

Half Yearly Report
June 30, 2020



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Our Vision

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

Our Mission

We aim to be the leading renewable energy solutions company of Pakistan, with a turnover exceeding Rs.10 billion by 2020. We will achieve this by resolutely following our Core Values and by:

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

Company Information

Board of Directors

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

Board Audit Committee

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

Human Resource and Remuneration Committee

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

Chief Financial Officer

- Mr. Saad Faridi

Company Secretary

- Mr. Imran Chagani

Head of Internal Audit

- Mr. Amjad Ali

Auditors

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

Bankers

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

Legal Advisor

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

Share Registrar

- CDC Share Registrar Services Limited
CDC House, 99-B, Block B, S.M.C.H.S
Main Shakra-e-Faisal
Karachi-74400
Tel.: 021-1 11-1 11-500

Registered / Head Office

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

Lahore Office

- 3rd floor, Asia House, 19-C/D, L Block
Gulberg III, Main Feroz Pur Road
Lahore
Tel.: 042-35861 050-53
Fax.: 042-3586 1054

Mills

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

DawoodPur

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

DAWOOD LAWRENCEPUR LIMITED
DIRECTORS' REVIEW REPORT
FOR THE HALF YEAR ENDED JUNE 30, 2020

The Directors are pleased to present their report together with the unaudited unconsolidated condensed interim financial statements of the Company and the unaudited consolidated condensed interim financial statements of the Group for the half year ended June 30, 2020.

BUSINESS REVIEW

Renewable Energy Business

Following the renewal of the SBP Green Financing Scheme last year, Reon opened the year strongly with a robust deal pipeline and looked set to extend its progression in the current year. However with the onset of COVID 19 pandemic and the consequential industrial and commercial lockdown, the outlook for the year dimmed considerably. The immediate action was to ensure the continuity of the business while preserving cash to ensure sustainability during these testing times. Due to compressed demand, most customers resorted to waiting for the normalization of activity to finalize their orders. However, even during these uncertain times, Reon was able to secure deals of 13MW. Following the lifting of the lock down and declining cases, the activity seems to be picking up again. However, now, increasing prices of Photovoltaic panels, a phenomenon which is uncommon in the PV industry, could pose further uncertainty for the remainder of the year. Expectation in the industry is that this is a temporary phenomenon due to surge in demand as economy opens up and should settle down towards the beginning of next year.

The impact of plummeting oil prices is yet to be seen on the local energy prices which had witnessed a rise last year when the power tariff for all consumers was raised by PKR 3 due to removal of PM's subsidy. The rising energy prices created a favorable environment for Reon's core business as Solar PV is seen as a hedge against increasing energy prices.

On the regulatory front, Government of Pakistan has now approved the new Renewable Energy Policy. Overall objective of the policy is to increase contribution from renewable sources to 20% by 2025 and to 30% of the installed capacity by 2030. While this represents a major shift in priorities for the Federal Government, details of how this target will be achieved are yet to be developed. If properly executed, solar PV should constitute a lion's share of the incremental capacity between now and 2030 due to its inherent flexibilities both in front and behind the meter. Storage could also play an important role towards helping integrate a higher percentage of intermittent renewable sources in the long term. We foresee Solar PV and Storage solutions competing with gas peaker plants in the country by 2022 based on their ever improving cost curves and efficiencies.

In the wake of the COVID 19 pandemic, the company took a number of steps to ensure the safety and health of its employees and workers. From the appearance of the first COVID case in Pakistan, necessary steps were taken both at offices and in the field. Later on, work-from-home for all office based staff was made mandatory, while employees were demobilized from site. As the lock down is lifted by the Government, the Company has been remobilizing keeping safety and health of its employees as an utmost priority.

Wind Energy Project

The Plant is operating satisfactorily and meeting the expected targets for availability and BOP loss. The BOP Loss for the period was 0.91 % against a target of 2.5 %, whilst the Availability was 98.62 % against

a target of 98.0 %. Health Safety and the Environment (HSE) remained the priority and 401,899 safe man-hours have been clocked since COD with zero injury rate and TRIR. The plant has been operating safely, without injury, for 1,371 days.

The plant, together with Dawood HydroChina and Zephyr, is now supplying power to K-Electric. This arrangement is providing stable operations and both grid outage and curtailment has substantially reduced. The total NPMV for Q2 2020 was 0.06 GWh as compared to 0.70 GWh for Q2 2019. The total energy billed during the current quarter (34.89 GWh) is lower than the P90 level (50.5 GWh). However, for the half-year ending June 30, the differential against P90 is lower than for Q2, 2020. The Plant experienced unusually low winds during this quarter and this trend is likely to continue in July and August. It is expected that the NPMV events will be minimal during 2020.

During the current quarter the average wind speed observed was 7.0 m/sec, which is lower than the P90 wind speed of 7.80 m/sec. The trend of the wind speed has altered appreciably, with lower wind during the summer months and substantially higher winds during the winter months. This trend was observed in January and February, but the March wind speeds were at the P90 value. This downward trend continued in the period April to July 2020.

FINANCIAL HIGHLIGHTS

The unconsolidated financial highlights of the Company are as under:

	Half year ended June 30, 2020	Half year ended June 30, 2019
	Rupees in thousands	
Revenue – net	1,962	3,901
Cost of revenue	(9,546)	(1,423)
Gross (loss) / profit	(7,584)	2,478
Other income	80,005	38,919
Profit before taxation from continued operations	142,699	669,280
Loss from discontinued operations	(5,676)	(14,683)
Taxation	(31,015)	(107,288)
Profit after taxation	106,008	547,309
Unappropriated profit brought forward	2,708,349	2,293,821
Unappropriated profit carried forward	2,813,242	2,368,668
Earnings per share - basis & diluted (Rupees)	1.78	9.23

During the half year ended June 30, 2020, dividend income from associate - Dawood Hercules Corporation Limited amounted to PKR 155.86M against PKR 701.39 million for the period ended June 30, 2019.

Consolidated revenues for the period were PKR 2,764 million as against PKR 2,974 million for comparative period. This was mainly due to decrease in revenue from solar energy projects amounting to PKR 385 million set off partially by an increase in revenue from the wind energy subsidiary amounting to PKR 169 million. After considering, the share of profit from associate of PKR 291 million (June 30, 2019: share of profit of PKR 359 million), the consolidated profit after tax for the half year ended stood at PKR 703 million as against PKR 642 million for the similar period last year. Consolidated earnings per share attributable to the owners of the Holding Company was PKR 9.18 as against PKR 9.38 for the comparative period last year.

FUTURE OUTLOOK

Renewable Energy Business

The governments' short term objective in the current situation remains avoiding large market disruptions, limiting layoffs, keeping businesses solvent and providing for the vulnerable, yet managing the health emergency. While low oil and commodity prices coupled with low demand could conceivably balance out the decline in exports there are other looming challenges at a regional and global level which make the macro economic future uncertain. Principal amongst these are the as yet undetermined longer term effects of COVID which could continue to impact demand growth, trade and investment decisions for the foreseeable future.

Renewal of SBP Financing for a further period of 3 years had been major positive development for the renewable industry and will certainly help bridge the funding gap for customers interested in EPC and O&M Services. In addition approval of the new Renewable Energy Policy marks a positive development for the industry with the Government clearly laying out its intent to prioritise renewable energy within the energy mix of Pakistan.

Wind Energy Project

The wind power sector is still facing the full impact of the circular debt and payments from the Government are severely curtailed, with the outstanding payment at 6 months level. This is likely to continue as the Government continues to make efforts to bring the energy prices down. The cash flow situation for CPPA has also deteriorated due to the coronavirus epidemic as the collections have reduced appreciably. However, CPPA is making the payments for tax and debt repayment obligations on priority. Challenges loom as fund availability with the power purchaser (CPPA) is likely to be further constrained in view of the relief measures announced by the Government for payment of utility bills.

Concurrently the government is now actively pushing for a reduction in the cost of energy from IPPs by forcing a review of the PPAs without pursuing the long delayed restructuring and reform of the transmission and distribution sectors. The main emphasis is on elimination / reduction of the capacity payment charges for the thermal plants and a reduction in the applicable tariff for all power plants. In this connection, the Government has signed Memorandum of Understandings (MoU) with both thermal IPPs and Wind Power Producers wherein certain structuring initiatives are being agreed to bring down the energy generation costs in the country and reduce the accumulated circular debt. However the same is subject to approvals of the Federal Cabinet, NEPRA, IPPs board of directors, shareholders and lenders. While this may result in lower energy prices for the consumers, it will certainly impact the investors' confidence in long term energy projects including those which are the focus of the new Alternative and Renewable Energy Policy.

MUJTABA HAIDER KHAN
Chief Executive Officer

SHAHID HAMID PRACHA
Chairman

Karachi, August 26, 2020

INDEPENDENT AUDITOR'S REVIEW REPORT**To the members of Dawood Lawrencepur Limited****Report on review of Interim Financial Statements****Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Dawood Lawrencepur Limited as at June 30, 2020 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and the unconsolidated condensed interim statement of comprehensive income for the quarters ended June 30, 2020 and 2019 have not been reviewed as we are required to review only the cumulative figures for the half year ended June 30, 2020.

