

**FIRST DAWOOD INVESTMENT
BANK LIMITED**

Quarter Report
30 September 2023



FIRST DAWOOD INVESTMENT BANK LIMITED

CONTENTS

Corporate Information	2
Directors' Report	3
ڈائریکٹرز کی رپورٹ:	4
Condensed Interim Financial Position (Unaudited)	5
Condensed Interim Profit & Loss Account (Unaudited)	6
Condensed Interim Statement of Comprehensive Income (Unaudited)	7
Condensed Interim Statement of Changes in Equity (Unaudited)	8
Condensed Interim Cash Flow Statement (Unaudited)	9
Notes to the Financial Statement (Unaudited)	10

CORPORATE INFORMATION

Board of Directors	Mr. Christopher John Aitken Andrew Mr. Muhammad Rizwan-ul Haque Mr. Khurshid A. Khair Mr. Abu Khursheed M. Ariff Mr. Iqbal Ahmed Mr. Asad Ali Sheikh Mrs. Farhat Ali	Chairman Director & CEO (Subject to SECP approval) Director Director Director (Subject to SECP approval) Director (Subject to SECP approval) Director
Audit Committee	Mr. Abu Khursheed M. Ariff Mr. Khurshid A. Khair Mrs. Farhat Ali	Chairman Member Member
HR&R Committee	Mr. Khurshid A. Khair Mr. Abu Khursheed M. Ariff Mrs. Farhat Ali	Chairman Member Member
Chief Financial Officer & Company Secretary	Mr. Syed Musharaf Ali	
Auditors	J.A.S.B & Associates Chartered Accountants	
Head of Internal Audit	Mr. Sohail Ahmed	
Legal Advisor	Nishtar & Zafar	
Legal counsels	A.Q. Abbasi & Associates Ansari AG Legal Kabiraji & Talibuddin Khalil Asif Ejaz & Co. Malik and Malik Law Associates Raza Khalil Abbasi	
Bankers	Al-Baraka Islamic Bank Ltd. Bank Al-Habib Ltd. Habib Metropolitan Bank Ltd. MCB Bank Ltd.	
Registered Office Head Office	19 th Floor, Tower-B, Saima Trade Tower, I. I. Chundrigar Road, Karachi-74000 PABX: +92 (21) 32270182 FAX: +92 (21)3227-1912 Email : fdib@firstdawood.com URL : www.firstdawood.com	
Share Registrar	F.D. Registrar Services (Pvt) Ltd. 1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi-74000 Tel: +92 (21) 3547 8192-93 / 021-32771906 Fax : +92 (21) 3262 1233 / 021-32271905 Email: fdregistrar@hotmail.com, fdregistrar@yahoo.com	

DIRECTORS' REPORT

IN THE NAME OF ALLAH THE MOST COMPASSIONATE, THE MOST MERCIFUL

Dear Shareholders,

The Board of Directors of First Dawood Investment Bank Limited ("FDIBL" or the "Company") are pleased to present the interim financial statements of the Company for the period ended September 30, 2023.

Board Composition and Remuneration

1. The total number of directors are 7 as per the following:
 - a. Male: 06
 - b. Female: 01
2. The composition of the board is as follows:

Category	Names
Independent Director	Mr. Khurshid Abul Khair Mr. Abu Khursheed Muhammad Ariff
Non-Executive Directors	Mr. Muhammad Rizwan-ul Haque (Subject to SECP Approval)
Non-Executive Directors	Mr. Christopher John Aitken Andrew Mrs. Farhat Ali Mr. Asad Ali Sheikh (Subject to SECP Approval) Mr. Iqbal Ahmed (Subject to SECP Approval)

Composition of the Board of Directors and Board sub-committees is disclosed in the corporate information section of the report.

Non-Executive Directors are paid a reasonable and appropriate remuneration for attending the Board and/or its committees' meetings. This remuneration is not at a level that could be perceived to compromise independence. No fee is paid to the directors who do not attend a meeting. Similarly, fee is not paid for the proposals considered through circulation.

