



**DAWOOD EQUITIES LIMITED**

**Half Yearly Report  
December 31, 2022  
( Un-Audited )**

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## **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 developers research based data and information.



## DAWOOD EQUITIES LIMITED

### Company Information

#### Board of Directors

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

#### Chief Financial officer & Company Secretary

Mr. Salman Yaqoob

#### Audit Committee

Syed Muhammad Abbas Chairman  
Mr. Khalid Yousuf Member  
Ms. Sobia Saif Member

#### HR & R Committee

Syed Muhammad Abbas Chairman  
Abdul Aziz Habib (Chief Executive)  
Mr. Areeb Shujaat Member

#### External Auditor

M. Yousuf Adil & Company (Chartered Accountants)

#### Internal Auditor

Reanda Haroon Zakaria & Company (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  
Bank Islami Pakistan Limited  
Meezan Bank Limited

#### Website

[www.dawoodequities.com](http://www.dawoodequities.com)

#### Registered Head Office

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

#### PSX Registered Branch Office

##### Hyderabad Branch

Office No. 07, Mezzanine Floor, Auto Bhan Tower Auto,  
Auto Bhan Road, Latifabad No. 3, Hyderabad.  
Tel: +92-22-3411027

##### PSX Branch-1

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

##### Bantavangar Branch

Commercial Shop No. 2, Plot No. C-10,  
Bantavanagar, Lihquatabad, Karachi.  
Contact no: 021-34920630.

##### PSX Branch-2

Room 806, 8th Floor, New Stock Exchange  
Building, Stock Exchange Road, Karachi.

##### Faisalabad Branch

5th Floor, State Life Building, Liaquat Road,  
Faisalabad.

#### PMEX Registered Branch Office

##### Sarghoda Branch

Office No. 134, First Floor, Al- Rehman Plaza  
University Road, Sarghoda

##### Faisalabad Branch

5th Floor, State Life Building, Liaquat Road,  
Faisalabad.

#### 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 financial statements for the half year and second quarter ended December 31, 2022.

### **STOCK MARKET PERFORMANCE**

The first half of FY23 remained particularly challenging for the country. International credit rating agencies such as Moody's, Fitch and S&P Global, downgraded Pakistan's outlook to negative, as well as cut foreign credit ratings, reflecting the rising risks to external financing. The economic hardship and policy in action during the year largely kept the IMF dissatisfied, keeping the EFF program's 9th review stalled. As the country continued to finance its current account deficit and debt obligations, while multilateral and bilateral partners awaited clarity from the IMF, foreign reserves held by the SBP shrunk to an eight-year low of just USD 5.59 billion by Dec'22 end. Growing liquidity concerns kept the Pak Rupee under pressure, which closed at 226.43/USD by end of Dec'22, and triggered inflation to rise to precarious levels. CPI settled at 25% YoY during 1HFY23 against 9.1% in the same period of last year. To counter the same, the State Bank of Pakistan under took hikes in the policy rate by 2.25% to 16%, further eroding business climate and sentiment at the index, whereas devastating floods further made a dent in the already struggling economy.

The KSE-100 index closed at 40,420 points in 1HFY23, downby2.70%/ 1,120pointsYoY, which took the USD-based return to a negative 11.97%. As various exogenous and macroeconomic indicators turned red, sentiment of the index remained dull during 1HFY23, with average volumes shrinking by a massive 36% to 219mn shares, while average value declined by 58% to USD 30mn YoY. Commercial Banks (-7%) and Cement(-4%), remained major under performers while Technology (+34%), Power Generation and Distribution (+11%), and Oil and Gas Exploration(+3%)werenoticeableoutperformersduring1HFY23. Foreign investors remained net sellers in Pak equities, with outflows arriving at USD 0.93mn in 1HFY23. On the domestic front, buying was undertaken by Banks & DFIs (USD 50mn) and Individuals (USD 48mn), whereas Mutual Funds and Insurance companies sold stocks worth USD 64mn and USD 63mn, respectively

### **FINANCIAL PERFORMANCE**

During 1H-FY23, the total revenue amounting to 35.46 million versus total revenue of PKR 50.63 million in the same period last year. Total revenue of DEL decreased as a result of lower activity / volumes at the stock exchange resulted in decrease in trading commission from individual and corporate clients as compared to same period last year. During the period, Administrative expenses increased by 12.47% as compared to the same period last year as your company has invested in its human resources and expanded its branch networks and support teams. During the period the company recognized credit loss amounting to PKR 4.9 million in compliance with IFRS 9 whereas deferred tax amounting to five million also reversed in profit and loss account which results in loss after tax. The equity of your Company as at the balance sheet date is PKR 260.1 million which translates into book value per share of PKR 9.46.The summary of Financial Results is as follows:



**DAWOOD EQUITIES LIMITED**

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
	<b>Rupees</b>	<b>Rupees</b>
Gross Revenue	34,462,318	50,632,159
Operating Profit	22,615,466	33,398,281
Administrative Expenses	23,246,273	20,667,884
Profit / (Loss) after tax	(15,447,254)	4,709,933
Earnings per share basic and diluted	(0.56)	0.17

**EMPHASIS OF MATTER PARAGRAPH IN AUDITORS' REPORT**

We draw attention of the users of the financial statements towards Note 8.1 of the Financial Statements related to deferred tax recognized amounting to PKR 29.76 million. Deferred tax assets based on business projection for five years devised by the company. The plan involve certain key assumptions underlying the estimation of future taxable profits of the company which would then be utilized to sett-off the deferred tax assets.

