



Dawood
Lawrencepur
Limited

PEOPLE. POWER. PROSPERITY.

Quarterly Report
September 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 Shamoan Chaudry
- Mr. Mujtaba Haider Khan (Chief Executive Officer)

Board Audit Committee

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

Human Resource and Remuneration Committee

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

Boar Transaction Committee

- Mr. Shafiq Ahmed
- Mr. Zamin Zaidi

Chief Financial Officer

- Mr. Nazia Hasan

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 11-111-500

Registered / Head Office

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

Lahore Office

- 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 145, 3353246
Fax: 067- 3354679

DawoodPur

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

DAWOOD LAWRENCEPUR LIMITED
DIRECTORS' REVIEW REPORT
FOR THE NINE MONTHS ENDED SEPTEMBER 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 nine months period ended September 30, 2022.

BUSINESS REVIEW

Renewable Energy Business

The renewable energy business maintained a forward trajectory in 9 months as the Company clocked in its highest-ever top line during the year. In terms of order intake, the third quarter remained robust as REL secured 22MW of EPC projects 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 offerings.

While realized margins observed stress owing to a challenging global and local economic situation, 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 continue trending upward 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.

Wind Energy Project

The Plant is operating satisfactorily and meeting expected targets for Availability and Balance Of Plant (BOP) Loss. The BOP Loss for the review period Q3 2022 was 1.02% against a target of 2.5%, whilst Availability was 96.88% against a target of 98.0%. Availability was low primarily due to non-availability of Turbine 7 due to fire incident in January. Health Safety and Environment (HSE) remained a priority and 528,251 safe man-hours have been clocked since COD with zero injury rate and TRIR. The plant has been operating safely without injury for 1,921 days.

The Jhimpir connection is proving stable for evacuation and there was minimal curtailment during the quarter. The total NPMV for the current quarter was 0.460GWh compared to 0.490GWh for Q3 2021. The total energy billed during the current quarter (33.66GWh) is significantly lower than the P90 level (41.81GWh) due to lower than forecasted wind speeds experienced during the monsoon season which was particularly heavy from July to September 2022. For the three quarters, the billed energy was 100.47GWh against a P90 target of 109.63GWh. This difference was primarily due to low winds in February and March and again during the current quarter.

The issue of high voltage being experienced in the system due to the connection of the three Gharo plants in series and along the length of the Gharo-Jhimpir line has been taken up with both NTDC and CPPA. However, the resolution of the problem will require connection of the Gharo plants in a loop, the capability for which is currently not available with the NTDC. Steps have been taken at the relevant site to monitor voltage levels and liaise with RCC Jamshoro for resolution. Incidents of high voltage have reduced during the current quarter.

FINANCIAL HIGHLIGHTS

The unconsolidated financial highlights of the Company are as under:

	Nine Months ended September 30, 2022	Nine Months ended September 30, 2021
Rupees in thousands		
Revenue – net	-	2,588
Cost of revenue	-	(2,616)
Gross (loss) / profit	-	(28)
Other income	105,685	74,007
Profit before taxation from continued operations	689,600	337,490
Loss from discontinued operations	(13,533)	(14,920)
Taxation	(152,394)	(52,604)
Profit after taxation	523,673	269,966
Unappropriated profit brought forward	3,127,809	2,960,800
Unappropriated profit carried forward	3,473,583	3,023,217
Earnings per share - basic & diluted (Rupees)	8.83	4.55

During the nine months ended September 30, 2022, dividend income from associate - Dawood Hercules Corporation Limited amounted to PKR 701.4 million against PKR 350.7 million for the period ended September 30, 2021.

Consolidated revenues for the period were PKR 11,484 million against PKR 8,302 million for the comparative period. The increase was led by higher revenue from solar energy projects amounting to PKR 8,383 million. After considering the share of profit from associate of PKR 491 million (September 30, 2021: share of profit of PKR 1,202 million), the consolidated profit after tax for the nine-month period ended stood at PKR 1,986 million against PKR 2,099 million for the same period last year. Consolidated earnings per share attributable to the owners of the Holding Company was PKR 26.21 against PKR 30.17 for the comparative period last year.

FUTURE OUTLOOK

Renewable Energy Business

Continued geo-political conflict and its ramifications on global supply chains have 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.

In recent days, OPEC+, which includes non-OPEC oil exporters like Russia, has announced its largest supply cut since 2020, to the tune of 2 million barrels per day starting from November. This will translate into tighter crude oil supplies and higher prices at a time of already high inflation, and will cause the national import bill to swell up, further stressing our Balance of Payments.

On the local front, the Government of Pakistan has announced their ambition to procure 10GW of Solar PV through a competitive bidding process to help mitigate the burgeoning current account deficit attributable to fuel imports. At the same time, 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 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 environmentally friendly power. Under all prevailing scenarios we are forecasting significant growth in the demand for our products and services in core markets.

The State Bank of Pakistan (SBP) has additionally implemented a requirement for prior approval of imports to manage the country's Balance of Payments. Owing to the vast numbers of approvals to be processed, it is taking a longer time to open Letters of Credit which is creating a crunch in the supply of solar equipment in the industry. REL has sufficient inventory to manage its ongoing projects in the short-term; however, industry level discussions with the relevant departments at the SBP are underway to find a conducive way forward on efficient opening of LCs.

Finally, continuity and policy stability will remain critical factors in enabling the country's economic growth prospects. 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 soaring with outstanding payments at the 6-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.

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 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.

MUJTABA HAIDER KHAN
Chief Executive Officer

RUHAIL MUHAMMAD
Director

Karachi, October 28, 2022

داؤڈلارنس پور لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

برائے اختتام نو ماہ مورخہ ۳۰ ستمبر ۲۰۲۲

کمپنی کے ڈائریکٹرز مسرت کے ساتھ ۳۰ ستمبر ۲۰۲۲ کو ختم ہونے والی نو ماہ کی مدت کیلئے اپنی رپورٹ کمپنی کے عبوری غیر آڈٹ شدہ غیر انضمامی مختصر عبوری مالیاتی حسابات اور گروپ کے غیر آڈٹ شدہ انضمامی مختصر انضمامی مختصر عبوری مالیاتی حسابات پیش کرتے ہیں۔

کاروباری جائزہ

قابل تجدید توانائی کا کاروبار

قابل تجدید توانائی کے کاروبار نے نو ماہ کے دوران آگے کی جانب اپنا سفر جاری رکھا اور کمپنی نے نو ماہ کے دوران بلند ترین حد عبور کی۔ جہاں تک آرڈروں کی وصولی کا تعلق ہے تو تیسری سہ ماہی میں کاروبار نے مضبوطی کا مظاہرہ کیا کیوں کہ اس دوران REL نے اپنے معزز کلائنٹس سے 22MW کا EPC کاروبار حاصل کیا۔ Telco نے بھی مصنوعات کی پیشکش کے مجموعی پورٹ فولیو میں اضافے کے ساتھ ساتھ سائٹس کی فراہمی اور پختوں کے ضمن میں مستحکم بڑھوتی کا مظاہرہ کیا۔

جہاں مشکل عالمی اور ملکی اقتصادی حالات کے باعث حاصل شدہ پختوں کو دباؤ کا سامنا کرنا پڑا ہے 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 مصیبت 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۔

