Dawood
Lawrencepur
Limited

Quarterly Report
September 30, 2019

Contents

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.10 billion by 2020. We will achieve this by resolutely following our Core Values and by:

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

Company Information

Board of Directors
- Mr. Shahid Hamid Pracha (Chairman)
- Mr. Shahzada Dawood
- Mr. Abdul Samad Dawood
- Mr. Shafiq Ahmed
- Mr. Hasan Reza Ur Rahim
- Mr. Shabbir Hussain Hashmi
- Mr. Mujtaba Haider Khan (Chief Executive Officer)

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

Human Resource and Remuneration Committee
- Mr. Shabbir Hussain Hashmi (Chairman)
- Mr. Shahid Hamid Pracha
- Mr. Abdul Samad Dawood
- Mr. Hasan Reza Ur Rahim

Chief Financial Officer
- Mr. Saad Faridi

Company Secretary
- Mr. Imran Chagani

Head of Internal Audit
- Mr. Amjad Ali

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

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

Legal Advisor
- Zia Law Associates
  I7, Second Floor
  Shah Chiragh Chambers
  The Mall, Lahore

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

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

Lahore Office
- 3rd floor, Asia House, 19-C/D, L Block
  Gulberg Ill, Main Feroz Pur Road
  Lahore
  Tel.: 042-35861 050-53
  Fax.: 042-3586 l054

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

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

DAWOOD LAWRENCEPUR LIMITED
DIRECTORS' REVIEW REPORT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

The Directors are pleased to present their report together with the unaudited unconsolidated condensed interim financial statements of the Company and the unaudited consolidated condensed interim financial statements of the Group for the nine months ended September 30, 2019.

BUSINESS REVIEW

Renewable Energy Business

The overall business environment during first nine months of 2019 continued to be very uncertain as forecast at the beginning of the year. Overall, during the three quarter period, energy prices have been on the rise - the power tariff for all consumers has been raised by a further PKR 3 due to removal of PM's subsidy. Gas consumers have also seen their tariffs go up by 30% on average. No sector has been immune from this including zero rated industries on captive power whose energy costs have increased to grid parity after enjoying this advantage for a considerable period of time. Conversely, rising enery prices create a favorable environment for Reon's core business as Solar PV is seen as a hedge against increasing energy prices. In another positive development for the sector, the State Bank's flagship Green Financing Scheme has been renewed for another 3 years with slight modifications. This should sustain the growth in distributed renewable over this period.

In Q3 2019 the pace of order intake slowed down due to delays in the promulgation and subsequent allotment of limits against SBP's Green financing due to which various contracts, which are at a very matured stage could not be finalized. However, Reon was able to lock deals aggregating 2.1MWs.

Our work in telecoms is also growing with a deal for another 50 BTS sites locked with Enfrashare during Q3. In addition we have received an order for the procurement and deployment of 3000 batteries at various Jazz sites. We have also received an order for the solarization of 15 Petrol stations by Total Parco. Going forward, Reon's business outlook is optimistic with further growth in revenues forecast in the remainder of the year.

Wind Energy Project

The Wind Power Plant of Tenaga Generasi Limited (TGL) is operating satisfactorily and meeting the expected targets for availability and BOP loss. Health Safety and the Environment (HSE) remained the priority and 335,684 safe man-hours have been clocked since COD with zero injury rate and TRIR. The Plant has been operating safely, without injury, for 1097 days.

Compared to last year, the curtailment of the Plant has been substantially reduced since the commissioning of the 220kV line. There was no curtailment during April and June. The plant, together with Dawood HydroChina and Zephyr, is now supplying power to K-Electric, while still connected to the NTDC network.

During the current quarter the average wind speed observed was 7.2 m/sec, which is lower than the P90 wind speed of 7.38 m/sec. However, the wind during the month of July 2019 was at the P75 level. It is to be noted that the average wind speed has been reducing since 2017, from 8.1 m/sec to 7.2 m/sec, for the third quarter.

FINANCIAL HIGHLIGHTS

The unconsolidated financial highlights of the Company are as under:

	Nine month period ended September 30, 2019	Nine month period ended September 30, 2018
	Rupees in thousands	
Revenue – net	5,009	3,352
Cost of revenue	(2,392)	(3,108)
Gross profit	2,617	244
Other income	70,549	27,199
Dividend Income	935,493	390,125
Profit before taxation from continued operations	894,122	356,809
(Loss) / profit from discontinued operations	(23,209)	94,590
Taxation	(143,664)	(60,881)
Profit after taxation	**750,458**	**295,928**
Unappropriated profit brought forward	2,283,583	1,896,879
Unappropriated profit carried forward	**2,366,973**	**2,228,339**
Earnings per share - basic & diluted (Rupees)	**12.31**	**6.61**

During the Nine months period ended September 30, 2019, dividend income from associate - Dawood Hercules Corporation Limited amounted to PKR 935.49 million against PKR 390.13 million for the period ended September 30, 2018.

Consolidated revenues for the period were PKR 5,166.42 million as against PKR 2,363.12 million for comparative period. The is mainly due to increase in revenue from renewable energy project amounting to PKR 2,801.15 million. After considering, the share of profit from associate of PKR 635.59 million (September 30, 2018: PKR 2,268.20 million), the consolidated profit after tax for the Nine month period stood at PKR 1,429.05 million as against PKR 2,489.83 million for the similar period last year. Consolidated earnings per share attributable to the owners of the Holding Company was PKR 20.33 as against PKR 39.29 for the comparative period last year.

FUTURE OUTLOOK

Renewable Energy Business

High interest rates and demand compression will continue to impact the general business environment negatively for the foreseeable future. As per the released IMF documents, beginning 2020, electricity and gas prices across all categories are due for further escalation. While this creates a CAPEX constraint for industry, it will also result in a healthy arbitrage between distributed solar and current cost of energy for our customers, thus providing a favourable environment for our Private PPA product as businesses aim for cost cuts and operational efficiencies. Renewal of SBP Financing for a further period of 3 years is a major positive development for the renewable industry and will certainly help bridge the funding gap for customers interested in EPC and O&M Services. However, delays in the allotment of financing limits to commercial banks is resulting in a delay in finalization of deals as customers are waiting for a go ahead from Banks on the financing before committing themselves to any contract. On the regulatory front, Government of Pakistan has shared its draft Renewable Energy Policy for comments. Overall objective is to increase contribution from renewable sources to 30% of the installed capacity by 2030. While this represents a major shift in priorities for the Federal Government, details of how this target will be achieved are yet to be developed. We believe that Solar PV will constitute a lion's share of the incremental capacity between now and 2030 due to its inherent flexibilities both in front and behind the meter. Storage will also play an important role towards helping integrate a higher percentage of intermittent renewable sources in the long term. We foresee Solar PV and Storage solutions competing with gas peaker plants in the country by 2022 based on their ever improving cost curves and efficiencies.

Wind Energy Project

The wind power sector is facing the full impact of the circular debt as payments from the Government are severely curtailed. This is likely to continue as the Government is delaying the introduction of sukuk / bonds to raise the requisite funds as reportedly there are now IMF restrictions on the issuance of sovereign guarantees. However, a payment of around PKR 430 million was received in Q3 so that the obligations of the Financiers can be met. The NPMV calculation methodology, on which the Company had a difference of interpretation with CPPA has been settled and the Operating Procedures have been signed.

The wind plants in Jhimpir are facing severe curtailment as the 500 kV transmission system is operating at full capacity since the COD of the Hubco coal power plant and the Bin Qasim plant. NTDC and CPPA have indicated that the evacuation priority is for the coal and LNG projects in-spite of wind being a must-run plant. Currently TGL is not being affected as it is being evacuated to K Electric. The Wind Association is following up with the Ministry to have the evacuation priority list amended.

The tariff bidding process has still not fully evolved, and this is a cause of concern for the developers. This process will be clarified once the new renewable energy policy is issued. The introduction date of the policy is still uncertain as the draft is not being accepted by the Provinces. The government has issued 7 LOI for wind-solar hybrid installations. These are being affected as there is no clarity on the tariff that will be available.

Mujtaba Haider Khan
Chief Executive Officer

Shahid Hamid Pracha
Chairman

Karachi, October 28, 2019

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

(Amounts in thousand)

	Note	**Unaudited September 30, 2019**	Audited December 31, 2018
		------------------Rupees------------------	
ASSETS			
Non-current assets			
Property, plant and equipment		**28,695**	31,494
Intangible assets		**65**	19
Long-term investments	4	**3,198,875**	3,201,795
Long-term loans	5	**600,000**	195,000
Long-term deposits		**2,778**	2,778
Total non-current assets		**3,830,413**	3,431,086
Current assets			
Stores and spares		**892**	892
Stock	6	**38,372**	47,380
Trade debts		**55**	4,411
Loans and advances		**3,348**	2,811
Short-term loan	7	**137,000**	-
Deposits, prepayments and other receivables	8	**101,378**	68,995
Taxes recoverable		**4,903**	5,121
Interest accrued		**61,127**	21,229
Cash and bank balances		**7,100**	19,788
Total current assets		**354,175**	170,627
TOTAL ASSETS		**4,184,588**	3,601,713
EQUITY AND LIABILITIES			
Equity			
Share capital		**590,578**	590,578
Capital reserves		**206,666**	206,666
Unappropriated profit		**2,366,973**	2,283,583
Unrealised gain on remeasurement of available-for-sale financial assets		**-**	10,238
Total equity		**3,164,217**	3,091,065
Current liabilities			
Trade and other payables		**63,912**	57,655
Unpaid dividend		**19,245**	3,589
Unclaimed dividend		**47,181**	44,635
Short-term borrowings	9	**846,778**	388,269
Provision	10.6	**15,595**	5,816
Accrued mark-up		**27,660**	10,684
Total current liabilities		**1,020,371**	510,648
Contingencies and commitments	10		
TOTAL EQUITY AND LIABILITIES		**4,184,588**	3,601,713

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

Mujtaba Haider Khan	**Shabbir Hussain Hashmi**	**Saad Faridi**
Chief Executive Officer	**Director**	**Chief Financial Officer**

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2019

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

	Note	Quarter ended		Nine month ended	
		September 30, 2019	September 30, 2018	**September 30, 2019**	September 30, 2018
		---Rupees---			
CONTINUING OPERATIONS					
Revenue - net	11	**1,108**	1,165	**5,009**	3,352
Cost of revenue		**(969)**	(1,450)	**(2,392)**	(3,108)
Gross profit / (loss)		**139**	(285)	**2,617**	244
Dividend income		**234,106**	234,261	**935,493**	390,125
		234,245	233,976	**938,110**	390,369
Selling and distribution expenses		**(227)**	(112)	**(912)**	(351)
Administrative expenses		**(9,485)**	(8,999)	**(32,626)**	(30,744)
Other charges		**(1,122)**	-	**(12,699)**	-
Other income		**31,630**	10,276	**70,549**	27,199
Operating profit		**255,041**	235,141	**962,422**	386,473
Finance cost		**(30,199)**	(10,130)	**(68,300)**	(29,664)
Profit before taxation		**224,842**	225,011	**894,122**	356,809
Taxation		**(36,376)**	(35,069)	**(143,664)**	(60,881)
Profit after taxation		**188,466**	189,942	**750,458**	295,928
DISCONTINUED OPERATIONS					
(Loss) / profit from discontinued operations		**(8,526)**	8,360	**(23,209)**	94,590
Profit for the period		**179,940**	198,302	**727,249**	390,518
Earnings per share - basic and diluted					
Continuing operations	12	**3.19**	3.22	**12.71**	5.01
(Loss) / earnings per share - basic and diluted					
Discontinued operations	12	**(0.14)**	0.14	**(0.39)**	1.60

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

Mujtaba Haider Khan	Shabbir Hussain Hashmi	Saad Faridi
Chief Executive Officer	**Director**	**Chief Financial Officer**

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2019

(Amounts in thousand)

	Quarter ended		**Nine month ended**	
	September 30, 2019	September 30, 2018	**September 30, 2019**	September 30, 2018
	---------------Rupees---------------			
Profit for the period	**179,940**	198,302	**727,249**	390,518
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss				
Loss on remeasurement of available-for-sale investments (note 3.3.1)	**-**	(954)	**-**	(298)
Total comprehensive income for the period	**179,940**	197,348	**727,249**	390,220

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

Mujtaba Haider Khan	**Shabbir Hussain Hashmi**	**Saad Faridi**
Chief Executive Officer	**Director**	**Chief Financial Officer**

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2019

(Amounts in thousand)

