



Dawood  
Lawrencepur  
Limited

# PEOPLE. POWER. PROSPERITY.

Half Yearly Report  
June 30, 2022



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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. Muhammad Jawaid Iqbal (Chairman)
- Mr. Abdul Samad Dawood
- Ms. Sabrina Dawood
- Mr. Shafiq Ahmed
- Mr. Zamin Zaidi
- Mr. Ruhail Muhammad
- Mr. Mohammad Shamooun Chaudry
- Mr. Mujtaba Haider Khan (Chief Executive Officer)

## Board Audit Committee

- Mr. Ruhail Muhammad (Chairman)
- Mr. Shafiq Ahmed
- Mr. Mohammad Shamooun Chaudry

## Human Resource and Remuneration Committee

- Mr. Muhammad Jawaid Iqbal (Chairman)
- Mr. Abdul Samad Dawood
- Mr. Zamin Zaidi

## Board Transaction Committee

- Mr. Shafiq Ahmed
- Mr. Zamin Zaidi

## 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.: 021-1 1 1 -1 1 1-500

## Registered Head Office

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Karachi-75530  
Tel.: 021-35632200-9  
Fax: 021- 35633970  
E-mail: info.reon@dawoodhercules.com Website:  
www.dawoodlawrencepur.com

## Lahore Office

- Office No. SO-1&2 2nd Floor Colabs Building 50-N,  
Gurumangat Road Gulberg II Lahore  
Tel.: 042-35751287-88

## Mills

- Dawoodabad  
Railway Station Road and  
Luddan Road, Chak 439, E.B, Tehsil Burewala,  
District Vehari.  
Tel.: 067- 3353347, 3353 1 45, 3353246  
Fax: 067- 3354679

## DawoodPur

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



**DAWOOD LAWRENCEPUR LIMITED**  
**DIRECTORS' REVIEW REPORT**  
FOR THE HALF YEAR ENDED JUNE 30, 2022

The Directors are pleased to present their report together with the unaudited unconsolidated condensed interim financial statements of Dawood Lawrencepur Limited (the Company) and the unaudited consolidated condensed interim financial statements of the Group for the period ended June 30, 2022.

**BUSINESS REVIEW**

**Renewable Energy Business**

The renewable energy business continued to maintain a forward trajectory in 1H as the Company clocked in its highest-ever half yearly top line during the year.

In terms of order intake, the quarter remained robust as REL secured 20 MW of EPC business of prestigious clients. The telco segment also continued to witness strong growth in terms of margins and delivered sites in addition to expanding the overall portfolio of product offering.

While realized margins observed stress owing to a challenging global and local economic situation, the continued growth and diversification in topline provided the necessary cushion to withstand external headwinds.

Going forward, the gradual easing of pressure on the external front and relative stability in our economy is expected to translate into a return of confidence in key economic sectors. Energy prices are expected to exhibit an upside tilt in the short-to-medium term, so renewable energy remains a preferred alternative for our customers, as duly encouraged by favorable policies including the renewal of the concessional financing scheme for the renewable energy segment.

REL is well-positioned to capitalize on these developments.

**Wind Energy Project**

The Plant is operating satisfactorily and meeting the expected targets for availability and BOP loss. The BOP Loss for the review period, Q2 2022, was 1.09% against a target of 2.5%, whilst Availability was 97.07% against a target of 98.0%. Availability was low primarily due to non-availability of Turbine 7 since 16th January 2022. Health Safety and the Environment (HSE) remained a priority and 502,701 safe man-hours have been clocked since COD with zero injury rate and TRIR. The plant has been operating safely, without injury, for 1,829 days.

The Jhampir connection is proving stable for evacuation and there was minimal curtailment during the quarter. The total NPMV for the current quarter was 0.153 GWh compared to 0.534 GWh for Q1 2022. The total energy billed during the current quarter, Q2 2022 (48.26 GWh) is higher than the P90 level (45.09 GWh) and is closer to the P75 level (49.9 GWh). The Plant experienced good winds during this quarter. For the half year, the billed energy was 66.8 GWh against the P90 target of 67.8 GWh. This difference was primarily due to low winds in February and March.

The trend of wind speed has altered appreciably, and the plant experienced very good winds during January and Q2 2022. The average wind during the quarter was 7.82 m/sec against 7.2 m/sec for Q1 2021.

## FINANCIAL HIGHLIGHTS

The unconsolidated financial highlights of the Company are as under:

	Half Year ended June 30, 2022	Half Year ended June 30, 2021
	Rupees in thousands	
Revenue – net	-	-
Cost of revenue	-	-
Gross (loss) / profit	-	-
Other income	67,942	51,036
Profit before taxation from continued operations	321,207	344,965
Loss from discontinued operations	(2,863)	(17,817)
Taxation	(96,287)	(50,628)
<b>Profit after taxation</b>	<b>222,057</b>	<b>276,520</b>
Unappropriated profit brought forward	3,127,809	2,960,800
<b>Unappropriated profit carried forward</b>	<b>3,349,866</b>	<b>3,029,771</b>
Earnings per share - basic & diluted (Rupees)	<b>3.74</b>	<b>4.66</b>

During the half year ended June 30, 2022, dividend income from associate - Dawood Hercules Corporation Limited amounted to PKR 350.7 million against PKR 350.7 million for the period ended June 30, 2021.

Consolidated revenues for the period were PKR 7,302 million against PKR 4,554 million for the comparative period. The increase was led by higher revenue from solar energy projects amounting to PKR 5,339 million. After considering the share of profit from associate of PKR 83 million (June 30, 2021: share of profit of PKR 925 million), the consolidated profit after tax for the six-month period ended stood at PKR 909 million against PKR 1,037 million for the same period last year. Consolidated earnings per share attributable to the owners of the Holding Company was PKR 11.11 against PKR 15.96 for the comparative period last year.

## FUTURE OUTLOOK

### Renewable Energy Business

Continued geo-political conflict and its ramifications on global supply chains has led to a short-term increase in the demand for fossil fuels including coal and gas, but this has not dented the momentum of the renewable energy transition. The government of the United States has launched a record stimulus for green recovery and this move is expected to be replicated by other leading countries. This will likely contribute to growing international pressure on fossil fuel usage across the world and may play a major role in determining the future of trade and economic relations between countries.

Despite the short term spike in demand for fossil fuels including coal and gas due to war in Ukraine, march of renewables continues. Biden administration in US has launched a record stimulus for a green recovery and other western states are set to follow suit. 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.

On the local front, conventional power tariffs have been on an increasing trend especially in light of IMF requirements, which is likely to encourage commercial and industrial customers to look for alternative sources of power. Renewable energy prices will remain a competitive and viable option for such a substitution. There is, therefore, an enabling local environment for large industrial users of power to allocate more of their energy mix to renewable energy which will boost their competitiveness and brand perception as they transition towards environment-friendly power.

The conventional power tariff rates are continuously on the rising trend. 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.

Furthermore, with economic activities gaining steam after the pandemic-induced slowdown, the longer-term transition towards cheaper and environmentally better sources of energy is also accelerating. The increased frequency and scale of extreme climate-related events has also been a major factor in prompting deeper conversations on climate mitigation and adaptation at both provincial and federal government levels, which is likely to create more of an impetus towards the renewable energy transition. Society at large is now internalizing the reality of climate change and with national consensus on the issue, the renewable energy sector is well-positioned to speed up progress. Continuity of these conversations and policy stability are key to this and we are confident that this is recognized by the senior leadership of the country.

With an uptick in economic activities post COVID and market coming out of its devastating impacts, long term transition towards cheaper and ecologically better sources of energy will continue. With more and more awareness on environmental, safety and health conscious, the Solar Energy business is very likely to uptrend.

Finally, it goes without saying that continuity and policy stability will remain 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.

#### **Wind Energy Project**

The wind power sector is still facing the impact of circular debt; receivables are severely curtailed with outstanding payment at the 8-month level which is expected to continue as the power purchaser faces acute cash shortages. The likelihood of a lump sum payment is low as negotiations between the key stakeholders on the MoU have still not concluded. CPPA is managing cashflows and ensuring that obligatory payments, including those for debt and tax, are made on priority. It is pertinent to mention that they are strained as payments have to be made on the baseload for thermal plants which have increased.

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 8 months level. This is likely to continue as the Power Purchaser is still facing acute cash shortage. The possibility of lump sum payment is remote as the Lenders of the Projects are still in discussion with the Government regarding the MoU. CPPA is managing the cash flow and ensuring that obligatory payments, including payment for debt and tax are made on priority. Currently they are stretched as payments have to be made to the base load thermal plants for oil and coal, and these have increased.

There is still a push for reduction in the cost of energy but there has been limited progress on this matter during the current quarter as the Government of Pakistan prioritizes other urgent issues. The proposal from DFC which has been submitted to the GoP by three IPPs is still under negotiation; there are indications that this may be concluded with further changes or concessions by the IPPs.

The government is still pushing for a reduction in the cost of energy. However, there has been no progress on this issue during the current quarter as the Government is facing other urgent issues. The proposal from DFC, which has been submitted to the GoP by three IPPs, is still not acceptable to the Government in its current form. There are indications that this may be acceptable with further changes or if the IPPs provide further concessions. There is now a question on this process after the change of Government.

The tariff-bidding process has still not fully evolved which is a cause of concern for developers. The process has not yet been clarified despite issuance of the renewable energy policy. The 7 LOIs for wind-solar hybrid installations have been cancelled and tariffs will now be covered by the new policy. The tariff bidding process has still not fully evolved, and this is a cause of concern for the developers. This process still remains to be clarified even after the issuance of the new renewable energy policy. 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



**RUHAIL MUHAMMAD**  
Director

Karachi, August 25, 2022

## داؤد لارنس پور لیٹیڈ

### ڈائریکٹرز کی جائزہ رپورٹ

برائے اختتام نصف سال ۳۰ جون ۲۰۲۲

کمپنی کے ڈائریکٹرز مسرت کے ساتھ ۳۰ جون ۲۰۲۲ کو ختم ہونے والی نصف سال کیلئے اپنی رپورٹ کمپنی کے عبوری غیر آڈٹ شدہ غیر انضمامی مختصر عبوری مالیاتی حسابات اور گروپ کے غیر آڈٹ شدہ انضمامی مختصر عبوری مالیاتی حسابات پیش کرتے ہیں۔

### کاروباری جائزہ

#### قابل تجدید توانائی کا کاروبار

قابل تجدید توانائی کے کاروبار نے پہلی ششماہی میں آگے کی جانب اپنا سفر جاری رکھا اور کمپنی کے سال کے دوران نصف سال کی بلند ترین حد عبوری۔ جہاں تک آرڈروں کی وصولی کا تعلق ہے تو اس سہ ماہی میں کاروبار نے مضبوطی کا مظاہرہ کیا کیوں کہ اس دوران REL نے اپنے معزز کلائنٹس سے 20MW EPC کا کاروبار حاصل کیا۔ Telco نے بھی مصنوعات کی پیشکش کے مجموعی پورٹ فولیو میں اضافے کے ساتھ ساتھ سائنس کی فراہمی اور بچتوں کے ضمن میں مستحکم بڑھوتی کا مظاہرہ کیا۔

جہاں مشکل عالمی اور ملکی اقتصادی حالات کے باعث حاصل شدہ بچتوں کو دباؤ کا سامنا رہا وہیں مسلسل بڑھوتی اور ٹاپ لائن میں تنوع نے مخالف ہواؤں کے سامنے قدم جما کر کھڑے رہنے کیلئے ہمیں ضروری قوت فراہم کی۔

