



# DAWOOD EQUITIES LIMITED

TREC HOLDER PAKISTAN STOCK EXCHANGE LIMITED - TREC NO. 058  
MEMBER OF PAKISTAN MERCANTILE EXCHANGE - PMEX CODE 195

Date: June 4, 2026

**The Deputy General Manager**  
Companies Affairs Department  
**Pakistan Stock Exchange Ltd.**  
Stock Exchange Building  
Stock Exchange Road  
Karachi- 74000

**SUBJECT: ESTABLISHMENT OF ISLAMIC BROKERAGE WINDOW OPERATIONS.**

Dear Sir,

In accordance with Section 96 and 131 of the Securities Act, 2015 and Clause 5.6.1(a) of PSX Regulations, we would like to convey that Al Hilal Shariah Advisors (Pvt.) Limited have issued Shariah opinion for Dawood Equities Limited ("DEL") in relation to the establishment of its Islamic Brokerage Window. Al Hilal Shariah Advisors (Pvt.) Limited has been engaged to guide and support Dawood Equities Limited throughout the setup of Islamic Brokerage Window, including advising on Shariah requirements, overseeing implementation process and providing ongoing Shariah oversight to ensure continued compliance of Islamic Brokerage Window operations.

Further, Dawood Equities Limited on the basis of opinion issued by Al Hilal Shariah Advisors (Pvt.) Limited applied to regulator for required approval for commencement of Islamic Brokerage Window operations.

Disclosure form in term of Section 96 and 131 of the Securities Act, 2015 is attached for information.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours faithfully,

For Dawood Equities Limited

**Salman Yaqoob**  
Chief Financial Officer  
& Company Secretary



**Head Office:**

17th Floor, Saima Trade Towers-A,  
I.I. Chundrigar Road, Karachi.  
Tel: (92-21) 32271881-83 Fax: (92-21) 32275086  
Email: info@dawoodequities.com

**Stock Exchange Branch:**

Room # 409, 410, New Stock Exchange Building,  
Stock Exchange Road, Karachi.  
Tel: (92-21) 32418873-74

For Branches Please Visit: [www.dawoodequities.com](http://www.dawoodequities.com)



# DAWOOD EQUITIES LIMITED

TREC HOLDER PAKISTAN STOCK EXCHANGE LIMITED - TREC NO. 058  
MEMBER OF PAKISTAN MERCANTILE EXCHANGE - PMEX CODE 195

## SCHEDULE DISCLOSURE FORM

Date: June 4, 2026

Name of Company : Dawood Equities Limited  
Registered Office : 17<sup>th</sup> Floor Saima Trade Tower – A I.I Chundrigar Road Karachi  
Contact Information : Chief Financial Officer & Company Secretary  
Telephone No.: 021-32275200  
Email Address: salman@dawoodequities.com

### Disclosure of inside information by listed company in terms of Section 96 and 131 of the Securities Act, 2015.

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June 02, 2026



AHSA/BRKG/DEL/001/561

الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

### **Shariah Opinion (Fatwa) on Dawood Equities Limited**

We, Al Hilal Shariah Advisors (Pvt.) Limited (“Al Hilal”), have issued this Shariah opinion for Dawood Equities Limited (“DEL”) in relation to the establishment of its Islamic Brokerage Window. Al Hilal has been engaged to guide and support Dawood Equities Limited throughout the setup of Islamic Brokerage Window, including advising on Shariah requirements, overseeing implementation process and providing ongoing Shariah oversight to ensure continued compliance of Islamic Brokerage Window operations.

#### **About the Company:**

Dawood Equities Limited (DEL) was incorporated under the Companies Ordinance 1984 on May 3, 2006 as public limited company. DEL commenced commercial operations from October 03, 2006. DEL is also registered under the Securities and Exchange Commission of Pakistan as a broker. The company is a licensed TRE Certificate Holder of Pakistan Stock Exchange Limited.

