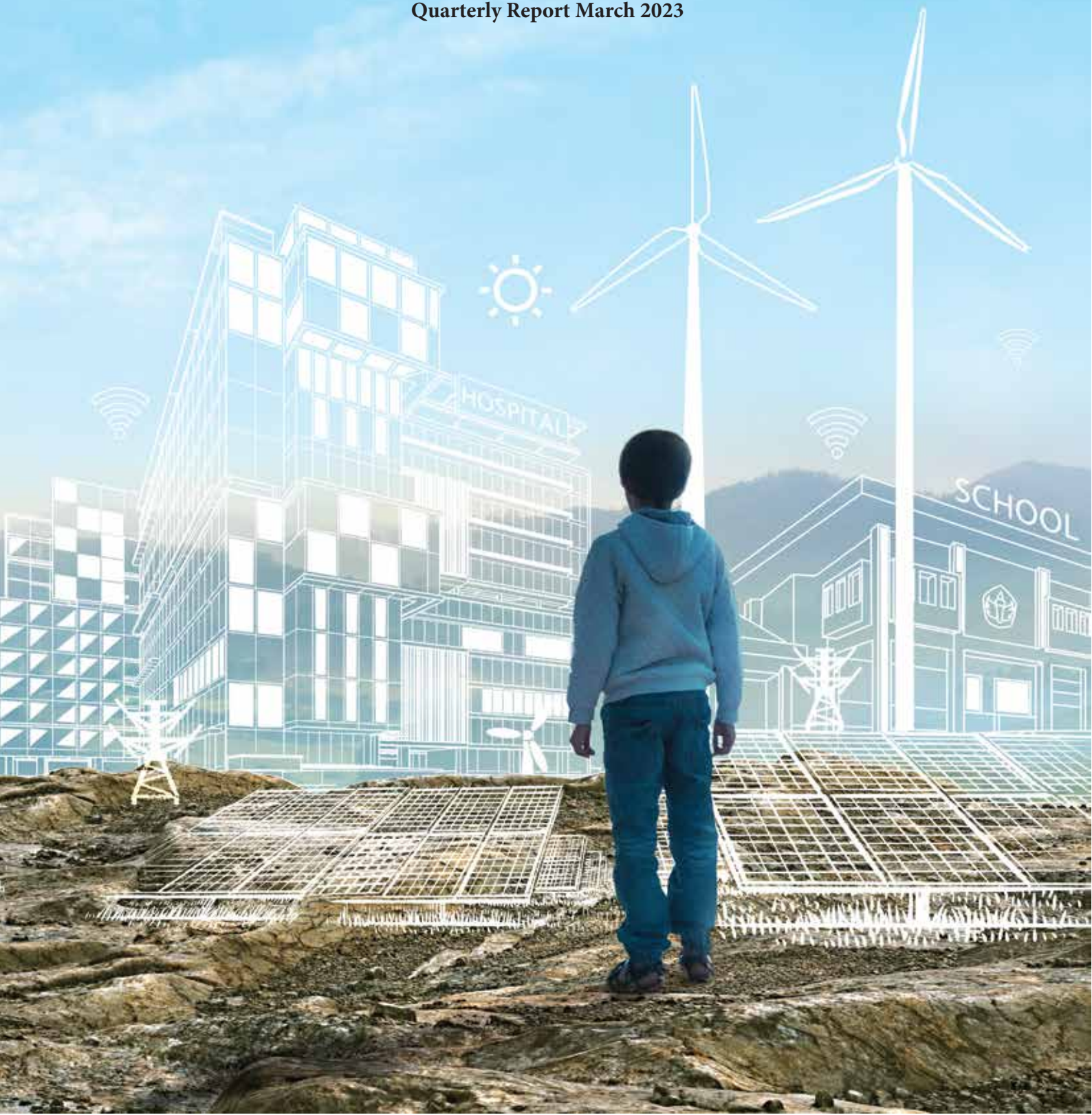




Dawood
Lawrencepur
Limited

BEYOND THE GRID

Quarterly Report March 2023



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Our Vision

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

Our Mission

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

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

COMPANY INFORMATION

Board of Directors

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

Board Audit Committee

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

Human Resource and Remuneration Committee

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

Chief Financial Officer

- Ms. Nazia Hasan

Company Secretary

- Mr. Imran Chagani

Head of Internal Audit

- Mr. Amjad Ali

Auditors

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

Bankers

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

Legal Advisor

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

Share Registrar

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

Registered | Head Office

- Dawood Centre M. T. Khan Road Karachi-75530
Tel.: 021-35632200-9
Fax: 021- 35633970
E-mail: company.secretary@dawoodhercules.com
Website: www.dawoodlawrencepur.com

Mills

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

DawoodPur

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

DAWOOD LAWRENCEPUR LIMITED
DIRECTORS' REVIEW REPORT
 FOR THE QUARTER ENDED March 31, 2023

The Directors are pleased to present their report together with the unaudited unconsolidated condensed interim financial statements of Dawood Lawrencepur Limited (the Company) and the unaudited consolidated condensed interim financial statements of the Group for the period ended March 31, 2023.

BUSINESS REVIEW

Renewable Energy Business

Due to flood damages, economic policy changes, and political instability in the country, Pakistan is still experiencing a massive economic fallout from the previous year. Many sectors in the country have been practically forced to halt production completely or bring down production capacity; prices have risen at rates never experienced in history and further inflation is on the cards on the back of continued weakness in local currency that has already seen 25.6pc devaluation during the quarter.

Reon Energy Limited (REL) experienced a moderate start in the first quarter of 2023. During this period, the total order intake amounted to 8 MWs, with an approximate value of PKR 1 billion. These orders signify a promising beginning for the company's operations in the current year. Furthermore, the company is actively engaged in negotiations with leading conglomerates - these ongoing discussions hold great potential to secure significant business opportunities and establish strategic partnerships. The Telco segment continued to witness strong growth in terms of margins and delivered sites in addition to expanding the overall portfolio of product offerings. Deliveries under the project are expected to kick start from Q2 2023. These developments signal consumer trust in REL, proving it to be the best choice for customers.

Wind Energy Project

The Wind Plant is operating satisfactorily and meeting expected targets for Availability and Balance of Plant (BOP) Loss. The BOP Loss for the reporting quarter was 3.11% against a target of 2.5%. This increase was due to very high curtailment during January and February. Availability was 98.01% against a target of 98.0%. Health Safety and Environment (HSE) remained a priority and 570,471 safe man-hours have been clocked since COD with zero injury rate and TRIR. The plant has been operating safely without injury for 2,103 days.

There was very high curtailment during January and February which was reduced in March. The curtailment NPMV for the reporting quarter was 9.74 GWh with an energy loss of 4.28 GWh. The total energy billed during the reporting quarter (19.40 GWh) is slightly lower than the P90 level (19.95 GWh) and is higher than the budget (18.95 GWh). The Plant experienced very good wind in January and February, but subsequently dropped in March.

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

The Company, in coordination with neighboring Plants (HydroChina Dawood and Zephyr), has started discussions with CPPA and the Ministry of Energy to change our connection from NTDC to KE. This will provide a stable connection and reduce or eliminate curtailment. Both entities are amenable to the change, but procedural matters will affect the decision timeline.

FINANCIAL HIGHLIGHTS

The unconsolidated financial highlights of the Company are as under:

	Three months ended March 31, 2023	Three months ended March 31, 2022
	Rupees in thousands	
Revenue – net	-	-
Cost of revenue	-	-
Gross (loss) / profit	-	-
Other income	45,482	36,767
Profit / (Loss) before taxation from continued operations	(75,551)	3,754
Loss from discontinued operations	(8,445)	(1,097)
Taxation	-	-
Profit / (Loss) after taxation	(83,996)	2,657
Unappropriated profit brought forward	2,543,935	3,127,809
Unappropriated profit carried forward	2,459,939	3,130,466
Earnings per share - basic & diluted (Rupees)	(1.41)	0.04

During the three months ended March 31, 2023, dividend income from associate - Dawood Hercules Corporation Limited amounted to PKR Nil against PKR Nil for the period ended March 31, 2022.

Consolidated revenues for the period were PKR 1,799 million versus PKR 1,837 million for the comparative period. The decrease was led by lower revenue from solar energy projects amounting to PKR 1,045 million. After considering the share of profit from associate, Dawood Hercules Corporation Limited, of PKR 312 million (March 31, 2022: share of profit of PKR 493 million), the consolidated profit after tax for the three-month period ended stood at PKR 39 million against PKR 390 million for the same period last year. Consolidated loss per share attributable to the owners of the Holding Company was PKR 0.51 as against earnings per share of PKR 6.20 for the comparative period last year.

FUTURE OUTLOOK

Renewable Energy Business

The economic outlook remains challenging due to political and economic uncertainties in the country. Energy prices are expected to continue trending upward in the short-to-medium term so renewable energy remains a preferred alternative for our customers. Our response has been to monitor and adapt to the unfolding changes in the national and international environment and keep REL focused on delivering value for our customers while ensuring the safety and protection of our employees and wider stakeholders.

