



BEYOND THE GRID

Half Yearly Report
June 30, 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. Abdul Samad Dawood
- Ms. Sabrina Dawood
- Mr. Ruhail Muhammad
- Mr. Shafiq Ahmed
- Mr. Zamin Zaidi
- 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. 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 HALF YEAR ENDED JUNE 30, 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 June 30, 2023.

BUSINESS REVIEW

Renewable Energy Business

Due to the persistent policies, and political instability in the country, Pakistan is still experiencing financial crises and facing massive economic fallout from the previous year. Many industries in the country have been practically forced to shut production or have been operating at reduced capacity; prices have risen at unprecedented rates 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.

The year started with continued trade restrictions due to the forex crisis and that naturally impacted Reon Energy Limited's (REL) business in the first half. Once the restrictions started easing in second quarter, REL experienced a moderate revival in demand for core services in C&I and Telecom segments. During this period, the total order intake in C&I segment amounted to 6 MWs, with an approximate value of PKR 0.64 billion. These orders trigger restarting of new business activity that was primarily in hibernation mode for majority of 2022 due to severe import restrictions. Furthermore, the company is actively engaged in negotiations with leading conglomerates, some of which are existing clients for expansion of installed renewable capacities. The telco segment also continued to witness a revival in order bookings and demonstrated significant growth in Gross Margins more than making up for loss of volume during the period. In addition to core services REL also secured its first pure Software as a Service (SaaS) deal for its SPARK platform with Saudi Infracore Tawal. Tawal is one of the leading tower infrastructure companies in the region, its backed by the Saudi Public Investment Fund and we're already discussing expanding current contract to Tawal's home market where it has an existing base of 11000 telecom towers primarily serving Saudi Telecom.

Wind Energy Project

The 49.5 megawatt wind Plant is operating satisfactorily and meeting the expected targets for availability and BOP loss. The BOP Loss for the review period, Q2 2023, was 0.88 % against a target of 2.5 %, whilst the Availability was 99.36 % against a target of 97.0 %. Health Safety and the Environment (HSE) remained the priority and 589,951 safe man-hours have been clocked since COD with zero injury rate and TRIR. The plant has been operating safely, without injury, for 2,453 days.

The financial performance of the power plant during the first half of the fiscal year exhibited a complex interplay of positive and negative developments. On a positive note, payments from the power purchaser improved compared to the previous year, providing a welcome boost to the cash stream. However, these gains were counteracted by several significant challenges including devaluation, high inflation and transmission issues.

Due to transmission constraints and excess production in the south region, WPPs faced severe curtailment during the first half. Since the compensation is capped at 31%, there is a significant loss of revenue to the power producer during the curtailment event. The issue has been taken up individually and collectively at the Wind Association level with the Power Purchaser and Regulator.

The average wind during the six months was 6.52 m/sec. There was very high curtailment during Q1 in the region, which reduced during Q2. On April 28, 2023, 12 transmission towers in Gharo fell, resulting in complete grid failure and disconnection from the national grid till May 25. Due to the unavailability of the N-1 line, which is a mandatory requirement under EPA, the plants in Gharo were not able to supply electricity to the grid for almost a month. The revenue loss has been partially claimed under the current EPA as NPMV, however, the balance of the loss cannot be billed. Nevertheless, the three Gharo plants affected by this event have jointly written to the Ministry, NEPRA and CPPA, followed up with in-person meetings, to permanently resolve the issue and appropriately compensate for the loss. While constantly following up on the matter, we await formal response from the Regulator.

The total NPMV for the current quarter was 11.16 GWh as compared to 10.16 GWh for Q1 2023. The total energy billed during the current quarter, Q2 2023 (36.34 GWh) is lower than the P90 level (48.32 GWh). The Plant experienced better winds during this quarter as compared to Q1. For the half year the billed energy was 55.7 GWh against the P90 target of 67.28 GWh. This difference was primarily due to lower winds and revenue loss due to various transmission issues.

FINANCIAL HIGHLIGHTS

The unconsolidated financial highlights of the Company are as under:

	Half Year ended June 30, 2023	Half Year ended June 30, 2022
Rupees in thousands		
Revenue – net	-	-
Cost of revenue	-	-
Gross (loss) / profit	-	-
Dividend Income	1,188,862	350,694
Other income	100,536	67,942
Profit before taxation from continued operations	982,125	321,207
Loss from discontinued operations	(23,250)	(2,863)
Taxation	(370,191)	(96,287)
Profit after taxation	611,934	224,920
Unappropriated profit brought forward	2,543,935	3,127,809
Unappropriated profit carried forward	3,132,619	3,349,866
Earnings per share - basic & diluted (Rupees)	9.93	3.74

During the half year ended June 30, 2023, dividend income from associate - Dawood Hercules Corporation Limited amounted to PKR 1,188.8 million against PKR 350.7 mn for the period ended June 30, 2022.

Consolidated revenues for the period were PKR 4,890 million as against PKR 7,302 million for comparative period. The decrease was led by lower revenue from solar energy projects amounting to PKR 2,467 million. After considering, the share of profit from associate of PKR 287 million (June 30, 2022: share of profit of PKR 83 million), the consolidated profit after tax for the six-month period ended stood at PKR 555 million as against PKR 909 million for the similar period last year. Consolidated earnings per share attributable to the owners of the Holding Company was PKR 5.25 as against PKR 11.11 for the comparative period last year.

FUTURE OUTLOOK

Renewable Energy Business

The economic outlook is very unstable due to the political and economic uncertainties in the country. Energy prices are continue trending upward and are expected to continue 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 first 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 August 31, 2023 after the approval of shareholders of the Company.

Wind Energy Project

One of the most pressing challenges that continued to impact the shareholder return is the persistent circular debt within the energy sector. Despite improved payments from the Power Purchaser, the prevailing circular debt has hindered our ability to generate significant payouts for the shareholders. The payments have improved due to increase in energy tariff, but the possibility of lump sum payment of outstanding arrears is remote, as the Lenders are still in discussion with the Government regarding the MoU signed in 2020. CPPA is managing the cash flow and ensuring that obligatory payments, including payment for debt and tax are made on priority.

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 this year. It has come to light that this curtailment will continue in the near future for the wind power plants, both in Gharo and Jhimpir. One possible mitigation is transfer of the Gharo plants to KE, due to availability of its evacuation infrastructure in the area. The Company, in coordination with the neighboring Plants (Hydro-China Dawood and Zephyr), have 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/eliminate curtailment. Both entities are amenable to the change, but procedural matters will affect the decision timeline.



MUJTABA HAIDER KHAN
Chief Executive Officer



RUHAIL MUHAMMAD
Director

Karachi, August 25, 2023

داؤد لانس پور لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ برائے ششماہی مدت اختتامیہ 30 جون 2023

مورخہ 30 جون 2023 کو اختتام پذیر ہونے والی مدت کے لئے اپنی رپورٹ معداؤد لانس پور لمیٹڈ ("کمپنی") کے غیر آڈٹ شدہ عبوری، غیر انضمام وغیر 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

مستقل سرکاری پالیسیوں اور ملک میں جاری سیاسی عدم استحکام کے سبب پاکستان تاحال مالیاتی بحرانوں کا شکار ہے اور گزشتہ سال کے اقتصادی بحران کے نتائج کا سامنا کر رہا ہے۔ ملک میں بہت سی صنعتیں پیداوار بند ہونے پر مجبور ہوئیں یا پھر انہوں نے اپنی پیداواری گنجائش میں کمی کی ہے؛ قیمتیں غیر مثالی شرحوں سے بڑھی ہیں اور ملکی کرنسی کی قدر میں کمی کے تسلسل کے باعث افراط زر میں مزید بڑھوتی کی توقع ہے۔ یاد رہے کہ زیر جائزہ سہ ماہی کے دوران روپے کی قدر میں 25.6 فیصد کمی آئی ہے۔

