے کاروباری اداروں کے لیے ایک موقع ہے کہ وہ اپنے سُنی تو انائی کے آپنے میں تبدیلی کے ذریعے بین الاقوامی قبولیت اور مسابقاتی بہتر بنا سیں۔

ائیٹ بینک آف پاکستان کی جانب سے کاروباری اداروں کو عارضی معاشی ری فانس کی سہولت (Temporary Economic Refinance Facility; TERF) کی سہولت کے تحت 435.7 ارب روپے کے قرض کے نتیجے میں صنعتوں کی ترقی اور وسعت واسخ ہے اور اس طرح ملک میں تو انائی کی طلب میں اضافہ، بالخصوص تجارتی اور صنعتی شعبے میں، ممکن ہے۔ سال 2021 میں، فنڈوولنک (PV) ماذیڈ کی فراہمی کے لیے بڑے چینی سپلائز نے پہلے ہی پاکستانی مارکیٹ میں بڑے کاروباری سودوں کا اعلان کر دیا ہے۔ ہم، دنیا بھر میں سول پیٹڑوا اور تو انائی کی طلب میں اضافے کے سبب درآمدات کی بنیاد پر فراہمی کو درپیش چیلنج تشویش کا باعث ہے۔ وہاں کے باعث غیر تلقینی صورت حال ایک طویل عرصے تک ملک میں صنعتی طلب، تجارت اور سرمایکاری کی حرکیات پر اثر انداز ہوتی رہے گی۔

بالآخر، یہ بات کہنے کی ضرورت نہیں ہے کہ آئندہ بجٹ، تسلیل اور پالیسی کے انتظام کو ملکی معیشت اور ترقی کے امکانات میں اہمیت حاصل رہے گی۔ اگر کوئی چیز ہے تو وہ یہ کی وسیع تر محاذاہ پر ترقی کے لیے از سرفراز غیر غیر فراہم کی جائے اور حکومت کے لیے یہ مشورہ نہایت مناسب ہے کہ وہ گھرائی میں جا کر اس کا حل تلاش کرے۔ یہ، اور اسی طرح ملک میں کوڈی کی بڑھتی ہوئی صورت حال، سُنی تو انائی کا ایک امیدافزا مظہر ہے کے لیے حقیقی کیفیت ہے۔

### وڈا زنجی کا پروجیکٹ

وڈا زنجی کے شعبے کو بھی بھی گردشی قرض اور اس کی ادائیگی کے شدید اڑاثات کا سامنا ہے کیونکہ حکومت نے قابل ادا اوجبات کی ادائیگی پر بھتی سے پابندی لگا

یہ پلانٹ، داؤد ہائیڈ رو چائنا (Dawood HydroChina) اور زیفرا (Zephyr) کے اشتراک سے، کے ایکٹر کو بھلی کی فراہمی جاری رکھے ہوئے ہے۔ یہ انتظامات میکٹم آپریشنز فراہم کر رہے ہیں اور گڑ کی بندش اور تخفیف دونوں میں نمایاں کمی ہوتی ہے۔ موجودہ سماں کے دوران میں کمی کل تو اتنا ہے (13.34GWh) P90 (22.73GWh) سے کم رہی۔ سال 2021 کے دوران پلانٹ کو غیر معمولی طور پر کم ہوا (wind) دستیاب ہوتی اور امکان ہے کہ یہ رجحان دوسرا سماں میں بھی جاری رہے گا۔ موقع ہے کہ موسم گرم کے میتوں میں صورتحال بہتر ہو جائے گی اور P90 کے تحت مقرر کردہ ہدف 126.3GWh کے مقابلے میں انداز آپریشنز 120.0GWh رہے گی۔ ہوا کے رجحان میں یہ تبدیلی عالمی سطح پر ہونے والی ماحولی تبدیلیوں کے باعث ہے۔

سال 2021 کی اس پہلی سماں کے دوران، ہوا کی اوسط رفتار 5.28 میٹرنی سینکڑے کم ہے۔ ہوا کی رفتار میں تبدیلی کا یہ رجحان قابل فہم ہے یعنی موسم گرم کے دوران کم رفتار ہوا گیں اور موسم سرما میں خاصی تیز رفتار ہوا گیں۔ اس رجحان میں تبدیلی ظاہر ہو رہی ہے کیونکہ سال 2021 کی پہلی سماں کے دوران ہوا گیں، سال 2020 کے اسی عرصے کے مقابلے میں، بہت کم تھیں۔ سال 2020 میں ہونے والے تجربے کی روشنی میں موقع ہے کہ موسم گرم میں ہوا کی رفتار بہتر ہو جائیگی۔

