



DAWOOD EQUITIES LIMITED

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2023



DAWOOD EQUITIES LIMITED

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DAWOOD EQUITIES LIMITED

CORPORATE OBJECTIVE

Our Vision

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

Our Mission

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



DAWOOD EQUITIES LIMITED

Company Information

Board of Directors

Mr. Junaid Dada (Chairman) / (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

Registered Head Office

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

PSX Registered Branch Office

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, Lياquatabad, 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.

Hyderabad Branch

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

Lahore Branch

Registered Agent : Mr.Imran Iqbal
Room No 8, First Floor,10 A, Kibria Town,
Raiwind Road, P.O Thokar Niazbaig Lahore
Phone No: 04235963182.

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

NOTICE OF 18TH ANNUAL GENERAL MEETING

Notice is hereby given that 18TH Annual General Meeting of Dawood Equities Limited will be held at 1700-A, Saima Trade Towers, I. I. Chundrigar Road, Karachi on October 26, 2023 at 8:45 am to transact the following business:

Ordinary Business

1. To confirm the minutes of 17TH Annual General Meeting held on October 26, 2022.
2. To receive, consider and adopt the annual audited financial statements of the Company for the year ended June 30, 2023, together with the Chairman's Review, Directors', Auditor's Report and Audited Statement of Compliance with Code of Corporate Governance thereon
3. To consider the appointment of Auditors for the year ending June 30, 2023/2024 and to fix their remuneration. The Board of Directors have recommended for reappointment of Yusuf Adil, Chartered Accountants as external auditors.

Special business

4. To consider and, if deemed fit, pass, with or without modification(s), the following resolutions as ordinary resolutions to enable and authorize the Company to circulate the annual audited financial statements, to the members of the Company through QR enabled code and weblink as allowed by the Securities and Exchange Commission of Pakistan (SECP) vide its Notification S.R.O. 389(I)/2023 dated March 21, 2023, instead of circulating the same through CD/DVD/USB.

RESOLVED THAT the Company be and is hereby authorized to circulate its annual audited financial statements, to the members of the Company through QR enabled code and weblink, in accordance with S.R.O. 389(I)/2023 dated March 21, 2023, issued by SECP.

FURTHER RESOLVED THAT the Chief Executive, Chief Financial Officer or Company Secretary of the Company be and are hereby singly authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents, as may be necessary or incidental for the purpose of implementing this resolution

5. Any other business with the permission of the chair.

Statement under Section 134(3) of the Companies Act 2017 is annexed to the notice being sent to the members

**By Order of the Board
Salman Yakoob
Company Secretary**

Karachi:
October 04, 2023

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 19, 2023 to October 26, 2023 (both days inclusive). Transfers received in order at the office of the Shares Registrar before the close of business on October 18, 2023 will be considered in time for the purpose of attendance in the Annual General Meeting.
2. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend, speak and vote on his/her behalf. Proxies in order to be effective must be received at the office of the Company not less than 48 hours before the time of holding the meeting. Proxy form is annexed.
3. In case of corporate entity, the Board of Directors resolution/Power of Attorney with specimen signature and attested copy of valid CNIC of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted along with proxy form to the Company.



DAWOOD EQUITIES LIMITED

4. A member, who has deposited his/her shares in Central Depository Company of Pakistan Limited, must bring his/her Participant ID number and account/sub account number along with original CNIC or NICOP or Passport at the time of attending the meeting.
5. The members are advised to notify to the Company's Shares Registrar of any change in their addresses.
6. The audited financial statements of the Company for the year ended June 30, 2023, are being made available on the company's website on www.dawoodequities.com.
7. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. The Company will intimate to such shareholders information about venue of video conference facility at least 5 days before the date of the Annual General Meeting to enable them to access to such facility.
8. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 to Section 145 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018

Statement of material facts under section 134(3) of the Companies Act, 2017 relating to the special business

This statement sets out the material facts concerning the special business, given in agenda no. 4 of the notice, intended to be transacted at the AGM.

Agenda no. 4 of the notice

The SECP has allowed listed companies, through its SRO No. 389(I)/2023 dated March 21, 2023, to circulate the annual audited financial statements, to the members of the Company through QR-enabled code and weblink (instead of CD/DVD/USB), subject to approval of shareholders in the annual general meeting. Where an email address has been provided by the shareholder, the Company shall circulate annual audited financial statements to the member through email. A shareholder may request the Company to provide a hard copy of the annual audited financial statements, and the same shall be provided at the shareholder's registered address free of cost, upon receipt of a duly completed request form, as available on the Company's website, www.dawoodequities.com



DAWOOD EQUITIES LIMITED

REVIEW REPORT BY THE CHAIRMAN ON THE OVERALL PERFORMANCE OF BOARD AND EFFECTIVENESS OF THE ROLE PLAYED BY THE BOARD IN ACHIEVING THE COMPANY'S OBJECTIVES:

The Board of Directors ("the Board") of Dawood Equities LTD ("DEL") has performed their duties diligently in upholding the best interest of shareholders' of the Company and has managed the affairs of the Company in an effective and efficient manner. The Board has exercised its powers and has performed its duties as stated in the repealed Companies Act 2017 and the Code of Corporate Governance ("the Code") contained in the Rule Book of the Pakistan Stock Exchange (the Rule Book) where the Company is listed. The Board during the year ended 30 June 2023 played an effective role in managing the affairs of the Company and achieving its objectives in the following manner.

- The Board has ensured that there is adequate representation of non-executive and independent directors on the Board and its committees as required under the Code and that members of the Board and its respective committees has adequate skill experience and knowledge to manage the affairs of the Company.
- The Board has formed an Audit and Human Resource and Remuneration Committee and has approved their respective terms of references and has assigned adequate resources so that the committees perform their responsibilities diligently.
- The Board has developed and put in place the rigorous mechanism for an annual evaluation of its own performance and that of its committees and individual directors. The findings of the annual evaluation are assessed and re-evaluated by the Board periodically.
- The Board has ensured that the directors are provided with orientation courses to enable them to perform their duties in an effective manner and that the four directors on the Board have already taken certification under the Directors Training Program (DTP), remaining director will complete his DTP program during FY24.
- The Board has ensured that the meetings of the Board and that of its committee were held with the requisite quorum, all the decision making were taken through Board resolution and that the minutes of all the meetings (including committees) are appropriately recorded and maintained.
- The Board has developed a code of conduct setting forth the professional standards and corporate values adhered through the Company and has developed significant policies for smooth functioning.
- The Board has actively participated in strategic planning process enterprise risk management system, policy development, and financial structure, monitoring and approval.
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;
- The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and /or internal audit activities.
- The Board has prepared and approved the director's report and has ensured that the directors report is published with the quarterly and annual financial statement of the Company and the content of the director's report are in accordance with the requirement of applicable laws and regulation.
- The Board has ensured the hiring, evaluation and compensation of the Chief Executive and other key executives including Chief Financial Officer, Company Secretary, and Head of Internal Audit.



DAWOOD EQUITIES LIMITED

- The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings.
- The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulation in terms of their conduct as directors and exercising their powers and decision making.
- The board continues to explore opportunities to deploy innovative technologies into the financial markets. Emerging Fintechs will allow us to reduce the cost/income ratios of our products and services - particularly in retail markets.

The evaluation of the Board's performance is assessed based on those key areas where the Board requires clarity in order to provide high level oversight, including the strategic process; key business drivers and performing milestones, the global economic environment and competitive context in which the Company operates; the risk faced by the Company's business; Board dynamics; capability and information flows. Based on the aforementioned, it can reasonably be stated that the Board of DEL has played a key role in ensuring that the Company objectives' are not only achieved, but exceeded expectations through a joint effort with the management team and guidance and oversight by the Board and its members.

Junaid Dada
Chairman

September 28, 2023

DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors of the Company, it gives me immense pleasure to present the Annual Report of the Company for the year ended June 30th, 2023 together with the audited financial statements for the year in accordance with the accounting, regulatory and legal standards and requirements.

ECONOMIC PERFORMANCE:

The VUCA (Volatile, Uncertain, Complex, Ambiguous) global environment, driving economic slowdown and inflationary pressures, has had a substantial impact on Pakistan's economy. Fiscal Year 2022-23 brought extraordinary challenges such as poor demand, rising policy rate, record floods and a fluid political landscape. In addition, the war in Ukraine severely disrupted the global demand-supply balance and increased the prices manifold.

The Country's economic growth slowed drastically and large-scale manufacturing (LSM) witnessed contraction in volume, drastic tightening of monetary policy and controls to curb imports. Steep PKR depreciation made overseas employment opportunities attractive which triggered migration along with salary inflation and increased cost of production locally. In FY2023, Pakistan's GDP grew by 0.3% (1.6% in agriculture, -2.9% in industrial sector, and 0.9% in the services sector). LSM shrunk by 10.26% during FY2023 versus growth of 10.6% in the previous year. The contraction in LSM volumes was witnessed across all major sectors, especially automobiles, textiles and construction. Iron & Steel production dropped by 4.0% during the period under review compared to a growth of 16.6% in the same period last year. Annual per capita income decreased from US\$ 1,765 to US\$ 1,568 in FY2023. This deceleration was attributed to the significant depreciation of PKR and the contraction in economic activity. The depreciation of the Rupee resulted in record inflation in our import-dependent economy recorded at 28.2% compared to 11.0% during the same period last year.

Uncertainties surrounding an IMF agreement finally came to an end as it approved a US\$ 3 billion stand-by agreement and released US\$ 1.2 billion in June 2023. The fears of an imminent sovereign default have been averted. The IMF has forecasted Pakistan's economic growth for FY 2024 at 3.5%.

STOCK MARKET PERFORMANCE:

Domestic stocks suffered during the year amid a burgeoning external account deficit, rising inflationary pressures exacerbated by the commodity super cycle, increased political noise and change in political leadership. The year under review has seen some volatile movements in the Pakistan Stock Exchange (PSX). The change of government in April 2022 caused a certain degree of political instability. With rupee depreciating, inflation rising, low reserves, caused the index to break below the 40,000 level during the year. The most significant factor for the decline has been continuous increase in policy rate. IMF program provided the much needed optimism with index closing at 41,453 on June 2023 a negligible decline of 0.20%. However in dollar terms the index saw a decline of 29%, primarily due to 28% rupee depreciation. Foreigners were net sellers and during the year. PSX experienced a substantial decline of 34% in volumes. The market is trading at price to earnings ratio (PE) at a very low level of 3.5 against regional multiples of 11. With such low prices dividend yield has increased to 12% against region's 3%.

In spite of all the uncertainties and economic challenges companies listed in KSE-100 performed well showing resilience, posting a profitability growth of 9%.

FINANCIAL PERFORMANCE

We are pleased to share with you the following financial performance of the company for FY23 despite multiple headwinds:



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Total revenue of DEL for the FY2022-22 was recorded at Rs.62.3 million versus Rs. 116.6 million in the comparative year. DEL recorded a pre-tax loss of Rs.15.6 million for the year ended June 30, 2023 vs. pre tax profit of Rs.15.5 million for the year ended June 30, 2022.

Total operating expenses of DEL for the FY2022-23 was recorded at Rs.44.6 million versus Rs.53.9 million in the comparative year. The Management adopted a cost conscious approach by incurring expenses on need only basis which resulted in saving in the business routine expenses. During the year the company recognized allowance for expected credit loss amount to Rs.9 million in compliance with IFRS 9. Finance cost of the company increased to Rs. 8.4 million due to higher interest rates amid aggressive monetary tightening by the central bank as well as increased utilization of borrowing lines for diversification of company's investment in better opportunities and working capital requirement.

The equity of the Company as at the balance sheet date is PKR 250.2 million (June 2022: PKR 279 million) which translates into book value per share of PKR 9.10 (June 30, 2022: PKR 10.17). The summary of Financial Results is as follows:

	June 30, 2023 Rupees	June 30, 2022 Rupees
Revenue	62,339,791	116,618,612
Profit / (Loss) before tax	(15,612,900)	15,507,831
Profit / (Loss) after tax	(24,074,053)	9,602,557
Earnings per share basic and diluted	(0.88)	0.35

CREDIT RATING

The Company has assigned the entity ratings of (A-) for Long Term and (A2) for Short Term basis by The Pakistan Credit Rating Agency Limited ("PACRA"). The outlook on the assigned ratings is 'Stable'. This certification has further underscored the management's vision for continuous growth and is expected to provide further confidence to the company's clientele with regards to the credibility and stability.

RISK MANAGEMENT

Risks are unavoidable in our business and include liquidity, market, credit, operational, legal, regulatory, and reputational risks. DEL risk management governance starts with our Board, which plays an integral role in reviewing and approving risk management policies and practices. Our risk management framework and systems are longstanding, standardized, and very robust. We believe that effective risk management is of primary importance to the success of the Company. Accordingly, we have initiated comprehensive risk management processes through which we monitor, evaluate and manage the risks we assume in conducting our activities. A rigorous framework of limits is applied to control risk across multiple transactions, products, businesses, and markets in which we deal. This includes setting credit and market risk limits at a variety of levels and monitoring these limits regularly.

CORPORATE SOCIAL RESPONSIBILITY

Your Company continued its contribution to society and the business community as a socially responsible organization through numerous philanthropic activities to welfare organization involve in projects focusing on healthcare, education, environment, and community welfare. We aim to continue our involvement and contribution to such noble causes in the future as well.

INTERNAL CONTROL AND AUDIT FUNCTION

The Board is responsible for effective implementation of a sound internal control system including compliance with control procedures. Audit Committee has outsourced Internal Audit Function to Reanda Haroon Zakaria & Co Chartered Accountants, for wider functions and role identified as below:



DAWOOD EQUITIES LIMITED

- Review compliance with responsible for monitoring compliance with Relevant International Accounting Standards, as applicable in Pakistan and compliance of the policies and procedures framed by the Board.
- Review accounting and internal control system
- Review the economy, efficiency and effectiveness of operations (Value for Money Audits / VFM Audits)
- Examining financial and operational information.
- Assisting with the identification of significant risks.

The Audit Committee has also reviewed material Internal Audit findings, taken appropriate actions where necessary or brought the matters to the Board's attention, where required. Adequate remedial and mitigating measures are applied, where necessary.

COMPLIANCE WITH THE BEST PRACTICE OF THE CODE OF CORPORATE GOVERNANCE:

The Board and Management of the Company are committed to ensuring that requirements of the Code of Corporate Governance are fully met. The Company has adopted strong Corporate Governance practices with an aim to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information.

The Directors are pleased to report that:

1. The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity;
2. Proper books of account of the Company have been maintained;
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements;
5. The system of internal control is sound in design and has been effectively implemented and monitored;
6. There are no significant doubts upon the Company's ability to continue as a going concern;
7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;
8. The Company has on account of statutory payment of taxes, duties, levies and charges has no outstanding liability as at the balance sheet date;
9. There are no transactions entered into by the DEL during the year which are fraudulent, illegal or in violation of any securities market laws;
10. The Company has paid amount of RS. 839,545/- in the Provident Fund of the employees of the Company and the Company has no outstanding liability as at the year-end as the Provident Fund is managed by a separate trust.

CHANGES IN THE BOARD

During the year under review, there was no change in structure of the Board



DAWOOD EQUITIES LIMITED

AUDIT COMMITTEE

The Audit Committee of the Board continued to perform its duties and responsibilities in an effective manner as per its terms of reference duly approved by the Board. The committee composition has also been attached with this report.

HUMAN RESOURCE & REMUNERATION COMMITTEE

In compliance with the Code of Corporate Governance the Board of Directors has constituted a Human Resource & Remuneration Committee (HR&R Committee) whose members consist of three Directors appointed by the Board of Directors. The HR& R Committee comprises of three member including Independent Director holds Chairmanship of the committee.