اقتصادیات کے بیرونی پہلو پر رفتہ رفتہ دباؤ کم ہونے اور اس کے باعث ہماری معیشت میں بہتری آنے سے توقع ہے کہ اہم اقتصادی شعبوں میں اعتماد واپس آئے گا۔ لیکن قلیل اور وسط مدت میں توانائی کی قیمتوں کا رخ اونچائی کی جانب رہنے کی توقع ہے لہذا قابل تجدید توانائی ہمارے گاہکوں کیلئے بدستور ترجیحی انتخاب رہے گی۔ اس سلسلے میں قابل تجدید توانائی کیلئے رعایتی مالیاتی اسکیم کی تجدید سمیت حکومت کی جانب سے موافق پالیسیوں کے اجراء سے بھی مدد ملے گی۔

ان حالات و واقعات سے فائدہ اٹھانے کے لئے REL پوری طرح تیار ہے۔

### پون بجلی (Wind Energy) کے پروجیکٹ

پلانٹ اطمینان بخش طور سے کام کر رہا ہے اور دستیابی کے علاوہ BOP خسارے کے متوقع ٹارگٹس حاصل کر رہا ہے۔ زیر جائزہ مدت یعنی دوسری سہ ماہی کے دوران BOP خسارہ 2.5% کے مقرر کردہ خسارے کے مقابلے میں صرف 1.09% رہا جبکہ دستیابی 97.07% رہی جس کا ٹارگٹ 98.0% مقرر کیا گیا تھا۔ دستیابی میں کمی کی بنیادی وجہ 16 جنوری 2022 سے ٹربائن 7 کی عدم دستیابی تھی۔ صحت، تحفظ اور ماحولیات (HSE) کمپنی کی ترجیح رہی اور COD کے بعد سے 502,701 انسانی گھنٹے کام کیا گیا ہے جس دوران زخمی ہونے اور TRIP کی شرح صفر رہی۔ پلانٹ پچھلے 1,829 دن سے کسی کے زخمی ہوئے بغیر محفوظ طریقے سے کام کر رہا ہے۔

خالی کرنے کی کارروائی میں جھمپیر کنکشن مستحکم ثابت ہو رہا ہے اور زیر جائزہ سہ ماہی مدت کے دوران تخفیف کی شرح کم سے کم رہی۔ اسی مدت کے دوران گل نان پروجیکٹ مسڈ والیوم (NPMV) 0.153 GWh رہا جو 2022ء کی پہلی سہ ماہی کے دوران 0.534 GWh رہا تھا۔ 2022ء کی دوسری سہ ماہی میں بل

شدہ (billed) توانائی (48.26GWh) P90 لیول (45.09GWh) سے زیادہ اور P75 لیول (49.9GWh) سے قریب ہے۔ اس سہ ماہی کے دوران پلانٹ کو اچھی ہوا ملی۔ زیر جائزہ ششماہی کے دوران بل شدہ توانائی 67.8GWh کے P90 ٹارگٹ کے برخلاف 66.8GWh رہی۔ یہ فرق بنیادی طور سے فروری اور مارچ کے مہینوں میں ہوا کم ملنے کی وجہ سے پیدا ہوا۔

ہوا چلنے کے انداز میں مثبت تبدیلی آئی ہے اور جنوری 2022ء کی دوسری ششماہی کے دوران پلانٹ کو اچھی خاصی ہوا ملی۔ زیر جائزہ سہ ماہی کے دوران ہوا کی اوسط رفتار 7.82 m/sec رہی جو 2021ء کی پہلی سہ ماہی کے دوران 7.2 m/sec رہی تھی۔

## مالیاتی صورت حال

کمپنی کی غیر انضمام شدہ مالی جھلکیاں درج ذیل ہیں:-

ششماہی مدت اختتامیہ	ششماہی مدت اختتامیہ
30 جون 2021	30 جون 2022
روپے ہزاروں میں	روپے ہزاروں میں
---	---
---	---
---	---
51,036	67,942
344,965	321,207
(17,817)	(2,863)
(50,628)	(96,287)
<b>276,520</b>	<b>222,057</b>
2,960,800	3,127,809
<b>3,029,771</b>	<b>3,349,866</b>
<b>4.66</b>	<b>3.74</b>

آمدنی.....خالص

آمدنی کی لاگت

مجموعی (نقصان)/نفع

دیگر آمدنی

جاری آپریشنز سے حاصل شدہ قبل از ٹیکس نفع

منقطع آپریشنز سے حاصل شدہ نقصان

محصولات

نفع بعد از ٹیکس

گذشتہ حسابات سے موصولہ غیر مختص منافع (brought forward)

آئندہ حسابات کو منتقلہ غیر مختص منافع (carried forward)

آمدن فی حصص۔ بنیادی اور مجموعی

30 جون 2022 کو ختم ہونے والی ششماہی مدت کے دوران ہماری ایسوسی ایٹ، داؤد ہرکولیس کارپوریشن لمیٹڈ کی منافع منقسمہ آمدنی 350.7 ملین روپے رہی جو گزشتہ برس یعنی 30 جون 2021 کو ختم ہونے سہ ماہی کے دوران 350.7 ملین روپے رہی تھی۔

زیر جائزہ مدت کے دوران حاصل ہونے والی مجموعی آمدنی 7,302 ملین روپے رہی جو گزشتہ برس کی قابل موازنہ مدت کے دوران 4,554 ملین روپے رہی تھی۔ آمدنی میں اضافے کی بڑی وجہ شمسی توانائی کے پروجیکٹس سے ہونے والی 5,339 ملین روپے کی آمدنی تھی۔ ایسوسی ایٹ کمپنی کے منافع میں 83 ملین روپے کا اپنا حصہ (جو 30 جون 2021 تک کی مدت کے دوران 925 ملین روپے رہا تھا) شامل کرنے کے بعد، ختم ہونے والی ششماہی مدت کا بعد از ٹیکس مجموعی منافع 909 ملین روپے حاصل ہوا جو گزشتہ برس کی اسی مدت کے دوران 1,037 ملین روپے رہا تھا۔ ہولڈنگ کمپنی کے مالکان سے منسوب فی حصص مجموعی کمائی 11.11 روپے حاصل ہوئی جب کہ گزشتہ برس کی اسی مدت کے دوران فی حصص مجموعی کمائی 15.96 روپے رہی تھی۔



## مستقبل کا خاکہ

### قابل تجدید توانائی کا کاروبار

جیو پالیٹکل تصادم کے جاری رہنے اور عالمی سپلائی چین پر پڑنے والے اس کے اثرات نے کونکے اور گیس سمیت حیاتیاتی ایندھن کی قلیل مدت میں طلب میں اضافہ کر دیا ہے لیکن اس واقعے نے قابل تجدید توانائی کے سودوں کی رفتار کو متاثر نہیں کیا ہے۔ امریکی حکومت نے ماحولیات کی بحالی کے اقدامات میں تیزی دکھائی ہے اور دیگر مغربی ممالک بھی اس کی تقلید کرنے والے ہیں۔ امکانات ہیں کہ یہ اقدام حیاتیاتی ایندھن کے استعمال پر عالمی دباؤ بڑھائے گا اور ممکنہ طور پر مختلف ممالک کے مابین تجارتی اور اقتصادی تعلقات کے مستقبل کا تعین کرنے میں اہم کردار ادا کرے گا۔

یوکرین جنگ کے باعث قلیل مدت میں کونکے اور گیس سمیت حیاتیاتی ایندھنوں کی طلب میں تیزی سے اضافہ ہو جانے کے باوجود قابل تجدید توانائی آگے بڑھتی جا رہی ہے۔ امریکا میں بائیڈن حکومت نے ماحولیات کی بحالی کے اقدامات میں تیزی دکھائی ہے اور دیگر مغربی ممالک بھی اس کی تقلید کرنے والے ہیں۔ امکانات ہیں کہ مستقبل میں قابل تجدید توانائی نرم دباؤ کے لئے بھی استعمال کی جائے گی جو عالمی تجارت اور اقتصادی تعلقات کی ایک شرط بن جائے گی اور کسی بھی ملک کی برآمدات پر اثر انداز ہوگی۔

اندرون ملک روایتی بجلی کے ٹیرف میں، خاص طور سے آئی ایم ایف کی شرط کی روشنی میں بلندی کا رجحان جاری ہے۔ اس سے امکان ہے کہ کمرشل اور صنعتی گاہک بجلی کے حصول کے متبادل ذرائع کی جانب دیکھنے لگیں گے۔ ایسے متبادل کے لئے قابل تجدید توانائی کی قیمتیں مسابقتی اور قابل عمل انتخاب رہے گا۔ چنانچہ اندرون ملک بجلی کے بڑے صنعتی استعمال کنندہ کو توانائی کے ذرائع میں قابل تجدید توانائی کا حصہ بڑھانے کی ترغیب کا ماحول موجود ہے جو ماحول دوست بجلی پر منتقل ہونے کی صورت میں ان کی مسابقتی اہلیت اور برانڈ کے بارے میں رائے قائم کرنے کی صلاحیت میں اضافہ کرے گا۔

بجلی کے روایتی ٹیرف شرحوں میں بلندی کا رجحان جاری ہے۔ اس سے امکان ہے کہ کمرشل اور صنعتی گاہک بجلی کے حصول کے متبادل ذرائع کی جانب دیکھنے لگیں جن میں سے قابل تجدید توانائی سب سے زیادہ مسابقتی اور قابل عمل انتخاب رہے گا۔ چنانچہ ایسے کاروباروں کے لئے سنہری موقع ہے کہ وہ شمسی توانائی کے انتخابات پر آ کر عالمی سطح پر خود کو نمونائیں مسابقت کا اہل ثابت کریں۔

مزید یہ کہ عالمی وباء کے نتیجے میں مندی آنے کے بعد اقتصادی سرگرمیوں کے رفتار پکڑنے کے تناظر میں توانائی کے سستے اور ماحول دوست ذرائع پر منتقلی کی رفتار میں بھی تیزی آرہی ہے۔ ماحولیات میں ہونے والی تبدیلیوں اور ان میں تیزی آنے سے وفاقی اور صوبائی حکومتوں کی سطح پر ماحولیاتی تحفظ اور اس سلسلے میں حفاظتی اقدامات اٹھائے جانے کی باتیں ہونے لگی ہیں جس سے امکان ہے کہ قابل تجدید توانائی کی جانب منتقلی کی رفتار بڑھ جائے گی۔ اجتماعی طور پر ہمارا معاشرہ بھی اب ماحولیات میں تبدیلیوں کی حقیقت کا ادراک کر رہا ہے اور اس ایشو پر قومی اتفاق رائے پیدا ہونے پر قابل تجدید توانائی کا سیکٹر اپنی ترقی کی رفتار بڑھانے کے لئے پوری طرح تیار ہیں۔

کووڈ کے بعد اقتصادی سرگرمیوں میں تیزی سے اضافے کے بعد مارکیٹ تباہ کن اثرات سے باہر نکل رہی ہے اور طویل مدت میں کارپوریٹ دنیا کے توانائی کے سستے اور ماحول دوست اور بہتر ذرائع پر منتقل ہونے کے امکانات روشن رہیں گے۔ ماحولیاتی تحفظ کے بارے میں شعور بڑھنے اور حفظان صحت کی تشویش بڑھنے کے تناظر میں شمسی توانائی کے کاروبار کے مزید بہتری کی جانب جانے کے امکانات روشن ہیں۔