غیر ملکی زرمبادلہ کے بحران کے نتیجے میں سال کا آغاز تجارتی پابندیوں کے تسلسل کے ساتھ ہوا جس نے پہلی ششماہی میں ریون انرجی لمیٹڈ (REL) کے کاروبار کو متاثر کیا۔ دوسری ششماہی میں جب پابندیوں میں نرمی آنا شروع ہوئی تو C&I اور ٹیلی کام کے حصوں میں REL کی بنیادی خدمات کی طلب میں متعدل اضافہ ہوا۔ اس مدت کے دوران C&I سیگمنٹ کو 6 MW کے آرڈر ملے جن کی مالیت تقریباً 0.64 بلین روپے تھی۔ ان آرڈرز نے کاروباری سرگرمی کا نئے سرے سے آغاز کیا جس پر درآمدات پر عائد سخت پابندیوں کے سبب 2022 کے بیشتر حصے میں سرد مہری چھائی ہوئی تھی۔ مزید یہ کہ قابل تجدید توانائی کے نصب شدہ گنجائش میں اضافے کی غرض سے کمپنی اہم کاروباری گروپوں کے ساتھ سرگرمی سے مذاکرات کر رہی ہے جن میں سے چند تو ہمارے موجودہ کلائنٹ ہیں۔ کمپنی کے telco سیگمنٹ نے بھی آرڈر بکنگ میں بڑھوتی کا اشارہ کیا اور خام بچتوں کے معاملے میں شان دار بڑھوتی دکھائی اور اس مدت کے دوران حجم میں ہونے والے نقصان کا ازالہ کیا۔ بنیادی خدمات کے ساتھ ساتھ REL نے اسکے SPARK پلیٹ فارم کے لئے سعودی Infraco، طویل کے ساتھ سافٹ ویئر بطور خدمت (SaaS) کی پہلی ڈیل کر لی۔ طویل، خطے میں ایک بڑی ناؤ رانفر اسٹرکچر کمپنی ہے جسے سعودی پبلک انوسٹمنٹ فنڈ کی سرپرستی حاصل ہے اور ہم موجودہ کنٹریکٹ میں اس طرح توسیع کے لئے مذاکرات کر رہے ہیں کہ طویل کی اس کے اپنے ملک کی مارکیٹ تک رسائی مل سکے جہاں اس کے 11000 ٹیلی کام ناؤرز ہیں جو سعودی ٹیلی کام کی خدمت کر رہے ہیں۔

پون بجلی (ہوا سے بجلی) کے پروجیکٹ

پون بجلی یا ہوا سے 49.5 میگا واٹ بجلی پیدا کرنے والا پلانٹ دستیابی اور BOP خسارے کے متوقع ٹارگٹس حاصل کرتے ہوئے اطمینان بخش طور سے کام کر رہا ہے۔ 2023ء کی دوسری سہ ماہی کی زیر جائزہ مدت کے دوران BOP خسارہ %2.5 کے متوقع ٹارگٹ کے برخلاف %0.88 رہا جبکہ دستیابی کی شرح %97.0 ٹارگٹ کے مقابلے میں %99.36 رہی۔ تحفظ، صحت اور ماحولیات (HSE) ہماری اولین ترجیح رہی ہے اور COD کے بعد سے 589,951 پُر تحفظ انسانی اوقات کار گھنٹے کام ہو چکا ہے جس دوران TRIR اور زخمی ہونے کی شرح صفر رہی۔ یہ پلانٹ 2,453 دن سے کسی کے زخمی ہوئے بغیر پُر تحفظ انداز میں کام کر رہا ہے۔

رواں مالی سال کے پہلے نصف حصے میں پاور پلانٹ کی مالیاتی کارکردگی مثبت اور منفی واقعات کا پیچیدہ امتزاج رہی۔ مثبت بات یہ رہی کہ بجلی کے خریدار کی

جانب سے ادائیگیوں میں گزشتہ برس کے مقابلے میں بہتری آئی جس سے نقدی کے بہاؤ میں تیزی آئی۔ تاہم یہ فوائد ملکی کرنسی کی قدر میں کمی، بڑھتی ہوئی مہنگائی اور ٹرانسمیشن کے ایٹوز کے سبب کارگر ثابت نہ ہو سکے۔

ٹرانسمیشن میں رکاوٹوں اور ساؤتھ ریجن میں زیادہ پیداوار کے سبب WPPs کو پہلی ششماہی میں شدید تخفیف کا سامنا رہا۔ چونکہ ہر جانے کی شرح %31 پر روک دی گئی ہے لہذا بجلی پیدا کرنے والے کو تخفیف کی مدت کے دوران اچھی خاصی آمدنی سے محروم ہونا پڑا۔ یہ ایٹوز انفرادی اور اجتماعی طور سے ونڈ ایسوسی ایشن کی سطح پر بجلی کے خریدار اور ریگولیٹر کے سامنے اٹھایا گیا ہے۔

زیر جائزہ ششماہی مدت کے دوران اوسط ہوا 6.52 m/sec رہی۔ ریجن میں پہلی سہ ماہی کے دوران کافی زیادہ تخفیف ہوئی جس میں دوسری سہ ماہی کے دوران کمی آئی۔ 28 اپریل 2023 کو گھارو میں 12 ٹرانسمیشن ٹاور گر گئے جس کے نتیجے میں گروڈ مکمل طور سے بند رہا اور 25 مئی تک قومی گرڈ سے رابطہ منقطع رہا۔ N-1 لائن کی عدم دستیابی کے سبب، جس کی دستیابی EPA کے تحت لازمی شرط ہے، گھارو کے پلانٹ قومی گرڈ کو لگ بھگ ایک ماہ تک بجلی سپلائی کرنے کے قابل نہیں تھے۔ حالیہ EPA کے تحت آمدنی کے نقصان کا جزوی دعویٰ بطور NPMV دائر کر دیا گیا ہے، تاہم بقیہ نقصان وصول نہیں کیا جاسکتا۔ پھر بھی اس واقعہ سے متاثر ہونے والے گھارو کے تین پلانٹوں نے وزارت توانائی، نیپرا اور CPPA کو مشترکہ خط تحریر کیا ہے جس کے بعد ذاتی طور پر ملاقاتیں بھی کی ہیں تاکہ اس مسئلے کا مستقل حل نکالا جاسکے اور نقصان کی بھرپائی ہو سکے۔ اس ضمن میں مستقل پیروی سے ہم ریگولیٹر کی جانب سے رسمی جواب کے منتظر ہیں۔

زیر جائزہ سہ ماہی میں NPMV کا کل حجم 11.16 GWh رہا جو 2023 کی پہلی سہ ماہی میں 10.16 GWh رہا تھا۔ 2023 کی دوسری سہ ماہی کے دوران جتنی توانائی (36.34 GWh) قابل بھیجا گیا وہ P90 لیول (48.32 GWh) سے کم ہے۔ زیر جائزہ سہ ماہی کے دوران پلانٹ کو پہلی سہ ماہی کی بہ نسبت بہتر ہوا میسر آئی۔ نصف سال کے لئے P90 لیول کے 67.28 GWh کی بہ نسبت 55.7 GWh توانائی قابل بھیجا گیا۔ اس فرق کی بنیادی وجہ ہوا کا کم ہونا اور ٹرانسمیشن کے مختلف ایٹوز کے باعث آمدنی کا نقصان ہونا تھا۔

مالیاتی صورت حال

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

ششماہی مدت اختتامیہ	ششماہی مدت اختتامیہ
30 جون 2022	30 جون 2023
روپے ہزاروں میں	روپے ہزاروں میں
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---	---
---	---
350,694	1,188,862
67,942	100,536
321,207	982,125
(2,863)	(23,250)
(96,287)	(370,191)

آمدنی.....خالص

آمدنی کی لاگت

مجموعی (نقصان)/نفع

منافع منقسمہ کی آمدنی

دیگر آمدنی

جاری آپریشنز سے حاصل شدہ قبل از ٹیکس نفع

منقطع آپریشنز سے حاصل شدہ نقصان

محصولات

224,920	611,934
3,127,809	2,543,935
3,349,866	3,132,619
3.74	9.93

نفع بعد از ٹیکس

گذشتہ حسابات سے موصولہ غیر مختص منافع (brought forward)

آئندہ حسابات کو منقلہ غیر مختص منافع (carried forward)

آمدن / (تقصان) فی حصص - بنیادی اور مجموعی

30 جون 2023 کو ختم ہونے والے نصف سال کی مدت کے دوران ہماری ایسوسی ایٹ، داؤد ہرکولیس کارپوریشن لمیٹڈ کی منافع منقسمہ آمدنی 1,188.8 ملین روپے رہی جو گزشتہ برس 30 جون 2022 کو ختم ہونے والی نصف سال کی مدت کے دوران 350.7 ملین روپے رہی تھی۔