Scope of Review

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

Conclusion

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

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



A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: August 28, 2020

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

(Amounts in thousands)

		Unaudited June 30, 2020	Audited December 31, 2019
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Property, plant and equipment		26,184	27,853
Intangible assets		38	56
Long-term investments	5	3,500,361	3,201,817
Long-term loans to subsidiary	6	137,000	300,000
Long-term deposits		2,778	2,778
Total non-current assets		3,666,361	3,532,504
Current assets			
Stores and spares		892	892
Stock		21,924	34,582
Trade debts		40	71
Short-term loans to subsidiaries	7	600,925	437,922
Loans and advances		3,236	2,635
Deposits, prepayments and other receivables	8	303,130	106,665
Taxes recoverable		-	21,609
Interest accrued	9	138,254	70,276
Cash and bank balances	10	190,175	6,362
Total current assets		1,258,576	681,014
TOTAL ASSETS		4,924,937	4,213,518
EQUITY AND LIABILITIES			
Equity			
Share capital	11	592,998	590,578
Capital reserves		206,666	206,666
Unappropriated profit		2,813,242	2,708,349
Total equity		3,612,906	3,505,593
Non-current liabilities			
Staff retirement benefits		1,733	1,477
Current liabilities			
Trade and other payables		51,437	51,166
Contract liabilities		4,446	2,657
Unpaid dividend		-	18,561
Unclaimed dividend		65,122	46,806
Provision	12	7,360	7,360
Short-term borrowings	13	1,138,184	552,345
Taxes payable		9,741	-
Accrued mark-up		34,008	27,553
Total current liabilities		1,310,298	706,448
Contingencies and commitments	14	1,312,031	707,925
TOTAL EQUITY AND LIABILITIES		4,924,937	4,213,518

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2020

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

	Note	Quarter ended		Half year ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
-----Rupees-----					
CONTINUING OPERATIONS					
Revenue from contracts with customers - net	15	981	2,301	1,962	3,901
Cost of revenue		(8,942)	(790)	(9,546)	(1,423)
Gross (loss) / profit		(7,961)	1,511	(7,584)	2,478
Dividend income		155,864	701,387	155,864	701,387
		147,903	702,898	148,280	703,865
Selling and distribution expenses		(111)	(132)	(223)	(685)
Administrative expenses		(12,896)	(15,894)	(24,717)	(23,141)
Other charges	16	1,836	(11,577)	(1,456)	(11,577)
Other income	17	41,182	24,684	80,005	38,919
Operating profit		177,914	699,979	201,889	707,381
Finance cost		(34,275)	(21,508)	(59,190)	(38,101)
Profit before taxation		143,639	678,471	142,699	669,280
Taxation	18	(30,261)	(106,126)	(31,015)	(107,288)
Profit after taxation		113,378	572,345	111,684	561,992
DISCONTINUED OPERATIONS					
Loss from discontinued operations		(2,677)	(8,754)	(5,676)	(14,683)
Profit for the period		110,701	563,591	106,008	547,309
			Restated		Restated
Earnings per share - basic and diluted					
Continuing operations	19	1.91	9.65	1.88	9.48
Loss per share - basic and diluted					
Discontinued operations	19	(0.05)	(0.15)	(0.10)	(0.25)

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2020

(Amounts in thousand)

	Quarter ended		Half year ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	-----Rupees-----			
Profit for the period	110,701	563,591	106,008	547,309
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	110,701	563,591	106,008	547,309

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2020

(Amounts in thousands)

Share capital	Capital reserves					Revenue reserve		Total	
	Merger reserve	Share premium reserve	Capital redemption reserve	Others	Total	Unappropriated profit	Unrealized gain / (loss) on measurement of available-for-sale investments		
-----Rupees-----									
Balance as at January 1, 2019 (Audited)	590,578	10,521	136,865	25,969	33,311	206,666	2,293,821	-	3,091,065
Profit for the period	-	-	-	-	-	-	547,309	-	547,309
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the half year ended June 30, 2019	-	-	-	-	-	-	547,309	-	547,309
Transactions with owners									
Final cash dividend for the year ended December 31, 2018 @ Rs. 4 per share	-	-	-	-	-	-	(236,231)	-	(236,231)
First interim dividend for the year ended December 31, 2019 @ Rs. 4 per share	-	-	-	-	-	-	(236,231)	-	(236,231)
Balance as at June 30, 2019 (Unaudited)	590,578	10,521	136,865	25,969	33,311	206,666	2,368,668	-	3,165,912
Profit for the period	-	-	-	-	-	-	516,927	-	516,927
Other comprehensive income for the period	-	-	-	-	-	-	(72)	-	(72)
Total comprehensive income for the half year ended December 31, 2019	-	-	-	-	-	-	516,855	-	516,855
Transaction with owners									
Second interim dividend for the year ended ended December 31, 2019 @ Rs. 3 per share	-	-	-	-	-	-	(177,174)	-	(177,174)
Balance as at January 1, 2020 (Audited)	590,578	10,521	136,865	25,969	33,311	206,666	2,708,349	-	3,505,593
Profit for the period	-	-	-	-	-	-	106,008	-	106,008
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the half year ended June 30, 2020	-	-	-	-	-	-	106,008	-	106,008
Issuance of ordinary shares (note 11.1)	1,305	-	-	-	-	-	-	-	1,305
Issuance of bonus shares (note 11.1)	1,115	-	-	-	-	-	(1,115)	-	-
Balance as at June 30, 2020 (Unaudited)	592,998	10,521	136,865	25,969	33,311	206,666	2,813,242	-	3,612,906

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 HALF YEAR ENDED JUNE 30, 2020

(Amounts in thousands)

	Half year ended	
	June 30, 2020	June 30, 2019
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	137,023	654,597
Add: Loss before taxation attributable to discontinued operations	5,676	14,683
Profit before taxation from continuing operations	142,699	669,280
Adjustments for non-cash and other items:		
Depreciation	999	1,008
Amortization	18	14
Provision for gratuity	432	316
Provision for doubtful debts-net	31	24
Provision for stock in trade	8,086	4,048
Provision for NIT	-	9,779
Finance costs	59,190	38,101
Gain on disposal of property, plant and equipment	-	(5)
Dividend income	(155,864)	(701,387)
Loss on NIT unit	1,456	1,798
Interest income from related parties	(72,263)	(31,816)
Interest income on deposits	(53)	(58)
	(15,269)	(8,898)
Working capital changes		
Decrease / (increase) in current assets		
Stock	413	208
Trade debts	-	4,356
Loans and advances	(142)	(509)
Deposits, prepayments and other receivables	(40,601)	(17,023)
Increase in current liabilities		
Trade and other payables	(2,421)	7,834
Contract liabilities	1,789	-
	(40,962)	(5,134)
Cash used in operations		
Gratuity paid	(56,231)	(14,032)
Finance cost paid	(255)	(369)
Taxes paid	(52,735)	(27,486)
Discontinued operations	(335)	(106,248)
	3,248	(38,430)
Net cash used in operating activities	(106,308)	(186,565)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(65)
Purchase of intangible asset	-	(68)
Sale proceeds from disposal of property, plant and equipment	-	5
Advance against purchase of shares of subsidiary	(300,000)	-
Loans to subsidiaries	(300,003)	(370,000)
Repayment of loan by subsidiary	300,000	-
Interest received from related parties	4,285	13,028
Interest received on deposits	53	58
Dividend received	-	701,387
Discontinued operations	192	-
Net cash (used in) / generated from investing activities	(295,473)	344,345
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividend	(245)	(458,178)
Net decrease in cash and cash equivalents	(402,026)	(300,398)
Cash and cash equivalents at beginning of the period	(545,983)	(368,481)
Cash and cash equivalents at end of the period	(948,009)	(668,879)
Cash and cash equivalents comprises of:		
Cash and bank balances	190,175	5,764
Short-term borrowings	(1,138,184)	(674,643)
	(948,009)	(668,879)

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

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2020

(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 its investments in subsidiaries and associates and is engaged in the business of trading and marketing of renewable energy solutions, mainly solar, to commercial and industrial consumers, along with the legacy textile business.

The business units of the Company include the following:

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

1.2 In prior years, the Company suspended operations of LWTM, BTM, DL and DCM. Land, building, plant and machinery and related assets of DL and DCM were disposed of. Furthermore, plant and machinery and related assets of LWTM and BTM were also disposed of in prior periods.

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

1.4 These unconsolidated condensed interim financial statements represent the standalone financial statements of the Company in which investment in subsidiaries (as detailed in note 5) have been stated at cost less accumulated impairment losses, if any. The consolidated condensed interim financial statements of the Company and its subsidiaries have been presented separately.

2. BASIS OF PREPARATION

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

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

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

(Amounts in thousand)

- 2.2 The cumulative figures for the half year ended June 30, 2020 presented in these unconsolidated condensed interim financial statements have been subjected to limited scope review by the auditors, as required under section 237 of the Companies Act, 2017. These unconsolidated condensed interim financial statements do not include all the information required for annual financial statements and should, therefore, be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2019.

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

- 3.1 The accounting policies and the methods of computation adopted in the preparation of this unconsolidated condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2019.

The financial risk management objectives and policies of the Company are also consistent with those disclosed in the audited unconsolidated financial statements of the Company for the year ended December 31, 2019.

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

During the preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty are the same as those that were applied to the financial statements of the Company for the year ended December 31, 2019.

- 3.3 There were certain amendments to accounting and reporting standards which were mandatory for the Company's annual accounting period which began on January 1, 2020. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in this unconsolidated condensed interim financial information.

4. SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS

The COVID 19 outbreak, which was declared a Pandemic, has developed rapidly during the current period with a significant number of infections being reported globally. The pandemic has resulted in consequences on the overall economy thereby affecting the earnings and cash flows of the businesses after the announcement of lockdown by the government. The Company's own operations have not been significantly impacted. However, the business of its subsidiaries, primarily Reon Energy Limited (REL), has been adversely affected as construction of renewable energy projects was halted during the period thereby leading to REL experiencing profitability and liquidity issues. The Company, in order to improve the liquidity position of REL, has injected further capital therein (note 5.1.2) and continues to support the subsidiary through continued availability of finance in the form of loans (note 7.2). The Company itself has committed credit lines available in the form of running finance facilities under mark-up arrangements (note 13.1).

The management continues to monitor the developing situation closely and believes that as normalcy of operations comes about, the adverse impacts of the pandemic will eventually recede.