**Junaid Dada**  
Chairman

**Abdul Aziz Habib**  
Chief Executive Officer

Karachi: February 28, 2023



DAWOOD EQUITIES LIMITED

## ڈائریکٹرز کی رپورٹ:

داؤدا ایگزیکٹو لیمنٹ (DEL) کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم 31 دسمبر 2022 تک ہونے والی پہلی ششماہی کے لئے مالی حسابات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### اسٹاک مارکیٹ کی کارکردگی

مالی سال 23 کی پہلی ششماہی ملک کے لیے خاص طور پر چیلنجنگ رہی۔ بین الاقوامی کریڈٹ ریٹنگ ایجنسیوں جیسے کہ موڈیز، بیچ اور ایس اینڈ پی گلوبل نے پاکستان کے نقطہ نظر کو منفی کر دیا، ساتھ ہی غیر ملکی کریڈٹ ریٹنگ میں کمی کی، جو بیرونی فنڈنگ کے بڑھتے ہوئے خطرات کی عکاسی کرتی ہے۔ سال کے دوران معاشی مشکلات اور عمل میں پالیسی نے بڑی حد تک IMF کو غیر مطمئن رکھا، جس سے EFF پروگرام کا 9 واں جائزہ نقل کا شکار رہا۔ چونکہ ملک نے اپنے کرنٹ اکاؤنٹ خسارے اور قرض کی ذمہ داریوں کی مالی اعانت جاری رکھی، جبکہ کثیر جمعی اور دو طرفہ شراکت داروں کو IMF کی جانب سے وضاحت کا انتظار تھا، SBP کے پاس موجود غیر ملکی ذخائر صرف 22 کے آخر تک صرف 5.59 ملین امریکی ڈالر کی اس سال کی کم ترین سطح پر آ گئے۔ لیکویڈیٹی کے بڑھتے ہوئے خدشات نے پاکستانی روپیہ کو دباؤ میں رکھا، جو دسمبر 22 کے آخر تک 226.43/USD پر بند ہوا، اور افراط زر کے خطرناک سطح تک بڑھنے کا باعث بنا۔ 1HFY23 کے دوران CPI گزشتہ سال کی اسی مدت میں 9.1% کے برعکس 25% سالانہ پر طے ہوا۔ اس کے انسداد کے لیے، اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ میں 2.25% سے 16% تک اضافہ کیا، جس سے کاروباری ماحول اور انڈیکس میں جذبات مزید خراب ہوئے، جب کہ تباہ کن سیلاب نے پمپ سے ہی مشکلات کی شکار معیشت کو مزید نقصان پہنچایا۔

KSE-100 انڈیکس 1HFY23 میں 40,420 پوائنٹس پر بند ہوا، 2.70% / 1,120 پوائنٹس سالانہ کمی ہوئی، جو امریکی ڈالر یعنی بیڑن کو منفی 11.97% پر لے گیا۔ جیسا کہ مختلف خارجی اور معاشی اشارے سرخ ہو گئے، انڈیکس کا جذبہ 1HFY23 کے دوران دھم رہا، اوسط حجم 36% کمی سے 219 ملین حصص تک سکر گیا، جبکہ اوسط قدر 58% کم ہو کر 30 ملین امریکی ڈالر سالانہ پر آ گئی۔ 1HFY23 کے دوران کرش بینک (-7%) اور سینیٹس (-4%) اہتر کارکردگی کے حامل رہے جبکہ ٹیکنالوجی (+34%)، پاور جنریشن اور ڈسٹری بیوشن (+11%)، اور ٹیل اور گیس کی تلاش (+3%) نمایاں بہتر کارکردگی والے تھے۔ غیر ملکی سرمایہ کار ایک ایکویٹیٹیز 1HFY23 میں 0.93 ملین امریکی ڈالر کی آمد کے ساتھ خالص فروخت کنندگان رہے۔ مقامی حاذب پر خریداری ٹیکوں اور DFIs (50 ملین امریکی ڈالر) اور انفرادی (48 ملین امریکی ڈالر) کی طرف سے کی گئی تھی، جبکہ میچ پیلا فنڈ ز اور انشورنس کمپنیوں نے باہر ترقیب 64 ملین امریکی ڈالر اور 63 ملین امریکی ڈالر کے اسٹاک فروخت کیے تھے۔