Financial Performance

Your company during first quarter of the financial year 2023-24 has reported before-tax profit of Rs.24.274 million as compared to Rs.21.640 million during corresponding period last year. The profit in current year is due to significant cash recoveries. Henceforth, the net-worth of your company has increased from Rs. 548.507 million to Rs. 583.977 million. The earning per share is 0.025 for the period under review.

Acknowledgement

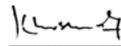
On behalf of First Dawood Investment Bank Ltd., we would like to express our gratitude to the worthy shareholders of the Bank for their support, State Bank of Pakistan, Securities and Exchange Commission and other regulatory bodies for their guidance and cooperation. We would especially like to recognize hard-work and dedication of our employees who in these testing times and adverse conditions have performed to the best of their abilities with utmost commitment, and look forward to their continued support.

We wish to pray for health & safety of all mankind against the prevailing pandemic, which continues to introduce new waves.

For and on behalf of the Board of Directors.



Chief Executive Officer

Director

October 24, 2023
Karachi.

ڈائریکٹرز کی رپورٹ

اللہ کے نام پر جو سب سے زیادہ رحم کرنے والا، سب سے زیادہ رحم کرنے والا ہے

پہلے شیئر ہولڈرز،

فرسٹ داؤد انویسٹمنٹ بینک لمیٹڈ ("ایف ڈی آئی بی ایل" یا "کمپنی") کے بورڈ آف ڈائریکٹرز 30 ستمبر، 2023 کو ختم ہونے والی مدت کے لئے کمپنی کے عبوری مالی گوشوارے پیش کرنے پر خوش ہیں۔

بورڈ کی تشکیل اور معاوضہ

1. مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد 07 ہے:

Category	Names
Independent Director	Mr. Khurshid Abul Khair Mr. Abu Khursheed Muhammad Ariff
Non-Executive Directors	Mr. Muhammad Rizwan-ul Haque (Subject to SECP Approval)
Non-Executive Directors	Mr. Christopher John Aitken Andrew Mrs. Farhat Ali Mr. Asad Ali Sheikh (Subject to SECP Approval) Mr. Iqbal Ahmed (Subject to SECP Approval)

رپورٹ کے کارپوریٹ انفارمیشن سیکشن میں بورڈ آف ڈائریکٹرز اور بورڈ کی ذیلی کمیٹیوں کی ساخت کا انکشاف کیا گیا ہے۔

نان ایگزیکٹو ڈائریکٹرز کو بورڈ اور / یا اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لئے معقول اور مناسب معاوضہ ادا کیا جاتا ہے۔ یہ معاوضہ اس سطح پر نہیں ہے جسے آزادی پر سمجھوتہ سمجھا جا سکے۔ ان ڈائریکٹرز کو کوئی فیس ادا نہیں کی جاتی ہے جو میٹنگ میں شرکت نہیں کرتے ہیں۔ اسی طرح گردش کے ذریعے غور کی جانے والی تجاویز کے لئے فیس ادا نہیں کی جاتی ہے۔

مالی کارکردگی

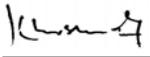
آپ کی کمپنی نے مالی سال 2023-24 کی پہلی سہ ماہی کے دوران 24.274 ملین روپے کا قبل از ٹیکس منافع حاصل کیا ہے جبکہ گزشتہ سال کے اسی عرصے کے دوران 21.640 ملین روپے کا منافع ہوا تھا۔ موجودہ سال میں منافع نمایاں نقد وصولی کی وجہ سے ہے۔ اس کے بعد آپ کی کمپنی کی خالص مالیت 548.507 ملین روپے سے بڑھ کر 583.977 ملین روپے ہو گئی ہے۔ فی حصص آمدنی 0.025 ہے۔ زیر نظر مدت کے لئے۔