(Amounts in thousand)

	Unaudited June 30, 2020	Audited December 31, 2019
-----Rupees-----		
5. LONG-TERM INVESTMENTS		
Investment in related parties - at cost (note 5.1)	3,489,102	3,189,102
Other investments		
- Financial assets at fair value through profit or loss (note 5.2)	11,244	12,700
- Financial assets at fair value through other comprehensive income (note 5.2)	15	15
	11,259	12,715
	<u>3,500,361</u>	<u>3,201,817</u>
5.1 Investment in related parties - at cost		
Subsidiaries - unquoted		
Tenaga Generasi Limited		
Percentage holding: 75% (December 31, 2019: 75%) 227,027,613 (December 31, 2019: 227,027,613) fully paid ordinary shares of Rs 10 each	2,294,804	2,294,804
Reon Energy Limited		
Percentage holding: 100% (December 31, 2019: 100%) 72,600,000 (December 31, 2019: 72,600,000) fully paid ordinary shares of Rs 10 each	726,000	726,000
advance against ordinary shares of Rs. 10 each (December 31, 2019: Nil) - (note 5.1.2)	300,000	-
	1,026,000	726,000
Reon Alpha (Private) Limited		
Percentage holding: 100% (December 31, 2019: 100%) 10,300,100 (December 31, 2019: 10,300,100) fully paid ordinary shares of Rs 10 each	103,001	103,001
Mozart (Private) Limited		
Percentage holding: 100% (December 31, 2019: 100%) 100 (December 31, 2019: 100) fully paid ordinary shares of Rs 10 each	1	1
Greengo (Private) Limited		
Percentage holding: 100% (December 31, 2019: 100%) 100 (December 31, 2019: 100) fully paid ordinary shares of Rs 10 each	1	1
Abrax (Private) Limited		
Percentage holding: 100% (December 31, 2019: 100%) 100 (December 31, 2019: 100) fully paid ordinary shares of Rs 10 each	1	1
	<u>3,423,808</u>	<u>3,123,808</u>
Associate - quoted		
Dawood Hercules Corporation Limited		
Percentage holding: 16.19% (December 31, 2019: 16.19%) 77,931,896 (December 31, 2019: 77,931,896) fully paid ordinary shares of Rs 10 each	65,294	65,294
Market value: Rs 9,969,048 (December 31, 2019: Rs 12,017,878)		
	<u>3,489,102</u>	<u>3,189,102</u>

(Amounts in thousand)

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

Bank	Shares pledged	Unaudited As at June 30, 2020			Audited As at December 31, 2019		
		Number of shares pledged	Face value of shares pledged	Market value of pledged shares	Number of shares pledged	Face value of shares pledged	Market value of pledged shares
		-----Rupees-----			-----Rupees-----		
Pledged against short-term financing and other facilities availed by the Company and its subsidiaries							
Standard Chartered Bank (Pakistan) Limited	Dawood Hercules Corporation Limited	26,899,737	268,997	3,441,014	26,899,737	268,997	4,148,208
Bank AL Habib Limited	Corporation Limited	10,200,000	102,000	1,304,784	10,200,000	102,000	1,572,942
Pledged under Musharka Agreement entered into between RAPL and FBL							
Faysal Bank Limited	Reon Alpha (Private) Limited	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.

5.1.2 During the period, the Company has made an advance payment to Reon Energy Limited, a wholly owned subsidiary company, for the purchase of shares.

5.2 Other investments

June 30, 2020	December 31, 2019	Name of Investee	Unaudited June 30, 2020	Audited December 31, 2019
Units / Number of Shares			-----Rupees-----	
200,000	200,000	Listed securities National Investment (Unit) Trust	11,244	12,700
1,500	1,500	Un-listed securities Asian Co-operative Society Limited	15	15
			11,259	12,715

6. LONG-TERM LOAN TO SUBSIDIARY

In 2019, the Company entered into a subordinated loan agreement with Tenaga Generasi Limited (TGL, a subsidiary company) for arranging finance upto a limit of Rs. 1,000,000. The term of the loan was initially for one year, however, during the current period the term of the loan has been extended for another one year upto July 2021. Mark-up is calculated at the rate of three months KIBOR plus 2.5% per annum. As at June 30, 2020, the facility has been utilised to the extent of Rs. 137,000 by the subsidiary company.

(Amounts in thousand)

Unaudited June 30, 2020	Audited December 31, 2019
-------------------------------	---------------------------------

-----Rupees-----

7. SHORT-TERM LOANS TO SUBSIDIARIES

Following short-term loans have been provided to subsidiaries:

- Tenaga Generasi Limited (note 7.1)	300,000	137,000
- Reon Energy Limited (note 7.2)	300,000	300,000
- Abrax (Private) Limited	319	319
- Mozart (Private) Limited	286	283
- Greengo (Private) Limited	320	320
	<u>600,925</u>	<u>437,922</u>

7.1 In April 2017, the Company had entered into a subordinated loan agreement with TGL for arranging finance upto a limit of Rs. 300,000.

The original term of the loan was one year. However, in 2018 the facility was extended for a period of three years upto April 2021 with all other terms unchanged. Mark-up is calculated at the rate of three months KIBOR plus 1.775% per annum. The facility has been fully utilised by TGL as at June 30, 2020.

7.2 On February 22, 2019, the Company provided a loan to Reon Energy Limited (REL, a subsidiary company) of Rs. 300,000 to fulfil its working capital requirements. The principal amount will be repaid on a lump-sum basis on December 31, 2020. Mark-up is payable on a monthly basis at the rate of 1% above the average borrowing cost of the Company.

Furthermore, on February 28, 2020 the Company had also provided a loan to REL amounting to Rs. 300,000 to fulfil its working capital requirements. The loan carried mark-up at the rate of one percent (1%) above the average borrowing cost of the Company the principal of which was repaid on June 26, 2020 through a lumpsum payment.

Unaudited June 30, 2020	Audited December 31, 2019
-------------------------------	---------------------------------

-----Rupees-----

8. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

These include amounts receivable from the following related parties:

- Tenaga Generasi Limited	96,775	57,324
- Dawood Hercules Corporation Limited	155,789	-
- Reon Alpha (Private) Limited	1,044	202
- Sach International (Private) Limited	29,012	26,660
	<u>282,620</u>	<u>84,186</u>

(Amounts in thousand)

Unaudited June 30, 2020	Audited December 31, 2019
-----Rupees-----	

9. INTEREST ACCRUED

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

- Tenega Generasi Limited	100,709	66,245
- Reon Energy Limited	37,443	4,018
- Reon Alpha (Private) Limited	24	2
- Abrax (Private) Limited	27	3
- Mozart (Private) Limited	24	4
- Greengo (Private) Limited	27	4
	<u>138,254</u>	<u>70,276</u>

10. CASH AND BANK BALANCES

Cash in hand	509	167
Balances with banks in:		
- current accounts	187,634	4,105
- deposit accounts (note 10.1)	2,032	2,090
	<u>189,666</u>	<u>6,195</u>
	<u>190,175</u>	<u>6,362</u>

10.1 These represent deposits with commercial banks and carry profit at the rate of 5.5% (2019: 11.75%) per annum.

11. SHARE CAPITAL

Authorized capital

June 30, 2020	December 31, 2019		Unaudited June 30, 2020	Audited December 31, 2019
-----Rupees-----			-----Rupees-----	
<u>75,000,000</u>	<u>75,000,000</u>	Ordinary shares of Rs. 10 each full paid in cash	<u>750,000</u>	<u>750,000</u>

Issued, subscribed and paid-up capital

June 30, 2020	December 31, 2019		June 30, 2020	December 31, 2019
-----Number of shares-----			-----Rupees-----	
2,204,002	2,204,002	Ordinary shares of Rs. 10 each full paid in cash	22,040	22,040
12,805,118	12,805,118	Issued for consideration other than cash	128,051	128,051
44,048,739	44,048,739	Fully paid as bonus	440,487	440,487
130,520	-	Issued as right shares as per the Court Order (note 11.1)	1,305	-
111,430	-	Issued as bonus shares as per the Court Order (note 11.1)	1,115	-
<u>59,299,809</u>	<u>59,057,859</u>		<u>592,998</u>	<u>590,578</u>

(Amounts in thousand)

- 11.1 In compliance with the orders passed by the Honourable Sindh High Court, the Company has issued 241,950 shares (denoting 130,520 shares as right issue and 114,430 as bonus issue) to National Investment Trust Limited on May 12, 2020. However, the amount of Rs. 1,305 against subscription of 130,520 right shares by NIT in the year 1975 has been deposited with the Nazir of the Sindh High Court and is to be recovered therefrom.

12. PROVISION

In 2019, the Company had estimated a total provision of Rs. 15,595 in respect of mark-up and dividend payments due to NIT out of which Rs. 8,235 was deposited to the Nazir of the Sindh High Court pursuant to a court order for onward payment to NIT. The Company anticipates that the remaining provision of Rs. 7,360 maintained in these unconsolidated condensed interim financial statements is sufficient to meet the remaining obligation of the Company in respect of this matter.

Unaudited	Audited
June 30,	December 31,
2020	2019
-----Rupees-----	

13. SHORT-TERM BORROWINGS

Running finance facilities under mark-up arrangements (note 13.1)

1,138,184	552,345
------------------	----------------

- 13.1 These denote short-term running finance facilities aggregating to Rs.1,500,000 (December 31, 2019: Rs 1,500,000) obtained under mark-up arrangement from various banks. As at June 30, 2020, the Company has utilised the facilities against running finance to the extent of Rs 1,138,184 (December 31, 2019: Rs 552,345) and has issued guarantees to the extent of Rs. 37,747 (December 31, 2019: Rs. 37,747). Furthermore, out of the aforementioned facilities, the Company has negotiated sub-limits for financing the operations of REL amounting to Rs. 300,000. These facilities are secured by way of a first pari passu mortgage charge on immovable property (including land and building), current assets, and pledge over the Company's investments in related party, as explained in note 5.1.1. Rate of mark-up applicable on these facilities ranges from three months KIBOR plus 90 basis points to three months KIBOR plus 100 basis points (December 31, 2019: three months KIBOR plus 75 basis points to three months KIBOR plus 100 basis points) per annum.

14 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, 2019 except for the following:

14.1 Contingencies

14.1.1 Assessment of annual tax return (Tax year 2017)

In prior year, the Company had filed a constitutional petition before the Sindh High Court (SHC) against the levy of super tax for tax year 2017 amounting to Rs. 42,329 based on the contention that Super Tax, passed by a money bill through the Finance Act, 2015 and subsequently extended through the Finance Acts 2016 and 2017, was required to be approved by the Senate. The SHC had initially granted an interim order in favour of the Company. However, via its order dated July 21, 2020, the SHC has disposed of other cases involving the same matter in favour of the department. The Company had already recorded a provision amounting to Rs 37,342 in respect of the aforementioned order in previous years while the remaining amount has been recorded during the current period.

(Amounts in thousand)

14.1.2 Sales tax audit (Tax year 2017)

On April 23, 2020, the Company received an order for tax year 2016 from the Assistant Commissioner Inland Revenue (ACIR) raising a demand of Rs. 87,492 which included default surcharge and penalty amounting to Rs. 29,645 and Rs. 2,755 respectively. The order was raised primarily on account of taxability of supplies made by the Company as exempt and inadmissible input sales tax. The Company filed an appeal on June 03, 2020 against the aforementioned order before the Commissioner Inland Revenue (Appeals) [CIR(A)] who, vide an order dated July 22, 2020, upheld the demand of the ACIR to the extent of Rs 112 on account of inadmissible input tax deduction and remanded back the remaining matters contained in the order to the ACIR for fresh consideration.

14.1.3 During the period, the Company has provided Corporate Guarantee amounting to Rs. 225,000 to Habib Metropolitan Bank Limited to secure an unfunded facility for Reon Energy Limited, a subsidiary company.

