



DAWOOD EQUITIES LIMITED

**Quarterly Report
March 31, 2021
(Un-Audited)**

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2021



DAWOOD EQUITIES LIMITED

Contents	Page
■ Corporate Objective.....	2
○ Our Vision.....	2
○ Our Mission.....	2
■ Company information.....	3
■ Directors' Report.....	4
■ ڈائریکٹرز کی رپورٹ	5
○ Condensed Interim Balance Sheet.....	6
○ Condensed Interim Profit & Loss Account.....	7
○ Condensed Interim Statement of Comprehensive Income	8
○ Condensed Interim Statement of Cash Flow.....	9
○ Condensed Interim Statement of Changes in Equity.....	10
○ Notes to The Financial Statement	11





Our Vision

Our vision is to be leader of “Brokerage industry” in Pakistan with a passion to endeavor maximum business opportunities. We strive to deliver results and perform to the highest standards

Our Mission

Our mission is to become a competitive, dynamic and growing brokerage house that provides competitive services, identifies investment opportunities and develops research based data and information.



DAWOOD EQUITIES LIMITED

Company Information

Board of Directors

Mr. Junaid Dada (Chairman)
Abdul Aziz Habib (Chief Executive)
Mr. Khalid Yousuf (Non executive Director)
Mr. Asim Iftekhar Yakoob (Independent Director)
Ms. Sobia Saif (Independent Director)
Syed Muhammad Abbas (Non executive Director)
Mr. Saifullah

Chief Financial officer & Company Secretary

Mr. Salman Yaqoob

Audit Committee

Mr. Asim Iftekhar Yakoob- Chairman
Mr. Khalid Yousuf
Ms. Sobia Saif

HR & R Committee

Mr. Asim Iftekhar Yakoob- Chairman
Syed Muhammad Abbas
Abdul Aziz Habib

External Auditor

Reanda Haroon Zakaria & Company
Chartered Accountants

Internal Auditor

Sajid & Co. Chartered Accountants

Legal Advisor

Rauf & Ghaffar Law Associates

Bankers

Bank Al Habib Limited
Habib Metropolitan Bank Limited
Bank Al Falah Limited
United Bank Limited
Albaraka Bank (Pakistan) Limited
MCB Bank Limited
The Bank of Khyber

Website

www.dawoodequities.com

Registered Head Office

17th Floor - Saima Trade Towers A,
I.I. Chindrigar Road, Karachi.
Phone No. 021-32271881-1883
Fax No. 021-32275086

Registered Branch Office

Room 409-410, 4th Floor, New Stock Exchange
Building, Stock Exchange Road, Karachi.
Phone No. 021-32418874, 32460744
Fax No. 021-32418873

Share Registrar

F.D Registrar Services (Pvt) Ltd
1705 17th Floor, Saima Trade Tower-A,
I.I. Chundrigar Road, Karachi.
Phone No. 021-35478192-93, 32271905
Fax. 021-32621233



DAWOOD EQUITIES LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders

On the behalf of Board of Directors of Dawood Equities Limited (DEL), we are pleased to present herewith the unaudited financial statements for the third quarter ended March 31, 2021.

FINANCIAL PERFORMANCE

The Company earned core operating revenue of Rs.101.18 million as compare to Rs. 30.26 million of the previous comparable period depicts an increase of 234.37% whereas operating profit stood at Rs.64.96 million as compare to Rs. 23.35 million of the previous comparable period. The company's profit after tax arrived at Rs. 41.99 million as compared to a profit of 9.20 million in the corresponding period last year translating to earnings per share of Rs.1.68.

The equity of your Company as at the balance sheet date is PKR 276.24 million (June 2020: PKR 227.91 million), which translates into book value per share of PKR 11.05 (June 30, 2020: PKR 9.12).