COMPOSITION OF THE BOARD

The total no of Board of Directors of the Company consists of seven as follows:

Male 06 Female 01

The composition of the board is as follows:

Category	Names
Category	Mr. Muhammad Abbas
Independent Director	Mr. Junaid Dada Mr. Abdul Aziz Habib
Chief Executive Officer	Mr. Khalid Yousuf
Non - Executive Directors	Ms. Sobia Saif Mr. Areeb Shujaat Mr. Saifullah

The board has formed following mandatory committees comprising of members given below:

AUDIT COMMITTEE

Mr. Muhammad Abbas - Chairman
Mr. Khalid Yousuf - Member
Mrs. Sobia Saif - Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Muhammad Abbas - Chairman
Mr. Abdul Aziz Habib - Member
Mr. Areeb Shujaat- Member

BOARD & AUDIT COMMITTEE MEETING AND ATTENDANCE

During the year under review, four meetings of the Board of Directors and four meetings of the Audit Committee were held. The attendance of the Board and Audit Committee members was as follows:



DAWOOD EQUITIES LIMITED

Name of Directors	Board Meeting	Audit Committee Meeting
Mr. Abdul Aziz Habib	4/4	N/A
Mr. Junaid Zakaria Dada	4/4	N/A
Mr. Saifullah	4/4	N/A
Mr. Muhammad Abbas	4/4	4/4
Mr. Muhammad Khalid	4/4	4/4
Ms. Sobia Saif	4/4	4/4
Mr. Areeb Shujaat	4/4	N/A

TRADING IN SHARES OF THE COMPANY BY DIRECTORS AND EXECUTIVES

During the year no trades in the shares of the Company were carried out by the Directors, CEO, CFO & Company Secretary and their spouses and minor children.

DIRECTORS' REMUNERATION

Detail of remuneration and other benefits paid to Executive Director are disclosed in the note 32 to the financial statements. These remunerations are duly approved by the Board of Directors. The remuneration of the Director is based on prevailing industry trend and are in accordance with the Listed Companies (Code of Corporate Governance) Regulation 2019. It is ensured that no Director takes part in deciding his own remuneration. Non-Executive Directors are not paid any remuneration during the year.

CORPORATE AND SECRETARIAL COMPLIANCE

The Company Secretary has furnished a Secretarial Compliance Certificate as part of the annual return filed with the registrar of Companies to certify that the secretarial and corporate requirements of the Companies Act, 2017, Memorandum and Articles of Association of the Company and the listing regulations have been duly complied with.

STATEMENT OF COMPLIANCE

Your company has implemented provisions of the Code of Corporate Governance, since listing at Pakistan Stock Exchange Limited. The external auditors has reviewed our report on the statement of compliance with the Code of Corporate Governance, there review report is annexed with this report.

ETHICS AND BUSINESS PRACTICES

As per the Corporate Governance guidelines, the Company has circulated a "Code of Ethics" for compliance. It has been signed by all directors and employees of the Company acknowledging their understanding and acceptance of the Code.

PATTERN OF SHAREHOLDING

The detailed pattern of the shareholding and categories of shareholders of the Company as at June 30, 2023, as required under the listing regulations, have been appended to this Annual Report.

POST BALANCE SHEET DATE EVENT / DIVIDEND

The directors recommended no cash dividend, whether interim or final, for the financial year ended June 30, 2023. No circumstances have arisen since the Balance Sheet date, which require adjustment to disclosure in the Financial Statements



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RELATED PARTY TRANSACTION

In order to comply with the requirements of listing regulations, the Company has presented all related party transactions before the Audit Committee and Board for their review and approval. The details of all related party transactions have been provided in note 31 of the annexed audited financial statements. All transactions between your company and connected person/related parties are carried at an arm's length basis except for those transactions whose justification has been recorded.

AUDITORS

The retiring auditors M.Yusuf Adil & Company Chartered Accountants have completed their assignment and offered themselves for reappointment. The Board recommends their reappointment and a resolution proposing the appointment of M.Yusuf Adil & Company Chartered Accountants as auditors of the Company for the financial year 2023-24 will be submitted at the forthcoming Annual General Meeting for approval.

FUTURE OUTLOOK

The future prospects of your Company are exceedingly promising on account of the Management's efforts towards increasing the Company's market share and through wider participation in all its business segments. The Company is striving to yield better volumes from its existing clientele as well as prospective financial institution, by expanding and growing relationships with them through the Company's premium suite of services. This includes offering novel products and services through augmenting the Company's high quality Research.

Junaid Dada
Chairman

Abdul Aziz Habib
Chief Executive Officer

Karachi: September 28, 2023



DAWOOD EQUITIES LIMITED

ڈاؤمیکٹرز کی رپورٹ

کپنی کے بورڈ آف ڈائریکٹرز کی جانب سے، 30 جون 2023 کو ختم ہونے والے سال کے لئے کپنی کی سالانہ رپورٹ محاسبانہ کے لئے نظر ثانی شدہ مالیاتی گوشوارے اور اکاؤنٹنگ، ریگولیٹری اور وفاقی معیارات اور ضروریات کے مطابق ان پراڈیجز کی رپورٹ پیش کرتے ہوئے مجھے انتہائی خوشی ہو رہی ہے۔

اقتصادی اور کاروباری ماحول

VUCA (صحتزل، غیر یقینی، پیچیدہ، مبہم) عالمی ماحول، جو معاشرے سے رومی اور افراط زر کے دباؤ کو آگے بڑھا رہا ہے، نے پاکستان کی معیشت کو بہت زیادہ متاثر کیا ہے۔ مالی سال 2022-23 غیر معمولی کم طلب، بڑھتی ہوئی پالیسی کی شرح، ریکارڈ سیلاب اور سیاسی منظر نامے کی روانی مشکلات نے لے کر آیا۔ اس کے علاوہ، یوکرین میں جنگ نے عالمی طلب اور رسد کے توازن کو بُری طرح متاثر کیا اور قیمتیں کی گنا بڑھ گئیں۔

ملک کی اقتصادی نمو میں تیزی سے کمی آئی اور بڑے پیمانے پر میٹریکیپرٹک (ایبل ایس ایم) کے حجم میں کمی آئی، مانیٹری پالیسی میں بہت زیادہ سختی اور درآمدات کو روکنے کے لیے کنٹرولز دیکھے۔ پاکستانی روپیہ میں زبردستی سے بیرون ملک روزگار کے مواقع کو کھینچنا، ناداروں جس سے تنخواہوں میں افراط زر اور مقامی طور پر پیداواری الاگت میں اضافہ کے ساتھ ساتھ جہت شروع ہوئی۔ مالی سال 2023 میں، پاکستان کی جی ڈی پی میں 0.3% (زراعت میں 1.6%، صنعتی شعبے میں -2.9%، اور خدمات کے شعبے میں 0.9%) اضافہ ہوا۔ مالی سال 2023 کے دوران ایبل ایس ایم 10.26 فیصد کم ہو گیا۔ پچھلے سال میں 10.6 فیصد اضافہ ہوا۔ ایبل ایس ایم کے حجم میں سگڑاؤ تمام بڑے شعبوں خصوصاً آٹوموبائل، ٹیکسٹائل اور تعمیرات میں دیکھا گیا۔ زیر جائزہ مدت کے دوران آئرن اینڈ اسٹیل کی پیداوار میں 4.0 فیصد کمی واقع ہوئی ہے جبکہ گزشتہ سال کی اسی مدت میں 16.6 فیصد کمی ہوئی۔ مالی سال 2023 میں سالانہ نئی کس آمدنی 1,765 امریکی ڈالر سے کم ہو کر 1,568 امریکی ڈالر رہ گئی۔ اس کی وجہ پاکستانی روپیہ کی نمایاں گراؤ اور معاشی سرگرمیوں میں سگڑاؤ ہے۔ روپے کی قدر میں کمی کے نتیجے میں ہماری درآمدات پر منحصر معیشت میں افراط زر کی شرح 28.2 فیصد ریکارڈ کی گئی جو گزشتہ سال کی اسی مدت کے دوران 11.0 فیصد تھی۔

آئی ایم ایف کے معاہدے کے ارد گرد کی غیر یقینی صورتحال یا آخر ختم ہو گئی کیونکہ اس نے 3 بلین امریکی ڈالر کے اسٹینڈ بائی معاہدے کی منظوری دے دی اور جون 2023 میں 1.2 بلین امریکی ڈالر جاری کر دیے ہیں۔ آئی ایم ایف نے مالی سال 2024 کے لیے پاکستان کی اقتصادی شرح نمو 3.5 فیصد رہنے کی پیش گوئی کی ہے۔

اسٹاک مارکیٹ کی کارکردگی:

سال کے دوران بڑھتے ہوئے بیرونی اکاؤنٹ خسارہ، اشیاء کے ہر سائیکل کی وجہ سے بڑھتے ہوئے افراط زر کا دباؤ، بڑھتے ہوئے سیاسی شور اور سیاسی قیادت میں تبدیلی کے درمیان ہلکی اسٹاکس کو نقصان پہنچا۔ زیر جائزہ سال کے دوران پاکستان اسٹاک ایکسچینج (PSX) میں کچھ اتار چڑھاؤ دیکھنے میں آیا۔ اپریل 2022 میں حکومت کی تبدیلی نے ایک خاص حد تک سیاسی عدم استحکام پیدا کیا۔ روپے کی قدر میں کمی، افراط زر میں اضافہ، کم ذخائر، سال کے دوران انڈیکس 40,000 کی سطح سے نیچے گرنے کا سبب بنے۔ کمی کا سبب سے اہم عنصر پالیسی ریٹ میں مسلسل اضافہ ہے۔ آئی ایم ایف پروگرام نے انتہائی مطلوبہ رجائیت فراہم کی جس میں انڈیکس جون 2023 کو 41,453 پر بند ہوا جو 0.20 فیصد کی معمولی کمی ہے۔ تاہم ڈالر کے لحاظ سے، بنیادی طور پر روپے کی قدر میں 28% کمی کی وجہ سے انڈیکس میں 29% کمی دیکھی گئی۔ غیر ملکی نالغہ فروخت کنندہ تھے اور سال کے دوران PSX کے حجم میں 34% کمی نمایاں ہوئی۔ مارکیٹ قیمت سے آمدنی کے تناسب (PE) پر علاقائی 11 کے مقابلے میں 3.5 کی انتہائی کم سطح پر فیڈر رہی ہے۔ اس طرح کی کم قیمتوں کے ساتھ ڈیویڈنڈ کی شرح خطی 3% کے مقابلے میں 12% تک بڑھ گئی ہے۔

تمام غیر یقینی صورتحال اور معاشی مشکلات کے باوجود KSE-100 میں درج کمپنیوں نے لچک کے ساتھ اچھی کارکردگی کا مظاہرہ کرتے ہوئے منافع میں 9% اضافہ کیا۔

مالیاتی کارکردگی

متعدد مشکلات کے باوجود ہمیں مالی سال 23 کے لیے کپنی کی درج ذیل مالی کارکردگی آپ کو بتاتے ہوئے خوشی ہو رہی ہے۔

مالی سال 2022-23 کے لئے DEL کی کل آمدنی تقابلی سال میں 116.6 ملین روپے کے مقابلے میں 62.3 ملین روپے پر ریکارڈ کی گئی۔ DEL نے 30 جون 2023 کو ختم ہونے والے سال کے لئے 15.6 ملین روپے کا قسٹ ازنگس نقصان درج کیا جو 30 جون 2022 کو ختم ہونے والے سال کے لئے 15.5 ملین روپے قسٹ ازنگس منافع تھا۔

مالی سال 2022-23 کے لئے DEL کے کل آپریٹنگ اخراجات تقابلی سال میں 53.9 ملین روپے کے مقابلے میں 44.6 ملین روپے پر ریکارڈ کئے گئے۔ انتظامیہ نے مختصر ضرورت کی بنیاد پر اخراجات برداشت کر کے الگ برشمار مندری دکھائی جس کے نتیجے میں معمول کے کاروباری اخراجات میں بچت ہوئی۔ سال کے دوران کپنی نے 9 IFRS کی تعمیل میں متوقع کریڈٹ نقصان کی رقم 9 ملین روپے کے الاؤنس کو تسلیم کیا۔ کپنی کی مالیاتی لاگت بڑھ کر 8.4 ملین روپے ہو گئی جو مرکز کی بینک کی طرف سے جارحانہ مالیاتی سختی کے باعث سود کی بلند شرحوں اور بہتر مواقع اور ورگنگ کیمپبل کی ضرورت میں کپنی کی سرمایہ کاری کو متنوع بنانے کے لیے قرض لینے کی زیادہ لاٹوں کے استعمال کی وجہ سے زیادہ ہوئی ہے۔

بیلنس شیٹ کی تاریخ تک کپنی کی ایکویٹی 250.2 ملین روپے (جون 2022 میں 279.9 ملین روپے) ہے جس کے نتیجے میں بلڈ ویل 9.10 روپے فی شیئر (30 جون، 2022 میں 10.17 روپے) حاصل ہوئی ہے۔



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مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

30 جون 2023 روپے	30 جون 2023 روپے	
116,618,612	62,339,791	آمدنی
15,507,831	(15,612,900)	ٹیکس سے قبل منافع / (نقصان)
9,602,557	(24,074,053)	ٹیکس کے بعد منافع / (نقصان)
0.35	(0.88)	فی شیئر آمدنی / (نقصان) بنیادی اور معتدل

کرپٹ ریٹنگ

کمپنی کو پاکستان کرپٹ ریٹنگ ایجنسی لمیٹڈ ("PACRA") کی طرف سے (A-) کی طویل مدتی اور (A2) کی قلیل مدتی پمٹنی درجہ بندی تفویض کی ہے۔ تفویض کردہ درجہ بندی کا نقطہ نظر 'مستحکم' ہے۔ یہ سرٹیفیکیشن مسلسل ترقی کے لیے پیمنٹس کے ذمہ کو مزید واضح کرتی ہے اور توقع ہے کہ کمپنی کے کلائنٹس کو سہولت اور استحکام کے حوالے سے مزید اعتماد فراہم کرے گی۔

رسک مینجمنٹ

ہمارے کاروبار میں خطرات ناگزیر ہیں اور ان میں لیکویڈٹی، مارکیٹ، کرپٹ، آپریشنل، قانونی، ریگیولیٹری، اور شہرت کے خطرات شامل ہیں۔ DEL رسک مینجمنٹ گورننس ہمارے بورڈ کے ساتھ شروع ہوتی ہے، جو رسک مینجمنٹ کی پالیسیوں اور طریقوں کا جائزہ لینے اور منظوری دینے میں ایک لازمی کردار ادا کرتا ہے۔ ہمارا رسک مینجمنٹ فریم ورک اور سسٹم دیرینہ، معیاری اور بہت مضبوط ہیں۔ ہم سمجھتے ہیں کہ کمپنی کی کامیابی کے لیے مؤثر رسک مینجمنٹ بنیادی اہمیت کی حامل ہے۔ اسی مناسبت سے، ہم نے رسک مینجمنٹ کے جامع عمل شروع کیے ہیں جن کے ذریعے ہم اپنی سرگرمیوں کے انعقاد میں جو خطرات لاحق ہوتے ہیں ان کی نگرانی، جائزہ اور ان کا نظم و نسق کرتے ہیں۔ حدود کا ایک سخت فریم ورک متعدد بین دین، مصنوعات، کاروبار اور بازاروں جہاں ہم کاروبار کرتے ہیں میں خطرے کو کنٹرول کرنے کے لیے لاگو کیا جاتا ہے۔ اس میں مختلف سطحوں پر کرپٹ اور مارکیٹ کے خطرات کی حدیں طے کرنا اور ان حدود کی قائم کاری سے نگرانی کرنا شامل ہے۔