Unaudited	
For the half year ended	
June 30,	June 30,
2020	2019
-----Rupees-----	

15. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

Renewable energy

Project revenue	1,962	3,841
Others	-	60
	1,962	3,901

Textile

Fabric	1,706	3,179
	3,668	7,080
Related to discontinued operations	(1,706)	(3,179)
	1,962	3,901

16. OTHER CHARGES

Provision for compensation to NIT	-	9,779
Loss on financial assets at fair value through profit or loss	1,456	1,798
	1,456	11,577

(Amounts in thousands except for earnings / (loss) per share which is stated in Rupees)

Unaudited
For the half year ended
June 30, **June 30,**
2020 **2019**
-----Rupees-----

17. OTHER INCOME

Income from financial assets

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

53	58
72,263	31,816
72,316	31,874

Income from non-financial assets and others

Gain on sale of fixed asset
Royalty income
Rental income
Agriculture income
Miscellaneous income

189	5
5,905	6,033
12,936	8,971
3,705	603
6,258	1,007
28,993	16,619
101,309	48,493

Related to discontinued operations

(21,304)	(9,574)
80,005	38,919

18. TAXATION

Current

For the period
For prior period (note 18.1)

26,028	107,288
4,987	-
31,015	107,288

18.1 This denotes prior period shortfall of super tax levied for the rehabilitation of temporary displaced persons at the rate of 3% on specified income for tax year 2017 as disclosed in note 14.1.1.

19. EARNINGS / (LOSS) PER SHARE - Basic and diluted

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

	Quarter ended		Half year ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	June 30, 2020	June 30, 2019 (Restated)	June 30, 2020	June 30, 2019 (Restated)
Continuing operations				
Profit for the period	113,378	572,345	111,684	561,992
Weighted average number of ordinary shares (in thousand)	59,297	59,293	59,295	59,293
Earnings per share	1.91	9.65	1.88	9.48
Discontinued operations				
Loss for the period	(2,677)	(8,754)	(5,676)	(14,683)
Weighted average number of ordinary shares (in thousand)	59,297	59,293	59,295	59,293
Loss per share	(0.05)	(0.15)	(0.10)	(0.25)

(Amounts in thousand)

20. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

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

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

The table below analyses financial instruments carried at fair value by valuation method.

	As at June 30, 2020 (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)	-	11,244	-	11,244
<i>Financial assets at fair value through other comprehensive income</i>				
- Long-term investments (investments in unquoted equity shares)	-	-	15	15
	<u>-</u>	<u>11,244</u>	<u>15</u>	<u>11,259</u>
	As at December 31, 2019 (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)	-	12,700	-	12,700
<i>Financial assets at fair value through other comprehensive income</i>				
- Long-term investments (investments in unquoted equity shares)	-	-	15	15
	<u>-</u>	<u>12,700</u>	<u>15</u>	<u>12,715</u>

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

(Amounts in thousand)

21. 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; and
- Textile - discontinued operations.

The table below shows the segment information for the reportable segments for the half-years ended June 30, 2020 and 2019 and also the basis on which revenue is recognised:

	-----Unaudited-----							
	Renewable energy		Textile - discontinued operations		Unallocated		Total	
	June 30,		June 30,		June 30,		June 30,	
	2020	2019	2020	2019	2020	2019	2020	2019
	-----Rupees-----							
Timing of revenue recognition								
At a point in time	-	1,939	1,706	3,179	-	-	1,706	5,118
Over time	1,962	1,962	-	-	-	-	1,962	1,962
Revenue from external customers	1,962	3,901	1,706	3,179	-	-	3,668	7,080
Cost of goods sold	(9,546)	(1,423)	(4,158)	(3,320)	-	-	(13,704)	(4,743)
Segment gross (loss) / profit	(7,584)	2,478	(2,452)	(141)	-	-	(10,036)	2,337
Dividend income	-	-	-	-	155,864	701,387	155,864	701,387
Selling and distribution expenses	(223)	(685)	(17)	(31)	-	-	(240)	(716)
Administrative expenses	(1,364)	(5,430)	(24,511)	(24,085)	(23,353)	(17,711)	(49,228)	(47,226)
Other charges	-	-	-	-	(1,456)	(11,577)	(1,456)	(11,577)
Other income	-	-	21,304	9,574	80,005	38,919	101,309	48,493
Finance costs	-	-	-	-	(59,190)	(38,101)	(59,190)	(38,101)
Taxation	-	-	-	-	(31,015)	(107,288)	(31,015)	(107,288)
Segment (loss) / profit	(9,171)	(3,637)	(5,676)	(14,683)	120,855	565,629	106,008	547,309
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
	2020	2019	2020	2019	2020	2019	2020	2019
	-----Rupees-----							
Segment assets	26,617	35,433	36,193	41,381	4,862,127	4,136,704	4,924,937	4,213,518
Segment liabilities	13,328	14,592	5,937	3,244	1,292,766	690,089	1,312,031	707,925

(Amounts in thousand)

22. TRANSACTIONS WITH RELATED PARTIES

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

Relationship	Nature of transaction	Unaudited	
		June 30, 2020	June 30, 2019
		----- Rupees -----	
a. Subsidiary companies			
Tenaga Generasi Limited (TGL)	Reimbursable expenses incurred by the Company on behalf of TGL	7,890	675
	Interest on reimbursable expenses	6,120	3,359
	Loan disbursed	-	70,000
	Interest on subordinated loans to TGL	32,313	14,085
	Stand-by letter of credit cost reimbursement	34,714	27,531
	Reimbursement of expenses - Payable	498	-
Reon Energy Limited (REL)	Advance given against issue of right shares	300,000	-
	Long-term loan disbursed	-	300,000
	Interest on long-term loan to REL	21,451	13,224
	Short-term loan disbursed to REL	300,000	97,000
	Repayment of short-term loan by REL	300,000	97,000
	Interest on short-term loan to REL	12,290	1,096
	Interest charged by REL on reimbursable expenses	96	38
	Reimbursable expenses incurred by the Company on behalf of REL	21,473	1,756
	Rental income	-	180
	Reimbursable expenses incurred by REL on behalf of the Company	6,788	4,345
Mozart (Private) Limited	Subordinated loan disbursed	3	45
	Interest on subordinated loan	20	13
Greengo (Private) Limited	Subordinated loan disbursed	-	60
	Interest on subordinated loan	24	15
Abrax (Private) Limited	Subordinated loan disbursed	-	60
	Interest on subordinated loan	22	15
Reon Alpha (Private) Limited (RAPL)	Reimbursable expenses incurred by the Company on behalf of RAPL	842	387
	Interest on reimbursable expenses	23	6
	Interest on loan	-	3
b. Associated companies			
Dawood Hercules Corporation Limited	Dividend income	155,864	701,387
	Reimbursable expenses incurred on behalf of the Company	1,354	1,164

Relationship	Nature of transaction	Unaudited	
		June 30, 2020	June 30, 2019
----- Rupees -----			
Sach International (Private) Limited (SIL)	Royalty charged by the Company	5,905	6,033
	Reimbursable expenses incurred by the Company on behalf of SIL	145	127
	Rental income	330	300
	Penalty charged against overdue receivables	1,325	485
Engro Fertilizers Limited (EFL)*	Rental income	-	1,262
	Reimbursable expenses incurred by the Company on behalf of EFL	-	306
c. Key management personnel	Salaries and benefits	7,808	7,393
	Other retirement benefits	201	215
d. Directors	Directors' meeting fee	1,100	1,400

*The entity has ceased to be a related party during the period due to change in common directorship on reconstitution of the board of directors.

23. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on August 26, 2020 has approved an interim cash dividend of Rs. 4 (2019: Rs. cash dividend of Rs. 3) per share amounting to Rs. 237,199 (2019: Rs. 177,174) for the half-year ended June 30, 2020. These unconsolidated condensed interim financial statements do not include the effects of this appropriation which will be accounted for in the unconsolidated condensed interim financial statements of the Company in the subsequent reporting period.

24. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on August 26, 2020 by the Board of Directors of the Company.

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

(Amounts in thousand)

		Unaudited June 30, 2020	Audited December 31, 2019
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Property, plant and equipment		13,134,448	12,868,110
Intangible assets		42,092	24,585
Long term investments	6	10,554,278	10,377,169
Long term loans to employees		-	689
Right-of-use assets		136,926	140,160
Long term deposits		2,778	2,778
		23,870,522	23,413,491
Current assets			
Stores and spares		892	892
Stock in trade		224,913	191,393
Trade debts		2,950,993	2,794,097
Loans and advances		50,721	32,279
Deposits, prepayments and other receivables		945,767	614,768
Accrued interest		10,018	15,074
Contract asset		289,173	159,240
Taxes recoverable		72,701	94,433
Short-term investments		44,728	419,964
Cash and bank balances		724,079	422,336
		5,313,985	4,744,476
TOTAL ASSETS		29,184,507	28,157,967
EQUITY AND LIABILITIES			
Equity			
Share capital	7	592,998	590,578
Capital reserves		206,666	206,666
Unappropriated profits		12,675,302	12,094,910
Non controlling interest		1,369,480	1,210,800
		14,844,446	14,102,954
Non-current liabilities			
Long-term borrowings		8,729,303	8,700,594
Deferred taxation		1,486,109	1,461,558
Long-term portion of lease liabilities		117,094	126,193
Staff retirement benefits		41,413	42,494
		10,373,919	10,330,839
Current liabilities			
Trade and other payables		811,379	1,223,816
Unpaid dividend		-	18,561
Unclaimed dividend		65,122	46,806
Provision	8	7,360	7,360
Current portion of long term borrowing		1,257,765	1,130,837
Short term borrowings	9	1,368,616	811,656
Contract liability		215,189	230,977
Current portion of lease liabilities		32,244	26,482
Accrued markup		208,467	227,679
		3,966,142	3,724,174
Contingencies and Commitments	10		
TOTAL EQUITY AND LIABILITIES		29,184,507	28,157,967

The annexed notes from 1 to 17 form an integral part of this consolidated condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2020