### مالیاتی کارکردگی

مالی سال 2023 کی پہلی ششماہی کے دوران ہکل آمدنی 35.46 ملین روپے رہی جو گزشتہ سال کی اسی مدت میں کل آمدنی 50.63 ملین روپے تھی۔ اسٹاک آپیکھج میں کم سرگرمی/جم کے نتیجے میں DEL کی کل آمدنی میں کمی واقع ہوئی جس کے نتیجے میں پچھلے سال کی اسی مدت کے مقابلے میں انفرادی اور کارپوریٹ کانٹنس کے تجارتی کمیشن میں کمی واقع ہوئی۔ اس مدت کے دوران، انتظامی اخراجات میں پچھلے سال کی اسی مدت کے مقابلے میں 12.47 فیصد اضافہ ہوا ہے کیونکہ آپ کی کمپنی نے اپنے انسانی وسائل میں سرمایہ کاری کی اور اپنے براؤنچ نیٹ ورکس اور سپورٹ ٹیموں کو وسعت دی ہے۔ اس مدت کے دوران سببئی نے IFRS 9 کی قبیل میں 4.9 ملین روپے کے کریڈٹ نقصان کو تسلیم کیا جبکہ پانچ ملین کا مؤثر ٹیکس بھی نفع نقصان کے کھاتے میں تبدیل ہو گیا جس کے نتیجے میں بعد از ٹیکس نقصان ہوا ہے۔ بیلس ٹیٹ کی تاریخ کے مطابق آپ کی کمپنی کی ایکویٹی 260.1 ملین روپے ہے جس کے نتیجے میں بک ویلیو 9.46 روپے فی شیئر ہے۔

مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

	31 دسمبر 2022ء (روپے)	31 دسمبر 2021ء (روپے)
مجموعی آمدنی	34,462,318	50,632,159
آپریٹنگ منافع	22,615,466	33,398,281
انتظامی اخراجات	23,246,273	20,667,884
بعد از ٹیکس منافع (نقصان)	(15,447,254)	4,709,933
فی شیئر (نقصان) / آمدنی فی یادی اور معتدل	(0.56)	0.17



**DAWOOD EQUITIES LIMITED**

### آڈیٹرز کی رپورٹ میں اہم پیرا گراف

ہم مالیاتی حسابات کے صارفین کی توجہ مالیاتی حسابات کے نوٹ 8.1 کی طرف مبذول کراتے ہیں جو کہ 29.76 بلین روپے کے موخر ٹیکس سے متعلق ہے۔ موخر ٹیکس اٹاٹے کمپنی کے وضع کردہ پانچ سالوں کے لیے کاروباری تخمینہ پر مبنی ہیں۔ اس منصوبے میں کمپنی کے مستقبل کے قابل ٹیکس منافع کے تخمینہ کے تحت کچھ کلیدی مفروضے شامل ہیں جنہیں بعد ازاں موخر ٹیکس اٹاٹوں کو سیٹ آف کرنے کے لیے استعمال کیا جائے گا۔

چیف ایگزیکٹو آفیسر  
عبدالعزیز حبیب

چیف ڈاڈا  
چیرمین

کراچی: 28 فروری 2023ء





**DAWOOD EQUITIES LIMITED**

## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DAWOOD EQUITIES LIMITED**

### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **Dawood Equities Limited** (the Company) as at December 31, 2022, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flow and notes to the condensed interim financial statements for the six months ended December 31, 2022 (here-in-after referred to as the condensed interim financial statements). Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

### **Scope of Review**

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

### **Conclusion**

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

### **Emphasis of Matter**

We draw attention to note 9.1 of the condensed interim financial statements which describes the management's judgement in relation to recognition of deferred tax asset. Our conclusion is not modified in this respect.

### **Other matter**

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income, for the quarter ended December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2022.

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

### **Chartered Accountants**

**Place:** Karachi  
**Date:**  
**UDIN:**



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
AS AT DECEMBER 31, 2022**

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- (Rupees) -----	
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property and equipment	6	9,320,175	9,849,536
Right of use asset	7	2,083,416	2,381,047
Intangible assets	8	6,000,000	6,000,000
Investment property		4,969,436	5,147,874
Long term deposit		1,887,500	1,887,500
Deferred tax asset	9	29,767,589	34,767,589
		<b>54,028,116</b>	<b>60,033,546</b>
<b>Current Assets</b>			
Short term investments	10	71,954,462	84,763,095
Trade debts	11	171,705,273	174,399,496
Receivable against margin finance		5,546,330	4,154,375
Advance deposits and prepayments		36,111,151	20,185,131
Other receivables		25,167,182	15,803,106
Taxation - net		11,391,998	6,032,103
Cash and bank balances	12	6,155,129	7,286,509
		<b>328,031,525</b>	<b>312,623,815</b>
<b>Total Assets</b>		<b>382,059,642</b>	<b>372,657,361</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	13	274,965,000	274,965,000
Reserves		(14,824,192)	4,714,411
		<b>260,140,808</b>	<b>279,679,411</b>
<b>Non Current Liabilities</b>			
Rental deposits		25,000	25,000
Lease liability		1,636,668	1,926,477
		<b>1,661,668</b>	<b>1,951,477</b>
<b>Current Liabilities</b>			
Trade and other payables	14	59,389,851	38,247,943
Unclaimed dividend		230,336	230,336
Short term running finance facility		60,068,740	52,002,265
Current portion of lease liability		568,239	545,929
		<b>120,257,166</b>	<b>91,026,473</b>
<b>Total Equity and Liabilities</b>		<b>382,059,642</b>	<b>372,657,361</b>
<b>Contingencies and commitments</b>			
	15		