کارپوریٹ سماجی ذمہ داری

آپ کی کمپنی نے صحت کی دیکھ بھال، تعلیم، ماحولیات اور سماجی بہبود پر توجہ مرکوز کرنے والے منصوبوں میں شامل فلاحی تنظیم کے لیے متعدد فلاحی سرگرمیوں کے ذریعے سماجی طور پر ذمہ دار تنظیم کے طور پر معاشرے اور کاروبار برابری برداری کے لیے اپنا تعاون جاری رکھا ہے۔ ہم مستقبل میں بھی ایسے نیک مقاصد میں اپنی شمولیت اور شراکت جاری رکھنے کے خواہاں ہیں۔

داخلی کنٹرول اور آڈٹ فنکشن

بورڈ مستحکم داخلی کنٹرول سسٹم بشمول کنٹرول کے طریقوں کی تعین سمیت مؤثر عملدرآمد کا ذمہ دار ہے۔ آڈٹ کمیٹی نے درج ذیل وسیع تر افعال اور کردار کی شناخت کے لئے زبردہ کاروباروں کو زکریا اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کا داخلی آڈٹ فنکشن حاصل کیا ہے جس کے کام حسب ذیل ہیں:

• پاکستان میں لاگو اور بورڈ کی طرف سے تیار کردہ پالیسیوں اور طریقوں کے مطابق متعلقہ بین الاقوامی اکاؤنٹنگ معیارات کی مطابقت میں نگرانی کے لئے ذمہ داری کے ساتھ تعین کا جائزہ۔

• اکاؤنٹنگ اور داخلی کنٹرول سسٹم کا جائزہ۔

• معیشت، آپریشنز (معی آڈٹ کی ویلیو VFM) اور ڈیٹ کی ویلیو کی صلاحیت اور تاثرات کا جائزہ

• مالی اور آپریشنل معلومات کی جانچ پڑتال۔

• اہم خطرات کی شناخت میں معاونت۔

آڈٹ کمیٹی نے اندرونی آڈٹ کے مواد کا بھی جائزہ لیا ہے، جہاں ضرورت ہو وہاں مناسب اقدامات یا جہاں ضرورت پڑے معاملات بورڈ کی توجہ میں لائے ہیں۔ جہاں ضروری ہو، مناسب تدارک اور تخفیف کے اقدامات کا اطلاق کیا ہے۔

کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں کی تعین

کمپنی کا بورڈ اور انتظامیہ اس بات کو یقینی بناتی ہے کہ کوڈ آف کارپوریٹ گورننس کے تقاضوں پر مکمل عمل کیا گیا ہے۔ کمپنی نے مالی اور ان مالی معلومات کی درستگی، کیریئر، جینوینٹس اور ٹرانسپیرینسی کو بڑھانے کے مقصد کے ساتھ مضبوط کارپوریٹ گورننس عوامل اختیار کئے ہیں۔

ڈائریکٹرز بیان کرتے ہوئے خوشی محسوس کرتے ہیں کہ:



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- 1 کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- 2 کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- 3 مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ پالیسیوں میں کسی تبدیلیوں کا مالی حسابت میں انکشاف کیا گیا ہے۔ اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- 4 مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے۔
- 5 اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- 6 کمپنی کے گونگ کنٹرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- 7 کارپوریٹ گورننس کے بہترین عمل سے کوئی مادی انحراف نہیں کیا گیا ہے۔
- 8 بیننس شیٹ کی تاریخ تک کمپنی کے ڈیٹے سیکسز، ڈیویڈنڈ، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگی ناپایا اجابت نہیں ہے۔
- 9 سال کے دوران DEL کی طرف سے کوئی ٹرانزیکشن نہیں گئی جو دو حوکدہ بی، غیر قانونی یا کسی سیکورٹیز مارکیٹ قواعد میں کی خلاف ورزی ہو۔
- 10 کمپنی نے کمپنی کے ملازمین کے پرائیویٹ فنڈ میں -/545,839 روپے کی رقم ادا کی ہے۔ سال کے اختتام پر کمپنی کے ذمہ کوئی ناپایا اجابت نہیں ہیں کیونکہ پرائیویٹ فنڈ ایک الگ ٹرسٹ کے زیر انتظام ہے۔

بورڈ میں تبدیلیاں

زیر جائزہ سال کے دوران بورڈ کے سٹرکچر میں کوئی تبدیلی نہیں ہوئی:

آڈٹ کمپنی

بورڈ کی آڈٹ کمپنی بورڈ کے منظور شدہ ضوابط کے تحت موثر انداز میں اپنے فرائض اور ذمہ داریاں سرانجام دیتی ہے۔ کمپنی کی تشکیل اس رپورٹ کے ساتھ لفٹ بھی ہے:

ہیومن ریسورس اینڈ ریگولیشن کمیٹی

کوڈ آف کارپوریٹ گورننس کی تعمیل میں بورڈ آف ڈائریکٹرز نے ہیومن ریسورس اینڈ ریگولیشن کمیٹی (ایچ آراینڈ آر کمیٹی) تشکیل دی ہے جس کے ارکان تین ڈائریکٹرز پر مشتمل ہیں جنہیں بورڈ

آف ڈائریکٹرز نے مقرر کیا ہے۔ ایچ آراینڈ آر کمیٹی میں کمیٹی کی چیئر مین شپ کے حامل آزاد ڈائریکٹرز سمیت تین ارکان شامل ہیں۔

بورڈ کی ترتیب

کمپنی کے بورڈ آف ڈائریکٹرز کی کل تعداد سات درج ذیل کے مطابق ہے:

مرد: 06

خاتون: 01

بورڈ کی تشکیل حسب ذیل ہے:

نام	کلیئر
جناب محمد عباس	آزاد ڈائریکٹر
جناب جمیل دادا	
جناب عبدالعزیز حبیب	چیف ایگزیکٹو آفیسر
جناب خالد یوسف	ٹران ایگزیکٹو ڈائریکٹر
محترمہ مصو بیہ سیف	
جناب اریب جماعت	
جناب سیف اللہ	



DAWOOD EQUITIES LIMITED

بورڈ نے مندرجہ ذیل لازمی کمیٹیاں تشکیل دی ہیں جن میں درج ذیل ممبران شامل ہیں۔

آڈٹ کمیٹی

جناب محمد عباس - چیئر مین

جناب خالد یوسف - ممبر

محترمہ صوبیہ سیف - ممبر

انسانی وسائل اور معاوضہ کمیٹی

جناب محمد عباس - چیئر مین

جناب عبدالعزیز حبیب - ممبر

جناب اریب شجاعت - ممبر

بورڈ اور آڈٹ کمیٹی کے اجلاس اور حاضری

زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز کے چار اجلاس اور آڈٹ کمیٹی کے بھی چار اجلاس منعقد ہوئے۔ بورڈ اور آڈٹ کمیٹی کے ارکان کی حاضری حسب ذیل ہے:

نام ڈائریکٹر	بورڈ اجلاس	آڈٹ کمیٹی اجلاس
جناب عبدالعزیز حبیب	4/4	کوئی نہیں
جناب تنہیز زکریا دادا	4/4	کوئی نہیں
جناب سیف اللہ	4/4	کوئی نہیں
جناب محمد عباس	4/4	4/4
جناب محمد خالد	4/4	4/4
محترمہ صوبیہ سیف	4/4	4/4

ڈائریکٹرز اور ایگزیکٹوز کی طرف سے کمپنی کے حصص میں تجارت

سال کے دوران کسی ڈائریکٹر، چیف ایگزیکٹو آفیسر، سی ایف او اور کمیٹی سیکرٹری، ان کے زوج اور نابالغ بچوں کی طرف سے کمپنی کے حصص میں کوئی تجارت نہیں کی گئی ہے۔

ڈائریکٹرز کا معاوضہ

ایگزیکٹو ڈائریکٹرز کو ادائیگی جانے والے معاوضہ اور دیگر فوائد کی تفصیل مالی گوشواروں کے نوٹ 32 میں ظاہر کی گئی ہے۔ یہ معاوضے بورڈ آف ڈائریکٹرز کی طرف سے منظور شدہ ہیں۔ ڈائریکٹرز کا معاوضہ صنعت کے مروجہ رجحان پر مبنی ہے اور یہ لیکچر (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019 کے مطابق ہے۔ اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضہ کا فیصلہ کرنے میں حصہ نہ لے۔ نان ایگزیکٹو ڈائریکٹرز کو سال کے دوران کوئی معاوضہ ادا نہیں کیا جاتا ہے۔

کارپوریٹ اور سیکرٹریل عمل

کمپنی سیکرٹری لیکچر رجسٹر کے ہاں داخل کردہ سالانہ ریزولوشن کے ایک حصہ کے طور پر ایک سیکرٹریل کمپلائنس شوقلیٹ جمع کر لیا ہے جو اس بات کی توثیق ہے کہ کمپنی ایکٹ، 2017، کمپنی کے میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن اور فرتی قواعد و ضوابط کی سیکرٹریل اور کارپوریٹ ضروریات کے مطابق باقاعدہ عمل کیا گیا ہے۔



DAWOOD EQUITIES LIMITED

تعمیل کا بیان

آپ کی کمپنی نے پاکستان اسٹاک ایکسچینج لمیٹڈ میں اندراج سے کوڈ آف کارپوریٹ گورننس کی دفعات پر عمل کیا ہے۔ ایکسٹرنل آڈیٹرز نے کوڈ آف کارپوریٹ گورننس کی تعمیل کے بیان پر ہماری رپورٹ کا جائزہ لیا ہے، جائزہ رپورٹ، رپورٹ بڈا کے ہمراہ منسلک ہے۔

ضابطہء اخلاق اور کاروبار کے طریقے

کارپوریٹ گورننس گائیڈ لائنز کے مطابق، کمپنی نے تعمیل کے لئے ایک "ضابطہء اخلاق" جاری کیا ہے۔ اس پر کمپنی کے تمام ڈائریکٹرز اور ملازمین نے ضابطہ کو سمجھنے اور قبولیت کو تسلیم کرتے ہوئے دستخط کئے ہیں۔

شہر ہولڈنگ کا نمونہ

فہرستی قواعد و ضوابط کے تحت درکار، 30 جون 2023 کے مطابق کمپنی کے شہر ہولڈنگ کا تفصیلی نمونہ اور شہر ہولڈرز کی لیگسلیٹو سالانہ رپورٹ سے منسلک ہیں۔

بہبودائیں شٹ واقعات اڈیٹیو ہینڈ

30 جون 2023 کو ختم ہونے والے مالی سال کے لئے، نامعلوم یا باقی کسی بھی منافع منقسمہ کی سفارش نہیں کی ہے۔ بینڈ شٹ تاریخ کے بعد کوئی حالات پیدا نہیں ہوئے ہیں، جس کی مالی گوشواروں میں انکشاف کے لئے ایڈجسٹمنٹ ضروری ہو۔

متعلقہ پارٹیوں کے ساتھ لین دین

فہرستی ضوابط کے تقاضوں کی تعمیل میں، کمپنی نے متعلقہ پارٹی سے تمام لین دین کو آڈٹ میں اور بورڈ کے سامنے ان کے جائزہ اور منظوری کے لئے پیش کیا ہے۔ آڈٹ شدہ مالی گوشواروں کے نوٹ 31 میں متعلقہ پارٹی سے تمام لین دین کی تفصیلات فراہم کی گئی ہیں۔ آپ کی کمپنی اور متعلقہ اشخاص / متعلقہ پارٹیوں کے درمیان تمام لین دین قابل رسائی بنیاد پر کئے گئے ماسوائے ان لین دین کے جن کی جھٹکلیکیشن درج کی گئی ہے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے اپنی اسائنمنٹ مکمل کر لی اور ریٹائر ہو گئے ہیں۔ بورڈ ان کی دوبارہ تقرری کی سفارش کرتا ہے اور مالی سال 2023-24 کے لئے کمپنی کے آڈیٹرز کے طور پر ایم یوسف عادل اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی تقرری کی تجویز پیش کرنے کی قرارداد منظور کی ہے۔

مستقبل کا نقطہ نظر

کمپنی کے مارکیٹ شیئر کو بڑھانے اور اس کے تمام کاروباری شعبوں میں وسیع تر شرکت کے ذریعے انتظامیہ کی کوششوں کی وجہ سے آپ کی کمپنی کے مستقبل کے امکانات بہت زیادہ امید افزا ہیں۔ کمپنی اپنے موجودہ کاروباروں کے ساتھ ساتھ مہمناہ مالیتی اداروں سے کمپنی کے پریمیئم سوٹ آف سروسز کے ذریعے ان کے ساتھ تعلقات کو وسعت دینے اور زیادہ بہتر حجم حاصل کرنے کی کوشش کر رہی ہے۔ اس میں کمپنی کی اعلیٰ معیار کی تحقیق کو بڑھا کر نئی مصنوعات اور خدمات کی پیشکش بھی شامل ہے۔

محمد الحزیز حبیب

چیف ایگزیکٹو آفیسر

محمد دادا

چیف مین

کراچی، 28 ستمبر 2023ء



DAWOOD EQUITIES LIMITED

Pattern Of Share Holding - Form "34"
Shareholders Statistics As At June 30, 2023

Number of Share Holders	Share Holding			Total Shares Held
	From		To	
144	1	-	100	4,004
99	101	-	500	39,003
1831	501	-	1000	1,030,138
473	1001	-	5000	982,022
85	5001	-	10000	593,079
33	10001	-	15000	405,978
16	15001	-	20000	283,550
14	20001	-	25000	324,974
15	25001	-	30000	422,500
8	30001	-	35000	263,090
5	35001	-	40000	186,100
3	40001	-	45000	124,005
6	45001	-	50000	296,500
3	50001	-	55000	161,500
2	55001	-	60000	117,000
1	60001	-	65000	64,000
1	65001	-	70000	67,100
3	70001	-	75000	212,900
3	90001	-	95000	278,400
4	95001	-	100000	394,050
2	100001	-	105000	201,199
5	105001	-	110000	550,000
1	125001	-	130000	129,500
2	130001	-	135000	261,500
1	170001	-	175000	174,185
1	175001	-	180000	176,000
1	180001	-	185000	182,500
1	205001	-	210000	210,000
1	210001	-	215000	212,050
3	215001	-	220000	660,000
1	245001	-	250000	247,350
2	250001	-	255000	506,000
1	260001	-	265000	264,235
1	270001	-	275000	275,000
1	285001	-	290000	286,350
1	300001	-	305000	300,500
1	320001	-	325000	321,500
1	325001	-	330000	328,449
1	330001	-	335000	330,250
1	355001	-	360000	358,500
1	385001	-	390000	385,330
1	535001	-	540000	539,000
1	695001	-	700000	699,210
1	910001	-	915000	910,800
1	980001	-	985000	983,000
1	1240001	-	1245000	1,242,670
1	1430001	-	1435000	1,434,365
1	1980001	-	1985000	1,980,001
1	3035001	-	3040000	3,038,989
1	4060001	-	4065000	4,061,674
2788				27,500,000