ہوا کی توانائی (Wind Energy) کے پروجیکٹ

پلانٹ اطمینان بخش طور سے کام کر رہا ہے اور دستیابی کے علاوہ BOP خسارے کے متوقع چارجس حاصل کر رہا ہے۔ زیر جائزہ مدت یعنی تیسری سہ ماہی کے دوران BOP خسارہ 2.5% کے مقرر کردہ خسارے کے مقابلے میں صرف 1.02% رہا جبکہ دستیابی 96.88% رہی جس کا ٹارگٹ 98.0% مقرر کیا گیا تھا۔ دستیابی میں کمی کی بنیادی وجہ جنوری میں آگ لگنے کے واقعہ کے بعد سے ٹرپائن 7 کی عدم دستیابی تھی۔ صحت، تحفظ اور ماحولیات (HSE) کمپنی کی ترجیح رہی اور COD کے بعد سے 528,251 انسانی گھنٹے کام کیا گیا ہے جس دوران زخمی ہونے اور TRIP کی شرح صفر رہی۔ پلانٹ پچھلے 1,921 دن سے کسی کے زخمی ہوئے بغیر محفوظ طریقے سے کام کر رہا ہے۔

تھمبھور کنکشن انٹلاء کے لئے مستحکم ثابت ہو رہا ہے اور زیر جائزہ سہ ماہی مدت کے دوران تخفیف کی شرح کم سے کم رہی۔ اسی مدت کے دوران ٹھل ٹان پروجیکٹ مسڈ والیوم (NPMV) 0.460GWh رہا جو 2021ء کی تیسری سہ ماہی کے دوران 0.490GWh رہا تھا۔ زیر جائزہ سہ ماہی میں بل شدہ (billed) توانائی P90 (33.66GWh) لپول (41.81GWh) سے کافی کم ہے جسکی وجہ مون سون سیزن میں ہوا کا اندازوں سے کم ملنا تھا۔ واضح رہے کہ جولائی

سے ستمبر 2022 کے دوران بہت زیادہ بارشیں ہوئی تھیں۔ تین سہ ماہیوں کے دوران بل شدہ توانائی 109.63GWh کے P90 ٹارگٹ کے برخلاف 100.47GWh رہی۔ یہ فرق بنیادی طور سے فروری اور مارچ کے مہینوں میں اور پھر زیر جائزہ سہ ماہی کے دوران ہوا کم ہونے کی وجہ سے پیدا ہوا۔

میزیز میں موجود گھارو کے تین پلانٹوں کا کنکشن لگانے اور گھارو، جمشیر لائن میں ہائی وولٹیج ہونے کا مسئلہ NTDC اور CPPA دونوں کے سامنے اٹھایا گیا ہے۔ تاہم اس مسئلے کا حل گھارو پلانٹ کے کنکشن کو لوپ میں لینا ہے اور اسکی صلاحیت حالیہ طور سے NTDC کے پاس مہیا نہیں ہے۔ وولٹیج کی سطح پر نظر رکھنے کی غرض سے متعلقہ سائٹ پر اقدامات اٹھائے گئے ہیں اور مسئلے کے حل کے لئے RCC جا مشورہ کے ساتھ رابطہ رکھا گیا ہے۔ حالیہ سہ ماہی کے دوران ہائی وولٹیج کے واقعات میں کمی آئی ہے۔

مالیاتی صورت حال

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

نومای مدت اختتامیہ	نومای مدت اختتامیہ	
30 ستمبر 2021	30 ستمبر 2022	
روپے ہزاروں میں	روپے ہزاروں میں	
2,588	---	خالص فروخت
(2,616)	---	فروخت کی لاگت
(28)	---	مجموعی نقصان
74,007	105,685	دیگر آمدنی
337,490	689,600	جاری آپریٹرز سے حاصل شدہ قلم ازگیس نفع
(14,920)	(13,533)	منقطع آپریٹرز سے حاصل شدہ نقصان
(52,604)	(152,394)	محصولات
269,966	523,673	نفع بعد ازگیس
2,960,800	3,127,809	گذشتہ حسابات سے موصول غیر مختص منافع (brought forward)
3,023,217	3,473,583	آئندہ حسابات کو منتقلہ غیر مختص منافع (carried forward)
4.55	8.83	آمدنی فی حصص۔ بنیادی اور مجموعی

30 ستمبر 2022 کو ختم ہونے والی نومای مدت کے دوران ہماری ایسوسی ایٹ، ڈاؤن ہیر کوئیس کارپوریشن لمیٹڈ کی منافع منقسمہ آمدنی 4.701 ملین روپے رہی جو گزشتہ برس یعنی 30 ستمبر 2021 کو ختم ہونے والی مدت کے دوران 350.7 ملین روپے رہی تھی۔

زیر جائزہ مدت کے دوران حاصل ہونے والی مجموعی آمدنی 11,484 ملین روپے رہی جو گزشتہ برس کی قابل موازنہ مدت کے دوران 8,302 ملین روپے رہی تھی۔ آمدنی میں اضافے کی بڑی وجہ شمس توانائی کے پروڈیکٹس سے ہونے والی 8,383 ملین روپے کی آمدنی تھی۔ ایسوسی ایٹ کمپنی کے منافع میں 491 ملین روپے کا اپنا حصہ (جو 30 ستمبر 2021 تک کی مدت کے دوران 1,202 ملین روپے رہا تھا) شامل کرنے کے بعد ختم ہونے والی نومای مدت کا بعد ازگیس مجموعی منافع 1,986 ملین روپے حاصل ہوا جو گزشتہ برس کی اسی مدت کے دوران 2,099 ملین روپے رہا تھا۔ ہولڈنگ کمپنی کے مالکان سے منسوب فی حصص مجموعی کمائی 26.21 روپے حاصل ہوئی جب کہ گزشتہ برس کی اسی مدت کے دوران فی حصص مجموعی کمائی 30.17 روپے رہی تھی۔

مستقبل کا خاکہ

قابل تجدید توانائی کا کاروبار

جیو پائیکل تصادم کے جاری رہنے اور عالمی سپلائی چین پر پڑنے والے اس کے اثرات نے کونسل 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۔

حالیہ دنوں میں OPEC+ جس میں روس جیسے اویپک سے باہر تیل پیدا کرنے والے ممالک نے 2020 کے بعد تیل کی پیداوار میں سب سے زیادہ کمی، یعنی نومبر کی شروعات سے 02 ملین بیرل روزانہ کی کمی لانے کا اعلان کیا ہے۔ یہ عمل خام تیل کی سپلائی میں مزید کمی اور پہلے سے موجود مہنگائی کے ماحول میں تیل کی قیمتوں میں اضافے پر منتج ہوگا، جسکے نتیجے میں ملک کے تیل کا درآمدی بل مزید بڑھ جائیگا اور ہماری ادائیگیوں کے توازن پر مزید دباؤ پیدا کرے گا۔

جہاں تک اندرون ملک کا تعلق ہے تو حکومت پاکستان نے مسابقتی بڑھکے کے ذریعے 10GW کے سولر PV کے حصول کا ارادہ ظاہر کیا ہے تاکہ ایندھن کی درآمد کے سبب بڑھنے والے جاری کھاتے کے خسارے میں کمی لائی جاسکے۔ ساتھ ساتھ رواپتی بجلی کے ٹریف 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 گی۔ 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 براؤن کے بارے میں رائے قائم کرنے کی صلاحیت میں اضافہ کرے گا۔ تمام تر موجودہ مظہر نامے اشارہ کرتے ہیں کہ اہم مارکیٹوں میں ہماری مصنوعات اور خدمات کی طلب میں قابل ذکر اضافہ ہونے کے امکانات موجود ہیں۔