## مالی جملکیاں

کمپنی کی غیر انضام شدہ مالی جملکیاں درج ذیل ہیں:

| 31 مارچ، 2021         | 31 مارچ، 2020         |   |
|-----------------------|-----------------------|---|
| کو ختم ہونے والی سماں | کو ختم ہونے والی سماں |   |
| روپے ہزاروں میں       |                       |   |
| 981                   | -                     | آمدنی - خالص                                      |
| (604)                 | -                     | آمدنی کی لاگت                                     |
| 377                   | -                     | مجموعی منافع                                      |
| 38,823                | 21,263                | دیگر آمدنی  |
| (940)                 | (3,169)               | جاری آپریشنز سے قبل ازنکس نقصان                   |
| (2,999)               | (6,788)               | بند آپریشنز سے نقصان                              |
| (754)                 | (1,279)               | محصولات   |
| (4,693)               | (11,236)              | نقصان بعد از محصولات                              |
| 2,780,349             | 2,960,800             | گزشتہ حسابات سے موصول شدہ غیر مختص منافع          |
| <b>2,703,656</b>      | <b>2,949,564</b>      | <b>آحمدہ حسابات کو ختم کردہ غیر مختص منافع</b>    |
| (0.03)                | (0.08)                | (نقصان) / آمدنی کی حصہ - بنیادی اور مجموعی (روپے) |

مئونرخ 31 مارچ، 2021 کو ختم ہونے والے تین ماہ کے دوران شریک کمپنی - داؤد ہر کو لیس کارپوریشن لمنڈی کی جانب سے حصہ کی آمدنی صفر روپے موصول ہوتی جبکہ 31 مارچ، 2020 کو ختم ہونے والے اسی عرصے کے دوران بھی حصہ کی آمدنی صفر روپے موصول ہوتی تھی۔

## ڈائریکٹرز کی جائزہ رپورٹ

برائے پہلی سالی اختتامی 31 مارچ، 2021ء

ڈائریکٹرز سرت کے ساتھ مورخہ 31 مارچ، 2021ء کو تم ہونے عرصے کے لیے اپنی رپورٹ اور کمپنی کے غیر آڈٹ شدہ غیر انعام شدہ مختصر عبوری مالی گوشوارے اور گروپ کے لیے غیر آڈٹ شدہ، انعام شدہ، مختصر اور عبوری مالی گوشوارے پیش کرتے ہیں۔

### کاروباری جائزہ

#### قابل تجدید قوانین کا کاروبار

سال 2021 کا آغاز اس طرح ہوا کہ، گزشتہ کسی بھی سال کے مقابلے میں، اس سال کی پہلی سہ ماہی کے دوران ری اون (Reon) کی آمدی میں بلند ترین اضافہ دیکھا گیا۔ اس سہ ماہی میں، کمپنی کی آمدی میں ایک ارب روپے سے زیادہ کا اضافہ ہوا جس کی وجہ سال 2020 میں غیر معمولی تعداد میں ہونے والے کاروباری سودے تھے۔ اس سہ ماہی کے دوران، کمپنی نے EPC بیزنس سے تعلق رکھنے والے 8 میگا والٹس کے پروجیکٹس حاصل کرنے کے علاوہ، جن میں سے اکثر کا تعلق کپڑا بنانے والی صنعت (textile) کے شعبے سے تھا، سہ ماہی کے دوران 121 منافع بخش ٹیکسی کام سائنس بھی حاصل کیں۔ کمپنی نے لصیل بس ڈپو (Lusail Bus Depot)، قطر، کے لیے 3.5 میگا والٹس کے مشینی نظام کے ڈیزائن اور تعمیر کا بین الاقوامی سنریکٹ کے حصول میں بھی کامیابی حاصل کی۔ سمندر پار کام کرنے سے، خطرات کے حوالے سے حاصل ہونے والے مزید تجربے اور فوائد کی روشنی میں ہمیں موقع ہے کہ اپنی مارکیٹ میں تنوع کی حکمت عملی کے طور پر اپنے بین الاقوامی پورٹفولیو میں اضافہ چاری رکھیں گے۔

