



Dawood  
Lawrencepur  
Limited



Half Yearly Report  
June 30, 2021

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## Our Vision

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

## Our Mission

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

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

## Company Information

### Board of Directors

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

### Board Audit Committee

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

### Human Resource and Remuneration Committee

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

### Board Transaction Committee

- Mr. Hasan Reza Ur Rahim (Chairman)
- Mr. Shabbir Hussain Hashmi
- Mr. Shafiq Ahmed
- Mr. Zamin Zaidi

### Chief Financial Officer

- Mr. Saad Faridi

### Company Secretary

- Mr. Imran Chagani

### Head of Internal Audit

- Mr. Amjad Ali

### Auditors

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

### Bankers

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

### Legal Advisor

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

### Share Registrar

- Central Depository Company of Pakistan Ltd.  
CDC House, 99-B, Block B, S.M.C.H.S  
Main Shahra-e-Faisal  
Karachi-74400  
Tel.: 021-1111-1111-500

### Registered / Head Office

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

### Lahore Office

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

### Mills

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

### DawoodPur

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

**DAWOOD LAWRENCEPUR LIMITED**  
**DIRECTORS' REVIEW REPORT**  
 FOR THE HALF YEAR ENDED JUNE 30, 2021

The Directors are pleased to present their report together with the unaudited unconsolidated condensed interim financial statements of the Company and the unaudited consolidated condensed interim financial statements of the Group for the six months ended June 30, 2021.

**BUSINESS REVIEW**

**Renewable Energy Business**

Reon's growth continued in 2021 as the company booked its highest ever revenue in the first half of The Financial Year. The Company's revenue surpassed PKR 3 Billion during the review period on the back of a very large spillover of deals from 2020. However, the Company has also signed 54MW of new EPC contracts, majority in the Cement and Textile sectors. Other highlights for the period include the signing of turnkey contracts for 228 telecom sites in the Telecom business segment and remarkably, the Company also having signed its first international contract for the design and construction of 5.3 MW solar system for the Lusail Bus Depot in Qatar. We envisage that as part of our market diversification strategy, we will continue to add to our international portfolio as more experience is gained on the risks and rewards of operating overseas. Reon also introduced a new product, Battery Energy Storage Systems (BESS) for C&I segment and signed its first deal with Gatron Industries for a 2.7MWh BESS solution alongside its rooftop solar solution. This BESS solution provides both economic and emergency demand response service to the local grid and adds to stability of supply voltage to the customer's processing machinery. Demand for BESS will increase in line with share of Renewable Energy in the grid hence it represents a fairly large adjacent opportunity for Reon Energy.

During the 6 months, the Company has successfully commissioned first of the four plants of Bestway Cement which remains the largest deal ever booked by the Company. Two more plants totaling ~29MW are on course to be completed soon whereas work on a 4<sup>th</sup> project will commence in the last quarter of the year.

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

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

**Wind Energy Project**

The Plant is operating satisfactorily and is meeting the expected targets for availability and BOP loss. The BOP Loss for the period was 1.35 % against a target of 2.5 %, whilst the Availability was 98.96 % against a target of 98.0 %. Health Safety and the Environment (HSE) remained the priority and 471,195 safe man-hours have been clocked since COD with zero injury rate and TRIR. The plant has been operating safely, without injury, for 1,737 days.

The plant, together with Dawood HydroChina and Zephyr, is now supplying power to K Electric. This arrangement is providing stable operations and both grid outage and curtailment has substantially reduced. The total NPMV for Q2 2021 was 0.06 GWh as compared to 0.06 GWh for Q2 2020. The total energy billed during the current quarter (38.62 GWh) is lower than the P90 level (45.09 GWh). However, for the half-year ending June 30 2021, there has been an improvement in Q2 as compared to Q1. The Plant experienced unusually low winds during the first quarter with some improvement in the second quarter. The wind improved in June and this trend is expected to continue for Q3. Production in July was at the P75 level. It is expected that the NPMV events will be minimal during 2021.

## FINANCIAL HIGHLIGHTS

The unconsolidated financial highlights of the Company are as under:

|  | Half year ended<br>June 30, 2021 | Half year ended<br>June 30, 2020 |
|--|----------------------------------|----------------------------------|
| Rupees in thousands                              |                                  |                                  |
| Revenue – net                                    | -                                | 1,962                            |
| Cost of revenue                                  | -                                | (9,546)                          |
| Gross loss                                       | -                                | (7,584)                          |
| Other income                                     | 51,036                           | 80,005                           |
| Profit before taxation from continued operations | 344,965                          | 142,699                          |
| Loss from discontinued operations                | (17,817)                         | (5,676)                          |
| Taxation   | (50,628)                         | (31,015)                         |
| <b>Profit after taxation</b>                     | <b>276,520</b>                   | <b>106,008</b>                   |
| Unappropriated profit brought forward            | 2,813,242                        | 2,708,349                        |
| <b>Unappropriated profit carried forward</b>     | <b>3,029,771</b>                 | <b>2,813,242</b>                 |
| Earnings per share - basic & diluted (Rupees)    | <b>4.66</b>                      | <b>1.78</b>                      |

During the half year ended June 30, 2021, dividend income from associate - Dawood Hercules Corporation Limited amounted to PKR 350.69 million against PKR 155.86 million for the period ended June 30, 2020.

Consolidated revenues for the period were PKR 4,554 million as against PKR 2,764 million for comparative period. This was mainly due to increase in revenue from solar energy projects amounting to PKR 2,124 million as against the corresponding period last year. After considering the share of profit from associate of PKR 925 million (June 30, 2020: share of profit of PKR 291 million), the consolidated profit after tax for the half year ended stood at PKR 1,037 million as against PKR 703 million for the similar period last year. Consolidated earnings per share attributable to the owners of the Holding Company was PKR 15.66 as against PKR 9.18 for the comparative period last year.

## FUTURE OUTLOOK

### Renewable Energy Business

Following the renewed global impetus on mitigating Climate Change, industries that differentiate themselves by being committed to renewables are more likely to remain globally competitive. This is likely in future to translate into soft pressure underpinning international trade and economic relations as well and will potentially impact the country's exports performance. Moreover, the declining cost trend for RE technologies is forecasted to continue over the next 5-10 years further enhancing the economic case.

The Government has announced increase in energy prices as part of the Circular Debt Management Plan (CDMP) in line with commitments made with the IMF. This, along with a shortage of gas and a moratorium on supply to captive power plants is likely to push commercial and industrial customers

to look for alternative sources of power, of which renewables will remain a competitive and viable option. The environment is therefore ripe for these businesses to improve their international acceptability and competitiveness by converting to solar powered energy options supported by concessionary finance schemes such as currently being offered by the SBP to reduce upfront costs.

The TERF facility from State Bank of Pakistan, which provided concessionary loans for industrial activity proved to very popular and saw PKR 435.7 Bn of new credit extended to businesses. This is likely to show its results in the form of industrial expansion that will in turn translate into higher overall energy demand, especially in the Commercial and Industrial segment. In addition, Battery Energy Storage Systems are also expected to make major strides in the energy eco-system of the country in the near future. The Company, therefore, sees an excellent opportunity whereby industrial expansion, coupled with international pressures to counter climate change, will translate into a growing demand for Solar Energy and Storage in the coming years. However, owing to growing demand worldwide both for solar and storage product, supply chain bottlenecks could aggravate further.

### **Wind Energy Project**

The wind power sector is still facing the full impact of the circular debt and payments from the Government are severely curtailed, with the outstanding payment at 10 months level.

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

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

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



**MUJTABA HAIDER KHAN**  
Chief Executive Officer



**SHAHID HAMID PRACHA**  
Chairman

Karachi, August 26, 2021



**pwc**

A.F.FERGUSON & Co.

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Dawood Lawrencepur Limited

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

#### Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Dawood Lawrencepur Limited as at June 30, 2021 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and the unconsolidated condensed interim statement of comprehensive income for the quarters ended June 30, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2021.

#### Scope of Review

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

#### Conclusion

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

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

**Chartered Accountants**

**Karachi:**

**Date: August 27, 2021**

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**DAWOOD LAWRENCEPUR LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM**  
**FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2021**

DAWOOD LAWRENCEPUR LIMITED  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2021

(Amounts in thousand)

|   | Note | Unaudited<br>June 30,<br>2021 | Audited<br>December 31,<br>2020 |
|---|------|-------------------------------|---------------------------------|
|   |      | -----Rupees-----              |                                 |
| <b>ASSETS</b>                               |      |                               |                                 |
| <b>Non-current assets</b>                   |      |                               |                                 |
| Property, plant and equipment               |      | 18,151                        | 19,292                          |
| Intangible assets                           |      | 15                            | 27                              |
| Long-term investments                       | 4    | 3,504,176                     | 3,502,996                       |
| Long-term deposits                          |      | 2,778                         | 2,778                           |
| <b>Total non-current assets</b>             |      | <b>3,525,120</b>              | <b>3,525,093</b>                |
| <b>Current assets</b>                       |      |                               |                                 |
| Stores and spares                           |      | 892                           | 892                             |
| Stock                                       |      | 15,991                        | 17,780                          |
| Trade debts                                 |      | 23                            | 23                              |
| Loans to subsidiaries                       | 5    | 738,337                       | 738,101                         |
| Loans and advances                          |      | 999                           | 2,930                           |
| Deposits, prepayments and other receivables | 6    | 136,209                       | 165,917                         |
| Taxes recoverable                           |      | 18,477                        | -                               |
| Interest accrued                            | 7    | 146,198                       | 123,153                         |
| Cash and bank balances                      | 8    | 45,708                        | 29,713                          |
| <b>Total current assets</b>                 |      | <b>1,102,834</b>              | <b>1,078,509</b>                |
| <b>TOTAL ASSETS</b>                         |      | <b>4,627,954</b>              | <b>4,603,602</b>                |
| <b>EQUITY AND LIABILITIES</b>               |      |                               |                                 |
| <b>Equity</b>                               |      |                               |                                 |
| Share capital                               | 9    | 592,998                       | 592,998                         |
| Capital reserves                            |      | 206,666                       | 206,666                         |
| Unappropriated profit                       |      | 3,029,771                     | 2,960,800                       |
| <b>Total equity</b>                         |      | <b>3,829,435</b>              | <b>3,760,464</b>                |
| <b>Non-current liabilities</b>              |      |                               |                                 |
| Staff retirement benefits                   |      | 3,445                         | 2,755                           |
| <b>Current liabilities</b>                  |      |                               |                                 |
| Trade and other payables                    |      | 39,742                        | 46,132                          |
| Unpaid dividend                             |      | 207,549                       | -                               |
| Unclaimed dividend                          |      | 69,997                        | 70,307                          |
| Provision                                   |      | 7,360                         | 7,360                           |
| Short-term borrowings                       | 10   | 456,140                       | 699,795                         |
| Taxes payable                               |      | -                             | 270                             |
| Accrued mark-up                             |      | 14,286                        | 16,519                          |
| <b>Total current liabilities</b>            |      | <b>795,074</b>                | <b>840,383</b>                  |
| <b>Contingencies and commitments</b>        | 11   | <b>798,519</b>                | <b>843,138</b>                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>         |      | <b>4,627,954</b>              | <b>4,603,602</b>                |

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.

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Chief Executive Officer

  
Director

  
Chief Financial Officer


**DAWOOD LAWRENCEPUR LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2021**

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

|   | Note | Quarter ended    |                  | Half year ended  |                  |
|---|------|------------------|------------------|------------------|------------------|
|   |      | June 30,<br>2021 | June 30,<br>2020 | June 30,<br>2021 | June 30,<br>2020 |
|   |      | -----Rupees----- |                  | -----Rupees----- |                  |
| <b>CONTINUING OPERATIONS</b>                |      |                  |                  |                  |                  |
| Revenue from contracts with customers - net |      | -                | 981              | -                | 1,962            |
| Cost of revenue                             |      | -                | (8,942)          | -                | (9,546)          |
| Gross loss                                  |      | -                | (7,961)          | -                | (7,584)          |
| Dividend income                             | 12   | 350,694          | 155,864          | 350,694          | 155,864          |
|   |      | 350,694          | 147,903          | 350,694          | 148,280          |
| Selling and distribution expenses           |      | -                | (111)            | -                | (223)            |
| Administrative expenses                     |      | (17,197)         | (12,896)         | (26,797)         | (24,717)         |
| Other charges                               |      | -                | 1,836            | -                | (1,456)          |
| Other income                                | 13   | 29,773           | 41,182           | 51,036           | 80,005           |
|   |      | 363,270          | 177,914          | 374,933          | 201,889          |
| Finance cost                                |      | (15,136)         | (34,275)         | (29,968)         | (59,190)         |
| Profit before taxation                      |      | 348,134          | 143,639          | 344,965          | 142,699          |
| Taxation                                    | 14   | (49,349)         | (30,261)         | (50,628)         | (31,015)         |
| Profit after taxation                       |      | 298,785          | 113,378          | 294,337          | 111,684          |
| <b>DISCONTINUED OPERATIONS</b>              |      |                  |                  |                  |                  |
| Loss from discontinued operations           |      | (11,029)         | (2,677)          | (17,817)         | (5,676)          |
| Profit for the period                       |      | 287,756          | 110,701          | 276,520          | 106,008          |
| Earnings per share - basic and diluted      |      |                  |                  |                  |                  |
| Continuing operations                       | 15   | 5.04             | 1.91             | 4.96             | 1.88             |
| Loss per share - basic and diluted          |      |                  |                  |                  |                  |
| Discontinued operations                     | 15   | (0.19)           | (0.05)           | (0.30)           | (0.10)           |

The annexed notes from 1 to 22 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 HALF YEAR ENDED JUNE 30, 2021**

(Amounts in thousand)

|  | Quarter ended    |                  | Half year ended  |                  |
|--|------------------|------------------|------------------|------------------|
|  | June 30,<br>2021 | June 30,<br>2020 | June 30,<br>2021 | June 30,<br>2020 |
|  | -----Rupees----- |                  |                  |                  |
| Profit for the period  | 287,756          | 110,701          | 276,520          | 106,008          |
| Other comprehensive income:  |                  |                  |                  |                  |
| <i>Items that will not be reclassified to profit or loss:</i>        |                  |                  |                  |                  |
| Remeasurement of post employment benefit obligation - actuarial loss | -                | -                | -                | -                |
| <b>Total comprehensive income for the period</b>                     | 287,756          | 110,701          | 276,520          | 106,008          |

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.