آخر میں یہ کہنی کی ضرورت نہیں کہ پالیسیوں میں تسلسل اور استحکام ملکی اقتصادی ترقی میں بنیادی عنصر ثابت ہوں گے۔ ضرورت اس امر کی ہے کہ وسیع پیمانے پر بدھوتی کے عمل کو رعایتیں دے کر انگیخت کیا جائے اور حکومت کو چاہیے کہ ملک کو درپیش مسائل کا حل گہرائی میں جا کر تلاش کرے۔

### پون بجلی (Wind Energy) کا منصوبہ

پون بجلی (Wind Energy) سیکٹر کو سرکریڈیٹ کے بھرپور اثرات کا تاحال سامنا ہے اور حکومت کی جانب سے ادائیگیوں میں کٹوتیاں کی جا رہی ہیں اور واجب الادا ادائیگیاں 8 ماہ کی سطح تک پہنچ چکی ہیں کیوں کہ بجلی کے خریدار کو نقدی کی شدید کمی کا سامنا ہے۔ لم سم رقم کی ادائیگی کا دور دور تک امکان نہیں کیونکہ سمجھوتے کی یادداشت (MoU) پر اہم اسٹیک ہولڈروں کے درمیان مذاکرات کسی نتیجے پر نہیں پہنچ سکے ہیں۔ CPPA نقدی کے بہاؤ کا انتظام کر رہی ہے اور یقینی بنارہی ہے کہ قرضوں اور ٹیکس سمیت لازمی ادائیگیاں ترجیحی بنیادوں پر کی جائیں۔ یہاں یہ کہنا بر محل ہوگا کہ ان ادائیگیوں کا امکان کم ہے کیوں کہ تھرمل پلانٹ کیلئے بیس لوڈ کی ادائیگیاں کی جانی ہیں جن میں اضافہ ہو چکا ہے۔

پون بجلی (Wind Energy) سیکٹر کو سرکریڈیٹ کے بھرپور اثرات کا تاحال سامنا ہے اور حکومت کی جانب سے ادائیگیوں میں کٹوتیاں کی جا رہی ہیں اور

واجب الادا ادائیگیاں 8 ماہ کی سطح تک پہنچ چکی ہیں۔ اس صورت حال کے جاری رہنے کا امکان ہے کیوں کہ بجلی کے خریدار تاحال نقدی کی کمی کا شکار ہیں۔ لم سم رقم کی ادائیگی کا دور دور تک امکان نہیں کیونکہ سمجھوتے کی یادداشت (MoU) کے سلسلے میں اس پروجیکٹ کے لئے قرضے دینے والے بدستور حکومت کے ساتھ مذاکرات میں مصروف ہیں۔ CPPA نقدی کے بہاؤ کا انتظام کر رہی ہے اور یقینی بنارہی ہے کہ قرضوں اور ٹیکس سمیت لازمی ادائیگیاں ترجیحی بنیادوں پر کی جائیں۔ حالیہ طور پر یہ باؤ کا شکار ہیں کیوں کہ تیل اور کوئلے کے لئے بیس لوڈ تھرمل پلانٹس کو ادائیگیاں کی جانی ہیں اور ان میں بھی اضافہ ہو چکا ہے۔ توانائی کی لاگت میں کمی لانے کی سرٹوڈ کوششیں ہو رہی ہیں لیکن اس معاملے میں حالیہ سہ ماہی کے دوران بہت کم پیش رفت دیکھنے میں آئی ہے کیوں کہ حکومت پاکستان دیگر فوری نوعیت کے ایٹوز نمٹانے میں مصروف ہے۔ DFC کی جانب سے تجویز پر، جو تین آئی پی پیز نے حکومت پاکستان کے پاس جمع کروائی تھی مذاکرات ابھی جاری ہیں اور اشارے ملے ہیں کہ اس تجویز میں مزید تبدیلیاں کرنے یا آئی پی پیز کی جانب سے مزید رعایتیں دینے پر ہی مذاکرات انجام کو پہنچیں گے۔

حکومت اب توانائی کی لاگت میں کمی لانے کی سرٹوڈ کوششیں کر رہی ہے۔ تاہم اس ایٹوپر زیر جائزہ سہ ماہی کے دوران کوئی پیشرفت دیکھنے میں نہیں آئی ہے کیونکہ حکومت کو دیگر اہم ایٹوز درپیش ہیں۔ DFC کی جانب سے تجویز جو تین آئی پی پیز نے حکومت پاکستان کے پاس جمع کروائی تھی، اپنی موجودہ صورت میں حکومت کو قبول نہیں ہے۔ اس بات کے اشارے ملے ہیں کہ اس تجویز میں مزید تبدیلیاں کرنے یا آئی پی پیز کی جانب سے مزید رعایتیں دینے پر اسے قبول کر لیا جائے گا۔ لیکن اس کارروائی پر حکومت کی تبدیلی کے بعد سوال پیدا ہو گیا ہے۔

ٹیرف کی پیشکش کی کارروائی مکمل نہیں ہو سکی ہے اور ڈویلپرز کے لئے یہ تشویش کی بات ہے۔ قابل تجدید توانائی کے متعلق نئی پالیسی کے اجراء کے بعد بھی یہ معاملہ ابھی حل ہونا باقی ہے۔ ونڈسولر ہائبرڈ تنصیبات کے لئے 7 عدد LOI منسوخ ہو چکی ہیں اور ٹیرف کا تعین اب نئی قابل تجدید توانائی پالیسی کے مطابق کیا جائے گا۔

ٹیرف کی پیشکش کی کارروائی مکمل نہیں ہو سکی ہے اور ڈویلپرز کے لئے یہ تشویش کی بات ہے۔ قابل تجدید توانائی کے متعلق نئی پالیسی کے اجراء کے بعد بھی یہ معاملہ ابھی حل ہونا باقی ہے۔ حکومت نے ونڈسولر ہائبرڈ تنصیبات کے لئے 7 عدد LOI منسوخ کر چکی ہے۔ ٹیرف کا تعین اب نئی قابل تجدید توانائی پالیسی کے مطابق کیا جائے گا۔

روحیل محمد

ڈائریکٹر

مجتبیٰ حیدر خان

چیف ایگزیکٹو آفیسر

کراچی، 25 اگست 2022ء



**INDEPENDENT AUDITOR'S REVIEW REPORT**

**To the members of Dawood Lawrencepur Limited**

**Report on review of Unconsolidated Condensed Interim Financial Statements**

**Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Dawood Lawrencepur Limited as at June 30, 2022 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and the unconsolidated condensed interim statement of comprehensive income and notes thereto for the quarters ended June 30, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2022.


**Scope of Review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Khurshid Hasan.

  
Chartered Accountants  
Karachi  
Date: August 29, 2022

UDIN: RR202210160hEQb8ltcH

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**DAWOOD LAWRENCEPUR LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM**  
**FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2022**

**DAWOOD LAWRENCEPUR LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

(Amounts in thousand)

	Note	Unaudited June 30, 2022	Audited December 31, 2021
		-----Rupees-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		15,400	15,924
Intangible assets		-	4
Long-term investments	4	3,438,218	3,469,260
Long-term loan to subsidiary	5.2	300,000	-
Long-term deposits		2,778	2,778
<b>Total non-current assets</b>		<u>3,756,396</u>	<u>3,487,966</u>
<b>Current assets</b>			
Stores and spares		892	892
Stock		12,755	14,262
Loans to subsidiaries	5	438,740	738,525
Loans and advances		2,639	1,877
Deposits, prepayments and other receivables	6	82,366	56,334
Taxes recoverable		-	13,067
Interest accrued	7	212,470	162,595
Short term investment		-	216,000
Cash and bank balances	8	23,750	48,303
<b>Total current assets</b>		<u>773,612</u>	<u>1,251,855</u>
<b>TOTAL ASSETS</b>		<u><u>4,530,008</u></u>	<u><u>4,739,821</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	9	592,998	592,998
Capital reserves		206,666	206,666
Unappropriated profit		3,349,866	3,127,809
<b>Total equity</b>		<u>4,149,530</u>	<u>3,927,473</u>
<b>Non-current liabilities</b>			
Staff retirement benefits		5,409	4,697
<b>Current liabilities</b>			
Trade and other payables		54,965	65,161
Unpaid dividend		-	3,266
Unclaimed dividend		73,941	72,251
Provision		7,360	7,360
Short-term borrowings	10	196,150	646,587
Taxes payable		28,496	-
Accrued mark-up		14,157	13,026
<b>Total current liabilities</b>		<u>375,069</u>	<u>807,651</u>
		380,478	812,348
<b>Contingencies and commitments</b>	11		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>4,530,008</u></u>	<u><u>4,739,821</u></u>

The annexed notes from 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer



**DAWOOD LAWRENCEPUR LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2022**

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

		Quarter ended		Half year ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Note		-----Rupees-----		-----Rupees-----	
<b>CONTINUING OPERATIONS</b>					
Dividend income	12	<u>350,694</u>	<u>350,694</u>	<u>350,694</u>	<u>350,694</u>
		350,694	350,694	350,694	350,694
Administrative expenses		(19,771)	(17,197)	(34,257)	(26,797)
Other expenses	13	(30,148)	-	(30,148)	-
Other income	14	<u>31,175</u>	<u>29,773</u>	<u>67,942</u>	<u>51,036</u>
		331,950	363,270	354,231	374,933
Finance cost		<u>(14,497)</u>	<u>(15,136)</u>	<u>(33,024)</u>	<u>(29,968)</u>
Profit before taxation		317,453	348,134	321,207	344,965
Taxation	15	<u>(96,287)</u>	<u>(49,349)</u>	<u>(96,287)</u>	<u>(50,628)</u>
Profit after taxation		221,166	298,785	224,920	294,337
<b>DISCONTINUED OPERATIONS</b>					
Loss from discontinued operations		<u>(1,766)</u>	<u>(11,029)</u>	<u>(2,863)</u>	<u>(17,817)</u>
Profit for the period		<u>219,400</u>	<u>287,756</u>	<u>222,057</u>	<u>276,520</u>
<b>Earnings per share - basic and diluted</b>					
Continuing operations	16	<u>3.73</u>	<u>5.04</u>	<u>3.79</u>	<u>4.96</u>
<b>Loss per share - basic and diluted</b>					
Discontinued operations	16	<u>(0.03)</u>	<u>(0.19)</u>	<u>(0.05)</u>	<u>(0.30)</u>

The annexed notes from 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.

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Chief Executive Officer



Director



Chief Financial Officer



**DAWOOD LAWRENCEPUR LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2022**

(Amounts in thousand)

	Quarter ended		Half year ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	-----Rupees-----			
Profit for the period	219,400	287,756	222,057	276,520
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>219,400</u>	<u>287,756</u>	<u>222,057</u>	<u>276,520</u>

The annexed notes from 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.

CH



**Chief Executive Officer**



**Director**



**Chief Financial Officer**

**DAWOOD LAWRENCEPUR LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED JUNE 30, 2022**

(Amounts in thousands)

Share capital	Capital reserves					Revenue reserve	Total
	Merger reserve	Share premium reserve	Capital redemption reserve	Others	Total	Unappropriated profit	
Rupees							
592,998	10,521	136,865	25,969	33,311	206,666	2,960,800	3,760,464
-	-	-	-	-	-	276,520	276,520
-	-	-	-	-	-	-	-
-	-	-	-	-	-	276,520	276,520
-	-	-	-	-	-	(207,549)	(207,549)
592,998	10,521	136,865	25,969	33,311	206,666	3,029,771	3,829,435
-	-	-	-	-	-	261,611	261,611
-	-	-	-	-	-	(499)	(499)
-	-	-	-	-	-	261,112	261,112
-	-	-	-	-	-	(163,074)	(163,074)
592,998	10,521	136,865	25,969	33,311	206,666	3,127,809	3,927,473
-	-	-	-	-	-	222,057	222,057
-	-	-	-	-	-	-	-
-	-	-	-	-	-	222,057	222,057
592,998	10,521	136,865	25,969	33,311	206,666	3,349,866	4,149,530

The annexed notes from 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.