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)  
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022**

	Note	Six months ended		Quarter ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		(Rupees)			
Revenue from contract with customers	16	35,462,318	50,632,159	17,057,458	24,375,141
Commission to agents and dealers		(12,846,852)	(17,233,878)	(5,335,547)	(8,688,656)
		<b>22,615,466</b>	<b>33,398,281</b>	<b>11,721,911</b>	<b>15,686,485</b>
Capital gain on disposal of investments - net		1,093,665	2,270,943	(111,332)	1,703,004
Net unrealised (loss) / gain on re-measurement of investments classified as financial assets at fair value through profit or loss		(3,525,774)	15,104,654	(3,229,182)	19,823,550
		<b>20,183,357</b>	<b>50,773,878</b>	<b>8,381,397</b>	<b>37,213,039</b>
Administrative expenses		(23,246,273)	(20,667,884)	(12,703,716)	(12,632,900)
Allowance for expected credit losses		(4,928,750)	(15,000,000)	(4,928,750)	(15,000,000)
		<b>(7,991,666)</b>	<b>15,105,994</b>	<b>(9,251,069)</b>	<b>9,580,139</b>
Financial charges		(2,460,657)	(220,441)	(1,991,739)	(203,800)
		<b>(10,452,323)</b>	<b>14,885,553</b>	<b>(11,242,808)</b>	<b>9,376,339</b>
Other operating income		1,080,836	957,638	688,753	582,155
Other operating charges		(890,000)	(6,630,758)	(890,000)	(21,630,758)
		<b>(10,261,487)</b>	<b>9,212,433</b>	<b>(11,444,055)</b>	<b>(11,672,264)</b>
<b>(Loss) / profit before taxation for the period</b>		<b>(10,261,487)</b>	<b>9,212,433</b>	<b>(11,444,055)</b>	<b>(11,672,264)</b>
Taxation-net		(185,767)	(4,502,500)	50,746	(3,619,795)
Deffered tax income reversal		(5,000,000)	-	(5,000,000)	-
<b>(Loss) / profit after taxation for the period</b>		<b>(15,447,254)</b>	<b>4,709,933</b>	<b>(16,393,309)</b>	<b>(15,292,059)</b>
<b>(Loss) / Earnings per share - Basic and Diluted</b>	17	<b>(0.56)</b>	<b>0.17</b>	<b>(0.60)</b>	<b>(0.56)</b>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022**

	Six months ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- (Rupees) -----			
(Loss) / Profit after taxation for the period	(15,447,254)	4,709,933	(16,393,309)	(292,059)
<b>Other comprehensive (loss) for the period</b>				
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>				
Net unrealised loss on re-measurement of investments classified as financial assets at fair value through other comprehensive income	(4,091,349)	(16,289,278)	(3,368,227)	(8,582,318)
<b>Total comprehensive loss for the period</b>	<b>(19,538,603)</b>	<b>(11,579,345)</b>	<b>(19,761,536)</b>	<b>(8,874,377)</b>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT CASHFLOWS (UNAUDITED)  
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022**

	December 31, 2022	December 31, 2021
	----- (Rupees) -----	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation for the period	(10,261,487)	9,212,433
<b>Adjustment for non cash items:</b>		
Depreciation - property and equipment	969,661	904,634
Depreciation - Investment property	178,438	297,631
Depreciation - right of use asset	297,631	-
Net unrealised loss/(gain) on re-measurement of investments classified as financial assets at fair value through profit or loss	3,525,774	(15,104,654)
Capital gain on disposal of investments - net	(1,093,665)	(2,270,943)
Provision for expedited credit losses	(4,928,750)	15,000,000
Dividend income	(278,800)	(1,186,035)
Bank profit	(676,568)	(652,754)
Interest expense on finance lease	92,501	113,093
Financial charges	2,368,156	220,441
	<b>(9,807,109)</b>	<b>6,533,846</b>
<b>(Increase) / decrease in current assets</b>		
Trade debts	7,622,973	(14,415,223)
Other receivables	(9,364,076)	(1,747,159)
Receivable against margin finance	(1,391,955)	(3,132,084)
Advance deposits and prepayments	(15,926,020)	(17,454,546)
	<b>(19,059,078)</b>	<b>(36,749,012)</b>
<b>Increase in current liabilities</b>		
Trade and other payables	18,155,699	46,313,363
Cash (used in) / generated from operating activities	<b>(10,710,488)</b>	<b>16,098,197</b>
Taxes paid	(2,559,453)	(420,114)
Financial charges paid	(2,368,156)	(220,441)
<b>Net cash (used in) / generated from operating activities</b>	<b>(15,638,097)</b>	<b>15,457,642</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(440,300)	(1,223,068)
Disposal / (Purchase) of investments - net	6,285,175	(33,100,696)
Dividend received	278,800	1,186,035
Bank profit received	676,568	652,754
<b>Net cash generated from / (used in) investing activities</b>	<b>6,800,243</b>	<b>(32,484,975)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease rentals paid	(360,000)	(360,000)
<b>Net (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(9,197,854)</b>	<b>(17,387,333)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(44,715,756)</b>	<b>13,575,366</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>(53,913,611)</b>	<b>(3,811,967)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	6,155,129	36,266,096
Short term running finance facility	(60,068,740)	(40,078,063)
	<b>(53,913,611)</b>	<b>(3,811,967)</b>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022**

