



Dawood
Lawrencepur
Limited

PEOPLE. POWER. PROSPERITY.

Quarterly Report
September 30, 2022

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Our Vision

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

Our Mission

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

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

Company Information

Board of Directors

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

Board Audit Committee

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

Human Resource and Remuneration Committee

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

Board Transaction Committee

- Mr. Shafiq Ahmed
- Mr. Zamin Zaidi

Chief Financial Officer

- Ms. Nazia Hasan

Company Secretary

- Mr. Imran Chagani

Head of Internal Audit

- Mr. Amjad Ali

Auditors

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

Bankers

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

Legal Advisor

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

Share Registrar

- Central Depository Company of Pakistan Ltd.
CDC House, 99-B, Block B, S.M.C.H.S
Main Shahra-e-Faisal
Karachi-74400
Tel.: 021-1 11-111-500

Registered / Head Office

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

Lahore Office

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

Mills

- Dawoodabad
Railway Station Road and
Luddan Road, Chak 439, E.B, Tehsil
Burewala, District Vehari.
Tel.: 067- 3353347, 3353 145, 3353246
Fax: 067- 3354679

DawoodPur

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

DAWOOD LAWRENCEPUR LIMITED
DIRECTORS' REVIEW REPORT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

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

BUSINESS REVIEW

Renewable Energy Business

The renewable energy business maintained a forward trajectory in 9 months as the Company clocked in its highest-ever top line during the year. In terms of order intake, the third quarter remained robust as REL secured 22MW of EPC projects of prestigious clients. The telco segment also continued to witness strong growth in terms of margins and delivered sites in addition to expanding the overall portfolio of product offerings.

While realized margins observed stress owing to a challenging global and local economic situation, continued growth and diversification in topline provided the necessary cushion to withstand external headwinds. Going forward, the gradual easing of pressure on the external front and relative stability in our economy is expected to translate into a return of confidence in key economic sectors. Energy prices are expected to continue trending upward in the short-to-medium term so renewable energy remains a preferred alternative for our customers, as duly encouraged by favorable policies including the renewal of the concessional financing scheme for the renewable energy segment.

Wind Energy Project

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

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

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

FINANCIAL HIGHLIGHTS

The unconsolidated financial highlights of the Company are as under:

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

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

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

FUTURE OUTLOOK

Renewable Energy Business

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

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

On the local front, the Government of Pakistan has announced their ambition to procure 10GW of Solar PV through a competitive bidding process to help mitigate the burgeoning current account deficit attributable to fuel imports. At the same time, conventional power tariffs have been on an increasing trend, especially in light of IMF requirements, which is likely to encourage commercial and industrial customers to look for alternative sources of power. Renewable energy will remain a competitive and viable option for such a substitution. There is, therefore, an enabling local environment for large industrial users of power to allocate more of their energy mix to renewable energy which will boost their competitiveness and brand perception as they transition towards environmentally friendly power. Under all prevailing scenarios we are forecasting significant growth in the demand for our products and services in core markets.

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

Finally, continuity and policy stability will remain critical factors in enabling the country's economic growth prospects. There is a need to incentivize growth across a broader front and the Government is well advised to dig deep to find solutions.

Wind Energy Project

The wind power sector is still facing the impact of circular debt; receivables are soaring with outstanding payments at the 6-month level which is expected to continue as the power purchaser faces acute cash shortages. The likelihood of a lump sum payment is low as negotiations between the key stakeholders on the MoU have still not concluded. CPPA is managing cashflows and ensuring that obligatory payments, including those for debt and tax, are made on priority. It is pertinent to mention that they are strained as payments have to be made on the baseload for thermal plants, which have increased.