اعتراف

فرسٹ داؤد انویسٹمنٹ بینک لمیٹڈ کی جانب سے ہم بینک کے مستحق شیئر ہولڈرز، اسٹیٹ بینک آف پاکستان، سیکیورٹیز اینڈ ایکسچینج کمیشن اور دیگر ریگولیٹری اداروں کی رہنمائی اور تعاون پر ان کا شکریہ ادا کرنا چاہتے ہیں، ہم خاص طور پر اپنے ملازمین کی محنت اور لگن کا اعتراف کرنا چاہتے ہیں جنہوں نے اس مشکل وقت اور نامساعد حالات میں انتہائی عزم کے ساتھ اپنی بہترین صلاحیتوں کا مظاہرہ کیا ہے۔ اور ان کی مسلسل حمایت کے منتظر ہیں۔

ہم موجودہ وبائی مرض کے خلاف تمام انسانیت کی صحت اور حفاظت کے لئے دعا کرنا چاہتے ہیں، جو نئی لہروں کو متعارف کرانے کا سلسلہ جاری رکھے ہوئے ہے۔

بورڈ آف ڈائریکٹرز کے لئے اور ان کی طرف سے۔


ڈائریکٹر


چیف ایگزیکٹو آفیسر



تاریخ: October 24, 2023

کراچی

CONDENSED INTERIM FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023

	Note	Unaudited SEPTEMBER 30, 2023 Rupees	Audited JUNE 30, 2023 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	6	2,815,097	3,191,066
Investment properties		138,512,316	131,545,474
Net investment in lease finance	7	-	-
Long-term investments	8	186,185,107	186,185,107
Long-term finances	9	-	-
Deferred tax asset	10	191,560,807	212,017,015
		519,073,327	532,938,662
CURRENT ASSETS			
Current portion of non-current assets	11	122,534,547	122,571,727
Short-term investments	12	149,456,082	150,235,436
Available for Sale investment held with Nazir SHC	8.2	61,339,620	61,339,620
Placements and finances	13	-	-
Asset classified held for sale		29,777,000	29,777,000
Loans , advances and prepayments		6,112,826	5,497,587
Mark-up accrued		591,484	554,304
Cash and bank balances		24,289,949	10,872,569
		394,101,508	380,848,243
		913,174,835	913,786,905
EQUITY AND LIABILITIES			
Ordinary shares		1,483,900,230	1,483,900,230
Reserves		461,558,399	458,550,629
Accumulated loss		(1,444,361,979)	(1,445,066,204)
		501,096,650	497,384,655
Surplus / (Deficit) on revaluation of investments		82,881,125	82,881,125
		583,977,775	580,265,780
NON CURRENT LIABILITIES			
Long-term loans	14	-	-
Lease Liabilities		10,029	10,029
		10,029	10,029
CURRENT LIABILITIES			
Current portion of long-term liabilities	15	252,118,905	255,418,905
Mark-up accrued		25,256,644	25,256,644
Short term borrowings	15.2	49,774,280	49,774,280
Accrued and other liabilities		1,492,871	2,622,802
Taxation		544,331	438,465
		329,187,031	333,511,096
CONTINGENCIES AND COMMITMENTS			
	16		
		913,174,835	913,786,905



Chief Executive



Director



Chief Financial Officer



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

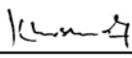
	<u>SEPTEMBER 30,</u>	<u>SEPTEMBER 30,</u>
	<u>2023</u>	<u>2022</u>
<i>Note</i>	<i><----- Rupees -----></i>	
INCOME		
Lease income	34,619	9,467
Return on deposits and investments	8,397,442	5,644,059
Income from long-term finances	37,180	265,562
	8,469,241	5,919,088
PROVISION / CHANGES IN FAIR VALUE		
(Provision) / reversal for lease losses and doubtful recoveries	24,589,120	24,996,016
	24,589,120	24,996,016
	33,058,361	30,915,104
EXPENDITURES		
Administrative expenses	(8,784,022)	(9,274,403)
Finance cost	(270)	-
	(8,784,292)	(9,274,403)
(LOSS) / PROFIT BEFORE TAXATION	24,274,069	21,640,701
TAXATION	(105,866)	(570,404)
Deferred Tax	(20,456,208)	(2,841,778)
Taxation	(20,562,074)	(3,412,182)
PROFIT/ (LOSS) AFTER TAXATION	3,711,995	18,228,519
Earning per share - basic	0.025	0.123
Earning per share - diluted	0.025	0.123



