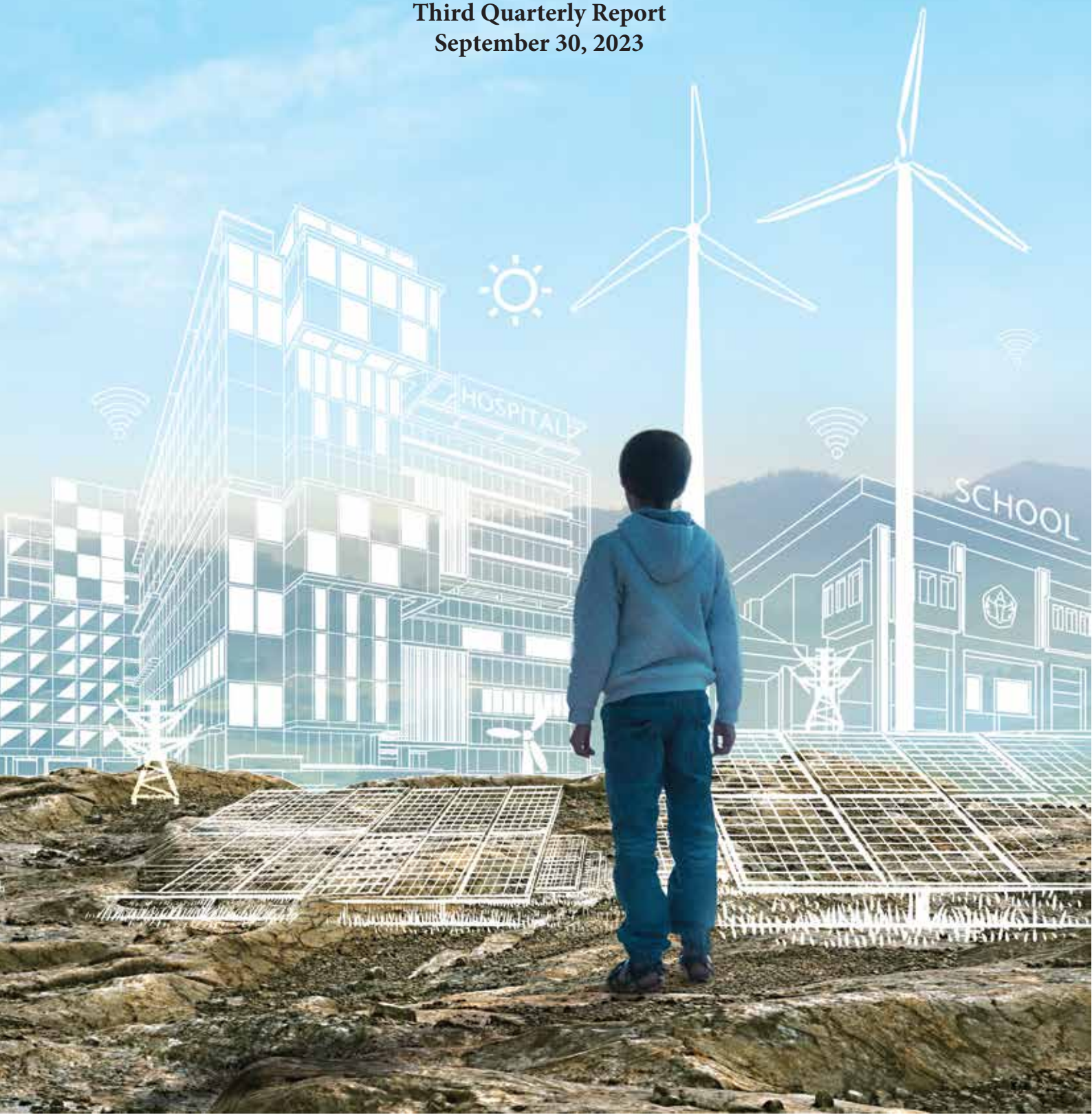




Dawood
Lawrencepur
Limited

BEYOND THE GRID

Third Quarterly Report
September 30, 2023



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COMPANY INFORMATION

Board of Directors

- Mr. Ruhail Muhammad (Chairman)
- Mr. Abdul Samad Dawood
- Ms. Sabrina Dawood
- Mr. Muhammed Amin
- Mr. Shafiq Ahmed
- Mr. Muhammad Bilal Ahmed
- Mr. Mohammad Shamoan Chaudry (Chief Executive Officer)

Board Audit Committee

- Mr. Muhammed Amin (Chairman)
- Mr. Shafiq Ahmed
- Mr. Muhammad Bilal Ahmed

Human Resource and Remuneration Committee

- Mr. Ruhail Muhammad (Chairman)
- Mr. Abdul Samad Dawood

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 Shakra-e-Faisal Karachi - 74400
Tel.: 021-1 1 1 -1 1 1-500

Registered / Head Office

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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 NINE MONTHS ENDED SEPTEMBER 30, 2023

The Directors hereby submit their report along with the unaudited unconsolidated and consolidated condensed interim financial for the nine months ended 30th September 2023.

BUSINESS REVIEW
Renewable Energy Business

Pakistan economy is experiencing a degree of stability after IMF deal and decline in global commodity prices. However, it is still battling with high interest rates, unstable exchange rate and high interest rate. Careful economic management and deep structural reforms will be required to ensure macroeconomic stability and growth particularly in the area of energy.

The Company's solar business, Reon Energy Limited (REL) had a decent performance during 2023. In the third quarter, the company secured orders for an additional 8 MWs, bringing the year-to-date total to 23 MWs, valued at approximately PKR 2.7 billion. These orders represent a strong performance, especially in the context of current economic challenges. The telco segment also continued to demonstrate robust growth in terms of profit margins and expansion of its product offerings. As of September 2023, the Asset Performance Management (APM) division of REL is managing a total capacity of over 150MWs. This consistent order intake highlights the trust customers place in REL, solidifying its reputation as the preferred choice for customers.

Furthermore, the company is actively engaged in negotiations with leading conglomerates, some of which have been clients in the past. These ongoing discussions hold great potential for securing significant business opportunities and partnerships.

Wind Energy Project

The 49.5-megawatt wind Plant is operating satisfactorily and meeting expected targets for availability and BOP loss. The BOP Loss for the review period, Q3 2023, was 0.9 % against a target of 2.5 %, whilst Availability was 99.2 % against a target of 97.0 %. Health Safety and Environment (HSE) remained a priority and 609,997 safe man-hours have been clocked since COD with zero injury rate and TRIR. The plant has been operating safely without injury for 2,545 days.

The financial performance of the power plant during the three quarters of the fiscal year exhibited a interplay of positive and challenging developments. On a positive note, payments from the power purchaser improved compared to the previous year, boosting the cash stream. However, these gains were set back by significant difficulties including devaluation, high inflation, and transmission issues.

Due to transmission constraints and excess production in the south region, Wind Power Projects (WPPs) faced severe curtailment; since 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 the Regulator.

The average wind during these nine months was 7.16 m/sec. There was very high curtailment during Q1 in the region, which reduced during Q2 & Q3. 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.

The total NPMV for the current quarter was 3.59 GWh as compared to 11.16 GWh for Q2 2023. The total energy billed during the current quarter, Q3 2023 (47.56 GWh) is lower than the P90 level (41.27 GWh). The Plant experienced better winds during this quarter as compared to Q2. For the year the billed energy was 103.29 GWh against the P90 target of 110.50 GWh. This difference was primarily due to lower winds and revenue loss due to curtailment and transmission issues.

FINANCIAL HIGHLIGHTS

The unconsolidated financial highlights of the Company are as under:

	Nine months ended September 30, 2023	Nine months ended September 30, 2022
	Rupees in thousands	
Dividend Income	1,319,479	701,387
Other income	162,099	105,685
Administrative Expenses	(46,547)	(46,821)
Other Expenses	(290,594)	(30,148)
Finance Cost	(3,157)	(40,503)
Profit before taxation from continued operations	1,141,280	689,600
Loss from discontinued operations	(16,163)	(13,533)
Taxation	(405,624)	(152,394)
Profit after taxation	719,493	523,673
Unappropriated profit brought forward	2,543,935	3,127,809
Unappropriated profit carried forward	3,263,428	3,651,482
Earnings per share – basic & diluted (Rupees)	12.13	8.83

During the nine months ended September 30, 2023, dividend income from associate – Dawood Hercules Corporation Limited amounted to PKR 1,246.9 million against PKR 701.4 mn for the period ended September 30, 2022.