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Chief Executive Officer

Director

Chief Financial Officer




DAWOOD LAWRENCEPUR LIMITED  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED JUNE 30, 2021

(Amounts in thousands)

| Share capital   | Capital reserves |                       |                            |        |        | Revenue reserve       | Total     |           |
|---|------------------|-----------------------|----------------------------|--------|--------|-----------------------|-----------|-----------|
|   | Merger reserve   | Share premium reserve | Capital redemption reserve | Others | Total  | Unappropriated profit |           |           |
| Rupees  |                  |                       |                            |        |        |                       |           |           |
| Balance as at January 1, 2020 (Audited)   | 590,578          | 10,521                | 136,865                    | 25,969 | 33,311 | 206,666               | 2,708,349 | 3,505,593 |
| Profit for the period   | -                | -                     | -                          | -      | -      | -                     | 106,008   | 106,008   |
| Other comprehensive income for the period   | -                | -                     | -                          | -      | -      | -                     | -         | -         |
| Total comprehensive income for the half year ended June 30, 2020                      | -                | -                     | -                          | -      | -      | -                     | 106,008   | 106,008   |
| <b>Transaction with owners</b>  |                  |                       |                            |        |        |                       |           |           |
| Issuance of ordinary shares (note 9.3)  | 1,305            | -                     | -                          | -      | -      | -                     | -         | 1,305     |
| Issuance of bonus shares (note 9.3)   | 1,115            | -                     | -                          | -      | -      | -                     | (1,115)   | -         |
| Balance as at June 30, 2020 (Unaudited)   | 592,998          | 10,521                | 136,865                    | 25,969 | 33,311 | 206,666               | 2,813,242 | 3,612,906 |
| Profit for the period   | -                | -                     | -                          | -      | -      | -                     | 384,916   | 384,916   |
| Other comprehensive income for the period   | -                | -                     | -                          | -      | -      | -                     | (159)     | (159)     |
| Total comprehensive income for the half year ended December 31, 2020                  | -                | -                     | -                          | -      | -      | -                     | 384,757   | 384,757   |
| <b>Transaction with owners</b>  |                  |                       |                            |        |        |                       |           |           |
| First interim cash dividend for the year ended December 31, 2020 @ Rs. 4 per share    | -                | -                     | -                          | -      | -      | -                     | (237,199) | (237,199) |
| 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   | -                | -                     | -                          | -      | -      | -                     | 276,520   | 276,520   |
| Other comprehensive income for the period   | -                | -                     | -                          | -      | -      | -                     | -         | -         |
| Total comprehensive income for the half year ended June 30, 2021                      | -                | -                     | -                          | -      | -      | -                     | 276,520   | 276,520   |
| <b>Transactions with owners</b>   |                  |                       |                            |        |        |                       |           |           |
| First interim cash dividend for the year ending December 31, 2021 @ Rs. 3.5 per share | -                | -                     | -                          | -      | -      | -                     | (207,549) | (207,549) |
| Balance as at June 30, 2021 (Unaudited)   | 592,998          | 10,521                | 136,865                    | 25,969 | 33,311 | 206,666               | 3,029,771 | 3,829,435 |

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

**DAWOOD LAWRENCEPUR LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2021**

(Amounts in thousand)

|   | Half year<br>ended<br>June 30,<br>2021 | Half year<br>ended<br>June 30,<br>2020 |
|---|--|--|
| Note  | Rupees                                 |  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                       |  |  |
| Profit before taxation  | 327,148                                | 137,023                                |
| Add: Loss before taxation attributable to discontinued operations | 17,817                                 | 5,676                                  |
| Profit before taxation from continuing operations                 | <u>344,965</u>                         | <u>142,699</u>                         |
| <b>Adjustments for non-cash and other items:</b>                  |  |  |
| Depreciation  | 820                                    | 999                                    |
| Amortization  | 11                                     | 18                                     |
| Provision for gratuity - net                                      | 608                                    | 432                                    |
| Provision for impairment of trade debts - net                     | -                                      | 31                                     |
| Provision for slow moving and obsolete stock                      | 262                                    | 8,086                                  |
| Finance costs   | 29,968                                 | 59,190                                 |
| Royalty income  | (4,631)                                | -                                      |
| Dividend income   | (350,694)                              | (155,864)                              |
| (Gain) / loss on National Investment Trust unit                   | (1,180)                                | 1,456                                  |
| Mark up charged to related parties                                | (37,918)                               | (72,263)                               |
| Profit on deposits  | (62)                                   | (53)                                   |
|   | <u>(17,851)</u>                        | <u>(15,269)</u>                        |
| <b>Working capital changes</b>                                    |  |  |
| <b>Decrease / (increase) in current assets</b>                    |  |  |
| Stock   | -                                      | 413                                    |
| Loans and advances  | 2,051                                  | (142)                                  |
| Deposits, prepayments and other receivables                       | 34,337                                 | (40,601)                               |
| <b>(Decrease) / increase in current liabilities</b>               |  |  |
| Trade and other payables  | (4,689)                                | (2,421)                                |
| Contract liabilities  | -                                      | 1,789                                  |
|   | <u>31,699</u>                          | <u>(40,962)</u>                        |
| <b>Cash generated from operations</b>                             | 13,848                                 | (56,231)                               |
| Gratuity paid   | -                                      | (255)                                  |
| Finance cost paid   | (32,194)                               | (52,735)                               |
| Taxes paid  | (69,375)                               | (335)                                  |
| Discontinued operations   | (17,712)                               | 3,248                                  |
| <b>Net cash used in operating activities</b>                      | <u>(105,433)</u>                       | <u>(106,308)</u>                       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                       |  |  |
| Advance against purchase of shares of subsidiary                  | -                                      | (300,000)                              |
| Subordinated loans to subsidiaries                                | (236)                                  | (300,003)                              |
| Repayment of loan by subsidiary                                   | -                                      | 300,000                                |
| Mark up received from related parties                             | 14,873                                 | 4,285                                  |
| Profit received on deposits                                       | 62                                     | 53                                     |
| Dividend received   | 350,694                                | -                                      |
| Discontinued operations   | -                                      | 192                                    |
| <b>Net cash generated from / (used in) investing activities</b>   | <u>365,393</u>                         | <u>(295,473)</u>                       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                       |  |  |
| Payment of dividend   | (310)                                  | (245)                                  |
| Net increase / (decrease) in cash and cash equivalents            | <u>259,650</u>                         | <u>(402,026)</u>                       |
| Cash and cash equivalents at beginning of the period              | <u>(670,082)</u>                       | <u>(545,983)</u>                       |
| Cash and cash equivalents at end of the period                    | <u>(410,432)</u>                       | <u>(948,009)</u>                       |

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The annexed notes from 1 to 22 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 HALF YEAR ENDED JUNE 30, 2021**

(Amounts in thousand)

**1. LEGAL STATUS AND OPERATIONS**

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

The business units of the Company include the following:

| <b>Business units</b>           | <b>Geographical location</b>   |
|---------------------------------|--|
| Head office (registered office) | 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi.   |
| BTM Factory                     | Dawoodabad, Railway Station Road and 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.

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**(Amounts in thousand)**

- 2.2 The cumulative figures for the half year ended June 30, 2021 presented in these unconsolidated condensed interim financial statements have been subjected to limited scope review by the auditors, as required under section 237 of the Companies Act, 2017. These unconsolidated condensed interim financial statements do not include all the information required for annual financial statements and should, therefore, be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2020.

**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 information are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2020.

The financial risk management objectives and policies of the Company are also consistent with those disclosed in the audited unconsolidated financial statements of the Company for the year ended December 31, 2020.

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

- 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, 2021. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in this unconsolidated condensed interim financial information.

|  | Unaudited<br>June 30,<br>2021 | Audited<br>December 31,<br>2020 |
|--|-------------------------------|---------------------------------|
| -----Rupees-----   |                               |                                 |
| <b>4 LONG TERM INVESTMENTS</b>   |                               |                                 |
| Investment in related parties at cost (note 4.1)                               | 3,519,102                     | 3,519,102                       |
| Less: Provision for impairment   | (30,007)                      | (30,007)                        |
|  | <u>3,489,095</u>              | <u>3,489,095</u>                |
| Other investments  |                               |                                 |
| - Financial assets at fair value through profit or loss (note 4.2)             | 15,066                        | 13,886                          |
| - Financial assets at fair value through other comprehensive income (note 4.2) | 15                            | 15                              |
|  | <u>15,081</u>                 | <u>13,901</u>                   |
|  | <u>3,504,176</u>              | <u>3,502,996</u>                |

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(Amounts in thousand)

|   | Unaudited<br>June 30,<br>2021 | Audited<br>December 31,<br>2020 |
|---|-------------------------------|---------------------------------|
|   | -----Rupees-----              |                                 |
| <b>4.1 Investment in related parties - at cost</b>            |                               |                                 |
| <b><i>Subsidiary - unquoted</i></b>                           |                               |                                 |
| Tenaga Generasi Limited (TGL)                                 |                               |                                 |
| Percentage holding 75% (December 31, 2020: 75%)               |                               |                                 |
| 227,027,613 (December 31, 2020: 227,027,613)                  |                               |                                 |
| fully paid ordinary shares of Rs. 10 each                     | 2,294,804                     | 2,294,804                       |
| <b><i>Wholly owned subsidiaries - unquoted</i></b>            |                               |                                 |
| Reon Energy Limited (REL)                                     |                               |                                 |
| Percentage holding 100% (December 31, 2020: 100%)             |                               |                                 |
| 102,600,000 (December 31, 2020: 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, 2020: 100%)             |                               |                                 |
| 13,300,100 (December 31, 2020: 13,300,100)                    |                               |                                 |
| fully paid ordinary shares of Rs. 10 each                     | 133,001                       | 133,001                         |
| Mozart (Private) Limited (MPL)                                |                               |                                 |
| Percentage holding 100% (December 31, 2020: 100%)             |                               |                                 |
| 100 (December 31, 2020: 100)                                  |                               |                                 |
| fully paid ordinary shares of Rs. 10/- each                   | 1                             | 1                               |
| Greengo (Private) Limited (GPL)                               |                               |                                 |
| Percentage holding 100% (December 31, 2020: 100%)             |                               |                                 |
| 100 (December 31, 2020: 100)                                  |                               |                                 |
| fully paid ordinary shares of Rs. 10/- each                   | 1                             | 1                               |
| Abrax (Private) Limited (APL)                                 |                               |                                 |
| Percentage holding 100% (December 31, 2020: 100%)             |                               |                                 |
| 100 (December 31, 2020: 100)                                  |                               |                                 |
| fully paid ordinary shares of Rs. 10/- each                   | 1                             | 1                               |
|   | <u>3,453,808</u>              | <u>3,453,808</u>                |
| <b><i>Associate - quoted</i></b>                              |                               |                                 |
| Dawood Hercules Corporation Limited (DHCL)                    |                               |                                 |
| Percentage holding 16.19% (December 31, 2020: 16.19%)         |                               |                                 |
| 77,931,896 (December 31, 2020: 77,931,896)                    |                               |                                 |
| fully paid ordinary shares of Rs. 10/- each                   |                               |                                 |
| Market value Rs. 8,963,727 (December 31, 2020: Rs. 9,471,843) | 65,294                        | 65,294                          |
|   | <u>3,519,102</u>              | <u>3,519,102</u>                |

4.1.1 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<br>As at June 30, 2021 |  |                                | Audited<br>As at December 31, 2020 |  |                                |
|--|--|----------------------------------|--|--------------------------------|------------------------------------|--|--------------------------------|
|  |  | Number of shares pledged         | Face value of shares pledged<br>-----Rupees----- | Market value of pledged shares | Number of shares pledged           | Face value of shares pledged<br>-----Rupees----- | Market value of pledged shares |
| <b>Pledged against short-term financing and other facilities availed by the Company and its subsidiaries</b> |  |                                  |  |                                |                                    |  |                                |
| Standard Chartered Bank (Pakistan) Limited (note 4.1.2)  | Dawood Hercules Corporation Limited (DHCL) | 20,459,737                       | 204,597  | 2,353,279                      | 26,899,737                         | 265,997  | 3,269,394                      |
| Bank AL Habib Limited (note 10.1)  |  | 10,200,000                       | 102,000  | 1,173,204                      | 10,200,000                         | 102,000  | 1,239,706                      |
| MCB Bank Limited (note 10.2)   |  | 5,910,000                        | 59,100   | 679,788                        | 7,250,000                          | 72,500   | 881,165                        |
| <b>Pledged under Musharaka Agreement entered into between RAPL and FBL</b>                                   |  |                                  |  |                                |                                    |  |                                |
| Faysal Bank Limited (FBL)  | Reon Alpha (Private) Limited (RAPL)        | 5,300,000                        | 53,000   | -                              | 5,300,000                          | 53,000   | -                              |
| <b>Pledged under Sponsor Share Agreement</b>   |  |                                  |  |                                |                                    |  |                                |
| 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.