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

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

MUJTABA HAIDER KHAN
Chief Executive Officer

RUHAIL MUHAMMAD
Director

Karachi, October 28, 2022

داؤڈلارنس پور لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

برائے اختتام نو ماہ مورخہ ۳۰ ستمبر ۲۰۲۲

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

کاروباری جائزہ

قابل تجدید توانائی کا کاروبار

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

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

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

ہوا کی توانائی (Wind Energy) کے پروجیکٹ

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

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

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

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

مالیاتی صورت حال

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

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

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

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

مستقبل کا خاکہ

قابل تجدید توانائی کا کاروبار

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

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

جہاں تک اندرون ملک کا تعلق ہے تو حکومت پاکستان نے مسابقتی بڑھکے کے ذریعے 10GW کے سولر PV کے حصول کا ارادہ ظاہر کیا ہے تاکہ ایندھن کی درآمد کے سبب بڑھنے والے جاری کھاتے کے خسارے میں کمی لائی جاسکے۔ ساتھ ساتھ رواپتی بجلی کے ٹریف میں، خاص طور سے آئی ایم ایف کی شرط کی روشنی میں بلندی کا رجحان جاری ہے۔ اس سے امکان ہے کہ کمرشل اور صنعتی گاہک بجلی کے حصول کے متبادل ذرائع کی جانب دیکھنے لگیں گے۔ ایسے متبادل کے لئے قابل تجدید توانائی کی قیمتیں مسابقتی اور قابل عمل انتخاب رہے گی۔ چنانچہ اندرون ملک بجلی کے بڑے صنعتی استعمال کنندہ کو توانائی کے ذرائع میں قابل تجدید توانائی کا حصہ بڑھانے کی ترغیب کا ماحول موجود ہے جو ماحول دوست بجلی پر منتقل ہونے کی صورت میں ان کی مسابقتی اہلیت اور براؤڈ کے بارے میں رائے قائم کرنے کی صلاحیت میں اضافہ کرے گا۔ تمام تر موجودہ مظہر نامے اشارہ کرتے ہیں کہ اہم مارکیٹوں میں ہماری مصنوعات اور خدمات کی طلب میں قابل ذکر اضافہ ہونے کے امکانات موجود ہیں۔

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

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

ہوا کی توانائی (Wind Energy) کا منصوبہ

ہوا کی توانائی (Wind Energy) سیکٹر کو سرگرم ڈیٹ کے بھرپور اثرات کا حامل سامنا ہے اور واجب الادا ادا کنندگیوں کا 6 ماہ کی سطح تک پہنچ چکی ہیں جس کے جاری رہنے کا احتمال ہے کیوں کہ بجلی کے خریدار کو نقدی کی شدید کمی کا سامنا ہے۔ لم سم رقم کی ادا کنندگی کا دور دورہ تک امکان نہیں کیونکہ سمجھوتے کی یادداشت (MoU) پر اہم اسٹیٹ ہولڈروں کے درمیان مذاکرات کسی نتیجے پر نہیں پہنچ سکے ہیں۔ CPPA نقدی کے بہاؤ کا انتظام کر رہی ہے اور یقینی بن رہی ہے کہ قرضوں اور گیس سمیت لازمی ادا کنندگیوں پر توجہ دینا ضروری ہے۔ یہاں یہ کہنا برہم ہوگا کہ ان ادا کنندگیوں کا امکان کم ہے کیوں کہ قرضوں کی پابندی کیلئے بین الاقوامی ادا کنندگیوں کی جاتی ہیں جن میں اضافہ ہو چکا ہے۔

توانائی کی لاگت میں کمی لانے کی سر توڑ کوششیں ہو رہی ہیں لیکن اس معاملے میں حالیہ سہ ماہی کے دوران بہت کم پیش رفت دیکھنے میں آئی ہے کیوں کہ حکومت پاکستان دیگر فوری نوعیت کے ایجنڈوں کے ساتھ ساتھ DFIC کی جانب سے تجویز پر، جو تین آئی پی بی نے حکومت پاکستان کے پاس جمع کروائی تھیں مذاکرات ابھی جاری ہیں اور اشارے ملے ہیں کہ اس تجویز میں مزید تبدیلیاں کرنے یا آئی پی بی کی جانب سے مزید رعایتیں دینے پر ہی مذاکرات انجام کو پہنچیں گے۔

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

روحیل محمد
ڈائریکٹر

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

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

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

(Amounts in thousand)

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

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

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

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

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

(Amounts in thousand)

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

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

(Amounts in thousands)

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

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

(Amounts in thousand)

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

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

Chief Executive Officer

Director

Chief Financial Officer

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

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

- 1.1 Dawood Lawrencepur Limited (the Company) was incorporated in Pakistan in the year 2004 as a public listed company. It was formed as a result of a Scheme of Arrangement for Amalgamation in terms of the provisions of the (now repealed) Companies Ordinance, 1984 between Dawood Cotton Mills Limited (DCM), Dilon Limited (DL), Burewala Textile Mills Limited (BTM) and Lawrencepur Woollen and Textile Mills Limited (LWTM). The shares of the Company are listed on the Pakistan Stock Exchange Limited. The Company manages investment in its subsidiaries and associated companies and is engaged in the business of trading and marketing of renewable energy solutions, mainly solar, to commercial and industrial consumers, along with the legacy textile business.