During the quarter, DLL (the Company) resolved to sell the entirety of its stake in REL to Juniper International FZ LLC. Juniper International is well-suited to steward REL given their portfolio of companies and years of experience, and will help REL realize its growth potential and ambitions while taking particular care for capital stewardship and productivity. The transaction is expected to be completed before June 30, 2023 after the approval of shareholders of the Company.

Wind Energy Project

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

There is still a push for reduction in the cost of energy but there has been limited progress on this matter recently as the Government of Pakistan prioritizes other urgent issues.

The curtailment of the wind power plants has increased substantially since December. This was the case during the reporting quarter as well. It has come to light that this curtailment will continue in the near future for the wind power plants, both in Gharo and Jhampir. Three causes are being attributed for the curtailment. These are (i) reduced demand during winter months and shutting down of industry; (ii) limitations in the evacuation capacity from South to North, as most of the generation is now based in the South, and (iii) economic criteria i.e. the plants producing the cheapest energy (coal and nuclear) have priority for evacuation. The economic consideration is due to very high levels of circular debt. This situation may improve to a certain extent when the demand increases in the summer months. The issue is being taken up with the Government by the Wind Association.



MUJTABA HAIDER KHAN
Chief Executive Officer



RUHAIL MUHAMMAD
Director

Karachi, May 24, 2023

39 ملین روپے حاصل ہوا جو گزشتہ برس کی اسی مدت کے دوران 390 ملین روپے رہا تھا۔ ہولڈنگ کمپنی کے مالکان سے منسوب فی حصص مجموعی کمائی 0.51 روپے حاصل ہوئی جب کہ گزشتہ برس کی اسی مدت کے دوران فی حصص مجموعی کمائی 6.20 روپے رہی تھی۔

مستقبل کا خاکہ

قابل تجدید توانائی کا کاروبار

ملک میں جاری سیاسی اور اقتصادی غیر یقینیوں کے سبب مستقبل کا منظر فی الحال امید افزا نہیں۔ بجلی کی قیمتوں میں قلیل سے وسط مدت کے دوران بڑھوتی کا چلن برقرار رہے گا یہی وجہ ہے کہ قابل تجدید توانائی ہمارے گاہکوں کے لئے ترجیحی متبادل ہے۔ اس صورت حال پر ہمارا رد عمل حالات پر نظر رکھنا اور ملکی اور عالمی سطح پر ہونے والی تبدیلیوں کے مطابق خود کو ڈھالنا اور REL کی توجہ اپنے گاہکوں کو قدر فراہم کرنے کے ساتھ ساتھ اپنے ملازمین اور اسٹیک ہولڈروں کے تحفظ اور حفاظت کو یقینی بنانا ہے۔

زیر جائزہ سہ ماہی کے دوران DLL (کمپنی) نے REL میں موجود اپنے تمام اسٹاک کو Juniper International FZ LLC کو فروخت کر دینے کا فیصلہ کیا۔ کمپنیوں کے اپنے وسیع تر پورٹ فولیو اور برس ہا برس تجربے کی بدولت جو نیچر انٹرنیشنل، REL کو آگے لے جانے کے لئے انتہائی موزوں ہے جو REL کی ترقی کرنے کی صلاحیتوں کو کام میں لانے میں مدد دے گی اور ساتھ ہی سرمائے اور پیداوار کو درست سمت میں آگے بڑھانے میں مدد دے گی۔ کمپنی کے شیئر ہولڈروں کی منظوری کے بعد یہ سودا 30 جون 2023 سے قبل مکمل ہو جانے کی توقع ہے۔

پون بجلی (ہوا سے بجلی) کا منصوبہ

پون بجلی (ہوا سے بجلی) سیکرٹریٹ کے بھرپور اثرات کا تاحال شکار ہے اور حکومت کی جانب سے ادائیگیوں کا حجم بڑھتا جا رہا ہے اور واجب الادا ادائیگیاں 6 ماہ کی سطح تک پہنچ چکی ہیں۔ اس کے باوجود کہ بجلی کی ٹیرف بڑھائی جا چکی ہے اس صورت حال کے جاری رہنے کا امکان ہے۔ لم سم رقم کی ادائیگیوں کے امکانات کم ہیں کیوں کہ اس ضمن میں سمجھوتے کی یادداشت (MoU) کے سلسلے میں اہم اسٹیک ہولڈروں کے درمیان ہونے والے مذاکرات کسی نتیجے پر نہیں پہنچ سکے ہیں۔ CPPA نقدی کے بہاؤ کا انتظام کر رہی ہے اور یقینی بنا رہی ہے کہ قرضوں اور ٹیکس سمیت لازمی ادائیگیاں ترجیحی بنیادوں پر کی جائیں۔ حالیہ طور پر یہ دباؤ شکار ہیں کیوں کہ تیل اور کونکے کے لئے بیس لوڈ تھرمل پلانٹس کو ادائیگیاں کی جانی ہیں۔

توانائی کی لاگت میں کمی لانے کا دباؤ بدستور جاری ہے لیکن اس سمت میں حالیہ طور سے کوئی خاص پیش رفت نہیں ہو سکی ہے کیونکہ حکومت پاکستان فوری نوعیت کے دیگر مسائل کو ترجیح دے رہی ہے۔

دسمبر کے مہینے سے ہی ونڈ پاور پلانٹوں میں بھاری تخفیف کی گئی ہے۔ زیر جائزہ سہ ماہی کے دوران بھی یہی صورت حال درپیش رہی۔ معلوم ہوا ہے کہ مستقبل قریب میں بھی گھار اور جھمپیر پون بجلی کے دونوں پلانٹوں میں یہ تخفیف جاری رہے گی۔ تخفیف کی تین بڑی وجوہات بتائی جا رہی ہیں۔ وہ یہ وجوہات ہیں: (i) موسم سرما میں طلب میں کمی اور صنعت کا بند ہونا، (ii) جنوب سے شمال کی جانب خالی کرنے کی گنجائش کا محدود ہونا کیونکہ بجلی کی زیادہ تر پیداوار جنوب میں ہوتی ہے، اور (iii) اقتصادی معیارات یعنی (کونکے اور جوہری ذرائع سے) پیدا کردہ سستی ترین بجلی کو خالی کرنے کے معاملے میں ترجیح حاصل ہے۔ سرکلر ڈیٹ بہت زیادہ ہونے کی وجہ سے تلافی بدل بھی دیا جاتا ہے۔ موسم گرما میں طلب بڑھ جانے کے باعث اس صورت حال میں مخصوص حد تک بہتری آجائے گی۔ یہ مسئلہ ونڈ ایسوسی ایشن کی جانب سے حکومت کے سامنے اٹھایا جا رہا ہے۔

روحیل محمد

ڈائریکٹر

مجتبیٰ حیدر خان

چیف ایگزیکٹو آفیسر

کراچی، 24 مئی، 2023

گھارو کے تین پلانٹوں اور گھارو جھمپیر لائن کی طوالت کے باعث سسٹم میں بلند وولٹیج کے ایشوکو NTDC اور CPPA دونوں کے سامنے اٹھایا گیا ہے۔ تاہم یہ مسئلہ حل کرنے کے لئے گھارو کے پلانٹوں کا کنکشن لوپ میں لانا پڑے گا جس کی صلاحیت حالیہ طور سے NTDC کے پاس موجود نہیں۔ وولٹیج کی سطحوں کی مانیٹرنگ کے لئے متعلقہ سائٹوں پر راست اقدامات اٹھائے گئے ہیں اور اس ضمن میں مسئلے کے حل کی غرض سے RCC جا مشور سے رابطہ بھی قائم کیا گیا ہے۔ چنانچہ زیر جائزہ سہ ماہی کے دوران ہائی وولٹیج کے واقعات میں کمی آئی ہے۔

قریبی پلانٹوں (ہائیڈرو چائنا داؤد اور ذیفاز) سے رابطہ رکھتے ہوئے کمپنی نے اپنا کنکشن NTDC سے کے الیکٹرک کو منتقل کرنے کے سلسلے میں CPPA اور وزارت توانائی کے ساتھ مذاکرات شروع کر دیئے ہیں۔ اس طرح ہمیں ایک مستحکم کنکشن مل جائے گا اور تخفیف میں اگر خاتمہ نہ ہو تو کمی تو ضرور لائی جاسکے گی۔ دونوں اداروں کے ضوابط میں ترمیم کر کے یہ منتقلی کی جاسکتی ہے تاہم فیصلے پر عمل درآمد کی کارروائی میں کچھ وقت لگ سکتا ہے۔

مالیاتی صورت حال

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

سہ ماہی مدت اختتامیہ	سہ ماہی مدت اختتامیہ
31 مارچ 2022	31 مارچ 2023
روپے ہزاروں میں	روپے ہزاروں میں
---	---
---	---
---	---
36,767	45,482
3,754	(75,551)
(1,097)	(8,445)
---	---
2,657	(83,996)
3,127,809	2,543,935
3,130,466	2,459,939
0.04	(1.41)