DAWOOD EQUITIES LIMITED

**Details of Pattern of Share holding as Per requirements of
Code of Corporate Governance as on June 30, 2023**

Shareholder's Detail	Shareholders	Shares Held	%
<u>Directors and their Spouse(s) and Minor Children</u>	7	1,981,419	7.21
Mr. Areeb Shujaat		98	0.00
Mr. Aziz Habib		1	0.00
Mr. Junaid Zakaria Dada		1,980,001	7.20
Mr. Khalid Yousuf		658	0.00
Mr. Muhammad Abbas+A11		550	0.00
Mrs. Sobia Saif		110	0.00
Mr. Saifullah		1	0.00
Associated Companies, Undertaking And Related Parties.	-	-	-
Executives	-	-	-
Public Sector Companies and Corporations	-	-	-
<u>Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds</u>	19	7,892,602	28.70
Equity International (Pvt.) Ltd.		3,313,989	12.05
B. R. R. INVESTMENT (PRIVATE) LIMITED		1,238,210	4.50
DJM SECURITIES LIMITED		1,159,000	4.21
TAG CONSULTING (PVT.) LIMITED		607,850	2.21
DAWOOD EQUITIES LIMITED - MF		358,500	1.30
ICON CONSULTANTS (PRIVATE) LIMITED		330,250	1.20
EVALUATION GRID (PRIVATE) LIMITED		300,500	1.09
VORSON (PRIVATE) LIMITED		247,350	0.90
RS PUBLISHERS (PRIVATE) LIMITED		110,000	0.40
SONERI BANK LIMITED		92,400	0.34
TRUSTEE-FIRST DAWOOD INV. BANK LTD. & OTHER EMPOLYEEES P.FUND		36,000	0.13
SALIM SOZER SECURITIES (PRIVATE) LIMITED		30,000	0.11
BAWANY SECURITIES (PRIVATE) LIMITED - MF		27,500	0.10
MRA SECURITIES LIMITED - MF		17,000	0.06
IMPERIAL INVESTMENT (PVT) LTD.		13,000	0.05
SHAFFI SECURITIES (PVT) LIMITED		7,150	0.03
SARFRAZ MAHMOOD (PRIVATE) LTD		1,650	0.01
CAPITAL VISION SECURITIES (PVT) LTD.		1,133	0.00
ESCORTS INVESTMENT BANK LIMITED		550	0.00
PRUDENTIAL SECURITIES LIMITED		550	0.00
NCC - PRE SETTLEMENT DELIVERY ACCOUNT		20	0.00
General Public	2,792	17,625,979	64.09
Total	2,818	27,500,000	100.00

Shareholders holding 5% or more

Name	Shares held	Percentage
Mr. Ayaz Dawood	5,304,344	19.29
Equity International (Pvt.) Ltd.	3,313,989	12.05
Mr. Junaid Zakaria Dada	1,980,001	7.20
Ms. Hamida Dawood	1,685,365	6.13



DAWOOD EQUITIES LIMITED

FINANCIAL HIGHLIGHTS

Financial Year ending June 30	2023	2022	2021	2020	2019	2018
Operating Results						
Opening Revenue	62,339,791	116,618,612	139,331,028	39,476,322	16,412,640	33,378,199
Capital Gain/(Loss) on disposal investment net.	(729,488)	10,964,397	11,885,816	3,922,893	2,114,390	3,176,766
Gain/(Loss) on remeasurment of investments carried at fair value of through profit and loss.	1,438,970	(6,314,107)	2,215,681	902,955	(1,414,967)	260,761
Administrative Expenses	(44,635,104)	(53,983,354)	(37,496,458)	(21,804,990)	(1,011,851)	(16,850,446)
Financial Charges	(8,202,924)	(2,461,605)	(77,951)	(69,152)	(114,563)	(776,373)
Other Operating Income	6,894,761	3,399,715	3,205,235	3,081,063	8,221,388	1,487,032
Other Operating Charges	(1,060,000)	(1,603,957)	(867,454)	(781,934)	(960,273)	(3,495,130)
Profit/(Loss) before taxation	(15,612,900)	15,507,831	59,328,662	14,613,237	5,646,764	16,980,812
Taxation	(8,461,153)	(5,905,274)	(17,794,695)	(6,509,168)	(5,167,204)	(8,637,954)
Profit/(Loss) after taxation	(24,074,053)	9,602,557	41,533,967	8,104,069	479,560	8,343,753
EPS	(0.88)	0.35	1.66	0.32	0.02	0.33
Pay outs						
Dividend						
Bonus%			10			
Capital & Reserve						
Authorised Share Capital	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000
Issued, subscribed and paid-up Capital	274,965,000	274,965,000	249,965,000	249,965,000	249,965,000	249,965,000
Reserves	(24,745,000)	4,714,411	43,099,526	(22,924,530)	(25,924,530)	3,564,484
Share Application Money						
Assets & Liabilities						
Total Assets	353,743,104	372,657,361	349,876,765	245,969,236	237,045,163	303,795,450
Current Assets	300,473,314	312,623,815	292,659,958	168,222,035	152,737,865	102,384,349
Current Liabilities	102,163,087	91,026,473	56,787,239	18,029,328	12,979,693	50,240,966

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of the company: **DAWOOD EQUITIES LIMITED**
YEAR ENDED: **30 JUNE 2023**

1. The total number of directors are 07 as per the following:
 - a. Male: **06**
 - b. Female: **01**

2. The composition of the board is as follows:

Category	Names
*Independent Director	1. Mr. Muhammad Abbas 2. Mr. Junaid Dada
Chief Executive Officer	3. Mr. Abdul Aziz Habib
Non – Executive Directors	4. Mr. Khalid Yousuf 5. Ms. Sobia Saif 6. Mr. Areeb Shujaat 7. Mr. Saifullah

* The requirement of Independent Directors is at least two or one-third of members of the Board, whichever is higher. Two Independent Directors were appointed on the Company's Board and the fraction of 0.33 was not rounded up as one since the two Independent Directors have robustly protected the interests of the minority shareholders. Further, the two elected Independent Directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The directors of the Company are experienced and seasoned corporate professionals and are well-versed with the relevant laws applicable to the Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities. The Chief Executive Officer as a Director in the Board is exempted from the Directors Training Program in accordance with the criteria specified in Clause (xi) of the Code, The remaining directors will acquire the required director's training certification subsequent to renewal of business license.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. The Chief Financial Officer has also been assigned the responsibilities of Company Secretary.



DAWOOD EQUITIES LIMITED

11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed following mandatory committees comprising of members given below:

AUDIT COMMITTEE

Mr. Muhammad Abbas - Chairman
Mr. Khalid Yousuf - Member
Mrs. Sobia Saif - Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Muhammad Abbas - Chairman
Mr. Abdul Aziz Habib - Member
Mr. Areeb Shujaat - Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of the meetings (quarterly/half yearly/yearly) of the committee were as per following:
 - a) Audit Committee - Quarterly meeting
 - b) HR and Remuneration Committee - Yearly meeting
15. The Board has outsourced the internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight BOD of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of Regulations 3, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 7, 8, 27, 32, 33 and 36 are below.

Reg. No.	Requirement	Explanation
24	An individual shall not simultaneously hold the position of Company secretary and Chief financial officer in a listed company.	the Company has adopted explanation approach as the management is of the view, that the current CFO & Company Secretary is suitably qualified and professionally capable to act and fulfill the duties and responsibilities of both the roles. In addition, it is also a cost effective measure that is in the better interest of the shareholders of the Company, therefore hiring a separate person for both position is not feasible. However, the Company shall create a separate position of a Secretary as soon as such a demand appears in our operations.

Chairman



DAWOOD EQUITIES LIMITED

YOUSUF ADIL

Yousuf Adil
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT To the Members of Dawood Equities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Dawood Equities Limited** (the Company), which comprise the statement of financial position as at June 30, 2023, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the loss, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conduct our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Following key audit matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

S. No.	Key Audit Matter	How the matter was addressed in our audit
1.	<p>Revenue recognition</p> <p>Refer note 4.14 and 20 to the financial statements relating to revenue recognition.</p> <p>The Company generates revenue from brokerage services and related services. Brokerage represent 90% and related services represents 9% of the total revenue.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We obtained an understanding of, assessed and tested the design and implementation of key internal controls over the recording of revenue; We have engaged our own IT expert for assessing the appropriateness of internal controls relating to the revenue recognition.

Independent Member Firm of
Deloitte Touche Tohmatsu Limited



S. No.	Key Audit Matter	How the matter was addressed in our audit
	We identified revenue recognition as key audit matter as it is one of the key performance indicators of the company and because of the potential risk that revenue transactions may not being recognized in the appropriate period.	<ul style="list-style-type: none">• We assessed the appropriateness of the company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards;• We independently obtained brokerage equity transaction information (KATs report) from the Pakistan Stock Exchange and recalculated the brokerage income;• We checked agreements and related documents for underwriting commission transactions recorded during the current year to assess whether the related revenue was recognized in accordance with the requirement of the applicable accounting standard; and• We compared, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period.• We have assessed the adequacy of disclosure as per the requirement of applicable of financial of reporting framework.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the report of audit committee, directors' report, Chairman's review, analysis on financial performance, comments on the financial results, key performance indicators, analysis of cost and statement of value additions and its distribution.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have not been provided with this information and therefore we do not report on it.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.



DAWOOD EQUITIES LIMITED

◆ YOUSUF ADIL

Yousuf Adil
Chartered Accountants

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and the related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);



DAWOOD EQUITIES LIMITED

◆ YOUSUF ADIL

Yousuf Adil
Chartered Accountants

- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investment made, expenditure incurred and guarantees extended during the year were for the purpose of Company's business;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- e) The Company was in compliance with the requirement of Section 78 of the Securities Act 2015, Section 62 of the Future Market Act, 2016 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the financial statements were prepared.

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


Chartered Accountants

Place: Karachi

Date: October 02, 2023

UDIN: AR202310057s1quYIX7c



DAWOOD EQUITIES LIMITED

 **YOUSUF ADIL**

Yousuf Adil
Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT **To the members of Dawood Equities Limited**

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 for the year ended June 30, 2023

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors (the Board) of **Dawood Equities Limited** (the Company) for the year ended June 30, 2023 in accordance with the requirements of Regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Further, we highlight below instance of non-compliance with the requirements of the Regulations as reflected in the note / paragraph referred below where these are stated in the Statement of Compliance.

S. No.	Paragraph Reference	Description
1	18	Regulation 24 states that "No person shall be appointed as the company secretary unless he holds the qualification as specified under the relevant Regulations by the Commission: Provided, the same person shall not simultaneously hold office of chief financial officer and the company secretary of a listed company." However, during the course of our review we observed that the company secretary and the Chief Financial Officer is the same person.


Chartered Accountants

Place: Karachi
Date: October 02, 2023
UDIN: CR202310057ZDE0aGVdS

Independent, Correspondent Firm to
Deloitte Touche Tohmatsu Limited



DAWOOD EQUITIES LIMITED

**Audited Financial Statements
For The Year Ended
June 30 2023**





DAWOOD EQUITIES LIMITED

STATEMENT OF FINANCIAL POSITION
As At June 30, 2023

	Note	June 30, 2023	June 30, 2022
		----- (Rupees) -----	
ASSETS			
Non-Current assets			
Property and equipment	5	10,561,203	12,230,583
Investment property	6	4,790,998	5,147,874
Intangible assets	7	6,000,000	6,000,000
Long term deposits	8	2,150,000	1,887,500
Deferred tax asset	9	29,767,589	34,767,589
		<u>53,269,790</u>	<u>60,033,546</u>
Current assets			
Short term investments	10	55,231,309	84,763,095
Trade debts	11	175,231,732	174,399,496
Receivable against margin finance		10,450,883	4,154,375
Advances deposits and prepayments	12	23,292,377	20,185,131
Other receivables	13	16,054,491	13,379,682
Taxation - net		11,114,374	8,455,527
Cash and bank balances	14	9,098,148	7,286,509
		<u>300,473,314</u>	<u>312,623,815</u>
Total assets		<u><u>353,743,104</u></u>	<u><u>372,657,361</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	15	274,965,000	274,965,000
Reserves		(24,745,000)	4,714,411
		<u>250,220,000</u>	<u>279,679,411</u>
Non current liabilities			
Rental deposits		25,000	25,000
Lease liability	16	1,335,017	1,926,477
		<u>1,360,017</u>	<u>1,951,477</u>
Current liabilities			
Trade and other payables	17	37,407,250	38,247,943
Unclaimed dividend		230,336	230,336
Short term running finance facility	18	63,934,041	52,002,265
Current portion of lease liability	16	591,460	545,929
		<u>102,163,087</u>	<u>91,026,473</u>
Total equity and liabilities		<u><u>353,743,104</u></u>	<u><u>372,657,361</u></u>

Contingencies and Commitments

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The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

**PROFIT OR LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2023**

		June 30, 2023	June 30, 2022
	Note	----- (Rupees) -----	-----
Revenue from contract with customers	20	62,339,791	116,618,612
Commission to agents and dealers		<u>(22,647,430)</u>	<u>(33,435,882)</u>
		39,692,361	83,182,730
Capital (loss) / gain on disposal of investments - net	21	(729,488)	10,964,397
Net unrealised gain / (loss) on re-measurement of investments classified as financial assets at fair value through profit or loss	22	<u>1,438,970</u>	<u>(6,314,107)</u>
		40,401,843	87,833,020
Administrative expenses	23	(44,635,104)	(53,983,354)
Allowance for expected credit losses		<u>(9,011,477)</u>	<u>(17,675,988)</u>
		(13,244,738)	16,173,678
Financial charges	24	<u>(8,202,924)</u>	<u>(2,461,605)</u>
		(21,447,661)	13,712,073
Other operating income	25	6,894,761	3,399,715
Other operating charges	26	<u>(1,060,000)</u>	<u>(1,603,957)</u>
(Loss) / Profit before tax		<u>(15,612,900)</u>	<u>15,507,831</u>
Taxation - net	27	<u>(8,461,153)</u>	<u>(5,905,274)</u>
(Loss) / Profit after taxation		<u>(24,074,053)</u>	<u>9,602,557</u>
Earning per share - Basic and diluted	28	<u>(0.88)</u>	<u>0.35</u>

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

		June 30, 2023	June 30, 2022
	Note	----- (Rupees) -----	-----
(Loss) / Profit for the year		(24,074,053)	9,602,557
Other comprehensive (loss) / income for the period			
<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	10	(5,385,358)	(22,987,672)
Total comprehensive income for the year		(29,459,411)	(13,385,115)

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Reserves					Total equity
	Issued, subscribed and paid up capital	Deficit on remeasurement of investment At fair value through OCI	Share premium	Revenue		
				Capital	Accumulated (loss) / profit	
(Rupees)						
Balance as at June 30, 2021	249,965,000	6,489,781	74,973,750	(38,364,005)	43,099,526	293,064,526
Profit for the year	-	-	-	9,602,557	9,602,557	9,602,557
Other comprehensive income						
Net unrealised loss on re-measurement of investments classified as financial assets at fair value through other comprehensive income	-	(22,987,672)	-	-	(22,987,672)	(22,987,672)
Total comprehensive income for the year	-	(22,987,672)	-	9,602,557	(13,385,115)	(13,385,115)
Bonus Issue @ 10% per ordinary shares	25,000,000	-	(25,000,000)	-	(25,000,000)	-
Balance as at June 30, 2022	274,965,000	(16,497,891)	49,973,750	(28,761,448)	4,714,411	279,679,411
Loss for the year	-	-	-	(24,074,053)	(24,074,053)	(24,074,053)
Other comprehensive income						
Net unrealised loss on re-measurement of investments classified as financial assets at fair value through other comprehensive income	-	(5,385,358)	-	-	(5,385,358)	(5,385,358)
Total comprehensive income for the year	-	(5,385,358)	-	(24,074,053)	(29,459,411)	(29,459,411)
Balance as at June 30, 2023	274,965,000	(21,883,249)	49,973,750	(52,835,501)	(24,745,000)	250,220,000