Consolidated revenues for the period were PKR 8,857.9 million as against PKR 11,486.7 million for the comparative period last year. The decrease was led by lower revenue from solar energy projects amounting to PKR 4,234.9 million. After considering the share of profit from associate of PKR 1,273.1 million (Sep 30, 2022: share of profit of PKR 490.6 million), the consolidated profit after tax for the nine-month period stood at PKR 3,181.1 million as against PKR 1,999.4 million for the same period last year. Consolidated earnings per share attributable to the owners of the Company was PKR 41.66 as against PKR 26.21 for the comparative period last year.

FUTURE OUTLOOK

Renewable Energy Business

The current economic outlook is unstable due to political and economic uncertainties in the country. Energy prices continue trending upward and are expected to increase 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 changes in the 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 ambitions while taking particular care for capital stewardship and productivity. The transaction is expected to be completed by Q4 this year.

Wind Energy Project

We are exploring possibilities of transfer of Gharo plants to KE, due to availability of its evacuation infrastructure in the area. The Company, in coordination with neighboring Plants, has started discussions with CPPA and the Ministry of Energy to change our connection from NTDC to KE. This will provide a stable connection and reduce/eliminate curtailment. Both entities are amenable to the change, but procedural matters will affect the decision timeline.

During October 2023, TGL has announced an interim dividend for the year ending December 31, 2023 amounting to PKR 150 million.

The Board of Directors extends heartfelt appreciation to our shareholders, regulators, and government bodies for their unwavering support, integral to our success and growth. Your trust and collaboration continue to be pivotal in our endeavors, and we remain committed to upholding these valued relationships.

MOHAMMAD SHAMOON CHAUDRY
Chief Executive Officer

RUHAIL MUHAMMAD
Director

Karachi, October 27, 2023

داؤڈلارنس پورلیٹیڈ

ڈائریکٹرز کی جائزہ رپورٹ

برائے اختتام نومبر 30 ستمبر 2023

کمپنی کے ڈائریکٹرز مورخہ 30 ستمبر 2023 کو ختم ہونے والے نو ماہ کی مدت کے لئے اپنی رپورٹ کے ہمراہ عبوری، غیر آڈٹ شدہ، غیر اشتهال شدہ اور اشتهال شدہ مختصر مالیاتی گوشوارے پیش کرتے ہوئے انتہائی مسرت محسوس کر رہے ہیں۔

کاروباری جائزہ

قابل تجدید توانائی کا کاروبار

آئی ایم ایف سے ڈیل اور عالمی اجناس کی قیمتوں میں کمی کے بعد پاکستانی معیشت کو استحکام کا سامنا ہے۔ تاہم، یہ اب بھی بلند شرح سود، غیر مستحکم شرح مبادلہ اور بلند شرح سود سے مزاحمت رہا ہے۔ میکرو اکنامک استحکام اور بالخصوص توانائی کے شعبے میں ترقی کو یقینی بنانے کے لئے محتاط اقتصادی انتظام اور گہری ساختی اصلاحات کی ضرورت ہوگی۔

کمپنی کا شمسی توانائی یعنی ریون انرجی لمیٹڈ (REL) کے کاروبار نے 2023 کے دوران انتہائی معقول کارکردگی کا مظاہرہ کیا۔ تیسری سہ ماہی میں کمپنی نے 8 میگا واٹ کے اضافی آرڈرز حاصل کئے جس سے سال کی آج تک کی پیداوار بڑھ کر 23MW تک پہنچ گئی ہے جس کی مالیت لگ بھگ 2.7 بلین روپے بنتی ہے۔ حاصل کردہ آرڈرز، خصوصاً حالیہ اقتصادی چیلنجوں کے تناظر میں کمپنی کی مستحکم کارکردگی کے مظہر ہیں۔ کمپنی کے ایک اور جڑو Telco نے بھی، منافع اور مصنوعات کی توسیع، ہر دو معاملوں میں تیزی سے اضافہ جاری رکھا ہے۔ ستمبر 2023 تک REL کا Asset Performance (APM) Management ڈویژن 150 میگا واٹ سے زائد کی گنجائش کا انتظام کر رہا ہے۔ آرڈرز کا مسلسل ملنا REL پر گاہکوں کے بھروسے اور اعتماد کو اجاگر کرتا ہے جو گاہکوں کے ترجیحی انتخاب کے طور پر اپنی سادہ مضبوط بنا رہی ہے۔

مزید یہ کہ کمپنی بڑے کاروباری گروپوں سے مذاکرات میں مصروف ہے جن میں سے چند ماضی میں اس کے سابق کلائنٹ رہے ہیں۔ امید ہے کہ یہ جاری مذاکرات شان دار کاروباری مواقع حاصل کرنے اور پائرسھپ قائم کرنے میں مددگار ثابت ہوں گے۔

پون بجلی (Wind Energy) کے پروجیکٹ

49.5 میگا واٹ گنجائش والا پون بجلی پلانٹ اطمینان بخش طور سے کام کر رہا ہے اور دستیابی کے علاوہ BOP خسارے کے متوقع نارگس حاصل کر رہا ہے۔ زیر جائزہ مدت یعنی تیسری سہ ماہی کے دوران BOP خسارہ %2.5 کے مقرر کردہ خسارے کے مقابلے میں صرف %0.9 رہا جبکہ دستیابی %99.2 رہی جس کا نارگس %97.0 مقرر کیا گیا تھا۔ صحت، تحفظ اور ماحولیات (HSE) کمپنی کی ترجیح رہی اور COD کے بعد سے 609,997 انسانی گھنٹے کام کیا گیا ہے جس دوران زخمی ہونے اور TRIR کی شرح صفر رہی۔ پلانٹ پچھلے 2,545 دن سے کسی کے زخمی ہوئے بغیر محفوظ طریقے سے کام کر رہا ہے۔

جاری مالی سال کی تین سہ ماہی مدت میں پلانٹ کی مالیاتی کارکردگی مثبت اور مشکل واقعات کا مجموعہ رہی۔ مثبت واقعہ یہ ہوا کہ بجلی کے خریداروں کی جانب سے گزشتہ برس کے مقابلے میں ادائیگیوں میں بہتری آئی جس سے نقدی کا بہاؤ مضبوط ہوا۔ تاہم ان فوائد کا اثر وہ نہیں ہوا جو ہونا چاہیے تھا جس کی وجہ روپے کی قدر میں کمی، روز افزوں مہنگائی اور ٹرانسمیشن کے مسائل سمیت کئی بڑی مشکلات تھیں۔

ٹرانسمیشن میں رکاوٹوں اور جنوبی ریجن میں زیادہ پیداوار کے سبب Wind Power Projects (WPPs) کو زیر جائزہ مدت کے دوران سخت تخفیف کا سامنا کرنا پڑا۔ چونکہ تلافی کی حدہ 31% تک محدود ہے لہذا تخفیف کی مدت کے دوران بجلی پیدا کرنے والے کو آمدنی کے بڑے حصے کے نقصان کا سامنا رہا۔ یہ مسئلہ انفرادی اور اجتماعی طور سے بجلی خریداروں اور ریگولیٹر کے سامنے ونڈ ایبوسٹی ایشن کی سطح پر اٹھایا گیا ہے۔