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

	Note	Quarter Ended		Half Year Ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
-----Rupees-----					
CONTINUING OPERATIONS					
Revenue - net	11	1,567,945	1,675,408	2,764,004	2,974,151
Cost of revenue		(823,907)	(903,899)	(1,609,376)	(1,870,004)
Gross profit		744,038	771,509	1,154,628	1,104,147
Selling and distribution expenses		(50,092)	(56,166)	(128,611)	(111,235)
Other operating expenses		858	(44,460)	(4,972)	(44,460)
Administrative expenses		(80,148)	(80,527)	(151,809)	(133,168)
Other income		8,769	1,688	33,838	17,600
Operating profit		623,425	592,044	903,074	832,884
Finance costs		(207,232)	(264,219)	(418,098)	(496,726)
Share of profit from investment in an associate		416,193	327,825	484,976	336,158
Profit before taxation		336,638	99,401	290,907	358,686
Taxation		(62,091)	13,681	(67,014)	(38,601)
Profit after taxation		690,740	440,907	708,869	656,243
DISCONTINUED OPERATIONS					
Loss from discontinued operations		(2,677)	(8,754)	(5,676)	(14,683)
Profit for the period		688,063	432,153	703,193	641,560
Earnings per share - Basic and diluted					
Continuing operations	12	9.68	5.98	9.28	9.62
Loss per share - Basic and diluted					
Discontinued operations	12	(0.05)	(0.15)	(0.10)	(0.25)
Profit attributable to:					
Owners of the Holding Company		571,138	345,744	544,513	555,993
Non controlling interest		116,925	86,409	158,680	85,567
		688,063	432,153	703,193	641,560

The annexed notes from 1 to 17 form an integral part of this consolidated condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2020

(Amounts in thousand)

	Quarter ended		Half year ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	-----Rupees-----			
Profit for the period	688,063	432,153	703,193	641,560
Other comprehensive income				
Items that may be reclassified subsequently through profit or loss account				
Share of other comprehensive income of associate - net of tax	9,837	-	36,994	-
Total comprehensive income for the period	<u>697,900</u>	<u>432,153</u>	<u>740,187</u>	<u>641,560</u>
Total comprehensive income attributable to:				
- Continuing operations	700,577	440,907	745,863	656,243
- Discontinued operations	(2,677)	(8,754)	(5,676)	(14,683)
	<u>697,900</u>	<u>432,153</u>	<u>740,187</u>	<u>641,560</u>
Total comprehensive income attributable to:				
- Owners of the Holding Company	580,975	345,744	581,507	555,993
- Non-controlling interest	116,925	86,409	158,680	85,567
	<u>697,900</u>	<u>432,153</u>	<u>740,187</u>	<u>641,560</u>

The annexed notes from 1 to 17 form an integral part of this consolidated condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2020

(Amounts in thousand)

Share capital	Capital reserves				Revenue Reserves		Non controlling interest	Total	
	Merger reserve	Share premium reserve	Capital reserve	Capital redemption reserve fund	Total	Unappropriated profit / (loss)			
-----Rupees-----									
Balance at January 01, 2019 (Audited)	590,578	10,521	136,865	33,311	25,969	206,666	11,218,244	940,763	12,956,251
Profit for the period	-	-	-	-	-	-	555,993	85,567	641,560
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the half year ended June 30, 2019	-	-	-	-	-	-	555,993	85,567	641,560
Effect of transaction of associate	-	-	-	-	-	-	(60,734)	-	(60,734)
Transactions with owners									
Final cash dividend for the year ended December 31, 2018 @ Rs. 4 per share	-	-	-	-	-	-	(236,231)	-	(236,231)
Interim cash dividend for the year ended December 31, 2019 @ Rs. 4 per share	-	-	-	-	-	-	(236,231)	-	(236,231)
Balance at June 30, 2019 (Unaudited)	590,578	10,521	136,865	33,311	25,969	206,666	11,241,041	1,026,330	13,064,615
Profit for the period	-	-	-	-	-	-	1,015,829	184,470	1,200,299
Other comprehensive income for the period	-	-	-	-	-	-	9,903	-	9,903
Total comprehensive income for the half year ended December 31, 2019	-	-	-	-	-	-	1,025,732	184,470	1,210,202
Effect of other transaction of associate	-	-	-	-	-	-	5,311	-	5,311
Transactions with owners									
Interim cash dividend for the year ended December 31, 2019 @ Rs. 3 per share	-	-	-	-	-	-	(177,174)	-	(177,174)
Balance at December 31, 2019 (Audited)	590,578	10,521	136,865	33,311	25,969	206,666	12,094,910	1,210,800	14,102,954

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2020

(Amounts in thousand)

Share capital	Capital reserves				Revenue Reserves		Non controlling interest	Total	
	Merger reserve	Share premium reserve	Capital reserve	Capital redemption reserve fund	Total	Unappropriated profit / (loss)			
-----Rupees-----									
Profit for the period	-	-	-	-	-	544,513	158,680	703,193	
Other comprehensive income for the period	-	-	-	-	-	36,994	-	36,994	
Total comprehensive income for the half year ended June 30, 2020	-	-	-	-	-	581,507	158,680	740,187	
Issuance of ordinary shares	1,305	-	-	-	-	-	-	1,305	
Issuance of bonus shares	1,115	-	-	-	-	(1,115)	-	-	
Balance at June 30, 2020 (Unaudited)	592,998	10,521	136,865	33,311	25,969	206,666	12,675,302	1,369,480	14,844,446

The annexed notes from 1 to 17 form an integral part of this consolidated condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2020

(Amounts in thousand)

	Half Year Ended	
	June 30, 2020	June 30, 2019
-----Rupees-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	770,207	680,161
Loss / (profit) before taxation attributable to discontinued operations	5,676	14,683
Profit before taxation from continued operations	775,883	694,844
Adjustments for non-cash and other items		
Depreciation	383,283	336,257
Amortization	1,281	178
Provision for gratuity	8,037	6,416
Provision for NIT	-	9,779
Provision / (reversal) for impairment for stock in trade	9,707	4,048
Provision for warranties	9,911	14,036
Profit on deposit	(9,998)	(5,375)
Interest income on short-term investments	(11,413)	-
Provision for doubtful debts-net	4,344	24
Loss on NIT	1,456	1,798
Expected credit loss	-	2,584
Finance costs	418,098	496,726
Loss on disposal of property, plant and equipment	-	-
Share of profit from associate	(290,907)	(358,686)
	1,299,682	1,202,629
Working capital changes		
Decrease / (increase) in current assets		
Stores and spares	-	-
Stock in trade	(9,707)	(72,742)
Trade debts	(4,344)	(759,431)
Contract assets	-	111,915
Loans and advances	-	(21,657)
Deposits, prepayments and other receivables	155,864	(373,897)
(Decrease) / increase in current liabilities		
Increase in contract liability	-	402,342
Trade and other payables	-	269,285
	141,813	(444,185)
Cash generated from operations	1,441,495	758,444
Gratuity paid	(9,118)	(84)
Long term loan	-	19
Finance costs paid	(432,325)	(444,709)
Taxes paid	(27,260)	(78,558)
Discontinued operations	3,248	(38,430)
Net cash generated from / (used in) in operating activities	976,040	196,682
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10,048)	(2,391)
Sale proceeds from disposal of property, plant and equipment	-	5
Additions to capital work-in-progress	(6,027)	(167,683)
Purchase of intangible assets	(18,788)	(865)
Short-term investments redeemed	-	-
Interest received on deposits	38,894	22,257
Dividend received	-	701,387
Discontinued operations	192	-
Net cash generated from investing activities	4,223	552,710
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividend	(245)	(458,178)
Payment of lease liabilities	(23,918)	(23,619)
Repayment of loan	(552,136)	(454,233)
Proceeds from borrowings	62,909	200,850
	(513,390)	(735,180)
Net decrease in cash and cash equivalents	466,873	14,212
Cash and cash equivalents at beginning of the period	(389,320)	68,134
Cash and cash equivalents at end of the period	77,553	82,346
Cash and cash equivalents:		
Cash and bank balances	724,079	829,298
Short term borrowings	(1,368,616)	(746,952)
	(644,538)	82,346

The annexed notes from 1 to 17 form an integral part of this consolidated condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

DAWOOD LAWRENCEPUR LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2020

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

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

The business units of the Holding Company include the following:

Business Units	Geographical Location
Head Office / Registered Office of the Holding Company and its subsidiaries	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 the subsidiary company	
Solar Project Sales Office I	3rd Floor, Asia House L-block, Gulberg III, main Ferozpur road, Lahore.
Solar Project Sales Office II	Emirates Tower, suite # 324, 3rd Floor Capital Territory, F7 Markaz, Islamabad.
Solar and Wind Power Plant of the subsidiary companies	
Solar Power Plant	Block II, District Tharparkar, Sindh.
Wind Farm	Khutinkun Area, Gharo, District Thatta Sindh.

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

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

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

	Period Ended	Percentage of direct holding	
		2020	2019
- Reon Energy Limited (note 1.4.1)	June 30	100%	100%
- Tenega Generasi Limited (note 1.4.2)	June 30	75%	75%
- Mozart (Private) Limited (note 1.4.3)	June 30	100%	100%

(Amounts in thousand)

- Abrax (Private) Limited (note 1.4.4)	June 30	100%	100%
- Greengo (Private) Limited (note 1.4.5)	June 30	100%	100%
- Reon Alpha (Private) Limited (note 1.4.6)	June 30	100%	100%

1.4.1 Reon Energy Limited

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

1.4.2 Tenaga Generasi Limited

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

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 is transmitted to the National Transmission and Despatch Company (NTDC) under the Energy Purchase Agreement (EPA) dated December 29, 2015. The EPA is for 20 years.

1.4.3 Mozart (Private) Limited

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

1.4.4 Abrax (Private) Limited

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

1.4.5 Greengo (Private) Limited

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

1.4.6 Reon Alpha (Private) Limited

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

1.5 Associated company

The Holding Company also holds investments in Dawood Hercules Corporation Limited (DHCL, an associate) the details of which have been provided in note 6.1.

'Dawood Hercules Corporation Limited (DHCL) was incorporated in Pakistan on April 17, 1968 as a public limited company under the Companies Act 1913 (now Companies Act, 2017) (the Act) and its shares are quoted on Pakistan Stock Exchange Limited. The principal activity of DHCL is to manage investments in its subsidiary and associated companies. The registered office of DHCL is situated at Dawood Center, M.T. Khan Road, Karachi. The Holding Company holds ownership of 16.19% (2019: 16.19%) in DHCL.

(Amounts in thousand)

2. BASIS OF PREPARATION

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

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

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

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

3.1 The accounting policies and the methods of computation adopted in the preparation of this consolidated condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Holding Company for the year ended December 31, 2019.

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, 2019.

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.

4. BASIS OF CONSOLIDATION

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

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

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

5. SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS

The COVID 19 outbreak, which was declared a Pandemic, has developed rapidly during the current period with a significant number of infections being recorded globally. The pandemic has resulted in consequences on the overall economy thereby affecting the earnings and cash flows of the businesses after the announcement of lockdown by the government. The Group's own operations have not been significantly impacted. However, the business of its subsidiaries, primarily Reon Energy Limited (REL), has been adversely affected as construction of renewable energy projects was halted during the period thereby leading to profitability and liquidity issues being reported by REL. The Holding Company, in order to improve the liquidity position of REL, has injected further capital therein and continues to support the subsidiary through continued availability of finance in the form of loans. The Holding Company itself has committed credit lines available in the form of running finance facilities under mark-up arrangements.