**(Amounts in thousand)**

- 4.1.2 During the period, running finance facility from Standard Chartered Bank (Pakistan) Limited has been extinguished resulting in a release of 6.44 million pledged shares, while remaining shares pledged is on account of arrangement of Stand-by- Letter of Credit (SBLC) in favor of the Lenders of TGL.

**4.2 Other investments**

| June 30,<br>2021         | December 31,<br>2020 | Name of Investee  | Unaudited<br>June 30,<br>2021 | Audited<br>December 31,<br>2020 |
|--------------------------|----------------------|---|-------------------------------|---------------------------------|
| Units / Number of Shares |                      |   | -----Rupees-----              |                                 |
| 200,000                  | 200,000              | <b>Listed securities</b><br>National Investment (Unit) Trust      | 15,066                        | 13,886                          |
| 1,500                    | 1,500                | <b>Un-listed securities</b><br>Asian Co-operative Society Limited | 15                            | 15                              |
|                          |                      |   | <u>15,081</u>                 | <u>13,901</u>                   |

**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        | 300,000        |
| - Abrax (Private) Limited            | 456            | 378            |
| - Mozart (Private) Limited           | 424            | 344            |
| - Greengo (Private) Limited          | 457            | 379            |
|                                      | <u>738,337</u> | <u>738,101</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 the other terms unchanged. During the period, the facility was extended for another year with all the other terms unchanged. As at June 30, 2021 the entire loan amounting to Rs. 300,000 has been utilised. Mark-up is calculated at the rate of three months KIBOR plus 1.775% per annum.

In 2019, the Company had entered into another subordinated loan agreement with TGL for arranging finance upto a limit of Rs. 1,000,000. The term of the loan was initially for one year, however, on June 10, 2020, the tenure of the loan was extended for another one year. As at June 30, 2021, TGL has utilized Rs. 137,000 out of this Facility. Mark-up is calculated at the rate of three months KIBOR plus 2.5% per annum. Furthermore, subsequent to period end on July 13, 2021 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 June 30, 2021. During the year, repayment date has been extended to December 31, 2021. Mark-up is payable on a monthly basis at the rate of 1% above the average borrowing cost of the Company.

| Unaudited<br>June 30,<br>2021 | Audited<br>December 31,<br>2020 |
|-------------------------------|---------------------------------|
| -----Rupees-----              |                                 |

**6. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**  
**- unsecured, considered good**

This includes amount due from the following related parties:

|  |                |                |
|--|----------------|----------------|
| - Sach International (Private) Limited | 46,985         | 39,507         |
| - Tenaga Generasi Limited              | 65,753         | 97,616         |
| - Engro Fertilizers Limited            | -              | 3,320          |
| - Reon Energy Limited                  | 701            | -              |
| - The Dawood Foundation                | 1,546          | -              |
| - Reon Alpha (Private) Limited         | 707            | 193            |
|  | <u>115,692</u> | <u>140,636</u> |

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(Amounts in thousand)

|   |   | Unaudited<br>June 30,<br>2021 | Audited<br>December 31,<br>2020 |                |
|---|---|-------------------------------|---------------------------------|----------------|
| -----Rupees-----  |   |                               |                                 |                |
| <b>7. INTEREST ACCRUED</b>  |   |                               |                                 |                |
| This represents mark-up receivable from related parties as follows: |   |                               |                                 |                |
| - Tenaga Generasi Limited   |   | 138,873                       | 118,388                         |                |
| - Reon Energy Limited   |   | 7,114                         | 4,613                           |                |
| - Reon Alpha (Private) Limited                                      |   | 33                            | 30                              |                |
| - Mozart (Private) Limited  |   | 56                            | 38                              |                |
| - Abrax (Private) Limited   |   | 61                            | 42                              |                |
| - Greengo (Private) Limited   |   | 61                            | 42                              |                |
|   |   | <u>146,198</u>                | <u>123,153</u>                  |                |
| <b>8. CASH AND BANK BALANCES</b>                                    |   |                               |                                 |                |
| Cash in hand  |   | 82                            | 82                              |                |
| Balances with banks in:   |   |                               |                                 |                |
| - current accounts  |   | 14,305                        | 27,004                          |                |
| - deposit accounts (note 8.1)                                       |   | 31,321                        | 2,627                           |                |
|   |   | <u>45,626</u>                 | <u>29,631</u>                   |                |
|   |   | <u>45,708</u>                 | <u>29,713</u>                   |                |
| 8.1   | This represent deposits with commercial banks and carry profit at the rate of 5.5% (December 31, 2020: 5.5%) per annum. |                               |                                 |                |
| <b>9. SHARE CAPITAL</b>   |   |                               |                                 |                |
| <b>Authorized capital</b>   |   |                               |                                 |                |
|   | June 30,<br>2021  | December 31,<br>2020          |                                 |                |
|   | -----Number of shares-----  |                               |                                 |                |
|   | <u>75,000,000</u>   | <u>75,000,000</u>             |                                 |                |
|   |   |                               | Unaudited<br>June 30,<br>2021   |                |
|   |   |                               | Audited<br>December 31,<br>2020 |                |
|   |   |                               | -----Rupees-----                |                |
|   |   |                               | <u>750,000</u>                  | <u>750,000</u> |
| <b>Issued, subscribed and paid-up capital</b>                       |   |                               |                                 |                |
|   | June 30,<br>2021  | December 31,<br>2020          |                                 |                |
|   | -----Number of shares-----  |                               |                                 |                |
|   | 2,204,002   | 2,204,002                     |                                 |                |
|   |   |                               |                                 |                |
|   | 12,805,118  | 12,805,118                    |                                 |                |
|   | 44,048,739  | 44,048,739                    |                                 |                |
|   |   |                               |                                 |                |
|   | 130,520   | 130,520                       |                                 |                |
|   |   |                               |                                 |                |
|   | 111,430   | 111,430                       |                                 |                |
|   | <u>59,299,809</u>   | <u>59,299,809</u>             |                                 |                |
|   |   |                               | Unaudited<br>June 30,<br>2021   |                |
|   |   |                               | Audited<br>December 31,<br>2020 |                |
|   |   |                               | -----Rupees-----                |                |
|   |   |                               | 22,040                          | 22,040         |
|   |   |                               | 128,051                         | 128,051        |
|   |   |                               | 440,487                         | 440,487        |
|   |   |                               | 1,305                           | 1,305          |
|   |   |                               | 1,115                           | 1,115          |
|   |   |                               | <u>592,998</u>                  | <u>592,998</u> |

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(Amounts in thousand)

|                            | Unaudited<br>June 30,<br>2021 | Audited<br>December 31,<br>2020 |
|----------------------------|-------------------------------|---------------------------------|
| -----Number of shares----- |                               |                                 |

- 9.1 Associates holding the Company's share capital are as under:
- |                                      |                   |                   |
|--------------------------------------|-------------------|-------------------|
| Dawood Corporation (Private) Limited | 29,016,622        | 29,016,622        |
| The Dawood Foundation                | 2,979,324         | 2,979,324         |
| Patek (Private) Limited              | 3,713,984         | 3,713,984         |
| Cyan Limited                         | 2,965,095         | 2,965,095         |
| Dawood Industries (Private) Limited  | 494,921           | 494,921           |
| Sach International (Private) Limited | 3,776             | 3,776             |
|                                      | <u>39,173,722</u> | <u>39,173,722</u> |
- 9.2 During the period, the Company paid dividends to the aforementioned Associated Companies amounting to Rs. 137,108 (2020: Nil).
- 9.3 In compliance with the orders passed by the Honourable Sindh High Court, the Company had issued 241,950 shares (denoting 130,520 shares as right issue and 114,430 as bonus issue) to National Investment Trust Limited on May 12, 2020. However, the amount of Rs. 1,305 against subscription of 130,520 right shares by NIT in the year 1975 that was deposited with the Nazir of Sindh High Court was received on February 22, 2021 along with interest thereon.

|                  | Unaudited<br>June 30,<br>2021 | Audited<br>December 31,<br>2020 |
|------------------|-------------------------------|---------------------------------|
| -----Rupees----- |                               |                                 |

**10. SHORT-TERM BORROWINGS**

- |   |                |                |
|---|----------------|----------------|
| Running finance under mark-up arrangement (notes 10.1 & 10.2) | 456,140        | 199,795        |
| Money market loan (note 10.2)                                 | -              | 500,000        |
|   | <u>456,140</u> | <u>699,795</u> |
- 10.1 This denotes short-term running finance facility aggregating to Rs.1,500,000 (December 31, 2020: Rs 1,500,000) obtained under mark-up arrangement from a commercial banks. As at June 30, 2021, the Company has utilised the facility against running finance facility to the extent of Rs. 456,140 (December 31, 2020 Rs. 199,795) and has issued guarantees to the extent of Rs. 36,175 (December 31, 2020 Rs. 36,179). Furthermore, out of the aforementioned facility, the Company has negotiated sub-limits for financing the operations of REL amounting to Rs. 300,000. This facility is secured by way of a first pari passu mortgage charge on immovable property (including land and building), current assets, and pledge over the Company's investments in related party (note 4.1.1). Rate of mark-up applicable on this facility is one month KIBOR plus 100 basis points to three month KIBOR plus 90 basis point (December 31, 2020: three months KIBOR plus 90 basis points to three months KIBOR plus 100 basis points per annum). During the period, Rs. 500,000 facility has been extinguished and securities have been released.
- 10.2 This denotes money market loan obtained for three months from the running finance facility obtained under the mark-up arrangement from a commercial bank. This facility is secured by way of a first pari passu mortgage charge on immovable property (including land and building), current assets, and pledge over the Company's investments in related party. Rate of mark up applicable on this facility is three months KIBOR plus 100 basis points (as at December 31, 2020: three months KIBOR plus 100 basis points). The facility of the loan is six month. During the period, money market loan amounting to Rs 500 million from MCB have been converted into running finance facility.



(Amounts in thousand)

**11. CONTINGENCIES AND COMMITMENTS**

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

On April 30, 2021 Sindh High Court (SHC) passed an order in respect of the petition filed by the Company relating to applicability of section 5A i.e. "Tax on undistributed profit" of the Income Tax Ordinance, 2001 and decided the case in favour of the Company. However, subsequent to the period end on July 01, 2021 Federal Board of revenue (FBR) has filed a constitutional appeal with Supreme Court of Pakistan (SCP) against the decision of SHC.

**12. DIVIDEND INCOME**

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

**Unaudited**  
**For the half year ended**  
**June 30,                      June 30,**  
**2021                              2020**  
-----Rupees-----

**13. OTHER INCOME****Income from financial assets**

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

|  | June 30, 2021 | June 30, 2020 |
|--|---------------|---------------|
| Profit on bank deposits / savings accounts | 62            | 53            |
| Mark-up charged to related parties         | 37,918        | 72,263        |
|  | <u>37,980</u> | <u>72,316</u> |

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

Gain on sale of fixed assets  
Royalty income  
Rental income  
Agriculture income  
Profit on financial assets at fair value through profit or loss  
Liability written back  
Miscellaneous income

|   | June 30, 2021 | June 30, 2020 |
|---|---------------|---------------|
| Gain on sale of fixed assets                                    | -             | 189           |
| Royalty income  | 4,631         | 5,905         |
| Rental income   | 8,517         | 12,936        |
| Agriculture income  | 3,218         | 3,705         |
| Profit on financial assets at fair value through profit or loss | 1,180         | -             |
| Liability written back  | 687           | -             |
| Miscellaneous income  | 6,591         | 6,258         |
|   | <u>24,824</u> | <u>28,993</u> |
|   | 62,804        | 101,309       |
| Related to discontinued operations                              | (11,768)      | (21,304)      |
|   | <u>51,036</u> | <u>80,005</u> |

**14. TAXATION****Current**

For the period  
For prior period (note 14.1)

|                              | June 30, 2021 | June 30, 2020 |
|------------------------------|---------------|---------------|
| For the period               | 50,628        | 26,028        |
| For prior period (note 14.1) | -             | 4,987         |
|                              | <u>50,628</u> | <u>31,015</u> |

- 14.1 This denotes prior period shortfall of super tax levied for the rehabilitation of temporary displaced persons at the rate of 3% on specified income for tax year 2017.