  
**Chief Executive Officer**

  
**Director**

  
**Chief Financial Officer**



**DAWOOD LAWRENCEPUR LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2022**

(Amounts in thousand)

	Half year ended June 30, 2022	Half year ended June 30, 2021
Note	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	318,344	327,148
Add: Loss before taxation attributable to discontinued operations	2,863	17,817
Profit before taxation from continuing operations	321,207	344,965
<b>Adjustments for non-cash and other items:</b>		
Depreciation	711	820
Amortisation	4	11
Provision for gratuity - net	681	608
Provision for slow moving and obsolete stock	-	262
Provision for impairment of long-term investment	30,148	-
Finance costs	33,024	29,968
Royalty income	(12,545)	(4,631)
Dividend income	(350,694)	(350,694)
Loss / (gain) on National Investment Trust unit	894	(1,180)
Mark up charged to related parties	(49,854)	(37,918)
Profit on deposits	(667)	(62)
	(27,091)	(17,851)
<b>Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Loans and advances	(333)	2,051
Deposits, prepayments and other receivables	(13,487)	34,337
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	4,599	(4,689)
	(9,221)	31,699
<b>Cash (used in) / generated from operations</b>	(36,312)	13,848
Gratuity paid	(61)	-
Finance cost paid	(31,893)	(32,194)
Taxes paid	(54,724)	(69,375)
Discontinued operations	(24,544)	(17,712)
<b>Net cash used in operating activities</b>	(147,534)	(105,433)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(611)	-
Subordinated loans to subsidiaries	299,785	(236)
Long-term loan to subsidiary	(300,000)	-
Mark up received from related parties	-	14,873
Profit received on deposits	667	62
Dividend received	350,694	350,694
Discontinued operations	8,480	-
<b>Net cash generated from investing activities</b>	359,015	365,393
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of dividend	(1,576)	(310)
Mark up paid to related party	(21)	-
	(1,597)	(310)
<b>Net increase in cash and cash equivalents</b>	209,884	259,650
Cash and cash equivalents at beginning of the period	(382,284)	(670,082)
Cash and cash equivalents at end of the period	(172,400)	(410,432)

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The annexed notes from 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.

  
**Chief Executive Officer**

Dawood Lawrencepur Limited

  
**Director**

  
**Chief Financial Officer**



**DAWOOD LAWRENCEPUR LIMITED**

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2022**

(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:

Business units	Geographical location
Head office (registered office)	3rd Floor, Dawood Centre, M.T. Khan Road, Karachi.
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.

- 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.
- 1.4 These unconsolidated condensed interim financial statements represent the standalone financial statements of the Company in which investment in subsidiaries (as detailed in note 4) have been stated at cost less accumulated impairment losses, if any. The consolidated condensed interim financial statements of the Company and its subsidiaries have been presented separately.

**2. BASIS OF PREPARATION**

- 2.1 These unconsolidated 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 (IAS) 34, '*Interim Financial Reporting*', issued by the 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.



(Amounts in thousand)

2.2 The cumulative figures for the half year ended June 30, 2022 presented in these unconsolidated condensed interim financial statements have been subjected to limited scope review by the auditors, as required under section 237 of the Companies Act, 2017. These unconsolidated condensed interim financial statements do not include all the information required for annual financial statements and should, therefore, be read in conjunction with the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2021.

### 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 unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2021.

The financial risk management objectives and policies of the Company are also consistent with those disclosed in the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2021.

3.2 The preparation of these unconsolidated condensed interim financial statements 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 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.

During the preparation of these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty are the same as those that were applied to the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2021.

3.3 There were certain amendments to accounting and reporting standards which were mandatory for the Company's annual accounting period which began on January 1, 2022. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these unconsolidated condensed interim financial statements.

3.4 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss of the Company.

### 4. LONG TERM INVESTMENTS

Investment in related parties at cost (note 4.1)  
Less: Provision for impairment (note 4.1.1)

Other investments

- Financial assets at fair value through profit or loss (note 4.2)
- Financial assets at fair value through other comprehensive income (note 4.2)

	Unaudited June 30, 2022	Audited December 31, 2021
	-----Rupees-----	
	3,519,102	3,519,102
	(93,897)	(63,749)
	3,425,205	3,455,353
	12,998	13,892
	15	15
	13,013	13,907
	3,438,218	3,469,260



(Amounts in thousand)

	Unaudited June 30, 2022	Audited December 31, 2021
	-----Rupees-----	
<b>4.1 Investment in related parties - at cost</b>		
<b><i>Subsidiary - unquoted</i></b>		
Tenaga Generasi Limited (TGL)		
Percentage holding 75% (December 31, 2021: 75%)		
227,027,613 (December 31, 2021: 227,027,613)		
fully paid ordinary shares of Rs. 10 each	2,294,804	2,294,804
<b><i>Wholly owned subsidiaries - unquoted</i></b>		
Reon Energy Limited (REL)		
Percentage holding 100% (December 31, 2021: 100%)		
102,600,000 (December 31, 2021: 102,600,000)		
fully paid ordinary shares of Rs. 10 each	1,026,000	1,026,000
Reon Alpha (Private) Limited (RAPL)		
Percentage holding 100% (December 31, 2021: 100%)		
13,300,100 (December 31, 2021: 13,300,100)		
fully paid ordinary shares of Rs. 10 each	133,001	133,001
Mozart (Private) Limited (MPL)		
Percentage holding 100% (December 31, 2021: 100%)		
100 (December 31, 2021: 100)		
fully paid ordinary shares of Rs. 10/- each	1	1
Greengo (Private) Limited (GPL)		
Percentage holding 100% (December 31, 2021: 100%)		
100 (December 31, 2021: 100)		
fully paid ordinary shares of Rs. 10/- each	1	1
Abrax (Private) Limited (APL)		
Percentage holding 100% (December 31, 2021: 100%)		
100 (December 31, 2021: 100)		
fully paid ordinary shares of Rs. 10/- each	1	1
	<u>3,453,808</u>	<u>3,453,808</u>
<b><i>Associate - quoted</i></b>		
Dawood Hercules Corporation Limited (DHCL)		
Percentage holding 16.19% (December 31, 2021: 16.19%)		
77,931,896 (December 31, 2021: 77,931,896)		
fully paid ordinary shares of Rs. 10/- each		
Market value Rs. 7,213,376 (December 31, 2021: Rs. 7,444,055)		
	<u>65,294</u>	<u>65,294</u>
	<u>3,519,102</u>	<u>3,519,102</u>



## (Amounts in thousand)

- 4.1.1 Reon Alpha (Private) Limited (RAPL) was incorporated in Pakistan on October 23, 2017 as a private limited company to carry out the business of sale and construction of renewable energy projects. The principal business of RAPL is to own and operate electric power generation project and supply electricity as an independent power producer.

RAPL's plant commenced commercial operations on April 22, 2020. Following the commencement of commercial operations of the plant, the Company, based on the indicators for impairment including change in borrowing from concessional to commercial rate and escalation in the plant costs, conducted an impairment test of its long-term investment. In prior years, Company has conducted the impairment testing which led to the recognition of an impairment loss of Rs. 63,749 which has been recognised in the unconsolidated statement of profit or loss in respective periods. Further, during the period, the Company has performed impairment testing again due to change in interest rates and thus finance cost adversely impacted the overall cashflows of RAPL, and that has led to further impairment loss of Rs. 30,148. The Company estimated the value in use of the investment, which is based on the future expected cashflows over the remaining 13 years life of the project as per the terms of the Power Purchase Agreement of RAPL with Sindh Engro Coal Mining Company Limited (SECMC). The fair value less costs of disposal is estimated to be less than the value in use and hence the recoverable amount of the investment has been determined on the basis of value in use, which amounted to Rs. 39,104 (December 31, 2021: Rs. 69,252).

- 4.1.2 The Company has pledged ordinary shares of its associate and subsidiaries as security against financing facilities availed by itself and its subsidiaries from various commercial banks the details of which are as follows:

Bank	Shares pledged	Unaudited As at June 30, 2022			Audited As at December 31, 2021		
		Number of shares pledged	Face value of shares pledged	Market value of pledged shares	Number of shares pledged	Face value of shares pledged	Market value of pledged shares
		-----Rupees-----			-----Rupees-----		
Pledged against short-term financing and other facilities availed by the Company and its subsidiaries							
Standard Chartered Bank (Pakistan) Limited (note 4.1.3)	Dawood Hercules	-	-	-	20,459,737	204,597	1,954,314
Bank AL Habib Limited (note 10.1)	Corporation	10,200,000	102,000	944,112	10,200,000	102,000	974,304
Habib Bank Limited	Limited (DHCL)	26,350,000	263,500	2,438,956			
MCB Bank Limited (note 4.1.3)		2,210,000	22,100	204,558	5,910,000	59,100	564,523
Pledged under Musharka Agreement entered into between RAPL and FBL							
Faysal Bank Limited (FBL)	Reon Alpha (Private) Limited (RAPL)	5,300,000	53,000	.*	5,300,000	53,000	.*
Pledged under Sponsor Share Agreement							
Citibank N.A.	Tenaga Generasi Limited	34,599,995	346,000	.*	34,599,995	346,000	.*

\*Tenaga Generasi Limited is an unlisted company and Reon Alpha (Private) Limited is a private company.

- 4.1.3 During the period, 26.35 million shares have been pledged on account of an arrangement of Stand-by-Letter of Credit (SBLC) in favor of TGL with Habib Bank Limited, while 20.46 million shares were released from Standard Chartered Bank (Pakistan) Limited as the Stand-by-Letter of Credit (SBLC) has retired. Further, 3.7 million shares have been released from MCB Bank limited upon expiry of the running finance facility.

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(Amounts in thousand)

## 4.2 Other investments

June 30, 2022	December 31, 2021		Unaudited June 30, 2022	Audited December 31, 2021
Units / No of Shares		Name of Investee	Rupees	
		<b>Listed securities</b>		
200,000	200,000	National Investment (Unit) Trust	12,998	13,892
		<b>Un-listed securities</b>		
1,500	1,500	Asian Co-operative Society Limited	15	15
			13,013	13,907
			<b>Unaudited</b>	<b>Audited</b>
			<b>June 30,</b>	<b>December</b>
			<b>2022</b>	<b>31,</b>
				<b>2021</b>
			<b>Rupees</b>	

## 5. LOANS TO SUBSIDIARIES - UNSECURED

Subordinated loans to subsidiary companies:

- Tenaga Generasi Limited (note 5.1)	437,000	437,000
- Reon Energy Limited (note 5.2)	-	300,000
- Abrax (Private) Limited	590	518
- Mozart (Private) Limited	558	487
- Greengo (Private) Limited	592	520
	<u>438,740</u>	<u>738,525</u>

5.1 In April 2017, the Company had entered into a subordinated loan agreement with Tenaga Generasi Limited (TGL, a subsidiary Company) for arranging finance upto a Limit of Rs. 300,000. The original term of the loan was one year. However, in 2018, the facility was extended for a period upto three years with all other terms unchanged, with a further extension of another year in 2021. During the period, the facility was extended for another year with all other terms unchanged. As at June 30, 2022, entire loan amounting to Rs. 300,000 has been utilised. Mark-up is calculated at the rate of three months KIBOR plus 1.775% per annum.