The summary of Financial Results is as follows:

	March 31, 2021 Rupees	March 31, 2020 Rupees
Operating Revenue	101,185,678	30,261,100
Operating Profit	64,967,767	23,351,458
Administrative Expenses	26,861,614	16,294,464
Profit / (Loss) after tax	41,993,750	9,209,184
Earnings per share basic and diluted	1.68	0.37

Junaid Dada
Chairman

Abdul Aziz Habib
Chief Executive Officer

Karachi: **April 28, 2021**



DAWOOD EQUITIES LIMITED

ڈائریکٹرز کی رپورٹ:

محترم حصص یافتگان

داؤد اکیویٹیز لمیٹڈ (DEL) کے بورڈ آف ڈائریکٹرز کی جانب سے، میں 31 مارچ 2021ء کو ختم ہونے والی نو ماہی کے لئے غیر نظر ثانی شدہ مالی حسابات پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

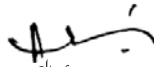
مالیاتی کارکردگی

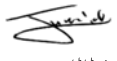
کمپنی نے گزشتہ سال کی اسی مدت میں 101.18 ملین روپے کے مقابلے موجودہ مدت میں 30.26 ملین روپے کی بنیادی آپریٹنگ آمدنی حاصل کی جو کہ % 234.37 فیصد کا اضافہ ظاہر کرتی ہے جبکہ آپریٹنگ منافع گزشتہ تقابلی مدت کا 64.96 ملین روپے کے مقابلے 23.35 ملین روپے رہا۔ کمپنی کا منافع گزشتہ سال کے اسی عرصے میں 41.99 ملین روپے منافع کے مقابلے 9.20 ملین روپے ہوا جس کے نتیجے میں فی حصص آمدنی 1.68 روپے رہی۔

آپ کی کمپنی اکیویٹیز لمیٹڈ کی تاریخ کے مطابق 276.24 ملین روپے (جون 2020 کے مطابق 227.91 ملین روپے) جو کہ حصص کی بک ویلو کے حساب سے 11.05 روپے (جون 2020 کے مطابق 9.12 روپے)

مالی نتائج کا خلاصہ حسب ذیل ہے:

31 مارچ 2020ء	31 مارچ 2021ء	
30,261,100	101,185,678	آپریٹنگ آمدنی
23,351,458	64,967,767	آپریٹنگ منافع
16,294,464	26,861,614	انظامی اخراجات
9,209,184	41,993,750	بعد از ٹیکس منافع (تقصان)
0.37	1.68	فی شیئر آمدنی بنیادی اور معتدل


عبدالعزیز حبیب
چیف ایگزیکٹو آفسر


جنید ڈاؤد
چیرمین

کراچی: 28 اپریل 2021



DAWOOD EQUITIES LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2021

		(Un-audited) March 31,	(Audited) June 30,
	Note	2021 Rupees	2020 Rupees
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	5	7,836,276	6,618,593
Intangible assets	6	6,000,000	6,000,000
Investment property	7	5,628,430	5,861,625
Long term investment	8	-	18,839,226
Long term deposit		1,887,500	1,887,500
Deferred tax asset		39,771,441	38,540,258
		<u>61,123,647</u>	<u>77,747,202</u>
Current Assets			
Short term investments	9	70,944,146	40,715,753
Trade debts		120,737,224	80,525,673
Receivable against margin finance		-	1,178,273
Trade deposits and short term prepayments		33,952,552	11,843,484
Other receivables		22,164,954	11,602,883
Tax refunds due from government		12,278,392	19,700,908
Cash and bank balances		27,941,438	2,655,060
		<u>288,018,707</u>	<u>168,222,034</u>
Total Assets		<u><u>349,142,354</u></u>	<u><u>245,969,236</u></u>
<u>EQUITY AND LIABILITIES</u>			
Capital and Reserves			
Authorized Share Capital			
30,000,000 Ordinary shares of Rs.10 each		<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed and paid up capital		249,965,000	249,965,000
Reserves		<u>26,281,738</u>	<u>(22,050,092)</u>
		276,246,738	227,914,908
Non Current Liabilities			
Rental deposits		25,000	25,000
Current Liabilities			
Trade and other payables		72,640,281	17,798,992
Dividend payable		230,336	230,336
		72,870,617	18,029,328
Contingencies	10		
Total Equity and Liabilities		<u><u>349,142,354</u></u>	<u><u>245,969,236</u></u>