Chief Executive



Director




Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	<i>30-Sep</i> 2023	<i>30-Sep</i> 2022
	<i><----- Rupees -----></i>	
(Loss) / profit after taxation	3,711,995	18,228,519
Other comprehensive income		
Unrealized remeasurement gain/ (loss) on investment in associates	-	-
Unrealised gain/ (loss) on remeasurement of investment at FVOCI	-	-
	-	-
Total comprehensive (loss) / income for the period	<u>3,711,995</u>	<u>18,228,519</u>

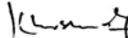
The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements



Chief Executive



Director




Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	Share Capital		Statutory Reserve	Premium on Right Issue	Capital Reserve on Acquisition	Revenue Reserve		Total
	Ordinary Shares	Preference Shares				Deficit on Revaluation of Investments	Accumulated Losses	
Balance at July 1, 2022	1,483,900,230	-	402,527,235	53,426,910	2,596,484	47,933,121	(1,460,105,051)	530,278,929
Total comprehensive income for the period	-	-	-	-	-	-	-	-
- Profit for the period	-	-	-	-	-	-	-	-
- Other comprehensive income	-	-	-	-	-	-	15,038,847	15,038,847
Share of Unrealised gain on remeasurement of associates investment	-	-	-	-	-	34,948,004	-	34,948,004
- Surplus on revaluation of investment - At fair value through OCI	-	-	-	-	-	-	-	-
Reclassification of gain to profit and loss account	-	-	-	-	-	-	-	-
Deferred Tax-OCI	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve	-	-	3,007,770	-	-	-	(3,007,770)	-
Balance as at June 30, 2023	1,483,900,230	-	405,535,005	53,426,910	2,596,484	82,881,125	(1,448,073,974)	580,265,780
Balance at July 1, 2023	1,483,900,230	-	405,535,005	53,426,910	2,596,484	82,881,125	(1,448,073,974)	580,265,780
Total comprehensive income for the period	-	-	-	-	-	-	3,711,995	3,711,995
- Profit for the period	-	-	-	-	-	-	-	-
- Other comprehensive income	-	-	-	-	-	-	-	-
Share of Unrealised gain on remeasurement of associates investment	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve	-	-	-	-	-	-	-	-
Reclassification of gain to profit and loss account	-	-	-	-	-	-	-	-
Deferred Tax-OCI	-	-	-	-	-	-	-	-
Balance as at September 30, 2023	1,483,900,230	-	405,535,005	53,426,910	2,596,484	82,881,125	(1,444,361,979)	583,977,775

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



Chief Executive



Director




Chief Financial Officer

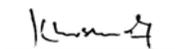
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	SEPTEMBER 30,	
	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	24,274,069	21,640,701
Adjustments:		
Depreciation	375,969	375,942
Finance Income	37,180	265,562
Lease Income	34,619	9,467
Finance cost	270	-
Provision / (reversal of provision potential lease)	(24,589,120)	(24,996,016)
	(24,141,082)	(24,345,045)
	132,987	(2,704,344)
Changes in operating assets and liabilities		
<i>(Increase) / decrease in operating assets</i>		
Net investment in lease finance	65,380	140,532
Long-term finances	160,000	7,650,000
Advances and prepayments	615,239	(290,481)
Mark up accrued	37,180	(265,562)
	877,799	7,234,489
	1,010,786	4,530,145
<i>Increase / (decrease) in operating liabilities</i>		
Accrued and other liabilities	1,129,931	(91,867)
	1,129,931	(91,867)
Tax paid	105,865	-
Net cash (used)/generated from operating activities	2,246,582	4,438,278
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	7,091,444	19,904,157
Short-term investments	779,354	(24,858,545)
Net cash (used)/generated from investing activities	7,870,798	(4,954,388)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Short Term Borrowings	3,300,000	3,300,000
Lease liabilities	-	(105,702)
Net cash (used in) from financing activities	3,300,000	3,194,298
Net increase / (decrease) in cash and cash equivalents	13,417,380	2,678,188
Cash and cash equivalents at beginning of the period	10,872,569	345,564
Cash and cash equivalents at end of the period	24,289,949	3,023,752