آمدنی.....خالص
آمدنی کی لاگت
مجموعی (نقصان)/نفع
دیگر آمدنی
جاری آپریشنز سے حاصل شدہ قبل از ٹیکس نفع/(نقصان)
منقطع آپریشنز سے حاصل شدہ نقصان
محصولات
نفع/(نقصان) بعد از ٹیکس
گذشتہ حسابات سے موصولہ غیر مختص منافع (brought forward)
آئندہ حسابات کو منتقلہ غیر مختص منافع (carried forward)
آمدن/(نقصان) فی حصص۔ بنیادی اور مجموعی

31 مارچ 2023 کو ختم ہونے والی سہ ماہی مدت کے دوران ہماری ایسوسی ایٹ، داؤد ہرکولیس کارپوریشن لمیٹڈ کی منافع منقسمہ آمدنی (صفر) روپے رہی جو گزشتہ برس یعنی 31 مارچ 2022 کو ختم ہونے والی سہ ماہی کے دوران بھی (صفر) روپے رہی تھی۔

زیر جائزہ مدت کے دوران حاصل ہونے والی مجموعی آمدنی 1,799 ملین روپے رہی جو گزشتہ برس کی قابل موازنہ مدت کے دوران 1,837 ملین روپے رہی تھی۔ آمدنی میں کمی کی بڑی وجہ شمسی توانائی کے پروجیکٹس سے ہونے والی 1,045 ملین روپے کی آمدنی تھی۔ ایسوسی ایٹ کمپنی کے منافع میں 311 ملین روپے کا اپنا حصہ (جو 31 مارچ 2022 تک کی مدت کے دوران 493 ملین روپے رہا تھا) شامل کرنے کے بعد، ختم ہونے والی سہ ماہی مدت کا بعد از ٹیکس مجموعی منافع

داؤد لانس پور لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ برائے سہ ماہی مدت اختتامیہ 31 مارچ 2023

مورخہ 31 مارچ 2023 کو اختتام پذیر ہونے والی مدت کے لئے اپنی رپورٹ معہ داؤد لانس پور لمیٹڈ ("کمپنی") کے غیر آڈٹ شدہ عبوری، غیر انضمام غیر آڈٹ شدہ، مجموعی مالی حسابات کا خلاصہ اور گروپ کے عبوری، غیر آڈٹ شدہ، مجموعی مالی حسابات پیش کرتے ہوئے ڈائریکٹرز انتہائی مسرت محسوس کر رہے ہیں۔

کاروباری جائزہ

قابل تجدید توانائی کا کاروبار

سیلابوں سے ہونے والے نقصانات، مستقل پالیسیوں اور ملک میں جاری سیاسی عدم استحکام کے بدولت پاکستان بدستور اقتصادی بھنور میں ہچکولے لکھا رہا ہے اور گزشتہ برس کی اقتصادی دھند بھی بدستور جاری ہے۔ ملک کے بہت سی سیکٹروں کو اپنی پیداوار بند کرنے یا اس میں کمی لانے پر مجبور ہونا پڑا ہے؛ قیمتیں اس تیزی سے بڑھی ہیں کہ تاریخ میں اس کی مثال نہیں ملتی؛ مزید یہ کہ پاکستانی کرنسی کی گھٹتی ہوئی قدر کے نتیجے میں، جس میں زیر نظر سہ ماہی کے دوران %25.6 تیزی سے بڑھی ہے، افراترزیامہنگائی میں مزید اضافے کا بھی قوی امکان ہے۔

سال 2023ء کی پہلی سہ ماہی کا آغاز "ریون انرجی لمیٹڈ (REL)" نے معتدل انداز میں کیا۔ 8MWs کے نئے آرڈر موصول ہوئے جن کی مالیت تقریباً 101 ارب پاکستانی روپے تھی۔ یہ آرڈرز جاری سال کے دوران کمپنی کا کاروبار شان دار ہونے کی امید دلاتے ہیں۔ مزید برآں ہماری کمپنی کئی بڑے اور اہم اداروں (conglomerates) کے ساتھ مذاکرات میں مصروف ہے۔ ان مذاکرات کی کامیابی کے نتیجے میں شان دار کاروباری مواقع حاصل ہونے اور اسٹریٹجک پارٹنرشپ قائم کئے جانے کے امکانات بہت زیادہ ہیں۔ کمپنی کے telco حصے نے بچتوں کے معاملے میں مستحکم بڑھوتی دکھائی اور مصنوعات پیش کرنے کے پورٹ فولیو میں اضافے کے ساتھ ساتھ سائٹیں بھی حوالے کیں۔ اس پروجیکٹ کے تحت کی جانے والی سپردگیاں 2023 کی دوسری سہ ماہی میں شروع کئے جانے کی توقع ہے۔ یہ واقعات REL پر گاہکوں کے اعتماد کی نشان دہی کرتے ہیں اور ثابت کرتے ہیں کہ کمپنی، گاہکوں کا بہترین انتخاب ہے۔

پون بجلی (ہوا سے بجلی) کے پروجیکٹ

پون بجلی یا ہوا سے بجلی پیدا کرنے والا پروجیکٹ پلانٹ دستیابی اور BOP خسارے کے متوقع ٹارگٹس حاصل کرتے ہوئے اطمینان بخش طور سے کام کر رہا ہے۔ 2023ء کی پہلی سہ ماہی کی زیر جائزہ مدت کے دوران BOP خسارہ %2.5 کے متوقع ٹارگٹ کے برخلاف %3.11 رہا۔ اس بڑھوتی کی وجہ جنوری اور فروری کے مہینوں میں بہت زیادہ تخفیف کیا جانا تھی۔ دستیابی کا تناسب %98 کے متوقع ٹارگٹ کے برخلاف %98.01 رہا۔ تحفظ، صحت اور ماحولیات (HSE) ہماری اولین ترجیح رہی ہے اور COD کے بعد سے 570,471 پُر تحفظ انسانی اوقات کار گھنٹے کام ہو چکا ہے جس دوران TRIR اور زخمی ہونے کی شرح صفر رہی۔ یہ پلانٹ 2,103 دن سے کسی کے زخمی ہوئے بغیر پُر تحفظ انداز میں کام کر رہا ہے۔

رواں سال جنوری اور فروری کے مہینوں میں بھاری تخفیف کرنا پڑی تاہم مارچ کے مہینے میں یہ تخفیف کم ہو گئی۔ زیر جائزہ سہ ماہی کے دوران کی جانے والی NPMV تخفیف کا حجم 9.74 GWh رہا اور 4.28 GWh بجلی کا ضایع ہوئی۔ 2023ء کی پہلی سہ ماہی میں بل شدہ (billed) توانائی (19.40 GWh) P90 سطح (19.95 GWh) سے زراسی کم لیکن بجٹ میں مختص کردہ (18.95 GWh) سے کچھ زیادہ ہے۔ جنوری اور فروری کے مہینوں میں پلانٹ کو اچھی ہوا ملی لیکن پھر مارچ کے مہینوں میں ہوا کی رفتار کم ہو گئی۔

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2023

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

(Amounts in thousand)

		Unaudited March 31, 2023	Audited December 31, 2022
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Property, plant and equipment		18,640	19,380
Intangible assets		-	-
Long-term investments	4	2,370,464	2,371,680
Long-term deposits		2,778	2,778
Total non-current assets		2,391,882	2,393,838
Current assets			
Stores and spares		892	892
Stock		7,810	8,742
Trade debts		-	-
Loans to subsidiaries	5	439,003	439,003
Loans and advances		3,836	3,686
Deposits, prepayments and other receivables	6	148,565	79,014
Interest accrued	7	291,890	269,912
Investment in subsidiary	4.1.2	-	300,000
Cash and bank balances	8	46,752	64,951
Total current assets		938,748	1,166,200
Asset classified as held for sale	4.1.2	211,543	-
TOTAL ASSETS		3,542,173	3,560,038
EQUITY AND LIABILITIES			
Equity			
Share capital		592,998	592,998
Capital reserves		206,666	206,666
Unappropriated profit		2,459,939	2,543,935
Total equity		3,259,603	3,343,599
Non-current liabilities			
Staff retirement benefits		4,864	4,759
Current liabilities			
Trade and other payables		79,886	65,797
Contract liabilities		-	-
Unpaid dividend		5,382	5,382
Unclaimed dividend		73,244	73,454
Provision		7,360	7,360
Short-term borrowings	9	100,248	-
Taxes payable		11,014	57,408
Accrued mark-up		572	2,279
Total current liabilities		277,706	211,680
Contingencies and commitments	10	282,570	216,439
TOTAL EQUITY AND LIABILITIES		3,542,173	3,560,038

The annexed notes from 1 to 21 form an integral part of these unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