زیر جائزہ مدت کے دوران حاصل ہونے والی مجموعی آمدنی 4,890 ملین روپے تھی جو گزشتہ برس کی قابل موازنہ مدت کے دوران 7,302 ملین روپے رہی تھی۔ آمدنی میں کمی کی بڑی وجہ ہتھی تو انائی کے پروجیکٹس سے ہونے والی 2,467 ملین روپے کی کم آمدنی تھی۔ ایسوسی ایٹ کمپنی کے منافع میں 287 ملین روپے کا اپنا حصہ (جو 30 جون 2022 تک کی مدت کے دوران 83 ملین روپے رہا تھا) شامل کرنے کے بعد، ختم ہونے والی ششماہی مدت کا بعد از ٹیکس مجموعی منافع 555 ملین روپے حاصل ہوا جو گزشتہ برس کی اسی مدت کے دوران 909 ملین روپے رہا تھا۔ ہولڈنگ کمپنی کے مالکان سے منسوب فی حصص مجموعی کمائی 5.25 روپے حاصل ہوئی جب کہ گزشتہ برس کی اسی مدت کے دوران فی حصص مجموعی کمائی 11.11 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۔

پہلی 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 شیئرز ہولڈروں کی منظوری کے بعد یہ سودا 31 اگست 2023 سے قبل مکمل ہو جانے کی توقع ہے۔

پون بجلی (ہوا سے بجلی) کا منصوبہ

توانائی کا سیکٹر سرکلر ڈیٹ کے بھرپور اثرات کا تاحال شکار ہے جو شیئر ہولڈروں کی آمدنی کو بری طرح متاثر کر رہا ہے۔ بجلی کے خریدار کی جانب سے ادائیگیوں کی صورت حال بہتر بنانے کے باوجود جاری سرکلر ڈیٹ، شیئر ہولڈروں کو ادائیگیاں کرنے کی ہماری اہلیت کے لئے بدستور رکاوٹ بنا ہوا ہے۔ توانائی کے میٹروں میں اضافے سے ادائیگیوں میں بہتری تو آئی ہے تاہم لم سم بقایا جات کی ادائیگی کا امکان دور دور تک دکھائی نہیں دیتا کیونکہ 2020 میں دستخط ہونیوالی MoU کے ضمن میں قرض خواہ، حکومت کے ساتھ تاحال مذاکرات میں مصروف ہیں۔ CPPA نقدی کے بہاؤ کا انتظام کر رہی ہے اور یقینی بنا رہی ہے کہ قرضوں اور ٹیکسوں سمیت لازمی ادائیگیاں ترجیحی بنیادوں پر کی جائیں۔

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۔

اس سال ونڈ پاور پلانٹوں میں بھاری تخفیف کی گئی ہے۔ معلوم ہوا ہے کہ مستقبل قریب میں بھی گھارو اور جھمپیر پون بجلی کے دونوں پلانٹوں میں یہ تخفیف جاری رہے گی۔ تخفیف کی ایک ممکنہ وجہ گھارو کے پلانٹوں کو الیکٹرک کے حوالے کرنا ہے کیونکہ منتقلی کا انفراسٹرکچر علاقے میں موجود ہے۔ پڑوس کے پلانٹوں (ہائیڈرو پاور پلانٹ اور ذیقار) کی شراکت سے کمپنی نے CPPA اور وزارت توانائی سے ہمارے کنکشن کی NTDC سے الیکٹرک میں منتقلی کے بارے میں مذاکرات شروع کر دیئے ہیں۔ منتقلی کے بعد کنکشن مستحکم ہو جائیگا اور تخفیف میں کمی یا اس کا خاتمہ بھی ہو جائیگا۔ CPPA اور وزارت توانائی دونوں ہی اس تبدیلی یا منتقلی سے متفق ہیں تاہم کارروائی کی تکمیل کی مدت کوئی وقت مقرر کرنے میں حائل ہے۔

روحیل محمد

ڈائریکٹر

مجتبیٰ حیدر خان

چیف ایگزیکٹو آفیسر

کراچی، 25 اگست 2023



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, 2023 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 condensed 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, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2023.

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 unconsolidated condensed 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 Sabzwari.

**Chartered Accountants
Karachi**

Date: August 29, 2023

UDIN: RR2023101608f3kdLPbi

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DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED JUNE 30, 2023


DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

(Amounts in thousand)

	Note	Unaudited June 30, 2023	Audited December 31, 2022
		-----Rupees-----	
ASSETS			
Non-current assets			
Property, plant and equipment		19,996	19,380
Long-term investments	4	2,370,240	2,371,680
Long-term deposits		2,778	2,778
Total non-current assets		2,393,014	2,393,838
Current assets			
Stores and spares		892	892
Stock-in-trade		7,456	8,742
Loans to subsidiaries	5	439,225	439,003
Loans and advances		1,073	3,686
Deposits, prepayments and other receivables	6	72,880	79,014
Interest accrued	7	279,836	269,912
Investment in subsidiary	4	-	300,000
Short-term investment	8	985,253	-
Cash and bank balances	9	15,592	64,951
Total current assets		1,802,207	1,166,200
Asset held for sale	4.1.1	100,000	-
TOTAL ASSETS		4,295,221	3,560,038
EQUITY AND LIABILITIES			
Equity			
Share capital		592,998	592,998
Capital reserves		206,666	206,666
Unappropriated profits		3,132,619	2,543,935
Total equity		3,932,283	3,343,599
Non-current liability			
Staff retirement benefits		1,533	4,759
Current liabilities			
Trade and other payables		71,401	65,797
Unclaimed dividend		78,581	73,454
Unpaid dividend		-	5,382
Provisions		7,360	7,360
Taxes payable		201,931	57,408
Accrued mark-up		2,132	2,279
Total current liabilities		361,405	211,680
		362,938	216,439
Contingencies and commitments	10		
TOTAL EQUITY AND LIABILITIES		4,295,221	3,560,038

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


Chief Executive Officer


Director


Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023

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

	Note	Quarter ended		Half year ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		-----Rupees-----		-----Rupees-----	
CONTINUING OPERATIONS					
Dividend income	11	1,188,862	350,694	1,188,862	350,694
Administrative expenses		(14,785)	(19,771)	(32,420)	(34,257)
Other expenses	12	(169,210)	(30,148)	(271,766)	(30,148)
		(183,995)	(49,919)	(304,186)	(64,405)
Other income	13	55,054	31,175	100,536	67,942
Finance costs		(2,245)	(14,497)	(3,087)	(33,024)
Profit before taxation		<u>1,057,676</u>	<u>317,453</u>	<u>982,125</u>	<u>321,207</u>
Taxation	14	(370,191)	(96,287)	(370,191)	(96,287)
Profit after taxation		<u>687,485</u>	<u>221,166</u>	<u>611,934</u>	<u>224,920</u>
DISCONTINUED OPERATIONS					
Loss from discontinued operations	15	(14,805)	(1,766)	(23,250)	(2,863)
Profit for the period		<u>672,680</u>	<u>219,400</u>	<u>588,684</u>	<u>222,057</u>
(Loss) / earnings per share - basic and diluted Continuing operations	16	<u>11.59</u>	<u>3.73</u>	<u>10.32</u>	<u>3.79</u>
Discontinued operations	16	<u>(0.25)</u>	<u>(0.03)</u>	<u>(0.39)</u>	<u>(0.05)</u>

The annexed notes from 1 to 24 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 COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE HALF YEAR ENDED JUNE 30, 2023

(Amounts in thousand)

	Quarter ended		Half year ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	-----Rupees-----			
Profit for the period	672,680	219,400	588,684	222,057
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	672,680	219,400	588,684	222,057

The annexed notes from 1 to 24 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 STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2023


(Amounts in thousand)

Share capital	Capital reserves					Revenue reserve	Total	
	Merger reserve	Share premium reserve	Capital redemption reserve	Others	Total	Unappropriated profits		
----- 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
Total comprehensive income for the half year ended June 30, 2022	-	-	-	-	-	-	222,057	222,057
Balance as at June 30, 2022 (Unaudited)	592,998	10,521	136,865	25,969	33,311	206,666	3,349,866	4,149,530
Loss for the period	-	-	-	-	-	-	(390,742)	(390,742)
Other comprehensive loss for the period	-	-	-	-	-	-	(91)	(91)
Total comprehensive loss for the year ended December 31, 2022	-	-	-	-	-	-	(390,833)	(390,833)
Transactions with owners								
Dividends for the year ended December 31, 2022:								
First interim @ Rs. 5.00 per share	-	-	-	-	-	-	(177,899)	(177,899)
Second interim @ Rs. 4.00 per share	-	-	-	-	-	-	(237,199)	(237,199)
Balance as at January 1, 2023 (Audited)	592,998	10,521	136,865	25,969	33,311	206,666	2,543,935	3,343,599
Total comprehensive income for the half year ended June 30, 2023	-	-	-	-	-	-	588,684	588,684
Balance as at June 30, 2023 (Unaudited)	592,998	10,521	136,865	25,969	33,311	206,666	3,132,619	3,932,283