نومہ کی مدت کے دوران اوسط ہوا 7.16m/sec رہی۔ ریجن میں پہلی سہ ماہی کے دوران بہت زیادہ تخفیف ہوئی جس میں دوسری اور تیسری سہ ماہی میں کمی واقع ہوئی۔ 28 اپریل 2023 کو گھاروں میں 12 ٹرانسمیشن ٹاور گر گئے جس کے نتیجے میں گرڈ مکمل طور سے بند رہا اور 25 مئی تک قومی گرڈ سے رابطہ منقطع رہا۔ N-1 لائن، جو EPA کے تحت ایک لازمی شرط ہے، کی عدم دستیابی کے سبب گھارو کے پلانٹ قومی گرڈ کو تقریباً ایک ماہ تک بجلی سپلائی نہ کر سکے۔ حالیہ EPA کے تحت آمدنی کے نقصان کے جزوی حصے کا دعویٰ بطور NPMV کر دیا گیا ہے کیونکہ باقی ماندہ نقصان وصول نہیں کیا جاسکتا۔ تاہم اس واقعہ سے متاثر ہونے والے گھارو کے تینوں پلانٹوں نے وزارت توانائی، نیچر اور CPPA کو مشترکہ طور سے خطوط تحریر کئے، جس کے بعد شخصی ملاقاتیں بھی کیں تاکہ اس مسئلہ کا کوئی مستقل حل تلاش کیا جاسکے اور نقصان کی تلافی کی جاسکے۔

زیر جائزہ سہ ماہی کے دوران NPMV کی کل مقدار 3.59GWh رہی جو سال 2023 کی دوسری سہ ماہی میں 11.16GWh تھی۔ زیر جائزہ سہ ماہی کے دوران فروخت کی جانے والی توانائی P90 (47.56GWh) لیول (41.27GWh) سے کم ہے۔ پلانٹ کو دوسری سہ ماہی کی پربست زیر جائزہ سہ ماہی کے دوران بہتر ہوا میسر رہی۔ اب تک فروخت کی گئی بجلی کی مقدار 103.29GWh رہی جو P90 ٹارگٹ سے کم تھی۔ اس فرق کی بنیادی وجہ ہوا کا کم ہونا اور کوئی اور ٹرانسمیشن کے مسائل تھے جن کے باعث آمدنی کا نقصان ہوا۔

مالیاتی صورت حال

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

نومہ کی مدت اختتامیہ	نومہ کی مدت اختتامیہ
30 ستمبر 2022	30 ستمبر 2023
روپے ہزاروں میں	روپے ہزاروں میں
701,387	1,319,479
105,685	162,099
(46,821)	(46,547)
(30,148)	(290,594)
(40,503)	(3,157)
689,600	1,141,280
(13,533)	(16,163)
(152,394)	(405,624)
523,673	719,493
3,127,809	2,543,935
3,651,482	3,263,428
8.83	12.13

منافع منقسمہ کی آمدنی

دیگر آمدنی

انتظامی اخراجات

دیگر اخراجات

مالیاتی لاگت

جاری آپریشنز سے حاصل شدہ قبل از ٹیکس نفع

منقطع آپریشنز سے حاصل شدہ نقصان

محصولات

نفع بعد از ٹیکس

گذشتہ حسابات سے موصولہ غیر مختص منافع (brought forward)

آئندہ حسابات کو منتقلہ غیر مختص منافع (carried forward)

آمدنی فی حصص۔ بنیادی اور مجموعی

30 ستمبر 2023 کو ختم ہونے والی نو ماہی مدت کے دوران ہماری ایسوسی ایٹ، داؤد ہر کولیس کارپوریشن لمیٹڈ کی منافع منقسمہ آمدنی 1,246.9 ملین روپے رہی جو گزشتہ برس یعنی 30 ستمبر 2022 کو ختم ہونے والی مدت کے دوران 701.4 ملین روپے رہی تھی۔

زیر جائزہ مدت کے دوران حاصل ہونے والی مجموعی آمدنی 8,857.9 ملین روپے رہی جو گزشتہ برس کی قابل موازنہ مدت کے دوران 11,486.7 ملین روپے رہی تھی۔ آمدنی میں کمی کی بڑی وجہ سبھی توانائی کے پروجیکٹس سے ہونے والی آمدنی میں کمی واقع ہونا تھی جو 4,234.9 ملین روپے کی آمدنی تھی۔ ایسوسی ایٹ کمپنی کے منافع میں 1,273.1 ملین روپے کا اپنا حصہ (جو 30 ستمبر 2022 تک کی مدت کے دوران 490.6 ملین روپے رہا تھا) شامل کرنے کے بعد، ختم ہونے والی نو ماہی مدت کا بعد از ٹیکس مجموعی منافع 3,181.1 ملین روپے حاصل ہوا جو گزشتہ برس کی اسی مدت کے دوران 1,999.4 ملین روپے رہا تھا۔ کمپنی کے مالکان سے منسوب فی حصص مجموعی کمائی 41.66 روپے حاصل ہوئی جب کہ گزشتہ برس کی اسی مدت کے دوران فی حصص مجموعی کمائی 26.21 روپے رہی تھی۔

مستقبل کا خاکہ

قابل تجدید توانائی کا کاروبار

ملک میں جاری سیاسی اور اقتصادی غیر یقینی کے باعث مستقبل بھی غیر یقینی سا ہے۔ توانائی کی قیمتوں میں بلندی کا رجحان ہے جس کے قلیل سے وسط مدت میں قائم رہنے کا امکان ہے لہذا قابل تجدید توانائی ہمارے گاہکوں کے لئے ترجیحی انتخاب رہے گا۔ اس صورت حال میں ہمارا ردعمل حالات میں ہونے والی تبدیلیوں پر کڑی نظر رکھنا اور ان تبدیلیوں کے مطابق خود کو ڈھالنا اور REL کی توجہ، اپنے ملازمین اور اسٹیک ہولڈروں کے تحفظ کو یقینی بناتے ہوئے، اپنے گاہکوں کو قدر فراہم کرنے پر مرکوز رکھنا رہا ہے۔

پہلی سہ ماہی کے دوران DLL (کمپنی) نے REL میں موجود اپنے تمام شیئرز جو نیچر انٹرنیشنل FZ ایل سی کو فروخت کرنے کا فیصلہ کیا۔ اپنی کمپنیوں کے پورٹ فولیو اور برس ہا برس کے تجربے کی حامل جو نیچر انٹرنیشنل، REL کو آگے لے جانے کے لئے موزوں ترین انتخاب ہے جو REL کو اپنی تمام تر صلاحیتیں کام میں لاتے ہوئے ترقی کرنے میں مدد دینے کے ساتھ ساتھ اس کے سرمائے اور پیداواری صلاحیتوں کو بڑھانے پر خصوصی توجہ مرکوز رکھے گی۔ اس سودے کے، رواں سال کی چوتھی سہ ماہی میں پایہ تکمیل تک پہنچ جانے کی توقع ہے۔

پون بجلی (Wind Energy) کا منصوبہ

علاقے میں اس کے منتقلی کے انفراسٹرکچر کی موجودگی کے باعث ایک ممکنہ کمی گھارو کے پلانٹ کی کے الیکٹرک کو حوالگی ہے۔ پڑوسی پلانٹس سے رابطہ رکھتے ہوئے، ہمارے کنکشن NTDC سے کے الیکٹرک کو منتقل کرنے کی غرض سے کمپنی نے CPPA اور وزارت توانائی سے مذاکرات شروع کر دیئے ہیں۔ اس طرح ہمیں ایک مستقل و مستحکم کنکشن مل جائے گا جس سے تخفیف میں کمی/اس کا خاتمہ ممکن ہو سکے گا۔ دونوں محکمے اس کنکشن کی تبدیلی سے متفق ہیں لیکن سرکاری کارروائی میں سست رفتاری کے باعث اس ضمن میں فیصلہ کرنے کا حتمی وقت دیا جانا مشکل ہے۔

اکتوبر 2023 میں TGL نے 31 دسمبر 2023 کو اختتام پذیر ہونے والے سال کے لئے 150 ملین روپے کے عبوری منافع منقسمہ کا اعلان کیا ہے۔ بورڈ آف ڈائریکٹرز ہمارے شیئرز ہولڈرز، ریگولیٹرز اور حکومتی اداروں کی ان کی غیر متزلزل حمایت کے لئے دلی تعریف کرتا ہے، جو ہماری کامیابی اور ترقی کے لئے لازمی ہے۔ آپ کا اعتماد اور تعاون ہماری کوششوں میں کلیدی حیثیت رکھتا ہے، اور ہم ان قابل قدر تعلقات کو برقرار رکھنے کے لئے پرعزم ہیں۔