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

		March 31, 2023	March 31, 2022
	Note	-----Rupees-----	
CONTINUING OPERATIONS			
Revenue from contracts with customers - net		-	-
Cost of revenue		-	-
Gross profit		-	-
Administrative expenses		(17,635)	(14,486)
Other expenses	11	(102,556)	-
Other income	12	45,482	36,767
		(74,709)	22,281
Finance cost		(842)	(18,527)
(Loss) / profit before taxation		(75,551)	3,754
Taxation		-	-
(Loss) / profit after taxation		(75,551)	3,754
DISCONTINUED OPERATIONS			
(Loss) from discontinued operations		(8,445)	(1,097)
(Loss) / profit for the period		(83,996)	2,657
(Loss) / earnings per share - basic and diluted			
Continuing operations	13	(1.27)	0.06
(Loss) per share - basic and diluted			
Discontinued operations	13	(0.14)	(0.02)

The annexed notes from 1 to 21 form an integral part of these unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

(Amounts in thousand)

	March 31, 2023	March 31, 2022
	-----Rupees-----	
(Loss) / profit for the period	(83,996)	2,657
Other comprehensive loss:	-	-
Total comprehensive (loss) / profit for the period	(83,996)	2,657

The annexed notes from 1 to 21 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2023

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(Amounts in thousand)

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, 2022 (Audited)	592,998	10,521	136,865	25,969	33,311	206,666	3,127,809	3,927,473
Profit for the period	-	-	-	-	-	-	2,657	2,657
Balance as at March 31, 2022 (Unaudited)	<u>592,998</u>	<u>10,521</u>	<u>136,865</u>	<u>25,969</u>	<u>33,311</u>	<u>206,666</u>	<u>3,130,466</u>	<u>3,930,130</u>
Balance as at December 31, 2022 / January 1, 2023 (Audited)	592,998	10,521	136,865	25,969	33,311	206,666	2,543,935	3,343,599
Loss for the period	-	-	-	-	-	-	(83,996)	(83,996)
Balance as at March 31, 2023 (Unaudited)	<u>592,998</u>	<u>10,521</u>	<u>136,865</u>	<u>25,969</u>	<u>33,311</u>	<u>206,666</u>	<u>2,459,939</u>	<u>3,259,603</u>

The annexed notes from 1 to 21 form an integral part of these unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

(Amounts in thousand)

	March 31, 2023	March 31, 2022
----- Rupees -----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(83,996)	2,657
Add: Loss before taxation attributable to discontinued operations	8,445	1,097
Profit before taxation from continuing operations	(75,551)	3,754
Adjustments for non-cash charges and other items:		
Depreciation	364	342
Amortization	-	4
Provision for gratuity - net	152	317
Gain on disposal of property, plant and equipment	(6)	-
Provision for impairment of interest accrued	14,099	-
Provision for impairment of long-term investment	88,457	-
Finance costs	842	18,527
Royalty income	-	(8,164)
Unrealized loss on short term investment	1,216	-
Mark up charged to related parties	(36,077)	(23,245)
Profit on deposits	(833)	(3)
	(7,337)	(8,468)
Working capital changes		
Decrease / (increase) in current assets		
Loans and advances	110	(980)
Deposits, prepayments and other receivables	(69,551)	(24,549)
	(69,441)	(25,529)
(Decrease) / increase in current liabilities		
Trade and other payables	19,084	3,936
	(50,357)	(21,593)
Cash used in operations	(57,694)	(30,061)
Gratuity paid	(85)	-
Finance cost paid	(2,549)	(12,971)
Taxes paid	(46,394)	(82)
Discontinued operations	(12,354)	(11,607)
Net cash used in operating activities	(119,076)	(54,721)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	6	-
Mark up received from related parties	-	158
Profit received on deposits	833	3
Net cash generated from investing activities	839	161
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividend	(210)	(862)
Net cash used in from financing activities	(210)	(862)
Net decrease in cash and cash equivalents	(118,447)	(55,422)
Cash and cash equivalents at beginning of the period	64,951	(382,284)
Cash and cash equivalents at end of the period	(53,496)	(437,706)

The annexed notes from 1 to 21 form an integral part of these unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

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

The business units of the Company include the following:

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

1.2 The Company in the years 2007 and 2008 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.

2.2 The cumulative figures for the quarter ended March 31, 2023 presented in these unconsolidated condensed interim financial statements are unaudited and is being submitted to shareholders as required under section 237 of the Companies Act, 2017. These unconsolidated condensed interim financial statements do not include all the information

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

3.1 The accounting policies and the methods of computation adopted in the preparation of this unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2022.

The financial risk management objectives and policies of the Company are also consistent with those disclosed in the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2022.

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

During the preparation of these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty are the same as those that were applied to the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2022.

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, 2023. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these unconsolidated condensed interim financial statements.

	Unaudited March 31, 2023	Audited December 31, 2022
-----Rupees-----		
4. LONG TERM INVESTMENTS		
Investment in related parties at cost (note 4.1)	3,519,102	3,519,102
Less: Provision for impairment (note 4.1.1 and note 4.1.2)	(859,001)	(859,001)
	2,660,101	2,660,101
Other investments		
- Financial assets at fair value through profit or loss (note 4.2)	10,348	11,564
- Financial assets at fair value through other comprehensive income (note 4.2)	15	15
	10,363	11,579
Less: Investment classified as short term (note 4.1.2)	-	(300,000)
Less: Non-current asset held for sale (note 4.1.2)	(300,000)	-
	2,370,464	2,371,680

4.1 Investment in related parties - at cost***Subsidiary - unquoted***

Tenaga Generasi Limited (TGL)

Percentage holding 75% (December 31, 2022: 75%)

227,027,613 (December 31, 2022: 227,027,613)

fully paid ordinary shares of Rs. 10 each

2,294,804

2,294,804

Wholly owned subsidiaries - unquoted

Reon Energy Limited (REL)

Percentage holding 100% (December 31, 2022: 100%)

102,600,000 (December 31, 2022: 102,600,000) (note 4.1.2)

fully paid ordinary shares of Rs. 10 each

1,026,000

1,026,000

Reon Alpha (Private) Limited (RAPL)

Percentage holding 100% (December 31, 2022: 100%)

13,300,100 (December 31, 2022: 13,300,100) (note 4.1.1)

fully paid ordinary shares of Rs. 10 each

133,001

133,001

Mozart (Private) Limited (MPL)

Percentage holding 100% (December 31, 2022: 100%)

100 (December 31, 2022: 100)

fully paid ordinary shares of Rs. 10/- each

1

1

Greengo (Private) Limited (GPL)

Percentage holding 100% (December 31, 2022: 100%)

100 (December 31, 2022: 100)

fully paid ordinary shares of Rs. 10/- each

1

1

Abrax (Private) Limited (APL)

Percentage holding 100% (December 31, 2022: 100%)

100 (December 31, 2022: 100)

fully paid ordinary shares of Rs. 10/- each

1

1

3,453,808

3,453,808***Associate - quoted***

Dawood Hercules Corporation Limited (DHCL)

Percentage holding 16.19% (December 31, 2022: 16.19%)

77,931,896 (December 31, 2022: 77,931,896)

fully paid ordinary shares of Rs. 10/- each

Market value Rs. 7,154,927 (December 31, 2022:

Rs. 7,364,564)

65,294

65,294

3,519,102

3,519,102

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

RAPL's plant commenced commercial operations on April 22, 2020. Following the commencement of commercial operations of the plant, the Company, based on the indicators for impairment including change in borrowing from concessional to commercial rate and escalation in the plant costs, conducted an impairment test of its long-term investment. In prior years, Company has conducted the impairment testing which led to the recognition of an impairment loss of Rs. 133,001 which has been recognised in the unconsolidated statement of profit or loss in respective periods. The Company estimated the value in use of the investment, which is based on the future expected cashflows over the remaining 13 years life of the project as per the terms of the Power Purchase Agreement of RAPL with Sindh Engro Coal Mining Company Limited (SECMC). The fair value less costs of disposal is estimated to be less than the value in use and hence the recoverable amount of the investment has been determined on the basis of value in use, which amounted to Nil (December 31, 2022: Rs. Nil). Accordingly, the Company's investment in RAPL has become fully impaired.

- 4.1.2 Reon Energy Limited (REL) was incorporated in Pakistan on September 15, 2014, as a public unlisted company to carry out the business of trading and construction of renewable energy projects, mainly solar projects, to commercial and industrial consumers.

On March 22, 2023, the Board of Directors of the Company approved sale of 100% shareholding in REL followed by which a share purchase agreement (SPA) was signed between the Company and Juniper International FZ LLC stipulating a maximum consideration of Rs. 300,000, subject to certain adjustments. The execution of SPA is subject to the approval by the shareholders and other related approvals. The transaction is expected to be closed and materialized on or before June 30, 2023.