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

STATEMENT OF CASH FLOW.
FOR THE YEAR ENDED JUNE 30, 2023

A.	CASH FLOWS FROM OPERATING ACTIVITIES	Note	June 30, 2023	June 30, 2022
			(Rupees)	
	(Loss) / Profit before taxation		(15,612,900)	15,507,831
	Adjustment for non cash items:			
	Depreciation - property and equipment	5	2,519,763	2,257,144
	Depreciation - investment property	6.1	356,876	356,876
	Net unrealised (gain) / loss on re-measurement of investments classified as financial assets at fair value through profit or loss		(1,438,970)	6,314,107
	Capital (gain)/ loss on disposal of investments - net		729,488	(10,964,397)
	(Gain) / Loss on disposal of operating fixed asset		(9,300)	84,677
	Provision for expected credit losses		9,011,477	(17,675,988)
	Dividend income		(525,650)	(903,569)
	Bank profit		(1,118,267)	(1,368,874)
	Interest expense on lease liability		174,071	216,096
	Other financial charges		8,028,853	2,245,509
			2,115,441	(3,930,588)
	(Increase) / decrease in current assets			
	Trade debts		(9,843,713)	(20,212,189)
	Receivable against margin finance		(6,296,508)	(1,456,541)
	Advance deposits and prepayments		(3,107,246)	13,015,504
	Other receivables		(2,674,809)	(3,546,281)
			(21,922,277)	(12,199,507)
	(Decrease) / Increase in current liabilities			
	Trade and other payables		(840,693)	(18,352,316)
	Cash used in from operating activities		(20,647,529)	(34,482,411)
	Taxes paid		(6,120,000)	(5,173,917)
	Other financial charges paid		(8,028,853)	(2,245,509)
			(14,148,853)	(7,419,426)
	Net cash used in operating activities		(34,796,381)	(41,901,837)
B.	CASH FLOWS FROM INVESTING ACTIVITIES			
	Purchase of operating fixed asset		(895,363)	(2,588,828)
	Proceeds from sale of operating fixed asset		54,280	49,702
	Net proceeds / (acquisition) in short term investments		24,855,910	(15,402,602)
	Long term deposit paid		(262,500)	-
	Dividend received		525,650	903,569
	Bank profit received		1,118,267	1,368,874
	Net cash generated from / (used in) investing activities		25,396,244	(15,669,285)
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
	Lease rentals paid		(720,000)	(720,000)
	Cash used in financing activities		(720,000)	(720,000)
	Net decrease in cash and cash equivalents (A+B+C)		(10,120,137)	(58,291,122)
	Cash and cash equivalents at the beginning of the year		(44,715,756)	13,575,366
	Cash and cash equivalents at the end of the year		(54,835,893)	(44,715,756)
	CASH AND CASH EQUIVALENTS			
	Cash and bank balances	14	9,098,148	7,286,509
	Short term running finance liability	18	(63,934,041)	(52,002,265)
			(54,835,893)	(44,715,756)

The annexed notes from 1 to 38 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer



DAWOOD EQUITIES LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

1. CORPORATE INFORMATION, OPERATIONS AND LEGAL STATUS

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) (Formerly Karachi Stock Exchange Limited) on April 14, 2008. The Company holds a (trading and self clearing) Trading Rights Entitlement Certificate (TREC) of PSX. The Company also holds a Universal Trading Rights Entitlement Certificate 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.

1.1 The business units of the Company include the following:

Business Units	Geographical location
- Head office - Karachi	1900-B, 17th Floor, Saima Trade Tower, I.I Chundrigar Road, Karachi.
- Stock Exchange Branch - Karachi Exchange Road, Karachi.	Room 409 & 410, New Stock Exchange Building, Stock

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared, in accordance with the accounting and reporting standards as applicable in Pakistan for 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 Board (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 (CDC) Regulations.

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 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except:

- Listed securities, other than related party are stated at fair value;
- Unlisted securities, related party, are accounted for at embedded value; and
- Lease liability at present value.



2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the functional and presentation currency of the Company.

2.4 Use of estimates and judgments

The preparation of these 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. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and in future periods, if the revision affects both current and future periods.

Critical judgements

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgement was exercised in application of accounting policies are as follows:

	Note
a) determining the residual values and useful lives of the property and equipment	4.1
b) impairment of financial assets and provisions - for expected credit loss allowance	4.7.3
c) impairment of non financial assets	4.5
d) provision for taxation including deferred tax	4.6
e) provision against liability and contingencies	4.18
e) lease liabilities	4.9.1

3. NEW / REVISED ACCOUNTING STANDARDS, AMENDMENTS TO PUBLISHED ACCOUNTING STANDARDS, AND INTERPRETATIONS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the period from January 01, 2022. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts cost of fulfilling a contract

Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)

3.2 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.



DAWOOD EQUITIES LIMITED

Effective from accounting period beginning on or after

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies January 01, 2023

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates January 01, 2023

Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction. January 01, 2023

Effective from accounting period beginning on or after

Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules January 01, 2023

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current January 01, 2024

Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions January 01, 2024

Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements January 01, 2024

Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Deferred indefinitely

Other than the aforesaid standards, interpretations and amendments, the IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS - 1 First Time Adoption of International Financial Reporting Standards
- IFRS - 17 Insurance Contracts

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2022 unless otherwise stated.

4.1 Property and equipment

Operating fixed asset

These are operating fixed assets which are stated at cost less accumulated depreciation and impairment, if any. Such costs include the cost of replacing parts of property and equipment when that cost is incurred. Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Depreciation is charged to statement of profit or loss over the useful life of the asset on a systematic basis applying the straight line method at the rates specified in note 5 to the financial statements.

Depreciation on additions is charged from the month in which the assets are put to use while no depreciation is charged in the month in which the assets are disposed off.



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The carrying amounts are reviewed at each reporting date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed estimated recoverable amount, assets are written down to their estimated recoverable amount.

An item of operating fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The residual values and useful lives of assets are reviewed at each financial year end and adjusted, if appropriate.

Gains and losses on disposals, if any, are included in the statement of profit or loss.

Right of use assets

Right-of-use assets are recognised at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

"Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight line basis over the shorter of its estimated useful life and the lease term.

The carrying amounts are reviewed at each reporting date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed estimated recoverable amount, assets are written down to their estimated recoverable amount."

4.2 Investment property

Investment property is held to earn rentals or for capital appreciation or both and is measured at cost less any accumulated depreciation and any impairment losses, if any. Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Depreciation is charged to statement of profit or loss over the useful life of the asset on a systematic basis applying the straight line method at the rates specified in note 6.

4.2.1 Depreciation

Depreciation on this property is measured at cost less any accumulated depreciation and any impairment losses, if any. The depreciation on investment property measured at cost is charged to administrative expenses.

4.3 Intangible assets

"Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged over the estimated useful life of the asset on a systematic basis applying the straight line method. The estimate of useful life and amortisation method are reviewed at the end of each financial year with the effect of any changes in estimate being accounted for prospectively.

An intangible asset with an indefinite useful life is not be amortised. Its useful life reviewed at each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is be accounted for as a change in an accounting estimate."

The amortisation is charged from the month in which asset is available for use while no amortisation is charged for the month in which that asset is disposed off.



4.4 Taxation

Current

The charge for current taxation is based on taxable income at current rates of taxation after taking into consideration available tax credits, rebates and tax losses, if any. However, for income covered under final tax regime, taxation is based on applicable tax rules under such regime. The charge for current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the year.

Deferred

Deferred tax is accounted for using the statement of financial position method in respect of all temporary timing differences arising from difference between the carrying amount of the assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

4.5 Impairment of non-financial asset

The carrying amounts of the Company's assets, for which policy is given separately, are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists the assets' recoverable amount, being higher of value in use and fair value less cost to sell, is estimated. An impairment loss is recognised wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are charged to statement of profit or loss.

4.6 Financial instruments

4.6.1 Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

- at amortised cost;
- at fair value through other comprehensive income (FVTOCI); or
- at fair value through profit or loss (FVTPL).

Financial assets at amortised cost

Financial assets that meet the following conditions are measured at amortised cost:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

Financial assets at FVTOCI

Financial assets that meet the following conditions are subsequently measured at FVTOCI:



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- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

Financial assets at FVTPL

A financial asset is measured at fair value through profit or loss unless it is measured at amortised or at fair value through profit or loss.

4.6.2 Subsequent measurement

Financial assets and liabilities at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, and impairment are recognised in the statement of profit or loss.

Financial assets at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never classified to the statement of profit or loss.

Financial assets and liabilities at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in the statement of profit and loss.

Valuation of investments

Fair values of investments are determined as follows:

Listed shares

These are valued on the basis of closing market prices quoted on the respective stock exchange. For frozen shares, per share value of Rs. Nil is used to incorporate the impact of fair value adjustment.

Unlisted shares

These are valued on the basis of actuarial valuation of the investee Company based on embedded value.

4.6.3 Impairment of financial assets at amortised cost

The Company recognises a loss allowance for expected credit losses (ECLs) on financial assets that are measured at amortised cost. Loss allowances for trade receivable are always measured at an amount equal to lifetime ECL.

The company measures loss allowance at an amount equal to life time ECLs, except for the following, which are measured at 12 months ECL:



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- Debt security that are determined to have low credit risk at the reporting date.
- Other debt security and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

4.6.4 Derecognition

Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in statement of profit or loss.

In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to revenue reserve.

4.7 Trade debts and other receivables

Trade debts and other receivables are recognised and carried at original invoiced amount. When a trade debt is uncollectible, it is written off and charge to statement of profit or loss account. Subsequent recoveries of amounts previously written off are credited to the statement of profit or loss.

4.8 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalent consist of cash and bank balances and bank overdraft.



4.9 Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether it depends on a specified asset, whether the Company obtains substantially all the economic benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.

The Company recognises a right of use (ROU) asset and a lease liability at the lease commencement date, except for short term leases of 12 months or less and leases of low value items, which are expensed in the statement of profit or loss on a straight-line basis over the lease term.

4.9.1 Lease liabilities

At the commencement date of the lease, lease liabilities are recognised and measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

4.10 Financial liabilities

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss.

4.11 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.12 Trade and other payables

Liabilities for trade and other payable amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.13 Proposed dividend and transfer between reserves

Dividends declared and transfer between reserves, except appropriations which are required by the law, made subsequent to the reporting date are considered as non adjusting events and are recognised in the financial statements in the year in which such dividends are declared or transfers between reserves are made.

4.14 Revenue recognition

The Company is in the business of rendering of brokerage services. Revenue from contracts with customers is recognised when services are rendered to the customer and thereby the performance obligation is satisfied, at amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.



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To determine whether to recognize revenue, the Company follows a 5-step process:

- Identifying the contract with a customer;
- Identifying the performance obligations;
- Determining the transaction price;
- Allocating the transaction price to the performance obligations; and
- Recognizing revenue when/as performance obligation(s) are satisfied.

Brokerage commission, income from margin finance and other income are recognised as and when services are rendered.

Remuneration for investment advisory and asset management services are recognised on accrual basis.

Commission income is recognised on accrual basis.

Gains and losses on sale of marketable securities are recognised on the date of sale.

Dividend income is recorded when the right to receive the dividend is established. Return on securities other than shares is recognised on accrual basis.

Return on bank deposits recognised on receipt basis i.e. when the profit is credited by the respective bank.

4.15 Rental income

The rental income in respect of this investment property has been recognised in profit or loss and included in 'other operating income'.

4.16 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, if it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.17 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. The Company has only one reportable segment.

4.18 Settlement date accounting

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchases and sales are recognised at the settlement date. Trade date is the date on which the Company commits to purchase or sale an asset.

4.19 Employee retirement benefits-defined contribution plan

The Company operates recognised provident fund scheme for all its eligible employees. Equal monthly contributions are made, both by the Company and its employees, to the fund at the rate of 10 percent of basic salary.



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5. Property and Equipment

	Note	June 30, 2023 ----- (Rupees) -----	June 30, 2022
Operating fixed assets	5.1	8,775,420	9,849,536
Right of use asset	5.3	1,785,783	2,381,047
		10,561,203	12,230,583

5.1. Operating fixed assets

Particulars	June 30, 2023				June 30, 2022				Written down value as at December 31	Depreciation rate (%)
	----- Cost -----				----- Accumulated Depreciation -----					
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Depreciation for the year	Disposals	Closing balance		
	----- (Rupees) -----									
Building	7,137,500	-	-	7,137,500	1,989,626	356,876	-	2,346,502	4,790,998	5
Furniture & Fixtures	3,932,050	20,000	-	3,952,050	931,480	794,328	-	1,725,808	2,226,242	20
Vehicles	1,010,400	460,500	(93,000)	1,377,900	507,559	164,058	(93,000)	578,617	799,283	20
Office equipment	640,188	15,000	-	655,188	213,806	149,907	-	363,713	291,475	20
Computers	3,291,382	399,863	(44,980)	3,646,265	2,519,513	459,330	-	2,978,843	667,422	33
	16,011,520	895,363	(137,980)	16,768,903	6,161,984	1,924,499	(93,000)	7,993,483	8,775,420	

Particulars	June 30, 2023				June 30, 2022				Written down value as at December 31	Depreciation rate (%)
	----- Cost -----				----- Accumulated Depreciation -----					
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Depreciation for the year	Disposals	Closing balance		
	----- (Rupees) -----									
Building	7,137,500	-	-	7,137,500	1,632,750	356,876	-	1,989,626	5,147,874	5
Furniture & Fixtures	3,149,700	1,255,350	(473,000)	3,932,050	578,426	712,138	(359,084)	931,480	3,000,570	20
Vehicles	949,400	417,000	(356,000)	1,010,400	717,359	146,200	356,000	507,559	502,841	20
Office equipment	537,870	360,218	(257,900)	640,188	322,889	128,354	237,437	213,806	426,382	20
Computers	2,735,122	556,260	-	3,291,382	2,201,200	318,313	-	2,519,513	771,869	33
	14,509,592	2,588,828	(1,086,900)	16,011,520	5,452,624	1,661,881	234,353	6,161,984	9,849,536	

5.2 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Locations	Use of Imovable property	Total area
Pakistan Stock Exchange office number 410	For office use	232 Square feet

	Note	June 30, 2023 ----- (Rupees) -----	June 30, 2022
5.3. Right of use asset			
Opening balance		2,381,047	-
Additions		-	2,976,310
Depreciation expense	23	(595,264)	(595,263)
Closing balance		1,785,783	2,381,047
		----- (Percentage) -----	
Depreciation rate		20%	20%



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5.4 Lease assets comprise of head office number 1710, 1711, Saima Trade towers, II Chundrigar Road, Karachi, with a lease term of 5 years.

		June 30, 2023	June 30, 2022
	Note	----- (Rupees) -----	
6 INVESTMENT PROPERTY			
Cost		7,137,500	7,137,500
Accumulated depreciation	6.1	<u>(2,346,502)</u>	<u>(1,989,626)</u>
		<u>4,790,998</u>	<u>5,147,874</u>
6.1 Accumulated depreciation			
Opening balance		1,989,626	1,632,750
Charge for the year	23	<u>356,876</u>	356,876
Closing balance		<u>2,346,502</u>	<u>1,989,626</u>
		----- (Percentage) -----	
Depreciation rate		<u>5%</u>	<u>5%</u>

6.2 Investment property represents office number 409 in PSX, area of the office is 240 Square feet.

		June 30, 2023	June 30, 2022
	Note	----- (Rupees) -----	
7 INTANGIBLE ASSETS			
Trading Rights Entitlement certificate (TREC)	7.1	2,500,000	2,500,000
PMEX Universal Trading Rights Entitlement Certificate	7.1	3,500,000	3,500,000
Software	7.2	-	-
		<u>6,000,000</u>	<u>6,000,000</u>

7.1 Trading rights entitlement certificate (TREC) and PMEX universal trading rights entitlement certificate are both obtained for trading purpose and have indefinite useful life. These are carried at cost less impairment, if any.

7.2 This represents fully amortised software currently used by the Company for trading of shares and back office operations having cost of Rs.1.45 million.