966

(Amounts in thousand)

**15. 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<br>Unaudited |                | Half year ended<br>Unaudited |                |
|---|----------------------------|----------------|------------------------------|----------------|
|   | June 30, 2021              | June 30, 2020  | June 30, 2021                | June 30, 2020  |
| <b>Continuing operations</b>                              |                            |                |                              |                |
| Profit for the period                                     | <u>298,785</u>             | <u>113,378</u> | <u>294,337</u>               | <u>111,684</u> |
| Weighted average number of ordinary shares (in thousands) | <u>59,300</u>              | <u>59,297</u>  | <u>59,300</u>                | <u>59,295</u>  |
| Earnings per share  | <u>5.04</u>                | <u>1.91</u>    | <u>4.96</u>                  | <u>1.88</u>    |
| <b>Discontinued operations</b>                            |                            |                |                              |                |
| Loss for the period                                       | <u>(11,029)</u>            | <u>(2,677)</u> | <u>(17,817)</u>              | <u>(5,676)</u> |
| Weighted average number of ordinary shares (in thousands) | <u>59,300</u>              | <u>59,297</u>  | <u>59,300</u>                | <u>59,295</u>  |
| Loss per share  | <u>(0.19)</u>              | <u>(0.05)</u>  | <u>(0.30)</u>                | <u>(0.10)</u>  |

|                                      | Unaudited<br>June 30,<br>2021 | Unaudited<br>June 30,<br>2020 |
|--------------------------------------|-------------------------------|-------------------------------|
| <b>16. CASH AND CASH EQUIVALENTS</b> | -----Rupees-----              |                               |
| Cash and bank balances (note 8)      | 45,708                        | 190,175                       |
| Short-term borrowings (note 10)      | <u>(456,140)</u>              | <u>(1,138,184)</u>            |
|                                      | <u>(410,432)</u>              | <u>(948,009)</u>              |

**17. FAIR VALUE MEASUREMENT**

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

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

**Fair value hierarchy**

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

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

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**(Amounts in thousand)**

The Company held the following assets measured at fair values:

|  | As at June 30, 2021 |               |           | Total         |
|--|---------------------|---------------|-----------|---------------|
|  | Level 1             | Level 2       | Level 3   |               |
| -----Rupees-----   |                     |               |           |               |
| <b>Non-current assets</b>  |                     |               |           |               |
| <i>Financial assets at fair value through profit or loss</i>             |                     |               |           |               |
| - Long-term investments (investments in units of mutual funds)           | -                   | 15,066        | -         | 15,066        |
| <i>Financial assets at fair value through other comprehensive income</i> |                     |               |           |               |
| - Long-term investments (investments in unquoted equity shares)          | -                   | -             | 15        | 15            |
|  | <u>-</u>            | <u>15,066</u> | <u>15</u> | <u>15,081</u> |
| <b>Audited</b>   |                     |               |           |               |
| <b>As at December 31, 2020</b>   |                     |               |           |               |
|  | Level 1             | Level 2       | Level 3   | Total         |
| -----Rupees-----   |                     |               |           |               |
| <b>Non-current assets</b>  |                     |               |           |               |
| <i>Financial assets at fair value through profit or loss</i>             |                     |               |           |               |
| - Long-term investments (investments in units of mutual funds)           | -                   | 13,886        | -         | 13,886        |
| <i>Financial assets at fair value through other comprehensive income</i> |                     |               |           |               |
| - Long-term investments (investments in unquoted equity shares)          | -                   | -             | 15        | 15            |
|  | <u>-</u>            | <u>13,886</u> | <u>15</u> | <u>13,901</u> |

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

**18. SEGMENT REPORTING**

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

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

## (Amounts in thousand)

## 18.1 Segment results

The table below shows the segment information for the reportable segments for the half-years ended June 30, 2021 and 2020 and also the basis on which revenue is recognised:

|  | Renewable energy        |                           | Textile - discontinued operations |                           | Other operations        |                           | Total                   |                           |
|--|-------------------------|---------------------------|-----------------------------------|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|
|  | June 30, 2021           | 2020                      | June 30, 2021                     | 2020                      | June 30, 2021           | 2020                      | June 30, 2021           | 2020                      |
|  | -----Rupees-----        |                           |                                   |                           |                         |                           |                         |                           |
| Revenue from contract with customers - net | -                       | -                         | 1,442                             | 1,708                     | -                       | -                         | 1,442                   | 1,708                     |
| At a point in time                         | -                       | -                         | -                                 | -                         | -                       | -                         | -                       | -                         |
| Over time                                  | -                       | 1,952                     | -                                 | -                         | -                       | -                         | -                       | 1,952                     |
| Revenue from external customers            | -                       | 1,952                     | 1,442                             | 1,708                     | -                       | -                         | 1,442                   | 3,668                     |
| Cost of revenue                            | -                       | (9,548)                   | (1,527)                           | (4,158)                   | -                       | -                         | (1,527)                 | (13,704)                  |
| Segment gross loss                         | -                       | (7,584)                   | (85)                              | (2,452)                   | -                       | -                         | (85)                    | (10,036)                  |
| Dividend income                            | -                       | -                         | -                                 | -                         | 350,694                 | 155,864                   | 350,694                 | 155,864                   |
| Selling and distribution expenses          | -                       | (223)                     | (43)                              | (17)                      | -                       | -                         | (43)                    | (240)                     |
| Administrative expenses                    | (2,808)                 | (1,364)                   | (29,457)                          | (24,511)                  | (24,189)                | (23,353)                  | (58,254)                | (49,228)                  |
| Other expenses                             | -                       | -                         | -                                 | -                         | -                       | (1,456)                   | -                       | (1,456)                   |
| Other income                               | -                       | -                         | 11,768                            | 21,204                    | 51,036                  | 80,006                    | 62,804                  | 101,209                   |
| Finance costs                              | -                       | -                         | -                                 | -                         | (28,958)                | (58,190)                  | (29,988)                | (58,190)                  |
| Taxation                                   | -                       | -                         | -                                 | -                         | (50,628)                | (21,015)                  | (50,628)                | (31,015)                  |
| Segment (loss) / profit                    | (2,808)                 | (9,171)                   | (17,817)                          | (5,676)                   | 295,945                 | 120,855                   | 278,520                 | 106,008                   |
|  | Unaudited June 30, 2021 | Audited December 31, 2020 | Unaudited June 30, 2021           | Audited December 31, 2020 | Unaudited June 30, 2021 | Audited December 31, 2020 | Unaudited June 30, 2021 | Audited December 31, 2020 |
|  | -----Rupees-----        |                           |                                   |                           |                         |                           |                         |                           |
| Total segment assets                       | 18,976                  | 36,644                    | 28,178                            | 28,548                    | 4,560,800               | 4,538,410                 | 4,627,954               | 4,603,802                 |
| Total segment liabilities                  | -                       | 2,562                     | 4,236                             | 5,937                     | 794,283                 | 834,640                   | 798,519                 | 843,139                   |

## 19. RELATED PARTY TRANSACTIONS AND BALANCES

19.1 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 financial statements, are as follows:

| Relationship   | Nature of transaction   | Unaudited June 30, 2021 | Unaudited June 30, 2020 |
|--|---|-------------------------|-------------------------|
|  |   | -----Rupees-----        |                         |
| <b>a. Subsidiary companies</b>                                 |   |                         |                         |
| Tenaga Generasi Limited (TGL)                                  | Reimbursable expenses incurred by the Company on behalf of TGL  | 1,815                   | 7,890                   |
|  | Reimbursement of expenses - Payable                             | 454                     | 498                     |
|  | Stand-by letter of credit cost reimbursement                    | 24,078                  | 34,714                  |
|  | Interest on reimbursable expenses                               | 3,099                   | 6,120                   |
|  | Interest on subordinated loans to TGL                           | 20,593                  | 32,313                  |
| Reon Energy Limited (REL)                                      | Advance given against issue of right shares                     | -                       | 300,000                 |
|  | Reimbursable expenses incurred by REL on behalf of the Company  | 11,275                  | 6,788                   |
|  | Interest charged to REL on reimbursable expenses                | 81                      | 98                      |
|  | Short-term loan disbursed to REL                                | -                       | 300,000                 |
|  | Repayment of short-term loan by REL                             | -                       | 300,000                 |
|  | Interest on short-term loan to REL                              | -                       | 12,290                  |
|  | Interest on long-term loan to REL                               | 13,992                  | 21,451                  |
| Reimbursable expenses incurred by the Company on behalf of REL | 2,670   | 21,473                  |                         |
| Mozart (Private) Limited (MPL)                                 | Subordinated loan disbursed                                     | 80                      | 3                       |
|  | Interest on subordinated loan                                   | 17                      | 20                      |
| Abrax (Private) Limited (APL)                                  | Subordinated loan disbursed                                     | 78                      | -                       |
|  | Interest on subordinated loan                                   | 19                      | 22                      |
| Greengo (Private) Limited (GPL)                                | Subordinated loan disbursed                                     | 78                      | -                       |
|  | Interest on subordinated loan                                   | 19                      | 24                      |
| Reon Alpha (Private) Limited (RAPL)                            | Interest on reimbursement of expenses                           | 16                      | 23                      |
|  | Reimbursable expenses incurred by the Company on behalf of RAPL | 515                     | 842                     |



(Amounts in thousand)

| Relationship  | Nature of transaction   | Unaudited        | Unaudited        |
|---|---|------------------|------------------|
|   |   | June 30,<br>2021 | June 30,<br>2020 |
|   |   | -----Rupees----- |                  |
| <b>b. Associated companies</b>                            |   |                  |                  |
| Dawood Hercules Corporation<br>Corporation Limited (DHCL) | Dividend income   | 350,694          | 155,864          |
|   | Reimbursable expenses<br>incurred on behalf of the Company        | 528              | 1,354            |
| Sach International (Private)<br>Limited (SIL)             | Reimbursable expenses incurred by<br>the Company on behalf of SIL | 169              | 145              |
|   | Royalty charged by the Company                                    | 4,631            | 5,905            |
|   | Rental income   | 330              | 330              |
|   | Penalty charged against overdue receivables                       | 1,416            | 1,325            |
| <b>c. Key management<br/>personnel</b>                    | Salaries and benefits   | 9,154            | 7,808            |
|   | Other retirement benefits   | 249              | 201              |
| <b>d. Directors</b>                                       | Directors' meeting fee  | 800              | 1,100            |

19.2 During the period, the Company, paid dividends to its directors / sponsors amounting to Rs. 34,367 (2020: Nil).

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

The Board of Directors in its meeting held on August 26, 2021 has approved an interim cash dividend of Rs. 2.35 (2020: cash dividend of Rs.4) per share amounting to Rs. 163,074 (2020: Rs. 237,199) for the half-year ended June 30, 2021. These unconsolidated condensed interim financial statements do not include the effect of this appropriation which will be accounted for in the unconsolidated condensed interim financial statements of the Company in the subsequent reporting period.

## 21. DATE OF AUTHORIZATION FOR ISSUE

These 26 Aug 2021 unconsolidated financial statements were authorized for issue on \_\_\_\_\_ by the Board of Directors of the Company.

## 22. 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 HALF YEAR ENDED JUNE 30, 2021**

**DAWOOD LAWRENCEPUR LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**

(Amounts in thousand)

|   | Unaudited<br>June 30,<br>2021 | Audited<br>December 31,<br>2020 |
|---|-------------------------------|---------------------------------|
| Note  | -----Rupees-----              |                                 |
| <b>ASSETS</b>                               |                               |                                 |
| <b>Non-current assets</b>                   |                               |                                 |
| Property, plant and equipment               | 12,061,384                    | 12,493,884                      |
| Intangible assets                           | 43,965                        | 41,193                          |
| Long-term investments                       | 11,489,756                    | 10,909,397                      |
| Long-term loans to employees                | -                             | 95                              |
| Right-of-use assets                         | 105,605                       | 116,689                         |
| Long-term deposits                          | 2,778                         | 2,778                           |
|   | <b>23,703,488</b>             | <b>23,564,036</b>               |
| <b>Current assets</b>                       |                               |                                 |
| Stores and spares                           | 892                           | 892                             |
| Stock-in-trade                              | 864,207                       | 241,852                         |
| Trade debts                                 | 3,401,648                     | 2,896,123                       |
| Loans and advances                          | 340,787                       | 55,330                          |
| Deposits, prepayments and other receivables | 1,281,697                     | 1,075,134                       |
| Accrued interest                            | 801                           | 7,369                           |
| Contract assets                             | 446,071                       | 324,240                         |
| Taxes recoverable                           | 112,611                       | 130,757                         |
| Short-term investments                      | 64,657                        | 96,024                          |
| Cash and bank balances                      | 605,632                       | 689,185                         |
|   | <b>7,119,003</b>              | <b>5,516,906</b>                |
| <b>TOTAL ASSETS</b>                         | <b>30,822,491</b>             | <b>29,080,942</b>               |
| <b>EQUITY AND LIABILITIES</b>               |                               |                                 |
| <b>Equity</b>                               |                               |                                 |
| Share capital                               | 592,998                       | 592,998                         |
| Capital reserves                            | 213,579                       | 206,666                         |
| Unappropriated profit                       | 14,083,715                    | 13,358,781                      |
| Non-controlling interest                    | 1,600,831                     | 1,492,729                       |
|   | <b>16,491,123</b>             | <b>15,651,174</b>               |
| <b>Non-current liabilities</b>              |                               |                                 |
| Long-term borrowings                        | 7,179,525                     | 7,802,777                       |
| Deferred taxation                           | 1,559,964                     | 1,478,980                       |
| Non-current portion of lease liabilities    | 104,233                       | 109,778                         |
| Deferred government grant                   | 2,056                         | 3,056                           |
| Staff retirement benefits                   | 69,834                        | 60,575                          |
|   | <b>8,915,612</b>              | <b>9,455,166</b>                |
| <b>Current liabilities</b>                  |                               |                                 |
| Current portion of:                         |                               |                                 |
| Long-term borrowings                        | 1,347,530                     | 1,304,685                       |
| Deferred government grant                   | 3,534                         | 5,369                           |
| Lease liabilities                           | 22,130                        | 29,355                          |
| Trade and other payables                    | 2,258,100                     | 1,005,778                       |
| Unpaid dividend                             | 207,549                       | -                               |
| Unclaimed dividend                          | 69,997                        | 70,307                          |
| Provision                                   | 7,360                         | 7,360                           |
| Short-term borrowings                       | 779,128                       | 992,745                         |
| Contract liabilities                        | 582,383                       | 410,985                         |
| Accrued mark-up                             | 138,045                       | 148,018                         |
|   | <b>5,415,756</b>              | <b>3,974,602</b>                |
| <b>Contingencies and Commitments</b>        | <b>8</b>                      | <b>3,974,602</b>                |
| <b>TOTAL EQUITY AND LIABILITIES</b>         | <b>30,822,491</b>             | <b>29,080,942</b>               |

