

**FIRST DAWOOD INVESTMENT
BANK LIMITED**

**Quarter Report
30 September 2022**



FIRST DAWOOD INVESTMENT BANK LIMITED

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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, 2022.

Board Composition and Remuneration

1. The total number of directors are 4 as per the following:
 - a. Male: 03
 - 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. Christopher John Aitken Andrew Mrs. Farhat Ali

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 2022-23 has reported after-tax profit of Rs. 18.228 million as compared to Rs.64.806 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. 530.279 million to Rs. 548.507 million. The earning per share is 0.123 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 06, 2022
Karachi.

ڈائریکٹرز کی رپورٹ:

تمام ڈائریکٹرز 30 ستمبر 2022ء کی پہلی سہ ماہی غیر آڈٹ شدہ مالیاتی گوشوارے کے ساتھ رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

بورڈ کی بناوٹ اور مشاہرہ

کل ڈائریکٹرز کی تعداد 4 ہے جو مندرجہ ذیل ہیں:

مرد: 03

خاتون: 01

Category	Names
Independent Director	Mr. Khurshid Abul Khair Mr. Abu Khursheed Muhammad Ariff
Non-Executive Directors	Mr. Christopher John Aitken Andrew Mrs. Farhat Ali

مالیاتی کارکردگی:

ادارے نے پہلی سہ ماہی 30 ستمبر 2022ء کے مالیاتی گوشوارے منافع بعد ٹیکس 18.228 ملین روپے اور پچھلے مالیاتی سال کے پہلی سہ ماہی کا منافع 64.806 ملین روپے منافع میں ہے۔ آپ کی کمپنی کی مالیت میں اضافہ 530.279 ملین سے 548.507 ملین ہوگئی ہے۔ حالانکہ مہنگائی کے رجحان کے باوجود ادارے نے اخراجات کو کنٹرول کیا ہے۔ اسی مد میں انتظامی اخراجات کو پچھلے مالیاتی سال کے متنا سب رکھنے میں کامیاب ہوا۔ اور آمدنی فی حصص 0.123 ہے پچھلے سال کے مقابلے میں کمپنی اپنے اخراجات نان پرفارمنگ قرضہ جات کی واپسی کے ذریعے قرضہ جات کے مد میں خاطر خواہ کمی کی جاسکتے جو کہ ایک ستون کی حیثیت رکھتی ہے اس ادارے کے لئے۔

خدمات کا اعتراف:

فرسٹ ڈاؤڈ انویسٹمنٹ بینک کی طرف سے ہم شکر گزار ہیں اپنے بینک کے شراکت دار، اسٹیٹ بینک آف پاکستان، ایس ای سی پی اور دوسری ریگولیٹرز اداروں کی طرف سے رہنمائی اور حوصلہ افزائی کا۔

ہم اچھی طرح مستقبل کے چیلنجز سے آگاہ ہیں اور ہم پر اعتماد ہیں کہ یہ ادارہ کاروباری سرگرمیوں آگے کی طرف بڑھے گی اور قرضہ جات کی وصولی کے ذریعے اپنی مالیاتی حیثیت کو بہتر کرے گا۔

بورڈ آف ڈائریکٹرز مشکل حالات میں بھی پوری محنت لگن اور عزم کے ساتھ کام کرنے پر انتظامیہ سمیت تمام ملازمین کی خدمت کو قدر کی نگاہ سے دیکھتا ہے۔