ملک کے ادائیگیوں کے توازن پر قابو پانے کی غرض سے اسٹیٹ بینک آف پاکستان (SBP) نے درآمدات سے قبل منظوری حاصل کرنے کی اضافی پابندی لگائی ہے۔ منظوریوں کی تعداد بہت زیادہ ہونے کے سبب لیٹر آف کریڈٹ کھولے جانے میں زیادہ وقت صرف ہو رہا ہے جو صنعت کو سولر ایکویٹی کی سپلائی میں رکاوٹ پیدا کر رہا ہے۔ قلیل مدت میں جاری پروجیکٹوں کی تکمیل کیلئے REL کے پاس وافر سامان موجود ہیں؛ تاہم صنعت کی سطح پر اسٹیٹ بینک کے متعلقہ محکموں کے ساتھ بات چیت جاری ہے تاکہ LC کھولے جانے میں وقت میں کمی لائی جاسکے۔

آخر میں یہ کہنے 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 بڑھتی ہوئی کوریج میں دے کر گنجائش کیا جائے اور حکومت کو چاہئے کہ ملک کو درپیش مسائل کا حل گہرائی میں جا کر تلاش کرے۔

ہوا کی توانائی (Wind Energy) کا منصوبہ

ہوا کی توانائی (Wind Energy) سیکٹر کو سرگرم ڈیٹ کے بھرپور اثرات کا تاحال سامنا ہے اور واجب الادا ادائیگیاں 6 ماہ کی سطح تک پہنچ چکی ہیں جس کے جاری رہنے کا احتمال ہے کیوں کہ بجلی کے خریدار کو نقدی کی شدید کمی کا سامنا ہے۔ لمبے عرصے کی ادائیگی کا دور دورہ تک امکان نہیں کیونکہ سمجھوتے کی یادداشت (MoU) پر اہم اسٹیٹ ہولڈروں کے درمیان مذاکرات کسی نتیجے پر نہیں پہنچ سکے ہیں۔ CPPA نقدی کے بہاؤ کا انتظام کر رہی ہے اور یقینی بن رہی ہے کہ قرضوں اور گیس سمیت لازمی ادائیگیاں ترجیحی بنیادوں پر کی جائیں۔ یہاں یہ کہنا برہنہ ہوگا کہ ان ادائیگیوں کا امکان کم ہے کیوں کہ قرضوں کی بلانٹ کیلئے بیس لوڈ کی ادائیگیاں کی جانی ہیں جن میں اضافہ ہو چکا ہے۔

توانائی کی لاگت میں کمی لانے کی سر توڑ 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 ایجنڈوں کے لئے مہم صرف ہے۔ DFC کی جانب سے تجویز پر، جو تین آئی پی بی نے حکومت پاکستان کے پاس جمع کروائی تھیں مذاکرات ابھی جاری ہیں اور اشارے ملے ہیں کہ اس تجویز میں مزید تبدیلیاں کرنے یا آئی پی بی کی جانب سے مزید رعایتیں دینے پر ہی مذاکرات انجام کو پہنچیں گے۔

میرف کی پیشکش کی کارروائی مکمل نہیں ہو سکی ہے اور ڈیوٹیپرز کے لئے یہ تشریح کی بات ہے۔ قابل تجدید توانائی کے متعلق نئی پالیسی کے اجراء کے بعد بھی یہ معاملہ ابھی حل ہونا باقی ہے۔ حکومت ونڈ سولر ہاؤسنگ ڈیولپمنٹ کے لئے 7 عدد LOI منسوخ کر چکی ہے۔ میرف کا تعین اب نئی قابل تجدید توانائی پالیسی کے مطابق کیا جائے گا۔

روحیل محمد
ڈائریکٹر

محمد حیدر خان
چیف ایگزیکٹو آفیسر
کراچی، 28 اکتوبر 2022ء

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

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

(Amounts in thousand)

	Note	Unaudited September 30, 2022	Audited December 31, 2021
		-----Rupees-----	
ASSETS			
Non-current assets			
Property, plant and equipment		14,851	15,924
Intangible assets		-	4
Long-term investments	4	3,437,208	3,469,260
Long-term loan to subsidiary	5.2	300,000	-
Long-term deposits		2,778	2,778
Total non-current assets		3,754,837	3,487,966
Current assets			
Stores and spares		892	892
Stock		11,565	14,262
Loans to subsidiaries	5	438,826	738,525
Loans and advances		5,474	1,877
Deposits, prepayments and other receivables	6	55,879	56,334
Taxes recoverable		-	13,067
Interest accrued	7	237,296	162,595
Short term investment		-	216,000
Cash and bank balances	8	48,229	48,303
Total current assets		798,161	1,251,855
TOTAL ASSETS		4,552,998	4,739,821
EQUITY AND LIABILITIES			
Equity			
Share capital	9	592,998	592,998
Capital reserves		206,666	206,666
Unappropriated profit		3,473,583	3,127,809
Total equity		4,273,247	3,927,473
Non-current liabilities			
Staff retirement benefits		4,861	4,697
Current liabilities			
Trade and other payables		50,787	65,161
Contract liabilities		-	-
Unpaid dividend		3,275	3,266
Unclaimed dividend		73,555	72,251
Provision		7,360	7,360
Short-term borrowings	10	91,707	646,587
Taxes payable		32,969	-
Accrued mark-up		15,237	13,026
Total current liabilities		274,890	807,651
Contingencies and commitments	11	279,751	812,348
TOTAL EQUITY AND LIABILITIES		4,552,998	4,739,821

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 NINE MONTHS ENDED SEPTEMBER 30, 2022

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

	Note	Quarter ended		Nine Months ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
		-----Rupees-----		-----Rupees-----	
CONTINUING OPERATIONS					
Revenue from contracts with customers - net		-	2,588	-	2,588
Cost of revenue		-	(2,616)	-	(2,616)
Gross loss		-	(28)	-	(28)
Dividend income	12	350,693	-	701,387	350,694
		350,693	(28)	701,387	350,666
Administrative expenses		(12,564)	(16,761)	(46,821)	(43,558)
Other expenses	13	-	-	(30,148)	-
Other income	14	37,743	22,971	105,685	74,007
		375,872	6,182	730,103	381,115
Finance cost		(7,479)	(13,657)	(40,503)	(43,625)
Profit before taxation		368,393	(7,475)	689,600	337,490
Taxation	15	(56,107)	(1,976)	(152,394)	(52,604)
Profit after taxation		312,286	(9,451)	537,206	284,886
DISCONTINUED OPERATIONS					
Loss from discontinued operations		(10,670)	2,897	(13,533)	(14,920)
Profit for the period		301,616	(6,554)	523,673	269,966
Earnings per share - basic and diluted					
Continuing operations	16	5.27	(0.16)	9.06	4.80
Loss per share - basic and diluted					
Discontinued operations	16	(0.18)	0.05	(0.23)	(0.25)

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 COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

(Amounts in thousand)

	Quarter ended		Nine Months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	-----Rupees-----			
Profit for the period	301,616	(6,554)	523,673	269,966
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	301,616	(6,554)	523,673	269,966

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 CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

(Amounts in thousands)