Issued, subscribed and paid up capital	Reserves			Total	Total equity	
	Capital	Revenue				
	Gain on remeasurement of investment - at fair value through OCI	Share premium	Unappropriated profit / (losses)			
(Rupees)						
<b>Balance as at July 01, 2021 (Audited)</b>	249,965,000	6,489,781	74,973,750	(38,364,005)	43,099,526	293,064,526
Profit for the period	-	-	-	4,709,933	4,709,933	4,709,933
Bonus issue @ 10% per ordinary shares	25,000,000	-	(25,000,000)	-	(25,000,000)	-
Net unrealised gain on re-measurement of investments classified as financial assets at fair value through other comprehensive income	-	(16,289,278)	-	-	(16,289,278)	(16,289,278)
<b>Total comprehensive income for the year</b>	<b>25,000,000</b>	<b>(16,289,278)</b>	<b>(25,000,000)</b>	<b>4,709,933</b>	<b>(36,579,345)</b>	<b>(11,579,345)</b>
<b>Balance as at December 31, 2021 (Un-audited)</b>	<b>274,965,000</b>	<b>(9,799,497)</b>	<b>49,973,750</b>	<b>(33,654,072)</b>	<b>6,520,181</b>	<b>281,485,181</b>
<b>Balance as at July 01, 2022 (Audited)</b>	<b>274,965,000</b>	<b>(16,497,891)</b>	<b>49,973,750</b>	<b>(28,761,448)</b>	<b>4,714,411</b>	<b>279,679,411</b>
Loss for the period	-	-	-	(15,447,254)	(15,447,254)	(15,447,254)
Net unrealised loss on re-measurement of investments classified as financial assets at fair value through other comprehensive income	-	(4,091,349)	-	-	(4,091,349)	(4,091,349)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(4,091,349)</b>	<b>-</b>	<b>(15,447,254)</b>	<b>(19,538,603)</b>	<b>(19,538,603)</b>
<b>Balance as at December 31, 2022 (Un-audited)</b>	<b>274,965,000</b>	<b>(20,589,240)</b>	<b>49,973,750</b>	<b>(44,208,702)</b>	<b>(14,824,192)</b>	<b>260,140,808</b>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer



**DAWOOD EQUITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022**

**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 (now Companies Act 2017). The Company commenced commercial operations from October 03, 2006. Subsequently the Company obtained listing on the Pakistan Stock Exchange Limited (PSX) on April 14, 2008. The Company is a Trading Right Entitlement Certificate (TREC) holder of PSX and a member of Pakistan Mercantile Exchange Limited. The registered office of the Company is situated at 1900-B, Saima Trade Towers, I.I. Chundrigar Road, Karachi. The Company's principal business is trading and brokerage of listed equities, underwriting and other investments.

The business units of the Company include the following:

<b>1.1 Business Units</b>	<b>Geographical Location</b>
Head office - Karachi	1900-B, 17th Floor, Saima Trade Tower, I.I Chundrigar Road, Karachi;
Stock Exchange Branch - Karachi	Room 409 & 410 New Stock Exchange Building Stock Exchange Road Karachi.

**2. BASIS OF PRESENTATION**

**2.1 Statement of Compliance**

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

- International Financial Reporting Standards (IFRS Standards) issued by the international Accounting Standard Boards (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Act;
- Securities Brokers (Licensing and Operations) Regulations, 2016;
- Futures Brokers (Licensing and Operations) Regulations Act; and
- Central Depository Company of Pakistan Limited Regulations.



**DAWOOD EQUITIES LIMITED**

Where provisions of and directives issued under the Act and the regulations differ from the IFRS Standards, the provisions of and directives issued under the Act and the regulations have been followed.

- 2.2** These condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional currency.
- 2.3** The figures of condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and December 31, 2021 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figure for the six months ended December 31, 2022 and December 31, 2021. The comparative statement of financial position presented has been extracted from annual financial statements for the year ended June 30, 2022. The comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity of the Company have been extracted from the un-audited condensed interim financial statements for the six months ended December 31, 2021.