روحیل محمد

ڈائریکٹر

محمد شمعون چوہدری

چیف ایگزیکٹو آفیسر

کراچی، 27 اکتوبر 2023ء

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH ENDED SEPTEMBER 30, 2023

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

(Amounts in thousand)

	Note	Unaudited September 30, 2023	Audited December 31, 2022
-----Rupees-----			
ASSETS			
Non-current assets			
Property, plant and equipment		19,164	19,380
Long-term investments	4	2,385,880	2,371,680
Long-term deposits		2,778	2,778
Total non-current assets		2,407,822	2,393,838
Current assets			
Stores and spares		892	892
Stock-in-trade		6,816	8,742
Loans to subsidiaries	5	439,385	439,003
Loans and advances		1,086	3,686
Deposits, prepayments and other receivables	6	123,161	79,014
Interest accrued	7	309,127	269,912
Investment in subsidiary	4	-	300,000
Short-term investment	8	1,031,360	-
Cash and bank balances	9	42,117	64,951
Total current assets		1,953,944	1,166,200
Asset held for sale	4.1.1	100,000	-
TOTAL ASSETS		4,461,766	3,560,038
EQUITY AND LIABILITIES			
Equity			
Share capital		592,998	592,998
Capital reserves		206,666	206,666
Unappropriated profits		3,263,428	2,543,935
Total equity		4,063,092	3,343,599
Non-current liability			
Staff retirement benefits		1,727	4,759
Current liabilities			
Trade and other payables		92,081	65,797
Unclaimed dividend		78,376	73,454
Unpaid dividend		-	5,382
Provisions		7,360	7,360
Taxes payable		219,130	57,408
Accrued mark-up		-	2,279
Total current liabilities		396,947	211,680
		398,674	216,439
Contingencies and commitments	10		
TOTAL EQUITY AND LIABILITIES		4,461,766	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 NINE MONTH ENDED SEPTEMBER 30, 2023

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

	Note	Quarter ended		Nine month ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
		----- Rupees -----		----- Rupees -----	
CONTINUING OPERATIONS					
Dividend income	11	130,617	350,693	1,319,479	701,387
Administrative expenses		(14,127)	(12,564)	(46,547)	(46,821)
Other expenses	12	(18,828)	-	(290,594)	(30,148)
		(32,955)	(12,564)	(337,141)	(76,969)
Other income	13	61,563	37,743	162,099	105,685
Finance costs		(70)	(7,479)	(3,157)	(40,503)
Profit before taxation		159,154	368,393	1,141,280	689,600
Taxation	14	(35,433)	(56,107)	(405,624)	(152,394)
Profit after taxation		123,721	312,286	735,656	537,206
DISCONTINUED OPERATIONS					
Profit / (loss) from discontinued operations	15	7,087	(10,670)	(16,163)	(13,533)
Profit for the period		130,808	301,616	719,493	523,673
(Loss) / earnings per share - basic and diluted Continuing operations	16	2.09	5.27	12.41	9.06
Discontinued operations	16	0.12	(0.18)	(0.27)	(0.23)

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTH ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

	Quarter ended		Nine month ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	-----Rupees-----			
Profit for the period	130,808	301,616	719,493	523,673
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	130,808	301,616	719,493	523,673

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 STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH ENDED SEPTEMBER 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 nine month ended September 30, 2022	-	-	-	-	-	-	523,673	523,673
Transactions with owners								
Dividends for the year ended December 31, 2022:								
First interim @ Rs. 3.00 per share	-	-	-	-	-	-	(177,899)	(177,899)
Balance as at September 30, 2022 (Unaudited)	592,998	10,521	136,865	25,969	33,311	206,666	3,473,583	4,273,247
Loss for the period	-	-	-	-	-	-	(692,358)	(692,358)
Other comprehensive loss for the period	-	-	-	-	-	-	(91)	(91)
Total comprehensive loss for the year ended December 31, 2022	-	-	-	-	-	-	(692,449)	(692,449)
Transactions with owners								
Dividends for the year ended December 31, 2022:								
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 nine month ended September 30, 2023	-	-	-	-	-	-	719,493	719,493
Balance as at September 30, 2023 (Unaudited)	592,998	10,521	136,865	25,969	33,311	206,666	3,263,428	4,063,092

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTH ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

Note	September 30, 2023	September 30, 2022
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,157,443	676,067
Add: Loss before taxation attributable to discontinued operations	16,163	13,533
Profit before taxation from continuing operations	<u>1,141,280</u>	<u>689,600</u>
Adjustments for non-cash items:		
Depreciation	1,092	1,098
Amortization	-	4
Provision for gratuity - net	527	761
Dividend income classified as investing cash flows	(1,319,479)	(701,387)
Royalty income	(25,978)	(17,245)
Loss on remeasurement of asset held for sale	200,000	30,148
Provision for impairment against interest accrued on loan	90,594	-
Loss / (gain) on investments at fair value through profit or loss	800	1,904
Gain on disposal of property, plant and equipment	(10)	-
Mark up charged to related parties	(130,426)	(83,207)
Profit on bank deposits	(5,700)	(748)
Finance costs	3,157	40,503
	<u>(44,143)</u>	<u>(38,568)</u>
Working capital changes		
Decrease / (increase) in current assets		
Loans and advances	227	(208)
Deposits, prepayments and other receivables	<u>(44,148)</u>	<u>17,700</u>
	<u>(43,921)</u>	<u>17,492</u>
(Decrease) / increase in current liabilities		
Trade and other payables	3,100	(345)
	<u>(40,821)</u>	<u>17,147</u>
Cash used in operations	(84,964)	(21,421)
Finance costs paid	(5,436)	(38,292)
Gratuity paid	(3,596)	(726)
Taxes paid	(243,902)	(132,481)
Discontinued operations	<u>12,647</u>	<u>(36,021)</u>
Net cash used in operating activities	(325,251)	(228,940)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(610)
Proceeds from disposal of property, plant and equipment	10	-
Purchase of investment	(1,136,360)	-
Investment in subsidiary	(15,000)	-
Proceeds from sale of investment	105,000	-
Loan to subsidiaries	(382)	(301)
Mark up received from related parties	617	8,506
Profit received on bank deposits	5,700	748
Royalty income	25,978	-
Dividend received	1,319,479	701,387
Discontinued operations	<u>(2,165)</u>	<u>8,480</u>
Net cash generated from investing activities	302,877	718,210
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividend	(460)	(150,463)
Net cash used in financing activities	(460)	(150,463)
Net (decrease) / increase in cash and cash equivalents	<u>(22,834)</u>	<u>338,807</u>
Cash and cash equivalents at beginning of the period	64,951	(382,284)
Cash and cash equivalents at end of the period	<u>42,117</u>	<u>(43,477)</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 NINE MONTH ENDED SEPTEMBER 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.

2.2 The cumulative figures for the quarter ended September 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.

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTH ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

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 and future periods.

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.

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.

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTH ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

	Unaudited September 30, 2023	Audited December 31, 2022
-----Rupees-----		
4. INVESTMENTS		
<i>Long-term investments</i>		
Investment in related parties - at cost	2,375,101	2,360,101
Other investments		
- Financial assets at fair value through profit or loss (note 4.2)	10,764	11,564
- Financial assets at fair value through other comprehensive income (note 4.2)	15	15
	10,779	11,579
	<u>2,385,880</u>	<u>2,371,680</u>
<i>Short-term investments</i>		
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		
<i>Long-term investments</i>		
<i>Subsidiary - unquoted</i>		
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) (note 4.1.3)	148,001	133,001
Mozart (Private) Limited (MPL)	1	1
Greengo (Private) Limited (GPL)	1	1
Abrax (Private) Limited (APL)	1	1
	<u>2,442,808</u>	<u>2,427,808</u>
<i>Associate - quoted</i>		
Dawood Hercules Corporation Limited (DHCL)	65,294	65,294
	<u>2,508,102</u>	<u>2,493,102</u>
Less: Provision for impairment	(133,001)	(133,001)
	<u>2,375,101</u>	<u>2,360,101</u>
<i>Short-term investments</i>		
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. During the period, the Company has signed an addendum to the SPA at revised consideration of Rs.100 million.