	Share capital	Capital reserves					Revenue reserves		Total
		Merger reserve	Share premium reserve	Capital redemption reserve	Others	Total	Unappropriated profit	Unrealized gain / (loss) on remeasurement of available-for-sale investments	
	Rupees								
Balance as at January 1, 2018 (Audited)	590,578	10,521	136,865	25,969	33,311	206,666	1,896,879	11,674	2,705,797
Profit for the period	-	-	-	-	-	-	390,518	-	390,518
Other comprehensive income for the period	-	-	-	-	-	-	-	(298)	(298)
Total comprehensive income for the nine month period ended September 30, 2018	-	-	-	-	-	-	390,518	(298)	390,220
Transaction with owners									
Final cash dividend for the year ended December 31, 2017 @ Re. 1 per share	-	-	-	-	-	-	(59,058)	-	(59,058)
Balance as at September 30, 2018 (Unaudited)	590,578	10,521	136,865	25,969	33,311	206,666	2,228,339	11,376	3,036,959
Profit for the period	-	-	-	-	-	-	173,843	-	173,843
Other comprehensive income for the period	-	-	-	-	-	-	(483)	(1,138)	(1,621)
Total comprehensive income for the three month period ended December 31, 2018	-	-	-	-	-	-	173,360	(1,138)	172,222
Interim cash dividend for the year ended December 31, 2018 @ Rs. 2 per share	-	-	-	-	-	-	(118,116)	-	(118,116)
Balance as at December 31, 2018 (Audited)	590,578	10,521	136,865	25,969	33,311	206,666	2,283,583	10,238	3,091,065
Effects of change in accounting policy due to adoption of IFRS 9 - net of deferred tax (note 3.3.1)	-	-	-	-	-	-	5,777	(10,238)	(4,461)
Balance as at January 1, 2019 (Unaudited)	**590,578**	**10,521**	**136,865**	**25,969**	**33,311**	**206,666**	**2,289,360**	**-**	**3,086,604**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**727,249**	**-**	**727,249**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the nine month period ended September 30, 2018	**-**	**-**	**-**	**-**	**-**	**-**	**727,249**	**-**	**727,249**
Transaction with owners									
Final cash dividend for the year ended December 31, 2018 @ Rs. 4 per share	**-**	**-**	**-**	**-**	**-**	**-**	**(236,231)**	**-**	**(236,231)**
Interim cash dividend for the quarter ended March 31, 2019 @ Rs. 4 per share	**-**	**-**	**-**	**-**	**-**	**-**	**(236,231)**	**-**	**(236,231)**
Interim cash dividend for the quarter ended June 30, 2019 @ Rs. 3 per share	**-**	**-**	**-**	**-**	**-**	**-**	**(177,174)**	**-**	**(177,174)**
Balance as at September 30, 2019 (Unaudited)	**590,578**	**10,521**	**136,865**	**25,969**	**33,311**	**206,666**	**2,366,973**	**-**	**3,164,217**

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

Mujtaba Haider Khan **Chief Executive Officer**	**Shabbir Hussain Hashmi** **Director**	**Saad Faridi** **Chief Financial Officer**

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2019

(Amounts in thousand)

	Nine month ended September 30, 2019	Nine month ended September 30, 2018
	---- Rupees ----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**870,913**	451,399
Add: Loss / (profit) before taxation attributable to discontinued operations	**23,209**	(94,590)
Profit before taxation from continued operations	**894,122**	356,809
Adjustments for non-cash and other items:		
Depreciation	**1,513**	1,653
Amortization	**22**	834
Provision for gratuity	**435**	570
Provision / (Reversal) for doubtful debts	**24**	(147)
(Reversal) for onerous contract	**-**	(1)
Provision for doubtful debts-net	**-**	638
Provision for stock in trade	**4,048**	-
Finance costs	**68,300**	29,664
(Gain) / loss on disposal of property, plant and equipment	**(5)**	67
Dividend income	**(935,493)**	(390,125)
Loss on NIT unit	**2,920**	-
Interest income from related parties	**(59,874)**	(14,247)
Interest income on deposits	**(118)**	(112)
	(24,106)	(14,397)
Working capital changes		
Decrease / (increase) in current assets		
Stock	**581**	1,935
Trade debts	**4,332**	77
Loans and advances	**(537)**	(103)
Deposits, prepayments and other receivables	**(32,383)**	(23,102)
(Decrease) / increase in current liabilities		
Provision	**9,779**	
Trade and other payables	**18,796**	(27,768)
	568	(48,961)
Cash used in operations	**(23,538)**	(63,358)
Gratuity paid	**(370)**	(1,404)
Finance cost paid	**(51,324)**	(29,430)
Taxes paid	**(143,446)**	(26,548)
Discontinued operations	**(30,083)**	40,632
Net cash used in operating activities	**(248,761)**	(80,108)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(65)**	(120)
Purchase of intangible asset	**(68)**	-
Sale proceeds from disposal of property, plant and equipment	**5**	36
Investment in a wholly owned subsidiary	**-**	(70,000)
Loan to a subsidiaries	**(542,000)**	(90,000)
Interest received from related parties	**15,515**	3,533
Interest received on deposit	**118**	112
Dividend received	**935,493**	156,330
Discontinued operations	**-**	135,215
Net cash generated from investing activities	**408,998**	135,106
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividend	**(631,434)**	(57,671)
Net decrease in cash and cash equivalents	**(471,197)**	(2,673)
Cash and cash equivalents at beginning of the period	**(368,481)**	(551,581)
Cash and cash equivalents at end of the period	**(839,678)**	(554,254)
Cash and cash equivalents comprises of:		
Cash and bank balances	**7,100**	5,372
Short-term borrowings	**(846,778)**	(559,626)
	(839,678)	(554,254)

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

Mujtaba Haider Khan	Shabbir Hussain Hashmi	Saad Faridi
Chief Executive Officer	Director	Chief Financial Officer

(Amounts in thousands)

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 Woolen and Textile Mills Limited (LWTM). The shares of the Company are listed on the Pakistan Stock Exchange Limited. The Company manages its investments in subsidiaries and associates 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 of. Further, plant and machinery and related assets of LWTM and BTM were also disposed of in prior periods.

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

2.2 These condensed interim financial statements represent the condensed interim financial statements of the company on a standalone basis. 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 financial statements of the Company for the year ended December 31, 2018.

2.3 The preparation of these unconsolidated condensed interim financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During 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 financial statements for the year ended December 31, 2018.

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 these unconsolidated condensed interim financial statements are consistent with those that were applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2018, except for changes stated in note 3.3 below.

The financial risk management objectives and policies of the Company are also consistent with those disclosed in the annual audited financial statements of the Company for the year ended December 31, 2018.

3.2 The preparation of these unconsolidated condensed interim financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. 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 financial statements for the year ended December 31, 2018, except that the Company, upon application of IFRS 9, now recognises impairment on financial assets based on Expected Credit Losses (ECL) model. The ECL estimate is based on assumptions such as the historical credit loss experience, discount rate and expected future cash flows and their probability of occurrence. The Company reviews the ECL model on a quarterly basis.

3.3 Initial application of standards, amendments or an interpretation to existing standards

The following accounting standards became effective for the first time for the nine months period ended September 30, 2019 and are relevant to the Company:

(Amounts in thousands)

3.3.1 **IFRS 9 'Financial instruments' (effective for reporting periods ending on or after June 30, 2019)**

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the related guidance in IAS 39 that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. It retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit or Loss (FVPL). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI, not recycling. The standard also includes an expected credit losses (ECL) model that replaces the current incurred loss impairment model. The ECL model involves a three-stage approach whereby financial assets move through the three stages as their credit quality changes. A simplified approach is permitted for financial assets that do not have a significant financing component (e.g. trade receivables).

For financial liabilities, there are no changes to classificiation and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

IFRS 9 also relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

The adoption of IFRS 9 from January 1, 2019 by the Company has resulted in change in accounting policies. The Company has applied IFRS 9 retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", however, it has elected not to restate comparative information as permitted under the transitional provisions of the standard and accordingly all changes arising on adoption of IFRS 9 have been adjusted at the beginning of the current period. The transitional impact of the adoption of IFRS 9 on the opening unconsolidated condensed interim statement of financial position of the Company as at January 1, 2019 has been disclosed below:

		Impact of IFRS 9		
	As originally presented January 1, 2019	Classification and measurement	Impairment	Restated January 1, 2019
Non-current assets	Rupees			
Available-for-sale financial assets				
- Investments in units of mutual funds	12,678	(12,678)	-	-
- Investments in unquoted equity securities	15	(15)	-	-
Financial assets at fair value through other comprehensive income	-	15	-	15
Financial assets at fair value through profit or loss		12,678	-	12,678
Current asset				
Interest accrued	21,229	-	-	21,229
Other components of equity				
Unrealized gain on remeasurement of available-for-sale investments	10,238	(10,238)	-	-
Unappropriated profit	2,283,583	10,238	-	2,293,821

(Amounts in thousands)

Furthermore, on January 1, 2019, the management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. As a result of this, financial assets previously classified as "loans and receivables" have now been classified as at "amortised cost". Available-for-sale" financial assets which denoted investments in unquoted equity securities have been classified as "financial assets at fair value through other comprehensive income" while investments in units of mutual funds (being puttable financial instruments) have been classified as "financial assets at fair value through profit or loss". Financial liabilities continue to be classified as at amortised cost.

3.3.2 IFRS 15 'Revenue from contracts with customers' (effective for accounting periods beginning on or after July 1, 2018)

This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard does not have any significant impact on the Company's unconsolidated condensed interim financial statements other than the enhancement of certain disclosures.

3.3.3 IFRS 16 - 'Leases' (effective for accounting periods beginning on or after January 1, 2019)

This Standard replaces the existing guidance on accounting for leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains Lease', SIC-15 'Operating Leases - Incentive and SIC-27 'Evaluating the substance of transactions involving the legal form of a Lease. IFRS 16 introduces a single lease accounting model and requires a lessee to recognize a right-of-use asset represents right-of-use of underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to current Standard i.e. lessors continue to classify leases as finance or operating leases. The Company has adopted IFRS 16 and has assessed that the application of this standard does not have a material financial impact on these unconsolidated condensed interim financial statements.

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

	Unaudited September 30, 2019	Audited December 31, 2018
	----------------Rupees----------------	
4. LONG-TERM INVESTMENTS		
Investment in related parties - at cost (note 4.1)	**3,189,102**	3,189,102
Other investments		
- Financial assets at fair value through profit or loss (note 4.2)	**9,758**	-
- Financial assets at fair value through other comprehensive income (note 4.2)	**15**	-
- Available-for-sale financial assets (note 4.2)	**-**	12,693
	9,773	12,693
	3,198,875	3,201,795

(Amounts in thousands)

		Unaudited September 30, 2019	Audited December 31, 2018
		----------------Rupees----------------	
4.1	**Investment in related parties - at cost**		
	Subsidiaries - unquoted		
	Tenaga Generasi Limited		
	Percentage holding: 75% (2018: 75%)		
	227,027,613 (2018: 227,027,613) fully paid ordinary shares of Rs 10 each	**2,294,804**	2,294,804
	Reon Energy Limited		
	Percentage holding: 100% (2018: 100%)		
	72,600,000 (2018: 72,600,000) fully paid ordinary shares of Rs 10 each	**726,000**	726,000
	Reon Alpha (Private) Limited		
	Percentage holding: 100% (2018: 100%)		
	10,300,100 (2018: 10,300,100) fully paid ordinary shares of Rs 10 each	**103,001**	103,001
	Mozart (Private) Limited		
	Percentage holding: 100% (2018: 100%)		
	100 (2018: 100) fully paid ordinary shares of Rs 10 each	**1**	1
	Greengo (Private) Limited		
	Percentage holding: 100% (2018: 100%)		
	100 (2018: 100) fully paid ordinary shares of Rs 10 each	**1**	1
	Abrax (Private) Limited		
	Percentage holding: 100% (2018: 100%)		
	100 (2018: 100) fully paid ordinary shares of Rs 10 each	**1**	1
		3,123,808	3,123,808
	Associate - quoted		
	Dawood Hercules Corporation Limited		
	Percentage holding: 16.19% (2018: 16.19%)		
	77,931,896 (2018: 77,931,896) fully paid ordinary shares of Rs 10 each	**65,294**	65,294
		3,189,102	3,189,102

(Amounts in thousands)

4.1.1 The details of shares pledge as security are as follows:

Bank	Shares pledged	As at September 30, 2019 Number of shares pledged	Face value of shares pledged	Market value of pledged shares	As at December 31, 2018 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 (note 9)							
Standard Chartered Bank (Pakistan) Limited	Dawood Hercules Corporation Limited	26,899,737	268,997	3,254,868	24,399,737	243,997	2,712,031
Bank Al-Habib Limited		10,200,000	102,000	1,234,200	10,200,000	102,000	1,133,730
Pledged under Sponsor Support Share Agreement							
Citibank N.A.	Tenaga Generasi Limited	34,599,995	346,000	-*	34,599,995	346,000	-*
Faysal Bank Limited	Reon Alpha (Private) Limited	5,300,000	53,000	-*	-	-	-*

* Tenaga Generasi Limited and Reon Alpha (Private) Limited are unlisted company.