The business units of the Company include the following:

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

- 1.2 In prior years, the Company suspended operations of LWTM, BTM, DL and DCM. Land, building, plant and machinery and related assets of DL and DCM were disposed off. Furthermore, plant and machinery and related assets of LWTM and BTM were also disposed off in prior periods. Currently, the Company does not have any industrial unit in production.
- 1.3 The Company continues to operate the 'Lawrencepur' brand name under a license.
- 1.4 These unconsolidated condensed interim financial statements represent the standalone financial statements of the Company in which investment in subsidiaries (as detailed in note 4) have been stated at cost less accumulated impairment losses, if any. The consolidated condensed interim financial statements of the Company and its subsidiaries have been presented separately.

2. BASIS OF PREPARATION

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

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

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

(Amounts in thousand)

- 2.2 The cumulative figures for the nine months ended September 30, 2022 presented in these unconsolidated condensed interim financial statements are unaudited and is being submitted to shareholders as required under section 237 of the Companies Act, 2017. These unconsolidated condensed interim financial statements do not include all the information required for annual financial statements and should, therefore, be read in conjunction with the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2021.

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

- 3.1 The accounting policies and the methods of computation adopted in the preparation of this unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2021.

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

- 3.2 The preparation of these unconsolidated condensed interim financial statements in conformity with the approved accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of accounting policies of the Company. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future years if the revision affects both current and future periods.

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

- 3.3 There were certain amendments to accounting and reporting standards which were mandatory for the Company's annual accounting period which began on January 1, 2022. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these unconsolidated condensed interim financial statements.
- 3.4 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss of the Company.

4. LONG TERM INVESTMENTS

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

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

| | |
|-----------|-----------|
| 3,519,102 | 3,519,102 |
| (93,897) | (63,749) |
| 3,425,205 | 3,455,353 |

Other investments

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

| | |
|-----------|-----------|
| 11,988 | 13,892 |
| 15 | 15 |
| 12,003 | 13,907 |
| 3,437,208 | 3,469,260 |

(Amounts in thousand)

| | Unaudited September 30, 2022 | Audited December 31, 2021 |
|--|------------------------------------|---------------------------------|
| | -----Rupees----- | |
| 4.1 Investment in related parties - at cost | | |
| <i>Subsidiary - unquoted</i> | | |
| Tenaga Generasi Limited (TGL) Percentage holding 75% (December 31, 2021: 75%) 227,027,613 (December 31, 2021: 227,027,613) fully paid ordinary shares of Rs. 10 each | 2,294,804 | 2,294,804 |
| <i>Wholly owned subsidiaries - unquoted</i> | | |
| Reon Energy Limited (REL) Percentage holding 100% (December 31, 2021: 100%) 102,600,000 (December 31, 2021: 102,600,000) fully paid ordinary shares of Rs. 10 each | 1,026,000 | 1,026,000 |
| Reon Alpha (Private) Limited (RAPL) Percentage holding 100% (December 31, 2021: 100%) 13,300,100 (December 31, 2021: 13,300,100) fully paid ordinary shares of Rs. 10 each | 133,001 | 133,001 |
| Mozart (Private) Limited (MPL) Percentage holding 100% (December 31, 2021: 100%) 100 (December 31, 2021: 100) fully paid ordinary shares of Rs. 10/- each | 1 | 1 |
| Greengo (Private) Limited (GPL) Percentage holding 100% (December 31, 2021: 100%) 100 (December 31, 2021: 100) fully paid ordinary shares of Rs. 10/- each | 1 | 1 |
| Abrax (Private) Limited (APL) Percentage holding 100% (December 31, 2021: 100%) 100 (December 31, 2021: 100) fully paid ordinary shares of Rs. 10/- each | 1 | 1 |
| | <u>3,453,808</u> | <u>3,453,808</u> |
| <i>Associate - quoted</i> | | |
| Dawood Hercules Corporation Limited (DHCL) Percentage holding 16.19% (December 31, 2021: 16.19%) 77,931,896 (December 31, 2021: 77,931,896) fully paid ordinary shares of Rs. 10/- each Market value Rs. 7,059,850 (December 31, 2021: Rs. 7,444,055) | 65,294 | 65,294 |
| | <u>3,519,102</u> | <u>3,519,102</u> |

(Amounts in thousand)