Based on the SPA, the recoverable amount determined as at March 31, 2023 is Rs. 211,543. An impairment loss of Rs. 88,457 (2022: Rs. 726,000) has been recorded in these financial statements. (note 11)

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

Bank	Shares pledged	Unaudited As at March 31, 2023			Audited As at December 31, 2022		
		Number of shares pledged	Face value of shares pledged	Market value of pledged shares	Number of shares pledged	Face value of shares pledged	Market value of pledged shares
		-----Rupees-----			-----Rupees-----		
Pledged against short-term financing and other facilities availed by the Company and its subsidiaries							
Bank AL Habib Limited (note 9.1)	Dawood Hercules	10,200,000	102,000	936,462	10,200,000	102,000	963,900
Habib Bank Limited	Corporation	39,550,000	395,500	3,631,086	28,350,000	283,500	2,679,075
MCB Bank Limited (note 4.1.3)	Limited (DHCL)	210,000	2,100	19,280	210,000	2,100	19,845
Pledged under Musharka Agreement entered into between RAPL and FBL							
Faysal Bank Limited (FBL)	Reon Alpha (Private) Limited (RAPL)	5,300,000	53,000	-*	5,300,000	53,000	-*
Pledged under Sponsor Share Agreement							
Citibank N.A.	Tenaga Generasi Limited	34,599,995	346,000	-*	34,599,995	346,000	-*

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

4.2 Other investments

March 31, 2023	December 31, 2022	Name of Investee	Unaudited March 31, 2023	Audited December 31, 2022
----- Units / No of Shares -----	-----		-----Rupees-----	
		Listed securities		
200,000	200,000	National Investment (Unit) Trust	10,348	11,564
		Un-listed securities		
1,500	1,500	Asian Co-operative Society Limited	15	15
			<u>10,363</u>	<u>11,579</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	676	676
- Mozart (Private) Limited	649	649
- Greengo (Private) Limited	678	678
	<u>739,003</u>	<u>739,003</u>
Less: Provision for impairment (note 5.2)	(300,000)	(300,000)
	<u><u>439,003</u></u>	<u><u>439,003</u></u>

5.1 On April 25, 2017, the Company had entered into a subordinated loan agreement with Tenaga Generasi Limited (TGL, a subsidiary company) for arranging financing to the extent of Rs. 300,000, to fulfil its working capital requirements. The mark-up is charged at the rate of three months KIBOR plus 1.775% per annum and the loan was repayable within a year. The said loan was further extended for a period of one year on time to time basis, with last term extension of one year approved on April 28, 2022. As at March 31, 2023, entire loan amounting to Rs. 300,000 has been utilised.

In 2019, the Company had entered into another subordinated loan agreement with TGL for arranging finance to the extent of Rs. 1,000,000 to fulfil its working capital requirements. The loan is subject to mark-up calculated at the rate of three months KIBOR plus 2% or average borrowing rate of the Company plus 1% per annum, whichever is higher. The term of the loan was initially for one year, however, in 2020, the tenure of the loan had been extended for another one year, with further extension of one year in 2021 and 2022. As at March 31, 2023, TGL has utilised Rs. 137,000 of the facility amount.

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

During the last year, an addendum dated May 25, 2022 was signed between the parties and the loan has been converted to a long term loan with principal amount being repayable upon retirement of existing long term financing facilities of the REL. However, the same has been classified as short-term loan, for the reasons disclosed below.

Under the terms of SPA, as more fully explained in note 4.1.2, the loan will be converted into equity or may be waived off by the Company on closure of the sale transaction of REL. However, interest accrued on the said loan until December 31, 2022 will be adjusted against the consideration value as agreed under the SPA. Due to possibility of waiver of the loan, the Company on prudent basis has provided for the principal loan amount in full.

	Unaudited March 31, 2023	Audited December 31, 2022
	-----Rupees-----	
6. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
- unsecured, considered good		
This includes amount due from the following related parties:		
- Sach International (Private) Limited	31,780	27,250
- Tenaga Generasi Limited	56,980	2,558
- Reon Energy Limited	20,045	18,767
- The Dawood Foundation	1,546	1,546
- Reon Alpha (Private) Limited	2,941	2,743
- Dawood Hercules Corporation Limited	-	257
	<u>113,292</u>	<u>53,121</u>
7. INTEREST ACCRUED		
This represents mark-up receivable from related parties as follows:		
- Tenaga Generasi Limited	248,517	227,588
- Reon Energy Limited	56,361	41,396
- Reon Alpha (Private) Limited	505	416
- Mozart (Private) Limited	193	163
- Abrax (Private) Limited	206	174
- Greengo (Private) Limited	207	175
	305,989	269,912
Less: Provision for impairment (note 7.1)	(14,099)	-
	<u>291,890</u>	<u>269,912</u>
7.1	Under the terms of SPA, as more fully explained in note 4.1.2, the interest accrued on the said loan until December 31, 2022 will be adjusted against the consideration value as agreed under the SPA. Therefore, interest accrued during the period ended March 31, 2023 aggregating to Rs. 14,099 (2022: nil) were deemed to have been impaired and provided for in these unconsolidated financial statements. The movement in provision during the period is as follows:	
	Unaudited March 31, 2023	Audited December 31, 2022
	-----Rupees-----	
Balance as at the beginning of the year	-	-
Add: Provision for the period (note 11)	14,099	-
Balance as at the end of the period	<u>14,099</u>	<u>-</u>
8. CASH AND BANK BALANCES		
Cash in hand	215	215
Balances with banks in:		
- current accounts	45,190	28,810
- deposit accounts (note 8.1)	1,347	35,926
	46,537	64,736
	<u>46,752</u>	<u>64,951</u>
8.1	These represent deposits with commercial banks and carry profit at the rate ranging from 13.32% to 14.79% (2022: 13.32% to 14.79%) per annum.	

	Unaudited March 31, 2023	Audited December 31, 2022
	-----Rupees-----	
9. SHORT-TERM BORROWINGS		
Running finance under mark-up arrangement (note 9.1)	100,248	-
9.1 This represents short term running finance facility aggregating to Rs.1,500,000 (2021: Rs 1,500,000) obtained under mark-up arrangement from various commercial banks. As at March 31, 2023, the Company has utilised the said facility to the extent of Rs. 100,248 (2022: remained fully unutilised) and has issued guarantees to the extent of Rs. 35,968 (2022: Rs. 35,968). Further, out of the aforementioned facility, the Company has negotiated sub-limits for financing the operations of REL amounting to Rs. 600,000. This facility is secured by way of a first pari passu mortgage charge on immovable property (including land and building), current assets, and pledge over the Company's investments in a related party (note 4.1.3). The mark-up is charged at the rate of three months KIBOR plus 1% per annum.		
10. CONTINGENCIES AND COMMITMENTS		
10.1 There have been no material changes in contingencies and commitments as reported in the annual audited unconsolidated financial statements for the year ended December 31, 2022.		
	Unaudited	
	Three months ended	
	March 31,	March 31,
	2023	2022
	-----Rupees-----	
11. OTHER EXPENSES		
Provision for impairment of investment (note 4.1.2)	88,457	-
Provision for impairment of interest accrued (note 7.1)	14,099	-
	<u>102,556</u>	<u>-</u>
12. OTHER INCOME		
Income from financial assets		
Profit on bank deposits / savings accounts	833	3
Mark-up charged to related parties	36,077	23,245
	<u>36,910</u>	<u>23,248</u>
Income from non-financial assets and others		
Gain on sale of fixed asset	6	4,189
Royalty income	9,782	8,164
Rental income	8,864	8,374
Agriculture income	2,469	2,498
(Loss) / gain on financial assets at fair value through profit or loss	(1,216)	4,705
Liability written back during the period		650
Miscellaneous income		650
	<u>19,905</u>	<u>28,580</u>
	<u>56,815</u>	<u>51,828</u>
Related to discontinued operations	(11,332)	(15,061)
	<u>45,483</u>	<u>36,767</u>

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

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

	Quarter ended Unaudited	
	March 31, 2023	March 31, 2022
Continuing operations		
(Loss) / profit for the period	(75,551)	3,754
Weighted average number of ordinary shares (in thousands)	59,300	59,300
(Loss) / earnings per share	(1.27)	0.06
Discontinued operations		
Loss for the period	(8,445)	(1,097)
Weighted average number of ordinary shares (in thousands)	59,300	59,300
Loss per share	(0.14)	(0.02)
	Unaudited March 31, 2023	Unaudited March 31, 2022
	-----Rupees-----	
14. CASH AND CASH EQUIVALENTS		
Cash and bank balances (note 8)	46,752	38,810
Short-term investment	-	220,793
Short-term borrowings (note 10)	(100,248)	(697,309)
	<u>(53,496)</u>	<u>(437,706)</u>
15. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS		
15.1 Financial risk factors		
<p>The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.</p> <p>There have been no changes in the financial risk management policies during the period, consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.</p>		

15.2 Fair value estimation

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

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

The Company held the following assets measured at fair values:

Unaudited				
As at March 31, 2023				
Level 1	Level 2	Level 3	Total	
-----Rupees-----				
Non-current assets				
<i>Financial assets at fair value through profit or loss</i>				
<i>- Long-term investments (investments in units of mutual funds)</i>				
-	10,348	-	10,348	
<i>Financial assets at fair value through other comprehensive income</i>				
<i>- Long-term investments (investments in unquoted equity shares)</i>				
-	-	15	15	
-	10,348	15	10,363	