4.2 With the adoption of IFRS-9: "Financial Instruments" on January 1, 2019, investments classified by the Company as available-for-sale have been reclassified as follows:

- 200,000 units of National Investment (Unit) Trust have been classified as 'financial assets at fair value through profit or loss'; and
- 1,500 unlisted shares of Asian Co-operative Society Limited have been classified as 'financial assets at fair value through other comprehensive income'.

The effects of the reclassifications have been disclosed in note 3.3.1.

5. LONG-TERM LOANS

These include subordinated loan of Rs. 300,000 (December 31, 2018: Rs. 195,000) which includes Rs. 105,000 provided during the period to Tenaga Generasi Limited, a subsidiary company. The loan carries mark-up at the rate of three months KIBOR plus 1.775%. The total facility limit provided to the subsidiary amounts to Rs. 300,000 and is unsecured. The interest and principal is repayable at the end of the facility period the duration of which is three years.

Furthermore, loan amounting to Rs. 300,000 was provided during the period to Reon Energy Limited, a wholly owned subsidiary company. The loan carries mark-up at the rate of one percent (1%) above average borrowing cost of the Company. The facility will expire on December 31, 2020 and has been fully utilised. Interest and principal is repayable at the end of the facility period.

	Unaudited September 30, 2019	Audited December 31, 2018
	----------------Rupees----------------	
6. STOCK		
Renewable Energy		
Finished goods	**43,553**	44,133
Provision for slow moving and obsolete items	**(33,170)**	(29,122)
	10,383	15,011
Textile		
Finished goods	**31,723**	36,103
Provision for slow moving and obsolete items	**(3,734)**	(3,734)
	27,989	32,369
	38,372	47,380

(Amounts in thousands)

7. SHORT-TERM LOAN

This includes subordinated loan of Rs. 137,000 (December 31, 2018: Nil) provided during the period to Tenaga Generasi Limited, a subsidiary company. The loan carries mark-up at the rate of three months KIBOR plus 2.5%. The total facility limit provided to the subsidiary amounts to Rs. 1,000,000 and is unsecured. The interest and principal is repayable at the end of the facility period the duration of which is one year.

8. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

This includes amount receivable from Tenaga Generasi Limited amounting to Rs. 62,689 (December 31, 2018: Rs 42,392).

9. SHORT-TERM BORROWINGS

It includes utilized portion of short-term running finance facilities aggregating to Rs.1,000,000 (December 31, 2018: Rs. 1,000,000) and Rs. 500,000 (December 31, 2018: Rs. 500,000) obtained from Bank Al Habib Limited and Standard Chartered Bank (Pakistan) Limited respectively, under mark-up arrangements. Out of the Bank Al-Habib Limited facility, the Company has negotiated sub-limits with Bank Al Habib Limited for financing the operations of Reon Energy Limited (a subsidiary company) amounting to Rs. 300,000. The running finance under mark-up arrangement is secured by way of deposit of title deeds of the Company's fixed assets, first ranking hypothecation charge over receivables and stocks and pledge over Company's investment in related party. Rate of mark-up applicable to the facility is three month KIBOR plus 100 basis points (December 31, 2018: three month KIBOR plus 65 basis points to three month KIBOR plus 75 basis points) per annum. The facility will expire on January 30, 2020.

Further, the running finance under mark-up arrangement from Standard Chartered Bank (Pakistan) Limited is secured by way of deposit of title deeds of the Company's fixed assets and pledge over Company's investment in related party. Rate of mark-up applicable to the facility is three months KIBOR plus 90 basis points (December 31, 2018: three months KIBOR plus 90 basis points) per annum. The facility will expire on March 31, 2020.

10 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, 2018 except for the following:

10.1 **Contingencies**

10.2 **Expenses not allocated to dividend income (Tax years 2004, 2005 and transition year 2005)**

The Additional Commissioner Inland Revenue (ACIR) in his order dated January 1, 2011, amended the amount of allocation of expenses from business income to capital gain and dividend income to Rs. 62,500 from the original allocation of Rs. 136,105. Total order amount was Rs. 52,000 that reduced in incidence of tax is Rs.25,762. The Company filed an appeal where disallowances of Rs. 62,500 were upheld by CIR(A). On July 30, 2013, the Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which decided the matter in favour of the Company on December 18, 2018. During the period the ACIR has filed reference application before the Honourable High Court of Sindh which is fixed during November 2019.

10.3 **Dividend income offset against business losses (Tax years 2008 and 2009)**

Previously, the ACIR in his order May 6, 2014 had disallowed to set off dividend income against business losses of tax years 2008 and 2009 having tax impact of Rs. 32,800 (net impact of 13,920). On March 29, 2013, an appeal was filed with the ATIR which decided the matter in favour of the Company on December 18, 2018. During the period, the ACIR has filed reference application before the Honourable High Court of Sindh which is fixed during November 2019.

(Amounts in thousands)

10.4 **Assessment of annual tax return (Tax year 2013)**

The assessment of annual tax return was initiated by the department on December 13, 2018, the Company received a show cause notice from ACIR raising several factual and legal issues in the assessment for tax year 2013 against which the Company submitted documentary evidence in response. On June 30, 2019, the Company received an order from the ACIR wherein a demand of Rs.13,632 was raised in respect of this tax year. During October 2019 CIR (A) has issued an order in favour of company and annulled the demand raised by the tax officer.

10.5 **Assessment of annual tax return (Tax year 2015 & 2016)**

The assessment of annual tax return was initiated by the department on April 19, 2019, the Company received a show cause notice from ACIR raising several factual and legal issues in the assessment for tax year 2015 & 2016 against which the Company submitted documentary evidence in response. On September 13, 2019, Company was issued orders from the ACIR wherein a tax demand of Rs.12,139 and Rs. 131,632 is raised for TY 2015 and TY 2016 respectively. The order mainly consists issues related to the apportionment of expenses, write-off of stock in trade, rental income, agricultural income and minimum tax issues. During October 2019, the Company has also filed an apeal with CIR (A) against the orders.

10.6 **National Investment (Unit) Trust (NIT)**

In 1975, LWTM offered 130,520 right shares to NIT where the offer was accepted by NIT and acknowledged by LWTM. These events took place during the validity of the Consent Order dated January 2, 1976 issued by the Controller of Capital Issues. As payment for the said shares was made after the expiry of the Consent Order, LWTM claimed it was no longer obliged to issue the shares to NIT. According to the October 3, 1998 Judgment, a valid and binding contract existed between the parties and LWTM is obliged to issue the shares to NIT. In 2016, the Sindh High Court (SHC) decided the case in favour of National Investment (Unit) Trust (NIT), whereby the Company was ordered to release the unissued shares, bonus shares, dividend accrued and interest till the date of the Decree of the SHC. In 2018, NIT filed an Execution Application before the SHC for the Order passed by SHC, whereby NIT lodged a claim of Rs. 4,699 being the compensation on the deposit amount, along with 286,641 shares of the Company and respective dividend on shares amounting to Rs. 9,031. The management noted certain discrepancies in the order whereby the number of shares in the Execution Application was in excess by 44,691 and the respective dividend claimed on the shares was Rs. 796.

The Company has received an Order from the Honorable High Court of Sindh Karachi (the SHC) on September 16, 2019, wherein the SHC ordered Dawood Lawrencepur Limited (the Company) to deposit Rs. 8,235 with the Nazir for onward payment to NIT and to transfer the underlying 241,950 shares of Dawood Cotton Mills Limited to NIT (the Decree Holder).

As there is no mechanism to issue shares without complying requirements of Section 83 of the Companies Act , 2017, and that Dawood Cotton Mills Limited was renamed as Dawood Lawrencepur Limited in 2004, the Company has filed an Application to the SHC on October 22, 2019 to make the following correction:

1. The word “Transfer” be replaced/substituted with “fresh issue of shares of Dawood Lawrencepur Limited notwithstanding the requirements of Section 83 of the Companies Act, 2017”, since the shares will only be issued to the Decree Holder.

2. Replace “Dawood Cotton Mills Limited” with “Dawood Lawrencepur Limited”.

As at September 30, 2019, the Company has recorded a total provision amounting to Rs. 15,595. The Company anticipates that no further provision is required there against.

(Amounts in thousands)

10.7 In prior year Company has provided Corporate Guarantee amounting to Rs. 400,000 to Bank Al Habib Limited in respect of transfer of sub-limit of Rs. 300,000 to Reon Energy Limited as fully explained in note 9 above. During the period, the bank has released the Corporate Guarantee of Rs. 400,000 issued by the Company in favour of Bank Al Habib Limited.

10.8 During the period Company has provided Corporate Guarantee amounting to Rs. 206,000 in favour of Faysal Bank Limited against the financing facility of Reon Alpha (Private) Limited of Rs. 309,000 . Further, the Company has pledged fifty one percent shares of RAPL as stated in note 4.1.1 above.

10.9 The Company is contingently liable for bank guarantees amounting to Rs. 39,670 (December 31, 2018: Rs. 55,163) favouring Government and other parties. These have issued against mobilization advances and performance of the goods and services rendered for a tenure varying from three months to three years.

	Unaudited	Unaudited
	For the nine months ended	
	September 30, 2019	September 30, 2018
	----------------Rupees----------------	
11. REVENUE - NET		
Renewable energy		
Project revenue	**4,929**	3,013
Solar lights	**-**	22
Energy Sale	**-**	84
Others	**80**	233
	5,009	3,352
Textile		
Fabric	**4,212**	5,222
	9,221	8,574
Related to discontinued operations	**(4,212)**	(5,222)
	5,009	3,352

12. (LOSS) / EARNINGS PER SHARE - Basic and diluted

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

	Quarter ended Unaudited		**Nine month ended Unaudited**	
	September 30, 2019	September 30, 2018	**September 30, 2019**	September 30, 2018
Continuing operations				
Profit / (loss) for the period	**188,466**	189,942	**750,458**	295,928
Weighted average number of ordinary shares (in thousand)	**59,058**	59,058	**59,058**	59,058
Earnings per share	**3.19**	3.22	**12.71**	5.01
Discontinued operations				
(Loss) / profit for the period	**(8,526)**	8,360	**(23,209)**	94,590
Weighted average number of ordinary shares (in thousand)	**59,058**	59,058	**59,058**	59,058
(Loss) / earnings per share	**(0.14)**	0.14	**(0.39)**	1.60

(Amounts in thousands)

13. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

13.1 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).

The table below analyses financial instruments carried at fair value by valuation method.

	As at Sep 30, 2019 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
	---------------------------------------Rupees---------------------------------------			
Non-current assets				
Financial assets				
- at fair value through profit or loss	**9,758**	**-**	**-**	**9,758**
- fair value through other comprehensive income	**-**	**-**	**15**	**15**
	9,758	**-**	**15**	**9,773**

	As at December 31, 2018 (Audited)			
	Level 1	**Level 2**	**Level 3**	**Total**
	---------------------------------------Rupees---------------------------------------			
Non-current assets				
Financial assets				
- Available-for-sale	12,678	-	15	12,693

The Company has a number of financial instruments which are not measured at fair value in the unconsolidated statement of financial position. These include cash and bank balances, loans to employees, trade debts, mark-up receivable and payable, short-term borrowings, trade and other payables. For the majority of these instruments, the fair values are considered not to be materially different from their respective carrying amounts since the instruments are either short-term in nature or are periodically repriced.

(Amounts in thousands)

14. SEGMENT REPORTING

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

- Renewable energy solutions; and
- Textile - discontinued operations.