#### **Engagement:**

To support the establishment of its Islamic (Shariah compliant) Brokerage Window, Dawood Equities Limited has engaged Al Hilal Shariah Advisors (Pvt.) Limited (“Al Hilal”) to guide, oversee, and certify the Islamic Brokerage Window setup. Al Hilal is also providing ongoing Shariah oversight to ensure that Islamic Brokerage Window’s operations remain fully aligned with applicable Shariah guidelines issued by the Shariah Advisor, Pakistan Stock Exchange (PSX) and the Securities and Exchange Commission of Pakistan (SECP), including the PSX proposed amendments to its Regulations relating to Shariah compliant securities trading under Chapter 4A. Dawood Equities Limited has committed to operationalize the Islamic Brokerage Window within defined implementation timeline and to maintain strict segregation and compliance of its Islamic Brokerage Window activities on an ongoing basis.



**Business Model:**

Al Hilal Shariah Advisors has developed a comprehensive set of Shariah guidelines governing the operational business model of Islamic Brokerage Window of Dawood Equities Limited which are summarized below:

**Transactions:**

1. All transactions in securities conducted through Islamic Brokerage Window shall be restricted exclusively to Shariah compliant securities/scrips approved by the Shariah Advisor. Such approvals shall be based on the eligibility criteria and financial screening thresholds prescribed by the Securities and Exchange Commission of Pakistan under the Shariah Governance Regulations, 2023, as well as any other applicable rules, regulations, guidelines, circulars, or statutory regulatory orders (SROs) issued from time to time.
2. All transactions executed through Islamic Brokerage Window shall be executed in Ready counter and/or Negotiated deals market only or any other counter that is approved by the Shariah Advisor from time to time.
3. No transactions involving derivatives, futures, options or similar instruments shall be undertaken through the Islamic Brokerage Window, unless a Shariah compliant alternative has been expressly approved by the Shariah Advisor. Furthermore, no trading or investment shall be made in companies engaged in Shariah non compliant business activities.
4. Dawood Equities Limited shall, to the best of its ability, implement systems, controls, and procedures to prevent clients of Islamic Brokerage Window from executing short selling or blank selling transactions or any other Shariah non compliant transactions.
5. Dawood Equities Limited shall provide only Shariah compliant financing or leverage to clients of Islamic Brokerage Window, either directly or through Shariah approved third-party arrangements. No conventional lending, margin financing or interest-based leverage shall be offered under Islamic Brokerage Window.
6. Dawood Equities Limited shall ensure that clients opting for Islamic Brokerage Window are facilitated with the necessary mechanisms, disclosures and controls to conduct their transactions in a Shariah compliant manner.



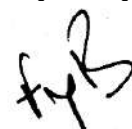
7. Dawood Equities Limited shall disseminate the applicable dividend purification ratios for Shariah compliant securities to its Islamic Brokerage Window clients, on a quarterly or other periodic basis, through its website, statements or any other reasonable communication channel. Responsibility for actual purification of income shall remain with the client.
8. Dawood Equities Limited shall maintain strict segregation between Islamic brokerage activities conducted through Islamic Brokerage Window and its conventional brokerage operations, including segregation of systems, processes, records and controls to prevent any commingling.

#### **Back office and client funds**

9. All client funds relating to Islamic Brokerage Window shall be maintained exclusively with Islamic banks or Islamic Banking Windows of commercial banks.
10. A special approval from Shariah Advisor shall be required to maintain accounts with conventional banks. Only non-remunerative accounts in conventional banks may be allowed on the discretion of the Shariah Advisor.
11. Any amounts placed with any other entity including but not limited to National Clearing Company of Pakistan Limited, Pakistan Stock Exchange, Central Depository Company, etc shall be placed in Shariah compliant accounts.
12. If for any reason whatsoever, a Shariah compliant account is not available, any return earned on the amounts placed shall be paid out in charity as per the Charity Policy.

#### **Proprietary Funds and internal policies.**

13. Any investments made from the proprietary funds of Dawood Equities Limited related to Islamic Brokerage Window shall be restricted exclusively to Shariah compliant investments approved by the Shariah Advisor.
14. Dawood Equities Limited shall not borrow or utilize interest-based financing in any form for its Islamic Brokerage Window operations. Any financing, if required, shall be obtained only through Shariah compliant arrangements and subject to prior approval



of the Shariah Advisor. Any Shariah non compliant borrowings acquired by the conventional arm of the company shall not be utilized for the Islamic Brokerage Window.