In 2019, the Company had entered into another subordinated loan agreement with TGL for arranging finance upto a limit of Rs. 1,000,000. The term of the loan was initially for one year, however, on June 10, 2020, the tenure of the loan had been extended for another one year, with further extension of another year in 2021. As at June 30, 2022, TGL has utilised Rs. 137,000 of this facility from the Company. Mark-up is calculated at the rate of three months KIBOR plus 2% or average borrowing rate of the company plus 1% per annum whichever is higher. Further, subsequent to period end on July 13, 2022 the loan has been extended for another one year.

5.2 On February 22, 2019, the Company provided a loan to Reon Energy Limited (REL, a subsidiary company) of Rs. 300,000 to fulfil its working capital requirements. Originally, the principal amount was to be repaid on a lump-sum basis on December 31, 2021. During the period, the loan has been converted to subordinated loan and has been classified as long-term loan to subsidiary. Mark-up is payable on a monthly basis at the rate of 1% above the average borrowing cost of the Company.



(Amounts in thousand)

	Unaudited June 30, 2022	Audited December 31, 2021
	-----Rupees-----	
<b>6. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
- unsecured, considered good		
This includes amount due from the following related parties:		
- Sach International (Private) Limited	29,345	30,150
- Tenaga Generasi Limited	27,642	439
- Reon Energy Limited	6,956	6,449
- The Dawood Foundation	1,546	1,546
- Reon Alpha (Private) Limited	2,160	1,494
	<u>67,649</u>	<u>40,078</u>
<b>7. INTEREST ACCRUED</b>		
This represents mark-up receivable from related parties as follows:		
- Tenaga Generasi Limited	189,447	159,755
- Reon Energy Limited	22,464	2,491
- Reon Alpha (Private) Limited	213	104
- Mozart (Private) Limited	109	77
- Abrax (Private) Limited	118	84
- Greengo (Private) Limited	119	84
	<u>212,470</u>	<u>162,595</u>
<b>8. CASH AND BANK BALANCES</b>		
Cash in hand	21	188
Balances with banks in:		
- current accounts	22,441	45,344
- deposit accounts (note 8.1)	1,288	2,771
	<u>23,729</u>	<u>48,115</u>
	<u>23,750</u>	<u>48,303</u>
<b>8.1</b>		
This represent deposits with commercial banks and carry profit at the rate of ranging from 9.07% to 12.09% (December 31, 2021: 5.75% to 7.25%) per annum.		

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(Amounts in thousand)

**9. SHARE CAPITAL****Authorized capital**

June 30 2022	December 31 2021	Unaudited June 30 2022	Audited December 31 2021
-----Number of shares-----		-----Rupees-----	
<u>75,000,000</u>	<u>75,000,000</u>	<u>750,000</u>	<u>750,000</u>

**Issued, subscribed and paid-up capital**

June 30 2022	December 31 2021		Unaudited June 30 2022	Audited December 31 2021
-----Number of shares-----			-----Rupees-----	
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	440,487	440,487
130,520	130,520	Issued as right shares as per the Court Order	1,305	1,305
111,430	111,430	Issued as bonus shares as per the Court Order	1,115	1,115
<u>59,299,809</u>	<u>59,299,809</u>		<u>592,998</u>	<u>592,998</u>

**9.1 Associates holding the Company's share capital are as under:**

	Unaudited June 30, 2022	Audited December 31, 2021
Dawood Corporation (Private) Limited	29,511,543	29,511,543
The Dawood Foundation	2,979,324	2,979,324
Patek (Private) Limited	3,798,784	3,713,984
Cyan Limited	2,965,095	2,965,095
Sach International (Private) Limited	3,776	3,776
	<u>39,258,522</u>	<u>39,173,722</u>

**9.2 During the period, the Company paid dividends to the aforementioned Associated Companies amounting to Nil. (December 31, 2021: Rs. 244,836).**

Unaudited June 30, 2022	Audited December 31, 2021
-----Rupees-----	

**10. SHORT-TERM BORROWINGS**

Running finance under mark-up arrangement (note 10.1)

<u>196,150</u>	<u>646,587</u>
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**(Amounts in thousand)**

- 10.1 This denotes short-term running finance facility aggregating to Rs.1,000,000 (December 31, 2021: Rs 1,500,000) obtained under mark-up arrangement from various commercial banks. As at June 30, 2022, the Company has utilised the facility against running finance facility to the extent of Rs. 196,150 (December 31, 2021: Rs. 646,587) and has issued guarantees to the extent of Rs. 38,169 (December 31, 2021: Rs. 35,968). Furthermore, out of the aforementioned facility, the Company has negotiated sub-limits for financing the operations of REL amounting to Rs. 600,000. 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 (note 4.1.3). Rate of mark-up applicable on this facility is three month KIBOR plus 100 basis points (December 31, 2021: one month to three months KIBOR plus 100 basis points). During the period, Rs. 500,000 facility has been extinguished and securities have been released.

**11. CONTINGENCIES AND COMMITMENTS**

- 11.1 There have been no material changes in contingencies and commitments as reported in the annual audited unconsolidated financial statements for the year ended December 31, 2021 except as follows:

**11.1.1 Assessment of annual tax return (Tax years 2015 and 2016)**

The assessment of annual tax return was initiated by the department on April 19, 2019, the Company received a show cause notice from the ACIR citing several factual and legal issues in the assessment for tax years 2015 and 2016 in response to which the Company submitted documentary evidence. On September 13, 2019, the ACIR issued orders against the Company wherein net tax demands of Rs. 1,384 and Rs. 1,577 were raised in respect of tax years 2015 and 2016 respectively.

During October 2019, the Company filed an appeal against the aforesaid orders with the CIR(A) who passed an order on November 29, 2019 confirming the impugned orders of the learned ACIR on the issue of minimum tax. In response, the Company has filed an appeal before ATIR on December 10, 2019. During the period, remand back proceedings were initiated on the remaining issues not contested before ATIR and order was passed, which has been again challenged before CIR(A). Based on the opinion of the tax advisor, the Company is confident that the matter will be decided in its favour. Hence, no provision has been recognised in these unconsolidated condensed interim financial statements.

**11.1.2 Assessment of annual tax return (Tax year 2017)**

The Company received an order from the Additional Commissioner Inland Revenue (ACIR) dated December 10, 2018 for Tax Year 2017 wherein a demand of Rs. 43,726 was raised. The ACIR stated that the recovery of demand to the extent of Super Tax amounting to Rs. 42,329 would not be pursued as per the direction of the Honourable Sindh High Court (SHC), whereas, the remaining balance demanded was adjusted against refunds of the tax year 2016. On December 24, 2018, the Company filed an appeal against the order with the CIR(A) who passed an order on April 15, 2019 confirming the impugned orders of the ACIR. In response, the Company has filed an appeal before the ATIR on May 28, 2019 which is pending for hearing.

Furthermore, the Company had filed a constitutional petition before the SHC against the levy of super tax for tax year 2017 based on the contention that Super Tax, passed by a money bill through the Finance Act, 2015 and subsequently extended through the Finance Acts 2016 and 2017, was required to be approved by the Senate. The SHC had initially granted an interim order in favour of the Company. However, via its order dated July 21, 2020, the SHC has disposed off other cases involving the same matter in favor of the department. The Company had already recognised a provision amounting to Rs. 37,342 in respect of the aforementioned order in prior years. However, during the period, the department has reinitiated the proceedings and again passed the aforementioned order, which has been challenged before CIR(A).

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(Amounts in thousand)

**11.1.3 Sales tax audit (Tax Year 2017)**

On April 23, 2020, the Company received an order for tax year 2017 from the Assistant Commissioner Inland Revenue (ACIR) raising a demand of Rs. 87,492 including default surcharge and penalty amounting to Rs. 29,645 and Rs. 2,755 respectively. The order was raised primarily on account of taxability of supplies made by the Company as exempt and related inadmissible input sales tax. The Company filed an appeal on June 03, 2020 against the aforementioned order before the Commissioner Inland Revenue (Appeals) [CIR(A)] who, vide an order dated July 22, 2020, upheld the demand of the ACIR to the extent of Rs. 112 on account of inadmissible input tax deduction and remanded back the remaining matters contained in the order to the ACIR for fresh consideration against which the department filed an appeal with ATIR which is pending for hearing. During March 2022, department has initiated remand back proceedings on the remaining issues and vide order dated June 30, 2022 raised a tax demand of Rs. 41,600 by treating exempt supplies as taxable, for which the Company has filed appeal before CIR(A).

**11.1.4 Guarantees issued in respect of subsidiaries****Tenaga Generasi Limited**

The Company has arranged a Stand-by Letter of Credit (SBLC) amounting to USD 8,500 in favor of the lenders of Tenaga Generasi Limited. The said facility is secured by way of a first pari passu charge on immovable property and pledge over the Company's investments in related party, as explained in note 4.1.2.

**Reon Energy Limited**

The Company has provided a corporate guarantee amounting to Rs. 500,000 to Karandaaz Pakistan through JS Bank Limited against financing facilities for Reon Energy Limited.

The Company has also provided a corporate guarantee amounting to Rs. 1,900,000 to Habib Metropolitan Bank Limited to secure banking and financing (funded or non-funded) facilities from time to

The Company has also provided corporate guarantee amounting to Rs. 250,000 to Standard Chartered (Pakistan) Limited to secure a running facility for Reon Energy Limited.

The Company has also provided corporate guarantee amounting to Rs. 600,000 to Bank Al Habib Pakistan Limited to secure a long-term running facility for Reon Energy Limited.

**12. DIVIDEND INCOME**

This represents first interim cash dividend of Rs. 4.5 per share (June 30, 2021: Rs. 4.5 per share) pertaining to the year ending December 31, 2022 received from Dawood Hercules Corporation Limited, an associated Company.

Unaudited			
Quarter ended		Half year ended	
June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
-----Rupees-----			

**13. OTHER EXPENSES**

Provision for impairment of investment (note 4)

30,148	-	30,148	-
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(Amounts in thousand)

## 14. OTHER INCOME

**Income from financial assets**

Profit on bank deposits / savings accounts  
Mark-up charged to related parties

Unaudited			
Quarter ended		Half year ended	
June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
-----Rupees-----			

664	49	667	62
26,609	19,016	49,854	37,918
27,273	19,065	50,521	37,980

**Income from non-financial assets and others**

Gain on sale of fixed asset  
Royalty income  
Rental income  
Agriculture income  
(Loss) / gain on financial assets at fair value through profit or loss  
Liability written back during the period  
Miscellaneous income

4,189	-	8,378	-
4,381	3,214	12,545	4,631
4,413	4,106	12,787	8,517
5,238	3,218	7,736	3,218
-	-	-	-
(5,599)	1,180	(894)	1,180
-	687	-	687
5,119	5,660	5,769	6,591
17,741	18,065	46,321	24,824
45,014	37,130	96,842	62,804
(13,839)	(7,357)	(28,900)	(11,768)
31,175	29,773	67,942	51,036

Related to discontinued operations

## 15. TAXATION

## Current:

- for the period (note 15.1)  
- for prior period (note 15.1)

69,203	49,349	69,203	50,628
27,084	-	27,084	-
96,287	49,349	96,287	50,628

- 15.1 This amount represents Rs. 13,633 for the period and Rs. 27,084 for prior period provision made by the Company in accordance with the section 4C, 'Super Tax' on high earning persons' introduced in the Income Tax Ordinance, 2001 (the Ordinance) through Finance Act, 2022 (the Act), whereby a super tax at four percent has been levied on income exceeding Rs. 300 million for the year ended December 31, 2021 (tax year 2022) and onwards.