	Capital reserves					Revenue reserve	Total	
	Share capital	Merger reserve	Share premium reserve	Capital redemption reserve	Others	Total		Unappropriated profit
-----Rupees-----								
Balance as at January 1, 2021 (Audited)	592,998	10,521	136,865	25,969	33,311	206,666	2,960,800	3,760,464
Profit for the period	-	-	-	-	-	-	269,966	269,966
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the half year ended June 30, 2021	-	-	-	-	-	-	269,966	269,966
Transaction with owners								
First interim cash dividend for the year ended December 31, 2021 @ Rs. 3.5 per share	-	-	-	-	-	-	(207,549)	(207,549)
Balance as at September 30, 2021 (Unaudited)	592,998	10,521	136,865	25,969	33,311	206,666	3,023,217	3,822,881
Profit for the period	-	-	-	-	-	-	268,165	268,165
Other comprehensive income for the period	-	-	-	-	-	-	(499)	(499)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	-	-	267,666	267,666
Transaction with owners								
Second interim cash dividend for the year ended December 31, 2021 @ Rs. 2.75 per share	-	-	-	-	-	-	(163,074)	(163,074)
Balance as at January 1, 2022 (Audited)	592,998	10,521	136,865	25,969	33,311	206,666	3,127,809	3,927,473
Profit for the period	-	-	-	-	-	-	523,673	523,673
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the half year ended June 30, 2022	-	-	-	-	-	-	523,673	523,673
Transaction with owners								
First interim cash dividend for the year ended December 31, 2022 @ Rs. 3.0 per share	-	-	-	-	-	-	(177,899)	(177,899)
Balance as at September 30, 2022 (Unaudited)	592,998	10,521	136,865	25,969	33,311	206,666	3,473,583	4,273,247

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 NINE MONTHS ENDED SEPTEMBER 30, 2022

(Amounts in thousand)

	Note	Nine months ended	
		September 30, 2022	September 30, 2021
----- Rupees -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		676,067	322,570
Add: Loss before taxation attributable to discontinued operations		13,533	14,920
Profit before taxation from continuing operations		689,600	337,490
Adjustments for non-cash and other items:			
Depreciation		1,098	1,221
Amortisation		4	17
Provision for gratuity - net		761	881
Provision for slow moving and obsolete stock		-	-
Provision for impairment of long-term investment		30,148	-
Finance costs		40,503	43,625
Royalty income		(17,244)	(8,700)
Dividend income		(701,387)	(350,694)
Loss / (gain) on National Investment Trust unit		1,904	(46)
Mark up charged to related parties		(83,207)	(56,635)
Profit on deposits		(748)	(145)
		(38,568)	(32,986)
Working capital changes			
(Increase) / decrease in current assets			
Loans and advances		(208)	1,550
Stock		-	2,616
Deposits, prepayments and other receivables		17,700	39,062
Increase / (decrease) in current liabilities			
Trade and other payables		(345)	(6,600)
		17,147	36,628
Cash (used in) / generated from operations		(21,421)	3,642
Gratuity paid		(726)	-
Finance cost paid		(38,292)	(45,852)
Taxes paid		(132,481)	(70,447)
Discontinued operations		(36,021)	(21,119)
Net cash used in operating activities		(228,941)	(133,776)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(610)	-
Subordinated loans to subsidiaries		299,699	(242)
Long-term loan to subsidiary		(300,000)	-
Mark up received from related parties		8,506	16,200
Profit received on deposits		748	(145)
Dividend received		701,387	350,694
Discontinued operations		8,480	10,733
Net cash generated from investing activities		718,210	377,240
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of dividend		(150,463)	(203,994)
		(150,463)	(203,994)
Net increase in cash and cash equivalents		338,806	39,470
Cash and cash equivalents at beginning of the period		(382,284)	(670,082)
Cash and cash equivalents at end of the period	17	(43,478)	(630,612)

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
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 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 nine months ended September 30, 2022 presented in these unconsolidated condensed interim financial statements are unaudited and is being submitted to shareholders 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)

Unaudited **Audited**
September 30, **December 31,**
2022 **2021**
-----**Rupees**-----

3,519,102		3,519,102
(93,897)		(63,749)
<u>3,425,205</u>		<u>3,455,353</u>

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)

11,988		13,892
15		15
<u>12,003</u>		<u>13,907</u>
<u>3,437,208</u>		<u>3,469,260</u>

(Amounts in thousand)

	Unaudited September 30, 2022	Audited December 31, 2021
	-----Rupees-----	
4.1 Investment in related parties - at cost		
<i>Subsidiary - unquoted</i>		
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
<i>Wholly owned subsidiaries - unquoted</i>		
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>
<i>Associate - quoted</i>		
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. 7,059,850 (December 31, 2021: Rs. 7,444,055)	65,294	65,294
	<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 September 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 Corporation	-	-	-	20,459,737	204,597	1,954,314
Bank AL Habib Limited (note 10.1)	Habib Bank Limited	10,200,000	102,000	924,018	10,200,000	102,000	974,304
Habib Bank Limited	Limited (DHCL)	28,350,000	283,500	2,568,227			
MCB Bank Limited (note 4.1.3)		210,000	2,100	19,024	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, 28.35 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, 5.7 million shares have been released from MCB Bank resulting in reduction of drawing power against Running Finance facility.

(Amounts in thousand)

4.2 Other investments

September 30, 2022	December 31, 2021	Name of Investee	Unaudited September 30, 2022	Audited December 31, 2021
----- Units / No of Shares -----			-----Rupees-----	
		Listed securities		
200,000	200,000	National Investment (Unit) Trust	11,988	13,892
		Un-listed securities		
1,500	1,500	Asian Co-operative Society Limited	15	15
			<u>12,003</u>	<u>13,907</u>
			Unaudited September 30, 2022	Audited December 31, 2021
			-----Rupees-----	

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	619	518
- Mozart (Private) Limited	587	487
- Greengo (Private) Limited	620	520
	<u>438,826</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 September 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 September 10, 2020, the tenure of the loan had been extended for another one year, with further extension of another year in 2021. As at September 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 September 30, 2022	Audited December 31, 2021
	-----Rupees-----	
6. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
- unsecured, considered good		
This includes amount due from the following related parties:		
- Sach International (Private) Limited	35,110	30,150
- Tenaga Generasi Limited	611	439
- Reon Energy Limited	(3,497)	6,449
- The Dawood Foundation	1,546	1,546
- Reon Alpha (Private) Limited	2,461	1,494
	<u>36,231</u>	<u>40,078</u>
7. INTEREST ACCRUED		
This represents mark-up receivable from related parties as follows:		
- Tenaga Generasi Limited	209,212	159,755
- Reon Energy Limited	27,356	2,491
- Reon Alpha (Private) Limited	307	104
- Mozart (Private) Limited	130	77
- Abrax (Private) Limited	145	84
- Greengo (Private) Limited	146	84
	<u>237,296</u>	<u>162,595</u>
8. CASH AND BANK BALANCES		
Cash in hand	187	188
Balances with banks in:		
- current accounts	46,676	45,344
- deposit accounts (note 8.1)	1,366	2,771
	<u>48,042</u>	<u>48,115</u>
	<u>48,229</u>	<u>48,303</u>
8.1	This represent deposits with commercial banks and carry profit at the rate of ranging from 13.19% to 13.88% (December 31, 2021: 5.75% to 7.25%) per annum.	