بورڈ آف ڈائریکٹرز کی طرف سے

تاریخ: 06 October, 2022
کراچی

Abul Khair
ڈائریکٹر

Abul Khair
چیف ایگزیکٹو آفیسر

CONDENSED INTERIM FINANCIAL POSITION

AS AT SEPTEMBER 30, 2022

	Note	Unaudited SEPTEMBER 30, 2022 Rupees	Audited JUNE 30, 2022 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	6	4,235,100	4,611,042
Right of Use Assets		87,245	87,245
Investment properties		53,641,785	83,070,000
Net investment in lease finance	7	-	-
Long-term investments	8	154,924,670	166,924,670
Long-term finances	9	-	-
Deferred tax asset	10	255,915,908	258,757,686
		468,804,708	513,450,643
CURRENT ASSETS			
Current portion of non-current assets	11	136,455,731	135,750,247
Short-term investments	12	167,000,000	152,999,996
Available for Sale investment held with Nazir SHC	8.2	56,508,957	56,508,957
Placements and finances	13	-	-
Asset classified held for sale		72,074,000	29,777,000
Loans , advances and prepayments		4,249,616	3,959,135
Mark-up accrued		332,068	66,506
Cash and bank balances		3,023,752	345,564
		439,644,124	379,407,405
		908,448,832	892,858,048
EQUITY AND LIABILITIES			
Ordinary shares		1,483,900,230	1,483,900,230
Reserves		458,550,629	458,550,629
Accumulated loss		(1,441,876,532)	(1,460,105,051)
		500,574,327	482,345,808
Surplus / (Deficit) on revaluation of investments		47,933,121	47,933,121
		548,507,448	530,278,929
NON CURRENT LIABILITIES			
Long-term loans	14	13,802,696	17,102,696
Lease Liabilities		130,029	130,029
		13,932,725	17,232,725
CURRENT LIABILITIES			
Current portion of long-term liabilities	15	259,319,450	259,319,450
Mark-up accrued		25,756,644	25,756,644
Short term borrowings	15.2	49,774,280	49,774,280
Accrued and other liabilities		3,278,123	3,186,256
Taxation		7,880,162	7,309,764
		346,008,659	345,346,394
CONTINGENCIES AND COMMITMENTS			
	16	908,448,832	892,858,048

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 PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Three Months Ended September 30	
	2022	2021
	< ----- Rupees ----- >	
INCOME		
Lease income	9,467	213,626
Return on deposits and investments	5,644,059	1,061,263
Income from long-term finances	265,562	30,000
Other income	-	64,109,040
	<u>5,919,088</u>	<u>65,413,929</u>
PROVISION / CHANGES IN FAIR VALUE		
(Provision) / reversal for lease losses and doubtful recoveries	24,996,016	7,045,833
	<u>24,996,016</u>	<u>7,045,833</u>
	30,915,104	72,459,762
EXPENDITURES		
Administrative expenses	(9,274,403)	(6,835,443)
	<u>(9,274,403)</u>	<u>(6,835,443)</u>
(LOSS) / PROFIT BEFORE TAXATION	<u>21,640,701</u>	<u>65,624,319</u>
TAXATION	(570,404)	(817,674)
Prior Year	-	-
Deferred Tax	(2,841,778)	-
Taxation	<u>(3,412,182)</u>	<u>(817,674)</u>
PROFIT/ (LOSS) AFTER TAXATION	<u>18,228,519</u>	<u>64,806,645</u>
Earning per share - basic	0.123	0.437
Earning per share - diluted	<u>0.123</u>	<u>0.437</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 COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Three Months Ended September 30	
	2022	2021
	< ----- Rupees ----- >	
(Loss) / profit after taxation	18,228,519	64,806,645
Other comprehensive income		
Unrealized remeasurement gain/ (loss) on investment in associates	-	-
Unrealised gain/ (loss) on remeasurement of investment held with Nazir	-	-
	-	-
Total comprehensive (loss) / income for the period	18,228,519	64,806,645

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, 2022

	Share Capital		2022			Revenue Reserve		Total
	Ordinary Shares	Preference Shares	Statutory Reserve	Premium on Right Issue	Capital Reserve on Acquisition	Deficit on Revaluation of Investments	Accumulated Losses	
Balance at July 1, 2021	1,483,900,230	-	401,035,068	53,426,910	2,596,484	39,240,200	(1,466,073,718)	514,125,174
Total comprehensive income for the period	-	-	-	-	-	-	-	-
- Profit for the period	-	-	-	-	-	-	-	-
- Other comprehensive income	-	-	-	-	-	-	7,460,834	7,460,834
Share of Unrealised gain on remeasurement of associates investment	-	-	-	-	-	8,692,921	-	8,692,921
- 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	-	-	1,492,167	-	-	-	(1,492,167)	-
Balance as at June 30, 2022	1,483,900,230	-	402,527,235	53,426,910	2,596,484	47,933,121	(1,460,105,051)	530,278,929
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	-	-	-	-	-	-	18,228,519	18,228,519
- 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, 2022	1,483,900,230	-	402,527,235	53,426,910	2,596,484	47,933,121	(1,441,876,532)	548,507,448