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

  
**Chief Executive Officer**

  
**Director**

  
**Chief Financial Officer**

**DAWOOD LAWRENCEPUR LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2021**

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

|   | Note | Quarter Ended      |                  | Half Year Ended    |                  |
|---|------|--------------------|------------------|--------------------|------------------|
|   |      | June 30,<br>2021   | June 30,<br>2020 | June 30,<br>2021   | June 30,<br>2020 |
| -----Rupees-----                                |      |                    |                  |                    |                  |
| <b>CONTINUING OPERATIONS</b>                    |      |                    |                  |                    |                  |
| Revenue - net                                   | 9    | <b>3,141,091</b>   | 1,567,945        | <b>4,554,299</b>   | 2,764,004        |
| Cost of revenue                                 |      | <b>(2,376,221)</b> | (823,907)        | <b>(3,649,927)</b> | (1,609,376)      |
| Gross profit                                    |      | <b>764,870</b>     | 744,038          | <b>904,372</b>     | 1,154,628        |
| Selling and distribution expenses               |      | <b>(85,622)</b>    | (50,092)         | <b>(171,219)</b>   | (128,611)        |
| Other operating expenses                        |      | <b>53,553</b>      | 858              | <b>(35,022)</b>    | (4,972)          |
| Administrative expenses                         |      | <b>(189,023)</b>   | (80,148)         | <b>(192,465)</b>   | (151,809)        |
| Other income                                    |      | <b>58,074</b>      | 8,769            | <b>72,015</b>      | 33,838           |
| Operating profit                                |      | <b>601,852</b>     | 623,425          | <b>577,681</b>     | 903,074          |
| Finance costs                                   |      | <b>(139,897)</b>   | (207,232)        | <b>(272,619)</b>   | (418,098)        |
|   |      | <b>461,955</b>     | 416,192          | <b>305,062</b>     | 484,976          |
| Share of profit from investment in an associate |      | <b>439,561</b>     | 336,638          | <b>925,464</b>     | 290,907          |
| Profit before taxation                          |      | <b>901,516</b>     | 752,830          | <b>1,230,526</b>   | 775,883          |
| Taxation  |      | <b>(84,185)</b>    | (62,091)         | <b>(175,872)</b>   | (67,014)         |
| Profit after taxation                           |      | <b>817,331</b>     | 690,740          | <b>1,054,654</b>   | 708,869          |
| <b>DISCONTINUED OPERATIONS</b>                  |      |                    |                  |                    |                  |
| Loss from discontinued operations               |      | <b>(11,029)</b>    | (2,677)          | <b>(17,817)</b>    | (5,676)          |
| Profit for the period                           |      | <b>806,302</b>     | 688,063          | <b>1,036,837</b>   | 703,193          |
| Earnings per share - Basic and diluted          |      |                    |                  |                    |                  |
| Continuing operations                           | 10   | <b>11.62</b>       | 9.68             | <b>15.96</b>       | 9.28             |
| Loss per share - Basic and diluted              |      |                    |                  |                    |                  |
| Discontinued operations                         | 10   | <b>(0.19)</b>      | (0.05)           | <b>(0.30)</b>      | (0.10)           |
| <b>Profit attributable to:</b>                  |      |                    |                  |                    |                  |
| Owners of the Holding Company                   |      | <b>678,200</b>     | 571,138          | <b>928,735</b>     | 544,513          |
| Non controlling interest                        |      | <b>128,102</b>     | 116,925          | <b>108,102</b>     | 158,680          |
|   |      | <b>806,302</b>     | 688,063          | <b>1,036,837</b>   | 703,193          |

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

  
**Chief Executive Officer**

  
**Director**

  
**Chief Financial Officer**

**DAWOOD LAWRENCEPUR LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER**  
**COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2021**

(Amounts in thousand)

|   | Quarter ended    |                  | Half year ended  |                  |
|---|------------------|------------------|------------------|------------------|
|   | June 30,<br>2021 | June 30,<br>2020 | June 30,<br>2021 | June 30,<br>2020 |
|   | -----Rupees----- |                  |                  |                  |
| Profit for the period   | <b>806,302</b>   | 688,063          | <b>1,036,837</b> | 703,193          |
| <b>Other comprehensive income</b>   |                  |                  |                  |                  |
| <b>Items that may be reclassified subsequently through profit or loss account</b> |                  |                  |                  |                  |
| Share of other comprehensive income of associate - net of tax                     | <b>9,888</b>     | 9,837            | <b>4,409</b>     | 36,994           |
| Total comprehensive income for the period   | <b>816,190</b>   | 697,900          | <b>1,041,246</b> | 740,187          |
| Total comprehensive income attributable to:                                       |                  |                  |                  |                  |
| - Continuing operations   | <b>827,219</b>   | 700,577          | <b>1,059,063</b> | 745,863          |
| - Discontinued operations   | <b>(11,029)</b>  | (2,677)          | <b>(17,817)</b>  | (5,676)          |
|   | <b>816,190</b>   | 697,900          | <b>1,041,246</b> | 740,187          |
| Total comprehensive income attributable to:                                       |                  |                  |                  |                  |
| - Owners of the Holding Company   | <b>688,088</b>   | 580,975          | <b>933,144</b>   | 581,507          |
| - Non-controlling interest  | <b>128,102</b>   | 116,925          | <b>108,102</b>   | 158,680          |
|   | <b>816,190</b>   | 697,900          | <b>1,041,246</b> | 740,187          |

The annexed notes from 1 to 15 form an integral part of this 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 HALF YEAR ENDED JUNE 30, 2021

(Amounts in thousand)

| Share capital   | Capital reserves |                       |                 |                                 | Revenue Reserves |                                | Non controlling interest | Total            |                   |
|---|------------------|-----------------------|-----------------|---------------------------------|------------------|--------------------------------|--------------------------|------------------|-------------------|
|   | Merger reserve   | Share premium reserve | Capital reserve | Capital redemption reserve fund | Total            | Unappropriated profit / (loss) |                          |                  |                   |
| -----Rupees-----  |                  |                       |                 |                                 |                  |                                |                          |                  |                   |
| <b>Balance at January 01, 2020 (Audited)</b>                                  | 590,578          | 10,521                | 136,865         | 33,311                          | 25,969           | 206,666                        | 12,094,910               | 1,210,800        | 14,102,954        |
| Profit for the period   | -                | -                     | -               | -                               | -                | -                              | 544,513                  | 158,680          | 703,193           |
| Other comprehensive income for the period                                     | -                | -                     | -               | -                               | -                | -                              | 36,994                   | -                | 36,994            |
| Total comprehensive income for the half year ended June 30, 2020              | -                | -                     | -               | -                               | -                | -                              | 581,507                  | 158,680          | 740,187           |
| Issuance of ordinary shares   | 1,305            | -                     | -               | -                               | -                | -                              | -                        | -                | 1,305             |
| Issuance of bonus shares  | 1,115            | -                     | -               | -                               | -                | -                              | (1,115)                  | -                | -                 |
| <b>Balance at June 30, 2020 (Unaudited)</b>                                   | <b>592,998</b>   | <b>10,521</b>         | <b>136,865</b>  | <b>33,311</b>                   | <b>25,969</b>    | <b>206,666</b>                 | <b>12,675,302</b>        | <b>1,369,480</b> | <b>14,844,446</b> |
| Profit for the period   | -                | -                     | -               | -                               | -                | -                              | 964,029                  | 123,349          | 1,087,378         |
| Other comprehensive income for the period                                     | -                | -                     | -               | -                               | -                | -                              | (42,971)                 | -                | (42,971)          |
| Total comprehensive income for the half year ended December 31, 2019          | -                | -                     | -               | -                               | -                | -                              | 921,058                  | 123,349          | 1,044,407         |
| Acquisition of 40% of share capital of Grid Edge (Private) Limited            | -                | -                     | -               | -                               | -                | -                              | (380)                    | -                | (380)             |
| <b>Transactions with owners</b>   |                  |                       |                 |                                 |                  |                                |                          |                  |                   |
| First interim dividend for the year ended December 31, 2020 @ Rs. 4 per share | -                | -                     | -               | -                               | -                | -                              | (237,199)                | (100)            | (237,299)         |
| <b>Balance at December 31, 2020 (Audited)</b>                                 | <b>592,998</b>   | <b>10,521</b>         | <b>136,865</b>  | <b>33,311</b>                   | <b>25,969</b>    | <b>206,666</b>                 | <b>13,358,781</b>        | <b>1,492,729</b> | <b>15,651,174</b> |
| Profit for the period   | -                | -                     | -               | -                               | -                | -                              | 928,735                  | 108,102          | 1,036,836         |
| Other comprehensive income for the period                                     | -                | -                     | -               | -                               | -                | -                              | 3,749                    | -                | 3,749             |
| Total comprehensive income for the half year ended June 30, 2021              | -                | -                     | -               | -                               | -                | -                              | 932,483                  | 108,102          | 1,040,585         |
| Employee share option scheme  | -                | -                     | -               | 6,913                           | -                | 6,913                          | -                        | -                | 6,913             |
| <b>Transactions with owners</b>   |                  |                       |                 |                                 |                  |                                |                          |                  |                   |
| First interim dividend for the year ended December 31, 2021 @ Rs. 4 per share | -                | -                     | -               | -                               | -                | -                              | (207,549)                | -                | (207,549)         |
| <b>Balance at June 30, 2021 (Unaudited)</b>                                   | <b>592,998</b>   | <b>10,521</b>         | <b>136,865</b>  | <b>40,224</b>                   | <b>25,969</b>    | <b>213,579</b>                 | <b>14,083,715</b>        | <b>1,600,831</b> | <b>16,491,123</b> |

The annexed notes from 1 to 15 form an integral part of this 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 HALF YEAR ENDED JUNE 30, 2021**

(Amounts in thousand)

|   | Half Year Ended  |                  |
|---|------------------|------------------|
|   | June 30,<br>2021 | June 30,<br>2020 |
| -----Rupees-----  |                  |                  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                             |                  |                  |
| Profit before taxation  | 1,212,709        | 770,207          |
| Loss / (profit) before taxation attributable to discontinued operations | 17,817           | 5,676            |
| Profit before taxation from continued operations                        | 1,230,526        | 775,883          |
| <b>Adjustments for non-cash and other items</b>                         |                  |                  |
| Depreciation  | 387,831          | 383,283          |
| Amortization  | 3,974            | 1,281            |
| Provision for gratuity  | 10,464           | 8,037            |
| Provision / (reversal) for impairment for stock in trade                | 1,029            | 9,707            |
| Provision for warranties  | 30,228           | 9,911            |
| Provision for impairment against financial assets                       | 30,009           | 4,344            |
| Government grant recognized as income                                   | (2,835)          | -                |
| Charge related to employee share options scheme                         | 6,913            | -                |
| Profit on deposit   | (4,869)          | (9,998)          |
| Interest income on short-term investments                               | (2,543)          | (11,413)         |
| (Gain) / loss on National Investment Trust unit                         | (1,180)          | 1,456            |
| Finance costs   | 272,619          | 418,098          |
| Gain on scrap sales   | (36)             | -                |
| Share of profit from associate  | (925,464)        | (290,907)        |
|   | 1,036,666        | 1,299,682        |
| <b>Working capital changes</b>  |                  |                  |
| <b>Decrease / (increase) in current assets</b>                          |                  |                  |
| Stock in trade  | (621,857)        | (43,227)         |
| Trade debts   | (535,534)        | (161,240)        |
| Contract assets   | (121,831)        | (129,933)        |
| Loans and advances  | (285,577)        | (18,442)         |
| Deposits, prepayments and other receivables                             | (206,563)        | (175,135)        |
| <b>(Decrease) / increase in current liabilities</b>                     |                  |                  |
| Increase in contract liability  | 171,398          | (15,788)         |
| Trade and other payables  | 1,252,322        | (412,437)        |
|   | (347,642)        | (956,202)        |
| Cash generated from operations  | 689,024          | 343,479          |
| Gratuity paid   | (1,205)          | (9,118)          |
| Long term loan  | 95               | 689              |
| Finance costs paid  | (274,862)        | (432,325)        |
| Taxes paid  | (157,726)        | (27,260)         |
| Discontinued operations   | (17,712)         | 3,248            |
| Net cash generated from / (used in) in operating activities             | 237,614          | (121,287)        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                             |                  |                  |
| Purchase of property, plant and equipment                               | (46,349)         | (10,048)         |
| Additions to capital work-in-progress                                   | -                | (6,027)          |
| Purchase of intangible assets   | (6,746)          | (18,788)         |
| Short-term investments redeemed   | 31,367           | 375,236          |
| Interest received on deposits   | 78,583           | 38,894           |
| Dividend received   | 350,694          | -                |
| Discontinued operations   | -                | 192              |
| Net cash generated from investing activities                            | 407,549          | 379,459          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                             |                  |                  |
| Payment of dividend   | -                | (245)            |
| Payment of lease liabilities  | (23,918)         | (23,918)         |
| Repayment of loan   | (624,706)        | (552,136)        |
| Proceeds from borrowings  | 133,525          | 62,909           |
|   | (515,099)        | (513,390)        |
| Net decrease in cash and cash equivalents                               | 130,064          | (255,218)        |
| Cash and cash equivalents at beginning of the period                    | (303,560)        | (389,320)        |
| Cash and cash equivalents at end of the period                          | (173,496)        | (644,538)        |
| <b>Cash and cash equivalents:</b>                                       |                  |                  |
| Cash and bank balances  | 605,632          | 724,079          |
| Short term borrowings   | (779,128)        | (1,368,616)      |
|   | (173,496)        | (644,538)        |

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

  
**Chief Executive Officer**

  
**Director**

  
**Chief Financial Officer**

**DAWOOD LAWRENCEPUR LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2021**

(Amounts in thousand)

**1. LEGAL STATUS AND OPERATIONS**

- 1.1 Dawood Lawrencepur Limited (the Holding Company) was incorporated in Pakistan in the year 2004 as a public listed company. It was formed as a result of a Scheme of Arrangement for Amalgamation in terms of the provisions of the repealed Companies Ordinance, 1984 (now Companies Act, 2017) between Dawood Cotton Mills Limited (DCM), 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 Pakistan Stock Exchange. the Holding Company manages its investment in its subsidiary and associated companies and is engaged in the business of trading and marketing of renewable energy solutions, mainly solar, to commercial and industrial consumers, along with the legacy textile business.