**3. SIGNIFICANT ACCOUNTING POLICIES**

- 3.1** The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements and the significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements of the Company as at and for the year ended June 30, 2022 except as disclosed in note 3.2 below.
- 3.2** Certain new IFRS's and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2022, which do not have any impact on the Company's financial reporting and therefore have not been detailed in these condensed interim financial statements.

**4. FINANCIAL RISK MANAGEMENT**

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2022.

**5. ACCOUNTING ESTIMATES AND JUDGEMENTS**

- 5.1** The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements 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.

Estimates and judgements made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the annual financial statements of the Company for the year ended June 30, 2022, except as disclosed otherwise.





**DAWOOD EQUITIES LIMITED**

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- (Rupees) -----	
<b>6. PROPERTY AND EQUIPMENT</b>			
Opening net book value		9,849,536	9,056,968
Additions at cost	6.1	440,300	2,588,828
Disposal at book value		-	(134,379)
Depreciation for the period		(969,661)	(1,661,881)
Closing net book value		<u>9,320,175</u>	<u>9,849,536</u>
<b>6.1 Following additions were made during the period / year</b>			
Furniture and fixtures		20,000	1,255,350
Office equipment		15,000	360,218
Computers		155,300	556,260
Motor vehicles		250,000	417,000
		<u>440,300</u>	<u>2,588,828</u>
<b>7. RIGHT OF USE ASSET</b>			
Opening balance		2,381,047	-
Addition		-	2,976,310
Depreciation		(297,631)	(595,263)
		<u>2,083,416</u>	<u>2,381,047</u>
		----- (Percentage) -----	
Depreciation rate		<u>20%</u>	<u>20%</u>
<b>7.1 Leased assets comprise of head office with a lease term of 5 years.</b>			
<b>8. INTANGIBLE ASSETS</b>			
Trading Rights Entitlement Certificate (TREC)	8.1	2,500,000	2,500,000
PMEX Universal membership	8.1	3,500,000	3,500,000
Software	8.2	-	-
		<u>6,000,000</u>	<u>6,000,000</u>
<b>8.1 These represent intangible assets having indefinite useful life and are carried at cost less impairment.</b>			
<b>8.2 This represents fully amortised software currently use by the Company for trading of shares and back office operations having cost of Rs.1.45 million and accumulated amortisation of Rs.1.45 million.</b>			



**DAWOOD EQUITIES LIMITED**

		<b>(Un-audited)</b>	<b>(Audited)</b>
		<b>December 31,</b>	<b>June 30,</b>
		<b>2022</b>	<b>2022</b>
	<b>Note</b>	<b>----- (Rupees) -----</b>	
<b>9. DEFERRED TAX ASSET</b>			
	9.1	<b>34,767,589</b>	34,767,589
		<hr/> <hr/>	<hr/> <hr/>
<b>9.1</b>	The deferred tax asset mainly includes asset recognised against allowances for expected credit losses to the extent the management estimates that sufficient taxable profits will be available in future years against which such deferred tax asset can be utilised. The management has not recorded deferred credit for the year amounting to Rs. 13.57 million due to the uncertainty over realisation. The deferred tax recognised represents management's best estimate of the probable benefits that will be available to the Company in future years in the form of reduced tax liability as the Company would be able to set off the profits earned in those years mainly against the write off of allowances for expected credit losses.		
<b>10. SHORT TERM INVESTMENTS</b>			
		<b>15,375,861</b>	19,467,210
Listed securities - Investments classified as financial assets at fair value through other comprehensive income			
	10.1	<b>31,069,702</b>	29,019,255
Unlisted securities - Investments classified as financial assets at fair value through profit or loss - Related party			
	10.2	<b>25,508,899</b>	36,276,630
Other listed securities - investments classified as financial assets at fair value through profit or loss			
		<hr/> <hr/>	<hr/> <hr/>
		<b>71,954,462</b>	84,763,095
		<hr/> <hr/>	<hr/> <hr/>
<b>10.1</b>	The embedded value of these shares based on actuarial valuation of the investee Company as at June 30, 2022 was Rs.18.67 per share. Actuarial valuation is performed on annual basis.		
<b>10.2</b>	This includes shares with carrying value of Rs. 17.67 million (June 30, 2022: Rs. 22.34 million) pledged with NCCPL against exposure margin.		
<b>11. TRADE DEBTS</b>			
	11.1 & 11.2	<b>336,486,221</b>	334,251,694
Receivable from clients against purchase of marketable securities and commodity contracts			
		<b>(164,780,948)</b>	(159,852,198)
Allowance for expected credit losses			
		<hr/> <hr/>	<hr/> <hr/>
		<b>171,705,273</b>	174,399,496
		<hr/> <hr/>	<hr/> <hr/>
<b>11.1</b>	This includes an amount of Rs. 10.84 million (June 30, 2022: Rs. 26.74 million) receivable from related parties of the Company.		
<b>11.2</b>	The age analysis of the trade debts required under the Securities Brokers (Licensing and Operations) Regulations, 2016 is as under:		