15. All Marketing material relating to Islamic Brokerage Window shall be in line with Shariah principles and shall only be published / disseminated after approval of the Shariah Advisor
16. All employee contracts in Islamic Brokerage Window operations shall be in line with Shariah principles and any employee retirement funds shall be invested in Shariah compliant avenues only.
17. All assets, human capital associated with Islamic Brokerage Window if insured shall be done through Takaful.
18. Dawood Equities Limited shall ensure to develop such mechanisms to ensure strict compliance to Shariah guidelines and any regulatory requirements with regards to Islamic Finance
19. Dawood Equities Limited shall ensure that all transactions executed through its platforms, systems, and distribution channels under Islamic Brokerage Window are conducted with transparency, honesty, and professional diligence, and are free from deception, misrepresentation, or unethical practices.

In view of above, Al Hilal Shariah Advisors (Pvt.) Limited (the “Shariah Advisor”) has conducted a review of the Islamic Brokerage Window of Dawood Equities Limited, including its business model, operational framework, trading and settlement processes, governance arrangements, and supporting documentation provided, for the purpose of assessing compliance with principles of Islamic finance.

Based on the information and representations made available to us; the following has been observed:

- a. Dawood Equities Limited has established Islamic Brokerage Window as a distinct and identifiable setup, with appropriate segregation of client accounts, trading books, client codes, system controls, and financial reporting from conventional brokerage operations.
- b. The trading framework of Dawood Equities Limited for Islamic Brokerage Window has been configured to restrict transactions strictly to Shariah compliant securities.



System based and procedural controls are in place to prevent prohibited activities such as short or blank sale, margin or interest-based financing, trading in derivatives along with any other Shariah non compliant transactions.

- c. Any exception to the above prohibited activities, if permitted under specific circumstances, shall be subject to prior review and approval of the Shariah Advisor.
- d. Islamic specific account opening documentation and related client disclosures have been drafted in the form of addendums with the guidance of the Shariah Advisor. These documents appropriately reflect Shariah requirements, including trading restrictions, purification responsibility and divestment obligations.
- e. Dawood Equities Limited has implemented banking and cash management arrangements to ensure that Islamic clients are maintained with Islamic banks or Shariah approved Islamic banking windows. Any use of conventional banking accounts where necessary is subject to Shariah Advisor's approval and restricted to non-interest bearing accounts
- f. Dawood Equities Limited follows the back-office operations, settlement processes and client fund management guidelines applicable to Islamic Brokerage Window in their entirety. Systems and procedures are in place to prevent commingling of Islamic and conventional funds and to ensure that Islamic client funds flow only through approved Islamic banking channels.
- g. Comprehensive internal controls have been implemented across all trading channels including online trading platforms, phone based trading and email or manual instructions to ensure that all transactions executed through the Islamic Brokerage Window remain compliant with Shariah requirements.
- h. Mechanisms have been developed to ensure compliance with Shariah requirements relating to proprietary funds, including segregation, investment restrictions and internal approvals. The policies governing proprietary investments and related internal controls are aligned with Shariah guidelines applicable to Islamic Brokerage Window.
- i. A Shariah screening and monitoring framework has been put in place to ensure that trading through Islamic Brokerage Window is restricted to securities included in Shariah compliant list issued by the Shariah Advisor. Systems are configured to block



non compliant sectors, delisted or reclassified securities, and to implement updates whenever revisions to the approved list are issued.

- j. Dawood Equities Limited has established a charity and purification infrastructure, including policies and processes for identification, calculation, segregation and disbursement of any Shariah non compliant income, in accordance with Shariah principles and prescribed timelines.
- k. A structured mechanism has been established for the timely dissemination and communication of applicable purification (charity) rates to Islamic clients to facilitate proper purification of any non compliant income associated with their investments.
- l. The internal policies of Dawood Equities Limited relevant to Islamic Brokerage Window have been reviewed and are found to be aligned with Shariah guidelines.