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, 2022

	Three Months Ended September 30	
	2022	2021
	Rupees	Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	21,640,701	65,624,319
Adjustments:		
Depreciation	375,942	310,662
Finance Income	265,562	(30,000)
Lease Income	9,467	(213,626)
Provision / (reversal of provision potential lease)	(24,996,016)	(7,045,833)
	<u>(24,345,045)</u>	<u>(6,978,797)</u>
	(2,704,344)	58,645,522
Changes in operating assets and liabilities		
<i>(Increase) / decrease in operating assets</i>		
Net investment in lease finance	140,532	1,278,978
Long-term finances	7,650,000	50,337,043
Advances and prepayments	(290,481)	(27,081,000)
Mark up accrued	(265,562)	(29,080)
	<u>7,234,489</u>	<u>24,505,941</u>
	4,530,145	83,151,463
<i>Increase / (decrease) in operating liabilities</i>		
Accrued and other liabilities	(91,867)	21,460
	<u>(91,867)</u>	<u>21,460</u>
Tax paid	-	(849,744)
Net cash (used)/generated from operating activities	<u>4,438,278</u>	<u>82,323,179</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	29,804,157	310,662
Short-term investments	2,138,455	(77,061,535)
Net cash (used)/generated from investing activities	<u>43,942,612</u>	<u>(76,750,873)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Short Term Borrowings	(3,300,000)	(3,850,000)
Lease liabilities	(105,702)	-
Net cash (used in) from financing activities	<u>(3,405,702)</u>	<u>(3,850,000)</u>
Net increase / (decrease) in cash and cash equivalents	44,975,188	2,572,050
Cash and cash equivalents at beginning of the period	345,564	1,088,577
Cash and cash equivalents at end of the period	<u>3,023,752</u>	<u>3,660,627</u>

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, 2022

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.
- 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 Saudi Pak Leasing Company Limited, New Allied Electronics Industries (Private) Limited, Security Leasing Company Limited, Dewan Cement Limited and House Building Finance Company Limited (sukuk issue). The value of assets under trustee as at September 30, 2022 amounted to Rs. 9.04 billion (June 30, 2022: 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, 2022.
- 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, 2022.
- 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, 2022.

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, 2022.

6. PROPERTY, EQUIPMENT AND INTANGIBLE	Note	September 30, 2022 Rupees	June 30, 2022 Rupees
Equipment and appliances		1,904	3,653
Vehicles		4,233,198	4,607,391
Intangible asset		-	-
		<u>4,235,102</u>	<u>4,611,044</u>
		<u>-</u>	<u>-</u>

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2022

		September 30, 2022	June 30, 2022
	Note	Rupees	Rupees
7. NET INVESTMENT IN LEASE FINANCE			
Net investment in lease finance	7.1	421,364,978	421,505,510
Provision for potential lease losses		(365,888,633)	(366,029,165)
		55,476,345	55,476,345
Current portion		(55,476,345)	(55,476,345)
		<u>-</u>	<u>-</u>
7.1 Particulars of net investment in lease finance			
Minimum lease payments receivable		527,923,148	528,073,148
Residual value of leased assets		250,012	250,012
		<u>528,173,160</u>	<u>528,323,160</u>
Unearned finance income		-	-
Markup held in Suspense		(106,808,182)	(106,817,650)
Net investment in lease finance		<u>421,364,978</u>	<u>421,505,510</u>
7.1.1 The lease finances carry mark up ranging from 6M KIBOR plus spread of 2% to 5% (June 30, 2021): 6M KIBOR plus spread of 2% to 5%) per annum having maturity up to 5 years and are secured against leased assets.			
		September 30, 2022	June 30, 2022
	Note	Rupees	Rupees
7.2 Provision for potential lease losses			
Opening balance		366,029,165	367,979,428
(Reversal) / charge for the period - net		(140,532)	(1,950,263)
Written off during the period		-	-
Closing balance		<u>365,888,633</u>	<u>366,029,165</u>
7.3 Current portion of lease finance			
Maturing within one year		421,364,978	421,505,510
Provision for potential lease losses		(365,888,633)	(366,029,165)
More Than One Year & Less Than Five Years		-	-
		<u>55,476,345</u>	<u>55,476,345</u>
8. LONG TERM INVESTMENTS			
Investment in unlisted	8.1	206,836,215	206,836,215
Saving Certificates		1,887,012	1,887,012
Investment transfer to Nazir		(41,798,557)	(41,798,557)
		<u>166,924,670</u>	<u>166,924,670</u>
8.1 Investment in associates			
Opening balance		121,171,848	164,809,126
Share of reversal of deficit on revaluation of investments recognised in other income		-	-
Share of (loss) / gain		-	(32,842,270)
Disposal of Investment		-	-
Less: Dawood Family Takaful Ltd. less than 20% (Not Associate)		-	-
Less: transfer to investment held with Nazir		-	-
Share of reversal of deficit on revaluation of investments at FVOCI recognised in other comprehensive income		-	-
		<u>121,171,848</u>	<u>121,171,848</u>