وہا کی تیسری اہر کے باعث پیش آنے والے خطرات کے باعث اقتصادی مظرا نامہ اب بھی غیر یقینی صورت حال کا شکار ہے۔ وہا اور نہر سوئز کی بندش جیسے دیگر واقعات کے باعث عالمی پلائی چین کو بھی نقصان پہنچا، فراہمی میں تاخیر ہوئی، بارہ داری (freight) کے شرح میں اضافہ ہو گیا اور اشیاء کی قیمتیں بڑھ گئیں۔ کمپنی صورت حال کی مسلسل نگرانی کر رہی ہے اور اس کے مطابق اقدامات کر رہی ہے جبکہ ان پریشان کن حالات میں بھی، کمپنی نے اپنی توجہ کشمکش کے لیے قدر میں اضافے کے ساتھ ملازمین اور سوق ترانسپورٹ ہولڈرز کے تحفظ پر اپنی توجہ مرکوز رکھی۔

کووڈ-19 کے دوبارہ چھیلنے کا ندیش کے پیش نظر، کمپنی نے اپنے ملازمین اور کارکنوں کی صحت اور تحفظ کے لیے متعدد اقدامات کیے۔ لاہور اور سلام آباد میں کرونا کے مریضوں کی تعداد میں اضافے کے باعث، ان شہروں میں، دفاتر کامل طور پر بند کر دیے گئے ہیں۔ دفتر میں کام کرنے والے تمام افراد کی حوصلہ افزائی کی گئی ہے کہ وہ گھر سے کام کریں جبکہ سائک پر کام کرنے والے ملازمین کا تحفظ یقینی بنانے کے لیے اعلیٰ ترین معیار پر عمل کیا جا رہا ہے۔ ادارہ تیزی سے بدلتی ہوئی صورت حال پر نظر رکھتے ہوئے اور انتہائی ترجیح کے طور پر اپنے ملازمین کی صحت اور تحفظ یقینی بنانے کے لیے پر عزم ہے۔

### وہا از جی کا پروجیکٹ

پلانٹ تسلی بخش انداز میں کام کر رہا ہے اور دستیابی کے علاوہ BOP کے تحت موقع اہداف بھی حاصل کر رہا ہے اس عرصے میں، BOP نقصان 1.73 فیصد ہوا جبکہ ہدف 2.5 فیصد تھا جبکہ پلانٹ کی دستیابی 98.0 فیصد کے مقابلے میں 98.83 فیصد تھی۔ صحت، تحفظ اور ماحول (HSE) کو ترجیح حاصل رہی اور 449,863 محفوظ انسانی گھنٹے (manhours) استعمال ہوئے جبکہ حادثات کی شرح صفر رہی۔ پلانٹ محفوظ انداز میں، کسی بھی حادثے کے بغیر، گزشتہ 1,646 دنوں سے کام کر رہا ہے۔

## PHYSICAL SHAREHOLDERS

### Bank Account Details for Payment of Cash Dividend

(Mandatory Requirement as per the Companies Act, 2017)

#### Dear Shareholder,

This is to inform you that in accordance with the Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is mandatory and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following information:

| <b>Details of Shareholder</b>   |   |
|---|---|
| Name of shareholder   |   |
| Folio No.   |   |
| CNIC No.  |   |
| Cell number of shareholder  |   |
| Landline number of shareholder, if any  |   |
| Title of Bank Account   | <b>Details of Bank Account</b>  |
| International Bank Account Number (IBAN) <b>"Mandatory"</b>   | <b>PK _____ (24 digits)</b><br>(Kindly provide your accurate IBAN number after consulting with your respective bank branch since in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment). |
| Bank's name   |   |
| Branch name and address   |   |
| It is stated that the above-mentioned information is correct and in case of any change therein, I / we will immediately intimate Participant / Share Registrar accordingly. |   |
| _____<br>Signature of shareholder   |   |

You are requested to kindly send photocopy of this letter immediately duly filled in and signed by you along with legible photocopy of your valid CNIC at the Company's Share Registrar Office, **CDC Share Registrar Services Limited, Share Registrar Services, CDC House, 99-B, Block B, Main Shahrah-e-Faisal, Karachi. 74400, Pakistan.**

## CDS SHAREHOLDERS

### Bank Account Details for Payment of Cash Dividend (Mandatory Requirement as per the Companies Act, 2017)

**Dear Shareholder,**

This is to inform you that in accordance with the Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank accounts of entitled shareholder as designated by them. In pursuance of the direction given by Securities and Exchange Commission of Pakistan (SECP), kindly immediately contact your relevant CDC Participant/CDC Investor Account Services Department and provide them your bank mandate information including International Bank Account Number (IBAN) which is now mandatory for all cash dividend payments.