Chief Executive


Director


Chief Financial Officer



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2021**

	<i>Nine Month Ended</i>		<i>Quarter Ended</i>	
	<i>March 31, 2021</i>	<i>March 31, 2020</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
	-----Rupees-----			
Gross revenue	101,185,678	30,261,100	41,594,325	10,937,171
Operating expenses	(36,217,911)	(6,909,642)	(15,013,195)	(3,246,425)
Net revenue	64,967,767	23,351,458	26,581,130	7,690,746
Capital gain on disposal of investments - net	5,997,977	1,484,233	810,630	296,232
Profit / (Loss) on remeasurement of investments carried at fair value through profit and loss	2,416,088	-	(4,042,872)	-
	73,381,832	24,835,691	23,348,888	7,986,978
Administrative expenses	(26,861,614)	(16,294,464)	(8,694,278)	(5,186,586)
	46,520,219	8,541,227	14,654,611	2,800,392
Other operating income	340,877	1,685,802	89,337	-
Financial charges	(41,789)	(48,296)	(17,324)	(5,193)
Profit before taxation	46,819,306	10,178,732	14,726,623	2,795,199
Taxation				
Taxation-net	(4,825,557)	(969,548)	(1,619,929)	(315,450)
Deferred				
Profit after taxation	41,993,750	9,209,184	13,106,695	2,479,749
Earning per share -Basic and Diluted	1.68	0.37	0.52	0.10

The annexed notes form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2021**

	<u>Nine Month Ended</u>		<u>Quarter Ended</u>	
	<u>March 31,</u> <u>2021</u>	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2021</u>	<u>March 31,</u> <u>2020</u>
	-----Rupees-----			
Profit for the period	41,993,750	12,338,636	13,106,695	2,479,749
Other comprehensive income				
Net change in fair value of financial assets held at fair value through other comprehensive income S.R.O. 278 (I)/2020. of SECP	-	(2,895,350)	-	(5,232,975)
Net change in fair value of financial assets held at fair value through other comprehensive income	6,338,080	(21,159,903)	-	(7,274,119)
Other comprehensive income / (loss) for the period	6,338,080	(24,055,253)	-	(12,507,094)
Total comprehensive income / (loss)	48,331,830	(11,716,617)	13,106,695	(10,027,345)

The annexed notes form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2021**

Description	Issued, subscribed and paid up capital	Capital			Reserves		Total	Total equity
		Gain/(loss) on remeasurement of AFS investment	Net change in fair value of financial assets as	Share premium	Revenue			
					Unappropriated loss			
----- Rupees -----								
Balance as at July 01, 2019	249,965,000	(12,896,239)	-	74,973,750	(88,002,040)	(25,924,529)	224,040,470	
Profit for the period ended July 2019 - March 2020					9,209,184	9,209,184	9,209,184	9,209,184
Unrealized (loss)/ gain on remeasurement relating to available for for sale investments carried from other Comprehensive income		(8,263,664)				(8,263,664)	(8,263,664)	(8,263,664)
Net change in fair value of financial assets held at fair value through other comprehensive income S.R.O. 278 (1)2020. of SECP			(2,895,350)			(2,895,350)	(2,895,350)	(2,895,350)
Balance as at March 31, 2020	249,965,000	(21,159,903)	(2,895,350)	74,973,750	(78,792,856)	(27,874,359)	222,090,641	
Balance as at July 01, 2020	249,965,000	(17,125,870)	-	74,973,750	(79,897,972)	(22,050,092)	227,914,908	
Profit for the period ended July 2020 - March 2021					41,993,750	41,993,750	41,993,750	41,993,750
Unrealized (loss)/ gain on remeasurement relating to available for for sale investments carried from other Comprehensive income		6,338,080				6,338,080	6,338,080	6,338,080
Balance as at March 31, 2021	499,930,000	(10,787,790)	-	74,973,750	(37,904,222)	26,281,738	276,246,738	