As of reporting date, the Company has remeasured its investment in REL classified as held for sale amounting to Rs. 100 million. Accordingly, loss on remeasurement amounting to Rs. 200 million has been recognized in the statement of profit or loss.

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTH ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

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

Bank	Shares pledged	Unaudited As at Sept30, 2023			Audited As at December 31, 2022		
		Number of shares pledged	Face value of shares pledged	Market value of pledged shares	Number of shares pledged	Face value of shares pledged	Market value of pledged shares
				-----Rupees-----			-----Rupees-----
Pledged against short-term financing and other facilities availed by the Company and its subsidiaries							
Bank AL Habib Limited		6,200,000	62,000	689,130	10,200,000	102,000	963,900
Habib Bank Limited (note 10.1.2)	Dawood Hercules Corporation Limited (DHCL)	39,550,000	395,500	4,395,983	28,350,000	283,500	2,679,075
MCB Bank Limited		-	-	-	210,000	2,100	19,845
United Bank Limited		27,900,000	279,000	3,101,085			
Pledged under Musharka Agreement entered into between RAPL and FBL							
Faysal Bank Limited (FBL)	Reon Alpha (Private) Limited (RAPL)	5,300,000	53,000	-*	5,300,000	53,000	-*
Pledged under Sponsor Share Agreement							
Citibank N.A.	Tenaga Generasi Limited	34,599,995	346,000	-*	34,599,995	346,000	-*

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

4.1.3 During the period, the company subscribed to additional 1,500,000 ordinary shares of RAPL while maintaining shareholding of 100% in the company.

4.2 Other investments

September 30, 2023	December 31, 2022	Name of Investee	Unaudited September 30, 2023	Audited December 31, 2022
----- Units / No of Shares -----			-----Rupees-----	
		Listed securities		
200,000	200,000	National Investment (Unit) Trust	10,764	11,564
		Un-listed securities		
1,500	1,500	Asian Co-operative Society Limited	15	15
			<u>10,779</u>	<u>11,579</u>

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTH ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

	Unaudited September 30, 2023	Audited December 31, 2022
	-----Rupees-----	
5. LOANS TO SUBSIDIARIES - unsecured, considered good		
Subordinated loans to subsidiary companies:		
- Tenaga Generasi Limited	437,000	437,000
- Reon Energy Limited	300,000	300,000
- Abrax (Private) Limited	811	676
- Mozart (Private) Limited	767	649
- Greengo (Private) Limited	807	678
	739,385	739,003
Less: Provision for impairment	(300,000)	(300,000)
	<u>439,385</u>	<u>439,003</u>

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 September 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	25,802	27,250
- Tenaga Generasi Limited	46,316	2,558
- Reon Energy Limited	12,709	18,767
- The Dawood Foundation	1,546	1,546
- Reon Alpha (Private) Limited	4,199	2,743
- Dawood Hercules Corporation Limited	1,165	257
	<u>91,737</u>	<u>53,121</u>

	Unaudited September 30, 2023	Audited December 31, 2022
7. INTEREST ACCRUED		
This represents mark-up receivable from related parties as follows:		
- Tenaga Generasi Limited	302,854	227,588
- Reon Energy Limited	95,047	41,396
- Reon Alpha (Private) Limited	946	416
- Mozart (Private) Limited	281	163
- Abrax (Private) Limited	296	174
- Greengo (Private) Limited	297	175
	399,721	269,912
Less: Provision for impairment (note 7.1)	(90,594)	-
	<u>309,127</u>	<u>269,912</u>

7.1 During the current period, the interest accrued aggregating to Rs. 90,594 (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.

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTH ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

	Unaudited June 30, 2023	Audited December 31, 2022
	-----Rupees-----	
8. SHORT-TERM INVESTMENTS		
At fair value through profit or loss		
- Investment in units of mutual fund (note 8.1)	1,031,360	-

8.1 This represents investment of 20,436,008 units of Pakistan Cash Management Fund having cost of Rs. 1,031,360.

	Unaudited June 30, 2023	Audited December 31, 2022
	-----Rupees-----	
9. CASH AND BANK BALANCES		
Cash in hand	215	215
Balances with banks in:		
- current accounts	17,153	28,810
- deposit accounts (note 9.1)	24,749	35,926
	41,902	64,736
	42,117	64,951

9.1 These represent deposits with commercial banks and carry profit at the average rate of 20.34% (December 31, 2022: 13.32% to 14.79%) per annum.

10. CONTINGENCIES AND COMMITMENTS

10.1 There have been no material changes in contingencies and commitments as reported in the annual audited unconsolidated financial statements for the year ended December 31, 2022 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.

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTH ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

10.1.2 The Company has filed a petition before the Islamabad High Court on the ground that, tax on income falling under the Final Tax Regime is deducted at the time of receipt of income and is deemed full and final, therefore, no further tax should be applicable on such income.

Accordingly, the Company has obtained a stay order on the aforementioned petition and therefore, on prudence basis, the Company has recorded a provision for super tax in these unconsolidated financial statements.

10.1.3 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 half yearly interim cash dividend of Rs. 16.00 per ordinary share (September 30, 2022: Rs. 9.00 per ordinary share) for the year ending December 31, 2023 received from Dawood Hercules Corporation Limited, an associated company amounting to Rs. 1,246,910 (September 30, 2022: Rs. 701,387).

12. OTHER EXPENSES

This includes loss on remeasurement of REL investment amounting to Rs. 200,000 (September 30, 2022: Nil) and provision of impairment for interest accrued amounting to Rs. 90,954 (September 30, 2022: Nil).

13. OTHER INCOME

This includes mark-up charged to related parties amounting to Rs. 130,426 (September 30, 2022:Rs. 83,207).

	Unaudited			
	Quarter ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
14. TAXATION	-----Rupees-----			
Current:				
- for the period (note 14.1)	35,433	58,211	336,214	127,414
- for prior period (note 14.1)	-	(2,104)	69,410	24,980
	35,433	56,107	405,624	152,394

14.1 This includes super tax charge of Rs. 138,271 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.

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTH ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

	Unaudited			
	Quarter ended		Half year ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
-----Rupees-----				
15. LOSS FROM DISCONTINUED OPERATIONS				
Revenue from contracts with customers	587	1,211	1,710	2,676
Cost of revenue	(641)	(1,190)	(1,927)	(2,697)
Gross loss	(54)	21	(217)	(21)
Selling and distribution expenses	(6)	(3)	(17)	(18)
Administrative expenses	(23,341)	(23,728)	(64,396)	(55,434)
Other income	30,489	13,040	48,467	41,940
	<u>7,088</u>	<u>(10,671)</u>	<u>(16,163)</u>	<u>(13,533)</u>

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		Half year ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
-----Rupees-----				
Continuing operations				
Profit for the period	<u>123,721</u>	<u>312,286</u>	<u>735,656</u>	<u>537,206</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>2.09</u>	<u>5.27</u>	<u>12.41</u>	<u>9.06</u>
Discontinued operations				
Loss for the period	<u>7,087</u>	<u>(10,670)</u>	<u>(16,163)</u>	<u>(13,533)</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>0.12</u>	<u>(0.18)</u>	<u>(0.27)</u>	<u>(0.23)</u>
			Unaudited	Audited
			September 30,	September 30,
			2023	2022
			-----Rupees-----	

17. CASH AND CASH EQUIVALENTS

Cash and bank balances (note 9)	42,117	48,229
Short-term borrowings	-	(91,707)
	<u>42,117</u>	<u>(43,478)</u>

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTH ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

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.