(Amounts in thousand)

9. SHARE CAPITAL

Authorized capital

September 30 2022	December 31 2021		Unaudited September 30 2022	Audited December 31 2021
-----Number of shares-----			-----Rupees-----	
75,000,000	75,000,000		750,000	750,000

Issued, subscribed and paid-up capital

September 30 2022	December 31 2021		Unaudited September 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>

Unaudited September 30, 2022	Audited December 31, 2021
-----Number of shares-----	

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

Dawood Corporation (Private) Limited	30,592,900	29,511,543
The Dawood Foundation	2,979,324	2,979,324
Dawood Investments (Private) Limited (formerly Patek (Private) Limited)	3,948,784	3,713,984
Cyan Limited	2,965,095	2,965,095
Sach International (Private) Limited	3,776	3,776
	<u>40,489,879</u>	<u>39,173,722</u>

9.2 During the period, the Company paid dividends to the aforementioned Associated Companies amounting to Rs. 117,776. (December 31, 2021: Rs. 244,836).

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

10. SHORT-TERM BORROWINGS

Running finance under mark-up arrangement (note 10.1)	91,707	646,587
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(Amounts in thousand)

- 10.1 This denotes short-term running finance facility aggregating to Rs.1,500,000 (December 31, 2021: Rs 1,500,000) obtained under mark-up arrangement from various commercial banks. As at September 30, 2022, the Company has utilised the facility against running finance facility to the extent of Rs. 91,707 (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).

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).

(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 Super Tax under section 4c (Tax Year 2022)

Through Finance Act, 2022, FBR imposed a super tax on high earning persons' at four percent on income exceeding Rs. 300 million for the year ended December 31, 2021 (tax year 2022) and onwards. In this regards, Company has filed petition before the Honorable High Court of Sindh. The Honorable High Court of Sindh has grant the Company Stay-order. However, the Company has recognized a provision of Rs. 24,980 in this unaudited unconsolidated condensed interim financial statements for the nine months ended September 30, 2022.

11.1.5 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, 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 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.

		Unaudited			
		Quarter ended		Nine months ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
		-----Rupees-----			
12.	DIVIDEND INCOME				
	Dividend income from:				
	- Dawood Hercules Corporation Limited	350,693	350,694	701,387	350,694
		<u>350,693</u>	<u>350,694</u>	<u>701,387</u>	<u>350,694</u>
13.	OTHER EXPENSES				
	Provision for impairment of investment (note 4)	-	-	30,148	-
		<u>-</u>	<u>-</u>	<u>30,148</u>	<u>-</u>

(Amounts in thousand)

	Unaudited			
	Quarter ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
14. OTHER INCOME	-----Rupees-----			
Income from financial assets				
Profit on bank deposits / savings accounts	81	83	748	145
Mark-up charged to related parties	33,353	18,718	83,207	56,636
	<u>33,434</u>	<u>18,801</u>	<u>83,955</u>	<u>56,781</u>
Income from non-financial assets and others				
Gain on sale of fixed asset	-	-	8,378	-
Royalty income	4,699	4,069	17,244	8,700
Rental income	13,193	4,710	25,980	13,227
Agriculture income	(151)	1,393	7,585	4,611
(Loss) / gain on financial assets at fair value through profit or loss	(1,010)	(1,134)	(1,904)	46
Liability written back during the period	-	(687)	-	-
Miscellaneous income	621	12,621	6,390	19,212
	<u>17,352</u>	<u>20,972</u>	<u>63,673</u>	<u>45,796</u>
	<u>50,786</u>	<u>39,773</u>	<u>147,628</u>	<u>102,577</u>
Related to discontinued operations	<u>(13,043)</u>	<u>(16,802)</u>	<u>(41,943)</u>	<u>(28,570)</u>
	<u><u>37,743</u></u>	<u><u>22,971</u></u>	<u><u>105,685</u></u>	<u><u>74,007</u></u>
15. TAXATION				
Current:				
- for the period (note 15.1)	56,107	1,976	127,414	52,604
- for prior period (note 15.1)	-	-	24,980	-
	<u>56,107</u>	<u>1,976</u>	<u>152,394</u>	<u>52,604</u>

- 15.1 This amount represents Rs. 22,067 for the period and Rs. 24,980 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.

(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		Nine months ended Unaudited	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Continuing operations				
Profit for the period	<u>312,286</u>	<u>(9,451)</u>	<u>537,206</u>	<u>284,886</u>
Weighted average number of ordinary shares (in thousands)	<u>59,300</u>	<u>59,300</u>	<u>59,300</u>	<u>59,300</u>
Earnings per share	<u>5.27</u>	<u>(0.16)</u>	<u>9.06</u>	<u>4.80</u>
Discontinued operations				
Loss for the period	<u>(10,670)</u>	<u>2,897</u>	<u>(13,533)</u>	<u>(14,920)</u>
Weighted average number of ordinary shares (in thousands)	<u>59,300</u>	<u>59,300</u>	<u>59,300</u>	<u>59,300</u>
Loss per share	<u>(0.18)</u>	<u>0.05</u>	<u>(0.23)</u>	<u>(0.25)</u>
			Unaudited September 30, 2022	Unaudited September 30, 2021
			-----Rupees-----	

17. CASH AND CASH EQUIVALENTS

Cash and bank balances (note 8)	48,229	31,175
Short-term borrowings (note 10)	<u>(91,707)</u>	<u>(661,787)</u>
	<u>(43,478)</u>	<u>(630,612)</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 (level1);
- 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)

19.1 Segment results

The table below shows the segment information for the reportable segments for the nine months ended September 30, 2022 and 2021 and also the basis on which revenue is recognised:

	Renewable energy		Textile - discontinued operations		Other operations		Total	
	September 30, 2022	2021	September 30, 2022	2021	September 30, 2022	2021	September 30, 2022	2021
	-----Rupees-----							
Revenue from contract with customers - net								
At a point in time	-	2,588	2,676	3,450	-	-	2,676	6,038
Over time	-	-	-	-	-	-	-	-
Revenue from external customers	-	2,588	2,676	3,450	-	-	2,676	6,038
Cost of revenue	-	(2,616)	(2,698)	(3,429)	-	-	(2,698)	(6,045)
Segment gross profit / (loss)	-	(28)	(22)	21	-	-	(22)	(7)
Dividend income	-	-	-	-	701,387	350,694	701,387	350,694
Selling and distribution expenses	-	-	(18)	(64)	-	-	(18)	(64)
Administrative expenses	(500)	(3,251)	(55,434)	(43,448)	(46,321)	(40,306)	(102,255)	(87,005)
Other expenses	-	-	-	-	(30,148)	-	(30,148)	-
Other income	-	-	41,943	28,570	105,685	74,007	147,628	102,577
Finance costs	-	-	-	-	(40,503)	(43,625)	(40,503)	(43,625)
Taxation	-	-	-	-	(152,394)	(52,604)	(152,394)	(52,604)
Segment (loss) / profit	(500)	(3,279)	(13,531)	(14,921)	537,706	288,166	523,675	269,966

	Renewable energy		Textile - discontinued operations		Other Operations		Total	
	Unaudited September 30, 2022	Audited December 31, 2021	Unaudited September 30, 2022	Audited December 31, 2021	Unaudited September 30, 2022	Audited December 31, 2021	Unaudited September 30, 2022	Audited December 31, 2021
	-----Rupees-----							
Segment assets	26,250	23,373	29,692	36,048	4,497,056	4,680,400	4,552,998	4,739,821
Segment liabilities	(1,292)	15,478	2,894	16,921	278,150	779,949	279,752	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:

Relationship	Nature of transaction	Unaudited	Unaudited
		September 30, 2022	September 30, 2021
		-----Rupees-----	
a. Subsidiary companies			
Tenaga Generasi Limited (TGL)	Reimbursable expenses incurred by the Company on behalf of TGL	2,858	3,468
	Reimbursement of expenses - Payable	744	793
	Stand-by letter of credit cost reimbursement	25,742	24,837
	Interest on reimbursable expenses	1,405	4,227
	Interest on subordinated loans to TGL	48,031	31,149
Reon Energy Limited (REL)	Reimbursable expenses incurred by REL on behalf of the Company	13,287	16,430
	Interest charged to REL on reimbursable expenses	-	81
	Interest on reimbursable expenses	694	65
	Interest on long-term loan to REL	32,698	37,789
	Reimbursable expenses incurred by the Company on behalf of REL	10,385	2,670

(Amounts in thousand)

Relationship	Nature of transaction	Unaudited	Unaudited
		September 30, 2022	September 30, 2021
		-----Rupees-----	
Mozart (Private) Limited (MPL)	Subordinated loan disbursed Interest on subordinated loan	100 53	82 21
Abrax (Private) Limited (APL)	Subordinated loan disbursed Interest on subordinated loan	100 61	80 23
Greengo (Private) Limited (GPL)	Subordinated loan disbursed Interest on subordinated loan	100 61	80 30
Reon Alpha (Private) Limited (RAPL)	Interest on reimbursement of expenses Reimbursable expenses incurred by the Company on behalf of RAPL	203 967	34 850
b. Associated companies			
Dawood Hercules Corporation Corporation Limited (DHCL)	Dividend income Reimbursable expenses incurred on behalf of the Company	701,387 5,735	350,694 930
Sach International (Private) Limited (SIL)	Reimbursable expenses incurred by the Company on behalf of SIL Royalty charged by the Company Rental income Penalty charged against overdue receivables	231 17,244 495 789	291 8,700 495 2,199
c. Other related parties			
Key management personnel	Salaries and benefits Other retirement benefits Directors' meeting fee	14,063 391 400	13,841 378 1,200

20.2 During the period, the Company, paid dividends to its directors / sponsors amounting to Rs. 28,560 (2021: Rs. 34,367).

21. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on October 28, 2022 has approved an interim cash dividend of Rs. 4.00 (2021: Nil) per share amounting to Rs. 237,199 (2021: Nil) for the nine months ended September 30, 2022. These unconsolidated condensed interim financial statements do not include the effect of this appropriation which will be accounted for in the unconsolidated annual financial statements of the Company in the subsequent reporting period.

(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 October 28, 2022 by the Board of Directors of the Company.

24. GENERAL

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED

**CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

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

(Amounts in thousand)

	Note	Unaudited September 30 2022	Audited December 31, 2021
-----Rupees-----			
ASSETS			
Non-current assets			
Property, plant and equipment		13,699,206	12,432,384
Right-of-use assets		117,243	115,831
Intangible assets		51,981	46,474
Long-term investments	5	11,384,243	11,570,345
Long-term deposits		2,778	2,778
Long-term loans to employees		477	477
Total non-current assets		25,255,929	24,168,289
Current assets			
Stores and spares		892	892
Stock-in-trade		1,815,623	634,520
Trade debts		4,750,218	4,104,939
Contract assets		1,309,555	1,127,153
Loans and advances		518,286	287,191
Deposits, prepayments and other receivables		2,573,045	1,442,823
Accrued interest		9,560	576
Taxes recoverable		109,011	85,569
Short-term investments		31,108	239,326
Cash and bank balances		1,395,661	1,148,170
Total current assets		12,512,960	9,071,159
TOTAL ASSETS		37,768,889	33,239,448
EQUITY AND LIABILITIES			
Share capital	6	592,998	592,998
Capital reserves		206,666	217,866
Unappropriated profit		16,564,380	15,149,524
Non-controlling interest		2,258,723	1,827,304
TOTAL EQUITY		19,622,767	17,787,692
Non-current liabilities			
Staff retirement benefits		101,169	86,308
Deferred taxation		1,482,733	1,405,155
Long-term borrowings		7,780,269	7,082,235
Non-current portion of lease liabilities		118,133	126,369
Total non-current liabilities		9,482,303	8,700,067
Current liabilities			
Current portion of:			
Long-term borrowings		1,509,967	1,546,072
Deferred government grant		518	3,056
Lease liabilities		21,367	17,320
Unclaimed dividend		73,555	72,251
Unpaid dividend		3,275	3,266
Short-term borrowings	7	1,313,224	1,395,175
Trade and other payables		3,564,500	3,107,115
Provision		7,360	7,360
Taxes Payable		42,898	-
Contract liabilities		1,894,675	453,452
Accrued mark-up		232,479	146,622
Total current liabilities		8,663,819	6,751,689
TOTAL LIABILITIES		18,146,122	15,451,756
Contingencies and commitments	8		
TOTAL EQUITY AND LIABILITIES		37,768,889	33,239,448

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 NINE MONTHS ENDED SEPTEMBER 30, 2022

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

	Note	Quarter Ended		Nine Months Ended	
		Unaudited September 30 2022	Unaudited September 30 2021	Unaudited September 30 2022	Unaudited September 30 2021
		Rupees		Rupees	
CONTINUING OPERATIONS					
Revenue from contracts with customers - net	9	4,182,264	3,747,757	11,484,088	8,302,056
Cost of revenue		(3,065,572)	(2,570,566)	(8,639,185)	(6,220,493)
Gross profit		1,116,692	1,177,191	2,844,903	2,081,563
Selling and distribution expenses		(124,874)	(99,832)	(296,379)	(271,051)
Administrative expenses		(103,554)	139,130	(331,997)	(53,335)
Other expenses		(3,036)	(259,513)	(46,049)	(294,535)
Other income		124,290	33,767	158,453	105,782
Operating (loss) / profit		1,009,518	990,743	2,328,930	1,568,424
Finance cost		(171,014)	(132,745)	(483,882)	(405,364)
Share of profit of associate		406,788	276,098	490,614	1,201,562
Profit before taxation		1,245,292	1,134,096	2,335,662	2,364,622
Taxation		(157,905)	(74,060)	(336,258)	(249,932)
Profit from continuing operations		1,087,387	1,060,036	1,999,404	2,114,690
DISCONTINUED OPERATIONS					
Loss from discontinued operations		(10,670)	2,897	(13,533)	(14,920)
Profit for the period		1,076,717	1,062,933	1,985,871	2,099,770
(Loss) / profit attributable to:					
- Owners of the Holding Company		898,224	860,422	1,554,452	1,789,157
- Non-controlling interest		178,494	202,511	431,419	310,613
		1,076,717	1,062,933	1,985,871	2,099,770
Earnings / (loss) per share - basic and diluted					
- Continuing operations	10	15.33	14.46	26.44	30.42
- Discontinued operations	10	(0.18)	0.05	(0.23)	(0.25)

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 NINE MONTHS ENDED SEPTEMBER 30, 2022

(Amounts in thousand)