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

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

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

| Bank | Shares pledged | Unaudited As at September 30, 2022 | | | Audited As at December 31, 2021 | | |
|--|-------------------------------------|---------------------------------------|------------------------------------|--------------------------------------|------------------------------------|------------------------------------|--------------------------------------|
| | | Number of shares pledged | Face value of shares pledged | Market value of pledged shares | Number of shares pledged | Face value of shares pledged | Market value of pledged shares |
| | | -----Rupees----- | | | -----Rupees----- | | |
| Pledged against short-term financing and other facilities availed by the Company and its subsidiaries | | | | | | | |
| Standard Chartered Bank (Pakistan) Limited (note 4.1.3) | Dawood Hercules Corporation | - | - | - | 20,459,737 | 204,597 | 1,954,314 |
| Bank AL Habib Limited (note 10.1) | Habib Bank Limited | 10,200,000 | 102,000 | 924,018 | 10,200,000 | 102,000 | 974,304 |
| Habib Bank Limited | Limited (DHCL) | 28,350,000 | 283,500 | 2,568,227 | | | |
| MCB Bank Limited (note 4.1.3) | | 210,000 | 2,100 | 19,024 | 5,910,000 | 59,100 | 564,523 |
| Pledged under Musharka Agreement entered into between RAPL and FBL | | | | | | | |
| Faysal Bank Limited (FBL) | Reon Alpha (Private) Limited (RAPL) | 5,300,000 | 53,000 | -* | 5,300,000 | 53,000 | -* |
| Pledged under Sponsor Share Agreement | | | | | | | |
| Citibank N.A. | Tenaga Generasi Limited | 34,599,995 | 346,000 | -* | 34,599,995 | 346,000 | -* |

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

- 4.1.3 During the period, 28.35 million shares have been pledged on account of an arrangement of Stand-by-Letter of Credit (SBLC) in favor of TGL with Habib Bank Limited, while 20.46 million shares were released from Standard Chartered Bank (Pakistan) Limited as the Stand-by-Letter of Credit (SBLC) has retired. Further, 5.7 million shares have been released from MCB Bank resulting in reduction of drawing power against Running Finance facility.

(Amounts in thousand)

4.2 Other investments

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

5. LOANS TO SUBSIDIARIES - UNSECURED

Subordinated loans to subsidiary companies:

| | | |
|--------------------------------------|----------------|----------------|
| - Tenaga Generasi Limited (note 5.1) | 437,000 | 437,000 |
| - Reon Energy Limited (note 5.2) | - | 300,000 |
| - Abrax (Private) Limited | 619 | 518 |
| - Mozart (Private) Limited | 587 | 487 |
| - Greengo (Private) Limited | 620 | 520 |
| | <u>438,826</u> | <u>738,525</u> |

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

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

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

(Amounts in thousand)

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

(Amounts in thousand)

9. SHARE CAPITAL

Authorized capital

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

Issued, subscribed and paid-up capital

| September 30 2022 | December 31 2021 | | Unaudited September 30 2022 | Audited December 31 2021 |
|----------------------------|---------------------|---|-----------------------------------|--------------------------------|
| -----Number of shares----- | | | -----Rupees----- | |
| 2,204,002 | 2,204,002 | Ordinary shares of Rs. 10 each full paid in cash | 22,040 | 22,040 |
| 12,805,118 | 12,805,118 | Issued for consideration other than cash | 128,051 | 128,051 |
| 44,048,739 | 44,048,739 | Fully paid as bonus | 440,487 | 440,487 |
| 130,520 | 130,520 | Issued as right shares as per the Court Order | 1,305 | 1,305 |
| 111,430 | 111,430 | Issued as bonus shares as per the Court Order | 1,115 | 1,115 |
| <u>59,299,809</u> | <u>59,299,809</u> | | <u>592,998</u> | <u>592,998</u> |

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

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

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

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

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

10. SHORT-TERM BORROWINGS

| | | |
|--|---------------|----------------|
| Running finance under mark-up arrangement (note 10.1) | <u>91,707</u> | <u>646,587</u> |
|--|---------------|----------------|

(Amounts in thousand)

- 10.1 This denotes short-term running finance facility aggregating to Rs.1,500,000 (December 31, 2021: Rs 1,500,000) obtained under mark-up arrangement from various commercial banks. As at September 30, 2022, the Company has utilised the facility against running finance facility to the extent of Rs. 91,707 (December 31, 2021: Rs. 646,587) and has issued guarantees to the extent of Rs. 38,169 (December 31, 2021: Rs. 35,968). Furthermore, out of the aforementioned facility, the Company has negotiated sub-limits for financing the operations of REL amounting to Rs. 600,000. This facility is secured by way of a first pari passu mortgage charge on immovable property (including land and building), current assets, and pledge over the Company's investments in related party (note 4.1.3). Rate of mark-up applicable on this facility is three month KIBOR plus 100 basis points (December 31, 2021: one month to three months KIBOR plus 100 basis points).