The business units of the Holding Company include the following:

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

- 1.2 In prior years, the Holding Company suspended operations of LWTM, BTM, DL and DCM. Land, building, plant and machinery and related assets of DL and DCM were disposed off . Further, plant and machinery and related assets of LWTM and BTM were also disposed off in the prior period.
- 1.3 The 'Lawrencepur' brand name continues to operate under license.
- 1.4 The "Group" consists of:

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

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

|   | <b>Period Ended</b> | <b>Percentage of direct holding</b> |      |
|---|---------------------|-------------------------------------|------|
|   |                     | <b>2020</b>                         | 2019 |
| - Reon Energy Limited (note 1.4.1)          |                     | <b>100%</b>                         | 100% |
| - Tenega Generasi Limited (note 1.4.2)      | June 30             | <b>75%</b>                          | 75%  |
| - Mozart (Private) Limited (note 1.4.3)     | June 30             | <b>100%</b>                         | 100% |
|   | June 30             |                                     |      |
| - Abrax (Private) Limited (note 1.4.4)      |                     | <b>100%</b>                         | 100% |
| - Greengo (Private) Limited (note 1.4.5)    | June 30             | <b>100%</b>                         | 100% |
| - Reon Alpha (Private) Limited (note 1.4.6) | June 30             | <b>100%</b>                         | 100% |

**1.4.1 Reon Energy Limited**

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



(Amounts in thousand)

#### 1.4.2 Tenaga Generasi Limited

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

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

#### 1.4.3 Mozart (Private) Limited

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

#### 1.4.4 Abrax (Private) Limited

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

#### 1.4.5 Greengo (Private) Limited

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

#### 1.4.6 Reon Alpha (Private) Limited

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

#### 1.5 Associated company

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

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

## 2. BASIS OF PREPARATION

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

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

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

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

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

- 3.1 The accounting policies and the methods of computation adopted in the preparation of this consolidated condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Group for the year ended December 31, 2020.
- 3.2 The financial risk management objectives and policies of the Group are also consistent with those disclosed in the audited consolidated financial statements of the Group for the year ended December 31, 2020

(Amounts in thousand)

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

#### 4. BASIS OF CONSOLIDATION

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

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

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

|  | Unaudited<br>June 30,<br>2021 | Audited<br>December 31,<br>2020 |
|--|-------------------------------|---------------------------------|
| -----Rupees-----   |                               |                                 |
| <b>5. LONG TERM INVESTMENTS</b>                                    |                               |                                 |
| Share of investment in an associate (note 5.1)                     | 11,474,623                    | 10,895,496                      |
| Other investments  | 15,133                        | 13,901                          |
|  | <u>11,489,756</u>             | <u>10,909,397</u>               |
| <b>5.1 Share of investment in an associate</b>                     |                               |                                 |
| Associated company - quoted<br>Dawood Hercules Corporation Limited |                               |                                 |
| Opening balance  | 10,895,496                    | 10,364,454                      |
| Add: Share of profit after taxation                                | 925,464                       | 1,227,619                       |
| Share of other comprehensive income                                | 4,409                         | 4,810                           |
| Other equity transactions  | -                             | -                               |
|  | <u>929,873</u>                | <u>1,232,429</u>                |
| Less: Dividend received  | (350,746)                     | (701,387)                       |
|  | <u>11,474,623</u>             | <u>10,895,496</u>               |

#### 6. SHARE CAPITAL

##### 6.1 Authorized capital

| Unaudited<br>June 30,<br>2021 | Audited<br>December 31,<br>2020 |                                | Unaudited<br>June 30,<br>2021 | Audited<br>December 31,<br>2020 |
|-------------------------------|---------------------------------|--------------------------------|-------------------------------|---------------------------------|
| 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<br>June 30,<br>2021 | Audited<br>December 31,<br>2020 |   | Unaudited<br>June 30,<br>2021 | Audited<br>December 31,<br>2020 |
|-------------------------------|---------------------------------|---|-------------------------------|---------------------------------|
| Number of shares              |                                 |   | Rupees                        |                                 |
| 2,204,002                     | 2,204,002                       | Ordinary shares of Rs. 10 each<br>full paid in cash             | 22,040                        | 22,040                          |
| 12,805,118                    | 12,805,118                      | Issued for consideration other<br>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<br>Court's order (Note 6.2.3)  | 1,305                         | 1,305                           |
| 111,430                       | 111,430                         | Issued as bonus shares as per<br>the Court's order (Note 6.2.3) | 1,115                         | 1,115                           |
| <u>59,299,809</u>             | <u>59,299,809</u>               |   | <u>592,998</u>                | <u>592,998</u>                  |

(Amounts in thousand)

|   | Unaudited<br>June 30,<br>2021 | Audited<br>December 31,<br>2020 |
|---|-------------------------------|---------------------------------|
|   | -----Number of shares-----    |                                 |
| <b>6.2.1 Associates holding the Company's share capital are as under:</b> |                               |                                 |
| Dawood Corporation (Private) Limited                                      | 29,016,622                    | 29,016,622                      |
| The Dawood Foundation   | 2,979,324                     | 2,979,324                       |
| Patek (Private) Limited   | 3,713,984                     | 3,713,984                       |
| Cyan Limited  | 2,965,095                     | 2,965,095                       |
| Dawood Industries (Private) Limited                                       | 494,921                       | 494,921                         |
| Sach International (Private) Limited                                      | 3,776                         | 3,776                           |
|   | <u>39,173,722</u>             | <u>39,173,722</u>               |

**6.2.2** During the period, the Holding Company paid dividends to the aforementioned Associated Companies amounting to Rs. 137,108 (2020: Rs. 156,694).

**6.2.3** In compliance with the orders passed by the Honourable Sindh High Court, the Holding Company had issued 241,950 shares (denoting 130,520 shares as right issue and 114,430 as bonus issue) to National Investment Trust Limited on May 12, 2020. However, the amount of Rs. 1,305 against subscription of 130,520 right shares by NIT in the year 1975 that was deposited with the Nazir of Sindh High Court has been received on February 22, 2021 along with interest thereon.

## 7. SHORT TERM BORROWING

This denotes short-term running finance facility aggregating to Rs.1,500,000 (December 31, 2020: Rs 1,500,000) obtained under mark-up arrangement from a commercial banks. As at June 30, 2021, the Holding Company has utilised the facility against running finance facility to the extent of Rs. 456,140 (December 31, 2020 Rs. 199,795) and has issued guarantees to the extent of Rs. 36,175 (December 31, 2020 Rs. 36,179). Furthermore, out of the aforementioned facility, the Holding Company has negotiated sub-limits for financing the operations of REL amounting to Rs. 300,000. This facility is secured by way of a first pari passu mortgage charge on immovable property (including land and building), current assets, and pledge over the Holding Company's investments in related party. Rate of mark-up applicable on this facility is one month KIBOR plus 100 basis points to three month KIBOR plus 90 basis point (December 31, 2020: three months KIBOR plus 90 basis points to three months KIBOR plus 100 basis points per annum). During the period, Rs. 500,000 facility has been extinguished and securities have been released. During the period, money market loan amounting to Rs 500 million from MCB have been converted into running finance facility.

## 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, 2020, except for the following:

### Contingencies

#### 8.1 The Holding Company

On April 30, 2021 Sindh High Court (SHC) passed an order in respect of the petition filed by the Holding Company relating to applicability of section 5A i.e. "Tax on undistributed profit" of the Income Tax Ordinance, 2001 and decided the case in favour of the Holding Company. However, subsequent to the period end on July 01, 2021 Federal Board of revenue (FBR) has filed a constitutional appeal with Supreme Court of Pakistan (SCP) against the decision of SHC.

#### 8.2 Tenaga Generasi Limited

**8.2.1** 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 February 2021 after conducting case CIR(A) has passed the order and confirmed the demand raised by the taxation officer. Subsequently company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR(A). The management of TGL, 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 this condensed interim financial information.

**8.2.2** On March 30, 2021, TGL received an order in respect of Tax year 2016, after sales tax audit conducted by Federal Board of Revenue as per section 25 of Sales Tax Act, 1990 from Deputy Commissioner Inland Revenue (DCIR) amounting to Rs 348,073,571 excluding default surcharge and penalty of Rs. 167,075,313 and Rs. 17,413,677 due to inadmissibility of input sales tax credit related to services / goods obtained by the Company for building construction, electrical and mechanical works and short payment of output tax. However, on April 29, 2021, taxation DCIR has rectified order on the basis of argument presented by TGL, whereby sales tax demand of Rs. 12,085,247 along with default surcharge and penalty of Rs. 4,891,553 and Rs. 614,261, respectively has been raised after rectification. The management of TGL, 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 this condensed interim financial information.

(Amounts in thousand)

|  | <b>Unaudited<br/>For the half<br/>year ended<br/>June 30,<br/>2021</b> | <b>Audited<br/>For the year<br/>ended<br/>December 31,<br/>2020</b> |
|--|--|---|
|  | -----Rupees-----   |   |
| <b>8.3 Commitments</b>   |  |   |
| <b>8.3.1 Reon Energy Limited</b>   |  |   |
| Contingent liabilities - guarantees  | 736,955  | 579,324   |
| Commitments in respect of:   |  |   |
| - Purchase orders  | 894,034  | 423,602   |
| - Letter of credit   | 1,127,052  | 279,766   |
| - Forward foreign exchange contracts   | 1,247,290  | 506,780   |
|  | <u>3,268,376</u>   | <u>1,210,148</u>  |
| <b>8.3.2</b> Bank guarantees have been issued against mobilization advances from customers and performance of the goods and services rendered for a tenure varying from three months to three years.   |  |   |
| <b>8.3.3</b> The Holding Company has provided a corporate guarantee amounting to Rs. 144,000 to Pak Oman Investment Company Limited to secure funded facility provided to Grid Edge (Private) Limited. |  |   |

|                                    | <b>Unaudited<br/>For the half year ended<br/>June 30,<br/>2021</b> | <b>June 30,<br/>2020</b> |
|------------------------------------|--|--------------------------|
|                                    | -----Rupees-----   |                          |
| <b>9. REVENUE - NET</b>            |  |                          |
| <b>Renewable energy</b>            |  |                          |
| Project revenue (Solar)            | 3,287,169  | 1,163,010                |
| Alternate Energy (Wind)            | 1,267,130  | 1,600,994                |
|                                    | <u>4,554,299</u>   | <u>2,764,004</u>         |
| <b>Textile</b>                     |  |                          |
| Fabric                             | 1,442  | 1,706                    |
|                                    | <u>4,555,741</u>   | <u>2,765,710</u>         |
| Related to discontinued operations | (1,442)  | (1,706)                  |
|                                    | <u>4,554,299</u>   | <u>2,764,004</u>         |

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

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

|   | <b>Unaudited</b>     |               |                        |               |
|---|----------------------|---------------|------------------------|---------------|
|   | <b>Quarter Ended</b> |               | <b>Half year ended</b> |               |
|   | <b>June 30, 2021</b> | June 30, 2020 | <b>June 30, 2021</b>   | June 30, 2020 |
| <b>Continuing operations</b>  |                      |               |                        |               |
| Profit for the period (attributable to the owners of the Holding Company) | <u>689,229</u>       | 573,815       | <u>946,552</u>         | 550,189       |
| Weighted average number of ordinary shares (in thousand)                  | <u>59,300</u>        | 59,297        | <u>59,300</u>          | 59,295        |
| Earnings per share  | <u>11.62</u>         | 9.68          | <u>15.96</u>           | 9.28          |
| <b>Discontinued operations</b>  |                      |               |                        |               |
| Loss for the period (attributable to the owners of the Holding Company)   | <u>(11,029)</u>      | (2,677)       | <u>(17,817)</u>        | (5,676)       |
| Weighted average number of ordinary shares (in thousand)                  | <u>59,300</u>        | 59,297        | <u>59,300</u>          | 59,295        |
| Loss per share  | <u>(0.19)</u>        | (0.05)        | <u>(0.30)</u>          | (0.10)        |

**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 Group 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).

(Amounts in thousand)

| As at June 30, 2021 (Unaudited)  |         |         |        |  |
|--|---------|---------|--------|--|
| Level 1  | Level 2 | Level 3 | Total  |  |
| -----Rupees-----   |         |         |        |  |
| <b>Non-current assets</b>  |         |         |        |  |
| <b>Financial assets at fair value through profit or loss</b>             |         |         |        |  |
| - Long-term investments (investments in units of mutual funds)           |         |         |        |  |
| -  | 15,066  | -       | 15,066 |  |
| <b>Financial assets at fair value through other comprehensive income</b> |         |         |        |  |
| - Long-term investments (investments in unquoted equity shares)          |         |         |        |  |
| -  | -       | 15      | 15     |  |
| <b>Current liability</b>   |         |         |        |  |
| <b>Financial liability at fair value through profit or loss</b>          |         |         |        |  |
| - Derivative financial liability   |         |         |        |  |
| -  | -       | -       | -      |  |
| -  | 15,066  | 15      | 15,081 |  |
| As at December 31, 2020 (Audited)  |         |         |        |  |
| Level 1  | Level 2 | Level 3 | Total  |  |
| -----Rupees-----   |         |         |        |  |
| <b>Non-current assets</b>  |         |         |        |  |
| <b>Financial assets at fair value through profit or loss</b>             |         |         |        |  |
| - Long-term investments (investments in units of mutual funds)           |         |         |        |  |
| -  | 13,886  | -       | 13,886 |  |
| <b>Financial assets at fair value through other comprehensive income</b> |         |         |        |  |
| - Long-term investments (investments in unquoted equity shares)          |         |         |        |  |
| -  | -       | 15      | 15     |  |
| <b>Current liability</b>   |         |         |        |  |
| <b>Financial liability at fair value through profit or loss</b>          |         |         |        |  |
| - Derivative financial liability   |         |         |        |  |
| -  | 9,200   | -       | 9,200  |  |
| -  | 23,086  | 15      | 23,101 |  |