In order to comply with regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide requisite bank mandate information to your respective Participant/CDC Investor Account Services Department immediately.

# ELECTRONIC TRANSMISSION CONSENT FORM

The Securities & Exchange Commission of Pakistan through SRO 787(I)/2014 of September 8, 2014 allowed the Company to circulate its annual balance sheet and profit & loss accounts, auditor's report and directors' report etc. (Audited Financial Statements) along with the Company's Notice of Annual General Meeting to its shareholders through email. Those shareholders who wish to receive the Company's Annual Report through email are requested to complete the requisite form below.

CDC shareholders are requested to submit their Electronic Transmission Consent Form along with their CNIC directly to their broker (participant)/CDC; while shareholders having physical shares are to send the forms and a copy of their CNIC to the Company's Share Registrar, Messrs. CDC Share Registrar Services Limited, CDC House, 99-B, Block "B", S.M.C.H.S., Main Shahra-e-Faisal, Karachi.

## **Electronic Transmission Consent Form**

Pursuant to the directions given by the Securities & Exchange Commission of Pakistan through its SRO 787(I)/2014 of September 8, 2014, I Mr. / Ms. \_\_\_\_\_

S/o, D/o, W/o \_\_\_\_\_ hereby consent to have the Dawood Lawrencepur Limited Audited Financial Statements and Notice of Annual General Meeting delivered to me via email on my email address provided below:

|                         |  |
|-------------------------|--|
| Folio / CDC Account No. |  |
| Postal Address:         |  |
| Email Address:          |  |
| Contact No.:            |  |
| CNIC No.:               |  |

It is stated that the above mentioned information is true and correct and that I shall notify the Company and its Share Registrar in writing of any change in my email address or withdrawal of my consent to email delivery of the Company's Audited Financial Statements and Notice of the Meeting.

**Dear Shareholder,**

**REQUEST FORM FOR HARD COPY OF  
ANNUAL AUDITED ACCOUNTS**

The Securities and Exchange Commission of Pakistan, vide S.R.O 470(I)/2016 dated May 31, 2016, has allowed companies to circulate their annual balance sheet, profit and loss account, auditor's report, directors' report and ancillary statements/notes/documents ("Annual Audited Accounts") along with notice of general meeting to the registered addresses of its shareholders in electronic form through CD/DVD/USB.

However, Shareholders may request a hard copy of the Annual Audited Accounts along with notice of general meetings to be sent to their registered address instead of receiving the same in electronic form on CD/DVD/USB. If you require a hard copy of the Annual Audited Accounts, please fill the following form and send it to our Share Registrar or Company Secretary at the address given below.

---

Date: \_\_\_\_\_

I/We \_\_\_\_\_ request that a hard copy of the Annual Audited Accounts along with notice of general meetings be sent to me through post. My/our particulars in this respect are as follows:

|                    |  |
|--------------------|--|
| Folio /CDC A/c No. |  |
| Postal Address:    |  |
| Email Address:     |  |
| Contact No:        |  |
| CNIC No.           |  |
| Signature          |  |

The form may be sent directly to Dawood Lawrencepur Limited Share Registrar or Company Secretary at the following address:

**CDC Share Registrar Services Limited CDC**  
**House, 99-B, Block "B", S.M.C.H.S**  
**Main Shahra-e-Faisal, Karachi, Pakistan**  
**Tel: +92 (21) 111-111-500**  
**Website: <http://cdcpakistan.com>**

**Dawood Lawrencepur Limited**  
**Dawood Centre, M.T. Khan Road**  
**Karachi -75530, Pakistan**  
**Tel: +92 (21) 35632200**  
**Email: [info.reon@dawoodhercules.com](mailto:info.reon@dawoodhercules.com)**  
**Website: [www.dawoodlawrencepur.com](http://www.dawoodlawrencepur.com)**

If you are a CDC Account Holder, you should submit your request directly to your CDC Participant through which you maintain your CDC account.



Registered Office:  
3<sup>rd</sup> Floor, Dawood Center, M.T. Khan Road, Karachi- 75530, Pakistan.

UAN: (021) 111 736 611  
Tel: (92 21) 3563 2200-09  
Fax: (92 21) 3563 3970

[info.reon@dawoodhercules.com](mailto:info.reon@dawoodhercules.com)  
[www.dawoodlawrencepur.com](http://www.dawoodlawrencepur.com)