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(Amounts in thousand)

**16. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED**

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

	Quarter ended Unaudited		Half year ended Unaudited	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Continuing operations</b>				
Profit for the period	221,166	298,785	224,920	294,337
Weighted average number of ordinary shares (in thousands)	59,300	59,300	59,300	59,300
Earnings per share	3.73	5.04	3.79	4.96
<b>Discontinued operations</b>				
Loss for the period	(1,766)	(11,029)	(2,863)	(17,817)
Weighted average number of ordinary shares (in thousands)	59,300	59,300	59,300	59,300
Loss per share	(0.03)	(0.19)	(0.05)	(0.30)

Unaudited  
June 30,  
2022  
-----Rupees-----  
Unaudited  
June 30,  
2021

**17. CASH AND CASH EQUIVALENTS**

Cash and bank balances (note 8)	23,750	45,708
Short-term borrowings (note 10)	(196,150)	(456,140)
	<u>(172,400)</u>	<u>(410,432)</u>

**18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS****18.1 Financial risk factors**

The Company'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 financial risk management policies during the period, consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

**18.2 Fair value estimation**

The table below analyses financial instruments carried at fair value using the fair value measurement method in accordance with IFRS 13. The different levels have been defined as follows:

- 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).



**(Amounts in thousand)**

The Company held the following assets measured at fair values:

	As at June 30, 2022			
	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)	-	12,998	-	12,998
<i>Financial assets at fair value through other comprehensive income</i>				
- Long-term investments (investments in unquoted equity shares)	-	-	15	15
	<u>-</u>	<u>12,998</u>	<u>15</u>	<u>13,013</u>
	Audited			
	As at December 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)	-	13,892	-	13,892
<i>Financial assets at fair value through other comprehensive income</i>				
- Long-term investments (investments in unquoted equity shares)	-	-	15	15
	<u>-</u>	<u>13,892</u>	<u>15</u>	<u>13,907</u>

### 18.3 Valuation techniques used to determine fair values

There were no transfers amongst the levels during the period. Further, there were no changes in the valuation techniques during the period.

### 18.4 Fair value of financial assets and liabilities

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

## 19. SEGMENT REPORTING

Management has determined the operating segments for allocation of resources and assessment of performance which are organised 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.

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(Amounts in thousand)

## 19.1 Segment results

The table below shows the segment information for the reportable segments for the half-years ended June 30, 2022 and 2021 and also the basis on which revenue is recognised:

	Renewable energy		Textile - discontinued operations		Other operations		Total	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
-----Rupees-----								
Revenue from contract with customers - net								
At a point in time	-	-	1,465	1,442	-	-	1,465	1,442
Over time	-	-	-	-	-	-	-	-
Revenue from external customers	-	-	1,465	1,442	-	-	1,465	1,442
Cost of revenue	-	-	(1,507)	(1,527)	-	-	(1,507)	(1,527)
Segment gross loss	-	-	(42)	(85)	-	-	(42)	(85)
Dividend income	-	-	-	-	350,694	350,694	350,694	350,694
Selling and distribution expenses	-	-	(15)	(43)	-	-	(15)	(43)
Administrative expenses	(123)	(2,608)	(31,706)	(29,457)	(34,134)	(24,189)	(65,963)	(56,254)
Other expenses	-	-	-	-	(30,148)	-	(30,148)	-
Other income	-	-	28,900	11,768	67,942	51,036	96,842	62,804
Finance costs	-	-	-	-	(33,024)	(29,968)	(33,024)	(29,968)
Taxation	-	-	-	-	(96,287)	(50,628)	(96,287)	(50,628)
Segment (loss) / profit	(123)	(2,608)	(2,863)	(17,817)	225,043	296,945	222,057	276,520
-----Rupees-----								
	Renewable energy		Textile - discontinued operations		Other Operations		Total	
	Unaudited June 30, 2022	Audited December 31, 2021	Unaudited June 30, 2022	Audited December 31, 2021	Unaudited June 30, 2022	Audited December 31, 2021	Unaudited June 30, 2022	Audited December 31, 2021
-----Rupees-----								
Segment assets	18,091	23,373	28,083	36,048	4,483,834	4,680,400	4,530,008	4,739,821
Segment liabilities	7,414	15,478	2,127	16,921	370,937	779,949	380,478	812,348

## 20. RELATED PARTY TRANSACTIONS AND BALANCES

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

		Unaudited June 30, 2022	Unaudited June 30, 2021
		-----Rupees-----	
Relationship	Nature of transaction		
a. Subsidiary companies			
Tenaga Generasi Limited (TGL)	Reimbursable expenses incurred by the Company on behalf of TGL	2,019	1,815
	Reimbursement of expenses - Payable	459	454
	Stand-by letter of credit cost reimbursement	25,742	24,078
	Interest on reimbursable expenses	985	3,099
	Interest on subordinated loans to TGL	28,686	20,593
Reon Energy Limited (REL)	Reimbursable expenses incurred by REL on behalf of the Company	8,871	11,275
	Interest charged to REL on reimbursable expenses	-	81
	Interest on reimbursable expenses	371	-
	Interest on long-term loan to REL	19,602	13,992
	Reimbursable expenses incurred by the Company on behalf of REL	9,378	2,670

(Amounts in thousand)

Relationship	Nature of transaction	Unaudited June 30, 2022	Unaudited June 30, 2021
		-----Rupees-----	
Mozart (Private) Limited (MPL)	Subordinated loan disbursed	71	80
	Interest on subordinated loan	32	17
Abrax (Private) Limited (APL)	Subordinated loan disbursed	72	78
	Interest on subordinated loan	34	19
Greengo (Private) Limited (GPL)	Subordinated loan disbursed	72	78
	Interest on subordinated loan	35	19
Reon Alpha (Private) Limited (RAPL)	Interest on reimbursement of expenses	109	16
	Reimbursable expenses incurred by the Company on behalf of RAPL	666	515
<b>b. Associated companies</b>			
Dawood Hercules Corporation Corporation Limited (DHCL)	Dividend income	350,694	350,694
	Reimbursable expenses incurred on behalf of the Company	4,133	528
Sach International (Private) Limited (SIL)	Reimbursable expenses incurred by the Company on behalf of SIL	137	169
	Royalty charged by the Company	12,545	4,631
	Rental income	330	330
	Penalty charged against overdue receivables	375	1,416
<b>c. Other related parties</b>			
Key management personnel	Salaries and benefits	9,582	9,154
	Other retirement benefits	258	249
	Directors' meeting fee	250	800

20.2 During the period, the Company, paid dividends to its directors / sponsors amounting to Nil (2021: Rs. 34,367).

## 21. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on 25 - Aug - 2022 has approved an interim cash dividend of Rs. 3.00 (2021: interim cash dividend of Rs. 2.75) per share amounting to Rs. 177,899 (2021: Rs. 163,074) for the half-year ended June 30, 2022. These unconsolidated condensed interim financial statements do not include the effect of this appropriation which will be accounted for in the unconsolidated condensed interim financial statements of the Company in the subsequent reporting period.

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(Amounts in thousand)

## 22. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the unconsolidated condensed interim statement of financial position has been compared with the balances of annual audited unconsolidated financial statements of the preceding financial year, whereas the unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison, the effects of which are not material.

## 23. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on 25-Aug-2022 by the Board of Directors of the Company.

## 24. GENERAL

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

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Chief Executive Officer



Director



Chief Financial Officer

**DAWOOD LAWRENCEPUR LIMITED**  
**CONSOLIDATED CONDENSED INTERIM**  
**FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2022**

DAWOOD LAWRENCEPUR LIMITED  
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2022

(Amounts in thousand)

	Note	Unaudited June 30 2022	Audited December 31, 2021
		-----Rupees-----	
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment		13,066,089	12,432,384
Right-of-use assets		25,209	115,831
Intangible assets		49,530	46,474
Long-term investments	5	11,335,619	11,570,345
Long-term deposits		2,778	2,778
Long-term loans to employees		456	477
<b>Total non-current assets</b>		<b>24,479,681</b>	<b>24,168,289</b>
Current assets			
Stores and spares		892	892
Stock-in-trade		2,152,975	634,520
Trade debts		5,623,214	4,104,939
Contract assets		1,294,120	1,127,153
Loans and advances		420,580	287,191
Deposits, prepayments and other receivables		2,517,211	1,442,823
Accrued interest		57	576
Taxes recoverable		124,499	85,569
Short-term investments		24,054	239,326
Cash and bank balances		1,512,923	1,148,170
<b>Total current assets</b>		<b>13,670,525</b>	<b>9,071,159</b>
<b>TOTAL ASSETS</b>		<b>38,150,206</b>	<b>33,239,448</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	6	592,998	592,998
Capital reserves		225,445	217,866
Unappropriated profit		15,833,833	15,149,524
Non-controlling interest		2,080,229	1,827,304
<b>TOTAL EQUITY</b>		<b>18,732,505</b>	<b>17,787,692</b>
Non-current liabilities			
Staff retirement benefits		6,718	86,308
Deferred taxation		1,513,003	1,405,155
Long-term borrowings		7,453,849	7,082,235
Non-current portion of lease liabilities		116,077	126,369
<b>Total non-current liabilities</b>		<b>9,089,647</b>	<b>8,700,067</b>
Current liabilities			
Current portion of:			
Long-term borrowings		1,759,052	1,546,072
Deferred government grant		1,208	3,056
Lease liabilities		21,037	17,320
Unclaimed dividend		73,941	72,251
Unpaid dividend		-	3,266
Short-term borrowings	7	1,330,656	1,395,175
Trade and other payables		5,270,806	3,107,115
Provision		7,360	7,360
Taxes Payable		55,193	-
Contract liabilities		1,609,159	453,452
Accrued mark-up		199,641	146,622
<b>Total current liabilities</b>		<b>10,328,053</b>	<b>6,751,689</b>
<b>TOTAL LIABILITIES</b>		<b>19,417,700</b>	<b>15,451,756</b>
Contingencies and commitments	8		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>38,150,206</b>	<b>33,239,448</b>

The annexed notes from 1 to 15 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 HALF YEAR ENDED JUNE 30, 2022

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

(Amounts in thousand except for earnings / (loss) per share)		Quarter Ended		Half Year Ended	
		Unaudited June 30 2022	Unaudited June 30 2021	Unaudited June 30 2022	Unaudited June 30 2021
	Note	Rupees		Rupees	
CONTINUING OPERATIONS					
Revenue from contracts with customers - net	9	5,465,153	3,141,091	7,301,824	4,554,299
Cost of revenue		(4,023,274)	(2,376,221)	(5,573,613)	(3,649,927)
Gross profit		1,441,879	764,870	1,728,211	904,372
Selling and distribution expenses		(85,971)	(85,622)	(171,505)	(171,219)
Administrative expenses		(133,748)	(103,890)	(228,443)	(192,465)
Other expenses		(39,886)	(31,580)	(43,013)	(35,022)
Other income		11,796	58,074	34,163	72,015
Operating (loss) / profit		1,194,069	601,852	1,319,412	577,681
Finance cost		(171,618)	(139,897)	(312,868)	(272,619)
Share of profit of associate		(409,364)	439,561	83,826	925,464
Profit before taxation		613,087	901,516	1,090,370	1,230,526
Taxation		(90,715)	(84,185)	(178,353)	(175,872)
Profit from continuing operations		522,372	817,331	912,017	1,054,654
DISCONTINUED OPERATIONS					
Loss from discontinued operations		(1,766)	(11,029)	(2,863)	(17,817)
Profit for the period		520,606	806,302	909,154	1,036,837
(Loss) / profit attributable to:					
- Owners of the Holding Company		289,579	678,200	656,229	928,735
- Non-controlling interest		231,027	128,102	252,925	108,102
		520,606	806,302	909,154	1,036,837
Earnings / (loss) per share - basic and diluted					
- Continuing operations	10	4.91	11.62	11.11	15.96
- Discontinued operations	10	(0.03)	0.41	(0.05)	0.30