	Quarter Ended		Nine Months Ended	
	Unaudited September 30 2022	Unaudited September 30 2021	Unaudited September 30 2022	Unaudited September 30 2021
	-----Rupees-----		-----Rupees-----	
Profit for the period	1,076,717	1,062,933	1,985,871	2,099,770
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	(5,491)	2,102	22,589	6,511
Total comprehensive (loss) / income for the period	<u>1,071,226</u>	<u>1,065,035</u>	<u>2,008,460</u>	<u>2,106,281</u>
Total comprehensive (loss) / income attributable to:				
- Continuing operations	1,081,896	1,062,138	2,021,993	2,121,201
- Discontinued operations	(10,670)	2,897	(13,533)	(14,920)
	<u>(5,491)</u>	<u>2,102</u>	<u>2,008,460</u>	<u>2,106,281</u>
Total comprehensive (loss) / income attributable to:				
- Owners of the Holding Company	892,732	862,524	1,577,041	1,795,668
- Non-controlling Interest	178,494	202,511	431,419	310,613
	<u>1,071,226</u>	<u>1,065,035</u>	<u>2,008,460</u>	<u>2,106,281</u>

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 CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

(Amounts in thousand)

	Attributable to owners of the Holding Company							Non-Controlling Interest (NCI)	Total	
	Share capital	Capital reserves					Revenue reserves			
		Merger reserve	Share premium reserve	Capital redemption reserve	Employee share option compensation reserve	Others	Total			Unappropriated profit
-----Rupees-----										
Balance as at January 1, 2021 (Audited)	592,998	10,521	136,865	33,311	-	25,969	206,666	13,358,781	1,492,729	15,651,174
(Loss) / Profit for the period	-	-	-	-	-	-	-	1,789,157	310,613	2,099,770
Other comprehensive income	-	-	-	-	-	-	-	6,511	-	6,511
Total comprehensive income for the period	-	-	-	-	-	-	-	1,795,668	310,613	2,106,281
Employee Share Option Scheme				6,913			6,913			6,913
Transactions with owners										
First interim dividend for the year ended December 31, 2021 @ Rs. 3.5 per share								(207,549)		(207,549)
Balance as at September 30, 2021 (Unaudited)	592,998	10,521	136,865	40,224	-	25,969	213,579	14,946,900	1,803,342	17,556,819
Balance as at January 1, 2022 (Audited)	592,998	10,521	136,865	25,969	11,200	33,311	217,866	15,149,524	1,827,304	17,787,692
Profit / (loss) for the period	-	-	-	-	4,513	-	4,513	1,554,452	431,419	1,990,384
Other comprehensive loss	-	-	-	-	-	-	-	22,589		22,589
Total comprehensive income / (loss) for the period	-	-	-	-	4,513	-	4,513	1,577,041	431,419	2,012,973
Transactions with owners										
First interim dividend for the year ended December 31, 2022 @ Rs. 3.0 per share								(177,899)		(177,899)
Reversal of Employee Share Option Scheme					(15,713)		(15,713)	15,713		-
Balance as at September 30, 2022 (Unaudited)	592,998	10,521	136,865	25,969	-	33,311	206,666	16,564,380	2,258,723	19,622,767

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 CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

(Amounts in thousand)

	Nine Months Ended	
	Unaudited September 30 2022	Unaudited September 30 2021
-----Rupees-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,322,129	2,349,702
Add: Loss before taxation attributable to discontinued operations	13,533	14,920
Profit before taxation from continuing operations	2,335,662	2,364,622
Adjustment for non-cash charges and other items:		
Depreciation	630,358	581,786
Impairment on property plant and equipment	25,524	-
Amortization	6,265	5,836
Provision for impairment against financial assets	11,975	31,563
Provision for gratuity - net	15,518	16,138
Provision for impairment in stock-in-trade	-	756
Provision for warranty	58,656	51,304
Finance cost	488,688	355,279
Charge related to employee share options scheme	4,513	12,077
Gain on disposal of property, plant and equipment	(259)	(36)
(Gain) / Loss on investments in mutual fund units	1,904	(46)
Interest income on short-term investments	(1,383)	(11,742)
Royalty income	(17,244)	-
Grant income	(2,537)	(4,180)
Share of profit of associate	(490,614)	(1,201,562)
Profit on deposits	(20,921)	(8,468)
Operating profit before working capital changes	710,443	(171,295)
(Increase) / decrease in current assets		
Stock-in-trade	(1,183,800)	(276,031)
Trade debts	(623,922)	(1,498,505)
Contract assets	(184,690)	(295,470)
Loans and advances	(363,435)	(222,789)
Deposits, prepayments and other receivables	(746,881)	(230,832)
Increase / (decrease) in current liabilities		
Contract liabilities	-	(28,850)
Sales tax Payable	1,446,608	-
Trade and other payables	457,473	1,151,582
	(1,198,648)	(1,400,895)
Net cash generated from operations	1,847,458	792,432
Gratuity paid	(22,231)	(1,149)
Long-term loans	-	95
Taxes paid	(272,051)	(159,793)
Discontinued operations	(36,021)	(10,386)
Net cash generated from operating activities	1,517,154	621,199
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(205,065)	(53,589)
Sale proceeds from disposal / transfer of property, plant and equipment	429	-
Purchase of intangible assets	-	(9,428)
Redemption of short-term investments	10,602	50,321
Interest received	12,950	108,134
Dividend received	701,387	350,694
Discontinued operations	8,480	-
Net cash (used in) / generated from investing activities	528,783	446,132
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	491,160	133,525
Repayment of borrowings	(1,597,712)	(1,259,710)
Payment of lease liability	(16,349)	(23,917)
Finance costs paid	(660,891)	(398,500)
Payment of dividend	(150,463)	(203,684)
Net cash used in financing activities	(1,934,255)	(1,752,286)
Net increase / (decrease) in cash and cash equivalents	111,681	(684,955)
Cash and cash equivalents at beginning of the period	(29,244)	(303,560)
Cash and cash equivalents at end of the period	82,437	(988,515)

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 NINE MONTHS ENDED SEPTEMBER 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:

Business Unit	Geographical Location
Head Offices (registered offices)	
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.
Factories of the Holding Company	
BTM Factory	Dawoodabad, Railway Station Road and Luddan Road Chak 439, E.B, Tehsil Burewala, District Vehari.
LWTM Factory	G.T. Road, Faqirabad, District Attock.
Regional offices of Reon Energy Limited	
Sales Office I	2nd floor, COLABS building 50-N, Gurumangat Road, Gulberg
Sales Office II	4th floor One Expressway Plaza, Gulberg Green Enterchange,
Solar and Wind Power Plant of subsidiary companies / indirect subsidiaries	
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	September 30	100%	100%
- Tenaga Generasi Limited	September 30	75%	75%
- Mozart (Private) Limited	September 30	100%	100%
- Abrax (Private) Limited	September 30	100%	100%
- Greengo (Private) Limited	September 30	100%	100%
- Reon Alpha (Private) Limited	September 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 Ghara, 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 Standards
- 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.

- 3.1 The Securities and Exchange Commission of Pakistan (SECP) through its S.R.O dated September 13, 2021 notified that in respect of companies holding financial assets due from the Government of Pakistan, the requirements contained in IFRS 9 'Financial Instruments', with respect to application of Expected Credit Losses (ECL) method shall not be applicable till June 30, 2022.

Since this exemption is not extended by the SECP, Tenaga Generasi Limited along with other wind farms have applied for permanent exemption and expects exemption will be granted, therefore no impairment charge has been recognized.