14.1 The table below shows the segment information for the reportable segments for the nine months period ended September 30, 2019 and 2018 and also the basis on which revenue is recognised:

	Unaudited							
	Renewable energy		Textile - discontinued operations		Unallocated		Total	
	September 30,		September 30,		September 30,		September 30,	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018
	Rupees							
Timing of revenue recognition								
At a point in time	**4,929**	3,352	**4,212**	5,222	**-**	-	**9,141**	8,574
Over time	**80**	-	**-**	-	**-**	-	**80**	-
Revenue from external customers	**5,009**	3,352	**4,212**	5,222	**-**	-	**9,221**	8,574
Cost of goods sold	**(2,392)**	(3,108)	**(4,380)**	(5,629)	**-**	-	**(6,772)**	(8,737)
Segment gross profit / (loss)	**2,617**	244	**(168)**	(407)	**-**	-	**2,449**	(163)
Dividend income	**-**	-	**-**	-	**935,493**	390,125	**935,493**	390,125
Selling and distribution expenses	**(912)**	(351)	**(32)**	(55)	**-**	-	**(944)**	(406)
Administrative expenses	**(1,572)**	(30,744)	**(36,203)**	(38,267)	**(31,054)**	-	**(68,829)**	(69,011)
Other charges	**-**	-	**-**	-	**(12,699)**	-	**(12,699)**	-
Other income	**-**	-	**13,194**	133,319	**70,549**	27,199	**83,743**	160,518
Finance costs	**-**	-	**-**	-	**(68,300)**	(29,664)	**(68,300)**	(29,664)
Taxation	**-**	-	**-**	-	**(143,664)**	(60,881)	**(143,664)**	(60,881)
Segment profit / (loss)	**133**	(30,851)	**(23,209)**	94,590	**750,325**	326,779	**727,249**	390,518

	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
	September 30, 2019	December 31, 2018	**September 30, 2019**	December 31, 2018	**September 30, 2019**	December 31, 2018	**September 30, 2019**	December 31, 2018
	Rupees							
Segment assets	**118,041**	93,866	**46,538**	52,268	**4,020,008**	3,455,579	**4,184,587**	3,601,713
Segment liabilities	**29,744**	10,777	**34,168**	6,199	**956,459**	493,672	**1,020,371**	510,648

(Amounts in thousand)

15. TRANSACTIONS WITH RELATED PARTIES

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

Relationship	Nature of transaction	**Unaudited September 30, 2019**	Unaudited September 30, 2018
		----------------Rupees----------------	
a. Subsidiary companies			
Tenaga Generasi Limited	Reimbursable expenses incurred by the Company	**1,029**	3,132
	Loan disbursed	**242,000**	90,000
	Interest on loan and reimbursement of expenses	**33,759**	13,452
	Stand-by letter of credit cost reimbursement	**27,531**	24,362
Reon Energy Limited	Subscription of ordinary shares	**-**	70,000
	Sales of renewable energy products by the Company	**-**	999
	Interest on reimbursement of expenses from REL	**-**	695
	Long-term loan disbursed	**300,000**	-
	Refund of security deposit against SECMC bid bond	**-**	5,250
	Interest on long-term loan	**24,885**	-
	Reimbursable expenses incurred by the Company	**2,544**	4,968
	Rental Income	**270**	-
	Interest on reimbursable expenses incurred by the Company	**70**	-
	Short - term loan disbursed	**97,000**	-
	Repayment of short - term loan by REL	**97,000**	-
	Interest on short-term loan from REL	**1,096**	-
	Reimbursable expenses incurred on behalf of the Company	**6,982**	3,885
Mozart (Private) Limited	Reimbursable expenses incurred by the Company	**-**	8
	Reimbursement of expenses-classified as unsecured loan	**-**	13
	Subordinated loan	**65**	69
	Interest on subordinated loan	**22**	0.35
Greengo (Private) Limited	Reimbursable expenses incurred by the Company	**-**	7
	Reimbursement of expenses-classified as unsecured loan	**-**	8
	Subordinated loan	**81**	82
	Interest on subordinated loan	**25**	0.35
Abrax (Private) Limited	Reimbursable expenses incurred by the Company	**-**	6
	Reimbursement of expenses-classified as unsecured loan	**-**	7
	Subordinated loan	**81**	82
	Interest on subordinated loan	**25**	0.35

(Amounts in thousand)

	Relationship	Nature of transaction	Unaudited September 30, 2019	Unaudited September 30, 2018
			----------------Rupees----------------	
	Reon Alpha (Private) Limited	Reimbursable expenses incurred by the Company	**567**	12
		Reimbursement of expenses-classified as unsecured loan	**-**	59
		Interest on reimbursement	**10**	-
		Interest on loan	**3**	0.47
b.	**Associated companies**			
	Dawood Hercules Corporation Limited	Dividend income	**935,183**	389,659
		Reimbursable expenses incurred on behalf of the Company	**1,269**	3,998
		Reimbursable expenses incurred by the Company	**-**	4
	Sach International (Private) Limited	Sale of fabric	**-**	-
		Reimbursable expenses incurred by the Company	**269**	-
		Royalty charged by the Company	**8,822**	10,402
		Rental Income	**450**	100
		Penalty charged against overdue receivables	**995**	187
	Engro Fertilizers Limited	Rental income	**1,729**	1,135
		Reimbursable expenses incurred by the Company	**372**	-
	Fauji Fertilizer Company Limited	Rental income	**-**	1,750
	Fatima Fertilizer Company Limited	Rental income	**9,664**	10,273
		Reimbursable expenses incurred by the Company	**24**	-
c.	**Key management personnel**	Salaries and benefits	**11,330**	4,811
		Other retirement benefits	**315**	141
d.	**Directors**	Directors' meeting fee	**1,650**	1250

16. CORRESPONDING FIGURES

Corresponding figures and balance have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison, better presentation and to reflect the substance of the transaction. Following reclassifications have been made in these unconsolidated condensed interim financial statements:

Description	Amount	Head of account in unconsolidated condensed interim financial statements for the nine month period ended September 30, 2019	Head of account in unconsolidated condensed interim financial statements for the nine month period ended September 30, 2018
Statement of Profit or Loss			
Dividend Income	390,125	Dividend income	Other Income

(Amounts in thousand)

17. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on October 28, 2019 by the Board of Directors of the Company.

Mujtaba Haider Khan	**Shabbir Hussain Hashmi**	**Saad Faridi**
Chief Executive Officer	**Director**	**Chief Financial Officer**

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

(Amounts in thousand)

	Note	Unaudited September 30, 2019	Audited December 31, 2018
		------------------Rupees------------------	
ASSETS			
Non-current assets			
Property, plant and equipment		**13,051,290**	12,444,974
Intangible assets		**23,833**	23,180
Long term investments	5	**10,490,926**	10,841,231
Long term loans to employees		**-**	19
Right to use asset		**131,484**	-
Long term deposits		**2,778**	2,778
		23,700,311	23,312,182
Current assets			
Stores and spares		**22,277**	22,278
Stock in trade		**260,591**	100,273
Trade debts		**2,669,600**	828,414
Loans and advances		**65,924**	26,210
Deposits, prepayments and other receivables		**462,066**	225,832
Accrued interest		**4,126**	6,915
Contract asset		**551,722**	456,157
Taxes recoverable		**6,821**	8,661
Short term investments		**391,695**	-
Cash and bank balances	6	**164,488**	642,585
		4,599,310	2,317,325
TOTAL ASSETS		**28,299,621**	25,629,507
EQUITY AND LIABILITIES			
Equity			
Share capital		**590,578**	590,578
Capital reserves		**206,666**	206,666
Unrealized gain on remeasurement of available for sale investments		**-**	9,327
Unappropriated profits		**11,733,622**	11,210,699
Non controlling interest		**1,169,410**	940,763
		13,700,276	12,958,033
Non-current liabilities			
Borrowings		**8,639,930**	8,693,131
Deferred taxation		**1,511,619**	1,614,487
Lease liabilities		**113,687**	-
Deferred liabilities - Staff retirement benefits		**36,637**	27,635
		10,301,873	10,335,253
Current liabilities			
Trade and other payables		**1,006,870**	495,541
Unpaid dividend		**19,245**	3,589
Unclaimed dividend		**47,181**	44,635
Provision	8.1.5	**15,595**	5,816
Current portion of long term borrowing		**1,143,316**	952,830
Short term borrowings	7	**869,256**	574,451
Contract liability		**930,924**	58,910
Current portion of lease liabilities		**23,963**	-
Accrued markup		**241,122**	200,449
		4,297,472	2,336,221
Contingencies and Commitments	8		
TOTAL EQUITY AND LIABILITIES		**28,299,621**	25,629,507

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

Mujtaba Haider Khan	**Shabbir Hashmi**	**Saad Faridi**
Chief Executive Officer	**Director**	**Chief Financial Officer**

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2019

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

	Note	Quarter Ended		Nine month ended	
		September 30 2019	September 30 2018	**September 30 2019**	September 30 2018
		----------Rupees----------			
CONTINUING OPERATIONS					
Revenue - net	9	**2,192,272**	1,028,704	**5,166,423**	2,363,125
Cost of revenue		**(1,252,505)**	(355,242)	**(3,122,509)**	(998,907)
Gross profit		**939,767**	673,462	**2,043,914**	1,364,218
Selling and distribution expenses		**(56,566)**	(47,300)	**(167,801)**	(132,004)
Other operating expenses		**(2,224)**	(7,566)	**(46,684)**	(18,417)
Administrative expenses		**(77,966)**	(62,878)	**(211,134)**	(176,807)
Other income		**11,107**	7,103	**28,707**	18,745
Operating profit		**814,118**	562,821	**1,647,002**	1,055,735
Finance costs		**(236,315)**	(195,338)	**(733,041)**	(577,021)
		577,803	367,483	**913,961**	478,714
Share of profit from investment in an associate		**276,909**	206,547	**635,595**	2,268,202
Profit before taxation		**854,712**	574,030	**1,549,556**	2,746,916
Taxation		**(58,692)**	(34,934)	**(97,293)**	(351,680)
Profit after taxation		**796,020**	539,096	**1,452,263**	2,395,236
DISCONTINUED OPERATIONS					
(Loss) / profit from discontinued operations		**(8,526)**	8,360	**(23,209)**	94,590
Profit for the period		**787,494**	547,456	**1,429,054**	2,489,826
Earnings per share - Basic and diluted					
Continuing operations	10	**11.06**	7.25	**20.72**	37.69
(Loss) / earnings per share - Basic and diluted					
Discontinued operations	10	**(0.14)**	0.14	**(0.39)**	1.60
Profit attributable to:					
Owners of the Holding Company		**644,414**	436,525	**1,200,407**	2,320,672
Non controlling interest		**143,080**	110,931	**228,647**	169,154
		787,494	547,456	**1,429,054**	2,489,826

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

Mujtaba Haider Khan	**Shabbir Hashmi**	**Saad Faridi**
Chief Executive Officer	**Director**	**Chief Financial Officer**

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2019

(Amounts in thousand)

	Quarter ended September 30,		Nine month ended September 30,	
	2019	2018	**2019**	2018
	---Rupees---			
Profit for the period	**787,494**	547,456	**1,429,054**	2,489,826
Other comprehensive income				
Items that may be reclassified subsequently through profit or loss account				
(Loss) / gain on remeasurement of 'available for sale' investments	**-**	(954)	**-**	(298)
Share of other comprehensive income from investment in associate	**(6,375)**	-	**20,009**	12,088
Total comprehensive income for the period	781,119	546,502	1,449,063	2,501,616
Total comprehensive income / (loss) attributable to:				
- Continuing operations	**789,645**	538,142	**1,472,272**	2,407,026
- Discontinued operations	**(8,526)**	8,360	**(23,209)**	94,590
	781,119	546,502	**1,449,063**	2,501,616
Total comprehensive income attributable to:				
- Owners of the Holding Company	**638,039**	435,571	**1,220,416**	2,332,462
- Non-controlling interest	**143,080**	110,931	**228,647**	169,154
	781,119	546,502	**1,449,063**	2,501,616

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

Mujtaba Haider Khan	**Shabbir Hashmi**	**Saad Faridi**
Chief Executive Officer	**Director**	**Chief Financial Officer**

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2019

(Amounts in thousand)

	Share capital	Capital reserves					Revenue Reserves		Non controlling interest	Total
		Merger reserve	Share premium reserve	Capital reserve	Capital redemption reserve fund	Total	Unrealized gain on remeasurement of available for sale investments	Unappropriated profit / (loss)		
	----------Rupees----------									
Balance at January 01, 2018 (Audited)	590,578	10,521	136,865	33,311	25,969	206,666	11,674	9,057,908	818,537	10,685,363
Profit for the period	-	-	-	-	-	-	-	2,320,672	169,154	2,489,826
Other comprehensive income for the period	-	-	-	-	-	-	(298)	-	-	(298)
Total comprehensive income for the nine month ended September 30, 2018	-	-	-	-	-	-	(298)	2,320,672	169,154	2,489,528
Effect of transaction of associate	-	-	-	-	-	-	-	12,088	-	12,088
Transactions with owners										
Final cash dividend for the year ended December 31, 2017 @ Rs. 1 per share	-	-	-	-	-	-	-	(59,058)	-	(59,058)
Balance at September 30, 2018 (Unaudited)	590,578	10,521	136,865	33,311	25,969	206,666	11,376	11,331,610	987,691	13,127,921
Profit for the period	-	-	-	-	-	-	-	(149,510)	(47,408)	(196,918)
Other comprehensive income for the period	-	-	-	-	-	-	(2,049)	15,824	-	13,775
Total comprehensive income for the three month ended December 31, 2018	-	-	-	-	-	-	(2,049)	(133,686)	(47,408)	(183,143)
Share issuance cost	-	-	-	-	-	-	-	(515)	-	(515)
Share issued to NCI	-	-	-	-	-	-	-	-	480	480
Effect of other transaction of associate	-	-	-	-	-	-	-	131,407	-	131,407
Transactions with owners										
Interim cash dividend for the year ended December 31, 2018 @ Rs. 2 per share	-	-	-	-	-	-	-	(118,117)	-	(118,117)
Balance at December 31, 2018 (Audited)	590,578	10,521	136,865	33,311	25,969	206,666	9,327	11,210,699	940,763	12,958,033
Effects of changes in accounting policy due to adoption of IFRS 9 (net of deferred tax)	-	-	-	-	-	-	(9,327)	9,327	-	-
Balance as at January 1, 2019 (Restated)	590,578	10,521	136,865	33,311	25,969	206,666	-	11,220,026	940,763	12,958,033

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2019

(Amounts in thousand)