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

## 12 SEGMENT REPORTING

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

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

Segment analysis is as under:

|  | Renewable energy    |              | Textile - discontinued operations |              | Alternate Energy |              | Unallocated |              | Total       |              |
|--|---------------------|--------------|-----------------------------------|--------------|------------------|--------------|-------------|--------------|-------------|--------------|
|  | -----Unaudited----- |              |                                   |              |                  |              |             |              |             |              |
|  | June 30,            |              | June 30,                          |              | June 30,         |              | June 30,    |              | June 30,    |              |
|  | 2021                | 2020         | 2021                              | 2020         | 2021             | 2020         | 2021        | 2020         | 2021        | 2020         |
| -----Rupees-----                           |                     |              |                                   |              |                  |              |             |              |             |              |
| Revenue from contract with customers - net |                     |              |                                   |              |                  |              |             |              |             |              |
| Timing of revenue recognition              |                     |              |                                   |              |                  |              |             |              |             |              |
| - At a point in time                       | -                   | -            | -                                 | 1,706        | -                | -            | -           | -            | -           | 1,706        |
| - Over time                                | 3,287,169           | 1,163,010    | -                                 | -            | 1,267,130        | 1,600,994    | -           | -            | 4,554,299   | 2,764,004    |
|  | 3,287,169           | 1,163,010    | -                                 | 1,706        | 1,267,130        | 1,600,994    | -           | -            | 4,554,299   | 2,765,710    |
| Cost of revenue                            | (3,082,113)         | (1,042,074)  | -                                 | (4,158)      | (567,814)        | (567,302)    | -           | -            | (3,649,927) | (1,613,534)  |
| Segment gross profit / (loss)              | 205,056             | 120,936      | -                                 | (2,452)      | 699,316          | 1,033,692    | -           | -            | 904,372     | 1,152,176    |
| Selling and distribution expenses          | (171,219)           | (128,611)    | -                                 | (17)         | -                | -            | -           | -            | (171,219)   | (128,628)    |
| Administrative expenses                    | (122,165)           | (92,506)     | -                                 | (24,511)     | (43,327)         | (35,849)     | (26,973)    | (23,454)     | (192,465)   | (176,320)    |
| Other expenses                             | (33,557)            | (3,515)      | -                                 | -            | (1,465)          | -            | -           | (1,457)      | (35,022)    | (4,972)      |
| Other income                               | 15,861              | 16,151       | -                                 | 21,304       | 5,118            | 9,945        | 51,036      | 7,742        | 72,015      | 55,142       |
| Finance cost                               | (16,845)            | (26,258)     | -                                 | -            | (225,752)        | (332,673)    | (30,022)    | (59,167)     | (272,619)   | (418,098)    |
| Share of profit from associate             | -                   | -            | -                                 | -            | -                | -            | 925,464     | 290,907      | 925,464     | 290,907      |
| Taxation                                   | (37,544)            | (15,743)     | -                                 | -            | (1,484)          | -            | (136,844)   | (51,271)     | (175,872)   | (67,014)     |
| Segment net profit                         | (160,413)           | (129,545)    | -                                 | (5,676)      | 432,406          | 675,115      | 782,661     | 163,299      | 1,054,654   | 703,193      |
|  | Unaudited           | Audited      | Unaudited                         | Audited      | Unaudited        | Audited      | Unaudited   | Audited      | Unaudited   | Audited      |
|  | June 30,            | December 31, | June 30,                          | December 31, | June 30,         | December 31, | June 30,    | December 31, | June 30,    | December 31, |
|  | 2021                | 2020         | 2021                              | 2020         | 2021             | 2020         | 2021        | 2020         | 2021        | 2020         |
|  | -----Rupees-----    |              |                                   |              |                  |              |             |              |             |              |
| Segment assets                             | 2,750,800           | 2,273,276    | 28,178                            | 28,548       | 15,475,792       | 15,770,790   | 12,567,722  | 11,008,328   | 30,822,492  | 29,080,942   |
| Segment liabilities                        | 3,457,250           | 1,880,670    | 4,236                             | 5,937        | 8,515,637        | 9,231,063    | 2,354,246   | 2,312,098    | 14,331,369  | 13,429,768   |

(Amounts in thousand)

**13 TRANSACTIONS WITH RELATED PARTIES**

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

| Relationship                         | Nature of transaction  | Unaudited        | Unaudited        |
|--------------------------------------|--|------------------|------------------|
|                                      |  | June 30,<br>2021 | June 30,<br>2020 |
|                                      |  | -----Rupees----- |                  |
| <b>a. Associated companies</b>       |  |                  |                  |
| Dawood Hercules Corporation Limited  | Dividend income  | 350,694          | 155,864          |
|                                      | Reimbursable expenses by the Company incurred on behalf of the Company | 528              | 12,400           |
|                                      | Reimbursable expenses to the Company                                   | -                | 27               |
| Sach International (Private) Limited | Reimbursable expenses incurred by the Company                          | 169              | 145              |
|                                      | Royalty charged by the Company   | 4,631            | 5,905            |
|                                      | Penalty charged against overdue receivables                            | 1,416            | 1,325            |
|                                      | Rental Income  | 330              | 330              |
| The Dawood Foundation                | Expenses incurred by the Company                                       | 8,637            | 14,681           |
|                                      | Project revenue  | 9,327            |                  |
| Engro Energy Limited                 | Operations and maintenance expenses                                    | 175,455          | 181,456          |
|                                      | Project revenue  | 802              | 72,671           |
|                                      | Delayed Payment Interest   | 5,735            |                  |
|                                      | Extra work   | 8,485            | 7,651            |
| Enfrashare (Private) Limited         | Project revenue  | 436,676          | 413,793          |
| International Finance Corporation    | Borrowing cost charged to the Company                                  | 27,694           | 42,336           |
|                                      | Repayment of loan  | 166,808          | 152,429          |
|                                      | Supervision fee  | 1,934            | 2,237            |
|                                      | Accrued mark-up  | 28,058           | 43,032           |
| <b>b. Key management personnel</b>   |  |                  |                  |
|                                      | Salaries and benefits  | 38,177           | 28,391           |
|                                      | Retirement benefit   | 249              | 201              |
| <b>c. Directors</b>                  |  |                  |                  |
|                                      | Meeting fees   | 1,450            | 1,600            |

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

The Board of Directors in its meeting held on August 26, 2021 has approved an interim cash dividend of Rs. 2.75 (2020: cash dividend of Rs.4) per share amounting to Rs. 163,074 (2020: Rs. 237,199) for the half-year ended June 30, 2021. These consolidated condensed interim financial statements do not include the effect of this appropriation which will be accounted for in the consolidated condensed interim financial statements of the Holding Company in the subsequent reporting period.

**15 DATE OF AUTHORIZATION FOR ISSUE**

This consolidated condensed interim financial statements were authorized for issue on August 26, 2021 by the Board of Directors of the Holding Company.



Chief Executive Officer



Director



Chief Financial Officer

حصہ نقدی، 1/3 حصہ PIBs اور بقیہ 1/3 حصہ سلوک بونڈز کی صورت میں ہوگا۔ ہوا سے بجلی پیدا کرنے والی آئی پی پیز نے ٹیرف میں کمی کی درخواست دینے کی کارروائی شروع نہیں کی ہے کیوں کہ وہ تاحال اپنے DFIs کی جانب سے منظوری کا انتظار کر رہے ہیں۔ اُدھر DFIs حکومت کے ساتھ بات چیت کر رہے ہیں اور اس سیکٹر کے آگے بڑھنے کے لئے، خصوصاً اس شعبے میں اصلاحات لانے کی غرض سے آئی ایم ایف کے ساتھ کئے جانے والے مذاکرات کے پیش نظر، وضاحت حاصل کرنے کی تگ و دو کر رہے ہیں۔

ٹیرف کی بولی کی کارروائی ابھی مکمل طور سے مرتب نہیں کی گئی ہے اور ڈویلپرز کے لئے یہ بات باعث تشویش ہے۔ یہ کارروائی ابھی تک واضح نہیں کی گئی ہے حالانکہ قابل تجدید توانائی کی نئی پالیسی جاری کر دی گئی ہے۔ حکومت نے wind-solar hybrid تنصیبات کے لئے LOI 7 منسوخ کر دی ہے۔ ٹیرف اب نئی قابل تجدید توانائی پالیسی کے ذریعے وضع کی جائے گی۔

شاہد حمید پراچہ  
چیرمین

مجتبیٰ حیدر خان  
چیف ایگزیکٹو آفیسر

کراچی، 26 اگست، 2021

ذرائع کی جانب دیکھنے لگیں۔ ان ذرائع میں قابل تجدید توانائی ایک مسابقتی اور نمونہ پذیر انتخاب رہے گا۔ چنانچہ ایسے کاروباروں کے لئے ماحول انتہائی سازگار ہے کہ وہ لاگتوں میں کمی کی غرض سے اسٹیٹ بینک آف پاکستان کی جانب سے حالیہ طور پر پیش کی جانے والی رعایتی مالیاتی اسکیموں کی مدد سے سٹمسی توانائی پر منتقل ہو کر عالمی مارکیٹ میں اپنی قبولیت اور مسابقتی صلاحیت بہتر بنائیں۔

اسٹیٹ بینک آف پاکستان کی جانب سے پیش کی گئی TERF سہولت، جس کے تحت صنعتی سرگرمیوں کے لئے رعایتی قرضے دیئے گئے انتہائی مقبول ثابت ہوئی ہے اور اس سہولت کے تحت مختلف کاروباروں کو 435.7 ارب روپے کے نئے توسیعی قرضے دیئے گئے ہیں۔ اس سہولت کا نتیجہ صنعتوں میں توسیع کی صورت میں برآمد ہونے کا امکان ہے جو مجموعی طور سے، خصوصاً تجارتی اور صنعتی شعبوں میں توانائی کی طلب کے بڑھنے پر منتج ہوگا۔ اس کے علاوہ مستقبل قریب میں توانائی کے بیٹری انرجی اسٹوریج سسٹمز کی مقبولیت میں بیش بہا اضافے کا بھی قوی امکان دکھائی دیتا ہے۔ چنانچہ کمپنی کے سامنے ایسا شاندار موقع موجود ہے کہ صنعتوں میں توسیع اور ماحولیات میں تبدیلی کے اثرات پر قابو پانے کے سلسلے میں عالمی دباؤ کے نتیجے میں آنے والے برسوں میں سٹمسی توانائی اور اسٹوریج سسٹمز کی طلب میں بیش بہا اضافہ ہوگا۔ تاہم دنیا بھر میں سٹمسی توانائی اور توانائی ذخیرہ کرنے کی مصنوعات کی طلب بڑھ جانے کے نتیجے میں سپلائی چین میں تعطل پیدا ہو جانے کے بھی بہت سے امکانات ہیں۔

#### ہوا سے توانائی کا پروجیکٹ

ہوا سے توانائی کشید کرنے کا سیکٹر تاحال گردش قرضوں کے مضر اثرات کا شکار ہے اور حکومت کی جانب سے ادائیگیوں میں کافی کمی آئی ہے اور قابل وصولی ادائیگیاں 10 ماہ کی سطح پر رکی ہوئی ہیں۔

جھمپیر میں واقع پون چلیوں کا پلانٹ تاحال ادائیگیوں میں کمی کا سامنا کر رہا ہے کیوں کہ فی الوقت ترجیح کوئلے اور LNG پروجیکٹس کو دی جا رہی ہے جن کی ٹیرف ہوا سے کشید کردہ بجلی کے مقابلے میں کم ہے اور پون چلیوں کے ساتھ ساتھ انہیں بھی لازمی چلائے جانے کے قابل پلانٹس کا درجہ دیا گیا ہے۔ حالیہ طور پر TGL کوئی زیادہ متاثر نہیں ہو رہی کیوں کہ بجلی کے الیکٹرک کو مہیا کی جا رہی ہے۔ تاہم اب اس بات کے اشارے ملے ہیں کہ بجلی کی کشید تجارتی بنیادوں پر کی جائے گی اور کم ٹیرف والے پلانٹس کو ترجیح دی جائے گی۔