#### **Conditional Exemptions:**

- a. Dawood Equities Limited maintains a non-remunerative account with a conventional bank for settlement purposes with the National Clearing Company of Pakistan Limited. As the account is non-interest bearing and shall be used strictly for operational clearing and settlement requirements, the Shariah Advisor has reviewed the arrangement and granted approval considering the nature and purpose of the account.
- b. At present, Pakistan Stock Exchange and Securities and Exchange Commission of Pakistan have not yet issued specific Islamic account opening forms or disclosures. Therefore, with the approval of Shariah Advisor, Dawood Equities Limited shall temporarily use the existing PSX-approved account opening documentation for clients opting for Islamic brokerage services. These clients shall be identified and segregated at system level and shall be governed through Islamic specific addendums that are drafted in consultation with the Shariah Advisor, outlining the relevant Shariah requirements such as trading restrictions, purification and divestment obligations. This arrangement will remain in place until PSX and SECP introduce standardized Islamic account opening documentation in near future.

#### **Continuous Monitoring**

Al Hilal shall perform continuous monitoring on the operations and activities of Islamic Brokerage Window of Dawood Equities Limited for its compliance with the Shariah Principles. The continuous monitoring exercise shall include the following:

- a. Identification of Shariah non compliant income and ensuring its purification by through charity.
- b. A quarterly Shariah review of the Islamic Brokerage Window of <Brokerage Name> for Shariah compliance.
- c. A comprehensive Shariah Audit on an annual basis for operational activities of the Islamic Brokerage Window of Dawood Equities Limited and upon satisfaction, issuance of a Shariah review report/Shariah pronouncement to be published with the annual financial statements of Dawood Equities Limited for public dissemination if required by the regulatory procedures.
- d. The review shall focus on trading, investments, settlements, operations, compliance and other aspects of the Islamic Brokerage Window.
- e. Continuous enhancement of Shariah guidelines to further strengthen the process of Shariah Compliance and adherence to Islamic principles.
- f. The Shariah Advisor shall also meet the Board of Directors of Dawood Equities Limited at least twice a year or any other frequency as required by the Shariah Governance Regulations 2023.

### Opinion

In light of above, Al Hilal Shariah Advisors is of the view that Islamic Brokerage Window of Dawood Equities Limited is complying with Islamic financial principles and Shariah guidelines issued by the Shariah Advisor. Any Shariah non compliant income earned in the interim period shall be purified through charity as per Charity Policy.

Therefore, it is resolved that Dawood Equities Limited be granted the status of a Shariah compliant brokerage house in respect of its Islamic Brokerage Window and there is no evidence which may be against the given resolve.

This Shariah Opinion shall remain valid unless there is any material change in the company's operations, business model, regulatory requirements, or in the event of deviation from prescribed Shariah Guidelines identified during the process of continuous monitoring by the Shariah Advisor.



**Disclaimer:**

The opinion contained in this document may be relied upon only by the Company (in accordance with our terms of engagement) and may be used only in connection with the application for Islamic Brokerage Window of brokerage house to be filed with the Securities and Exchange Commission of Pakistan (SECP). For public disclosure and dissemination, a separate Shariah certificate / pronouncement shall be issued by the Shariah Advisor. The provision of this opinion does not create or give rise to any client relationship between us and the investors trading through Dawood Equities Limited. Our opinion contained herein sets out as at today's date regarding certain matters of Sharia compliance as adopted and interpreted by us, and defined for the purposes of this opinion (in no particular order) as follows: Regulatory Shariah requirements (if any) issued by the regulator; Shariah rulings of the Shariah Supervisory Committee (if any); Other specifications of Shariah compliance deemed appropriate by us the above being the "Shariah Guidelines". Our opinion contained herein expresses no advice on Shariah law as it affects or would be applied in any jurisdiction.

والله أعلم بالصواب، وصلى الله على نبينا محمد وعلى آله وصحبه وبارك وسلم

For and behalf of Al Hilal Shariah Advisors (Pvt) Limited.



Mufti Irshad Ahmed Aijaz  
Member Shariah Board



Faraz Younus Bandukda, CFA  
Chief Executive

**Date: June 02, 2026**