The annexed notes from 1 to 24 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 CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023

(Amounts in thousand)

Note	June 30, 2023	June 30, 2022
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	958,875	318,344
Add: Loss before taxation attributable to discontinued operations	23,250	2,863
Profit before taxation from continuing operations	<u>982,125</u>	<u>321,207</u>
Adjustments for non-cash items:		
Depreciation	728	711
Amortization	-	4
Provision for gratuity - net	332	681
Dividend income classified as investing cash flows	(1,188,862)	(350,694)
Royalty income	(17,886)	(12,545)
Loss on remeasurement of asset held for sale	200,000	30,148
Provision for impairment against interest accrued on loan	71,766	-
Loss / (gain) on investments at fair value through profit or loss	(13,813)	894
Gain on disposal of property, plant and equipment	(10)	-
Mark up charged to related parties	(82,305)	(49,854)
Profit on bank deposits	(5,083)	(667)
Finance costs	3,087	33,024
	<u>(49,921)</u>	<u>(27,091)</u>
Working capital changes		
Decrease / (increase) in current assets		
Loans and advances	58	(333)
Deposits, prepayments and other receivables	6,134	(13,487)
	<u>6,192</u>	<u>(13,820)</u>
(Decrease) / increase in current liabilities		
Trade and other payables	10,653	4,599
	<u>16,845</u>	<u>(9,221)</u>
Cash used in operations	(33,076)	(36,312)
Finance costs paid	(3,234)	(31,893)
Gratuity paid	(3,595)	(61)
Taxes paid	(225,668)	(54,724)
Discontinued operations	(23,599)	(24,544)
Net cash used in operating activities	(289,172)	(147,534)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(611)
Proceeds from disposal of property, plant and equipment	10	-
Purchase of investment	(980,000)	-
Proceeds from sale of investment	10,000	-
Loan to subsidiaries	(222)	(215)
Mark up received from related parties	614	-
Profit received on bank deposits	5,083	667
Royalty income	17,886	-
Dividend received	1,188,862	350,694
Discontinued operations	(2,165)	8,480
Net cash generated from investing activities	240,068	359,015
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividend	(255)	(1,597)
Net cash used in financing activities	(255)	(1,597)
Net (decrease) / increase in cash and cash equivalents	<u>(49,359)</u>	<u>209,884</u>
Cash and cash equivalents at beginning of the period	64,951	(382,284)
Cash and cash equivalents at end of the period	<u>15,592</u>	<u>(172,400)</u>

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


Chief Executive Officer


Director


Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 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. Dawood Corporation (Private) Limited (DCPL) is the parent company by virtue of 54.83% (December 31, 2022: 54.83%) shareholding in the Company.

1.2 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.

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

1.4 These unconsolidated condensed interim financial statements represent the separate financial statements of the Company in which investment in subsidiaries 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 Statement of compliance

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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- 2.2 The cumulative figures for the half year ended June 30, 2023 presented in these unconsolidated condensed interim financial statements are unaudited. However, these have been subjected to limited scope review by the statutory auditors of the Company and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017. These unconsolidated condensed interim financial statements do not include all the information and disclosure required in the annual financial statements and should, therefore, be read in conjunction with the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

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

Asset classified as held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification. Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

- 3.2 There were certain amendments to published International Financial Reporting Standards which were mandatory for the financial year beginning on January 1, 2023. However, these are considered not to have any significant effect on the Company's financial reporting and operations, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.
- 3.3 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss of the Company.
- 3.4 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 recognized 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

During the preparation of these unconsolidated condensed interim financial statements, the significant estimates, judgments and assumptions 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.

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- 3.5 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.

Unaudited June 30, 2023	Audited December 31, 2022
-----Rupees-----	

4. INVESTMENTS

Long-term investments

Investment in related parties - at cost	2,360,101	2,360,101
Other investments		
- Financial assets at fair value through profit or loss (note 4.2)	10,124	11,564
- Financial assets at fair value through other comprehensive income (note 4.2)	15	15
	10,139	11,579
	<u>2,370,240</u>	<u>2,371,680</u>

Short-term investments

Investment in subsidiary - at cost	300,000	300,000
Less: Classified as held for sale (note 4.1.1)	(300,000)	-
	<u>-</u>	<u>300,000</u>

4.1 Investment in related parties - at cost

Long-term investments

Subsidiary - unquoted

Tenaga Generasi Limited (TGL) (note 4.1.2)	2,294,804	2,294,804
<i>Wholly owned subsidiaries - unquoted</i>		
Reon Alpha (Private) Limited (RAPL)	133,001	133,001
Mozart (Private) Limited (MPL)	1	1
Greengo (Private) Limited (GPL)	1	1
Abrax (Private) Limited (APL)	1	1
	<u>2,427,808</u>	<u>2,427,808</u>

Associate - quoted

Dawood Hercules Corporation Limited (DHCL)	65,294	65,294
	<u>2,493,102</u>	<u>2,493,102</u>
Less: Provision for impairment	(133,001)	(133,001)
	<u>2,360,101</u>	<u>2,360,101</u>

Short-term investments

Reon Energy Limited (REL)	1,026,000	1,026,000
Less: Provision for impairment	(726,000)	(726,000)
	<u>300,000</u>	<u>300,000</u>

- 4.1.1 As more fully explained in note 6.1.2 of the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2022, 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 million, subject to certain adjustments. Accordingly, the Company has classified its investment in REL as 'Asset held for sale' as required under International Financial Reporting Standards-5 'Non-current Assets Held for Sale and Discontinued Operations'. On May 30, 2023, the sale of REL has been approved by the shareholders in the Annual General Meeting. On June 30, 2023, the Company has signed an addendum to the SPA at revised consideration of Rs.100 million and transaction closure have been extended to on or before August 31, 2023.

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As of reporting date, the Company has remeasured its investment in REL classified as held for sale amounting to Rs. 300 million. Accordingly, loss on remeasurement amounting to Rs. 200 million has been recognized in the statement of profit or loss.

- 4.1.2 During the period, further 11.20 million shares have been pledged on account of an arrangement of Stand-by-Letter of Credit (SBLC) in favor of TGL with Habib Bank Limited.

4.2 Other investments

June 30, 2023	December 31, 2022		Unaudited June 30, 2023	Audited December 31, 2022
----- Units / No of Shares -----		Name of Investee	-----Rupees-----	
		Listed securities		
200,000	200,000	National Investment (Unit) Trust	10,124	11,564
		Un-listed securities		
1,500	1,500	Asian Co-operative Society Limited	15	15
			<u>10,139</u>	<u>11,579</u>
			Unaudited June 30, 2023	Audited December 31, 2022
			-----Rupees-----	

5. LOANS TO SUBSIDIARIES - unsecured, considered good

Subordinated loans to subsidiary companies:

- Tenaga Generasi Limited
- Reon Energy Limited
- Abrax (Private) Limited
- Mozart (Private) Limited
- Greengo (Private) Limited

437,000	437,000
300,000	300,000
748	676
729	649
748	678
739,225	739,003
(300,000)	(300,000)
<u>439,225</u>	<u>439,003</u>

Less: Provision for impairment

- 5.1 There have been no material changes in the status and terms and conditions of loans given to subsidiaries as disclosed in the notes 7 and 12 of the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2022.

Unaudited June 30, 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
- Tenaga Generasi Limited
- Reon Energy Limited
- The Dawood Foundation
- Reon Alpha (Private) Limited
- Dawood Hercules Corporation Limited

27,323	27,250
590	2,558
17,929	18,767
1,546	1,546
3,152	2,743
1,165	257
<u>51,705</u>	<u>53,121</u>

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Unaudited June 30, 2023	Audited December 31, 2022
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-----Rupees-----

7. INTEREST ACCRUED

This represents mark-up receivable from related parties as follows:

- Tenaga Generasi Limited	275,020	227,588
- Reon Energy Limited	75,133	41,396
- Reon Alpha (Private) Limited	718	416
- Mozart (Private) Limited	234	163
- Abrax (Private) Limited	248	174
- Greengo (Private) Limited	249	175
	351,602	269,912
Less: Provision for impairment (note 7.1)	(71,766)	-
	279,836	269,912

- 7.1 During the current period, the interest accrued aggregating to Rs. 71,766 (2022: Nil) was deemed to have been impaired and provided for in these condensed interim financial statements, under the terms of addendum to SPA as more fully explained in note 4.1.1.