11. CONTINGENCIES AND COMMITMENTS

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

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

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

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

11.1.2 Assessment of annual tax return (Tax year 2017)

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

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

(Amounts in thousand)

11.1.3 Sales tax audit (Tax Year 2017)

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

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

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

11.1.5 Guarantees issued in respect of subsidiaries

Tenaga Generasi Limited

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

Reon Energy Limited

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

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

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

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

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

(Amounts in thousand)

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

- 15.1 This amount represents Rs. 22,067 for the period and Rs. 24,980 for prior period provision made by the Company in accordance with the section 4C, 'Super Tax' on high earning persons' introduced in the Income Tax Ordinance, 2001 (the Ordinance) through Finance Act, 2022 (the Act), whereby a super tax at four percent has been levied on income exceeding Rs. 300 million for the year ended December 31, 2021 (tax year 2022) and onwards.

(Amounts in thousand)

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

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

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

17. CASH AND CASH EQUIVALENTS

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

18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

18.1 Financial risk factors

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

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

18.2 Fair value estimation

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

(Amounts in thousand)

The Company held the following assets measured at fair values:

| As at September 30, 2022 | | | |
|--|----------------|----------------|--------------|
| Level 1 | Level 2 | Level 3 | Total |
| -----Rupees----- | | | |
| Non-current assets | | | |
| <i>Financial assets at fair value through profit or loss</i> | | | |
| - Long-term investments (investments in units of mutual funds) | | | |
| - | 11,988 | - | 11,988 |
| <i>Financial assets at fair value through other comprehensive income</i> | | | |
| - Long-term investments (investments in unquoted equity shares) | | | |
| - | - | 15 | 15 |
| - | 11,988 | 15 | 12,003 |

| Audited | | | |
|--|----------------|----------------|--------------|
| As at December 31, 2021 | | | |
| Level 1 | Level 2 | Level 3 | Total |
| -----Rupees----- | | | |
| Non-current assets | | | |
| <i>Financial assets at fair value through profit or loss</i> | | | |
| - Long-term investments (investments in units of mutual funds) | | | |
| - | 13,892 | - | 13,892 |
| <i>Financial assets at fair value through other comprehensive income</i> | | | |
| - Long-term investments (investments in unquoted equity shares) | | | |
| - | - | 15 | 15 |
| - | 13,892 | 15 | 13,907 |

18.3 Valuation techniques used to determine fair values

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

18.4 Fair value of financial assets and liabilities

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

19. SEGMENT REPORTING

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

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

(Amounts in thousand)

19.1 Segment results

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

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

| | Renewable energy | | Textile - discontinued operations | | Other Operations | | Total | |
|---------------------|------------------------------|---------------------------|-----------------------------------|---------------------------|------------------------------|---------------------------|------------------------------|---------------------------|
| | Unaudited September 30, 2022 | Audited December 31, 2021 | Unaudited September 30, 2022 | Audited December 31, 2021 | Unaudited September 30, 2022 | Audited December 31, 2021 | Unaudited September 30, 2022 | Audited December 31, 2021 |
| | -----Rupees----- | | | | | | | |
| Segment assets | 26,250 | 23,373 | 29,692 | 36,048 | 4,497,056 | 4,680,400 | 4,552,998 | 4,739,821 |
| Segment liabilities | (1,292) | 15,478 | 2,894 | 16,921 | 278,150 | 779,949 | 279,752 | 812,348 |

20. RELATED PARTY TRANSACTIONS AND BALANCES

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

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

(Amounts in thousand)

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

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

21. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

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

(Amounts in thousand)

22. CORRESPONDING FIGURES

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

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

23. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on October 28, 2022 by the Board of Directors of the Company.

24. GENERAL

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

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

(Amounts in thousand)

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

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

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

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

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

(Amounts in thousand)

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

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

(Amounts in thousand)

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

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

(Amounts in thousand)

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

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

Dawood Lawrencepur Limited (the Holding Company) was incorporated in Pakistan in the year 2004 as a public listed company. It was formed as a result of a Scheme of Arrangement for Amalgamation in terms of the provisions of the (now repealed) Companies Ordinance, 1984 between Dawood Cotton Mills Limited (DCM), Dilon Limited (DL), Burewala Textile Mills Limited (BTM) and Lawrencepur Woolen and Textile Mills Limited (LWTM). The shares of the Holding Company are listed on the Pakistan Stock Exchange Limited (PSX). The Holding Company manages investment in its subsidiaries and associated companies and is currently engaged in the business of alternate energy, engineering, procurement, construction, trading and marketing of renewable energy solutions, mainly solar, to commercial and industrial consumers, along with the legacy textile business.