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2021**

	<i>(Un-audited)</i> <i>March 31,</i> <i>2021</i> <i>Rupees</i>	<i>Audited</i> <i>June 30,</i> <i>2020</i> <i>Rupees</i>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	46,819,306	14,613,237
Adjustment for non cash items:		
Depreciation	986,870	939,479
Gain on remeasurement of investment	(2,416,088)	(902,955)
Capital gain on disposal of investment	(5,997,977)	(3,922,893)
Dividend income	(53,391)	(171,949)
Bank profit	-	(897,780)
Financial charges	41,789	69,152
	<u>39,380,509</u>	<u>9,726,291</u>
(Increase) / decrease in current assets		
Trade debts	(40,211,551)	2,736,185
Other receivables	(10,562,071)	318,749
Receivable against Marginal finance	1,178,273	(1,178,273)
Trade deposits and short term prepayments	(22,109,068)	2,219,868
	<u>(71,704,417)</u>	<u>4,096,528</u>
(Decrease) / increase in current liabilities		
Trade and other payables	54,841,289	5,049,635
Dividend payable	-	-
	<u>54,841,289</u>	<u>5,049,635</u>
Taxes paid	1,365,776	(1,600,000)
Financial charges paid	(41,789)	(69,152)
	<u>1,323,987</u>	<u>(1,669,152)</u>
Net cash (used in) / generated from operating activities	<u>23,841,368</u>	<u>17,203,302</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,971,358)	(94,500)
Purchase of Intangible Asset	3,362,978	-
(Purchase) / Disposal of investments - net		(17,448,534)
Dividend received	53,391	171,949
Net cash generated from / (used in) investing activities	<u>1,445,011</u>	<u>(17,371,085)</u>
Net increase / (decrease) in cash and cash equivalents (A+B)	25,286,378	(167,783)
Cash and cash equivalents at the beginning of the period	2,655,060	2,822,842
Cash and cash equivalents at the end of the period	<u>27,941,438</u>	<u>2,655,060</u>

The annexed notes from 1 to 19 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer



DAWOOD EQUITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2021**

1 NATURE AND STATUS OF BUSINESS

Dawood Equities Limited (the Company) was incorporated in Pakistan as an unquoted public limited company on May 3, 2006 under the Repealed Companies Ordinance, 1984. The Company commenced commercial operations from October 03, 2006. Subsequently the Company obtained listing on the Pakistan Stock Exchange Limited (Formerly Karachi Stock Exchange Limited) on April 14, 2008. The registered office of the Company is situated at 1700-A, Saima Trade Towers, I.I. Chundrigar Road, Karachi. The Company's principal business is trading and brokerage of listed equities, underwriting and other investments.

2. BASIS OF PRESENTATION

2.1 Statement of Compliance

This condensed interim financial report of the company for the Nine months period ended March 31, 2020 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Repealed Companies Ordinance, 1984 have been followed.

This condensed interim financial report is unaudited but subject to limited scope review by auditors. This condensed interim financial report do not include all of the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2020.

2.2 Functional and Presentation Currency

This condensed interim financial report has been presented in Pakistan Rupees, which is the functional currency of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report is the same as those applied in the preparation of the financial statements for the year ended June 30, 2020.

Available for sale investments for which reliable estimate of market value is not available are measured at cost.

Certain standards, amendments and interpretations to the approved accounting standards are effective for accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or have any significant effect on the Company's operation and are therefore not detailed in this condensed interim financial report.

4. ESTIMATES

The preparation of this condensed interim financial report in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

In preparing this condensed interim financial report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June, 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2020.