Audited				
As at December 31, 2022				
Level 1	Level 2	Level 3	Total	
-----Rupees-----				
Non-current assets				
<i>Financial assets at fair value through profit or loss</i>				
<i>- Long-term investments (investments in units of mutual funds)</i>				
-	11,564	-	11,564	
<i>Financial assets at fair value through other comprehensive income</i>				
<i>- Long-term investments (investments in unquoted equity shares)</i>				
-	-	15	15	
-	11,564	15	11,579	

15.3 Valuation techniques used to determine fair values

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

15.4 Fair value of financial assets and liabilities

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

16. SEGMENT REPORTING

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

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

15.4 Segment results

The table below shows the segment information for the reportable segments for the three months ended March 31, 2023 and 2022 and also the basis on which revenue is recognised:

	Renewable energy		Textile - discontinued operations		Other operations		Total	
	March 31,		March 31,		March 31,		March 31,	
	2023	2022	2023	2022	2023	2022	2023	2022
-----Rupees-----								
Revenue from contract with customers - net								
At a point in time	-	-	789	1,197	-	-	789	1,197
Over time	-	-	-	-	-	-	-	-
Revenue from external customers	-	-	789	1,197	-	-	789	1,197
Cost of revenue	-	-	(933)	(1,222)	-	-	(933)	(1,222)
Segment gross loss	-	-	(144)	(26)	-	-	(144)	(26)
Dividend income	-	-	-	-	-	-	-	-
Selling and distribution expenses	-	-	(8)	(12)	-	-	(8)	(12)
Administrative expenses	(62)	(61)	(19,625)	(16,120)	(17,573)	(207)	(37,260)	(16,389)
Other expenses	-	-	-	-	(102,556)	-	(102,556)	-
Other income	-	-	11,332	15,061	45,481	36,767	56,813	51,828
Finance costs	-	-	-	-	(842)	(842)	(842)	(842)
Taxation	-	-	-	-	-	-	-	-
Segment (loss) / profit	(62)	(61)	(8,444)	(1,097)	(75,490)	35,718	(83,997)	34,559
-----Rupees-----								
	Renewable energy		Textile - discontinued operations		Other operations		Total	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
-----Rupees-----								
Total segment assets	38,309	30,150	29,062	30,113	3,474,799	3,499,775	3,542,170	3,560,038
Total segment liabilities	-	5,988	13,043	17,143	269,525	193,307	282,568	216,439

17. RELATED PARTY TRANSACTIONS AND BALANCES

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

Relationship	Nature of transaction	Unaudited	Unaudited
		March 31, 2023	March 31, 2022
-----Rupees-----			
a. Subsidiary companies			
Tenaga Generasi Limited	Expenses reimbursable to the Company	841	1,149
	Expenses reimbursable by the Company	143	307
	Equity arrangement fee (SBLC) / SBLC cost reimbursement	53,574	25,742
	Interest on outstanding receivable balance	104	127
	Interest on subordinated loans	20,826	13,509

Relationship	Nature of transaction	Unaudited	Unaudited
		March 31, 2023	March 31, 2022
-----Rupees-----			
Reon Energy Limited	Expenses reimbursable to the Company	2,693	5,273
	Interest on expenses reimbursable to the Company	865	157
	Interest on expenses reimbursable by the Company		-
	Interest on loans disbursed by the Company	14,099	9,208
	Reimbursable expenses incurred on behalf of the Company	1,632	4,067
	Rental Income	216	-
Mozart (Private) Limited	Unsecured loan disbursed by the Company	-	-
	Interest on loan	31	15
Abrax (Private) Limited	Unsecured loan disbursed by the Company	-	-
	Interest on loan	32	16
Greengo (Private) Limited	Unsecured loan disbursed by the Company	-	-
	Interest on loan	32	16
Reon Alpha (Private) Limited	Interest on reimbursement of expenses	89	49
	Expenses reimbursable to the Company	198	256
b. Associated companies			
Dawood Hercules Corporation Limited	Reimbursable expenses incurred on behalf of the Company	850	1,122
	Expenses reimbursable to the Company	547	
Sach International (Private) Limited	Expenses reimbursable to the Company	23	39
	Royalty charged	9,782	8,164
	Rental income	165	165
	Penalty charged	-	442
c. Other related parties			
Key management personnel	Salaries and other benefits	4,168	4,575
	Directors'fee	-	150

18. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on May 24, 2023 has approved an interim cash dividend of Rs. Nil (2022: Nil) per share amounting to Rs. Nil (2022: Nil) for the quarter ended March 31, 2023. These unconsolidated condensed interim financial statements do not include the effect of this appropriation which will be accounted for in the unconsolidated annual financial statements of the Company in the subsequent reporting period.

19. CORRESPONDING FIGURES

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

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

20. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on May 24, 2023 by the Board of Directors of the Company.

21. 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 QUARTER ENDED MARCH 31, 2023

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

(Amounts in thousand)

	Note	Unaudited March 31 2023	Audited December 31, 2022
-----Rupees-----			
ASSETS			
Non-current assets			
Property, plant and equipment		14,588,331	13,586,696
Right-of-use assets		78,960	100,174
Intangible assets		22,834	49,564
Long-term investments	5	11,687,243	11,370,030
Long-term deposits		2,778	2,778
Long-term loans to employees		-	369
Total non-current assets		26,380,146	25,109,611
Current assets			
Stores and spares		892	892
Stock-in-trade		7,810	1,006,155
Trade debts		1,985,961	3,066,540
Contract assets		6,400	1,542,666
Loans and advances		3,834	396,457
Deposits, prepayments and other receivables		1,514,419	2,070,349
Accrued interest		32,717	474
Taxes recoverable		61,406	74,378
Short-term investments		-	33,399
Cash and bank balances		1,361,929	2,008,981
Total current assets		4,975,367	10,200,291
Assets of disposal group classified as held for sale	6.1	4,507,564	
TOTAL ASSETS		35,863,077	35,309,902
EQUITY AND LIABILITIES			
Share capital	7	592,998	592,998
Capital reserves		206,666	206,666
Unappropriated profit		16,467,265	16,439,671
Non-controlling interest		2,229,657	2,220,372
TOTAL EQUITY		19,496,586	19,459,707
Non-current liabilities			
Staff retirement benefits		5,787	79,126
Deferred taxation		1,917,085	1,478,352
Long-term borrowings		6,775,228	7,225,443
Non-current portion of lease liabilities		99,221	120,232
Total non-current liabilities		8,797,320	8,903,153
Current liabilities			
Current portion of:			
Long-term borrowings		2,383,099	1,995,064
Deferred government grant		-	-
Lease liabilities		9,762	18,168
Unclaimed dividend		73,244	73,454
Unpaid dividend		5,382	5,382
Short-term borrowings	8	100,248	1,186,695
Trade and other payables		443,626	2,247,367
Provision		7,360	7,360
Taxes Payable		28,970	-
Contract liabilities		-	1,171,823
Accrued mark-up		221,459	241,729
Total current liabilities		3,273,151	6,947,042
		12,070,471	15,850,195
Liabilities of disposal group classified as held for sale	6.1	4,296,021	
Contingencies and commitments	9		
TOTAL EQUITY AND LIABILITIES		35,863,077	35,309,902

The annexed notes from 1 to 16 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

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

	Note	Quarter Ended	
		Unaudited March 31 2023	Unaudited March 31 2022
-----Rupees-----			
CONTINUING OPERATIONS			
Revenue from contracts with customers - net	10	748,662	536,474
Cost of revenue		(436,994)	(324,111)
Gross profit		311,668	212,363
Selling and distribution expenses		-	-
Administrative expenses		(68,104)	(35,972)
Other expenses		(18,640)	-
Other income		56,353	20,400
Operating profit		281,277	196,791
Finance cost		(217,128)	(110,220)
Share of profit of associate		311,539	493,190
Profit before taxation		375,688	579,761
Taxation		(60,288)	(74,965)
Profit from continuing operations		315,401	504,796
DISCONTINUED OPERATIONS			
Loss from discontinued operations		(8,445)	(1,097)
Loss from disposal group		(276,055)	(115,151)
Profit for the period		30,901	388,548
Profit attributable to:			
- Owners of the Holding Company		21,616	366,650
- Non-controlling interest		9,285	21,898
		30,901	388,548
Earnings / (loss) per share - basic and diluted			
- Continuing operations and disposal group	11	0.51	6.20
- Discontinued operations	11	(0.14)	(0.02)

The annexed notes from 1 to 16 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

(Amounts in thousand)