**DAWOOD EQUITIES LIMITED**

	December 31, 2022			June 30, 2022		
	Due from related parties	Other parties	Total	Due from related parties	Other parties	Total
	----- (Rupees) -----					
Upto five days	437,985	20,369,073	20,807,058	14,351,446	18,886,745	33,238,191
More than five days	10,401,600	305,277,563	315,679,163	12,401,501	288,612,002	301,013,503
	<u>10,839,585</u>	<u>325,646,636</u>	<u>336,486,221</u>	<u>26,752,947</u>	<u>307,498,747</u>	<u>334,251,694</u>

**11.3** The Company holds securities having value of Rs. 3,212.91 million (June 30, 2022: Rs. 2,340 million) in its sub-accounts for its clients within the Central Depository System of the Central Depository Company of Pakistan Limited. Securities beneficially held by the Company's clients pledged with the National Clearing Company of Pakistan Limited are Rs. 84.38 million (June 30, 2022: Rs. 95.35 million).

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- (Rupees) -----	
<b>12. CASH AND BANK BALANCES</b>			
Cash in hand		13,675	13,675
Cash at bank			
- in current account		1,787,420	2,299,333
- in savings account	12.1	4,354,034	4,973,501
		6,141,454	7,272,834
	12.2	6,155,129	7,286,509
		6,141,454	7,272,834
<b>12.1</b>			
These carry markup at the rate of 8% to 11% (June 30, 2022: 4% to 8%) per annum.			
<b>12.2</b>			
Balance pertaining to:			
- clients		4,704,664	5,987,814
- brokerage houses		1,436,790	1,285,020
		6,141,454	7,272,834
		6,141,454	7,272,834

**13. SHARE CAPITAL**

December 31, 2022	June 30, 2022		(Un-audited) December 31, 2022	(Audited) June 30, 2022
----- (Number of Shares) -----		Note	----- (Rupees) -----	
		Authorized share capital		
<u>30,000,000</u>	<u>30,000,000</u>	Ordinary shares of Rs.10/- each	<u>300,000,000</u>	<u>300,000,000</u>



**DAWOOD EQUITIES LIMITED**

December 31, 2022	June 30, 2022		(Un-audited) December 31, 2022	(Audited) June 30, 2022
----- (Number of Shares) -----		Note	----- (Rupees) -----	
<b>Issued, subscribed and paid up</b>				
Ordinary shares of Rs.10/- each				
27,496,500	24,996,500		274,965,000	249,965,000
-	2,500,000		-	25,000,000
<b>27,496,500</b>	<b>27,496,500</b>	13.1	<b>274,965,000</b>	<b>274,965,000</b>

**13.1** The Company has one class of ordinary shares which carry no right to fixed income. The holders of shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

**13.2 PATTERN OF SHAREHOLDINGS**

Following are the shareholders having more than 5% holding:

**13.2 PATTERN OF SHAREHOLDINGS**

Following are the shareholders having more than 5% holding:

Sr. No.	Name of shareholder	December 31, 2022		June 30, 2022	
		Shares Held (Number)	Percentage (%)	Shares Held (Number)	Percentage (%)
1.	Ayaz Dawood	5,304,344	19.29%	5,304,344	19.29%
2.	Equity International (Private) Limited	3,113,989	11.33%	3,113,989	11.33%
3.	Junaid Zakaria Dada	1,980,001	7.20%	1,980,001	7.20%
		<b>10,398,334</b>	<b>37.82%</b>	<b>10,398,334</b>	<b>37.82%</b>

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- (Rupees) -----	
<b>14. TRADE AND OTHER PAYABLE</b>			
Trade creditors	14.1	52,215,133	27,702,194
Payable to dealers		2,288,619	4,518,283
Withholding tax payable		3,367,528	381,319
Accrued expenses		1,518,571	5,646,147
		<b>59,389,851</b>	<b>38,247,943</b>



**DAWOOD EQUITIES LIMITED**

**14.1** This includes an amount of Rs. 13.61 million (June 30, 2022: Rs. 14.07 million) payable to related parties of the Company.

**15. CONTINGENCIES AND COMMITMENTS**

The status of contingencies is same as were reported in the financial statements for the year ended June 30, 2022.

**15.1** Commitment against unrecorded transactions executed before period end having settlement date subsequent to period end are as follows:

	<b>(Un-audited) December 31, 2022</b>	<b>(Audited) June 30, 2022</b>
	----- (Rupees) -----	
For purchase of shares	<b>161,960,868</b>	80,002,331
For sale of shares	<b>180,763,580</b>	84,073,376

	<u>Six months ended</u>		<u>Quarter ended</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Note	----- (Rupees) -----			

**16. REVENUE FROM CONTRACT WITH CUSTOMERS**

**Revenue from contract with customers**

- brokerage commission	16.1	<b>27,724,900</b>	41,201,887	<b>13,235,582</b>	20,507,439
- underwriting commission		<b>3,226,900</b>	1,946,787	<b>1,000,000</b>	699,261
- custody / Laga / NCSS fees		<b>2,670,608</b>	3,237,278	<b>1,605,856</b>	1,636,241
- brokerage commission on subscription		<b>684</b>	2,409,607	<b>684</b>	379,424
- Income from margin finance		<b>256,410</b>	524,136	<b>27,100</b>	215,795