The management continues to monitor the developing situation closely and believes that as normalcy of operations comes about, the adverse impacts of the pandemic will eventually recede.

(Amounts in thousand)

	Unaudited June 30, 2020	Audited December 31, 2019	
	-----Rupees-----		
6. LONG TERM INVESTMENTS			
Share of investment in an associate (note 6.1)	10,543,019	10,364,454	
Other investments	11,259	12,715	
	10,554,278	10,377,169	
6.1 Share of investment in an associate			
Associated company - quoted Dawood Hercules Corporation Limited			
Opening balance	10,364,454	10,828,538	
Add: Share of profit after taxation	290,907	915,237	
Share of other comprehensive income	43,522	10,725	
Other equity transactions	-	(65,204)	
	334,429	860,758	
Less: Dividend received	(155,864)	(1,324,842)	
	10,543,019	10,364,454	
7. SHARE CAPITAL			
7.1 Authorized capital			
Unaudited June 30, 2020	Audited December 31, 2019	Unaudited June 30, 2020	Audited December 31, 2019
-----Number of shares-----		-----Rupees-----	
<u>75,000,000</u>	<u>75,000,000</u>	<u>750,000</u>	<u>750,000</u>
	Ordinary shares of Rs. 10 each		
7.2 Issued, subscribed and paid-up capital			
Unaudited June 30, 2020	Audited December 31, 2019	Unaudited June 30, 2020	Audited December 31, 2019
-----Number of shares-----		-----Rupees-----	
2,204,002	2,204,002	22,040	22,040
	Ordinary shares of Rs. 10 each full paid in cash		
12,805,118	12,805,118	128,051	128,051
	Issued for consideration other than cash		
44,048,739	44,048,739	440,487	440,487
	Fully paid as bonus shares		
130,520	-	1,305	-
	Issued as right issue as per the Court's order (Note 7.2.1)		
111,430	-	1,115	-
	Issued as bonus shares as per the Court's order (Note 7.2.1)		
<u>59,299,809</u>	<u>59,057,859</u>	<u>592,998</u>	<u>590,578</u>
7.2.1	In compliance with the Honorable Sindh High Court Orders, the Holding Company has issued 241,950 shares constituting 130,520 shares as right issue and 114,430 as bonus issue to National Investment Trust Limited on May 12, 2020, after which the Holding Company's Paid-up Capital has increased to 592,998. However, out of these 241,950 shares, the amount of Rs. 1,305,200 against subscription of 130,520 right shares in the year in 1975 by NIT, is yet to be received from Nazir of the Sindh High Court.		

(Amounts in thousand)

8. PROVISION

In 2019, the Holding Company has estimated a total provision of Rs. 15,595 million in respect of mark-up and dividend payments due to NIT out of which Rs. 8,235 million was deposited to the Nazir of the Sindh High Court pursuant to the Court Orders for onward payment to NIT. The Holding Company anticipates that the remaining provision of Rs. 7,360 million maintained in these consolidated condensed interim financial statements is sufficient to meet the remaining obligation of the Holding Company in respect of this matter.

9. SHORT TERM BORROWING

This includes short-term running finance facilities aggregating to Rs.1,500,000 (December 31, 2019: Rs 1,500,000) obtained under mark-up arrangement from various banks. The utilized balance against these facilities as at reporting date was Rs. 1,368,616. Furthermore, out of the aforementioned facilities, the Holding Company has negotiated sub-limits for financing the operations of REL amounting to Rs. 300,000. These facilities are secured by way of a first pari passu mortgage charge on immovable property (including land and building), current assets, and pledge over the Holding Company's investments in related party. Rate of mark-up applicable on these facilities ranges from three months KIBOR plus 90 basis points to three months KIBOR plus 100 basis points (December 31, 2019: three months KIBOR plus 75 basis points to three months KIBOR plus 100 basis points) per annum.

10. 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, 2019, except for the following:

10. Contingencies

10.1.1 Assessment of annual tax return (Tax year 2017)

In prior year, the Holding Company had filed a constitutional petition before the Sindh High Court (SHC) against the levy of super tax for tax year 2017 amounting to Rs. 42,329 based on the contention that Super Tax, passed by a money bill through the Finance Act, 2015 and subsequently extended through the Finance Acts 2016 and 2017, was required to be approved by the Senate. The SHC had initially granted an interim order in favour of the Holding Company. However, via its order dated July 21, 2020, the SHC has disposed of other cases involving the same matter in favour of the department. The Holding Company had already recorded a provision amounting to Rs 37,342 in respect of the aforementioned order in previous years while the remaining amount has been recorded during the current period.

10.1.2 Sales tax audit (Tax year 2017)

On April 23, 2020, the Holding Company received an order for tax year 2016 from the Assistant Commissioner Inland Revenue (ACIR) raising a demand of Rs. 87,492 which included default surcharge and penalty amounting to Rs. 29,645 and Rs. 2,755 respectively. The order was raised primarily on account of taxability of supplies made by the Holding Company as exempt and inadmissible input sales tax. The Holding Company filed an appeal on June 03, 2020 against the aforementioned order before the Commissioner Inland Revenue (Appeals) [CIR(A)] who, vide an order dated July 22, 2020, upheld the demand of the ACIR to the extent of Rs 112 on account of inadmissible input tax deduction and remanded back the remaining matters contained in the order to the ACIR for fresh consideration.

10.1.3 On April 27, 2018, the Officer Inland Revenue (OCIR) through an order raised a sales tax demand upon TGL of Rs. 97,283 along with a default surcharge arising due to inadmissibility of input sales tax credit related to civil works carried out on account of building and foundation of wind turbines. TGL filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on May 14, 2018 on the grounds that sales tax at 14% was paid on services for installation of wind project which is related to the core taxable activity for the business and is, therefore, admissible as per law. On July 14, 2020, the hearing of the case was fixed by CIR(A), wherein TGL presented its arguments. The decision of CIR(A) is pending. The management of TGL, based on the advice of its tax consultants, is confident of a favorable outcome of this matter. Accordingly, no provision has been recognized in this respect in this consolidated condensed interim financial information.

10.1.4 On December 28, 2017, TGL received an order in respect of Tax Year of 2016 from the Assistant Commissioner Inland Revenue (ACIR) amounting to Rs. 344,383 for alleged failure of TGL to deduct and deposit withholding tax amounting to Rs. 282,281 along with penalty and default surcharge of Rs. 33,874 and Rs. 28,228 respectively. TGL filed an appeal before the CIR(A) on January 17, 2018, who remanded the case back to ACIR for fresh consideration on January 24, 2018. The ACIR after fresh consideration again raised a demand of Rs. 344,383 on April 17, 2018 against which TGL filed another appeal with [CIR(A)] on May 28, 2018. Simultaneously, on the application by TGL, the High Court of Sindh granted stay against any recovery proceedings by the tax authorities on June 21, 2018. On June 30, 2019, TGL received another order citing similar issues regarding monitoring of withholding taxes for the Tax Year 2017 wherein a demand of Rs. 516,302 was raised.

(Amounts in thousand except for earning per share which is stated in Rupees)

The department has raised demand on the above matter in case of multiple IPP's. In the leading case on this matter the department has in principle agreed to concede on taxation of entire contract in Pakistan, provided arm's length split of the two contracts is substantiated, to ensure that appropriate profits have been attributed and taxed in Pakistan in terms of relevant clauses of Double Tax Treaty between Pakistan and the country of tax residence of the contractor. The facts in both cases in respect of contractual structure of EPC arrangements executed with the same Contractor are similar. Without prejudice to the position of TGL on the taxability of the contract, as a matter of abundant caution, a provision of Rs. 30,924 was made in 2019 in addition to the provision of Rs. 29,075 recognised in 2018. On June 15, 2020, CIR(A) remanded the case back to ACIR for fresh consideration for all tax years 2016, 2017 and 2018. The ACIR after fresh consideration again raised a demand of Rs. 59,943 for TY 2016 and Rs. 46 for TY 2018 on June 18, 2020. The order was based on the principle set out for the other IPPs of proration of goods and services. During the period TGL has settled all of its liabilities related to the case.

10.1.5 During the period, the Holding Company has provided Corporate Guarantee amounting to Rs. 225,000 to Habib Metropolitan Bank Limited to secure an unfunded facility for REL.

		Unaudited	
		For the half year ended	
		June 30,	June 30,
		2020	2019
		-----Rupees-----	
11	REVENUE - NET		
	Renewable energy		
	Project revenue (Solar)	1,163,010	1,542,474
	Solar lights	-	-
	Alternate Energy (Wind)	1,600,994	1,431,617
	Others	-	60
		2,764,004	2,974,151
	Textile		
	Fabric	1,706	3,179
		2,765,710	2,977,330
	Related to discontinued operations	(1,706)	(3,179)
		2,764,004	2,974,151

12 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:

	Unaudited			
	Quarter Ended June 30, 2020	June 30,2019 (restated)	Half year ended June 30, 2020	June 30,2019 (restated)
Continuing operations				
Profit for the period (attributable to the owners of the Holding Company)	573,815	354,498	550,189	570,676
Weighted average number of ordinary shares (in thousand)	59,297	59,293	59,295	59,293
Earnings per share	9.68	5.98	9.28	9.62
Discontinued operations				
Loss for the period (attributable to the owners of the Holding Company)	(2,677)	(8,754)	(5,676)	(14,683)
Weighted average number of ordinary shares (in thousand)	59,297	59,293	59,295	59,293
Loss per share	(0.05)	(0.15)	(0.10)	(0.25)

(Amounts in thousand)

13 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

13.1 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.