4. BASIS OF CONSOLIDATION

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

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

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

5. LONG TERM INVESTMENTS

Share of investment in an associate (note 5.1)
Other investments

Unaudited	Audited
September 30,	December 31,
2022	2021
-----Rupees-----	
11,372,240	11,556,438
12,003	13,907
<u>11,384,243</u>	<u>11,570,345</u>

5.1 Share of investment in an associate

Associated company - quoted
Dawood Hercules Corporation Limited

Opening balance
Add: Share of profit after taxation
Share of other comprehensive (loss) / income

Less: Dividend received

11,556,438	10,895,496
490,614	1,379,982
26,575	21,313
517,189	1,401,295
(701,387)	(740,353)
<u>11,372,240</u>	<u>11,556,438</u>

(Amounts in thousand)

6. SHARE CAPITAL

6.1 Authorized capital

Unaudited September 30, 2022	Audited December 31, 2021		Unaudited September 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 September 30, 2022	Audited December 31, 2021		Unaudited September 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
<u>59,299,809</u>	<u>59,299,809</u>		<u>592,998</u>	<u>592,998</u>

7. SHORT TERM BORROWING

- 7.1 This denotes short-term running finance facility aggregating to Rs.1,500,000 (December 31, 2021: Rs 1,500,000) obtained under mark-up arrangement from various commercial banks. As at September 30, 2022, the Holding Company has utilised the facility against running finance facility to the extent of Rs. 91,707 (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).
- 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.

	Nine Months Ended	
	Unaudited	Unaudited
	September 30,	September 30,
	2022	2021
	-----Rupees-----	
9. REVENUE - NET		
Renewable energy (Solar)	8,430,223	5,795,097
Alternate Energy (Wind)	3,053,865	2,506,959
	11,484,088	8,302,056
Textile		
Fabric	2,676	3,450
	11,486,764	8,305,506
Related to discontinued operations	(2,676)	(3,450)
	11,484,088	8,302,056

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:

	Nine Months Ended	
	Unaudited	Unaudited
	September 30,	September 30,
	2022	2021
Continuing operations		
Profit for the period (attributable to the owners of the Holding Company)	1,567,985	1,804,077
Weighted average number of ordinary shares (in thousand)	59,300	59,300
Earning per share	26.44	30.42
Discontinued operations		
Loss for the period (attributable to the owners of the Holding Company)	(13,533)	(14,920)
Weighted average number of ordinary shares (in thousand)	59,300	59,300
Loss per share	(0.23)	(0.25)

(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 September 30, 2022 (Unaudited)			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Non-current assets				
Financial assets at fair value through profit or loss				
- Long-term investments (investments in units of mutual funds)	-	11,988	-	11,988
Financial assets at fair value through other comprehensive income				
- Long-term investments (investments in unquoted equity shares)	-	-	15	15
Current assets				
<i>Financial assets at fair value through profit or loss</i>				
- Derivative asset	-	-	-	-
	<u>-</u>	<u>11,988</u>	<u>15</u>	<u>12,003</u>
	As at December 31, 2021 (Audited)			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Non-current assets				
Financial assets at fair value through profit or loss				
- Long-term investments (investments in units of mutual funds)	-	13,892	-	13,892
Financial assets at fair value through other comprehensive income				
- Long-term investments (investments in unquoted equity shares)	-	-	15	15
Current assets				
<i>Financial assets at fair value through profit or loss</i>				
- Derivative asset	-	44,872	-	44,872
	<u>-</u>	<u>58,764</u>	<u>15</u>	<u>58,779</u>

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

(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									
	September 30,		September 30,		September 30,		September 30,		September 30,	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees									
Revenue from contract with customers - net										
Timing of revenue recognition										
- At a point in time	-	2,588	2,676	3,450	-	-	-	-	2,676	6,038
- Over time	8,430,223	5,792,509	-	-	3,053,865	2,506,959	-	-	11,484,088	8,299,468
	8,430,223	5,792,509	2,676	3,450	3,053,865	2,506,959	-	-	11,484,088	8,305,506
Cost of revenue	(7,626,031)	(5,360,263)	(2,698)	(3,429)	(1,013,154)	(860,230)	-	-	(8,641,883)	(6,223,922)
Segment gross profit / (loss)	804,192	434,834	(22)	21	2,040,711	1,646,729	-	-	2,844,881	2,081,584
Selling and distribution expenses	(296,379)	(271,051)	(15)	(64)	-	-	-	-	(296,379)	(271,115)
Administrative expenses	(210,359)	(181,983)	(31,706)	(43,447)	(74,813)	(72,246)	(15,120)	(40,306)	(331,998)	(337,982)
Other expenses	(46,049)	(53,335)	-	-	-	-	-	-	(46,049)	(53,335)
Other income	37,160	23,058	41,943	28,570	98,815	8,717	(19,464)	74,007	158,453	134,352
Finance cost	(192,992)	(23,327)	-	-	(333,417)	(338,412)	42,527	(43,625)	(483,882)	(405,364)
Share of profit from associate	-	-	-	-	-	-	490,614	1,201,562	490,614	1,201,562
Taxation	(104,653)	(62,250)	-	-	(5,619)	(2,336)	(225,986)	(185,346)	(336,258)	(249,932)
Segment net profit	(9,081)	(134,054)	10,200	(14,920)	1,725,677	1,242,452	272,570	1,006,292	1,999,382	2,099,770
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	September 30,	December 31,	September 30,	December 31,	September 30,	December 31,	September 30,	December 31,	September 30,	December 31,
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees									
Segment assets	8,050,686	4,896,238	29,692	36,048	18,537,148	16,442,697	11,151,362	11,864,465	37,768,889	33,239,448
Segment liabilities	7,800,411	4,332,270	2,894	16,921	9,111,334	8,598,478	1,231,483	2,504,087	18,146,122	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
		September 30, 2022	September 30, 2021
		-----Rupees-----	
a. Associated companies			
Dawood Hercules Corporation Limited	Reimbursable expenses by the Group	30,831	15,534
	Dividend Income	701,387	350,694
	Reimbursable expenses to the Group	41	41
Sach International (Private) Limited	Reimbursable expenses incurred by the Group	231	291
	Royalty charged by the Group	17,244	8,700
	Penalty charged against overdue receivables	789	2,199
	Rental Income	495	495
The Dawood Foundation	Expenses incurred by the Group	13,857	13,035
	Sales of goods to the company	-	9,940
Engro Energy Limited	Operations and maintenance expenses	366,302	270,818
	Project revenue	-	802
	Delayed Payment Interest	-	5,735
	Extra work	11,476	12,311
Engro Vopak Terminal Limited	Project revenue	-	227
Enfrashare (Private) Limited	Project revenue	-	746,953
International Finance Corporation	Borrowing cost charged to Group	107,494	56,046
	Repayment of loan	433,582	337,910
	Supervision fee	4,380	2,991
	Accrued Mark-up	-	28,290
b. Key management personnel			
	Salaries and benefits	63,625	57,973
c. Directors			
	Meeting fees	1,300	1,950

14 NON-ADJUSTING EVENT AFTER STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors of the Holding Company in its meeting held on October 28, 2022 has approved an interim cash dividend of Rs. 4.00 amounting to Rs. 237,199 for the period ending September 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 October 28, 2022 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) “Mandatory”	PK _____ (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.	
_____ 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 Shakra-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
Website: 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:
3rd 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
www.dawoodlawrencepur.com