		June 30, 2023	June 30, 2022
	Note	----- (Rupees) -----	
8 LONG TERM DEPOSITS			
National Clearing Company of Pakistan Limited	8.1	1,400,000	1,137,500
Pakistan Mercantile Exchange		<u>750,000</u>	<u>750,000</u>
		<u>2,150,000</u>	<u>1,887,500</u>

8.1 This includes amount transferred from PSX and CDC.

		June 30, 2023	June 30, 2022
		----- (Rupees) -----	
9 DEFERRED TAX ASSET			
Relating to taxable temporary difference			
Accelerated depreciation		(1,310,390)	(2,644,204)
Unrealised gain on remeasurement of investments		-	(3,819,308)
		<u>(1,310,390)</u>	<u>(6,463,512)</u>
Relating to deductible temporary difference			
Trade debts - Allowance for expected credit loss		<u>31,077,979</u>	<u>41,231,101</u>
		<u>29,767,589</u>	<u>34,767,589</u>



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9.1 The management has not recorded the deferred tax asset against lease liability, Intangible asset, unrealized on re-measurement of investment, allowances for expected credit losses and accumulated loss of amounting to Rs. 0.558 million, Rs. 1.5 million, Rs. 2.8 million, Rs. 23.65 million and Rs. 4.5 million respectively due to the uncertainty over availability of future estimated taxable profits required to recover the benefit.

10. SHORT TERM INVESTMENTS	Note	June 30, 2023	June 30, 2022
		(Rupees)	
Listed securities - Investments classified as financial assets at fair value through other comprehensive income	10.1	14,081,852	19,467,210
Unlisted securities - Investments classified as financial assets at fair value through profit or loss	10.2	29,976,507	29,019,255
Listed securities - Investments classified as financial assets at fair value through profit or loss	10.3	11,172,950	36,276,630
		<u>55,231,309</u>	<u>84,763,095</u>

10.1 Listed securities - Investments classified as financial assets at fair value through other comprehensive income

June 30, 2023	June 30, 2022	Name of investee	June 30, 2023		June 30, 2022
			Carrying value	Market value	Market value
---- (Number of shares) ----			----- (Rupees) -----		
1,902,953	1,902,953	Pakistan Stock Exchange Limited	19,467,210	14,081,852	19,467,210

10.2 Details of unlisted securities - at fair value through profit or loss

June 30, 2023	June 30, 2022	Name of investee	June 30, 2023		June 30, 2022
			Carrying value	Market value	Market value
---- (Number of shares) ----			----- (Rupees) -----		
1,583,545	1,554,326	Dawood Family Takaful Limited	26,262,130	29,976,507	29,019,255

10.2.1 The fair / embedded value of these shares based on actuarial valuation of the investee company is Rs.18.93 (June 30, 2022: Rs.18.67) per share.

10.3 Listed securities - at Investment classified as financial asset at fair value through profit and loss

June 30, 2023	June 30, 2022	Name of investee	June 30, 2023			June 30, 2022
			Note	Carrying value	Market value	Market value
---- (Number of shares) ----			----- (Rupees) -----			
INVESTMENT COMPANY						
7,801	301	786 Investments Limited		40,609	42,048	1,604
25,000	25,000	Jahangir Siddiqui & Company Limited		198,500	162,500	198,500
25,000	25,000	First Dawood Investment Bank Limited		50,250	40,000	50,250
MODARABAS						
-	384	Allied Rental Modaraba		-	-	8,621
190,100	183,100	B.R.R Guardian Modaraba		2,002,993	2,186,150	1,920,719
-	-	First Prudential Modaraba		-	-	-



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June 30, 2023	June 30, 2022	Name of investee	June 30, 2023		June 30, 2022
			Note	Carrying value	Market value
---- (Number of shares) ----			----- (Rupees) -----		
SUGAR & ALLIED INDUSTRIES					
949,871	949,871	Ansari Sugar Mills Limited	10.4	-	-
REFINERY					
-	424,000	Cnergyco PK Limited (Byco Petroleum Pakistan Limited)		-	2,264,160
2,500	6,500	National Refinery Limited		596,506	375,000
CHEMICAL					
-	14,000	Descon Oxychem Limited		-	219,800
-	-	G3 Technologies Limited		-	-
-	145,000	G3 Technologies (Service Fabrics Limited)		-	1,226,700
250	-	Ghani Chemical Industries Limited		3,415	2,360
10,000	-	Engro Polymer & Chemicals Limited		439,562	422,500
PACKAGING					
6,325	5,500	Ecopack Limited		160,050	91,713
3,473	12,473	Pakistan Aluminium Beverage Cans Limited		170,919	157,049
FERTILIZER					
82	82	Fauji Fertilizer Bin Qasim Limited		1,660	966
OIL & GAS MARKETING COMPANIES					
641	75,641	Hascol Petroleum Limited		2,705	3,558
-	10,000	Pakistan State Oil Company Limited		-	1,718,400
-	48,000	Sui Southern Gas Company Limited		-	434,880
5,000	5,000	Hi Tech Lubricants Limited		198,250	106,150
-	5,000	Shell Pakistan Limited		-	590,650
10,000	-	Sui Northern Gas Pipelines Limited		414,958	393,700
INSURANCE					
1	1	IGI Life Insurance Limited		17	8
-	55,000	Pak Reinsurance Company Limited		-	481,250
TEXTILE COMPOSITE					
-	2,000	Feroze1888 Mills Limited		-	124,860
CABLE & ELECTRICAL GOODS					
2,219	72,219	Pak Elektron Limited		31,507	20,082
-	10,000	Singer Pakistan Limited		-	127,300
2,000	-	Waves Home Appliances Limited		13,171	8,860



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June 30, 2023	June 30, 2022	Name of investee	June 30, 2023		June 30, 2022
			Carrying value	Market value	Market value
---- (Number of shares) ----			----- (Rupees) -----		
POWER GENERATION & DISTRIBUTION					
24,792	924,000	K-Electric Limited	53,137	42,642	2,808,960
2,000	2,000	Kot Addu Power Company Limited	55,060	41,600	55,060
AUTOMOBILE PARTS & ACCESSORIES					
3,650	2,150	Loads Limited	25,682	23,178	20,877
COMMERCIAL BANKS					
15,000	15,000	National Bank Of Pakistan	419,250	292,200	419,250
5,000	5,000	Summit Bank Limited	11,200	8,750	11,200
-	5,000	Meezan Bank Limited	-	-	564,900
27,500	-	The Bank Of Punjab	136,755	95,425	-
TRANSPORT					
-	50,000	Pakistan International Bulk Terminal Limited.	-	-	301,000
CEMENT					
836	836	Power Cement Limited - Preference shares	6,354	5,844	6,354
100	100	Cherat Cement Company Limited	9,304	12,028	9,304
360,847	360,847	Flying Cement Company Limited	2,590,881	1,999,092	2,590,881
OIL & GAS EXPLORATION COMPANIES					
10,000		Pakistan Petroleum Limited	631,023	591,400	-
AUTOMOBILE ASSEMBLER					
52,529	138,029	Sazgar Engineering Works Limited	1,859,887	1,654,100	8,574,361
PHARMACEUTICALS					
2,938	1,951	The Searle Company Limited	151,334	112,584	212,698
10,000	15,000	AGP Limited	876,200	564,800	1,314,300
LEATHER & TANNERIES					
1,000	1,000	Service Global Footwear Limited	-	-	40,180
FOOD & PERSONAL CARE PRODUCTS					
18,145	22,000	Organic Meat limited	361,081	377,053	480,480
26,500	26,500	Treet Corporation Limited	773,270	419,495	773,270
-	110,000	Unity Foods Limited	-	-	2,207,700
50,000	50,000	Fauji Foods Limited	331,500	287,000	331,500



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June 30, 2023	June 30, 2022	Name of investee	June 30, 2023		June 30, 2022
			Carrying value	Market value	Market value
---- (Number of shares) ----			----- (Rupees) -----		
TECHNOLOGY & COMMUNICATION					
-	15,000	TRG Pakistan Limited - Class 'A'	-	-	1,159,950
24,000	24,000	TPL Corp limited	218,880	144,240	218,880
26,875	25,000	Telecard Limited	261,125	177,375	270,750
PROPERTY					
70,350	33,500	TPL Properties Limited	351,359	311,500	675,360
			13,493,464	11,172,950	36,276,630

10.4 The shares are frozen by Pakistan Stock Exchange (PSX) for non compliance and the Company is unable to trade in these shares and due to unavailability of the fairvalue of these shares on PSX website so therefore the Company has value these share at nil value.

11. TRADE DEBTS	Note	June 30, 2023	June 30, 2022
		----- (Rupees) -----	
- Secured		141,596,201	156,108,520
- Unsecured		202,499,205	178,143,174
		344,095,406	334,251,694
Allowance for expected credit losses	11.5	(168,863,675)	(159,852,198)
		175,231,732	174,399,496

11.1 The amount receivable from related parties and the maximum aggregate amount with reference to month end balance during the year are as follows:

Name of related party	June 30, 2023		June 30, 2022	
	Outstanding balance	Maximum aggregate amount	Outstanding balance	Maximum aggregate amount
	----- (Rupees) -----			
Equity International (Private) Limited	2,568,793	2,966,150	301,050	1,504,973
B. R. R. Guardian Modaraba	16,424	9,154,404	15,773	13,032,277
Dawood Family Takaful Limited	-	-	3,629,487	37,023,527
B. R. R. Investment (Private) Limited	4,175	29,187,074	-	-
FDIBL and Employee Provident Fund	3,358	17,884,684	-	-
Rafique Dawood	445	2,445,787	2,128,198	1,047,906
Areeb Shujaat	350,259	822,975	193,054	193,054
Ayaz Dawood	2,010,029	22,873,430	10,022,610	17,225,511
Sobia Saif	364,393	950,442	59,772	627,123
Saifullah	369,821	1,065,557	214,747	4,670,317
Salman Yaqoob	2,738,362	3,607,734	3,153,142	5,834,385
Nabeel Arif	7,547,155	8,490,044	7,019,342	10,341,077
	15,973,214	99,448,281	26,737,175	91,500,150



DAWOOD EQUITIES LIMITED

11.2 Ageing analysis of trade receivables

	June 30, 2023			June 30, 2022		
	Due from Related Parties	Other Parties	Total	Due from Related Parties	Other Parties	Total
	----- (Rupees) -----					
Not Overdue:	-	-	-	-	-	-
Past Due (Less than 30 days)	4,874,951	23,523,374	28,398,325	16,783,296	34,852,803	51,636,099
Past Due (Less than 60 days)	883,637	16,288,159	17,171,796	6,817,763	22,852,939	29,670,702
Past Due (Less than 90 days)	440,465	3,213,190	3,653,655	1,816,015	18,228,119	20,044,134
Past Due (Less than 365 days)	9,774,161	79,536,835	89,310,996	1,320,101	63,113,809	64,433,910
Past Due (Over 365 days)	-	200,948,000	200,948,000	-	172,618,215	172,618,215
Total trade receivables	15,973,214	323,509,558	339,482,772	26,737,175	311,665,885	338,403,059
Impairment provision for trade receivable	-	(168,863,675)	(168,863,675)	(964,155)	(158,888,043)	(159,852,198)
	15,973,214	154,645,883	170,619,097	25,773,020	152,777,842	178,550,861

11.3 Ageing analysis of trade receivables

Name of Related Party	June 30, 2023							Net trade receivable
	Not Overdue	Past Due (Less than 30 days)	Past Due (Less than 60 days)	Past Due (Less than 90 days)	Past Due (Less than 365 days)	Past Due (Over 365 days)	Impairment provision for trade receivable	
	----- (Rupees) -----							
Equity International (Private) Limited	-	2,065,920	502,873	-	-	-	-	2,568,793
B. R. R. Guardian Modaraba	-	16,424	-	-	-	-	-	16,424
B. R. R. Investment (Private) Limited	-	4,175	-	-	-	-	-	4,175
FDIBL and Employee Provident Fund	-	3,358	-	-	-	-	-	3,358
Rafique Dawood	-	445	-	-	-	-	-	445
Areeb Shujaat	-	20,386	13	435	329,425	-	-	350,259
Ayaz Dawood	-	2,010,029	-	-	-	-	-	2,010,029
Sobia Saif	-	105,323	142,365	12,961	103,744	-	-	364,393
Saifulah	-	369,821	-	-	-	-	-	369,821
Salman Yaqoob	-	20,080	23,210	19,336	2,675,735	-	-	2,738,361
Nabeel Arif	-	258,989	215,178	407,732	6,665,257	-	-	7,547,156
Total	-	4,874,950	883,639	440,464	9,774,161	-	-	15,973,214



DAWOOD EQUITIES LIMITED

June 30, 2022

Name of Related Party	Not Overdue	Past Due (Less than 30 days)	Past Due (Less than 60 days)	Past Due (Less than 90 days)	Past Due (Less than 365 days)	Past Due (Over 365 days)	Impairment provision for trade receivable	Net trade receivable
(Rupees)								
Equity International (Private) Limited	-	90,227	155	30,249	180,418	-	-	301,050
B. R. R. Guardian Modaraba	-	15,772	-	-	-	-	-	15,772
Dawood Family Takaful Limited	-	3,629,487	-	-	-	-	-	3,629,487
Rafique Dawood	-	233,521	286,790	625,027	982,860	-	-	2,128,198
Areeb Shujaat	-	10	36,212	10	156,823	-	-	193,055
Ayaz Dawood	-	10,022,610	-	-	-	-	-	10,022,610
Sobia Saif	-	59,772	-	-	-	-	(8,500)	51,271
Saifulah	-	214,747	-	-	-	-	(30,540)	184,206
Salman Yaqoob	-	870,169	1,122,293	1,160,680	-	-	(97,130)	3,056,013
Nabeel Arif	-	1,646,981	5,372,313	48	-	-	(827,985)	6,191,358
Total		16,783,296	6,817,763	1,816,015	1,320,102	-	(964,155)	25,773,020

11.4 The age analysis of the trade debts required under the Securities Brokers (Licensing and Operations) Regulations, 2016 is as under:

	June 30, 2023			June 30, 2022		
	Due from related parties	Other parties	Total	Due from related parties	Other parties	Total
(Rupees)						
Upto five days	2,754,451	10,176,364	12,930,815	14,351,446	18,886,745	33,238,191
More than five days	13,218,763	317,945,828	331,164,591	12,401,501	288,612,002	301,013,503
	15,973,214	328,122,192	344,095,406	26,752,947	307,498,747	334,251,694

11.5 Allowance for expected credit loss

	June 30, 2023	June 30, 2022
(Rupees)		
Opening balance	159,852,198	142,176,210
Provision made during the year	9,011,477	17,675,988
Closing balance	168,863,675	159,852,198

11.6 The Company holds securities having value of Rs. 1.35 billion (June 30, 2022: Rs. 2.34 billion) 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 Pakistan Stock Exchange Limited are Rs. 101.6 million (June 30, 2022: Rs. 95.35 million).

12. ADVANCES DEPOSITS AND PREPAYMENTS

	Note	June 30, 2023	June 30, 2022
(Rupees)			
Trade deposits	12.1	22,076,493	19,867,931
Advance to employees - secured		537,884	292,200
Prepayments	12.2	678,000	25,000
		23,292,377	20,185,131



DAWOOD EQUITIES LIMITED

12.1 This represents deposits maintained with NCCPL in respect of future, ready and margin trading transactions. These deposits carry profit at variable rates.

12.2 This represents prepaid insurance for employees and advance paid against underwriting services to the consultant.

	June 30, 2023	June 30, 2022
13. OTHER RECEIVABLES	----- (Rupees) -----	
Un-secured		
Receivable from NCCPL	14,271,749	11,807,216
Receivable from PMEX	738,297	738,297
Other receivables	1,044,445	834,169
	16,054,491	13,379,682

14. CASH AND BANK BALANCES

Cash in hand	-	13,675
Cash at bank		
- in current accounts	14.1	2,299,333
- in savings accounts		4,973,501
		7,272,834
		9,098,148

Balance in cash at bank pertaining to:

- clients	2,772,520	5,987,814
- brokerage house	6,325,628	1,285,020
	9,098,148	7,272,834

14.1 These carry markup at the rate of 8% to 14% (June 30, 2022: 4% to 8%) per annum.

15. SHARE CAPITAL

June 30, 2023	June 30, 2022		June 30, 2023	June 30, 2022
----- (Number of Shares) -----			----- (Rupees) -----	
Authorised share capital				
30,000,000	30,000,000	Ordinary shares of Rs.10/- each	300,000,000	300,000,000
Issued, subscribed and paid up				
24,996,500	24,996,500	Ordinary shares of Rs.10 each fully paid in cash	249,965,000	249,965,000
2,500,000	2,500,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	25,000,000	25,000,000
27,496,500	27,496,500		274,965,000	274,965,000

15.1 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.