Unaudited June 30, 2023	Audited December 31, 2022
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-----Rupees-----

8. SHORT-TERM INVESTMENTS

At fair value through profit or loss

- Investment in units of mutual fund (note 8.1)	985,253	-
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- 8.1 This represents investment in 19,575,072 units of Pakistan Cash Management Fund having cost of Rs. 980,000.

Unaudited June 30, 2023	Audited December 31, 2022
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-----Rupees-----

9. CASH AND BANK BALANCES

Cash in hand	215	215
Balances with banks in:		
- current accounts	11,403	28,810
- deposit accounts (note 9.1)	3,974	35,926
	15,377	64,736
	15,592	64,951

- 9.1 These represent deposits with commercial banks and carry profit at the rate of 19.50% (December 31, 2022: 13.32% to 14.79%) per annum.

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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 except as follows:

10.1.1 Assessment of annual tax return (Tax year 2014)

The income tax return of the Company was selected for tax audit by the department through computer ballot on October 27, 2015. The Company submitted the relevant information requested after which the department issued a show cause notice to the Company on May 16, 2016 citing several factual and legal issues in the assessment for tax year 2014. The Company subsequently challenged the aforementioned proceedings in the HCS and obtained an interim stay.

During the tax year 2020, the HCS vacated the stay petition and decided the case in favor of the department upon which the DCIR through an order dated October 28, 2020 raised a demand of Rs. 421,567. The Company filed an appeal before the CIR(A) on November 9, 2020 who passed an order dated January 14, 2021 in the Company's favor and remanded back the case to the assessing officer on basis of legal grounds since the Company was not provided the opportunity of being heard. During the period, remand back proceedings were initiated vide notice dated June 01, 2023 and through appeal effect order dated June 25 2023, demand of Rs. 421.567 million has been reinstated. The Company has filed an appeal through which stay has been obtained. Based on the opinion of the tax advisor, the Company is confident that the matter will be decided in the favor of the Company. Hence, no provision has been recognized in these condensed interim financial statements.

10.1.2 Guarantees issued in respect of subsidiaries

Tenaga Generasi Limited

The Company has arranged a Stand-by Letter of Credit (SBLC) amounting to USD 10,000 in favor of the lenders of Tenaga Generasi Limited. The said facility is secured by way of a first pari passu charge on immovable property and pledge over the Company's investments in related party, as explained in note 4.1.2.

11. DIVIDEND INCOME

This includes first interim cash dividend of Rs. 15 per ordinary share (June 30, 2022: Rs. 4.5 per ordinary share) for the year ending December 31, 2023 received from Dawood Hercules Corporation Limited, an associated company amounting to Rs. 1,168,978 (June 30, 2022: Rs. 350,694).

12. OTHER EXPENSES

This includes loss on measurement of REL investment amounting to Rs. 200,000 (June 30, 2022: Nil) and provision of impairment for interest accrued amounting to Rs. 71,766 (June 30, 2022: Nil).

13. OTHER INCOME

This includes mark-up charged to related parties amounting to Rs. 82,305 (June 30, 2022: Rs. 49,854).

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		Unaudited			
		Quarter ended		Half year ended	
		June 30,	June 30,	June 30,	June 30,
		2023	2022	2023	2022
		-----Rupees-----			
14.	TAXATION				
	Current:				
	- for the period (note 14.1)	300,781	69,203	300,781	69,203
	- for prior period (note 14.1)	69,410	27,084	69,410	27,084
		<u>370,191</u>	<u>96,287</u>	<u>370,191</u>	<u>96,287</u>

- 14.1 This includes super tax charge of Rs. 122,354 for the current period and Rs. 69,410 for prior period recognized by the Company in accordance with section 4C, 'Super Tax' on high earning persons' introduced in the Income Tax Ordinance, 2001 (the Ordinance) through Finance Act, 2023 (the Act), whereby super tax at ten percent has been levied on income exceeding Rs. 500 million for the year ended December 31, 2022 (tax year 2023) and onwards.

		Unaudited			
		Quarter ended		Half year ended	
		June 30,	June 30,	June 30,	June 30,
		2023	2022	2023	2022
		-----Rupees-----			
15.	LOSS FROM DISCONTINUED OPERATIONS				
	Revenue from contracts with customers	334	269	1,123	1,465
	Cost of revenue	(353)	(285)	(1,286)	(1,507)
	Gross loss	(19)	(16)	(163)	(42)
	Selling and distribution expenses	(3)	(3)	(11)	(15)
	Administrative expenses	(21,428)	(15,586)	(41,054)	(31,706)
	Other income	6,646	13,839	17,978	28,900
		<u>(14,805)</u>	<u>(1,766)</u>	<u>(23,250)</u>	<u>(2,863)</u>

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16. (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:

	Unaudited			
	Quarter ended June 30, 2023	June 30, 2022	Half year ended June 30, 2023	June 30, 2022
	-----Rupees-----			
Continuing operations				
Profit for the period	<u>687,485</u>	<u>221,166</u>	<u>611,934</u>	<u>224,920</u>
Weighted average number of ordinary shares (in thousands)	<u>59,300</u>	<u>59,300</u>	<u>59,300</u>	<u>59,300</u>
Earnings per share	<u>11.59</u>	<u>3.73</u>	<u>10.32</u>	<u>3.79</u>
Discontinued operations				
Loss for the period	<u>(14,805)</u>	<u>(1,766)</u>	<u>(23,250)</u>	<u>(2,863)</u>
Weighted average number of ordinary shares (in thousands)	<u>59,300</u>	<u>59,300</u>	<u>59,300</u>	<u>59,300</u>
Loss per share	<u>(0.25)</u>	<u>(0.03)</u>	<u>(0.39)</u>	<u>(0.05)</u>

Unaudited June 30, 2023	Audited June 30, 2022
-------------------------------	-----------------------------

-----Rupees-----

17. CASH AND CASH EQUIVALENTS

Cash and bank balances (note 9)	15,592	23,750
Short-term borrowings	-	(196,150)
	<u>15,592</u>	<u>(172,400)</u>

18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

18.1 Financial risk factors

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

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

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18.2 Fair value estimation

The table below analyses financial instruments carried at fair value using the valuation method. The different levels have been defined as follows:

- 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.

The Company held the following assets measured at fair values:

	Unaudited			
	As at June 30, 2023			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Non-current assets				
<i>Financial assets at fair value through profit or loss</i>				
- Long-term investments (investments in units of mutual funds)	-	10,124	-	10,124
<i>Financial assets at fair value through other comprehensive income</i>				
- Long-term investments (investments in unquoted equity shares)	-	-	15	15
Current assets				
<i>Financial assets at fair value through profit or loss</i>				
- Short-term investments (investments in units of mutual funds)	-	985,253	-	985,253
	-	995,377	15	995,392

	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>				
- Long-term investments (investments in units of mutual funds)	-	11,564	-	11,564
<i>Financial assets at fair value through other comprehensive income</i>				
- Long-term investments (investments in unquoted equity shares)	-	-	15	15
	-	11,564	15	11,579

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

18.4 Fair value of financial assets and liabilities

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

19. SEGMENT REPORTING

Management has determined the operating segments for allocation of resources and assessment of performance which are 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
- 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.

19.1 Segment operating results

The table below shows the segment information for the reportable segments for the half year ended June 30, 2023 and 2022 and also the basis on which revenue is recognized:

	Renewable energy		Textile - discontinued operations		Other operations		Total	
	Unaudited June 30,		Unaudited June 30,		Unaudited June 30,		Unaudited June 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees							
Revenue from contract with customers - net								
At a point in time	-	-	1,123	1,465	-	-	1,123	1,465
Over time	-	-	-	-	-	-	-	-
Revenue from external customers	-	-	1,123	1,465	-	-	1,123	1,465
Cost of revenue	-	-	(1,286)	(1,507)	-	-	(1,286)	(1,507)
Segment gross loss *	-	-	(163)	(42)	-	-	(163)	(42)
Dividend income	-	-	-	-	1,188,862	350,694	1,188,862	350,694
Selling and distribution expenses	-	-	(11)	(15)	-	-	(11)	(15)
Administrative expenses	(124)	(123)	(41,054)	(31,706)	(304,062)	(64,282)	(345,240)	(96,111)
Other expenses	-	-	-	-	-	-	-	-
Other income	-	-	17,978	28,900	100,536	67,942	118,514	96,842
Finance costs	-	-	-	-	(3,087)	(33,024)	(3,087)	(33,024)
Taxation	-	-	-	-	(370,191)	(96,287)	(370,191)	(96,287)
Segment (loss) / profit	(124)	(123)	(23,250)	(2,863)	612,058	225,043	588,684	222,057
	Rupees							
	Renewable energy		Textile - discontinued operations		Other operations		Total	
	Unaudited June 30, 2023	Audited December 31, 2022	Unaudited June 30, 2023	Audited December 31, 2022	Unaudited June 30, 2023	Audited December 31, 2022	Unaudited June 30, 2023	Audited December 31, 2022
Total segment assets	33,820	30,150	27,617	25,791	1,563,544	1,432,417	1,624,981	1,488,358
Total segment liabilities	-	5,988	12,095	17,143	350,843	193,307	362,938	216,439