	Share capital	Capital reserves					Revenue Reserves		Non controlling interest	Total
		Merger reserve	Share premium reserve	Capital reserve	Capital redemption reserve fund	Total	Unrealized gain on remeasurement of available for sale investments	Unappropriated profit / (loss)		
	---Rupees---									
Profit for the period	-	-	-	-	-	-	-	1,200,407	228,647	1,429,054
Other comprehensive income for the period	-	-	-	-	-	-	-	20,009	-	20,009
Total comprehensive income for the nine month	-									
ended September 30, 2019	-	-	-	-	-	-	-	1,220,416	228,647	1,449,063
Effect of other transaction of associate	-	-	-	-	-	-	-	(57,184)	-	(57,184)
Transactions with owners										
Final cash dividend for the year										
ended December 31, 2018 @ Rs. 4 per share	-	-	-	-	-	-	-	(236,231)	-	(236,231)
Interim cash dividend for the quarter ended March 31, 2019 @ Rs. 4 per share	-	-	-	-	-	-	-	(236,231)	-	(236,231)
Interim cash dividend for the quarter ended June 30, 2019 @ Rs. 3 per share	-	-	-	-	-	-	-	(177,174)	-	(177,174)
Balance at September 30, 2019 (Unaudited)	590,578	10,521	136,865	33,311	25,969	206,666	-	11,733,622	1,169,410	13,700,276

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

Mujtaba Haider Khan
Chief Executive Officer

Shabbir Hashmi
Director

Saad Faridi
Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2019

(Amounts in thousand)

	Nine month ended September 30, 2019	Nine month ended September 30, 2018
	----------------Rupees----------------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**1,526,347**	2,652,326
Less: Loss / (profit) before taxation attributable to discontinued operations	**23,209**	94,590
Profit before taxation from continued operations	**1,549,556**	2,746,916
Adjustments for non-cash and other items		
Depreciation	**519,917**	430,842
Amortization	**297**	1,153
Provision for gratuity	**10,103**	9,307
Provision for NIT	**9,779**	-
Provision / (reversal) for impairment for stock in trade	**4,768**	(52,953)
Provision for doubtful debts-net	**742**	1,143
Provision for warranties	**23,234**	2,156
Provision of onerous contract	**-**	248
Profit on deposit	**(14,294)**	(4,788)
Loss on NIT	**2,920**	-
Finance costs	**733,041**	577,021
Gain / (loss) on disposal of property, plant and equipment	**(17)**	63
Share of profit from associate	**(635,595)**	(2,268,202)
Dividend income	**(310)**	(466)
	2,204,141	1,442,440
Working capital changes		
Decrease / (increase) in current assets		
Stores and spares	**-**	(21,035)
Stock in trade	**(169,466)**	11,622
Trade debts	**(1,841,928)**	(749,486)
Contract assets	**(95,565)**	-
Loans and advances	**(39,714)**	(26,615)
Deposits, prepayments and other receivables	**(236,234)**	(347,888)
(Decrease) / increase in current liabilities		
Contract liability	**872,014**	-
Trade and other payables	**525,995**	177,471
	(984,898)	(955,931)
Cash generated from operations	**1,219,243**	486,509
Gratuity paid	**(930)**	(14,513)
Long term loan	**19**	308
Finance costs paid	**(692,368)**	(561,116)
Taxes paid	**(185,931)**	(27,458)
Discontinued operations	**(30,083)**	40,732
Net cash generated from / (used in) operating activities	**309,950**	(75,538)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(5,612)**	(1,069)
Sale proceeds from disposal of property, plant and equipment	**17**	82
Additions to capital work-in-progress	**(191,037)**	-
Purchase of intangible assets	**(950)**	(97)
Interest received on deposits	**17,085**	18,290
Dividend received	**935,493**	390,125
Discontinued operations	**-**	135,215
Net cash generated from investing activities	**754,996**	542,546
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividend	**(631,434)**	(57,671)
Payment of lease liabilities	**(21,979)**	-
Repayment of loan	**(991,952)**	(1,104,502)
Proceeds from borrowings	**199,212**	-
Net cash used in financing activities	**(1,446,153)**	(1,162,173)
Net decrease in cash and cash equivalents	**(381,207)**	(695,165)
Cash and cash equivalents at beginning of the period	**68,134**	379,613
Cash and cash equivalents at end of the period	**(313,073)**	(315,552)
Cash and cash equivalents:		
Cash and bank balances	**164,488**	348,850
Short term investments	**391,695**	-
Short term borrowings	**(869,256)**	(664,402)
	(313,073)	(315,552)

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

Mujtaba Haider Khan	Shabbir Hashmi	Saad Faridi
Chief Executive Officer	Director	Chief Financial Officer

(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 repealed Companies Ordinance, 1984 (now Companies Act, 2017) 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 Company are listed on Pakistan Stock Exchange. The Company manages its investment in its subsidiary and associated companies and is engaged in the business of trading and marketing of renewable energy solutions, mainly solar, to commercial and industrial consumers, along with the legacy textile business.

The business units of the Company include the following:

Business Units	**Geographical Location**
Head Office / Registered Office of the Holding Company and its subsidiaries	3rd Floor Dawood Centre, M.T Khan Road Karachi.
Factories of the Holding Company	
BTM Factory	Dawoodabad, Railway Station Road and Luddan Road Chak 439, E.B, Tehsil Burewala District Vehari.
LWTM Factory	G.T Road Faqirabad, District Attock.
Regional offices of the subsidiary company	
Solar Project Sales Office I	3rd Floor, Asia House L-block, Gulberg III, main Ferozpur road, Lahore.
Solar Project Sales Office II	Emirates Tower, suite # 324, 3rd Floor Capital Territory, F7 Markaz, Islamabad.
Solar and Wind Power Plant of the subsidiary companies	
Solar Power Plant	Block II, District Tharparkar, Sindh.
Wind Farm	Khutinkun Area, Gharo, District Thatta Sindh.

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

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

1.4 The "Group" consists of:

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

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

	Period Ended	**Percentage of direct holding**	
		2019	2018
-Reon Energy Limited (note 1.5.1)	Sep 30	**100%**	100%
-Tenega Generasi Limited (note 1.5.2)	Sep 30	**75%**	75%
-Mozart (Private) Limited (note 1.5.3)	Sep 30	**100%**	100%

(Amounts in thousand)

-Abrax (Private) Limited (note 1.5.4)	Sep 30	**100%**	100%
-Greengo (Private) Limited (note 1.5.5)	Sep 30	**100%**	100%
-Reon Alpha (Private) Limited (note 1.5.6)	Sep 30	**100%**	100%
Associated Company:			
-Dawood Hercules Corporation Limited note (1.6)	Sep 30	**16.19%**	16.19%

1.5 **Subsidiary companies**

1.5.1 **Reon Energy Limited**

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

1.5.2 **Tenaga Generasi Limited**

Tenaga Generasi Limited (TGL) was incorporated in Pakistan on December 01, 2005 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public unlisted company to primarily carry out the business of power generation as an independent power producer using wind energy. The registered office of the Subsidiary Company is situated at 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi, in the Province of Sindh.

The Company has set up a 49.5 MW wind power plant at Gharo Sindh. The project achieved 'Financial Close' in March 2015 and has received the Government of Pakistan Guarantee. The Plant commenced commercial operations on October 11, 2016. The electricity generated is transmitted to the National Transmission and Despatch Company (NTDC) under the Energy Purchase Agreement (EPA) dated December 29, 2015. The EPA is for 20 years.

1.5.3 **Mozart (Private) Limited**

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

1.5.4 **Abrax (Private) Limited**

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

1.5.5 **Greengo (Private) Limited**

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

1.5.6 **Reon Alpha (Private) Limited**

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

1.6 **Associated company**

Dawood Hercules Corporation Limited (DHCL) was incorporated in Pakistan on April 17, 1968 as a public limited company under the Companies Act 1913 (now Companies Act, 2017) (the Act) and its shares are quoted on Pakistan Stock Exchange Limited. The principal activity of DHCL is to manage investments in its subsidiary and associated companies. The registered office of DHCL is situated at Dawood Center, M.T. Khan Road, Karachi. The Holding Company holds ownership of 16.19% (December 31, 2018: 16.19%) in DHCL.

(Amounts in thousand)

2. BASIS OF PREPARATION

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

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

- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 The preparation of these consolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Holding Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

2.3 During the preparation of this consolidated condensed interim financial statements, the significant judgements made by management in applying the Holding Company's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to consolidated financial statements of the Holding Company for the year ended December 31, 2018, except for the following:

2.4 **Initial application of standards, amendments or an interpretation to existing standards.**

Standards, interpretations and amendments to published approved accounting and reporting standards that became effective during the period

The following accounting standards became effective for the first time for the nine month ended September 30, 2019 and are relevant to the Holding Company.

IFRS 16 - 'Leases' (effective for accounting periods beginning on or after January 1, 2019)

This Standard replaces the existing guidance on accounting for leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains Lease', SIC-15 'Operating Leases- Incentive and SIC-27 'Evaluating the substance of transactions involving the legal form of a Lease. IFRS 16 introduces a single lease accounting model and requires a lessee to recognize right to use asset represents right - of use of underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to current Standard i.e. lessor continue to classify leases as finance or operating leases. The accounting policies relating to Company's right to use asset and a lease liability are as follows:

Lease liabilities and right-of-use assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate.

(Amounts in thousand)

Lease payments include fixed payments, variable lease payment that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in profit or loss if the carrying amount of right-to-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

REL and TGL has adopted IFRS 16 retrospectively from January 1, 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The impact of adoption of this standard is therefore recognised in the opening condensed interim statement of financial position on January 1, 2019.

On adoption of IFRS 16, REL and TGL recognised lease liabilities which had previously been classified as ‘operating leases’ under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of January 1, 2019. The lessee’s incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 11.9% and 13.05% respectively.

	Sep 30, 2019	January 1, 2019
	------------------Rupees------------------	
The recognised right-of-use assets by REL relate to the following types of assets:		
Property	32,408	43,954

The following summary reconciles TGL operating lease commitments at December 31, 2018 as previously disclosed in the TGL annual financial statements as at December 31, 2018 to the lease liabilities recognised on initial application of IFRS 16 at January 01, 2019.

	----Rupees----
- Not later than 1 year	9,762
- later than 1 year but not later than 5	39,048
- later than 5 years	258,693
	307,503
Discounted using the lessee’s incremental 'borrowing rate at the date of initial application	103,383
Lease liability recognised as at January 1, 2019	103,383

(Amounts in thousand)

Of which are:

Current lease liability	9,762
Non-current lease liability	93,621
	103,383

The associated right-of use assets were measured in TGL condensed interim statement of financial position as at January 1, 2019 at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at December 31, 2018.

The details of recognised right-of-use asset are as follows:	**Sep 30, 2019**	January 01, 2019
	------------------**Rupees**	------------------
Leased land - right-of-use asset	99,076	103,383

The Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 986 (I) / 2019 dated September 2, 2019 has granted exemptions from the specific provisions of IFRS 16 with respect to "lessor accounting" for power sector companies. Accordingly, TGL has not applied IFRS 16 to the extent of these exemptions available.

IFRS 15 'Revenue from contracts with customers’ (effective for reporting periods ending on or after June 30, 2019)

This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 ‘Revenue’ and IAS 11 ‘Construction contracts’ and related interpretations.

IFRS 9 ‘Financial instruments’ (effective for reporting periods ending on or after June 30, 2019)

'IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the related guidance in IAS 39 that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. It retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit or Loss (FVPL). The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI, not recycling.

The standard also includes an expected credit losses (ECL) model that replaces the current incurred loss impairment model. The ECL model involves a three-stage approach whereby financial assets move through the three stages as their credit quality changes. The stage dictates how an entity measures impairment losses and applies the effective interest rate method. A simplified approach is permitted for financial assets that do not have a significant financing component (e.g. trade receivables). On initial recognition, entities will record a day-1 loss equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired.

For financial liabilities, there are no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

IFRS 9 also relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the ‘hedged ratio’ to be the same as the one management actually use for risk management purposes.

(Amounts in thousand)

The adoption of IFRS 9 from January 1, 2019 by the Holding Company and subsidiary Company has resulted in change in accounting policies. The Holding Company has applied IFRS 9 retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", however, it has elected not to restate comparative information as permitted under the transitional provisions of the standard and accordingly all changes arising on adoption of IFRS 9 have been adjusted at the beginning of the current period. The transitional impact of the adoption of IFRS 9 on the opening consolidated condensed interim statement of financial position of the Holding Company as at January 1, 2019 has been disclosed below:

	Company Name	As originally presented January 1, 2019	Classification and measurement	Impairment	Restated January 1, 2019	Impact of IFRS 15	Total Impact of IFRS 9 and IFRS 15	Restated January 1, 2019
		Rupees						
Non Current Assets								
Available-for-sale financial assets								
- Investments in units of mutual funds		12,678	(12,678)	-	-	-	-	-
- Investments in unquoted equity securities	Dawood Lawrencepur Limited	15	(15)	-	-	-	-	-
Financial assets at fair value through						-	-	-
other comprehensive income		-	15	-	15	-	-	-
Financial assets at fair value through profit or loss		-	12,678	-	12,678	-	-	-
Current asset								
Trade debts	Reon Energy Limited	441,032	(1,782)			(286,343)	(288,125)	152,907
Contract asset		-	-	-	-	286,343	286,343	286,343
Current Liabilities								
Trade and other payables	Reon Energy Limited	335,085	-	-	-	(58,910)	(58,910)	276,175
Contract liabilities						58,910	58,910	58,910

The SECP vide its S.R.O. 985 (I) / 2019 dated September 2, 2019 has granted exemptions from the specific provisions of IFRS 9 with respect to "application of Expected Credit Losses method" by companies holding financial assets due from the Government of Pakistan. Accordingly, TGL has not applied IFRS 9 to the extent of these exemptions available.