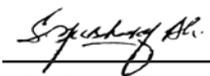
The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements



Chief Executive



Director



Chief Financial Officer

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2023

1. STATUS AND NATURE OF BUSINESS

- 1.1** First Dawood Investment Bank Limited ("the Company") was incorporated on June 22, 1994 as a public limited company in Pakistan under the Companies Ordinance, 1984 and is listed on the Karachi Stock Exchange. The registered office of the Company is situated in Karachi, Pakistan. The Company had obtained the licenses for Leasing Business and Investment and Finance Services under Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("the Rules") and Non Banking Finance Companies and Notified Entities Regulations, 2008 ("the Regulation") from the Securities and Exchange Commission of Pakistan (SECP) which have been expired and Company has filed an appeal in SECP Appellate Bench for renewal of license. Following the board and general shareholders' approvals; the company is in the process of executing necessary regulatory formalities to take an exit from 'Non-Banking Finance Company' (NBFC) sector and to operate as an ordinary listed company with a change in its principal line of business and change in Memorandum of Association. The regulator is in support of the aforementioned initiative. The aforesaid decision has been undertaken in view of non-renewal of investment banking license since 2009 by SECP and also due to the fact that financial sector in the country has become very competitive and now there is no exclusive area for smaller institutions. For example earlier, the lease financing was done by NBFC sector alone. Whereas, the company apart from leasing was also engaged in non-funded activities like; trustee to financial instruments, Bankers to publication, guarantees etc. Henceforth, the company has undertaken the decision to operate in an innovative way in the real estate, trading, services and allied sectors, which will also assist the company to earn fee based income.
- 1.2** The Company had applied for registration as a Debt Securities Trustee under Regulation 6(2) of Debt Securities Trustee Regulations, 2012 which was denied by SECP vide its order dated November 22, 2013 against which an appeal has been filed before appellate bench of SECP on December 17, 2013. The appeal is pending. The Company is acting as trustees to Term Finance Certificates / Sukuk issued by House Building Finance Company Limited (sukuk issue), New Allied Electronics Industries (Private) Limited, Saudi Pak Leasing Company Limited, Security Leasing Company Limited and Dewan Cement Limited. The value of assets under trustee as at September 30, 2023 amounted to Rs. 9.04 billion (June 30, 2023: Rs. 9.04 billion).

2. BASIS OF PREPARATION

- 2.1** This condensed interim financial information has been prepared in accordance with requirements of the International Accounting Standard (IAS) - 34 "Interim Financial Reporting" and the requirements of Non Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulation), the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), The Companies Act, 2017 (the Ordinance) and directives issued by the SECP. In case where requirement differs, the requirements of the Rules, the Regulations, the Ordinance or directives issued by SECP have been followed.
- 2.2** This condensed interim financial information does not include all of the information and disclosures required for annual financial statements and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2023.
- 2.3** This condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency.
- 2.4** This condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange and section 245 of The Companies Act, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies and method of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the Company's annual financial statements for the year ended June 30, 2023.
- 3.2** Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company and therefore not stated in this condensed interim financial information.

4. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the financial statements of the Company for the year ended June 30, 2023.