DAWOOD EQUITIES LIMITED

15.2 PATTERN OF SHAREHOLDINGS

Following are the shareholders having more than 5% holding.

Name of shareholder	June 30, 2023		June 30, 2022	
	Shares Held (Number)	Percentage (%)	Shares Held (Number)	Percentage (%)
Ayaz Dawood	5,304,344	19.29%	5,304,344	19.29%
Equity International (Private) Limited	3,113,989	11.33%	3,113,989	11.33%
Junaid Zakaria Dada	1,980,001	7.20%	1,980,001	7.20%
Hamida Dawood	1,685,365	6.13%	-	-
	12,083,699	43.95%	10,398,334	37.82%

16. LEASE LIABILITY	Note	June 30, 2023	June 30, 2022
		----- (Rupees) -----	
Opening balance		2,472,406	-
Increase in lease liability		-	2,976,310
Repayments		(720,000)	(720,000)
Interest expense	24	174,071	216,096
Closing balance	16.1	1,926,477	2,472,406

16.1 Tenure analysis

Non-current liability	1,335,017	1,926,477
Current liability	591,460	545,929
	1,926,477	2,472,406

16.2 The incremental borrowing rate used in determining present value of lease payments at the commencement of lease is at 8.34%.

16.3 The future minimum lease payments to which the Company is committed under the lease agreements and the periods in which they will become due are as follows:

	June 30, 2023		June 30, 2022	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
	----- (Rupees) -----			
Upto one year	720,000	591,460	720,000	545,929
After one year	1,440,000	1,335,017	2,880,000	1,926,477
Total lease liability	2,160,000	1,926,477	3,600,000	2,472,406
Financial charges allocable to future periods	(233,523)	-	(1,127,594)	-
Total lease liability	1,926,477	1,926,477	2,472,406	2,472,406
Current portion	(591,460)	(591,460)	(545,929)	(545,929)
Non - current portion	1,335,017	1,335,017	1,926,477	1,926,477



DAWOOD EQUITIES LIMITED

17. TRADE AND OTHER PAYABLES	Note	June 30, 2023	June 30, 2022
		----- (Rupees) -----	
Trade creditors	17.1	30,454,134	27,702,194
Accrued expenses		5,297,352	5,646,147
Payable to dealers		1,265,663	4,518,283
Withholding tax payable		390,101	381,319
		37,407,250	38,247,943

17.1 In current year there is nil balances payable as at June 30, 2023 (June 30, 2022: Rs 14.07 million) payable to related parties of the Company.

18. SHORT TERM RUNNING FINANCE FACILITY		June 30, 2023	June 30, 2022
		----- (Rupees) -----	
Bank overdraft - secured	18.1	63,934,041	52,002,265

18.1 Short term running finance facility from Bank Alfalah against pledge of shares amounting to Rs. 100 million with markup of 3 months Kibor plus 2.5% per annum.

18.2 Short term running finance facility from Habib Metropolitan Bank amounting to Rs 100 millions with markup of 3 months kibar plus 3% per annum remained unavailed at the end of the year.

19. CONTINGENCIES AND COMMITMENTS

19.1 The Company has filed a suit 509/2009 in the High Court of Sindh (the Court) against one of its corporate client for the recovery of Rs. 75.44 million. The Court has appointed a Commissioner for determination of amount and the case is pending for adjudication. A provision of Rs. 75.44 million has been made in these financial statements as ultimate outcome is uncertain.

19.2 A former dealer of the Company instituted a defamation suit 483/2022 against the Company for damages of Rs. 102 million in High Court of Sindh. The suit is pending before High Court of Sindh for service dated November 1, 2022 and in current year the hearing was held at the date April 27, 2023 where the Honorable Court provided further new date for hearing at october 23, 2023 and case was initiated on June 28, 2012. As per the Company legal advisor has arguable case and confident that the case will be decided in its favor.

19.3 The Company challenged an Appeal dated June 22, 2022 against order dated May 25, 2022 earlier passed by the Director/HOD, Adjudication Department-I, Adjudication Division i.e. Securities Exchange Commission of Pakistan against show cause notice issued to Dawood Equities Limited under section 40A of the Securities and Exchange Commission of Pakistan Act, 1997 in respect of non compliance with Anti Money laundering and Counter Financing of Terrorism Regulations, 2018 and the commission imposed penalty of Rs. 350,000 under the regulations. Proceeding is pending before Appellate Bench, Securities Exchange Commission of Pakistan at Islamabad.

19.4 The Commissioner has initiated rectification proceeding under Section of 221(1) of Income Tax Ordinance, 2001 against tax refunds of 2021, 2020, 2019 and 2018 of amounting Rs. 12.02 million, Rs. 0.94 million, Rs. 0.83 million and 0.12 million respectively. As per management tax advisor, at this point in time it can not be reasonably assess the potential outcome of the proceedings.

19.5 Commitment against unrecorded transactions executed before year end having settlement date subsequent to year end:

	June 30, 2023	June 30, 2022
	----- (Rupees) -----	
For purchase of shares	170,373,266	80,002,331
For sale of shares	192,040,314	84,073,376



DAWOOD EQUITIES LIMITED

		June 30, 2023	June 30, 2022
	Note	----- (Rupees) -----	
20. REVENUE FROM CONTRACT WITH CUSTOMERS			
- brokerage commission - net	20.1	50,449,397	71,810,752
- underwriting commission - net		<u>5,685,173</u>	<u>33,710,080</u>
	20.2	56,134,570	105,520,832
- custody / Laga / NCSS fees		4,901,861	5,755,393
- brokerage commission on subscription		684	3,818,435
- income from margin finance		777,026	620,383
- dividend income		525,650	903,569
		<u>62,339,791</u>	<u>116,618,612</u>
20.1 Brokerage commission pertains to			
Institutional clients		10,321,386	11,864,311
Retail customers / Individual		40,128,011	59,946,441
		<u>50,449,397</u>	<u>71,810,752</u>
20.2 Brokerage commission and underwriting commission:			
Brokerage commission		57,007,819	81,146,150
Underwriting commission		6,077,495	38,092,390
Gross commission		63,085,314	119,238,540
Sales tax		(6,950,744)	(13,717,708)
		<u>56,134,570</u>	<u>105,520,832</u>
21. CAPITAL (LOSS) / GAIN ON DISPOSAL OF INVESTMENTS - NET			
Capital (loss) / gain in ready and future market - net		(729,488)	10,964,397
22. NET UNREALISED GAIN / (LOSS) ON RE-MEASUREMENT OF INVESTMENTS CLASSIFIED AS FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Net unrealised gain on re-measurement of investments		3,714,377	11,623,635
Net unrealised loss on re-measurement of investments - others		(2,275,407)	(17,937,742)
		<u>1,438,970</u>	<u>(6,314,107)</u>
23. ADMINISTRATIVE EXPENSES			
Salaries and other benefits		26,054,209	20,962,495
Repairs and maintenance		1,222,538	992,529
Software maintenance		1,872,868	1,578,150
Utilities		2,169,047	1,841,734
Gifts and donations		-	100,786
Regulatory charges		8,163,109	12,266,066
Brokerage expenses		74,678	109,224
Printing and stationery		433,445	582,070
Traveling and conveyance		253,990	268,290
Entertainment		517,396	465,775
Depreciation on property and equipment	5.1	2,519,763	2,257,144
Depreciation on investment property	6	356,876	356,876
Legal and professional fees		743,850	12,017,888
Miscellaneous expenses		253,335	184,327
		<u>44,635,104</u>	<u>53,983,354</u>
24. FINANCIAL CHARGES			
Mark up on short term running finance		7,843,803	2,083,243
Interest expense on lease liability	16	174,071	216,096
Bank charges		185,050	162,266
		<u>8,202,924</u>	<u>2,461,605</u>



DAWOOD EQUITIES LIMITED

		June 30, 2023	June 30, 2022
	Note	----- (Rupees) -----	
25. OTHER OPERATING INCOME			
From financial assets			
Profit on saving accounts		1,118,267	1,368,874
Gain on disposal of operating fixed assets		9,300	-
Profit on cash exposure deposit		3,048,027	1,614,642
Rental income		330,000	200,000
Miscellaneous income		349,060	216,199
Written back liability	25.1	2,040,107	-
		<u>6,894,761</u>	<u>3,399,715</u>

25.1 During the year management has written back tax payable against tax authorities that appearing from previous years.

		June 30, 2023	June 30, 2022
	Note	----- (Rupees) -----	
26. OTHER OPERATING CHARGES			
Brokerage expense on subscription		-	557,000
Auditor's remuneration	26.1	1,060,000	962,280
Loss on disposal of operating fixed assets		-	84,677
		<u>1,060,000</u>	<u>1,603,957</u>

26.1 Auditor's remuneration

Statutory audit	605,000	550,000
Half yearly review	137,500	125,000
Certifications on compliance with code of corporate governance	55,000	50,000
Certifications and other services	93,982	85,000
Out of pocket expenses	90,000	81,000
Sales tax	78,518	71,280
	<u>1,060,000</u>	<u>962,280</u>

27. TAXATION - NET

Current		
- for the year	1,550,652	7,141,036
- prior year	1,910,501	(1,235,762)
Deferred	5,000,000	-
	<u>8,461,153</u>	<u>5,905,274</u>

27.1 During the year the company has incurred loss and is only liable to minimum tax under the ITO 2001, therefore no numeric tax rate reconciliation is given.

	June 30, 2023	June 30, 2022
	----- (Rupees) -----	
28. EARNING PER SHARE - BASIC AND DILUTED		
Loss / Profit after taxation (Rupees)	<u>(24,074,053)</u>	<u>9,602,557</u>
Weighted average number of ordinary shares (Numbers)	<u>27,496,500</u>	<u>27,496,500</u>
Earnings per share - basic and diluted (Rupees)	<u>(0.88)</u>	<u>0.35</u>



DAWOOD EQUITIES LIMITED

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

29.1 FINANCIAL INSTRUMENTS BY CATEGORY

June 30, 2023 June 30, 2022

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

At FVTPL

Short term investments	41,149,457	65,295,885
------------------------	------------	------------

At FVTOCI

Short term investment	14,081,852	19,467,210
-----------------------	------------	------------

Amortised cost

Long term deposits	2,150,000	1,887,500
--------------------	-----------	-----------

Trade debts	175,231,732	174,399,496
-------------	-------------	-------------

Receivable against margin finance	10,450,883	4,154,375
-----------------------------------	------------	-----------

Trade deposits	22,076,493	19,867,931
----------------	------------	------------

Other receivable	16,054,491	13,379,682
------------------	------------	------------

Bank balances	9,098,148	7,272,834
---------------	-----------	-----------

	235,061,747	220,961,818
--	-------------	-------------

	290,293,056	305,724,913
--	-------------	-------------

Financial Liabilities

Amortised cost

Rental deposits	25,000	25,000
-----------------	--------	--------

Lease liability	1,926,477	2,472,406
-----------------	-----------	-----------

Trade and other payables	37,017,149	37,866,624
--------------------------	------------	------------

Unclaimed dividend	230,336	230,336
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Short term running finance facility	63,934,041	52,002,265
-------------------------------------	------------	------------

	103,133,003	92,596,631
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29.2 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

The Board of Directors (the Board) has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfill their obligations. There is a possibility of default by participants and of failure of the financial markets, the depositories, the settlements or clearing system etc.



DAWOOD EQUITIES LIMITED

Exposure to credit risk

Credit risk of the Company arises principally from trade debts, money market, advance deposits and prepayments, other receivables, bank balances and receivable against margin finance. The carrying amount of these financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

Out of the total financial assets of Rs. 290.29 million (June 30, 2022 : Rs. 296.17 million) the financial assets which are subject to credit risk amounted to Rs. 235.06 million (June 30, 2022 : Rs. 220.96 million).

All investing transactions are settled / paid for upon delivery as per the advice of investment committee. The company's policy is to enter into financial instrument contract by following internal guidelines such as approving counter parties and approving credits.

The carrying amount of following financial assets represents the maximum credit exposure. The maximum exposure to the credit risk at the reporting date is:

	June 30, 2023	June 30, 2022
	----- (Rupees) -----	
Long term deposits	2,150,000	1,887,500
Trade debts	175,231,732	174,399,496
Receivable against margin finance	10,450,883	4,154,375
Deposits	22,076,493	19,867,931
Other receivables	16,054,491	13,379,682
Bank balances	9,098,148	7,272,834
	235,061,747	220,961,818

No provision has been recognised except as disclosed in note 11.5 in respect of trade debts as the security against the same is adequate or counter parties have sound financial standing.

Credit quality of bank balances can be assessed with reference to external credit ratings as follows:

Bank	Agency	Date	Long term rating	Short term rating	June 30, 2023	June 30, 2022
----- (Rupees) -----						
Bank Al-Habib Limited	PACRA	June 30, 2023	AAA	A-1+	444,370	51,906
Habib Metropolitan Bank Limited	PACRA	June 30, 2023	AA+	A-1+	5,255,932	507,270
MCB Bank Limited	PACRA	June 30, 2023	AAA	A-1+	290,061	271,456
Albaraka Bank (Pakistan) Limited	JCR-VIS	June 30, 2023	A+	A-1	1,475,351	1,460,319
Bank Al-Falah Limited	PACRA	June 30, 2023	AA+	A1+	627,736	4,918,485
The Bank of Khyber	JCR-VIS	June 30, 2023	A+	A-1	71,272	-
United Bank Limited	JCR-VIS	June 30, 2023	AAA	A-1+	25,246	38,298
Bank Islami Pakistan Limited	PACRA	June 30, 2023	AA-	A-1	69,440	25,100
Dubai Islamic Bank	JCR-VIS	June 30, 2023	AA	A-1+	60,345	-
Meezan Bank Ltd	JCR-VIS	June 30, 2023	AAA	A-1+	778,395	-
					9,098,148	7,272,834



DAWOOD EQUITIES LIMITED

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to the dynamic nature of the business. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

The following are the contractual maturities of financial liabilities, including estimated interest payments in case of lease liability:

June 30, 2023			
Carrying Amount	Contractual Cash flows	Less than one year	More than one year
----- (Rupees) -----			

Financial Liabilities

Trade and other payables	37,407,250	37,407,250	37,407,250	-
Lease liability	1,926,477	1,926,477	591,460	1,335,017
Unclaimed dividend	230,336	230,336	230,336	-
Rental deposits	25,000	25,000	25,000	-
Short term running finance facility	63,934,041	63,934,041	63,934,041	-

June 30, 2022			
Carrying Amount	Contractual Cash flows	Less than one year	More than one year
----- (Rupees) -----			

Financial Liabilities

Trade and other payables	37,866,624	37,866,624	37,866,624	-
Lease liability	2,472,406	2,472,406	545,929	1,926,477
Unclaimed dividend	230,336	230,336	230,336	-
Rental deposits	25,000	25,000	25,000	-
Short term running finance facility	52,002,265	52,002,265	52,002,265	-

c) Market Risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company manages market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies and guidelines. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.



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Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At year end, the Company is not exposed to any currency risk.