The annexed notes from 1 to 15 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 HALF YEAR ENDED JUNE 30, 2022

(Amounts in thousand)

	Quarter Ended		Half Year Ended	
	Unaudited June 30 2022	Unaudited June 30 2021	Unaudited June 30 2022	Unaudited June 30 2021
	Rupees		Rupees	
Profit for the period	520,606	806,302	909,154	1,036,837
Other comprehensive (loss) / income:				
<i>Items that may be reclassified subsequently through profit or loss</i>				
Share of other comprehensive income of associate - net of tax	8,944	9,888	28,080	4,409
<b>Total comprehensive (loss) / income for the period</b>	<b>529,550</b>	<b>816,190</b>	<b>937,234</b>	<b>1,041,246</b>
Total comprehensive (loss) / income attributable to:				
- Continuing operations	531,316	827,219	940,097	1,059,063
- Discontinued operations	(1,766)	(11,029)	(2,863)	(17,817)
	<b>8,944</b>	<b>9,888</b>	<b>937,234</b>	<b>1,041,246</b>
Total comprehensive (loss) / income attributable to:				
- Owners of the Holding Company	298,523	688,088	684,309	933,144
- Non-controlling Interest	231,027	128,102	252,925	108,102
	<b>529,550</b>	<b>816,190</b>	<b>937,234</b>	<b>1,041,246</b>

The annexed notes from 1 to 15 form an integral part of these consolidated condensed interim financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

(Amounts in thousand)

The annexed notes from 1 to 15 form an integral part of these consolidated condensed interim financial statements.

  
Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED  
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2022

(Amounts in thousand)

	Half Year Ended	
	Unaudited June 30 2022	Unaudited June 30 2021
	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,087,507	1,212,709
Add: Loss before taxation attributable to discontinued operations	2,863	17,817
Profit before taxation from continuing operations	1,090,370	1,230,526
<b>Adjustment for non-cash charges and other items:</b>		
Depreciation	412,668	387,831
Impairment on property plant and equipment	25,524	-
Amortization	-	3,974
Provision for impairment against financial assets	42,123	30,009
Provision for gratuity - net	10,817	10,464
Provision for impairment in stock-in-trade	-	1,029
Provision for warranty	36,814	30,228
Finance cost	317,159	272,619
Charge related to employee share options scheme	7,579	6,913
Gain on disposal of property, plant and equipment	(259)	(36)
(Gain) / Loss on investments in mutual fund units	894	(1,180)
Interest income on short-term investments	(1,010)	(2,543)
Royalty income	(12,545)	-
Grant income	(1,847)	(2,835)
Share of profit of associate	(83,826)	(925,464)
Profit on deposits	(11,157)	(4,869)
Operating profit before working capital changes	742,934	(193,860)
<b>(Increase) / decrease in current assets</b>		
Stock-in-trade	(1,519,962)	(621,857)
Trade debts	(1,510,546)	(535,534)
Contract assets	(162,962)	(121,831)
Loans and advances	(367,211)	(285,577)
Deposits, prepayments and other receivables	(853,503)	(206,563)
<b>Increase / (decrease) in current liabilities</b>		
Contract liabilities	1,155,707	171,398
Sales tax Payable	22,072	-
Trade and other payables	2,291,751	1,252,322
	(944,655)	(347,642)
<b>Net cash generated from operations</b>	<b>888,649</b>	689,024
Gratuity paid	(180)	(1,205)
Long-term loans	21	95
Taxes paid	(175,899)	(157,726)
Discontinued operations	(24,544)	(17,712)
<b>Net cash generated from operating activities</b>	<b>688,047</b>	512,476
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(12,402)	(46,349)
Sale proceeds from disposal / transfer of property, plant and equipment	259	-
Purchase of intangible assets	-	(6,746)
Redemption of short-term investments	728	31,367
Interest received	12,168	78,583
Dividend received	350,694	350,694
Discontinued operations	8,480	-
<b>Net cash (used in) / generated from investing activities</b>	<b>359,927</b>	407,549
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	328,067	133,525
Repayment of borrowings	(742,726)	(624,706)
Payment of lease liability	(14,934)	(23,918)
Finance costs paid	(403,533)	(274,862)
Payment of dividend	(1,576)	-
<b>Net cash used in financing activities</b>	<b>(834,702)</b>	(789,961)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>213,272</b>	130,064
Cash and cash equivalents at beginning of the period	(31,004)	(303,560)
<b>Cash and cash equivalents at end of the period</b>	<b>182,268</b>	(173,496)

The annexed notes from 1 to 15 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**  
**FOR THE HALF YEAR ENDED JUNE 30, 2022**

(Amounts in thousand)

**1. LEGAL STATUS AND OPERATIONS**

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 (now repealed) Companies Ordinance, 1984 between Dawood Cotton Mills Limited (DCM), Dilon Limited (DL), Burewala Textile Mills Limited (BTM) and Lawrencepur Woolen and Textile Mills Limited (LWTM). The shares of the Holding Company are listed on the Pakistan Stock Exchange Limited (PSX). The Holding Company manages investment in its subsidiaries and associated companies and is currently engaged in the business of alternate energy, engineering, procurement, construction, 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 Unit</b>	<b>Geographical Location</b>
<b>Head Offices (registered offices)</b>	
The Holding Company	3rd Floor, Dawood Centre, M.T. Khan Road, Karachi.
Abrax (Private) Limited	3rd Floor, Dawood Centre, M.T. Khan Road, Karachi.
GreenGo (Private) Limited	3rd Floor, Dawood Centre, M.T. Khan Road, Karachi.
Mozart (Private) Limited	3rd Floor, Dawood Centre, M.T. Khan Road, Karachi.
Reon Alpha (Private) Limited	3rd Floor, Dawood Centre, M.T. Khan Road, Karachi.
Reon Energy Limited	3rd Floor, Dawood Centre, M.T. Khan Road, Karachi.
Tenaga Generasi Limited	3rd Floor, Dawood Centre, M.T. Khan Road, Karachi.
<b>Factories of the Holding Company</b>	
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.
<b>Regional offices of Reon Energy Limited</b>	
Sales Office I	2nd floor, COLABS building 50-N, Gurumangat Road, Gulberg
Sales Office II	4th floor One Expressway Plaza, Gulberg Green Enterchange,
<b>Solar and Wind Power Plant of subsidiary companies / indirect subsidiaries</b>	
Solar Power Plant of Reon Alpha (Private) Limited	Block II, District Tharparkar, Sindh.
Solar Power Plant of Grid Edge (Private) Limited	Procter and Gamble's facility, Bin Qasim Town, Karachi.
Wind Farm of Tenaga Generasi Limited	KhutiKun Area, Mirpur Sakro, District Thatta, Sindh.

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. Currently, the Holding Company does not have any industrial unit in production.

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

(Amounts in thousand)

The "Group" consists of:

The Holding Company: Dawood Lawrencepur Limited;

Associated Company: Associated company is an entity over which the Group has significant influence but not control; and

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

	Period Ended	Percentage of direct	
		2022	2021
- Reon Energy Limited	June 30	100%	100%
- Tenaga Generasi Limited	June 30	75%	75%
- Mozart (Private) Limited	June 30	100%	100%
- Abrax (Private) Limited	June 30	100%	100%
- Greengo (Private) Limited	June 30	100%	100%
- Reon Alpha (Private) Limited	June 30	100%	100%

**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.

**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.

**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.

**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.

**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.

**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.

**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 5.1.



(Amounts in thousand)

## 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
- 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

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, 2021.

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, 2021.

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.

	Unaudited June 30, 2022	Audited December 31, 2021
	-----Rupees-----	
<b>5. LONG TERM INVESTMENTS</b>		
Share of investment in an associate (note 5.1)	11,322,606	11,556,438
Other investments	13,013	13,907
	<u>11,335,619</u>	<u>11,570,345</u>
<b>5.1 Share of investment in an associate</b>		
Associated company - quoted Dawood Hercules Corporation Limited		
Opening balance	11,556,438	10,895,496
Add: Share of profit after taxation	83,826	1,379,982
Share of other comprehensive (loss) / income	33,035	21,313
	116,862	1,401,295
Less: Dividend received	(350,694)	(740,353)
	<u>11,322,606</u>	<u>11,556,438</u>

(Amounts in thousand)

## 6. SHARE CAPITAL

### 6.1 Authorized capital

Unaudited June 30, 2022	Audited December 31, 2021		Unaudited June 30, 2022	Audited December 31, 2021
-----Number of shares-----			-----Rupees-----	
75,000,000	75,000,000	Ordinary shares of Rs. 10 each	750,000	750,000

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

Unaudited June 30, 2022	Audited December 31, 2021		Unaudited June 30, 2022	Audited December 31, 2021
-----Number of shares-----			-----Rupees-----	
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
59,299,809	59,299,809		592,998	592,998

## 7. SHORT TERM BORROWING

- 7.1 This denotes short-term running finance facility aggregating to Rs.1,000,000 (December 31, 2021: Rs 1,500,000) obtained under mark-up arrangement from various commercial banks. As at June 30, 2022, the Holding Company has utilised the facility against running finance facility to the extent of Rs. 196,150 (December 31, 2021: Rs. 646,587) and has issued guarantees to the extent of Rs. 38,169 (December 31, 2021: Rs. 35,968). Furthermore, out of the aforementioned facility, the Holding Company has negotiated sub-limits for financing the operations of REL amounting to Rs. 600,000. 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 month KIBOR plus 100 basis points (December 31, 2021: one month to three months KIBOR plus 100 basis points). During the period, Rs. 500,000 facility has been extinguished and securities have been released.
- 7.2 This includes short-term running finance facility amounting to Rs. 600,000 (2021: Rs. 600,000) obtained by REL for meeting working capital requirements of which Rs. Nil remain unutilized (2021: Rs. Nil) as at year end. The facility carries mark-up at the rate of three months KIBOR plus 1% (2021: three months KIBOR plus 1%) per annum and is secured by way of pari passu hypothecation charge over stock-in-trade and trade debts of REL. The principal amount is a revolving credit line payable on demand while mark-up is payable on a quarterly basis.
- 7.3 This includes short term finance facility amounting to Rs 500,000 (2021: Nil) obtain by REL to meet working capital requirements of which Rs 250,000 remains unutilized (2021: Nil). The facility carries mark-up at the rate of three months KIBOR plus 2% (2021: Nil) per annum and is secured by way of pari passu hypothecation charge over stock-in-trade, trade debts and fixed asset of REL.