The business units of the Holding Company include the following:

| Business Unit | Geographical Location |
|---|--|
| Head Offices (registered offices) | |
| The Holding Company | 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi. |
| Abrax (Private) Limited | 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi. |
| GreenGo (Private) Limited | 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi. |
| Mozart (Private) Limited | 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi. |
| Reon Alpha (Private) Limited | 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi. |
| Reon Energy Limited | 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi. |
| Tenaga Generasi Limited | 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi. |
| Factories of the Holding Company | |
| BTM Factory | Dawoodabad, Railway Station Road and Luddan Road Chak 439, E.B, Tehsil Burewala, District Vehari. |
| LWTM Factory | G.T. Road, Faqirabad, District Attock. |
| Regional offices of Reon Energy Limited | |
| Sales Office I | 2nd floor, COLABS building 50-N, Gurumangat Road, Gulberg |
| Sales Office II | 4th floor One Expressway Plaza, Gulberg Green Enterchange, |
| Solar and Wind Power Plant of subsidiary companies / indirect subsidiaries | |
| Solar Power Plant of Reon Alpha (Private) Limited | Block II, District Tharparkar, Sindh. |
| Solar Power Plant of Grid Edge (Private) Limited | Procter and Gamble's facility, Bin Qasim Town, Karachi. |
| Wind Farm of Tenaga Generasi Limited | KhutiKun Area, Mirpur Sakro, District Thatta, Sindh. |

In prior years, the Holding Company suspended operations of LWTM, BTM, DL and DCM. Land, building, plant and machinery and related assets of DL and DCM were disposed off. Further, plant and machinery and related assets of LWTM and BTM were also disposed off in the prior period. Currently, the Holding Company does not have any industrial unit in production.

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

(Amounts in thousand)

The "Group" consists of:

The Holding Company: Dawood Lawrencepur Limited;

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

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

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

Reon Energy Limited

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

Tenaga Generasi Limited

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

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

Mozart (Private) Limited

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

Abrax (Private) Limited

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

Greengo (Private) Limited

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

Reon Alpha (Private) Limited

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

Associated company

The Holding Company also holds investments in Dawood Hercules Corporation Limited (DHCL, an associate) the details of which have been provided in note 5.1.

(Amounts in thousand)

2. BASIS OF PREPARATION

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

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

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

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

The accounting policies and the methods of computation adopted in the preparation of this consolidated condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Holding Company for the year ended December 31, 2021.

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

The preparation of this consolidated condensed interim financial information in conformity with the approved accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of accounting policies of the Holding Company. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future years if the revision affects both current and future periods.

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

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

4. BASIS OF CONSOLIDATION

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

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

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

5. LONG TERM INVESTMENTS

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

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

5.1 Share of investment in an associate

- Associated company - quoted
- Dawood Hercules Corporation Limited

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

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

(Amounts in thousand)

6. SHARE CAPITAL

6.1 Authorized capital

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

6.2 Issued, subscribed and paid-up capital

| Unaudited September 30, 2022 | Audited December 31, 2021 | | Unaudited September 30, 2022 | Audited December 31, 2021 |
|------------------------------------|---------------------------------|---|------------------------------------|---------------------------------|
| -----Number of shares----- | | | -----Rupees----- | |
| 2,204,002 | 2,204,002 | Ordinary shares of Rs. 10 each full paid in cash | 22,040 | 22,040 |
| 12,805,118 | 12,805,118 | Issued for consideration other than cash | 128,051 | 128,051 |
| 44,048,739 | 44,048,739 | Fully paid as bonus shares | 440,487 | 440,487 |
| 130,520 | 130,520 | Issued as right issue as per the Court's order | 1,305 | 1,305 |
| 111,430 | 111,430 | Issued as bonus shares as per the Court's order | 1,115 | 1,115 |
| <u>59,299,809</u> | <u>59,299,809</u> | | <u>592,998</u> | <u>592,998</u> |