3. 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.

4. ACCOUNTING POLICIES

4.1 The accounting policies and the methods of computation adopted in the preparation of this consolidated condensed interim financial statements are consistent with those applied in the preparation of the financial statements of the group for the year ended December 31, 2018, except for as stated in note 2.4 above

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

(Amounts in thousand)

	Unaudited Sep 30, 2019	Audited December 31, 2018
	----------------Rupees----------------	
5 LONG TERM INVESTMENTS		
Investment in an associate (note 5.1)	**10,481,153**	10,828,538
Financial asset at fair value through profit or loss	**9,758**	-
Financial asset at fair value through other comprehensive income	**15**	-
Available-for-sale financial assets	**-**	12,693
	10,490,926	10,841,231

	Unaudited Sep 30, 2018	Audited December 31, 2018
	----------------Rupees----------------	
5.1 Investment in an associate		
Associated company - quoted		
Dawood Hercules Corporation Limited		
Opening balance	**10,828,538**	8,955,510
Add: Share of profit after taxation	**635,595**	2,306,573
Share of other comprehensive income	**17,399**	21,023
Other equity transactions	**(65,196)**	168,887
	587,798	2,496,483
Less: Dividend received	**(935,183)**	(623,455)
	10,481,153	10,828,538

	Unaudited Sep 30, 2019	Audited December 31, 2018
6 CASH AND BANK BALANCES	----------------Rupees----------------	
Cash in hand	**763**	341
Cash at banks:		
- In current accounts	**20,416**	21,451
- In deposit accounts - (note 6.1)	**123,801**	594,643
- In deposit accounts - foreign currency (note 6.2)	**19,508**	26,150
	164,488	642,585

6.1 This includes deposits with commercial banks and carry profit at the rate ranging from 8% to 11.25% (December 31, 2018: 4% to 8%) per annum.

6.2 These foreign currency deposits carry return at the average rate of 1.65% (December 31, 2018: 1.62%) per annum.

(Amounts in thousand)

7 SHORT TERM BORROWING

7.1 It includes utilized portion of short-term running finance facilities aggregating to Rs.1,000,000 (December 31, 2018: Rs. 1,000,000) and Rs. 500,000 (December 31, 2018: Rs. 500,000) obtained from Bank Al Habib Limited and Standard Chartered Bank (Pakistan) Limited respectively, under mark-up arrangements. Out of the Bank Al-Habib Limited facility, the Holding Company has negotiated sub-limits with Bank Al Habib Limited for financing the operations of REL amounting to Rs. 300,000. The running finance under mark-up arrangement is secured by way of deposit of title deeds of the Holding Company's fixed assets, first ranking hypothecation charge over receivables and stocks and pledge over Holding Company's investment in related party. Rate of mark-up applicable to the facility is three month KIBOR plus 100 basis points (December 31, 2018: three month KIBOR plus 65 basis points to three month KIBOR plus 75 basis points) per annum. The facility will expire on January 30, 2020.

Further, the running finance under mark-up arrangement from Standard Chartered Bank (Pakistan) Limited is secured by way of deposit of title deeds of the Holding Company's fixed assets and pledge over Holding Company's investment in related party. Rate of mark-up applicable to the facility is three months KIBOR plus 90 basis points (December 31, 2018: three months KIBOR plus 90 basis points) per annum. The facility will expire on March 31, 2020.

7.2 During the period, RAPL has obtained long term loan from Faysal Bank Limited (FBL) upto Rs 309,000, to finance 75% of the project. The tenure of the loan is for 10 years, currently rate of mark-up applicable to the facility is at the rate of three months KIBOR plus 2%. RAPL is in the process to refinance the loan amount under State Bank of Pakistan (SBP) facility in order to avail subsidized rate . The loan is secured through hypothecation charge over all movable assets of RAPL and assignment of receivables of the RAPL in favor of FBL. Transaction cost on borrowings is amortized over the tenure of the loan. Total loan facility utilized as at period end amounted to Rs. 208,321.

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, 2018, except for the following:

8.1 Contingencies

8.1.1 Expenses not allocated to dividend income (Tax years 2004, 2005 and transition year 2005)

The Additional Commissioner Inland Revenue (ACIR) in his order dated January 1, 2011, amended the amount of allocation of expenses from business income to capital gain and dividend income to Rs. 62,500 from the original allocation of Rs. 136,105. Total order amount was 52,000 that reduced in incidence of tax is Rs.25,762. The Holding Company filed an appeal where disallowances of Rs. 62,500 were upheld by CIR(A). On July 30, 2013, the Holding Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which decided the matter in favour of the Holding Company on December 18, 2018. During the period, the ACIR has filed reference application before the Honourable High Court of Sindh which is is fixed during November 2019.

8.1.2 Dividend income offset against business losses (Tax years 2008 and 2009)

Previously, the ACIR in his order May 6, 2014 had disallowed to set off dividend income against business losses of tax years 2008 and 2009 having tax impact of Rs. 32,800 (net impact of 13,920). On March 29, 2013, an appeal was filed with the ATIR which decided the matter in favour of the Holding Company on December 18, 2018. During the period, the ACIR has filed reference application before the Honourable High Court of Sindh which is is fixed during November 2019.

8.1.3 Assessment of annual tax return (Tax years 2013)

The assessment of annual tax return was initiated by the department on December 13, 2018, the Holding Company received a show cause notice from ACIR raising several factual and legal issues in the assessment for tax year 2013 against which the Holding Company submitted documentary evidence in response. On June 30, 2019, the Holding Company received an order from the ACIR wherein a demand of 13,632 was raised in respect of this tax year. During October 2019, CIR(A) has issued an order in favour of the Holding Company and annulled the demand raised by the tax officer.

8.1.4 Assessment of annual tax return (Tax year 2015 & 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 ACIR raising several factual and legal issues in the assessment for tax year 2015 & 2016 against which the Holding Company submitted documentary evidence in response. On September 13, 2019, the Holding Company was issued orders from the ACIR wherein a tax demand of 12,139 and 131,632 is raised for Tax year 2015 and Tax year 2016 respectively. The order was mainly consists of issues related with apportionment of expenses, write off of stock in trade, rental income, agriculture income and minimum tax issues. During October 2019, the Holding Company has also filed an apeal with CIR (A) against the orders.

(Amounts in thousand)

8.1.5 **National Investment (Unit) Trust (NIT)**

In 1975, LWTM offered 130,520 right shares to NIT where the offer was accepted by NIT and acknowledged by LWTM. These events took place during the validity of the Consent Order dated January 2, 1976 issued by the Controller of Capital Issues. As payment for the said shares was made after the expiry of the Consent Order, LWTM claimed it was no longer obliged to issue the shares to NIT. According to the October 3, 1998 Judgment, a valid and binding contract existed between the parties and LWTM is obliged to issue the shares to NIT. In 2016, the Sindh High Court (SHC) decided the case in favour of National Investment (Unit) Trust (NIT), whereby the Holding Company was ordered to release the unissued shares, bonus shares, dividend accrued and interest till the date of the Decree of the SHC. In 2018, NIT filed an Execution Application before the SHC for the Order passed by SHC, whereby NIT lodged a claim of Rs. 4,699 being the compensation on the deposit amount, along with 286,641 shares of the Holding Company and respective dividend on shares amounting to Rs. 9,031. The management noted certain discrepancies in the order whereby the number of shares in the Execution Application was in excess by 44,691 and the respective dividend claimed on the shares was Rs. 796.

The Holding Company has received an Order from the Honorable High Court of Sindh Karachi (the SHC) on September 16, 2019, wherein the SHC ordered the Holding Company to deposit Rs. 8,235 with the Nazir for onward payment to NIT and to transfer the underlying 241,950 shares of Dawood Cotton Mills Limited to NIT (the Decree Holder).

As there is no mechanism to issue shares without complying requirements of Section 83 of the Companies Act , 2017, and that Dawood Cotton Mills Limited was renamed as Dawood Lawrencepur Limited in 2004, the Holding Company has filed an Application to the SHC on October 22, 2019 to make the following correction:

1. The word “Transfer” be replaced/substituted with “fresh issue of shares of Dawood Lawrencepur Limited notwithstanding the requirements of Section 83 of the Companies Act, 2017”, since the shares will only be issued to the Decree Holder.

2. Replace “Dawood Cotton Mills Limited” with “Dawood Lawrencepur Limited”.

As at September 30, 2019, the Holding Company has recorded a total provision amounting to Rs. 15,595. The Holding Company anticipates that no further provision is required there against.

8.1.6 On December 28, 2017, TGL received an order in respect of Tax Year of 2016 from the Assistant Commissioner Inland Revenue (ACIR) amounting to Rs. 344,383 for alleged failure of TGL to deduct and deposit withholding tax amounting to Rs. 282,281 along with penalty and default surcharge of Rs. 33,874 and Rs. 28,228 respectively. TGL filed an appeal before the Commissioner Inland Revenue Appeals (CIRA) on January 17, 2018, who remanded the case back to ACIR for fresh consideration on January 24, 2018. The ACIR after fresh consideration again raised a demand of Rs. 344,383 on April 17, 2018 against which TGL filed another appeal with CIRA on May 28, 2018. Simultaneously, on the application by TGL, the High Court of Sindh granted stay against any recovery proceedings by the tax authorities on June 21, 2018. On June 30, 2019, TGL received another order citing similar issues regarding monitoring of withholding taxes for the Tax Year 2017 wherein a demand of Rs. 516,302 was raised.

The department has raised demand on the above matter in case of multiple IPP’s. In the leading case on this matter the department has in principle agreed to concede on taxation of entire contract in Pakistan, provided arm’s length split of the two contracts is substantiated, to ensure that appropriate profits have been attributed and taxed in Pakistan in terms of relevant clauses of Double Tax Treaty between Pakistan and the country of tax residence of the contractor. The facts in both cases in respect of contractual structure of EPC arrangements executed with the same Contractor are similar. Without prejudice to the position of TGL on the taxability of the contract, as a matter of abundant caution, a provision of Rs. 30,925 has been made in this condensed interim financial information in addition to the provision of Rs. 29,075 recognised in the previous year.

8.1.7 On May 30, 2018, the Additional Commissioner Inland Revenue issued show-cause notice to REL for the tax period from March 2016 to September 2017 and raised sales tax demand amounting to Rs 4,778 besides imposition of default surcharge and penalty. The demand primarily arose on account of inadmissibility of input tax adjustment on certain supplies and services. REL filed an appeal against the order before the Commissioner Inland Revenue (Appeals) on June 14, 2018. Simultaneously on the application by REL, the High Court of Sindh granted stay against any recovery proceedings by the tax authorities on July 19, 2018. On April 3, 2019, REL has filed an appeal with SRB for condonation of allowing input tax adjustment that was disallowed by FBR. Based on the opinion of its tax consultant, REL is confident of a favourable outcome of the appeal, and, accordingly sales tax recoverable has not been reduced by the effect of the aforementioned order.

(Amounts in thousand)

8.1.8 In prior year, the Holding Company has provided Corporate Guarantee amounting to Rs. 400,000 to Bank Al Habib Limited in respect of transfer of sub-limit of Rs. 300,000 to REL as fully explained in note 7 above. During the period, the bank has released the Corporate Guarantee of Rs. 400,000 issued by the Company in favour of Bank Al Habib Limited.

8.1.9 During the period, the Holding Company has provided Corporate Guarantee amounting to Rs. 206,000 in favour of Faysal Bank Limited against the financing facility of Reon Alpha (Private) Limited of Rs. 309,000. Further, the Company has pledged fifty one percent shares of RAPL.

8.1.10 The Group is contingently liable for bank guarantees amounting to Rs. 358,763 (December 31, 2018: Rs. 139,719) favouring Government and other parties. These have issued against mobilization advances and performance of the goods and services rendered for a tenure varying from three months to three years.