چھ ماہ کی زیر جائزہ مدت کے دوران حکومت نے توانائی کی لاگت میں کمی کے اپنے ٹارگٹ پورے کرنے میں انتہائی سرگرمی دکھائی ہے۔ اس مقصد کے لئے زیادہ زور تھرمل پلانٹس کے لئے لیکپیٹی ہیمنٹ چارجز کے خاتمے کی اور تمام پاور پلانٹس کے قابل اطلاق ٹیرف میں کمی کرنے پر دیا گیا ہے۔ اس مقصد کے لئے تشکیل کردہ مذاکراتی کمیٹی نے ہوا سے بجلی پیدا کرنے والے آئی پی پی سے گفتگو شروع کی ہے جس کا مرکزی نقطہ انشورنس کی لاگت کو حقیقی بنانے کے ساتھ ROE اور O&M لاگتوں میں کمی لانا ہے۔ قرضوں کی ری اسٹرکچرنگ حالیہ طور سے بہترین کاوشوں کی بنیاد پر ہے۔ طویل مذاکرات کے بعد مختلف آئی پی پی پیز نے اس شرط کے ساتھ معاہدوں کے مسودے تیار کئے ہیں کہ انہیں مالیات فراہم کرنے والوں اور آئی پی پی پیز کے بورڈ آف ڈائریکٹرز کی جانب سے منظوری حاصل کرنے کے بعد حتمی شکل دی جائے گی۔ چھ ماہ کے وقفے سے دو ادائیگیوں پر مبنی ری ہیمنٹ مکینزم پر بھی اتفاق کیا گیا ہے۔ ان میں سے ہر ادائیگی کا 1/3



|                  |                  |  |
|------------------|------------------|--|
| 80,005           | 51,036           | دیگر آمدنی                                 |
| 142,699          | 344,965          | جاری آپریشنز سے حاصل شدہ قبل از ٹیکس منافع |
| (5,676)          | (17,817)         | منقطع آپریشنز سے حاصل شدہ نقصان            |
| (31,015)         | (50,628)         | ٹیکسیشن                                    |
| <b>106,008</b>   | <b>276,520</b>   | منافع بعد از ٹیکس                          |
| 2,708,349        | 2,813,242        | گزشتہ حسابات سے موصولہ غیر مختص منافع      |
| <b>2,813,242</b> | <b>3,029,771</b> | آئندہ حسابات کو منتقلہ غیر مختص منافع      |
| <b>1.78</b>      | <b>4.66</b>      | آمدن فی حصص - بنیادی اور مجموعی            |

30 جون 2021 کو ختم ہونے والے نصف سال کے دوران ہماری ایسوسی ایٹ، داؤد ہرکولیس کارپوریشن لمیٹڈ کی ڈیویڈنڈ آمدنی 350.69 ملین روپے رہی جو گزشتہ برس یعنی 30 جون 2020 کو ختم ہونے والے نصف سال کے دوران 155.86 ملین روپے رہی تھی۔

زیر جائزہ مدت کے دوران حاصل ہونے والی مجموعی آمدنی 4,554 ملین روپے تھی جو گزشتہ برس کی قابل موازنہ مدت کے دوران 2,764 ملین روپے رہی تھی۔ آمدنی میں اضافے کی بڑی وجہ سنٹسی توانائی کے پروڈیکٹس سے ہونے والی 2,124 ملین روپے کی آمدنی تھی۔ ایسوسی ایٹ کمپنی کے منافع میں 925 ملین روپے کا اپنا حصہ (جو 30 جون 2020 تک کی مدت کے دوران 291 ملین روپے رہا تھا) شامل کرنے کے بعد، ختم ہونے والے نصف سال کا بعد از ٹیکس مجموعی منافع 1,037 ملین روپے حاصل ہوا جو گزشتہ برس کی اسی مدت کے دوران 703 ملین روپے رہا تھا۔ ہولڈنگ کمپنی کے مالکان سے منسوب فی حصص مجموعی آمدنی 15.66 روپے حاصل ہوئی جب کہ گزشتہ برس کی اسی مدت کے دوران فی حصص مجموعی آمدنی 9.18 روپے رہی تھی۔

## مستقبل کا خاکہ

### قابل تجدید توانائی کا کاروبار

ماحولیات میں تبدیلی کی رفتار کو دیکھتے ہوئے کہا جاسکتا ہے کہ جو صنعتیں اپنے آپ کو قابل تجدید توانائی کو کام میں لانے کی جانب راغب ہوں گی، عالمی سطح پر وہی صنعتیں مسابقت کر سکیں گی۔ امکان ہے کہ آئندہ مستقبل میں یہی بات نہ صرف نرم دباؤ کے لئے استعمال کی جائے گی بلکہ بین الاقوامی تجارت اور اقتصادی تعلقات کی بھی بنیاد قابل تجدید توانائی ثابت ہوگی اور ممکنہ طور پر کسی بھی ملک کی برآمدی کارکردگی پر اثر انداز بھی ہوگی۔ مزید برآں، اندازہ لگایا گیا ہے کہ قابل تجدید توانائی کی ٹیکنالوجی کی لاگتوں میں کمی کارہجان آئندہ پانچ سے دس برسوں تک قائم رہے گا جو قابل تجدید توانائی کے مقدمہ کو مضبوط بنا رہا ہے۔

بین الاقوامی مالیاتی فنڈ سے کئے گئے وعدے کی تکمیل کی غرض سے حکومت نے گزشتہ قرضوں پر قابو پانے کے پلان (CDMP) کے حصے کے طور پر توانائی کی قیمتوں میں اضافے کا اعلان کیا ہے۔ یہ اور گیس کی قلت اور پاور پلانٹس کو سپلائی میں تعطل کے سبب امکانات ہیں کہ کمرشل اور صنعتی صارفین توانائی کے متبادل

کو وڈ 19 کی نئی لہر شروع ہونے پر اپنے ملازمین اور کارکنان کی حفاظت اور صحت کو یقینی بنانے کی غرض سے کمپنی نے کئی اقدامات اٹھائے۔ جہاں ضرورت محسوس ہوئی، تمام دفتری اسٹاف کی گھر سے کام کرنے کے چلن کی حوصلہ افزائی کی گئی، ملازمین کے تحفظ اور سرکاری ہدایات کی تعمیل کی غرض سے دفاتر بند کر دیئے گئے۔ تحفظ اور نگرانی کے اعلیٰ ترین معیار پر عمل درآمد یقینی بنانے کی غرض سے ہماری پھیلی ہوئی کسٹمر سائنس پر گاہکوں کی تعداد محدود کر دی گئی ہے کیوں کہ صحت اور تحفظ ہماری اولین ترجیح ہے۔

### ہوا سے توانائی کے پروجیکٹ

پلانٹ تسلی بخش طریقے سے کام کر رہا ہے اور دستیابی اور BOP نقصانات کے ضمن میں متوقع ٹارگٹس پورے کر رہا ہے۔ اس مدت کے دوران BOP نقصانات 2.5% کے متوقع ٹارگٹ کے مقابلے میں 1.35% رہی جب کہ دستیابی 98.0% کے ٹارگٹس کے مقابلے میں 98.96% رہی۔ صحت، تحفظ اور ماحولیات (HSE) ہماری ترجیح رہی اور کو وڈ 19 کی آمد کے بعد سے 471,195 محفوظ گھنٹے کام ہوئے جس دوران زخمی ہونے اور TRIP کی شرح صفر رہی۔ یہ پلانٹ 1,737 دن سے کسی حادثے کے بغیر محفوظ طریقے سے کام کر رہا ہے۔

Dawood HydroChina اور Zephyr کے ساتھ مل کر یہ پلانٹ اب کے الیکٹرک کو بجلی فراہم کر رہا ہے۔ اس انتظام سے آپریشنز میں استحکام آیا ہے اور بجلی جانے کے وقفوں اور بجلی کی مقدار میں کمی میں کافی کمی واقع ہوئی ہے۔ سال 2021 کی دوسری سہ ماہی میں مجموعی 0.06 GWh NPMV, رہی جو سال 2020 کی دوسری سہ ماہی میں 0.06 GWh رہی تھی۔ حالیہ سہ ماہی کے دوران توانائی کی وہ مقدار جس کا بل پیش کیا گیا (38.62 GWh)، P90 لیول (45.09 GWh) سے کم تر ہے۔ تاہم 30 جون 2021 کو اختتام کو پہنچنے والے نصف سال کے اعداد و شمار پہلی سہ ماہی کی بہ نسبت دوسری سہ ماہی میں بہتری کی نوید دیتے ہیں۔ پلانٹ کو پہلی سہ ماہی کے دوران ہوا غیر معمولی طور سے کم ملی جس میں دوسری سہ ماہی میں کچھ بہتری آئی ہے۔ ہوا چلنے کی صورت حال میں جون کے مہینے میں بہتری آئی اور توقع ہے کہ یہ چلن تیسری سہ ماہی میں بھی جاری رہے گا۔ توانائی کی پیداوار جولائی کے مہینے میں P75 سطح پر تھی۔ توقع کی جاتی ہے کہ NPMV کے واقعات 2021 کے دوران کم سے کم رہے گی۔

### مالیاتی صورت حال

کمپنی کے غیر مستحکم مالیاتی اعداد و شمار درج ذیل ہیں:-

| نصف سال مختتمہ 30 جون 2020 | نصف سال مختتمہ 30 جون 2021 |
|----------------------------|----------------------------|
| روپے ہزاروں میں            | روپے ہزاروں میں            |
| 1,962                      | .....                      |
| (9,546)                    | .....                      |
| (7,584)                    | .....                      |

آمدنی.....خالص

لاگت آمدنی

مجموعی منافع

داؤڈولارنس پورلمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

برائے اختتام نصف سال 30 جون 2021

کمپنی کے ڈائریکٹرز کی مسرت کے ساتھ 30 جون 2021 کو ختم ہونے والی نصف سال کیلئے اپنی رپورٹ کمپنی کے عبوری غیر آڈٹ شدہ غیر انضمامی مختصر عبوری مالیاتی حسابات اور گروپ کے غیر آڈٹ شدہ غیر انضمامی مختصر عبوری مالیاتی حسابات پیش کرتے ہیں۔

کاروباری جائزہ

قابل تجدید توانائی کا کاروبار

Reon کی ترقی 2021 میں بھی جاری رہی اور کمپنی نے جاری مالی سال کے پہلے نصف حصے میں بلند ترین آمدنی ریکارڈ کی۔ 2020 میں کئے جانے والے بیوپار کے نتیجے میں زیر جائزہ مدت کے دوران کمپنی کی آمدنی نے 03 ارب روپے کا ہدف عبور کیا۔ تاہم کمپنی نے 54MW کے نئے EPC معاہدوں پر دستخط کئے ہیں جن کی اکثریت سیمنٹ اور ٹیکسٹائل سیکٹر سے ہے۔ اس مدت کے دوران ہونے والے دیگر اہم واقعات میں 228 ٹیلی کام سائٹوں کے کلیدی معاہدوں پر دستخط کے علاوہ قطر میں واقع نسلیل بس ڈپو کے لئے 5.3 میگا واٹ سولر سسٹم کے ڈیزائن اور تعمیر کی غرض سے اپنے پہلے انٹرنیشنل معاہدے پر بھی دستخط کیا جانا شامل ہیں۔ ہم سمجھتے ہیں کہ اپنی مارکیٹ میں متفرق ہونے کی حکمت عملی کے طور پر ہم اپنے انٹرنیشنل پورٹ فولیو میں اضافہ کرتے رہیں گے کیوں کہ بیرون ملک کام کرنے سے منسلک خطرات اور فوائد سے بیش بہا تجربہ حاصل ہوتا ہے۔ REON نے C&I سیگمنٹ کے لئے ایک نئی پروڈکٹ ”بیٹری انرجی اسٹوریج سسٹم (BESS)“ متعارف کروائی ہے اور گیٹرون انڈسٹریز کے ساتھ 2.7MWh گنجائش والے BESS سولیوشن کے ساتھ روف ٹاپ سولر سولیوشن کی فراہمی کا پہلا معاہدہ بھی کیا ہے۔ یہ BESS سولیوشن مقامی گرڈ کو ایمرجنسی صورت حال میں سستی بجلی فراہم کرتا ہے اور گاہکوں کی مشینری کو ڈیٹیلج کی سپلائی میں استحکام لاتا ہے۔ گرڈ میں قابل تجدید توانائی کے طور پر BESS کی طلب میں اضافہ ہوگا لہذا یہ Reon Energy کے لئے ایک بہت اچھا موقع ہے۔

گزشتہ چھ ماہ کے دوران کمپنی نے بیسٹ وے سیمنٹ کے چار میں سے پہلا پلانٹ شروع کیا ہے۔ یہ کمپنی کی جانب سے کی جانے والی اب تک کی سب سے بڑی ڈیل ہے۔ 29 میگا واٹ کی مجموعی گنجائش والے ایسے دو مزید پلانٹ تکمیل کی جانب تیزی سے گامزن ہیں جبکہ چوتھے پروجیکٹ پر کام سال کی آخری سہ ماہی میں شروع ہو جائے گا۔

عالمی وباء کے خطرے کے باعث وسیع تر اقتصادی منظر نامہ متاثر حال غیر یقینی کا شکار ہے۔ وباء کے سبب عالمی سپلائی چین بھی متاثر ہوئی جس کے نتیجے میں پی پی وی بینیل اور چپ کی قلت پیدا ہوئی اور سوز کینال کی بندش جیسے دیگر واقعات کے باعث مال پہنچانے میں تاخیر ہوئی اور لاگتوں میں بھی اضافہ ہوا۔ اس پر ہمارا ردعمل ظاہر ہونے والی تبدیلیوں پر نظر رکھنا، ان کے مطابق خود کو ڈھالنا اور کمپنی کی توجہ اپنے ملازمین اور اسٹیک ہولڈروں کے تحفظ کو یقینی بناتے ہوئے اپنے گاہکوں کو قدر کی فراہمی پر مرکوز رکھنا تھا۔

## PHYSICAL SHAREHOLDERS

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

#### Dear Shareholder,

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

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

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

## CDS SHAREHOLDERS

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

**Dear Shareholder,**

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

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

# ELECTRONIC TRANSMISSION CONSENT FORM

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

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

## Electronic Transmission Consent Form

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

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

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

## Dear Shareholder,

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

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

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

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

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

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

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

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

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

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



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

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

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