7. SHORT TERM BORROWING

- 7.1 This denotes short-term running finance facility aggregating to Rs.1,500,000 (December 31, 2021: Rs 1,500,000) obtained under mark-up arrangement from various commercial banks. As at September 30, 2022, the Holding Company has utilised the facility against running finance facility to the extent of Rs. 91,707 (December 31, 2021: Rs. 646,587) and has issued guarantees to the extent of Rs. 38,169 (December 31, 2021: Rs. 35,968). Furthermore, out of the aforementioned facility, the Holding Company has negotiated sub-limits for financing the operations of REL amounting to Rs. 600,000. This facility is secured by way of a first pari passu mortgage charge on immovable property (including land and building), current assets, and pledge over the Company's investments in related party. Rate of mark-up applicable on this facility is three month KIBOR plus 100 basis points (December 31, 2021: one month to three months KIBOR plus 100 basis points).
- 7.2 This includes short-term running finance facility amounting to Rs. 600,000 (2021: Rs. 600,000) obtained by REL for meeting working capital requirements of which Rs. Nil remain unutilized (2021: Rs. Nil) as at year end. The facility carries mark-up at the rate of three months KIBOR plus 1% (2021: three months KIBOR plus 1%) per annum and is secured by way of pari passu hypothecation charge over stock-in-trade and trade debts of REL. The principal amount is a revolving credit line payable on demand while mark-up is payable on a quarterly basis.
- 7.3 This includes short term finance facility amounting to Rs 500,000 (2021: Nil) obtain by REL to meet working capital requirements of which Rs 250,000 remains unutilized (2021: Nil). The facility carries mark-up at the rate of three months KIBOR plus 2% (2021: Nil) per annum and is secured by way of pari passu hypothecation charge over stock-in-trade, trade debts and fixed asset of REL.

(Amounts in thousand)

8. CONTINGENCIES AND COMMITMENTS

There have been no material change in status of contingencies and commitments as reported in the audited financial statement for the year ended December 31, 2021, except for the following:

8.1 On April 27, 2018, the Officer Inland Revenue (OCIR) through an order raised a sales tax demand of Rs. 97,282,565 along with a default surcharge arising due to inadmissibility of input sales tax credit related to civil works carried out on account of building and foundation of wind turbines. TGL filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on May 14, 2018 on the grounds that sales tax at 14% was paid on services for installation of wind project which is related to the core taxable activity for the business and is, therefore, admissible as per law. During the period, CIR(A) has passed the order and confirmed the demand raised by the OCIR. Subsequently, TGL has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR(A). The appeal has been heard and reserved for order. The management of the Company, based on the advice of its tax consultants, is confident of a favorable outcome of this matter. Accordingly, no provision has been recognized in this respect in these condensed interim financial information.

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

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

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

8.3 Assessment of annual tax return (Tax year 2017)

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

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

8.4 Sales tax audit (Tax Year 2017)

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

(Amounts in thousand)

8.5 Guarantees issued in respect of subsidiaries

Tenaga Generasi Limited

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

Reon Energy Limited

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

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

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

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

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

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

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

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

(Amounts in thousand)

11. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

11.1 Financial risk factors

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

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

11.2 Fair value hierarchy

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

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

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

(Amounts in thousand)

12 SEGMENT REPORTING

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

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

Segment analysis is as under:

12.2

| | Renewable energy | | Textile - discontinued operations | | Alternate Energy | | Unallocated | | Total | |
|--|------------------|------------------|-----------------------------------|-----------------|------------------|------------------|----------------|------------------|-------------------|------------------|
| | Unaudited | | | | | | | | | |
| | September 30, | | September 30, | | September 30, | | September 30, | | September 30, | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | Rupees | | | | | | | | | |
| Revenue from contract with customers - net | | | | | | | | | | |
| Timing of revenue recognition | | | | | | | | | | |
| - At a point in time | - | 2,588 | 2,676 | 3,450 | - | - | - | - | 2,676 | 6,038 |
| - Over time | 8,430,223 | 5,792,509 | - | - | 3,053,865 | 2,506,959 | - | - | 11,484,088 | 8,299,468 |
| | 8,430,223 | 5,792,509 | 2,676 | 3,450 | 3,053,865 | 2,506,959 | - | - | 11,484,088 | 8,305,506 |
| Cost of revenue | (7,626,031) | (5,360,263) | (2,698) | (3,429) | (1,013,154) | (860,230) | - | - | (8,641,883) | (6,223,922) |
| Segment gross profit / (loss) | 804,192 | 434,834 | (22) | 21 | 2,040,711 | 1,646,729 | - | - | 2,844,881 | 2,081,584 |
| Selling and distribution expenses | (296,379) | (271,051) | (15) | (64) | - | - | - | - | (296,379) | (271,115) |
| Administrative expenses | (210,359) | (181,983) | (31,706) | (43,447) | (74,813) | (72,246) | (15,120) | (40,306) | (331,998) | (337,982) |
| Other expenses | (46,049) | (53,335) | - | - | - | - | - | - | (46,049) | (53,335) |
| Other income | 37,160 | 23,058 | 41,943 | 28,570 | 98,815 | 8,717 | (19,464) | 74,007 | 158,453 | 134,352 |
| Finance cost | (192,992) | (23,327) | - | - | (333,417) | (338,412) | 42,527 | (43,625) | (483,882) | (405,364) |
| Share of profit from associate | - | - | - | - | - | - | 490,614 | 1,201,562 | 490,614 | 1,201,562 |
| Taxation | (104,653) | (62,250) | - | - | (5,619) | (2,336) | (225,986) | (185,346) | (336,258) | (249,932) |
| Segment net profit | (9,081) | (134,054) | 10,200 | (14,920) | 1,725,677 | 1,242,452 | 272,570 | 1,006,292 | 1,999,382 | 2,099,770 |
| | Unaudited | Audited | Unaudited | Audited | Unaudited | Audited | Unaudited | Audited | Unaudited | Audited |
| | September 30, | December 31, | September 30, | December 31, | September 30, | December 31, | September 30, | December 31, | September 30, | December 31, |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | Rupees | | | | | | | | | |
| Segment assets | 8,050,686 | 4,896,238 | 29,692 | 36,048 | 18,537,148 | 16,442,697 | 11,151,362 | 11,864,465 | 37,768,889 | 33,239,448 |
| Segment liabilities | 7,800,411 | 4,332,270 | 2,894 | 16,921 | 9,111,334 | 8,598,478 | 1,231,483 | 2,504,087 | 18,146,122 | 15,451,756 |

13 TRANSACTIONS WITH RELATED PARTIES

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

| Relationship | Nature of transaction | Unaudited | Unaudited |
|--------------------------------------|---|--------------------|--------------------|
| | | September 30, 2022 | September 30, 2021 |
| | | -----Rupees----- | |
| a. Associated companies | | | |
| Dawood Hercules Corporation Limited | Reimbursable expenses by the Group | 30,831 | 15,534 |
| | Dividend Income | 701,387 | 350,694 |
| | Reimbursable expenses to the Group | 41 | 41 |
| Sach International (Private) Limited | Reimbursable expenses incurred by the Group | 231 | 291 |
| | Royalty charged by the Group | 17,244 | 8,700 |
| | Penalty charged against overdue receivables | 789 | 2,199 |
| | Rental Income | 495 | 495 |
| The Dawood Foundation | Expenses incurred by the Group | 13,857 | 13,035 |
| | Sales of goods to the company | - | 9,940 |
| Engro Energy Limited | Operations and maintenance expenses | 366,302 | 270,818 |
| | Project revenue | - | 802 |
| | Delayed Payment Interest | - | 5,735 |
| | Extra work | 11,476 | 12,311 |
| Engro Vopak Terminal Limited | Project revenue | - | 227 |
| Enfrashare (Private) Limited | Project revenue | - | 746,953 |
| International Finance Corporation | Borrowing cost charged to Group | 107,494 | 56,046 |
| | Repayment of loan | 433,582 | 337,910 |
| | Supervision fee | 4,380 | 2,991 |
| | Accrued Mark-up | - | 28,290 |
| b. Key management personnel | | | |
| | Salaries and benefits | 63,625 | 57,973 |
| c. Directors | | | |
| | Meeting fees | 1,300 | 1,950 |

14 NON-ADJUSTING EVENT AFTER STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors of the Holding Company in its meeting held on October 28, 2022 has approved an interim cash dividend of Rs. 4.00 amounting to Rs. 237,199 for the period ending September 30, 2022. This consolidated condensed interim financial statements do not recognize interim dividend from unappropriated profit as it has been declared subsequent to the reporting date.

15 DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial statements were authorized for issue on October 28, 2022 by the Board of Directors of the Holding Company.

Chief Executive

Director

Chief Financial Officer

PHYSICAL SHAREHOLDERS

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

Dear Shareholder,

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

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

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

CDS SHAREHOLDERS

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

Dear Shareholder,

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

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

ELECTRONIC TRANSMISSION CONSENT FORM

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

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

Electronic Transmission Consent Form

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

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

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

Dear Shareholder,

REQUEST FORM FOR HARD COPY OF ANNUAL AUDITED ACCOUNTS

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

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

Date: _____

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

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

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

CDC Share Registrar Services Limited CDC
House, 99-B, Block "B", S.M.C.H.S
Main 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.



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