5. ACCOUNTING ESTIMATES AND JUDGEMENT

The basis for accounting estimates and judgment adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2023.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	<i>Note</i>	<i>September 30, 2023 Rupees</i>	<i>June 30, 2023 Rupees</i>
6. PROPERTY, EQUIPMENT AND INTANGIBLE			
Equipment and appliances		-	-
Vehicles		2,815,101	3,191,070
Intangible asset		-	-
		<u>2,815,101</u>	<u>3,191,070</u>
		<u>-</u>	<u>-</u>
7. NET INVESTMENT IN LEASE FINANCE			
Net investment in lease finance	7.1	417,632,496	417,697,876
Provision for potential lease losses		(364,268,537)	(364,333,917)
		53,363,959	53,363,959
Current portion		<u>(53,363,959)</u>	<u>(53,363,959)</u>
		<u>-</u>	<u>-</u>
7.1 Particulars of net investment in lease finance			
Minimum lease payments receivable		523,795,969	523,895,969
Residual value of leased assets		250,012	250,012
		<u>524,045,981</u>	<u>524,145,981</u>
Unearned finance income		-	-
Markup held in Suspense		(106,413,485)	(106,448,105)
Net investment in lease finance		<u>417,632,496</u>	<u>417,697,876</u>
7.1.1 The lease finances carry mark up ranging from 6M KIBOR plus spread of 2% to 5% (June 30, 2023): 6M KIBOR plus spread of 2% to 5%) per annum having maturity up to 5 years and are secured against leased assets.			
	<i>Note</i>	<i>September 30, 2023 Rupees</i>	<i>June 30, 2023 Rupees</i>
7.2 Provision for potential lease losses			
Opening balance		364,333,917	366,029,165
(Reversal) / charge for the period - net		(65,380)	(1,695,248)
Written off during the period		-	-
Closing balance		<u>364,268,537</u>	<u>364,333,917</u>
7.3 Current portion of lease finance			
Maturing within one year		417,632,496	417,697,876
Provision for potential lease losses		(364,268,537)	(364,333,917)
More Than One Year & Less Than Five Years		-	-
		<u>53,363,959</u>	<u>53,363,959</u>
8. LONG TERM INVESTMENTS			
Investment in unlisted	8.1	229,205,460	229,205,460
Saving Certificates		2,079,184	2,079,184
Investment transfer to Nazir		(45,099,537)	(45,099,537)
		<u>186,185,107</u>	<u>186,185,107</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

		<i>September 30, 2023</i>	<i>June 30, 2023</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
8.1 Investment in associates			
Opening balance		168,268,934	139,115,611
Share of reversal of deficit on revaluation of investments recognised in other income		-	-
Share of (loss) / gain		-	(5,794,681)
Disposal of Investment		-	-
Share of reversal of deficit on revaluation of investments at FVOCI recognised in other comprehensive income		-	34,948,004
		<u>168,268,934</u>	<u>168,268,934</u>
8.2 Investment held with Nazir SHC at FVOCI			
	30-Sep-23	30-Jun-23	
Number of Shares			
6,466,010	6,466,010	Dawood Family Takaful	45,099,537
1,477,823	1,477,823	Al Baraka Bank Pakistan Limited	16,240,083
			<u>61,339,620</u>
Remeasurement gain/ (loss) on investment of ABPL		-	1,529,683
Share of gain/(loss) on investment of DFTL		-	3,300,980
		<u>61,339,620</u>	<u>61,339,620</u>
9. LONG-TERM FINANCES			
Term finance facilities		152,074,628	152,234,628
Provision for doubtful finances		(82,904,040)	(83,026,860)
		69,170,588	69,207,768
Current portion	11	<u>(69,170,588)</u>	<u>(69,207,768)</u>
		-	-
		<i>September 30, 2023</i>	<i>June 30, 2023</i>
		<i>Rupees</i>	<i>Rupees</i>
9.1 Particulars of provision for doubtful finances			
Opening balance		83,026,860	105,102,672
(Reversal) / charge for the period - net		(122,820)	(22,075,812)
Provision during the period		-	-
Closing balance		<u>82,904,040</u>	<u>83,026,860</u>