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20. RELATED PARTY TRANSACTIONS AND BALANCES

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

Relationship	Nature of transaction	Unaudited	Unaudited
		June 30, 2023	June 30, 2022
		-----Rupees-----	
a. Subsidiary companies			
Tenaga Generasi Limited	Expenses reimbursable to the Company	4,054	2,019
	Expenses reimbursable by the Company	813	394
	Equity arrangement fee (SBLC) / SBLC cost reimbursement	53,574	25,742
	Interest on outstanding receivable balance	620	985
	Interest on subordinated loans	47,428	28,686
	Reon Energy Limited	Expenses reimbursable to the Company	4,668
Reon Energy Limited	Expenses reimbursable by the Company	5,722	8,871
	Interest on expenses reimbursable to the Company	2,025	371
	Interest on loans disbursed by the Company	31,712	19,602
	Rental income	216	-
	Mozart (Private) Limited	Unsecured loan disbursed by the Company	80
Mozart (Private) Limited	Interest on loan	71	32
	Abrax (Private) Limited	Unsecured loan disbursed by the Company	72
Abrax (Private) Limited	Interest on loan	74	35
	Greengo (Private) Limited	Unsecured loan disbursed by the Company	70
Greengo (Private) Limited	Interest on loan	74	35
	Reon Alpha (Private) Limited	Interest on reimbursement of expenses	301
Reon Alpha (Private) Limited	Expenses reimbursable to the Company	872	666
	b. Associated companies		
Dawood Hercules Corporation Limited	Dividend income	1,168,978	350,694
Dawood Hercules Corporation Limited	Expenses reimbursable to the Company	1,712	-
	Expenses reimbursable by the Company	7,410	4,133
Sach International (Private) Limited	Expenses reimbursable to the Company	424	137
	Royalty charged	17,886	12,545
	Rental income	330	330
	Penalty charged	-	375
c. Other related parties			
Key management personnel	Salaries and other benefits	9,374	9,840
	Directors' fee	200	256

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21. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on August 25, 2023 has approved an interim cash dividend of Rs. Nil (2022: Nil) per ordinary share amounting to Rs. Nil (2022: Nil) for the year ending December 31, 2023. These unconsolidated condensed interim financial statements do not include the effect of the said interim dividend.

22. CORRESPONDING FIGURES

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

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

23. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on August 25, 2023 by the Board of Directors of the Company.

24. GENERAL

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

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Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

(Amounts in thousand)

	Note	Unaudited June 30 2023	Audited December 31, 2022
-----Rupees-----			
ASSETS			
Non-current assets			
Property, plant and equipment		14,426,210	13,586,696
Right-of-use assets		77,523	100,174
Intangible assets		22,834	49,564
Long-term investments	5	10,509,816	11,370,030
Long-term deposits		2,778	2,778
Long-term loans to employees		-	369
Total non-current assets		25,039,161	25,109,611
Current assets			
Stores and spares		892	892
Stock-in-trade		7,456	1,006,155
Trade debts		2,574,188	3,066,540
Contract assets		3,989	1,542,666
Loans and advances		1,073	396,457
Deposits, prepayments and other receivables		1,698,900	2,070,349
Accrued interest		-	474
Taxes recoverable		-	74,378
Short-term investments		985,253	33,399
Cash and bank balances		1,900,437	2,008,981
Total current assets		7,172,188	10,200,291
Assets of disposal group held for sale	6.1	5,192,559	-
TOTAL ASSETS		37,403,907	35,309,902
EQUITY AND LIABILITIES			
Share capital		592,998	592,998
Capital reserves		206,666	206,666
Unappropriated profit		16,747,381	16,439,671
Non-controlling interest		2,487,410	2,220,372
TOTAL EQUITY		20,034,455	19,459,707
Non-current liabilities			
Staff retirement benefits		2,604	79,126
Deferred taxation		1,915,829	1,478,352
Long-term borrowings		6,830,114	7,225,443
Non-current portion of lease liabilities		101,959	120,232
Total non-current liabilities		8,850,505	8,903,153
Current liabilities			
Current portion of:			
Long-term borrowings		2,404,247	1,995,064
Lease liabilities		9,762	18,168
Unclaimed dividend		78,581	73,454
Unpaid dividend		-	5,382
Short-term borrowings	7	-	1,186,695
Trade and other payables		379,733	2,247,367
Provision		7,360	7,360
Taxes Payable		275,306	-
Contract liabilities		-	1,171,823
Accrued mark-up		271,399	241,729
Total current liabilities		3,426,387	6,947,042
		12,276,893	15,850,195
Liabilities of disposal group held for sale	6.1	5,092,559	-
Contingencies and commitments	8		
TOTAL EQUITY AND LIABILITIES		37,403,907	35,309,902

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


Chief Executive Officer


Director


Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023

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

	Note	Quarter Ended		Half Year Ended	
		Unaudited	Unaudited	Unaudited	Unaudited
		June 30 2023	June 30 2022	June 30 2023	June 30 2022
		-----Rupees-----		-----Rupees-----	
CONTINUING OPERATIONS					
Revenue from contracts with customers - net	9	1,707,695	1,430,200	2,456,357	1,966,674
Cost of revenue		(437,517)	(342,135)	(874,511)	(666,246)
Gross profit		1,270,178	1,088,065	1,581,846	1,300,428
Selling and distribution expenses		-	-	-	-
Administrative expenses		(39,877)	(49,841)	(107,980)	(85,813)
Other expenses		9,045	(25,524)	(9,595)	(25,524)
Other income		67,050	8,176	123,404	28,576
Operating profit		1,306,397	1,020,875	1,587,674	1,217,666
Finance cost		(253,683)	(134,243)	(470,811)	(244,463)
Share of profit of associate		(24,769)	(409,364)	286,770	83,826
Profit before taxation		1,027,944	477,268	1,403,633	1,057,029
Taxation		(382,168)	(36,706)	(442,456)	(111,671)
Profit from continuing operations		645,776	440,562	961,177	945,358
DISCONTINUED OPERATIONS					
Loss from discontinued operations		(14,805)	(1,766)	(23,250)	(2,863)
(Loss) / profit from disposal group		(107,041)	81,810	(383,096)	(33,341)
Profit for the period		523,930	520,606	554,830	909,154
Profit attributable to:					
- Owners of the Holding Company		266,176	289,579	287,792	656,229
- Non-controlling interest		257,754	231,027	267,038	252,925
		523,930	520,606	554,830	909,154
Earnings / (loss) per share - basic and diluted					
- Continuing operations and disposal group	10	4.74	4.91	5.25	11.11
- Discontinued operations	10	(0.25)	(0.03)	(0.39)	(0.05)

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


Chief Executive Officer


Director


Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023

(Amounts in thousand)

	Half Year Ended	
	Unaudited June 30 2023	Unaudited June 30 2022
	-----Rupees-----	
Profit for the period	554,830	909,154
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	19,918	28,080
Total comprehensive income for the period	<u>574,748</u>	<u>937,234</u>
Total comprehensive (loss) / income attributable to:		
- Continuing operations	597,998	940,097
- Discontinued operations	(23,250)	(2,863)
	<u>574,748</u>	<u>937,234</u>
Total comprehensive income attributable to:		
- Owners of the Holding Company	307,710	684,309
- Non-controlling Interest	267,038	252,925
	<u>574,748</u>	<u>937,234</u>

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


Chief Executive Officer


Director


Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 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	-	-	-	-	7,579	-	7,579	656,229	252,925	909,154
Other comprehensive income	-	-	-	-	-	-	-	28,080	-	28,080
Total comprehensive income for the period	-	-	-	-	-	-	7,579	684,309	252,925	937,234
Balance as at June 30, 2022 (Unaudited)	<u>592,998</u>	<u>10,521</u>	<u>136,865</u>	<u>33,311</u>	<u>11,200</u>	<u>25,969</u>	<u>225,445</u>	<u>15,833,833</u>	<u>2,080,229</u>	<u>18,724,926</u>
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	-	-	-	-	-	-	-	287,792	267,038	554,830
Other comprehensive income	-	-	-	-	-	-	-	19,918	-	19,918
Total comprehensive income for the period	-	-	-	-	-	-	-	307,710	267,038	574,748
Balance as at June 30, 2023 (Unaudited)	<u>592,998</u>	<u>10,521</u>	<u>136,865</u>	<u>25,969</u>	<u>-</u>	<u>33,311</u>	<u>206,666</u>	<u>16,747,381</u>	<u>2,487,410</u>	<u>20,034,455</u>