13.2 Fair value hierarchy

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

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

	As at June 30, 2020 (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)	-	11,244	-	11,244
<i>Financial assets at fair value through other comprehensive income</i>				
- Long-term investments (investments in unquoted equity shares)	-	-	15	15
	-	11,244	15	11,259
	-----Rupees-----			
	As at December 31, 2019 (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)	-	12,700	-	12,700
<i>Financial assets at fair value through other comprehensive income</i>				
- Long-term investments (investments in unquoted equity shares)	-	-	15	15
	-	12,700	15	12,715

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

(Amounts in thousand)

14 SEGMENT REPORTING

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

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

Segment analysis is as under:

	Renewable energy		Textile - discontinued operations		Alternate Energy		Unallocated		Total	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
-----Unaudited-----										
-----Rupees-----										

14.2

Revenue from contract with customers - net

Timing of revenue recognition

- At a point in time

- Over time

Cost of revenue

Segment gross profit / (loss)

Selling and distribution expenses

Administrative expenses

Other expenses

Other income

Finance cost

Share of profit from associate

Taxation

Segment net profit

-	1,939	1,706	3,179	-	-	-	-	1,706	5,118
1,163,010	1,540,595	-	-	1,600,994	1,431,617	-	-	2,764,004	2,972,212
1,163,010	1,542,534	1,706	3,179	1,600,994	1,431,617	-	-	2,765,710	2,977,330
(1,042,074)	(1,318,952)	(4,158)	(3,320)	(567,302)	(551,052)	-	-	(1,613,534)	(1,873,324)
120,936	223,582	(2,452)	(141)	1,033,692	880,565	-	-	1,152,176	1,104,006
(128,611)	(111,235)	(17)	(31)	-	-	-	-	(128,628)	(111,266)
(92,506)	(87,125)	(24,511)	(24,085)	(35,849)	(45,889)	(23,454)	(154)	(176,320)	(157,253)
(3,515)	-	-	-	-	(32,883)	(1,457)	(11,577)	(4,972)	(44,460)
16,151	5,398	21,304	9,574	9,945	5,317	7,742	6,885	55,142	27,174
(26,258)	(12,226)	-	-	(332,673)	(446,399)	(59,167)	(38,101)	(418,098)	(496,726)
-	-	-	-	-	-	290,907	358,686	290,907	358,686
(15,743)	-	-	-	-	(904)	(51,271)	(37,697)	(67,014)	(38,601)
(129,545)	18,394	(5,676)	(14,683)	675,115	359,807	163,299	278,042	703,193	641,560

14.3

	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
-----Rupees-----										
Segment assets	1,980,464	2,124,392	36,193	68,041	16,304,259	15,522,999	10,863,591	10,442,535	29,184,507	28,157,967
Segment liabilities	1,710,682	1,697,007	5,937	3,244	10,772,800	10,203,759	1,850,642	2,151,004	14,340,061	14,055,014

15 TRANSACTIONS WITH RELATED PARTIES

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

Relationship	Nature of transaction	Unaudited	Unaudited
		June 30, 2020	June 30, 2019
-----Rupees-----			
a. Associated companies			
Dawood Hercules Corporation Limited	Dividend income	155,864	701,387
	Reimbursable expenses by the Group	12,400	6,200
	Reimbursable expenses to the Group	27	-
Sach International (Private) Limited	Reimbursable expenses incurred by the Group	145	127
	Royalty charged by the Group	5,905	6,033
	Penalty charged against overdue receivables	1,325	485
	Rental Income	330	300
The Dawood Foundation	Expenses incurred by the Group	14,681	4,898
Engro Fertilizer Limited *	Rental Income	-	1,262
	Reimbursable expenses incurred by the Group	-	306
Fatima Fertilizer Limited	Rental Income	-	6,849

(Amounts in thousand)

		Unaudited June 30, 2020	Unaudited June 30, 2019
		-----Rupees-----	
	Reimbursable expenses incurred by the Group	-	12
Engro Energy Limited	Operations and maintenance expenses	181,456	173,365
	Project revenue	72,671	-
	Extra work	7,651	-
Enfrashare (Private) Limited	Project revenue	413,793	-
International Finance Corporation	Borrowing cost charged to Group	42,336	48,673
	Repayment of loan	152,429	129,140
	Supervision fee	2,237	2,304
	Accrued mark-up	43,032	55,610
b. Key management personnel	Salaries and benefits	28,391	25,164
	Retirement benefit	201	215
c. Directors	Meeting fees	1,600	1,950

*The entity has ceased to be a related party during the period due to change in common directorship on reconstitution of the board of directors.

16 NON-ADJUSTING EVENT AFTER STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors of the Holding Company in its meeting held on August 26, 2020 has approved an interim cash dividend of Rs. 4 (2019: Rs. cash dividend of Rs. 3) per share amounting to Rs. 237,199 (2019: Rs. 177,174) for the six months period ended June 30, 2020. This consolidated condensed interim financial statements do not recognize interim dividend from unappropriated profit as it has been declared subsequent to statement of financial position date.

17 DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial statements were authorized for issue on August 26, 2020 by the Board of Directors of the Holding Company.

Chief Executive

Director

Chief Financial Officer

اس مدت کے لئے مجموعی آمدنی 2,764 ملین روپے تھی جبکہ تقابلی مدت کے لئے 2,974 ملین روپے تھی۔ اس کی بنیادی وجہ شمسی توانائی کے منصوبوں سے ہونے والی آمدنی میں 385 ملین روپے کی کمی تھی جس کی وجہ ہوا سے چلنے والی توانائی کے ماتحت ادارے کی آمدنی میں 169 ملین روپے کا جزوی اضافہ ہوا۔ 291 ملین روپے (30 جون، 2019: 359 ملین روپے کے منافع کا حصہ) ایسوسی ایٹ سے منافع کے حصے کے سبب، اختتامی ششماہی کے لئے بعد از ٹیکس مستحکم منافع 703 ملین روپے رہا جو گذشتہ سال کی اسی مدت کے دوران 642 ملین روپے تھا۔ ہولڈنگ کمپنی کے مالکان سے منسوب فی حصص آمدن 9.18 روپے تھی جبکہ گذشتہ سال کی تقابلی مدت کے لئے یہ آمدن 9.38 روپے تھی۔

مستقبل کا جائزہ

قابل تجدید توانائی کا روبرو

موجودہ صورتحال میں حکومت کا قلیل المدت مقصد مارکیٹوں میں عوام کی زیادہ آمد و رفت سے بچنا اور اسے محدود کرنا، کاروبار کو محتاط رکھنا اور معاشی طور پر کمزوروں کو سہولت فراہم کرنا ہے، اور اس کے ساتھ ساتھ صحت کے غیر متوقع معاملات کا انتظام بھی کرنا ہے۔ جب کہ کم طلب کے ساتھ کم تیل اور اجناس کی قیمتیں برآمدات میں کمی کو بخوبی متوازن بنا سکتی ہیں جبکہ علاقائی اور عالمی سطح پر دیگر درپیش چیلنجز بھی ہیں جو وسیع معاشی مستقبل کو غیر یقینی بنا سکتے ہیں۔ اس موقع پر مجموعی معیشت پر COVID-19 کے طویل المدتی اثرات ابھی باقی ہیں جو مستقبل قریب میں طلب، تجارت اور سرمایہ کاری کے فیصلوں پر اثر ڈال سکتے ہیں۔

3 سال کی مزید مدت کے لئے اسٹیٹ بینک فنڈنگ کی تجدید قابل تجدید صنعت کے لئے اہم مثبت پیشرفت رہی ہے اور ای پی سی اور او اینڈ ایم سروسز میں دلچسپی رکھنے والے صارفین کے لئے فنڈز کے فرق کو ختم کرنے میں یقینی طور پر مدد کرے گی۔ اس کے علاوہ نئی قابل تجدید توانائی پالیسی کی منظوری اس صنعت کے لئے مثبت ترقی کا اشارہ ہے کیونکہ حکومت پاکستان واضح طور پر توانائی کے مختلف ذرائع میں قابل تجدید توانائی کو ترجیح دینے کا ارادہ رکھتی ہے۔

وینڈ انرجی پروجیکٹ

وینڈ پاور سیکٹر کو سرکلر ڈیٹ کے بھرپور اثرات کا ابھی بھی سامنا ہے اور حکومت کی طرف سے ادائیگیوں کو سختی سے روکا گیا ہے، جبکہ بقایا جات 6 ماہ کی بنیاد پر موجود ہیں۔ یہ صورتحال جاری رہنے کا امکان ہے کیونکہ حکومت توانائی کی قیمتوں کو کم کرنے کے لئے کوششیں جاری رکھے ہوئے ہے۔ کورونا وائرس کی وبا کی وجہ سے سی پی پی اے کے لئے کیش فلو کی صورتحال بھی خراب ہو گئی ہے کیونکہ وصولیوں میں نمایاں حد تک کمی واقع ہوئی ہے۔ تاہم، سی پی پی اے ترجیحی بنیادوں پر ٹیکس اور قرض کی ادائیگی کر رہی ہے۔ چیلنجوں میں بجلی کے خریدار (سی پی پی اے) کو فنڈز کی دستیابی میں کمی کے سبب حکومت کی جانب سے یوٹیلیٹی بلوں کی ادائیگی کے لئے اعلان کردہ امدادی پیکیج کے پیش نظر مزید رکاوٹیں آنے کا امکان ہے۔

اس کے ساتھ ساتھ اب، ٹرانسمیشن اور تقسیم کے شعبوں میں طویل تاخیر سے تنظیم نو اور اصلاحات پر توجہ دینے بغیر حکومت اب فعال طور پر آئی پی پی سے توانائی کی لاگت میں کمی کیلئے زور دے رہی ہے۔ بنیادی توجہ تھرمل پلانٹس کے لئے معاوضے کی ادائیگی کی صلاحیت اور تمام بجلی گھروں کے لئے قابل اطلاق محصولات میں کمی پر ہے۔ اس سلسلے میں، حکومت نے تھرمل آئی پی پی پیز اور وینڈ پاور پروڈیوسر دونوں کے ساتھ مفاہمت کی یادداشت پر دستخط کیے ہیں جس کے تحت ملک میں توانائی کی پیداوار کے اخراجات کو کم کرنے اور جمع ہونے والے سرکلر ڈیٹ کو کم کرنے کے سلسلے میں کچھ اسٹرکچرل اقدامات پر اتفاق کیا جا رہا ہے۔ تاہم، یہ وفاقی کابینہ، پھر، آئی پی پی پیز کے بورڈ آف ڈائریکٹرز، حصص یافتگان اور قرض دہندگان کی منظوری سے مشروط ہے۔ اگرچہ اس کے نتیجے میں صارفین کے لئے توانائی کی قیمتیں کم ہو سکتی ہیں، یہ یقینی طور پر طویل المدتی توانائی منصوبوں پر سرمایہ کاروں کے اعتماد کو متاثر کرے گی جو نئی متبادل اور قابل تجدید توانائی پالیسی کا بنیادی مرکز ہے۔