	Quarter Ended	
	Unaudited March 31 2023	Unaudited March 31 2022
	-----Rupees-----	
Profit for the period	30,901	388,548
Other comprehensive (loss) / income:		
<i>Items that may be reclassified subsequently through profit or loss</i>		
Share of other comprehensive income of associate - net of tax	5,978	19,136
Total comprehensive income for the period	36,879	407,684
Total comprehensive (loss) / income attributable to:		
- Continuing operations	45,324	408,781
- Discontinued operations	(8,445)	(1,097)
	36,879	407,684
Total comprehensive income attributable to:		
- Owners of the Holding Company	27,594	385,786
- Non-controlling Interest	9,285	21,898
	36,879	407,684

The annexed notes from 1 to 16 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2023

(Amounts in thousand)

	Attributable to owners of the Holding Company							Non-Controlling Interest (NCI)	Total	
	Share capital	Capital reserves					Revenue reserves			
		Merger reserve	Share premium reserve	Capital redemption reserve	Employee share option compensation reserve	Others	Total			Unappropriated profit
-----Rupees-----										
Balance as at January 1, 2022 (Audited)	592,998	10,521	136,865	33,311	11,200	25,969	217,866	15,149,524	1,827,304	17,787,692
Profit for the period	-	-	-	-	-	-	-	366,650	21,898	388,548
Other comprehensive income	-	-	-	-	-	-	-	19,136	-	19,136
Total comprehensive income for the period	-	-	-	-	-	-	-	385,786	21,898	407,684
Employee Share Option Scheme					1,219		1,219			1,219
Balance as at March 31, 2022 (Unaudited)	592,998	10,521	136,865	33,311	11,200	25,969	219,085	15,535,310	1,849,202	18,196,595
Balance as at January 1, 2023 (Audited)	592,998	10,521	136,865	25,969	-	33,311	206,666	16,439,671	2,220,372	19,459,707
Profit for the period	-	-	-	-	-	-	-	21,616	9,285	30,901
Other comprehensive income	-	-	-	-	-	-	-	5,978	-	5,978
Total comprehensive income for the period	-	-	-	-	-	-	-	27,594	9,285	36,879
Balance as at March 31, 2023 (Unaudited)	592,998	10,521	136,865	25,969	-	33,311	206,666	16,467,265	2,229,657	19,496,586

The annexed notes from 1 to 16 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

(Amounts in thousand)

	Quarter Ended	
	Unaudited March 31 2023	Unaudited March 31 2022
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	367,243	578,664
Add: Loss before taxation attributable to discontinued operations	8,445	1,097
Add: Loss before taxation attributable to disposal group	276,055	115,151
Profit before taxation from continuing operations	651,743	694,912
Adjustment for non-cash charges and other items:		
Depreciation	197,366	203,835
Amortization	211	1,977
Provision for impairment against financial assets	-	1,750
Provision for gratuity - net	182	5,589
Provision for warranty	-	8,403
Finance cost	201,953	141,226
Charge related to employee share options scheme	-	1,219
Loss on disposal of property, plant and equipment	(6)	259
(Gain) / Loss on investments in mutual fund units	1,216	-
Interest income on short-term investments	-	(204)
Royalty income	-	(8,164)
Amortization of government grant	-	(999)
Share of profit of associate	(311,539)	(493,190)
Profit on deposits	(47,783)	(6,566)
Operating profit before working capital changes	41,600	(144,865)
(Increase) / decrease in current assets		
Stock-in-trade	-	(55,311)
Trade debts	240,688	17,857
Contract assets	(438)	247,560
Loans and advances	27,152	(15,537)
Deposits, prepayments and other receivables	(85,490)	(558,270)
Increase / (decrease) in current liabilities		
Contract liabilities	-	916,793
Sales tax Payable	(3,978)	-
Trade and other payables	195,409	(758,643)
	373,343	(205,551)
Net cash generated from operations	1,066,686	344,496
Gratuity paid	(85)	(1,588)
Long-term loans	-	21
Taxes paid	(59,981)	(40,421)
Discontinued operations	(12,354)	(11,607)
Disposal group	108,906	-
Net cash generated from operating activities	1,103,172	290,901
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(261)	(1,567)
Sale proceeds from disposal / transfer of property, plant and equipment	6	429
Purchase of intangible assets	-	-
Redemption of short-term investments	-	10,602
Interest received	1,036	3,503
Dividend received	-	-
Discontinued operations	-	-
Disposal group	7,543	-
Net cash generated from investing activities	8,324	12,967
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	-
Repayment of borrowings	(954,459)	(725,792)
Payment of lease liability	(9,762)	(11,985)
Finance costs paid	(256,159)	(195,341)
Payment of dividend	(210)	(862)
Disposal group	(4,584)	-
Net cash used in financing activities	(1,225,174)	(933,980)
Net (decrease) in cash and cash equivalents	(113,678)	(630,112)
Cash and cash equivalents at beginning of the period	2,008,981	(29,244)
Cash and cash equivalents at end of the period	1,895,303	(659,356)

The annexed notes from 1 to 16 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

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

The business units of the Holding Company include the following:

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

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

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

The "Group" consists of:

The Holding Company: Dawood Lawrencepur Limited;

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

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

	Period Ended	Percentage of direct	
		2023	2022
- Reon Energy Limited	March 31	100%	100%
- Tenaga Generasi Limited	March 31	75%	75%
- Mozart (Private) Limited	March 31	100%	100%
- Abrax (Private) Limited	March 31	100%	100%
- Greengo (Private) Limited	March 31	100%	100%
- Reon Alpha (Private) Limited	March 31	100%	100%

Reon Energy Limited

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

'On March 22, 2023, the Board of Directors of the Holding Company approved sale of 100% shareholding in REL followed by which a share purchase agreement (SPA) was signed between the Holding Company and Juniper International FZ LLC stipulating a maximum consideration of Rs. 300 million, subject to certain adjustments. The execution of SPA is subject to the approval by the shareholders and other related approvals. The transaction is expected to be closed and materialized on or before June 30, 2023.

Tenaga Generasi Limited

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

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

Mozart (Private) Limited

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

Abrax (Private) Limited

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

Greengo (Private) Limited

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

Reon Alpha (Private) Limited

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

Associated company

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

2. BASIS OF PREPARATION

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

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

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

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

The accounting policies and the methods of computation adopted in the preparation of this consolidated condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Holding Company for the year ended December 31, 2022.

The financial risk management objectives and policies of the Holding Company are also consistent with those disclosed in the audited consolidated financial statements of the Holding Company for the year ended December 31, 2022.

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

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

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

4. BASIS OF CONSOLIDATION

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

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

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

	Unaudited	Audited
	March 31,	December 31,
	2023	2022
	-----Rupees-----	
5. LONG TERM INVESTMENTS		
Share of investment in an associate (note 5.1)	11,677,023	11,358,451
Other investments	10,219	11,579
	11,687,243	11,370,030
5.1 Share of investment in an associate		
Associated company - quoted		
Dawood Hercules Corporation Limited		
Opening balance	11,358,451	11,556,438
Add: Share of profit after taxation	311,539	949,873
Share of other comprehensive (loss) / income	7,033	21,118
	318,572	970,991
Less: Dividend received	-	(1,168,978)
	11,677,023	11,358,451
6. ASSET CLASSIFIED AS HELD FOR SALE		

On March 22, 2023, the Board of Directors of the Holding Company approved sale of 100% shareholding in REL followed by which a share purchase agreement (SPA) was signed between the Company and Juniper International FZ LLC stipulating a maximum consideration of Rs. 300,000, subject to certain adjustments. The execution of SPA is subject to the approval by the shareholders and other related approvals. The transaction is expected to be closed and materialized on or before June 30, 2023.

6.1. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	Unaudited March 31, 2023
Assets classified as held for sale	
Property, plant and equipment	418,687
Right-of-use assets	27,568
Intangible assets	26,710
Deferred taxation - net	390,966
Long-term loans	477
Stock-in-trade	687,741
Trade debts	554,374
Contract assets	1,104,823
Loans and advances	456,612
Deposits, prepayments and other receivables	829,462
Taxation - net	94,023
Short-term investments	34,835
Accrued return	15
Cash and bank balances	94,493
Loss recognised on the re-measurement of assets of disposal group (note 6.2.1)	(213,223)
TOTAL ASSETS OF DISPOSAL GROUP	<u>4,507,564</u>
Liabilities directly associated with assets classified as held for sale	
Defined benefit liabilities	79,743
Long-term finances:	
Long-term finances	598,988
Lease liabilities	14,693
Current portion of:	
Current portion of long-term finances	93,584
Deferred Government grant	-
Current portion of lease liabilities	10,966
Trade and other payables	1,456,755
Contract liabilities	968,340
Short-term finances	1,027,332
Loan from the Holding Company	-
Accrued mark-up	45,621
TOTAL LIABILITIES	<u>4,296,021</u>
NET ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	<u>211,543</u>

6.2. STATEMENT OF PROFIT OR LOSS - DISPOSAL GROUP	Unaudited March 31, 2023	Unaudited March 31, 2022
Revenue from contracts with customers - net	1,045,375	1,300,197
Cost of revenue	(836,720)	(1,226,228)
Gross profit	208,655	73,969
Selling and distribution expenses	(38,042)	(85,534)
Administrative expenses	(66,089)	(58,723)
Other operating expenses	(81,568)	(3,127)
Other income	4,054	1,967
Profit from operations	27,010	(71,448)
Finance cost	(77,118)	(31,030)
Profit before taxation	(50,108)	(102,478)
Taxation	(12,724)	(12,673)
(Loss) / profit after taxation	(62,832)	(115,151)
Loss recognised on the re-measurement of assets of disposal group (note 6.2.1)	(213,223)	-
Loss for the period	(276,055)	(115,151)

6.2.1 This refers to the estimated charge resulting from re-measurement of assets and liabilities of Disposal group of the Holding Company at lower of their respective carrying values and fair values less costs to sell in accordance with the requirements of IFRS-5. Estimate will be reviewed at year-end and adjustment, if any, will be recorded accordingly.