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


Chief Executive Officer


Director


Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023

(Amounts in thousand)

	Half Year Ended	
	Unaudited June 30 2023	Unaudited June 30 2022
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,380,383	1,054,166
Add: Loss before taxation attributable to discontinued operations	23,250	2,863
Add: Loss before taxation attributable to disposal group	383,096	33,341
Profit before taxation from continuing operations	1,786,729	1,090,370
Adjustment for non-cash charges and other items:		
Depreciation	447,604	393,841
Impairment on property plant and equipment	-	25,524
Amortization	212	-
Loss on remeasurement of asset and liabilities of disposal group	290,418	-
Provision for impairment against financial assets	-	30,148
Provision for gratuity - net	576	827
Finance cost	470,811	220,876
Loss on disposal of property, plant and equipment	(10)	-
(Gain) / Loss on investments in mutual fund units	(13,813)	894
Royalty income	(17,886)	(12,545)
Share of profit of associate	(286,770)	(83,826)
Dividend income	(19,884)	-
Profit on deposits	(106,845)	(11,157)
Operating profit before working capital changes	764,413	564,582
(Increase) / decrease in current assets		
Trade debts	(454,032)	(871,446)
Contract assets	1,973	10,002
Loans and advances	58	(233,009)
Deposits, prepayments and other receivables	(69,362)	(10,871)
Increase / (decrease) in current liabilities		
Sales tax Payable	100,171	22,072
Trade and other payables	(68,209)	82,368
	(489,401)	(1,000,884)
Net cash generated from operations	2,061,742	654,067
Gratuity paid	(3,662)	(180)
Finance costs paid	(547,791)	(349,693)
Taxes paid	(240,924)	(56,279)
Discontinued operations	(23,599)	(24,544)
Disposal group	366,712	114,983
Net cash generated from operating activities	1,612,477	338,354
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(18,199)	(611)
Sale proceeds from disposal / transfer of property, plant and equipment	10	-
Purchase of short-term investments	(980,000)	-
Redemption of short-term investments	10,000	-
Interest received	106,655	11,202
Dividend received	19,884	350,694
Royalty Income	17,886	-
Discontinued operations	(2,165)	8,480
Disposal group	(363)	(9,838)
Net cash generated from investing activities	(846,282)	359,927
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(959,946)	(701,663)
Payment of lease liability	(9,762)	(9,762)
Payment of dividend	(255)	(1,576)
Disposal group	(47,409)	227,991
Net cash used in financing activities	(1,017,373)	(485,009)
Net (decrease) in cash and cash equivalents	(251,188)	213,272
Cash and cash equivalents at beginning of the period	2,008,981	(31,004)
Cash and cash equivalents at end of the period	1,757,793	182,268

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


Chief Executive Officer


Director


Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023

(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 (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.

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. Currently, the Holding Company does not have any industrial unit in production.

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

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023

1.4 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	June 30	100%	100%
- Tenaga Generasi Limited	June 30	75%	75%
- Mozart (Private) Limited	June 30	100%	100%
- Abrax (Private) Limited	June 30	100%	100%
- Greengo (Private) Limited	June 30	100%	100%
- Reon Alpha (Private) Limited	June 30	100%	100%

Reon Energy Limited

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

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. 300,000, subject to certain adjustments. Accordingly, the Company has classified its investment in REL as 'Asset held for sale' as required under International Financial Reporting Standards-5 'Non-current Assets Held for Sale and Discontinued Operations'. On May 30, 2023, the sale of REL has been approved by the shareholders in the Annual General Meeting. On June 30, 2023, the Holding Company has signed an addendum to the SPA at revised consideration of Rs.100,000 and transaction closure have been extended to on or before August 31, 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.

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023

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

- 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 Holding Company for the year ended December 31, 2022.
- 3.2 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.
- 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 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.
- 3.4 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. Further, as per SRO 67(I) / 2023, - dated January 20, 2023 exemption is now further extended till December 31, 2024. Therefore the Company does not recognize expected credit losses (ECL) on trade debts and delayed payment charges as they are solely receivable from Government of Pakistan.

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023

4. BASIS OF CONSOLIDATION

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

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

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

5. LONG TERM INVESTMENTS

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

	Unaudited June 30, 2023	Audited December 31, 2022
-----Rupees-----		
	10,499,677	11,358,451
	10,139	11,579
	<u>10,509,816</u>	<u>11,370,030</u>

5.1 Share of investment in an associate

Associated company - quoted
 Dawood Hercules Corporation Limited

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

	11,358,451	11,556,438
	286,770	949,873
	23,433	21,118
	310,204	970,991
	(1,168,978)	(1,168,978)
	<u>10,499,677</u>	<u>11,358,451</u>

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 Holding Company and Juniper International FZ LLC stipulating a maximum consideration of Rs. 300,000, subject to certain adjustments. Accordingly, the Company has classified its investment in REL as 'Asset held for sale' as required under International Financial Reporting Standards-5 'Non-current Assets Held for Sale and Discontinued Operations'. On May 30, 2023, the sale of REL has been approved by the shareholders in the Annual General Meeting. On June 30, 2023, the Holding Company has signed an addendum to the SPA at revised consideration of Rs.100,000 and transaction closure have been extended to on or before August 31, 2023.

As of reporting date, the Holding Company has remeasured assets of REL classified as held for sale amounting to Rs. 300,000. Accordingly, loss on remeasurement amounting to Rs. 290,418 has been recognized in the statement of profit or loss.

DAWOOD LAWRENCEPUR LIMITED
 NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
 FOR THE HALF YEAR ENDED JUNE 30, 2023

	Unaudited June 30, 2023
6.1. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	
Assets classified as held for sale	
Property, plant and equipment	404,296
Right-of-use assets	14,822
Intangible assets	24,189
Deferred taxation - net	390,968
Long-term loans	369
Stock-in-trade	810,219
Trade debts	803,252
Contract assets	1,517,797
Loans and advances	376,355
Deposits, prepayments and other receivables	839,323
Taxation - net	130,955
Short-term investments	27,504
Accrued return	285
Cash and bank balances	142,644
Loss recognised on the re-measurement of assets of disposal group (note 6.2.1)	(290,418)
TOTAL ASSETS OF DISPOSAL GROUP	<u>5,192,559</u>
Liabilities directly associated with assets classified as held for sale	
Defined benefit liabilities	68,829
Long-term finances:	
Long-term finances	607,408
Lease liabilities	15,398
Current portion of:	
Current portion of long-term finances	59,841
Deferred Government grant	-
Current portion of lease liabilities	4,207
Trade and other payables	2,218,612
Contract liabilities	1,237,559
Short-term finances	844,630
Loan from the Holding Company	-
Accrued mark-up	36,074
TOTAL LIABILITIES	<u>5,092,559</u>
NET ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	<u>100,000</u>

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023

		Unaudited June 30, 2023	Unaudited June 30, 2022
6.2.	STATEMENT OF PROFIT OR LOSS - DISPOSAL GROUP		
	Revenue from contracts with customers - net	2,432,680	5,335,150
	Cost of revenue	(2,001,403)	(4,907,367)
	Gross profit	431,277	427,783
	Selling and distribution expenses	(152,212)	(171,505)
	Administrative expenses	(139,845)	(142,630)
	Other operating expenses	(75,396)	(17,489)
	Other income	10,849	5,587
	Profit from operations	74,673	101,746
	Finance cost	(139,160)	(68,405)
	Profit before taxation	(64,487)	33,341
	Taxation	(28,191)	(66,682)
	(Loss) / profit after taxation	(92,678)	(33,341)
	Loss recognised on the re-measurement of assets of disposal group (note 6.2.1)	(290,418)	-
	Loss for the period	(383,096)	(33,341)

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 value 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.

		Unaudited March 31, 2023	Unaudited March 31, 2022
6.3.	CASHFLOW FROM DISPOSAL GROUP		
	Net cash generated from operating activities	366,712	114,983
	Net cash generated from investing activities	(363)	(9,838)
	Net cash used in financing activities	(47,409)	227,991
	Net changes in cash and cash equivalent	318,939	333,136

7. SHORT TERM BORROWING

7.1 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 June 30, 2023, the Holding Company has not utilised the said facility (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.