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			Total
	As at September 30, 2023			
	Level 1	Level 2	Level 3	
	Rupees			
Non-current assets				
<i>Financial assets at fair value through profit or loss</i>				
- Long-term investments (investments in units of mutual funds)	-	10,764	-	10,764
<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)	-	1,031,360	-	1,031,360
	<u>-</u>	<u>1,042,124</u>	<u>15</u>	<u>1,042,139</u>

	Audited			Total
	As at December 31, 2022			
	Level 1	Level 2	Level 3	
	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
	<u>-</u>	<u>11,564</u>	<u>15</u>	<u>11,579</u>

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

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTH ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

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 to REL in prior years;
- Textile - This was legacy business of the Company and has been discontinued in prior years; and
- Other operations - It mainly includes management of investment in associate by the Company.

19.1 Segment operating results

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

	Renewable energy		Textile - discontinued operations		Other operations		Total	
	Unaudited		Unaudited		Unaudited		Unaudited	
	September 30, 2023	2022	September 30, 2023	2022	September 30, 2023	2022	September 30, 2023	2022
	-----Rupees-----							
Revenue from contract with customers - net	-	-	1,710	2,676	-	-	1,710	2,676
At a point in time	-	-	-	-	-	-	-	-
Over time	-	-	-	-	-	-	-	-
Revenue from external customers	-	-	1,710	2,676	-	-	1,710	2,676
Cost of revenue	-	-	(1,927)	(2,697)	-	-	(1,927)	(2,697)
Segment gross loss	-	-	(217)	(22)	-	-	(217)	(22)
Dividend income	-	-	-	-	1,319,479	701,387	1,319,479	701,387
Selling and distribution expenses	-	-	(17)	(18)	-	-	(17)	(18)
Administrative expenses	(186)	(500)	(64,396)	(55,434)	(336,956)	(46,321)	(401,538)	(102,255)
Other expenses	-	-	-	-	-	(30,148)	-	(30,148)
Other income	-	-	48,466	41,943	162,099	105,684	210,565	147,627
Finance costs	-	-	-	-	(3,157)	(40,503)	(3,157)	(40,503)
Taxation	-	-	-	-	(405,624)	(152,394)	(405,624)	(152,394)
Segment (loss) / profit	(186)	(500)	(16,164)	(13,531)	735,841	537,705	719,491	523,674

	Renewable energy		Textile - discontinued operations		Other operations		Total	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
	-----Rupees-----							
Total segment assets	41,262	30,150	26,691	25,791	4,393,812	3,504,097	4,461,765	3,560,038
Total segment liabilities	-	5,988	40,328	17,143	358,345	193,307	398,673	216,439

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTH ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

20. RELATED PARTY TRANSACTIONS AND BALANCES

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

Relationship	Nature of transaction	Unaudited	Unaudited
		September 30, 2023	September 30, 2022
-----Rupees-----			
a. Subsidiary companies			
Tenaga Generasi Limited	Expenses reimbursable to the Company	6,228	2,858
	Expenses reimbursable by the Company	1,548	679
	Equity arrangement fee (SBLC) / SBLC cost reimbursement	99,842	25,742
	Interest on outstanding receivable balance	647	1,405
	Interest on subordinated loans	75,238	48,031
Reon Energy Limited	Expenses reimbursable to the Company	5,469	10,385
	Expenses reimbursable by the Company	8,476	13,287
	Interest on expenses reimbursable to the Company	3,110	694
	Interest on expenses reimbursable by the Company		
	Interest on loans disbursed by the Company	50,541	32,698
	Rental income	216	-
Mozart (Private) Limited	Unsecured loan disbursed by the Company	118	100
	Interest on loan	118	53
Abrax (Private) Limited	Unsecured loan disbursed by the Company	134	100
	Interest on loan	122	61
Greengo (Private) Limited	Unsecured loan disbursed by the Company	129	100
	Interest on loan	122	61
Reon Alpha (Private) Limited	Interest on reimbursement of expenses	530	203
	Expenses reimbursable to the Company	1,457	967
b. Associated companies			
Dawood Hercules Corporation Limited	Dividend income	1,246,910	701,387
	Expenses reimbursable to the Company	2,877	-
	Expenses reimbursable by the Company	11,233	5,735
Sach International (Private) Limited	Expenses reimbursable to the Company	926	231
	Royalty charged	25,978	17,244
	Rental income	495	495
	Sale of fabric	-	529
	Penalty charged	-	789
c. Other related parties			
Key management personnel	Salaries and other benefits	16,789	14,893
	Directors' fee	300	400

21. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on October 27, 2023 has approved an interim cash dividend of Rs. _____ per ordinary share (2022: Rs. 4.00 per ordinary share) amounting to Rs. _____ (2022: Rs. 237,199) for the nine months ended September 30, 2023. These unconsolidated condensed interim financial statements do not include the effect of the said interim dividend.

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTH ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

22. CORRESPONDING FIGURES

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

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

23. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on October 27, 2023 by the Board of Directors of the Company.

24. GENERAL

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

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

(Amounts in thousand)

	Unaudited September 30 2023	Audited December 31, 2022
Note	-----Rupees-----	
ASSETS		
Non-current assets		
Property, plant and equipment	14,151,237	13,586,696
Right-of-use assets	76,086	100,174
Intangible assets	22,834	49,564
Long-term investments	11,383,494	11,370,030
Long-term deposits	2,778	2,778
Long-term loans to employees	-	369
Total non-current assets	25,636,430	25,109,611
Current assets		
Stores and spares	892	892
Stock-in-trade	6,816	1,006,155
Trade debts	3,889,340	3,066,540
Contract assets	4,726	1,542,666
Loans and advances	1,086	396,457
Deposits, prepayments and other receivables	1,964,053	2,070,349
Accrued interest	63,468	474
Taxes recoverable	-	74,378
Short-term investments	1,031,360	33,399
Cash and bank balances	1,361,018	2,008,981
Total current assets	8,322,759	10,200,291
Assets of disposal group held for sale	4,664,637	-
TOTAL ASSETS	38,623,826	35,309,902
EQUITY AND LIABILITIES		
Share capital	592,998	592,998
Capital reserves	206,666	206,666
Unappropriated profit	18,900,054	16,439,671
Non-controlling interest	2,914,819	2,220,372
TOTAL EQUITY	22,614,537	19,459,707
Non-current liabilities		
Staff retirement benefits	3,048	79,126
Deferred taxation	2,045,911	1,478,352
Long-term borrowings	5,619,993	7,225,443
Non-current portion of lease liabilities	106,107	120,232
Total non-current liabilities	7,775,059	8,903,153
Current liabilities		
Current portion of:		
Long-term borrowings	2,500,203	1,995,064
Lease liabilities	9,762	18,168
Unclaimed dividend	78,376	73,454
Unpaid dividend	-	5,382
Short-term borrowings	-	1,186,695
Trade and other payables	570,965	2,247,367
Provision	7,360	7,360
Taxes Payable	284,419	-
Contract liabilities	-	1,171,823
Accrued mark-up	218,509	241,729
Total current liabilities	3,669,593	6,947,042
Liabilities of disposal group held for sale	4,564,637	-
Contingencies and commitments	-	-
TOTAL EQUITY AND LIABILITIES	38,623,826	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 NINE MONTHS ENDED SEPTEMBER 30, 2023