شاہد حمید پراچہ

چیئر مین

مجتبیٰ حیدر خان

چیف ایگزیکٹو آفیسر

کراچی، 26 اگست 2020

جبکہ دستیابی 98.0 فیصد ہدف کے مقابلہ میں 98.62 فیصد تھی۔ صحت، حفاظت اور ماحول (HSE) ترجیح رہی اور 401,899 محفوظ گھنٹے، زیر و انجری ریٹ اور TRIR کے ساتھ ریکارڈ کئے گئے۔ یہ پلانٹ 1,371 دن سے بغیر کسی انجری کے محفوظ طریقے سے چل رہا ہے۔

یہ پلانٹ، داؤد ہاؤس اور چائنا اور زنگھار کے ساتھ مل کر، اب کے الیکٹرک کو بجلی کی فراہمی کر رہا ہے۔ یہ انتظام مستحکم آپریشنز مہیا کر رہا ہے اور گرڈ کی بندش اور توانائی میں کمی دونوں میں کافی حد تک کمی واقع ہوئی ہے۔ 2020 کی دوسری سہ ماہی کیلئے کل NPMV، 0.06 گیگا واٹ تھی جبکہ اس کے مقابلے میں 2019 کی دوسری سہ ماہی کیلئے کل NPMV، 0.70 گیگا واٹ تھی۔ موجودہ سہ ماہی (34.89 گیگا واٹ) کے دوران جو کل توانائی فراہم کی گئی ہے وہ P90 کی سطح (50.5 گیگا واٹ) سے کم ہے۔ تاہم، 30 جون کو ختم ہونے والی سہ ماہی کے لئے، P90 کے خلاف فرق 2020 کی دوسری سہ ماہی کے مقابلے میں کم ہے۔ پلانٹ کو اس سہ ماہی کے دوران غیر معمولی طور پر کم ہوا کا سامنا کرنا پڑا اور یہ رجحان جولائی اور اگست میں بھی جاری رہنے کا امکان ہے۔ توقع ہے کہ 2020 کے دوران NPMV واقعات کم سے کم ہوں گے۔

موجودہ سہ ماہی کے دوران ہوا کی اوسط رفتار 7.0 میٹر/سیکنڈ تھی، جو P90 ہوا کی رفتار 7.80 میٹر/سیکنڈ سے کم ہے۔ گرمی کے مہینوں میں کم ہوا اور سردیوں کے مہینوں میں کافی حد تک تیز ہواؤں کے ساتھ ہوا کی رفتار میں تبدیلی کا نمایاں رجحان نوٹ کیا گیا ہے۔ یہ رجحان جنوری اور فروری میں دیکھا گیا تھا، لیکن مارچ کی ہوا کی رفتار P90 کی ویلیو پر تھی۔ ہوا کی رفتار میں کمی کا یہ رجحان اپریل سے جولائی 2020 کے عرصے میں بھی جاری رہا۔

مالیاتی جھلکیاں

کمپنی کی مجموعی مالیاتی جھلکیاں حسب ذیل ہیں:

ششماہی اختتام	ششماہی اختتام	
30 جون، 2020	30 جون، 2019	(روپے) ہزاروں میں
1,962	3,901	آمدنی - خالص
(9,546)	(1,423)	آمدنی کی لاگت
(7,584)	2,478	مجموعی (نقصان)/ منافع
80,005	38,919	دیگر آمدنی
142,699	669,280	جاری آپریشنز سے منافع قبل از ٹیکس
(5,676)	(14,683)	منقطع آپریشنز سے نقصان
(31,015)	(107,288)	فیکسیشن
106,008	547,309	منافع بعد از ٹیکس
2,708,349	2,293,821	گذشتہ حسابات سے موصولہ غیر مختص منافع
2,813,242	2,368,668	آئندہ حسابات کو متعلقہ غیر مختص منافع
1.78	9.23	آمدنی فی حصص - بنیادی اور مجموعی (روپیہ)

30 جون، 2020 کو ختم ہونے والی ششماہی کے دوران، ایسوسی ایٹ - داؤد ہر کولیس کارپوریشن لمیٹڈ کی جانب سے ڈیویڈنڈ آمدنی 30، جون، 2019 کو ختم ہونے والی مدت میں 701.39 ملین روپے کے مقابلے میں، 155.86 ملین روپے رہی۔

داؤڈارنس پورلیٹیڈ

ڈائریکٹرز کی جائزہ رپورٹ برائے اختتام ششماہی 30 جون 2020

کمپنی کے ڈائریکٹرز مسرت کے ساتھ 30 جون 2020 کو ختم ہونے والی ششماہی کے لیے اپنی رپورٹ مع کمپنی کے غیر آڈٹ شدہ، غیر انضمامی، مختصر، عبوری مالیاتی حسابات اور گروپ کے غیر آڈٹ شدہ، انضمامی، مختصر، عبوری مالیاتی حسابات پیش کرتے ہیں۔

کاروباری جائزہ

قابل تجدید توانائی کا کاروبار

پچھلے سال اسٹیٹ بینک گرین فنانسنگ اسکیم کی تجدید کے بعد، Reon نے ایک مستحکم پائپ لائن معاہدے کے ذریعے سال کا بھر پور آغاز کیا اور موجودہ سال میں اس پیش رفت کو جاری رکھنے کیلئے تیار ہے۔ تاہم COVID-19 جیسی عالمی وباء کے آغاز اور اس کے نتیجے میں صنعتی اور تجارتی لاک ڈاؤن کے سبب، اس سال کیلئے پیش بینی کا معاملہ بہت ہی غیر یقینی بن گیا۔ فوری اقدام کے طور پر کاروبار کے تسلسل کو یقینی بنانا تھا اور ان مشکل اوقات میں نقد رقوم کو محفوظ کرتے ہوئے استحکام کو یقینی بنانا تھا۔ کم ہوتی ہوئی طلب کی وجہ سے، زیادہ تر صارفین نے اپنے آرڈرز کو حتمی شکل دینے کے لئے حالات کے معمول پر آنے کا انتظار کیا۔ تاہم، ان غیر یقینی اوقات کے دوران بھی، Reon، 13 میگا واٹ کے سودے حاصل کرنے میں کامیاب رہا۔ لاک ڈاؤن کو ختم کرنے اور کم ہوتے ہوئے کورونا کیمرز کے بعد، ایسا لگتا ہے کہ اس معاشی سرگرمیوں میں ایک بار پھر اضافہ ہو رہا ہے۔ تاہم، اب، فوٹو وولٹیک پنلرو کی بڑھتی ہوئی قیمتیں، یہ رجحان جو پی وی صنعت میں غیر معمولی ہے، سال کے باقی حصے کے لئے مزید غیر یقینی صورتحال پیدا کر سکتا ہے۔ انڈسٹری میں توقع ہے کہ طلب میں اضافے کی وجہ سے یہ عارضی رجحان ہے کیونکہ معاشی سرگرمیاں ابھی بحال ہوئی ہیں اور اگلے سال کے آغاز کے قریب ان معاملات کو دوبارہ نارمل ہونا چاہئے۔

تیل کی قیمتوں میں برق رفتار کمی کا اثر ابھی تک مقامی توانائی کی قیمتوں پر نہیں دیکھا جاسکتا ہے جو پچھلے سال وزیر اعظم کی سبسڈی کو ہٹانے کے سبب تمام صارفین کے لئے بجلی کے نرخوں میں 3 روپے اضافہ کیا گیا تھا تو توانائی کی بڑھتی ہوئی قیمتوں نے Reon کے بنیادی کاروبار کے لئے سازگار ماحول پیدا کیا کیونکہ سٹش توانائی کو توانائی کی بڑھتی قیمتوں کے خلاف ایک سہولت کے طور پر دیکھا جاتا ہے۔

ریگولیٹری محاذ پر، حکومت پاکستان نے اب نئی قابل تجدید توانائی پالیسی کی منظوری دے دی ہے۔ پالیسی کا مجموعی مقصد 2025 تک قابل تجدید ذرائع سے شراکت میں 20 فیصد اور 2030 تک انشال صلاحیت سے 30 فیصد تک اضافہ کرنا ہے۔ جبکہ یہ وفاقی حکومت کے لئے ترجیحات میں ایک اہم تبدیلی کی نمائندگی کرتا ہے، اس کے اہداف کے حصول کی تفصیلات طے کرنا ابھی باقی۔ اگر مناسب طریقے سے عملدرآمد کیا جاتا ہے تو، سولر پی وی کو بٹنگ اور کارکردگی کے لحاظ سے اب اور 2030 کے درمیان بڑھتی ہوئی صلاحیت میں بڑی تبدیلی کا حامل ہونا چاہئے۔ اسٹوریج بھی طویل مدت میں وقفے وقفے سے قابل تجدید ذرائع کے زیادہ شرح فیصد کو مربوط کرنے میں مدد دینے میں اہم کردار ادا کر سکتا ہے۔ ہم 2022 تک ملک میں سولر پی وی اور اسٹوریج سلوشنز کی لاگت اور استعداد کی بنیاد پر گیس سے چلنے والے پلانٹس کے مقابلے میں کہیں بہتر پاتے ہیں۔

کوویڈ-19 کی عالمی وباء کے تناظر میں، کمپنی نے اپنے ملازمین اور کارکنوں کی حفاظت اور صحت کو یقینی بنانے کے لئے متعدد اقدامات کیے۔ پاکستان میں پہلے COVID کیس ظاہر ہوتے ہی دفاتر اور فیلڈ میں ضروری اقدامات کیے گئے۔ بعد ازاں، تمام دفتری عملے کے لئے گھر سے کام لازمی کر دیا گیا، جبکہ ملازمین کو سائٹ سے پہلے ہی غیر متحرک کر دیا گیا تھا۔ چونکہ حکومت کی طرف سے لاک ڈاؤن کو ختم کیا گیا ہے، کمپنی اپنے ملازمین کی حفاظت اور صحت کو اہم ترین ترجیح کے طور پر برقرار رکھے ہوئے ہے۔

وٹنری پر وجیکٹ

پلانٹ اطمینان بخش کام کر رہا ہے اور دستیابی اور BOP نقصان کے متوقع اہداف کو پورا کر رہا ہے۔ اس عرصے کیلئے BOP نقصان 2.5% کے ہدف کے مقابلے میں 0.91% تھا،

PHYSICAL SHAREHOLDERS

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

Dear Shareholder,

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

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

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

CDS SHAREHOLDERS

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

Dear Shareholder,

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

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

ELECTRONIC TRANSMISSION CONSENT FORM

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

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

Electronic Transmission Consent Form

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

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

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

Dear Shareholder,

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

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

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

Date: _____

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

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

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

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

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

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



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

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

info.reon@dawoodhercules.com
www.dawoodlawrencepur.com