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023

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, 2022 except as follows:

- 8.1 On April 27, 2018, the Officer Inland Revenue (OCIR) through an order raised a sales tax demand of Rs. 97,282,565 along with a default surcharge arising due to inadmissibility of input sales tax credit related to civil works carried out on account of building and foundation of wind turbines. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on May 14, 2018 on the grounds that sales tax at 14% was paid on services for installation of wind project which is related to the core taxable activity for the business and is, therefore, admissible as per law. During the preceding year CIR(A) has passed the order and confirmed the demand raised by the OCIR. Subsequent to which the Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR(A). During the current year, ATIR has passed the order whereby case has been remanded back for reconsideration. However, no remand back proceeding has been initiated yet. Since the Case has been remanded back, the management of the Company, based on the advice of its tax consultants has not recorded any provision in these financial statements.

8.2 Assessment of annual tax return (Tax year 2014)

The income tax return of the Holding Company was selected for tax audit by the department through computer ballot on October 27, 2015. The Holding Company submitted the relevant information requested after which the department issued a show cause notice to the Holding Company on May 16, 2016 citing several factual and legal issues in the assessment for tax year 2014. The Holding Company subsequently challenged the aforementioned proceedings in the HCS and obtained an interim stay.

During the tax year 2020, the HCS vacated the stay petition and decided the case in favor of the department upon which the DCIR through an order dated October 28, 2020 raised a demand of Rs. 421,567. The Holding Company filed an appeal before the CIR(A) on November 9, 2020 who passed an order dated January 14, 2021 in the Company's favor and remanded back the case to the assessing officer on basis of legal grounds since the Holding Company was not provided the opportunity of being heard. During the period, remand back proceedings were initiated vide notice dated June 01, 2023 and through appeal effect order dated June 25 2023, demand of Rs. 421.567 million has been reinstated. The Holding Company has filed an appeal through which stay has been obtained. Based on the opinion of the tax advisor, the Holding Company is confident that the matter will be decided in the favor of the Holding Company. Hence, no provision has been recognized in these condensed interim financial statements.

8.3 Guarantees issued in respect of subsidiaries

Tenaga Generasi Limited

The Holding Company has arranged a Stand-by Letter of Credit (SBLC) amounting to USD 10,000 in favor of the lenders of Tenaga Generasi Limited. The said facility is secured by way of a first pari passu charge on immovable property and pledge over the Holding Company's investments in related party.

DAWOOD LAWRENCEPUR LIMITED
 NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
 FOR THE HALF YEAR ENDED JUNE 30, 2023

	Half Year Ended	
	Unaudited June 30, 2023	Unaudited June 30, 2022
9. REVENUE - NET	-----Rupees-----	
Renewable energy (Solar)	2,466,614	5,373,538
Alternate Energy (Wind)	2,422,422	1,928,286
	<u>4,889,037</u>	<u>7,301,824</u>
Textile		
Fabric	1,123	1,465
	<u>4,890,160</u>	<u>7,303,289</u>
Related to discontinued operations	(1,123)	(1,465)
Related to disposal group	(2,432,680)	(5,335,150)
	<u>2,456,357</u>	<u>1,966,674</u>

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

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

	Half Year Ended	
	Unaudited June 30, 2023	Unaudited June 30, 2022
Continuing operations and disposal group		
Profit for the period (attributable to the owners of the Holding Company)	311,042	659,092
Weighted average number of ordinary shares (in thousand)	59,300	59,300
Earning per share	5.25	11.11
Discontinued operations		
Loss for the period (attributable to the owners of the Holding Company)	(23,250)	(2,863)
Weighted average number of ordinary shares (in thousand)	59,300	59,300
Loss per share	(0.39)	(0.05)

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.

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11.2 Fair value hierarchy

The table below analyses financial instruments carried at fair value using the valuation method. The different levels have been defined as follows:

- 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.

The Group held the following assets measured at fair values:

	As at June 30, 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)	-	10,124	-	10,124
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				
- Short-term investments (investments in units of mutual funds)	-	985,253	-	985,253
	-	995,377	15	995,392
-----Rupees-----				
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)	-	11,564	-	11,564
Financial assets at fair value through other comprehensive income				
- Long-term investments (investments in unquoted equity shares)	-	-	15	15
	-	11,564	15	11,579

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

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(Amounts in thousand)

12 SEGMENT REPORTING

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

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

Segment analysis is as under:

12.2

	Renewable energy		Renewable energy - disposal group		Textile - discontinued operations		Alternate Energy		Unallocated		Total	
	Unaudited											
	June 30, 2023		June 30, 2022		June 30, 2023		June 30, 2022		June 30, 2023		June 30, 2022	
Revenue from contract with customers - net												
Timing of revenue recognition												
- At a point in time					1,123		1,465				1,123	1,465
- Over time	33,934	38,388	2,432,680	5,335,150	-	-	2,422,422	1,928,286	-	-	4,889,037	7,301,624
	33,934	38,388	2,432,680	5,335,150	1,123	1,465	2,422,422	1,928,286	-	-	4,890,160	7,303,289
Cost of revenue	(15,296)	(10,550)	(2,001,403)	(4,907,367)	(1,286)	(1,507)	(859,216)	(655,696)	-	-	(2,877,200)	(5,575,120)
Segment gross profit / (loss)	18,638	27,838	431,277	427,783	(163)	(42)	1,563,207	1,272,590	-	-	2,012,960	1,728,169
Selling and distribution expenses	-	-	(162,212)	(171,505)	(11)	(16)	-	-	-	-	(162,223)	(171,520)
Administrative expenses	(1,036)	(1,786)	(139,846)	(142,630)	(41,064)	(31,706)	(74,376)	(48,875)	(32,670)	(2,445)	(288,879)	(228,443)
Other expenses	-	(25,524)	(76,396)	(17,489)	-	-	(8,695)	-	-	(30,148)	(84,891)	(73,162)
Other income	368	254	10,849	5,587	17,978	28,900	104,806	10,235	18,231	(10,903)	162,231	34,074
Finance cost	(29,434)	(19,257)	(139,160)	(68,405)	-	-	(486,638)	(218,438)	46,261	16,820	(609,972)	(289,281)
Share of profit from associate	-	-	-	-	-	-	-	-	286,770	83,826	286,770	83,826
Remeasurement loss on assets of disposal group	-	-	(290,418)	-	-	-	-	-	-	-	(290,418)	-
Taxation	-	-	(28,191)	(66,682)	-	-	(28,260)	(2,810)	(413,207)	(108,861)	(470,647)	(178,353)
Segment net profit	(11,463)	(18,476)	(383,096)	(33,341)	(23,260)	(2,863)	1,068,164	1,011,702	(66,614)	(51,711)	664,830	905,311
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Segment assets	364,766	373,130	5,192,659	5,096,721	27,617	25,791	20,320,412	18,404,328	11,496,583	11,407,932	37,403,907	35,309,902
Segment liabilities	213,261	280,337	5,092,869	4,609,719	12,095	17,143	10,456,798	8,935,285	1,696,739	2,007,711	17,369,462	15,850,195

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, 2023	June 30, 2022
		-----Rupees-----	
a. Associated companies			
Dawood Hercules Corporation Limited	Reimbursable expenses by the Group	32,874	2,878
	Dividend Income	1,168,978	-
	Reimbursable expenses to the Group	1,726	1,136
Sach International (Private) Limited	Reimbursable expenses incurred by the Group	424	39
	Royalty charged by the Group	17,886	8,164
	Penalty charged against over/duel receivables	-	442
	Rental Income	330	165
The Dawood Foundation	Expenses incurred by the Group	10,649	4,653
Engro Energy Limited	Operations and maintenance expenses	-	105,834
	Project revenue	-	238
	Extra work	-	3,825

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International Finance Corporation	Borrowing cost charged to Group	133,526	27,838
	Repayment of loan	272,727	195,085
	Supervision fee	1,878	1,184
	Accrued Mark-up	2,347	-
b. Key management personnel	Salaries and benefits	38,501	18,079
c. Directors	Meeting fees	600	450

14 NON-ADJUSTING EVENT AFTER STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors of the Holding Company in its meeting held on August 25, 2023 has approved an interim cash dividend of Nil amounting to Nil for the year ending December 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.

15 DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial statements were authorized for issue on August 25, 2023 by the Board of Directors of the Holding Company.


 Chief Executive


 Director


 Chief Financial Officer



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