10. DEFERRED TAX ASSET

Deferred tax asset is recognized in respect of carry forward assessed tax losses/deductible temporary differences to the extent it is probable that there will be future taxable profits against which these losses/deductible temporary differences can be utilized. The Company has prepared a five year business plan which has been approved by the Board of Directors. The said plan involves certain key assumptions underlying the estimation of future taxable profits including injection of fresh equity. The determination of future taxable profit is directly related and sensitive to certain key assumptions such as recoveries of outstanding lease and long term finances, resumption of licenses, expected return on investments and bank balances etc. Any change in the key assumptions may have an effect on the realizability of the deferred tax asset. The Board and management believes that it is probable that the Company will be able to achieve the profits projected in the business plan and deferred tax amounting to Rs. 191.561 million will be realised in the future.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	<i>Notes</i>	<i>September 30, 2023 Rupees</i>	<i>June 30, 2023 Rupees</i>
10.1 TAXATION			
Current Year		105,866	438,465
Deferred Tax		20,456,208	46,740,671
Prior Year		-	-
		<u>20,562,074</u>	<u>47,179,136</u>
11. CURRENT PORTION OF NON-CURRENT ASSETS			
Net investment in lease finance	7	53,363,959	53,363,959
Long-term finances		69,170,588	69,207,768
Long-term loans		-	-
		<u>122,534,547</u>	<u>122,571,727</u>
12. SHORT TERM INVESTMENTS			
Held-for-trading			
Listed ordinary shares		377,664	377,664
Available-for-sale			
Term finance certificates / sukuk bonds/ Musharaka		149,456,082	150,235,436
Unquoted securities		16,240,083	16,240,083
		<u>165,696,165</u>	<u>166,475,519</u>
Less: provision for impairment in preference shares		(377,664)	(377,664)
Held with Nazir of SHC against HBFC Case		<u>(16,240,083)</u>	<u>(16,240,083)</u>
		<u>149,456,082</u>	<u>150,235,436</u>
13. PLACEMENTS AND FINANCES			
Placement and finance- unsecured		-	-
Provision for doubtful finances		-	-
		-	-
Financing against shares		155,158,994	155,185,305
Provision for doubtful finances		(155,158,994)	(155,185,305)
		-	-
Short-term finance - secured		11,300,000	11,300,000
Provision for doubtful finances		(11,300,000)	(11,300,000)
		-	-
Certificates of deposit		5,000,000	5,000,000
Provision for doubtful finances		(5,000,000)	(5,000,000)
		-	-
Morabaha / musharika finances		7,980,667	7,980,667
Provision for doubtful finances		(7,980,667)	(7,980,667)
		-	-
		<u>-</u>	<u>-</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	<i>Note</i>	<i>September 30, 2023 Rupees</i>	<i>June 30, 2023 Rupees</i>
14 LONG TERM LOANS			
<i>Secured</i>			
Commercial Banks	15	252,118,905	255,418,905
		252,118,905	255,418,905
Current portion		(252,118,905)	(255,418,905)
		<u>-</u>	<u>-</u>
15 CURRENT PORTION OF LONG TERM LIABILITIES			
Long term loans	14	255,418,905	279,518,905
Repayment During the Quarter		(3,300,000)	(24,100,000)
Lease Liabilities		-	-
		<u>252,118,905</u>	<u>255,418,905</u>

15.1 The markup has been reversed based on legal opinion sought and no markup is shown in the external confirmation circulated by the external auditor.

15.2 SHORT TERM BORROWINGS*Unsecured*

Development Financial Institution	49,774,280	49,774,280
	<u>49,774,280</u>	<u>49,774,280</u>

15.3 Since the pro-rata release of securities explained in note 13, therefore the company was compelled to adjust the cash & securities held by the Nazir of High court to repay the remaining monthly installments, after the first two installments, which were promptly paid in cash along with markup at rate determined by JCR-VIS credit rating agency i.e. 4.70%. The management is of the opinion that repayments were appropriately made by the company under the situation and that HBFC would not have any additional claim, once the 12-month period awarded by Honorable Supreme Court of Pakistan comes to an end and the repayments, whether in cash or in form of securities (to be released by nazir SHC) are timely made by the company. Thus to create an unnecessary dispute, the DFI has filed execution in the High court, FDIBL filed an appeal in the High Court against Order. JCR-VIS is an acceptable and justified rate, because it can be verified / recalculated from books of account of HBFC as well. The sum as per aforesaid calculation i.e. as per JCR continues to reflect as accrued liability in the company's account. The company has also filed a petition in the Honorable Hogh Court of Sindh against State Bank of Pakistan for determining cost of fund @ 34.64% which is much higher than the current base interest rate.