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

	Note	Quarter Ended		Nine Months Ended	
		Unaudited September 30 2023	Unaudited September 30 2022	Unaudited September 30 2023	Unaudited September 30 2022
		-----Rupees-----		-----Rupees-----	
CONTINUING OPERATIONS					
Revenue from contracts with customers - net	9	2,250,633	1,140,865	4,706,990	3,107,539
Cost of revenue		(505,406)	(364,388)	(1,379,917)	(1,030,634)
Gross profit		1,745,227	776,477	3,327,073	2,076,905
Dividend Income		52,685	-	72,569	
Selling and distribution expenses		-	-	-	-
Administrative expenses		(48,151)	(38,234)	(156,131)	(124,047)
Other expenses		7,913	-	(1,682)	(25,524)
Other income		231,035	93,514	354,439	122,090
Operating profit		1,988,709	831,757	3,596,267	2,049,423
Finance cost		(195,234)	(99,407)	(666,045)	(343,870)
Share of profit of associate		986,362	406,788	1,273,132	490,614
Profit before taxation		2,779,837	1,139,138	4,203,354	2,196,167
Taxation		(202,205)	(119,934)	(644,661)	(231,605)
Profit from continuing operations		2,577,632	1,019,204	3,558,693	1,964,562
DISCONTINUED OPERATIONS					
Loss from discontinued operations		7,087	(10,670)	(16,163)	(13,533)
Profit / (loss) from disposal group		5,560	68,183	(377,536)	34,842
Profit for the period		2,590,280	1,076,717	3,164,994	1,985,871
Profit attributable to:					
- Owners of the Holding Company		2,182,755	898,223	2,470,547	1,554,452
- Non-controlling interest		427,409	178,494	694,447	431,419
		2,610,164	1,076,717	3,164,994	1,985,871
Earnings / (loss) per share - basic and diluted					
- Continuing operations and disposal group	10	36.69	15.33	41.93	26.44
- Discontinued operations	10	0.12	(0.18)	(0.27)	(0.23)

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

	Nine Months Ended	
	Unaudited September 30 2023	Unaudited September 30 2022
	-----Rupees-----	
Profit for the period	3,164,994	1,985,871
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	(10,164)	22,589
Total comprehensive income for the period	<u>3,154,830</u>	<u>2,008,460</u>
Total comprehensive (loss) / income attributable to:		
- Continuing operations	3,170,993	2,021,993
- Discontinued operations	(16,163)	(13,533)
	<u>3,154,830</u>	<u>2,008,460</u>
Total comprehensive income attributable to:		
- Owners of the Holding Company	2,460,383	1,577,041
- Non-controlling Interest	694,447	431,419
	<u>3,154,830</u>	<u>2,008,460</u>

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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	-	-	-	-	4,513	-	4,513	1,554,452	431,419	1,990,384
Other comprehensive income	-	-	-	-	-	-	-	22,589	-	22,589
Total comprehensive income for the period	-	-	-	-	4,513	-	4,513	1,577,041	431,419	2,012,973
Transactions with owners										
First interim dividend for the year ended December 31, 2021 @ Rs. 3.0 per share	-	-	-	-	-	-	-	(177,899)	-	(177,899)
Reversal of Employee Share Option Scheme	-	-	-	-	(15,713)	-	-	-	-	-
Balance as at September 30, 2022 (Unaudited)	592,998	10,521	136,865	33,311	-	25,969	222,379	16,548,666	2,258,723	19,622,767
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	-	-	-	-	-	-	-	2,470,547	694,447	3,164,994
Other comprehensive income	-	-	-	-	-	-	-	(10,164)	-	(10,164)
Total comprehensive income for the period	-	-	-	-	-	-	-	2,460,383	694,447	3,154,830
Balance as at September 30, 2023 (Unaudited)	592,998	10,521	136,865	25,969	-	33,311	206,666	18,900,054	2,914,819	22,614,537

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

	Nine Months Ended	
	Unaudited June 30 2023	Unaudited June 30 2022
-----Rupees-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,187,191	2,182,634
Add: Loss before taxation attributable to discontinued operations	16,163	13,533
Add: Loss before taxation attributable to disposal group	377,536	(34,842)
Profit before taxation from continuing operations	4,580,890	2,161,325
Adjustment for non-cash charges and other items:		
Depreciation	748,216	600,749
Impairment on property plant and equipment	-	25,524
Amortization	318	646
Loss on remeasurement of asset and liabilities of disposal group	402,813	-
Provision for impairment against financial assets	800	-
Provision for gratuity - net	1,021	954
Finance cost	666,045	309,813
Loss on disposal of property, plant and equipment	(18)	-
(Gain) / Loss on investments in mutual fund units	-	1,904
Royalty income	(25,978)	(17,244)
Share of profit of associate	(1,273,132)	(490,614)
Dividend income	(72,569)	-
Profit on deposits	(173,261)	(20,921)
Operating profit before working capital changes	274,255	410,811
(Increase) / decrease in current assets		
Trade debts	(1,662,692)	(528,500)
Contract assets	1,235	(17)
Loans and advances	227	(134,362)
Deposits, prepayments and other receivables	(275,372)	17,279
Increase / (decrease) in current liabilities		
Sales tax Payable	-	5,385
Trade and other payables	129,438	116,824
	(1,807,164)	(523,391)
Net cash generated from operations	3,047,982	2,048,746
Gratuity paid	(3,663)	(787)
Finance costs paid	(886,977)	(540,505)
Taxes paid	(259,253)	(134,118)
Discontinued operations	12,647	(36,021)
Disposal group	50,008	(467,597)
Net cash generated from operating activities	1,960,745	869,718
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(22,857)	(610)
Sale proceeds from disposal / transfer of property, plant and equipment	18	-
Purchase of short-term investments	(1,151,360)	-
Redemption of short-term investments	105,000	-
Interest received	109,544	11,611
Dividend received	72,569	701,387
Royalty Income	25,978	-
Discontinued operations	(2,165)	8,480
Disposal group	266,400	(192,085)
Net cash (used in) / generated from investing activities	(596,874)	528,783
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(2,109,725)	(1,549,454)
Payment of lease liability	(9,762)	(9,762)
Payment of dividend	(460)	(150,463)
Disposal group	(72,808)	422,859
Net cash used in financing activities	(2,192,755)	(1,286,820)
Net (decrease) / increase in cash and cash equivalents	(828,884)	111,681
Cash and cash equivalents at beginning of the period	2,008,981	(29,244)
Cash and cash equivalents at end of the period	1,180,097	82,437

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 NINE MONTHS ENDED SEPTEMBER 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 II
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 NINE MONTHS ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

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.

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.

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

Abrax (Private) Limited

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

Greengo (Private) Limited

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

Reon Alpha (Private) Limited

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

Associated company

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

2. BASIS OF PREPARATION

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

- International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34), issued by International Accounting Standards Board
- 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.

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

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.

4. BASIS OF CONSOLIDATION

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

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

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

	Unaudited September 30, 2023	Audited December 31, 2022
	-----Rupees-----	
5. LONG TERM INVESTMENTS		
Share of investment in an associate (note 5.1)	11,372,715	11,358,451
Other investments	10,779	11,579
	11,383,494	11,370,030
5.1 Share of investment in an associate		
Associated company - quoted Dawood Hercules Corporation Limited		
Opening balance	11,358,451	11,556,438
Add: Share of profit after taxation	1,273,132	949,873
Share of other comprehensive (loss) / income	(11,958)	21,118
	1,261,174	970,991
Less: Dividend received	(1,246,910)	(1,168,978)
	11,372,715	11,358,451
6. ASSET CLASSIFIED AS HELD FOR SALE		

On March 22, 2023, the Board of Directors of the Holding Company approved sale of 100% shareholding in REL followed by which a share purchase agreement (SPA) was signed between the 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.

As of reporting date, the Holding Company has remeasured assets of REL classified as held for sale amounting to Rs. 100,000. Accordingly, loss on remeasurement amounting to Rs. 402,813 has been recognized in the statement of profit or loss.