DAWOOD EQUITIES LIMITED

		<i>(Un-audited)</i>	<i>(Audited)</i>
		<i>March 31,</i>	<i>June 30,</i>
		<i>2021</i>	<i>2020</i>
		<i>Rupees</i>	<i>Rupees</i>
5	PROPERTY AND EQUIPMENT		
	Opening net book value	6,618,593	7,463,572
	Add: Additions	1,971,358	94,500
	Depreciation	(753,675)	(939,479)
	Closing net book value	7,836,276	6,618,593
5.1	Following additions were made during the period		
	Furniture and fixture	1,090,000	40,000
	Computer equipment	693,388	-
	Land and building	76,970	-
	Motor vehicle	111,000	54,500
		1,971,358	94,500
6	INTANGIBLE ASSETS		
	Trading Rights Entitlement Certificates (TREC's)	2,500,000	2,500,000
	UNIVERSAL MEMBERSHIP RIGHT WITH PMEX	3,500,000	3,500,000
		6,000,000	6,000,000
7	INVESTMENT PROPERTY		
	Opening net book value	5,861,625	6,218,500
	Depreciation	(233,195)	(356,875)
	Closing net book value	5,628,430	5,861,625
8	LONG TERM INVESTMENT		
	Investment in shares of Pakistan Stock Exchange		
	Limited - available for sale	18,839,226	24,738,389
	Unrealized (Loss) / gain on remeasurement	-	(5,899,163)
	Reclassification to short term investments	(18,839,226)	
		-	18,839,226
		<i>(Un-audited)</i>	<i>(Audited)</i>
		<i>March 31,</i>	<i>June 30,</i>
		<i>2021</i>	<i>2020</i>
		<i>Rupees</i>	<i>Rupees</i>
9	SHORT TERM INVESTMENTS		
	At fair value through OCI	-	16,787,890
	At fair value through profit or loss	70,944,146	23,927,863
		70,944,146	40,715,753



DAWOOD EQUITIES LIMITED

10 CONTINGENCIES & COMMITMENTS

The status of contingencies as were reported in the financial statements for the year ended June 30, 2020 is same as follows:

- 10.1** The Company has filed a suit in the Honorable High Court of Sindh against one of its corporate client against recovery of Rs.75.436 million and proceedings are in process. Honorable High Court has appointed Commissioner for determination of amount. Currently 100% provision of Rs. 75.436 million has been made as ultimate outcome is uncertain.

11 TRANSACTION WITH RELATED PARTIES

Related parties comprises of major shareholders, associated companies with or without common directors, other companies with common directors, retirement benefits fund, directors, key management personal and their close family members.

	<i>Un Audited Nine Month</i>		<i>Un Audited Quarter ended</i>	
	<i>31-Mar-21</i>	<i>31-Mar-20</i>	<i>31-Mar-21</i>	<i>31-Mar-20</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Commission earned from brokerage transactions with member companies and key management personnel of members companies	<u>13,076,645</u>	<u>5,646,620</u>	<u>2,145,540</u>	<u>2,145,540</u>
Expenses paid to member companies	<u>180,000</u>	<u>120,000</u>	<u>60,000</u>	<u>60,000</u>
FDIBL and others Employee Provident Fund Employer's contribution paid	<u>367,676</u>	<u>273,924</u>	<u>88,530</u>	<u>88,530</u>

12 DATE FOR AUTHORIZATION FOR ISSUE

The Board of Directors of the Company authorized these interim financial statements for issue on April 28, 2021.

13 GENERAL

Amounts have been rounded off to the nearest rupee unless otherwise stated.



Chief Executive



Director



Chief Financial Officer



BOOK POST
Printed Matter

UNDER CERTIFICATE OF POSTING

if undelivered, please return to:
Dawood EQUITIES LIMITED
17th Floor - Saima Trade Towers A,
I.I. Chindrigar Road, Karachi.