		Unaudited	Unaudited
		For the nine month ended	
		Sep 30, 2019	Sep 30, 2018
9	**REVENUE - NET**	----------------**Rupees**----------------	
	Renewable energy		
	Project revenue	**2,630,285**	372,086
	Solar lights	**-**	22
	Energy sale		84
	Alternate Energy (Wind)	**2,536,058**	1,990,700
	Others	**80**	233
		5,166,423	2,363,125
	Textile		
	Fabric	**4,212**	5,222
		5,170,635	2,368,347
	Related to discontinued operations	**(4,212)**	(5,222)
		5,166,423	2,363,125

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

	Unaudited		Unaudited	
	Quarter ended		Nine month period ended	
Continuing operations	**Sep 30, 2019**	Sep 30, 2018	**Sep 30, 2019**	Sep 30, 2018
Profit for the period (attributable to the owners of the Holding Company)	**652,940**	428,165	**1,223,616**	2,226,082
Weighted average number of ordinary shares (in thousand)	**59,058**	59,058	**59,058**	59,058
Earnings per share	**11.06**	7.25	**20.72**	37.69
Discontinued operations				
(loss) / profit for the period (attributable to the owners of the Holding Company)	**(8,526)**	8,360	**(23,209)**	94,590
Weighted average number of ordinary shares (in thousand)	**59,058**	59,058	**59,058**	59,058
(Loss) / earnings per share	**(0.14)**	0.14	**(0.39)**	1.60

(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 Holding 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 Sep 30, 2019 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
	----------Rupees----------			
Non-current assets				
Financial assets				
- at fair value through profit or loss	**9,758**	**-**	**-**	**9,758**
-fair value through other comprehensive income	**-**	**-**	**15**	**15**
	9,758	**-**	**15**	**9,773**

	As at December 31, 2018 (Audited)			
	Level 1	Level 2	Level 3	Total
	----------Rupees----------			
Non-current assets				
Financial assets				
- Available-for-sale	12,678	-	15	12,693

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

(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:

	Renewable energy		Textile - discontinued operations		Alternate Energy		Unallocated		Total	
	---Unaudited---									
	September 30,		September 30,		September 30,		September 30,		September 30,	
12.2 **Segment results**	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	---Rupees---									
Revenue	**2,630,365**	372,425	**4,212**	5,222	**2,536,058**	1,990,700	**-**	-	**5,170,635**	2,368,347
Cost of good sold	**(2,277,157)**	(311,122)	**(4,380)**	(5,629)	**(845,352)**	(687,785)	**-**	-	**(3,126,889)**	(1,004,536)
Segment gross profit / (loss)	**353,208**	61,303	**(168)**	(407)	**1,690,706**	1,302,915	**-**	-	**2,043,746**	1,363,811
Dividend income	**-**	-	**-**	-	**-**	-	**-**	466	**-**	466
Selling and distribution expenses	**(167,801)**	(132,004)	**(32)**	(55)	**-**	-	**-**	-	**(167,833)**	(132,059)
Other expenses	-	-	-	-	**(33,985)**	(18,417)	**(12,699)**	-	**(46,684)**	(18,417)
Administrative expenses	**(106,064)**	(124,965)	**(36,204)**	(38,267)	**(70,915)**	(51,842)	**(34,155)**	-	**(247,338)**	(215,074)
Other income	**2,898**	-	**13,195**	133,319	**14,176**	4,938	**11,632**	13,341	**41,901**	151,598
Share of profit of associate	**-**	-	**-**	-	**-**	-	**635,595**	2,268,202	**635,595**	2,268,202
Finance costs	**(18,127)**	-	**-**	-	**(649,006)**	(545,474)	**(65,908)**	(31,547)	**(733,041)**	(577,021)
Taxation	**-**	-	**-**	-	**-**	-	**(97,292)**	(351,680)	**(97,292)**	(351,680)
Segment (loss) / profit	**64,114**	(195,666)	**(23,209)**	94,590	**950,976**	692,120	**437,173**	1,898,782	**1,429,054**	2,489,826

12.3	**(Unaudited) Sep 30, 2019**	(Audited) December 31, 2018	**(Unaudited) Sep 30, 2019**	(Audited) December 31, 2018	**(Unaudited) Sep 30, 2019**	(Audited) December 31, 2018	**(Unaudited) Sep 30, 2019**	(Audited) December 31, 2018	**(Unaudited) Sep 30, 2019**	(Audited) December 31, 2018
	---Rupees---									
Segment assets	**1,905,972**	738,123	**46,538**	52,268	**15,356,463**	13,930,287	**10,990,648**	10,908,829	**28,299,621**	25,629,507
Segment liabilities	**1,659,000**	560,461	**34,168**	6,199	**10,207,658**	9,996,964	**2,698,519**	2,107,850	**14,599,345**	12,671,474

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** Nine month period ended **Sep 30, 2019**	**Unaudited** Nine month period ended **Sep 30, 2018**
		---Rupees---	
a. Associated companies			
Dawood Hercules Corporation Limited	Dividend income	**935,183**	389,658
	Reimbursable expenses incurred on behalf of the Company	**4,932**	11,012
	Reimbursable expenses incurred by the Company	**5,343**	-
Sach International (Private) Limited	Reimbursable expenses incurred by the Company	**269**	-
	Royalty charged by the Company	**8,822**	10,402
	Penalty charged against overdue receivables	**995**	187
	Rental Income	**450**	100
The Dawood Foundation	Reimbursable expenses by the Company	**7,392**	7,795

(Amounts in thousand)

	Engro Fertilizer Limited	Rental Income	**1,729**	1,135
		Reimbursable expenses incurred by the Company	**372**	**-**
	Fauji Fertilizer Limited	Rental Income	**-**	1,750
	Fatima Fertilizer Limited	Rental Income	**9,664**	10,273
		Reimbursable expenses incurred by the Company	**24**	-
	Engro Energy Limited	Project management fee	**-**	3,600
		Operations and maintenance expenses	**255,495**	-
		Extra work (Reimbursement)	**14,830**	-
		Reimbursable expenses incurred on behalf of the Company	**-**	10,340
	International Finance Corporation	Borrowing cost charged to the Company	**153,477**	167,578
		Repayment of loan	**286,205**	297,672
		Supervision fee	**3,316**	2,521
	Workers' welfare participation fund (WPP	Contribution to WPPF	**45,861**	-
		Default surcharge	**3,060**	-
c.	**Key management personnel**	Salaries and benefits	**39,477**	48,448
		Retirement benefit	**315**	141
d.	**Directors**	Meeting fees	**2,350**	1,950

14 DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial statements were authorized for issue on October 28, 2019 by the Board of Directors of the Holding Company.

Mujtaba Haider Khan
Chief Executive

Shabbir Hashmi
Director

Saad Faridi
Chief Financial Officer

اوائل میں تمام صنعتوں میں گیس اور بجلی کی قیمتیں مزید بڑھنا ہیں۔اس سے انڈسٹری میں کیپٹل اخراجات پر دباؤ بڑھتا ہے۔یہ ہمارے صارفین کیلئے تقسیم شدہ شمسی توانائی اور توانائی کی حالیہ لاگت کے مابین صحت مند تالثی کا باعث بنے گا۔اس سے ہماری نجی PPA پروڈکٹس کیلئے بطور کاروبار لاگت میں کٹوتی اور آپریشنل استعداد کا موافق ماحول مہیا ہوتا ہے۔

اسٹیٹ بینک کی جانب سے گرین فنانسنگ اسکیم کی مزید تین سال کیلئے قابل تجدید منصوبوں میں بہتری جاری رکھنے کیلئے ایک اہم اور مثبت پیش رفت ہے، یہ لازمی طور پر EPC اور O&M سروسز میں دلچسپی رکھنے والے صارفین کی فنڈنگ میں خلا کو پر کرنے میں معاون ثابت ہوگا۔تاہم گرین فنانسنگ کے نفاذ اور کمرشل بینکوں کو فنانسنگ کی حد کی تفویض میں تاخیر سے صارفین سے ہونے والے معاہدوں کو حتمی شکل دینے میں تاخیر ہورہی ہے، کیونکہ صارفین کسی معاہدے سے قبل بینکوں سے اجازت کے منتظر ہیں۔ریگولیٹری فرنٹ پر حکومت پاکستان نے قابل تجدید توانائی پالیسی کے جائزے کیلئے ابتدائی مسودہ متعلقہ کمپنیوں کی بھیجا ہے۔اس کا مقصد 2030 تک مجموعی صلاحیت کا 30 فیصد قابل تجدید وسائل تک بڑھانا ہے۔اس سے وفاقی حکومت کی ترجیحات میں واضح تبدیلی نظر آتی ہے، تاہم اس سے مطلوبہ نتائج کیسے حاصل ہوں گے،اس کی تفصیلات آنا ابھی باقی ہے۔ہمیں امید ہے کہ ملک میں شمسی توانائی کے بارے میں حکومت کی متوقع سپورٹ پالیسی کے پیش نظر اسے طویل المدت حیثیت حاصل ہوگی اور اس کی پیداوار اور استعمال کو مزید مستحکم اور آسان کیا جائے گا، کیونکہ اب اور 2030 کے مابین شمسی توانائی استعمال اور لاگت دونوں میں خصوصی افادیت کی حامل ہے۔

طویل المدت منصوبہ بندی میں قابل تجدید توانائی کی زیادہ شرح کا استعمال اہم کردار ادا کرے گا۔ ہمارا مشاہدہ ہے کہ 2022 تک ملک میں گیس کے استعمال سے چلنے والے پلانٹس کی جگہ شمسی توانائی اور توانائی کو ذخیرہ کرنے کا حل لے گا، جس کی وجہ شمسی توانائی کی موزوں قیمت اور مؤثر کارکردگی ہے۔

پن بجلی کا منصوبہ

پن بجلی کا شعبہ گردشی قرضوں سے بری طرح متاثر ہے اور حکومت کی جانب سے ادائیگیاں بری طرح متاثر ہیں۔یہ صورت حال ابھی جاری رہنے کا اندیشہ ہے کیونکہ حکومت مطلوبہ سرمائے میں اضافے کیلئے سکوک/بانڈز کے اجراء میں تاخیر کررہی ہے۔اور خبریں ہیں کہ IMF نے خود مختار ضمانتوں کے اجراء پر پابندی لگادی ہے۔تاہم تیسری سہ ماہی میں 430 ملین روپے موصول ہوئے ہیں تاکہ سرمایہ کاروں کی ادائیگیوں کو ممکن بنایا جاسکے۔ NPMV کے تخمینہ کے طریقہ کار، جس پر کمپنی کا CPPA سے تشریح کا اختلاف تھا، طے پاگیا ہے اور آپریشن کے طریقہ کار پر دستخط ہوگئے ہیں۔

جھمپیر میں موجود ونڈ پلانٹ کو شدید تخفیف کا سامنا ہے کیونکہ جکھو کول پاور پلانٹ اور بن قاسم پلانٹ کی کمیشننگ کی تاریخ سے 500 KV ٹرانسمیشن سسٹم پوری صلاحیت کے مطابق کام کررہا ہے۔NTDC اور CPPA نے واضح کیا ہے کہ کول اور ایل این جی منصوبوں سے توانائی کا اخراج اولین ترجیح ہوگی، جبکہ ونڈ پاور کو لازمی طور پر طویل عرصے تک چلایا جائے گا۔اس وقت ٹی جی ایل پر کوئی اثر نہیں ہوگا کیونکہ یہ کے الیکٹرک کو توانائی فراہم کررہا ہے۔ونڈ ایسوسی ایشن متعلقہ وزارت سے رابطے میں ہے اور توانائی کی فراہمی کی ترجیحی فہرست میں تبدیلی کیلئے کوشاں ہے۔

ٹیرف بڈنگ کا طریقہ کار تا حال ارتقائی مراحل میں ہے اور یہ ڈویلپرز کیلئے تشویش کا باعث ہے۔یہ طریقہ کار واضح ہو جائے گا اگر ایک مرتبہ قابل تجدید توانائی کی پالیسی جاری کردی جائے۔قابل تجدید توانائی پالیسی کے اجراء کی تاریخ ابھی تک غیر یقینی ہے کیونکہ صوبوں کو ڈرافٹ قبول نہیں ہے۔حکومت نے ونڈ۔سولر ہائبرڈ انسٹالیشن کے بارے میں اب تک 7 مرتبہ یادداشت کے خطوط جاری کئے ہیں۔دستیاب ٹیرف کے بارے میں کوئی وضاحت نہیں ہے اسی لئے یہ عمل متاثر ہورہا ہے۔

شاہد حامد پراچہ	مجتبیٰ حیدر خان
چیئرمین	چیف ایگزیکٹو آفیسر
	کراچی، 28 اکتوبر 2019

بات قابل ذکر ہے کہ ہوا کی رفتار 2017 سے 8.1 میٹر فی سیکنڈ سے کم ہو کر اس سال کی تیسری سہ ماہی میں 7.2 میٹر فی سیکنڈ تک آ گئی ہے۔

مالی اشاریے

کمپنی کے غیر مجموعی مالی اشاریے مندرجہ ذیل ہیں:

	30 ستمبر 2019 کو نوماہی اختتامیہ	30 ستمبر 2018 کو نوماہی اختتامیہ
	روپے (ہزار میں)	
آمدنی	5,009	3,352
آمدنی کی لاگت	(2,392)	(3,108)
مجموعی منافع	2,617	244
دیگر آمدنی	70,549	27,199
ڈیویڈنڈ سے آمدنی	935,493	390,125
جاری آپریشنز سے قبل از ٹیکس منافع	894,122	356,809
بند آپریشنز سے (نقصان/منافع)	(23,209)	94,590
محصولات	(143,664)	(60,881)
بعد از محصولات منافع	750,458	295,928
گذشتہ حسابات سے موصولہ غیر مختص منافع	2,283,583	1,896,879
آئندہ حسابات کو منتقلہ غیر مختص منافع	2,366,973	2,228,339
آمدنی فی حصص - بنیادی اور مجموعی (روپے)	12.31	6.61

30 ستمبر 2019 کو ختم ہونے والی نو ماہی مدت کے دوران ایسوسی ایٹ - داؤد ہرکولیس کارپوریشن لمیٹڈ سے ڈیویڈنڈ آمدنی 30 ستمبر 2018 کو ختم ہونے والی اسی مدت کے دوران 390.13 ملین روپے کے مقابلے میں 935.49 روپے رہی۔

اس مدت کے دوران مجموعی تقابلی مدت کی آمدنی 2,363.12 ملین روپے کی نسبت 5,166.42 ملین روپے رہی۔ یہ اضافہ بنیادی طور پر قابل تجدید توانائی منصوبوں کی آمدنی میں 2,801.15 ملین روپے اضافے کے باعث ہوا۔ ایسوسی ایٹ کے شیئر کے منافع 635.59 ملین روپے (30 ستمبر 2018: 2,268.20 ملین روپے) کے پیش نظر نوماہی مجموعی منافع بعد از محصولات، گذشتہ سال کی اسی مدت کے دوران ہونے والے منافع 2,489.83 ملین روپے کے مقابلے میں 1,429.05 ملین روپے رہا۔ ہولڈنگ کمپنی کے مالکان کی نسبت فی حصص مجموعی آمدنی، گذشتہ سال کی اسی مدت کے دوران ہونے والی فی حصص مجموعی آمدنی 39.29 روپے کے مقابلے میں 20.33 روپے فی حصص رہی۔

مستقبل کا جائزہ

قابل تجدید توانائی کا کاروبار

زیادہ شرح سود اور طلب میں کمی کی وجہ سے مستقبل میں عمومی کاروباری ماحول پر منفی اثرات مرتب رہیں گے۔ IMF کی جانب سے جاری کی گئی دستاویزات کے مطابق 2020 کے

داؤد لارنس پور لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

برائے اختتام نوماہ 30 ستمبر 2019

ڈائریکٹرز مسرت کے ساتھ 30 ستمبر 2019 کو ختم ہونے والے نوماہ کیلئے اپنی رپورٹ مع کمپنی کے عبوری، غیر آڈٹ شدہ، مجموعی مالی حسابات کا خلاصہ اور گروپ کے عبوری، غیر آڈٹ شدہ مجموعی مالی حسابات پیش کرتے ہیں۔

کاروباری جائزہ

قابل تجدید توانائی کا کاروبار

جیسا کہ سال کے شروع میں پیش گوئی کر دی گئی تھی کہ 2019 کے ابتدائی نوماہ کا کاروباری ماحول غیر یقینی صورتحال کا شکار رہے گا۔ مجموعی طور پر تین سہ ماہیوں کی مدت کے دوران توانائی کی قیمتوں میں اضافہ ہو رہا ہے۔ تمام کسٹمرز کیلئے پاور ٹیرف کی مد میں 3 روپے فی یونٹ تک اضافے اور وزیر اعظم کی جانب سے دی گئی رعایت کے خاتمے سے ہوا۔ گیس صارفین کے ٹیرف میں بھی اوسطاً 30 فیصد اضافہ دیکھنے کو ملا۔ کیپٹیو پاور پر زیر وریٹنگ کی حامل کمپنیوں سمیت کوئی بھی اس رُجحان سے محفوظ نہیں، ان کی توانائی کی لاگت بھی گرڈ پیریٹی تک بڑھا دی گئی ہے، حالانکہ ان کمپنیوں نے خاصے عرصے تک اس سہولت سے فائدہ اٹھایا ہے۔ اس کے برعکس توانائی کی بڑھتی ہوئی قیمتوں سے یقینی طور پر REON کے کاروبار کیلئے خاصا موافق ماحول بن گیا ہے کیونکہ توانائی کے میدان میں حالیہ اضافے کے پیش نظر سولر پی وی کا استعمال ہی مناسب ہے۔ اس سیکٹر میں ہونے والی ایک اور مثبت پیش رفت یہ ہے کہ اسٹیٹ بینک کے اہم ترین منصوبے گرین فنانسنگ اسکیم کی معمولی ردوبدل کے بعد مزید تین سال کیلئے تجدید کر دی گئی ہے۔ اس سے اس عرصے کے دوران تقسیم کئے گئے قابل تجدید منصوبوں میں بہتری جاری رہنے کی امید ہے۔

2019 کی تیسری سہ ماہی میں آرڈرز لینے میں سست روی کا سامنا رہا جس کی وجہ اسٹیٹ بینک کے گرین فنانسنگ منصوبے کا نفاذ اور بعد ازاں حد کی تفویض میں تاخیر ہے۔ اس سے کئی ایسے معاہدے جو تکمیل کے قریب ہیں، مکمل نہ ہو سکے، تاہم REON نے مجموعی طور پر تقریباً 201 میگاواٹ کے منصوبوں کو حتمی شکل دے دی۔

ٹیلی کام میں بھی ہمارا کام ترقی کی جانب گامزن ہے، 2019 کی تیسری سہ ماہی میں ہم نے انفراشیئر کے ساتھ BTS کی 50 سائٹس کا معاہدہ کیا ہے۔ اس کے علاوہ ہمیں جاز کی مختلف سائٹس کیلئے 3000 بیٹریوں کی خریداری اور تنصیب کا آرڈر ملا ہے۔ ہمیں ٹوٹل پارکو کے 15 پٹرول اسٹیشنز کو شمسی توانائی پر لانے کا آرڈر بھی ملا ہے۔ مزید برآں REON کا کاروبار بقیہ سال میں ریونیو میں مزید اضافے کے ساتھ بہتر ہونے کی امید ہے۔

پن بجلی کا منصوبہ

تینا گاجیر اسی لمیٹڈ کا پن بجلی کا منصوبہ اطمینان بخش انداز میں کام کر رہا ہے اور دستیابی اور BOP کے نقصان کے سلسلے میں ممکنہ اہداف کی تکمیل کر لے گا۔ صحت، تحفظ اور ماحول اس دوران اولین ترجیح رہا اور COD سے اب تک 335,684 سیف مین آورز ریکارڈ کئے گئے، جبکہ ملازمین کے زخمی ہونے کی شرح اور TRIR صفر رہی۔ پلانٹ محفوظ انداز میں بغیر کسی ملازم کے زخمی ہوئے 1097 دن سے کام کر رہا ہے۔

220KV لائن کی تنصیب کے بعد پلانٹ کی بندش کے عمل میں نمایاں کمی واقع ہوئی ہے، اپریل اور جون کے مہینوں میں کوئی بندش یا تخفیف عمل میں نہیں آئی۔ پلانٹ داؤد ہائیڈ روچائنا اور زیفائر کے ہمراہ کے الیکٹرک کو بجلی فراہم کر رہا ہے جبکہ یہ NTDC نیٹ ورک سے بھی منسلک ہے۔

حالیہ سہ ماہی کے دوران ہوا کی اوسط رفتار 7.2 میٹر فی سیکنڈ رہی جو کہ P90 کی رفتار یعنی 7.38 میٹر فی سیکنڈ سے کم تھی۔ جولائی 2019 کے مہینے میں ہوا P75 لیول پر تھی۔ یہاں یہ

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	
Title of Bank Account	**Details 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, **Central Depository Company of Pakistan 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. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block "B", S.M.C.H.S., Main Shahra-e-Faisal, Karachi.

Electronic Transmission Consent Form

Pursuant to the directions given by the Securities & Exchange Commission of Pakistan through its SRO 787(I)/2014 of September 8, 2014, I Mr. / Ms.________________________________ S/o, D/o, W/o ____ hereby consent to have the Dawood Lawrencepur Limited Audited Financial Statements and Notice of Annual General Meeting delivered to me via email on my email address provided below:

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

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

Dear Shareholder,

REQUEST FORM FOR HARD COPY OF ANNUAL AUDITED ACCOUNTS

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

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

Date: ________________

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

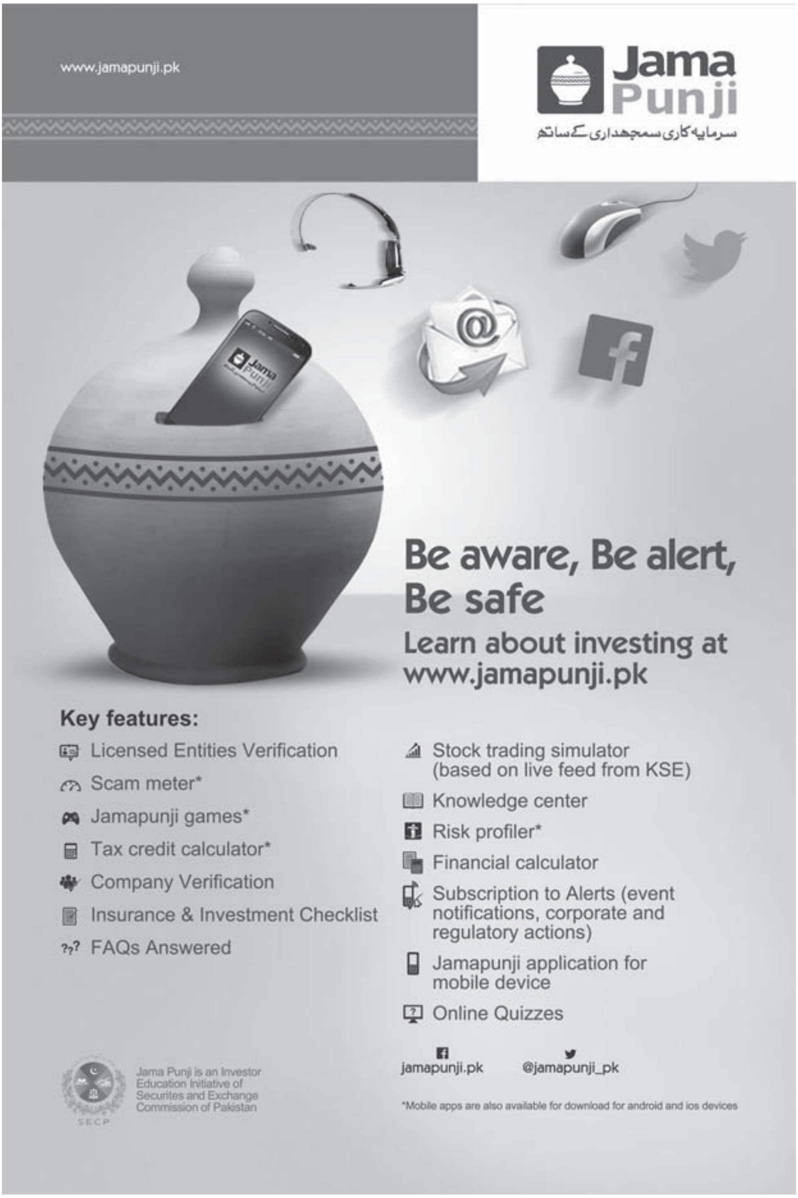
Folio /CDC A/c No.	
Postal Address:	
Email Address:	
Contact No:	
CNIC No.	
Signature	

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

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B", S.M.C.H.S
Main Shahra-e-Faisal, Karachi, Pakistan
Tel: +92 (21) 111-111-500
Website: http://cdcpakistan.com

Dawood Lawrencepur Limited
Dawood Centre, M.T. Khan Road
Karachi -75530, Pakistan
Tel: +92 (21) 35632200
Email: info.reon@dawoodhercules.com
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.


www.jamapunji.pk
Jama Punji
سرمایہ کاری سمجھداری کے ساتھ
Be aware, Be alert, Be safe
Learn about investing at www.jamapunji.pk
Key features:
Licensed Entities Verification
Scam meter*
Jamapunji games*
Tax credit calculator*
Company Verification
Insurance & Investment Checklist
FAQs Answered
Stock trading simulator (based on live feed from KSE)
Knowledge center
Risk profiler*
Financial calculator
Subscription to Alerts (event notifications, corporate and regulatory actions)
Jamapunji application for mobile device
Online Quizzes
jamapunji.pk
@jamapunji_pk
Jama Punji is an Investor Education Initiative of Securites and Exchange Commission of Pakistan
SECP
*Mobile apps are also available for download for android and ios devices

Dawood
Lawrencepur
Limited

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