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

6.1. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	Unaudited September 30 2023
Assets classified as held for sale	
Property, plant and equipment	134,199
Right-of-use assets	12,345
Intangible assets	27,869
Deferred taxation - net	390,968
Long-term loans	369
Stock-in-trade	971,184
Trade debts	1,013,907
Contract assets	1,117,885
Loans and advances	303,518
Deposits, prepayments and other receivables	757,564
Taxation - net	127,872
Short-term investments	28,849
Accrued return	-
Cash and bank balances	180,921
Loss recognised on the re-measurement of assets of disposal group (note 6.2.1)	(402,813)
TOTAL ASSETS OF DISPOSAL GROUP	<u>4,664,637</u>
Liabilities directly associated with assets classified as held for sale	
Defined benefit liabilities	70,764
Long-term finances:	
Long-term finances	588,495
Lease liabilities	5,905
Current portion of:	
Current portion of long-term finances	58,262
Deferred Government grant	-
Current portion of lease liabilities	11,394
Trade and other payables	1,921,839
Contract liabilities	937,581
Short-term finances	936,154
Loan from the Holding Company	-
Accrued mark-up	34,244
TOTAL LIABILITIES	<u>4,564,637</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 NINE MONTHS ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

		Unaudited September 30, 2023	Unaudited September 30, 2022
6.2.	STATEMENT OF PROFIT OR LOSS - DISPOSAL GROUP		
	Revenue from contracts with customers - net	4,149,293	8,376,549
	Cost of revenue	(3,341,961)	(7,608,551)
	Gross profit	<u>807,332</u>	<u>767,998</u>
	Selling and distribution expenses	(210,536)	(296,379)
	Administrative expenses	(211,701)	(207,950)
	Other operating expenses	(127,527)	(20,525)
	Other income	16,781	36,363
	Profit from operations	<u>274,349</u>	<u>279,507</u>
	Finance cost	(197,081)	(140,012)
	Profit before taxation	<u>77,267</u>	<u>139,495</u>
	Taxation	(51,991)	(104,653)
	(Loss) / profit after taxation	<u>25,276</u>	<u>34,842</u>
	Loss recognised on the re-measurement of assets of disposal group (note 6.2.1)	(402,813)	-
	Loss for the period	<u>(377,536)</u>	<u>34,842</u>
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 September 30, 2023	Unaudited September 30, 2022
6.3.	CASHFLOW FROM DISPOSAL GROUP		
	Net cash generated from operating activities	50,008	(467,597)
	Net cash generated from investing activities	266,400	(192,085)
	Net cash used in financing activities	(72,808)	422,859
	Net changes in cash and cash equivalent	<u>243,600</u>	<u>(236,823)</u>

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 September 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 NINE MONTHS ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

8. CONTINGENCIES AND COMMITMENTS

There have been no material change in status of contingencies and commitments as reported in the audited financial statement for the year ended December 31, 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 The Company has filed a petition before the Islamabad High Court on the ground that, tax on income falling under the Final Tax Regime is deducted at the time of receipt of income and is deemed full and final, therefore, no further tax should be applicable on such income.

Accordingly, the Company has obtained a stay order on the aforementioned petition and therefore, on prudence basis, the Company has recorded a provision for super tax in these unconsolidated financial statements.

8.4 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 NINE MONTHS ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

	Nine Months Ended	
	Unaudited September 30, 2023	Unaudited September 30, 2022
	-----Rupees-----	
9. REVENUE - NET		
Renewable energy (Solar)	4,195,276	8,430,223
Alternate Energy (Wind)	4,661,007	3,053,865
	<u>8,856,283</u>	<u>11,484,088</u>
Textile		
Fabric	1,710	2,676
	<u>8,857,993</u>	<u>11,486,764</u>
Related to discontinued operations	(1,710)	(2,676)
Related to disposal group	(4,149,293)	(8,376,549)
	<u>4,706,990</u>	<u>3,107,539</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:

Continuing operations and disposal group

Profit for the period (attributable to the owners of the Holding Company)	<u>2,486,710</u>	<u>1,567,985</u>
Weighted average number of ordinary shares (in thousand)	<u>59,300</u>	<u>59,300</u>
Earning per share	<u>41.93</u>	<u>26.44</u>

Discontinued operations

Loss for the period (attributable to the owners of the Holding Company)	<u>(16,163)</u>	<u>(13,533)</u>
Weighted average number of ordinary shares (in thousand)	<u>59,300</u>	<u>59,300</u>
Loss per share	<u>(0.27)</u>	<u>(0.23)</u>

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.

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(Amounts in thousand)

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 September 30, 2023 (Unaudited)			
	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
	<u>-</u>	<u>995,377</u>	<u>15</u>	<u>995,392</u>
As at December 31, 2022 (Audited)				
	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
	<u>-</u>	<u>11,564</u>	<u>15</u>	<u>11,579</u>

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											
	September 30, 2023		September 30, 2022		September 30, 2023		September 30, 2022		September 30, 2023		September 30, 2022	
	Rupees											
Revenue from contract with customers - net												
Timing of revenue recognition												
- At a point in time	-	-	-	-	1,710	2,676	-	-	-	-	1,710	2,676
- Over time	45,984	53,674	4,149,293	8,376,549	-	-	4,661,007	3,053,865	-	-	8,856,283	11,484,088
Cost of revenue	(22,884)	(17,480)	(3,341,961)	(7,608,551)	(1,927)	(2,698)	(1,357,032)	(1,013,154)	-	-	(4,723,805)	(8,641,883)
Segment gross profit / (loss)	23,099	36,194	807,332	767,998	(217)	(22)	3,303,974	2,040,711	-	-	4,134,188	2,844,881
Selling and distribution expenses	-	-	(210,536)	(296,379)	(17)	(15)	-	-	-	-	(210,553)	(296,394)
Administrative expenses	(2,653)	(2,409)	(211,701)	(207,950)	(64,396)	(31,706)	(107,190)	(74,813)	(46,289)	(15,120)	(432,228)	(331,998)
Other expenses	(1,682)	(25,524)	(127,527)	(20,525)	-	-	-	-	-	-	(129,209)	(46,049)
Other income	657	797	16,781	36,363	48,467	41,943	322,810	98,815	30,973	(19,464)	419,688	158,453
Finance cost	(45,589)	(52,980)	(197,081)	(140,012)	-	-	(693,739)	(333,417)	93,860	42,527	(842,549)	(483,882)
Share of profit from associate	-	-	-	-	-	-	-	-	1,273,132	490,614	1,273,132	490,614
Remeasurement loss on assets of disposal group	-	-	(402,813)	-	-	-	-	-	-	-	(402,813)	-
Taxation	-	-	(51,991)	(104,653)	-	-	(48,067)	(5,619)	(544,603)	(225,986)	(644,661)	(336,258)
Segment net profit	(26,168)	(43,923)	(377,536)	34,842	(16,163)	10,200	2,777,788	1,725,677	807,073	272,570	3,164,994	1,999,366
	Unaudited September 30, 2023	Audited December 31, 2022	Unaudited September 30, 2023	Audited December 31, 2022	Unaudited September 30, 2023	Audited December 31, 2022	Unaudited September 30, 2023	Audited December 31, 2022	Unaudited September 30, 2023	Audited December 31, 2022	Unaudited September 30, 2023	Audited December 31, 2022
	Rupees											
Segment assets	328,922	373,130	4,664,637	5,098,721	27,617	29,692	21,085,512	18,537,148	12,517,137	11,271,211	38,623,826	35,309,902
Segment liabilities	286,113	280,337	4,564,637	4,609,719	12,095	2,894	9,511,264	9,111,334	1,635,180	1,845,911	16,009,289	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
		September 30, 2023	September 30, 2022
		-----Rupees-----	
a. Associated companies			
Dawood Hercules Corporation Limited	Reimbursable expenses by the Group	41,458	30,831
	Dividend Income	1,246,910	701,387
	Reimbursable expenses to the Group	3,222	41
Sach International (Private) Limited	Reimbursable expenses incurred by the Group	926	231
	Royalty charged by the Group	25,978	17,244
	Penalty charged against overdue receivables	-	789
	Rental Income	495	495
The Dawood Foundation	Expenses incurred by the Group	41,039	13,857
Engro Energy Limited	Operations and maintenance expenses	-	366,302
	Project revenue	-	-
	Extra work	-	11,476
International Finance Corporation	Borrowing cost charged to Group	194,941	107,494
	Repayment of loan	617,380	433,582
	Supervision fee	6,029	4,380
	Accrued Mark-up	2,347	-
b. Key management personnel	Salaries and benefits	80,465	63,625
c. Directors	Meeting fees	1,000	1,300

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14 NON-ADJUSTING EVENT AFTER STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors of the Holding Company in its meeting held on October 27, 2023 has approved an interim cash dividend of Rs. _____ per ordinary share amounting to Rs. _____ for the nine months ended September 30, 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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