**Others**

- dividend income		<b>278,800</b>	661,899	<b>276,300</b>	286,416
- profit on cash exposure deposit		<b>1,304,016</b>	650,565	<b>911,936</b>	650,565.00

		<b>35,462,318</b>	50,632,159	<b>17,057,458</b>	24,375,141
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**DAWOOD EQUITIES LIMITED**

(Un-audited)                      (Un-audited)  
**December 31,**                      December 31,  
**2022**                                      2021

----- (Rupees) -----

**16.1 Brokerage commission**

Gross commission	<b>31,329,137</b>	46,558,132
Sindh sales tax	<b>(3,604,237)</b>	(5,356,245)
	<b>27,724,900</b>	41,201,887

**17. EARNINGS PER SHARE - BASIC AND DILUTED**

There is no dilutive effect on the basic earnings per share of the Company which is as follows:

(Loss) / profit after taxation for the period (Rupees)	<b>(15,447,254)</b>	4,709,933
Weighted average ordinary shares outstanding during the period (Number)	<b>27,496,500</b>	27,496,500
(Loss) / Earnings per share - Basic and diluted (Rupees)	<b>(0.56)</b>	0.17

**18. FAIR VALUE HIERARCHY**

There were no transfers amongst levels during the period.

**19. TRANSACTION AND BALANCES WITH RELATED PARTIES**

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

**19.1 Transactions during the period**

Nature of relationship	Nature of transaction		
Member companies and key management personnel of members companies	Commission earned from brokerage transactions	2,733,514	4,928,282
Member companies	Expenses	579,116	334,886
Key management personnel	Provident Fund Employer's contribution	405,253	270,940

	Note	December 31, 2022 (Rupees)
<b>20. NET CAPITAL BALANCE</b>		
<b>CURRENT ASSETS</b>		
Cash in hand		13,675
<b>Cash at bank</b>		
- Pertaining to brokerage house		1,436,790
- Pertaining to clients		4,704,664
Total Bank balances	20.1	6,141,454
<b>Margin Deposit</b>		
- with NCCPL	20.2	46,695,120
<b>Receivables from:</b>		
- NCCPL		7,651,900
<b>Trade debts</b>		
Book value		342,032,551
Outstanding for more than 14 days		(311,726,073)
		30,306,478
Investment in listed securities in the name of brokerage house		40,884,760
Less: 15% discount		(6,132,714)
	20.3	34,752,046
Securities purchased for client where payment has not been received in 14 days	20.4	34,084,672
Total current assets (A)		159,645,345
<b>CURRENT LIABILITIES</b>		
<b>Trade payables</b>		
Book value		52,215,133
Overdue for more than 30 days		(21,951,386)
	20.5	30,263,747
Other liabilities	20.6	89,993,419
Total current liabilities (B)		120,257,166
<b>NET CAPITAL BALANCE (C=A-B)</b>		<b>39,388,179</b>



**DAWOOD EQUITIES LIMITED**

December 31,  
2022  
(Rupees)

**20.1 Cash at bank**

- Pertaining to brokerage house

Current accounts

1,302,530

Savings accounts

134,260

1,436,790

- Pertaining to clients

Current accounts

667,530

Savings accounts

4,037,134

4,704,664

6,141,454

**20.2 Margin Deposit**

Exposure deposit (Ready)

7,450,614

Exposure deposit (Future)

34,222,887

MTS exposure

5,021,619

46,695,120

**20.3 Investment in Listed Securities**

Others - ordinary shares

40,884,760

Less: 15% discount

(6,132,714)

34,752,046

**20.4 Securities held on behalf of client where payment has not been received in 14 Days.**

The amount represents lower of securities held and receivable above 14 days from clients.

**20.5 Investment in Listed Securities**

This amount is based on 30 days Net capital aging of trade payables.

**20.6 Other Liabilities**

Overdue for more than 30 days

21,951,386

Payable to dealers

2,288,619

Withholding tax payable

3,367,528

Accrued expenses

1,518,571

Unclaimed dividend

230,336

Bank overdraft

60,068,740

Current portion of lease liability

568,239

89,993,419



**21. CORRESPONDING FIGURES**

For better presentation, certain re-classification have been made in the corresponding figures including following

<b>Reclassification from component</b>	<b>Reclassification to component</b>	<b>December 31, 2021 (Rupees)</b>
Other operating charges	Allowance for expected credit losses	15,000,000
Dividend income	Income from margin finance	524,136

**22. DATE FOR AUTHORISATION FOR ISSUE**

The Board of Directors of the Company authorised these condensed interim financial statements for issue on 28 February, 2023.

**23. GENERAL**

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



\_\_\_\_\_  
Chief Executive



\_\_\_\_\_  
Director



\_\_\_\_\_  
Chief Financial Officer



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