6.3. CASHFLOW FROM DISPOSAL GROUP	Unaudited March 31, 2023	Unaudited March 31, 2022
Net cash generated from operating activities	108,906	(98,043)
Net cash generated from investing activities	7,543	9,825
Net cash used in financing activities	(4,584)	(26,352)
Net changes in cash and cash equivalent	111,864	(114,570)

7. SHARE CAPITAL

7.1 Authorized capital

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

7.2 Issued, subscribed and paid-up capital

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

8. SHORT TERM BORROWING

- 8.1 This represents short term running finance facility aggregating to Rs.1,500,000 (2022: Rs 1,500,000) obtained under mark-up arrangement from various commercial banks. As at March 31, 2023, the Holding Company has utilised the said facility to the extent of Rs. 100,248 (2022: remained fully unutilised) and has issued guarantees to the extent of Rs. 35,968 (2022: Rs. 35,968). Further, out of the aforementioned facility, the Company has negotiated sub-limits for financing the operations of REL amounting to Rs. 600,000. This facility is secured by way of a first pari passu mortgage charge on immovable property (including land and building), current assets, and pledge over the Company's investments in a related party. The mark-up is charged at the rate of three months KIBOR plus 1% per annum.

9. 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, 2022.

	Quarter Ended	
	Unaudited March 31, 2023	Unaudited March 31, 2022
-----Rupees-----		
10. REVENUE - NET		
Renewable energy (Solar)	1,065,052	1,318,724
Alternate Energy (Wind)	731,051	517,947
	<u>1,796,103</u>	<u>1,836,671</u>
Textile		
Fabric	2,676	1,197
	<u>1,798,779</u>	<u>1,837,868</u>
Related to discontinued operations	(2,676)	(1,197)
Related to disposal group	<u>(1,045,375)</u>	<u>(1,300,197)</u>
	<u><u>750,728</u></u>	<u><u>536,474</u></u>

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

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

	Quarter Ended	
	Unaudited March 31, 2023	Unaudited March 31, 2022
Continuing operations and disposal group		
Profit for the period (attributable to the owners of the Holding Company)	<u>30,061</u>	<u>367,747</u>
Weighted average number of ordinary shares (in thousand)	<u>59,300</u>	<u>59,300</u>
Earning per share	<u>0.51</u>	<u>6.20</u>
Discontinued operations		
Loss for the period (attributable to the owners of the Holding Company)	<u>(8,445)</u>	<u>(1,097)</u>
Weighted average number of ordinary shares (in thousand)	<u>59,300</u>	<u>59,300</u>
Loss per share	<u>(0.14)</u>	<u>(0.02)</u>

12. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

12.1 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.

12.2 Fair value hierarchy

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

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

	As at March 31, 2023 (Unaudited)			
	Level 1	Level 2	Level 3	Total
-----Rupees-----				
Non-current assets				
Financial assets at fair value through profit or loss				
- Long-term investments (investments in units of mutual funds)	-	11,988	-	11,988
Financial assets at fair value through other comprehensive income				
- Long-term investments (investments in unquoted equity shares)	-	-	15	15
Current assets				
Financial assets at fair value through profit or loss				
- Derivative asset	-	-	-	-
	<u>-</u>	<u>11,988</u>	<u>15</u>	<u>12,003</u>
As at December 31, 2022 (Audited)				
	Level 1	Level 2	Level 3	Total
-----Rupees-----				
Non-current assets				
Financial assets at fair value through profit or loss				
- Long-term investments (investments in units of mutual funds)	-	13,892	-	13,892
Financial assets at fair value through other comprehensive income				
- Long-term investments (investments in unquoted equity shares)	-	-	15	15
Current assets				
Financial assets at fair value through profit or loss				
- Derivative asset	-	44,872	-	44,872
	<u>-</u>	<u>58,764</u>	<u>15</u>	<u>58,779</u>

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

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

(Amounts in thousand)

13 SEGMENT REPORTING

13.1 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:

13.2

	Renewable energy		Renewable energy - disposal group		Textile - discontinued operations		Alternate Energy		Unallocated		Total	
	Unaudited											
	March 31, 2023		March 31, 2022		March 31, 2023		March 31, 2022		March 31, 2023		March 31, 2022	
	Rupees											
Revenue from contract with customers - net												
Timing of revenue recognition												
- At a point in time	-	84,835			789	1,197	-	-	-	-	789	86,032
- Over time	19,677	(86,308)	1,045,375	1,300,197	-	-	731,051	517,947	-	-	1,796,103	1,751,836
	19,677	18,527	1,045,375	1,300,197	789	1,197	731,051	517,947	-	-	1,796,892	1,837,868
Cost of revenue	(7,492)	(5,750)	(836,720)	(1,226,228)	(933)	(1,222)	(431,568)	(318,361)	-	-	(1,276,713)	(1,551,561)
	12,186	12,777	208,655	73,969	(144)	(26)	299,483	199,586	-	-	520,179	286,306
Segment gross profit / (loss)												
Selling and distribution expenses	-	-	(38,042)	(85,534)	-	-	-	-	-	-	(38,042)	(85,534)
Administrative expenses	(3,698)	(617)	(66,089)	(58,723)	(8)	(12)	(49,891)	(20,810)	(14,515)	(14,545)	(134,200)	(94,707)
Other expenses	(0)	-	(81,568)	(3,127)	(19,625)	(16,120)	(18,640)	-	-	-	(119,834)	(19,247)
Other income	203	293	4,054	1,967	-	-	46,746	6,450	9,403	13,657	60,407	22,367
Finance cost	(23,193)	(18,118)	(77,118)	(31,030)	11,332	15,061	(189,415)	(96,648)	(4,519)	(4,546)	(282,913)	(135,281)
Share of profit from associate	-	-	-	-	-	-	-	-	311,539	493,190	311,539	493,190
Remeasurement loss on assets of disposal group	-	-	(213,223)	-	-	-	-	-	-	-	(213,223)	-
Taxation	-	-	(12,724)	(12,673)	-	-	(13,556)	(986)	(46,732)	(73,979)	(73,012)	(87,638)
Segment net profit	(14,502)	(5,665)	(276,055)	(115,151)	(8,444)	(1,097)	74,726	87,582	255,177	413,777	30,901	379,456
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
	Rupees											
Segment assets	243,773	373,130	4,507,564	5,098,721	29,062	25,791	19,378,687	18,404,328	11,703,991	11,407,932	35,863,077	35,309,902
Segment liabilities	202,723	280,337	4,296,021	4,609,719	13,043	17,143	10,265,741	8,935,285	1,588,964	2,007,711	16,366,492	15,850,195

14 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
		March 31, 2023	March 31, 2022
		-----Rupees-----	
a. Associated companies			
Dawood Hercules Corporation Limited	Reimbursable expenses by the Group	12,514	2,878
	Reimbursable expenses to the Group	561	1,136
Sach International (Private) Limited	Reimbursable expenses incurred by the Group	23	39
	Royalty charged by the Group	9,782	8,164
	Penalty charged against overdue receivables	-	442
	Rental Income	165	165
The Dawood Foundation	Expenses incurred by the Group	5,006	4,653
Engro Energy Limited	Operations and maintenance expenses	-	105,834
	Project revenue	-	238
	Extra work	-	3,825

International Finance Corporation	Borrowing cost charged to Group	65,017	27,838
	Repayment of loan	272,727	195,085
	Supervision fee	2,347	1,184
b. Key management personnel	Salaries and benefits	18,966	18,079
c. Directors	Meeting fees	50	450

15 NON-ADJUSTING EVENT AFTER STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors of the Holding Company in its meeting held on May 24, 2023 has approved an interim cash dividend of Rs. Nil amounting to Rs. Nil for the period ending March 31, 2023. This consolidated condensed interim financial statements do not recognize interim dividend from unappropriated profit as it has been declared subsequent to the reporting date.

16 DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial statements were authorized for issue on May 24, 2023 by the Board of Directors of the Holding Company.

Chief Executive

Director

Chief Financial Officer



Registered Office:
Dawood Center, M.T. Khan Road, Karachi - 75530, Pakistan.

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