	<i>September 30, 2023 Rupees</i>	<i>June 30, 2023 Rupees</i>
16 CONTINGENCIES AND COMMITMENTS		
16.1 Contingent liabilities		
Letters of comfort / guarantee	715,000,000	1,088,000,000
	<u>715,000,000</u>	<u>1,088,000,000</u>

The guarantees worth Rs. 715.0 million (June 30, 2022: Rs. 715.0 million) are under litigations and are being defended by lawyers of the Company. Based on the opinion of legal advisors of the Company, the management is confident that adequate legal grounds are available to defend these cases. Accordingly, no provision is required to be made for the said cases in this condensed interim financial information. Brief detail of the guarantees under litigations is as under:

- iii. A guarantee of Rs 465 million against the repayment of sukuk has been called which is currently under litigation. Based on the opinion of the legal advisors of the Company, the Company has good merits to defend the case as the guarantee never became operational due to default on the part of trustee of the sukuk issue.
- IV. A guarantee of Rs. 250 million against the repayment of sukuk was called as the principal debtor defaulted in payment of installments of the said sukuk. The Trustee of the sukuk has filed a recovery suit against the Company in the SHC, which is pending adjudication. Based on opinion of the legal advisors of the Company, the Company has good merits to defend the case as in its view the guarantee never became operational on technical grounds of non-fulfillment of pre-conditions.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

17 TRANSACTIONS WITH RELATED PARTIES

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

Details of transactions with related parties and balances with them as at period / year-end are as follows: -

	September 30, 2023		June 30, 2023	
	Key Management Personnel	Associates/ Related Parties	Key Management Personnel	Associates/ Related Parties
	----- Rupees -----			
Investment in associate				
Balance at beginning of the period / year	-	168,268,934	-	139,115,611
Share of Loss from Associate	-	-	-	-
Disposal of Investment	-	-	-	(5,794,681)
Share of reversal of deficit on revaluation of investments classified in other comprehensive income	-	-	-	-
	-	-	-	34,948,004
Balance at end of the period / year	-	168,268,934	-	168,268,934
Long term finances / loans				
Short term Loan	-	83,000,000	-	110,000,000
Unearned rent	-	-	-	-
Long term finance	-	-	-	-
Term Finance Certificates / Sukuk bonds	-	-	-	-
Disposal of Fixed Asset Cost	-	-	-	-
	-	83,000,000	-	110,000,000
Charge to profit and loss account				
Common expenses paid	-	158,446	-	487,456
Share of (loss) / profit from associate	-	-	-	548,524
Share of common expenses received	-	-	-	-
Rental income	-	-	-	-
Rental expense	-	30,000	-	120,000
Takaful expense	-	43,808	-	193,896
	-	232,254	-	1,349,876

18 DATE OF AUTHORIZATION FOR ISSUE

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

19 GENERAL

Figures have been rounded off to the nearest Rupee.



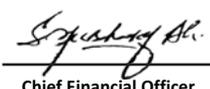
Chief Executive



Director



Chief Financial Officer

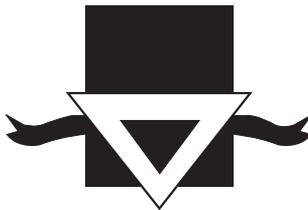


BOOK POST



If undelivered, Please return to:

FIRST DAWOOD INVESTMENT BANK LTD
19th Floor, Tower-B, Saima Trade Tower,
I. I. Chundrigar Road, Karachi-74000



FIRST DAWOOD INVESTMENT BANK LIMITED

Head Office:

19th Floor, Tower-B, Saima Trade Tower, I. I. Chundrigar Road, Karachi-74000

PABX: +92 (21) 32602401 - 06 FAX: +92 (21)3227-1912

Email : fdib@firstdawood.com URL : www.firstdawood.com