Interest Rate Risk

As reporting date the interest rate profile of the Company's interest bearing financial instruments was as follows:

	June 30, 2023	June 30, 2022
	----- (Rupees) -----	
Financial Assets		
Variable Rate Instruments		
Trade deposits	22,076,493	19,867,931
Bank balance - saving accounts	2,330,377	4,973,501

Cash flow Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by the amount shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for the year ended June 30, 2022.

	Effect on profit and loss	
	100 bp increase	100 bp decrease
	----- (Rupees) -----	
As at June 30, 2023		
Cash flow sensitivity - variable rate instruments	<u>244,069</u>	<u>244,069</u>
As at June 30, 2022		
Cash flow sensitivity - variable rate instruments	<u>248,414</u>	<u>248,414</u>

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets of the Company.

Other price risk

Other price risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As of the reporting date the Company was exposed to price risk since it had investments in quoted securities amounting to Rs. 25.25 (June 30, 2022 : Rs. 55.74 million) and also because the Company held collaterals in the form of equity securities against their debtor balances.

Sensitivity analysis

At reporting date, if the market prices of each security held by the Company as short term investment had increased / decreased by one percent with all other variables remain constant, pre tax profit would have been higher / lower by the amount shown below.



DAWOOD EQUITIES LIMITED

	June 30, 2023	June 30, 2022
	----- (Rupees) -----	
Effect on profit		
Increase / decrease	<u>111,730</u>	<u>362,766</u>
Effect on other comprehensive income		
Increase / decrease	<u>140,819</u>	<u>194,672</u>

Capital risk management

The Company's objective, when managing capital, is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. Furthermore, the Company finances its operations through equity and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:** Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

June 30, 2023	Carrying value	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----				
Financial assets - measured at fair value					
Short term investments	-	25,254,802	-	29,976,507	55,231,309
Financial assets - disclosed but not measured at fair value					
Long term deposits	2,150,000	-	-	-	2,150,000
Trade debts	175,231,732	-	-	-	175,231,732
Receivable against margin finance	10,450,883	-	-	-	10,450,883
Deposits	22,076,493	-	-	-	22,076,493
Other receivable	16,054,491	-	-	-	16,054,491
Cash and bank balances	9,098,148	-	-	-	9,098,148
	<u>235,061,747</u>	<u>25,254,802</u>	<u>-</u>	<u>29,976,507</u>	<u>290,293,056</u>
Financial liabilities - disclosed but not measured at fair value					
Trade and other payables	37,407,250	-	-	-	37,407,250
Unclaimed dividend	230,336	-	-	-	230,336
Bank overdraft	63,934,041	-	-	-	63,934,041
Lease liability	1,926,477	-	-	-	1,926,477
	<u>103,498,104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,498,104</u>

Fair value of other financial assets and liabilities are for short term or repriced frequently. Therefore, their carrying values are reasonable approximations of their fair values.



DAWOOD EQUITIES LIMITED

June 30, 2022	Carrying value	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----				
Financial assets - measured at fair value					
Short term investments	-	55,743,840	-	29,019,255	84,763,095
Financial assets - disclosed but not measured at fair value					
Long term deposits	1,887,500	-	-	-	1,887,500
Trade debts	174,399,496	-	-	-	174,399,496
Receivable against margin finance	4,154,375	-	-	-	4,154,375
Deposits	19,867,931	-	-	-	19,867,931
Other receivable	13,379,682	-	-	-	13,379,682
Cash and bank balances	7,286,509	-	-	-	7,286,509
	<u>220,975,493</u>	<u>55,743,840</u>	<u>-</u>	<u>29,019,255</u>	<u>305,738,588</u>
Financial liabilities - disclosed but not measured at fair value					
Trade and other payables	37,866,624	-	-	-	37,866,624
Unclaimed dividend	230,336	-	-	-	230,336
Bank overdraft	52,002,265	-	-	-	52,002,265
Lease liability	2,472,406	-	-	-	2,472,406
	<u>92,571,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,571,631</u>

30. PROVIDENT FUND

The Company operates contributory provident fund scheme maintained with First Dawood Investment Bank Limited and Others, Employees contributory provident fund for its permanent employees. All investment are made in accordance with section 218 of Companies Act 2017.

31. RELATED PARTY TRANSACTIONS

Related parties comprises member companies, directors, key management personnel of member companies and various other related parties that has an interest in the Company and has significant influence over the Company. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

31.1 Nature of relationship	Nature of transaction	Note	June 30, 2023	June 30, 2022
			----- (Rupees) -----	
Sponsors / Major shareholders				
Rafique Dawood	Commission earned from brokerage transactions		2,643	30,237
Ayaz Dawood	Commission earned from brokerage transactions		287,405	212,637
Equity International (Pvt) Limited	Commission earned from brokerage transactions		26,295	15,504
B. R. R. Investment (Private) Limited	Commission earned from brokerage transactions		451,091	-
Directors				
Areeb Shujaat	Commission earned from brokerage transactions		1,650	1,181
Sobia Saif	Commission earned from brokerage transactions		60,506	14,941
Saifullah	Commission earned from brokerage transactions		143,433	299,595
Related companies				
Dawood Family Takaful Limited	Commission earned from brokerage transactions		-	5,714,038
BRR Guardian Modaraba	Commission earned from brokerage transactions		822,442	819,750
BRR Guardian Modaraba	Expenses		720,000	477,050
First Dawood Investment Bank Limited	Commission earned from brokerage transactions		378,016	-



DAWOOD EQUITIES LIMITED

Nature of relationship	Nature of transaction	Note	June 30, 2023	June 30, 2022
			(Rupees)	
Key Management Personal				
Salman Yaqoob	Commission earned from brokerage transactions		30,927	55,464
	Provident fund employer's contribution	31.2	126,163	115,865
Nabeel Arif	Commission earned from brokerage transactions		47,038	45,359
	Provident fund employer's contribution		105,213	95,069

31.2 The Company is part of group's provident fund as a whole according to trust deed.

31.3 Following are the related parties with whom the Company had entered into transactions during the year:

Related party	Basis of relationship	Number of shares held in the company	Aggregate percentage shareholding in the Company
Rafique Dawood *	Sponsor / Major shareholder	385,330	1.40%
Ayaz Dawood	Sponsor / Major shareholder	5,304,344	19.29%
Equity International (Private) Limited	Sponsor / Major shareholder	3,113,989	11.33%
Areeb Shujaat	Directors	98	0.00%
Mrs. Sobia Saif	Directors	110	0.00%
Mr. Saifullah	Directors	1	0.00%
First Dawood Investment Bank Limited	Related companies	Nil	Nil
BRR Guardian Modaraba	Related companies	539,000	1.96%
B.R.R. Investment (Private) Limited	Related companies	1,238,210	4.50%
Salman Yaqoob	Key management personal	Nil	Nil
Nabeel Arif	Key management personal	Nil	Nil

* Shares held by Mr. Rafique Dawood are currently in the process of being transferred to his legal heirs.

32. REMUNERATION OF DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
----- (Rupees) -----						
Managerial remuneration	1,160,004	1,150,000	-	-	2,104,663	2,274,000
Directors' fees	-	-	-	-	-	-
Rent and house maintenance	464,004	460,000	-	-	841,863	909,600
Reimbursable expenses	-	-	-	-	-	72,000
Utilities	116,004	115,000	-	-	210,463	227,400
Medical	-	-	-	-	-	120,000
Conveyance	-	-	-	-	-	877,284
	1,740,012	1,725,000	-	-	3,156,989	4,480,284
----- (Numbers) -----						
Person(s)	1	1	7	7	2	2



DAWOOD EQUITIES LIMITED

33. COMPUTATION OF LIQUID CAPITAL BALANCE

The below statement has been prepared in accordance with regulation 6(3) and schedule III of the Securities Broker (Licensing and Operations) Regulations, 2016.

S. No.	Head of account	Note	Value in Rupees	Hair Cut / Adjustments	Net Adjusted Value
I. Assets					
I.1	Property & Equipment, Right of use asset and Investment property	5 & 6	15,352,201	100%	-
I.2	Intangible Assets	7	6,000,000	100%	-
I.3	Investment in Govt. Securities		-	-	-
I.4	Investment in Debt. Securities				
	If listed than:				
	i. 5% of the balance sheet value in the case of tenure upto 1 year.		-	5%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.		-	7.5%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.		-	10%	-
	If unlisted than:				
	i. 10% of the balance sheet value in the case of tenure upto 1 year.		-	10%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.		-	12.5%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.		-	15%	-
I.5	Investment in Equity Securities				
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	10.1 & 10.3	25,254,802	4,392,975	20,861,827
	ii. If unlisted, 100% of carrying value.		29,976,506	100%	-
I.6	Investment in subsidiaries			100%	-
I.7	Investment in associated companies/undertaking				
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.		-	-	-
	ii. If unlisted, 100% of net value.	10.2	-	100%	-
I.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	8	2,150,000	100%	-
I.9	Margin deposits with exchange and clearing house.		30,162,569	-	30,162,569
I.10	Deposit with authorized intermediary against borrowed securities under SLB.		-	-	-
I.11	Other deposits and prepayments	12	678,000	100%	-
I.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)		-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties		-	100%	-
I.13	Dividends receivables.		-	-	-
I.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)		-	-	-



DAWOOD EQUITIES LIMITED

S. No.	Head of account	Note	Value in Rupees	Hair Cut / Adjustments	Net Adjusted Value
I.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	12	537,884	-	537,884
	ii. Advance tax net of provision		-	-	-
	iii. Receivables other than trade receivables	13	15,362,589	100%	-
I.16	Receivables from clearing house or securities exchange(s)				
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MM gains.		5,747,405	-	5,747,405
I.17	Receivables from customers				
	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. i. Lower of net balance sheet value or value determined through adjustments.		10,450,883	7,463,470	7,463,470
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. ii. Net amount after deducting haircut		-	5%	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, iii. Net amount after deducting haircut		-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value		10,176,364	-	10,176,364
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. v. Lower of net balance sheet value or value determined through adjustments		149,082,152	108,246,938	40,835,214
	vi. 100% haircut in the case of amount receivable form related parties.		15,973,215	10,463,701	5,509,514
I.18	Cash and Bank balances				
	i. Bank Balance-proprietary accounts	14	6,325,628	-	6,325,628
	ii. Bank balance-customer accounts	14	2,772,520	-	2,772,520
	iii. Cash in hand	14	-	-	-
I.19	Subscription money against investment in IPO/ offer for sale (asset)		-	-	-
I.2	Total assets		326,002,718		130,392,395

2. Liabilities

2.1	Trade payables				
	i. Payable to exchanges and clearing house		-	-	-
	ii. Payable against leveraged market products		-	-	-
	iii. Payable to customers	17	30,454,134	-	30,454,134



DAWOOD EQUITIES LIMITED

2.2	Current liabilities				
	i. Statutory and regulatory dues		-	-	-
	ii. Accruals and other payables	17	6,953,116	-	6,953,116
	iii. Short-term borrowings		63,934,041	-	63,934,041
	iv. Current portion of subordinated loans		-	-	-
	v. Current portion of long term liabilities		-	-	-
	vi. Deferred Liabilities		-	-	-
	vii. Provision for bad debts		-	-	-
	viii. Provision for taxation		-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements		821,796	-	821,796
2.3	Non-current liabilities				
	i. Long-term financing		-	-	-
	ii. Long-term financing obtained from financial institution: Long term portion of financing obtained from a financial institution including amount due against finance lease	16	-	100%	-
	iii. Staff retirement benefits		-	-	-
	iv. Other liabilities as per accounting principles and included in the financial statements		1,360,017	-	1,360,017
	v. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if:				
	a. The existing authorized share capital allows the proposed enhanced share capital				
	b. Board of Directors of the company has approved the increase in capital				
	c. Relevant Regulatory approvals have been obtained				
	d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed.				
	e. Auditor is satisfied that such advance is against the increase of capital.		-	-	-
2.4	Subordinated loans				
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.		-	-	-
	ii. Subordinated loans which do not fulfill the conditions specified by SECP				
2.5	Advance against shares for increase in capital of securities broker				
	100% Haircut may be allowed in respect of advance against shares if: (a) The existing authorized share capital allows the proposed enhanced share capital. (b) Board of Directors of the company has approved the increase in capital. (c) Relevant Regulatory approvals have been obtained (d) There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed (e) Auditor is satisfied that such advance is against the increase of capital.		-	-	-
2.6	Total liabilities		103,523,104		103,523,104

3. Ranking liabilities relating to:

3.1	Concentration in margin financing				
	The amount calculated client-to-client basis by which any amount receivable from any of the finances exceed 10% of the aggregate of amounts receivable from total finances.		-	5,047,643	5,047,643



DAWOOD EQUITIES LIMITED

3. Ranking liabilities relating to:

3.2	Concentration in securities lending and borrowing				
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed.			-	-
3.3	Net underwriting commitments				
	(a) in the case of rights issue : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting			-	-
	(b) in any other case : 12.5% of the net underwriting commitments			-	-
3.4	Negative equity of subsidiary				
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary			-	-
3.5	Foreign exchange agreements and foreign currency positions				
	5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency			-	-
3.6	Amount Payable under REPO			-	-
3.7	Repo adjustment				
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.			-	-
3.8	Concentrated proprietary positions				
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security			-	1,408,185
3.9	Opening Positions in futures and options				
	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts			-	-
	ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met			-	-
3.10	Short sell positions				
	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts			-	-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.			-	-
3.11	Total ranking liabilities			-	6,455,828

222,479,614

Liquid Capital

20,413,462



DAWOOD EQUITIES LIMITED

Calculations Summary of Liquid Capital

(Rupees)

(i) Adjusted value of Assets (serial number 1.20)	130,392,395
(ii) Adjusted value of liabilities (serial number 2.6)	(103,523,104)
(iii) Total ranking liabilities (series number 3.11)	(6,455,828)
	<u>20,413,463</u>

34. CAPITAL ADEQUACY LEVEL

June 30, 2023 **June 30, 2022**
----- (Rupees) -----

Total assets	353,743,104	372,657,361
Total liabilities	(103,523,104)	(92,977,950)
Capital adequacy level	250,220,000	279,679,411

35. NUMBER OF EMPLOYEES

At the year end	22	22
Average during the year	22	19

36. CORRESPONDING FIGURES

Corresponding figures and balances have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison, the effects of which are not material.

Certain prior year figures have been reclassified for better presentation.

Reclassification from	Reclassification to	June 30, 2022 Rupees
Other receivable	Receivable from PMEX	738,297
Other receivable	Taxation Net	2,423,424
Other Operating Income	Revenue from contract with customers	903,569
Brokerage expenses	Legal and professional fees	11,863,338
Fees and subscription	Legal and professional fees	154,550
Traveling and conveyance	Salaries and other benefits	655,260
Repairs and maintenance	Salaries and other benefits	1,124,515
Fees and subscription	Regulatory charges	11,542,438
Legal and professional fees	Regulatory charges	723,628

37. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue by the Board of the Company on **28 September 2023**.

38. GENERAL

Figures have been rounded off to the nearest rupee.


Chief Executive


Director


Chief Financial Officer



DAWOOD EQUITIES LIMITED

Proxy Form

I/We, _____

of _____

Dawood Equities Limited appoint Mr./ Mrs./Ms. _____

_____ of _____

as my proxy to vote for me/us and on my / our behalf at the Annual General Meeting to be held on 26th day of October, 2023 at 8:45 a.m. and at any adjournment thereof.

As witnessed under my/our hands this _____ day of _____ 2023 _____

Signed by _____

Signature and address of the witness

Signature and address of the witness

Signature of member

Please affix
revenue
stamp



DAWOOD EQUITIES LIMITED

Affix
Correct
Postage

The Company Secretary
Dawood EQUITIES LIMITED
17th Floor, Saima Trade Tower A
I.I Chundriger Road Karachi.



DAWOOD EQUITIES LIMITED

BOOK POST
Printed Matter

UNDER CERTIFICATE OF POSTING

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