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2022

8.2 Investment held with Nazir SHC at FVOCI			September 30,	June 30,
30-Sep-22	30-Jun-22		2022	2022
Number of Shares		Note	Rupees	Rupees
6,466,010	6,466,010	Dawood Family Takaful	40,896,378	40,896,378
1,477,823	1,477,823	Al Baraka Bank Pakistan Limited	14,505,413	14,505,413
			55,401,791	55,401,791
		Remeasurement gain/ (loss) on investment of ABPL	204,987	204,987
		Share of gain/(loss) on investment of DFTL	902,179	902,179
			<u>56,508,957</u>	<u>56,508,957</u>
9. LONG-TERM FINANCES				
			177,726,574	185,376,574
		Term finance facilities	(96,747,188)	(105,102,672)
		Provision for doubtful finances	80,979,386	80,273,902
		Current portion	<u>(80,979,386)</u>	<u>(80,273,902)</u>
			-	-
9.1 Particulars of provision for doubtful finances				
			105,102,672	121,308,672
		(Reversal) / charge for the period - net	(8,355,484)	(16,206,000)
		Provision during the period	-	-
		Closing balance	<u>96,747,188</u>	<u>105,102,672</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. 255.915 million will be realised in the future.				
10.1 TAXATION		Notes	September 30,	June 30,
			2022	2022
			Rupees	Rupees
			570,404	7,309,764
			2,841,778	31,539,752
			-	(4,618,898)
			<u>3,412,182</u>	<u>34,230,618</u>
11. CURRENT PORTION OF NON-CURRENT ASSETS				
			55,476,345	55,476,345
		7	80,979,386	80,273,902
			-	-
			<u>136,455,731</u>	<u>135,750,247</u>
12. SHORT TERM INVESTMENTS				
Held-for-trading				
			377,664	377,664
Available-for-sale				
			167,000,000	153,000,000
			14,710,400	14,710,400
			181,710,400	167,710,400
			(377,664)	(377,664)
			<u>(14,710,400)</u>	<u>(14,710,400)</u>
			<u>167,000,000</u>	<u>153,000,000</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

		September 30, 2022	June 30, 2022
	Note	Rupees	Rupees
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		12,980,667	86,684,717
Provision for doubtful finances		(12,980,667)	(47,659,304)
		-	39,025,413
		-	39,025,413
14 LONG TERM LOANS			
Secured			
Commercial Banks	15	273,122,146	276,422,146
		273,122,146	276,422,146
Current portion		(259,319,450)	(259,319,450)
		13,802,696	17,102,696
15 CURRENT PORTION OF LONG TERM LIABILITIES			
Long term loans	14	259,319,450	259,319,450
Repayment During the Quarter		-	-
Lease Liabilities		-	-
		259,319,450	259,319,450

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.

		September 30, 2022	June 30, 2022
		Rupees	Rupees
15.2 SHORT TERM BORROWINGS			
Unsecured			
Development Financial Institution		49,774,280	49,774,280
		49,774,280	49,774,280

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	September 30,	June 30,
	2022	2022
	Rupees	Rupees

16 CONTINGENCIES AND COMMITMENTS**16.1 Contingent liabilities**

Letters of comfort / guarantee	<u>715,000,000</u>	<u>1,088,000,000</u>
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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-fulfilment of pre-conditions.

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, 2022		June 30, 2022	
	Key Management Personnel	Associates/ Related Parties	Key Management Personnel	Associates/ Related Parties
	Rupees			
Investment in associate				
Balance at beginning of the period / year	-	121,171,848	-	164,809,126
Share of Loss from Associate	-	-	-	(32,842,270)
Share of reversal of deficit on revaluation of investments classified in other comprehensive income	-	-	-	(10,795,008)
Balance at end of the period / year	<u>-</u>	<u>121,171,848</u>	<u>-</u>	<u>121,171,848</u>
Long term finances / loans				
Short term Loan	1,618,338	150,000,000	1,650,000	150,000,000
Unearned rent	-	-	-	-
Long term finance	-	-	-	-
Term Finance Certificates / Sukuk bonds	-	-	-	-
Disposal of Fixed Asset Cost	-	-	-	-
	<u>1,618,338</u>	<u>150,000,000</u>	<u>1,650,000</u>	<u>150,000,000</u>
Charge to profit and loss account				
Common expenses paid	-	51,094	-	41,539
Share of (loss) / profit from associate	-	-	-	27,831,496
Share of common expenses received	-	-	-	-
Rental income	-	-	-	-
Rental expense	-	60,000	-	30,000
Takaful expense	-	31,399	-	55,940
	<u>-</u>	<u>142,493</u>	<u>-</u>	<u>27,958,975</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

18 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 06, 2022 by the Board of Directors of the Company.

19 GENERAL

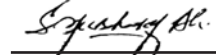
Figures have been rounded off to the nearest Rupee.



Chief Executive



Director



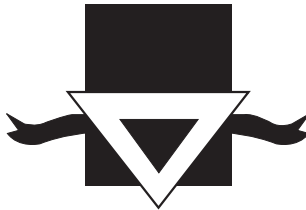
Chief Financial Officer

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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