(Amounts in thousand)

## 8. 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, 2021, except for the following:

- 8.1 On April 27, 2018, the Officer Inland Revenue (OCIR) through an order raised a sales tax demand of Rs. 97,282,565 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 Commissioner Inland Revenue (Appeals) [CIR(A)] 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. During the period, CIR(A) has passed the order and confirmed the demand raised by the OCIR. Subsequently, TGL has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR(A). The appeal has been heard and reserved for order. The management of the Company, based on the advice of its tax consultants, is confident of a favorable outcome of this matter. Accordingly, no provision has been recognized in this respect in these condensed interim financial information.

### 8.2 Assessment of annual tax return (Tax years 2015 and 2016)

The assessment of annual tax return was initiated by the department on April 19, 2019, the Holding Company received a show cause notice from the ACIR citing several factual and legal issues in the assessment for tax years 2015 and 2016 in response to which the Holding Company submitted documentary evidence. On September 13, 2019, the ACIR issued orders against the Holding Company wherein net tax demands of Rs. 1,384 and Rs. 1,577 were raised in respect of tax years 2015 and 2016 respectively.

During October 2019, the Holding Company filed an appeal against the aforesaid orders with the CIR(A) who passed an order on November 29, 2019 confirming the impugned orders of the learned ACIR on the issue of minimum tax. In response, the Holding Company has filed an appeal before ATIR on December 10, 2019. During the period, remand back proceedings were initiated on the remaining issues not contested before ATIR and order was passed, which has been again challenged before CIR(A). Based on the opinion of the tax advisor, the Holding Company is confident that the matter will be decided in its favour. Hence, no provision has been recognised in these unconsolidated condensed interim financial statements.

### 8.3 Assessment of annual tax return (Tax year 2017)

The Holding Company received an order from the Additional Commissioner Inland Revenue (ACIR) dated December 10, 2018 for Tax Year 2017 wherein a demand of Rs. 43,726 was raised. The ACIR stated that the recovery of demand to the extent of Super Tax amounting to Rs. 42,329 would not be pursued as per the direction of the Honourable Sindh High Court (SHC), whereas, the remaining balance demanded was adjusted against refunds of the tax year 2016. On December 24, 2018, the Holding Company filed an appeal against the order with the CIR(A) who passed an order on April 15, 2019 confirming the impugned orders of the ACIR. In response, the Holding Company has filed an appeal before the ATIR on May 28, 2019 which is pending for hearing.

Furthermore, the Holding Company had filed a constitutional petition before the SHC against the levy of super tax for tax year 2017 based on the contention that Super Tax, passed by a money bill through the Finance Act, 2015 and subsequently extended through the Finance Acts 2016 and 2017, was required to be approved by the Senate. The SHC had initially granted an interim order in favour of the Holding Company. However, via its order dated July 21, 2020, the SHC has disposed off other cases involving the same matter in favor of the department. the Holding Company had already recognised a provision amounting to Rs. 37,342 in respect of the aforementioned order in prior years. However, during the period, the department has reinitiated the proceedings and again passed the aforementioned order, which has been challenged before CIR(A).

### 8.4 Sales tax audit (Tax Year 2017)

On April 23, 2020, the Holding Company received an order for tax year 2017 from the Assistant Commissioner Inland Revenue (ACIR) raising a demand of Rs. 87,492 including default surcharge and penalty amounting to Rs. 29,645 and Rs. 2,755 respectively. The order was raised primarily on account of taxability of supplies made by the Holding Company as exempt and related inadmissible input sales tax. the Holding Company filed an appeal on June 03, 2020 against the aforementioned order before the Commissioner Inland Revenue (Appeals) [CIR(A)] who, vide an order dated July 22, 2020, upheld the demand of the ACIR to the extent of Rs. 112 on account of inadmissible input tax deduction and remanded back the remaining matters contained in the order to the ACIR for fresh consideration against which the department filed an appeal with ATIR which is pending for hearing. During March 2022, department has initiated remand back proceedings on the remaining issues and vide order dated June 30, 2022 raised a tax demand of Rs. 41,600 by treating exempt supplies as taxable, for which the Holding Company has filed appeal before CIR(A).

(Amounts in thousand)

#### 8.5 Guarantees issued in respect of subsidiaries

##### Tenaga Generasi Limited

The Company has arranged a Stand-by Letter of Credit (SBLC) amounting to USD 8,500 in favor of the lenders of Tenaga Generasi Limited. The said facility is secured by way of a first pari passu charge on immovable property and pledge over the Company's investments in related party.

##### Reon Energy Limited

The Company has provided a corporate guarantee amounting to Rs. 500,000 to Karandaz Pakistan through JS Bank Limited against financing facilities for Reon Energy Limited.

The Company has also provided a corporate guarantee amounting to Rs. 1,900,000 to Habib Metropolitan Bank Limited to secure banking and financing (funded or non-funded) facilities from time to time for Reon Energy Limited.

The Company has also provided corporate guarantee amounting to Rs. 250,000 to Standard Chartered (Pakistan) Limited to secure a running facility for Reon Energy Limited.

The Company has also provided corporate guarantee amounting to Rs. 600,000 to Bank Al Habib Pakistan Limited to secure a long-term running facility for Reon Energy Limited.

	Half Year Ended	
	Unaudited June 30, 2022	Unaudited June 30, 2021
	-----Rupees-----	
9. REVENUE - NET		
Renewable energy (Solar)	5,373,538	3,287,169
Alternate Energy (Wind)	1,928,286	1,267,130
	<u>7,301,824</u>	<u>4,554,299</u>
Textile		
Fabric	1,465	1,197
	<u>7,303,289</u>	<u>4,555,496</u>
Related to discontinued operations	(1,465)	(1,197)
	<u>7,301,824</u>	<u>4,554,299</u>

#### 10. 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:

	Half Year Ended	
	Unaudited June 30, 2022	Unaudited June 30, 2021
Continuing operations		
Profit for the period (attributable to the owners of the Holding Company)	659,092	946,552
Weighted average number of ordinary shares (in thousand)	59,300	59,300
Earning per share	<u>11.11</u>	<u>15.96</u>
Discontinued operations		
Loss for the period (attributable to the owners of the Holding Company)	(2,863)	(17,817)
Weighted average number of ordinary shares (in thousand)	59,300	59,300
Loss per share	<u>(0.05)</u>	<u>(0.30)</u>



(Amounts in thousand)

# 11. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

## 11.1 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.

## 11.2 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 June 30, 2022 (Unaudited)				
	Level 1	Level 2	Level 3	Total
	-----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)	-	12,998	-	12,998
<b>Financial assets at fair value through other comprehensive income</b>				
- Long-term investments (investments in unquoted equity shares)	-	-	15	15
<b>Current assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
- Derivative asset	-	30,134	-	30,134
	-	43,132	15	43,147
As at December 31, 2021 (Audited)				
	Level 1	Level 2	Level 3	Total
	-----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)	-	13,892	-	13,892
<b>Financial assets at fair value through other comprehensive income</b>				
- Long-term investments (investments in unquoted equity shares)	-	-	15	15
<b>Current assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
- Derivative asset	-	44,872	-	44,872
	-	58,764	15	58,779

The carrying value of all financial assets and liabilities reflected in this consolidated condensed interim financial

(Amounts in thousand)

## 12 SEGMENT REPORTING

12.1 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:

12.2

	Renewable energy		Textile - discontinued operations		Alternate Energy		Unallocated		Total	
	Unaudited		Unaudited		Unaudited		Unaudited		Unaudited	
	June 30,		June 30,		June 30,		June 30,		June 30,	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees									
Revenue from contract with customers - net	-	-	1,465	1,442	-	-	-	-	1,465	1,442
Timing of revenue recognition	-	-	-	-	-	-	-	-	-	-
- At a point in time	-	-	-	-	-	-	-	-	-	-
- Over time	5,373,538	3,287,199	-	-	1,928,286	1,287,130	-	-	7,301,824	4,554,299
Cost of revenue	(4,917,917)	(3,082,113)	(1,507)	(1,527)	(855,696)	(567,814)	-	-	(5,575,120)	(3,651,454)
Segment gross profit / (loss)	455,621	205,086	(42)	(85)	1,272,590	899,316	-	-	1,728,169	904,287
Selling and distribution expenses	(171,505)	(171,219)	(15)	(43)	-	-	-	-	(171,505)	(171,262)
Administrative expenses	(144,416)	(122,185)	(31,706)	(29,457)	(49,875)	(43,327)	(2,445)	(26,973)	(228,443)	(221,922)
Other expenses	(43,013)	(33,557)	-	-	-	-	-	-	(73,162)	(35,022)
Other income	5,931	15,861	28,900	11,768	10,235	5,116	(10,903)	51,036	34,183	83,781
Finance cost	(111,290)	(16,845)	-	-	(218,438)	(225,752)	16,820	(30,022)	(312,868)	(272,819)
Share of profit from associate	-	-	-	-	-	-	83,826	925,464	83,826	925,464
Taxation	(66,682)	(37,544)	-	-	(2,810)	(1,484)	(108,981)	(136,644)	(178,353)	(175,872)
Segment net profit	(75,315)	(160,413)	(2,863)	(17,817)	1,011,702	432,404	(51,711)	782,661	881,827	1,036,835
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees									
Segment assets	9,172,674	4,896,236	28,083	30,048	17,866,880	16,442,697	11,082,569	11,864,405	38,150,206	33,239,448
Segment liabilities	8,985,567	4,332,270	2,127	16,921	9,155,041	8,598,478	1,274,966	2,504,087	18,417,700	15,451,756

## 13 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:

Relationship	Nature of transaction	Unaudited	Unaudited
		June 30, 2022	June 30, 2021
		-----Rupees-----	
<b>a. Associated companies</b>			
Dawood Hercules Corporation Limited	Reimbursable expenses by the Group	21,842	528
	Dividend Income	350,694	350,694
	Reimbursable expenses to the Group	1,149	27
Sach International (Private) Limited	Reimbursable expenses incurred by the Group	137	169
	Royalty charged by the Group	12,545	4,631
	Penalty charged against overdue receivables	375	1,416
	Rental Income	330	330
The Dawood Foundation	Expenses incurred by the Group	9,235	8,637
	Sales of goods to the company	-	9,327
Engro Energy Limited	Operations and maintenance expenses	228,833	175,455
	Project revenue	-	802
	Delayed Payment Interest	-	5,735
	Extra work	7,651	8,485
Engro Vopak Terminal Limited	Project revenue	-	170
Enfrashare (Private) Limited	Project revenue	-	436,676
International Finance Corporation	Borrowing cost charged to Group	63,343	27,694
	Repayment of loan	195,085	166,808
	Supervision fee	2,846	1,934
	Accrued Mark-up	-	28,058
<b>b. Key management personnel</b>	Salaries and benefits	37,484	38,426
<b>c. Directors</b>	Meeting fees	850	1,450

14 NON-ADJUSTING EVENT AFTER STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors of the Holding Company in its meeting held on August 25, 2022 has approved an interim cash dividend of 30% amounting to 177,899 for the period ending June 30, 2022. This consolidated condensed interim financial statements do not recognize interim dividend from unappropriated profit as it has been declared subsequent to the reporting date.

15 DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial statements were authorized for issue on 25-Aug-22 by the Board of Directors of the Holding Company



Chief Executive



Director



Chief Financial Officer



## 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:

Details of Shareholder	
Name of shareholder	
Folio No.	
CNIC No.	
Cell number of shareholder	
Landline number of shareholder, if any	
Details of Bank Account	
Title of Bank Account	
International Bank Account Number (IBAN) <b>"Mandatory"</b>	<b>PK</b> (24 digits) (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.	
<hr/> 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 Shakra-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)