



DAWOOD EQUITIES LIMITED

**Quarterly Report
March 31, 2022
(Un-Audited)**

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2022

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.

Company Information

Board of Directors	Mr. Junaid Dada (Chairman) 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
Website	www.dawoodequities.com
Registered Head Office	17th Floor - Saima Trade Towers A, I.I. Chundrigar Road, Karachi. Phone No. 021-32271881-1883 Fax No. 021-32275086
Registered Branch Office	Room 409-410, 4th Floor, New Stock Exchange Building, Stock Exchange Road, Karachi. Phone No. 021-32418874, 32460744 Fax No. 021-32418873
Office no 07, Mezzanine Floor, Auto Bhan Tower Auto, Auto Bhan Road, Latifabad No. 3, Hyderabad. Tel: +92-22-3411027	Office address # Commercial Shop no :2, Plot no: C-10, Bantavanagar, Liguatabad, Karachi. Contact no: 021-34920630.
Room 806, 8th Floor, New Stock Exchange Building, Stock Exchange Road, Karachi.	
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

DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders

On the behalf of Board of Directors of Dawood Equities Limited (DEL), we are pleased to present herewith the unaudited financial statements for the third quarter ended March 31, 2022.

FINANCIAL PERFORMANCE

The Company earned core operating revenue of Rs.88.2 million as compare to Rs. 101.18 million of the previous comparable period. Total revenue of DEL decreased as a result of lower activity / volumes at the stock exchange resulted in decrease in trading commission from individual and corporate clients as compared to same period last year. The company's profit after tax arrived at Rs. 16.26 million as compared to a profit of 41.99 million in the corresponding period last year translating to earnings per share of Rs.0.59.

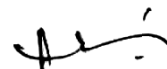
The equity of your Company as at the balance sheet date is PKR 290.9 million which translates into book value per share of PKR 10.58. The summary of Financial Results is as follows:

	March 31, 2022 Rupees	March 31, 2021 Rupees
Operating Revenue	88,210,609	101,185,678
Operating Profit	61,631,285	64,967,767
Administrative Expenses	31,706,329	26,861,614
Profit / (Loss) after tax	16,269,384	41,993,750
Earnings per share basic and diluted	0.59	1.53 (Restated)



Junaid Dada

Chairman



Abdul Aziz Habib

Chief Executive Officer

Karachi: April 27, 2022

ڈائریکٹرز کی ارکان کورپورٹ

محترم حصص یافتگان

داؤدا ٹیکسٹائل لمیٹڈ (DEL) کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم 31 مارچ 2022 کو ختم ہونے والی نو ماہی کے لئے مالی حسابات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی کارکردگی

کمپنی کو گذشتہ ترقیاتی مدت میں 101.18 ملین روپے کی کل آمدنی کے مقابلے میں موجودہ نو ماہی کے دوران 88.2 ملین روپے کی کل آمدنی ہوئی۔ DEL کی کل آمدنی گزشتہ سال کی اسی مدت کے مقابلے میں انفرادی اور کارپوریٹ ٹیکس سے ٹریڈنگ کمیشن میں کمی کے نتیجے میں اسٹاک ایکچینج پر کم سرگرمی / حجم کی وجہ سے کم ہوئی۔ کمپنی کا بعد از ٹیکس منافع گزشتہ سال کی اسی مدت میں 41.99 ملین روپے منافع کے مقابلے میں 16.26 ملین روپے پر پہنچ گیا جس کے نتیجے میں 0.59 روپے فی حصص کا منافع کمایا۔

بیلنس شیٹ کی تاریخ کو آپ کی کمپنی کی ایکٹیوٹی 290.9 ملین روپے ہے جس کے نتیجے میں بیلوٹیوٹی شیئر 10.58 روپے ہوئی۔

مالی نتائج کا خلاصہ حسب ذیل ہے:

31 مارچ 2021ء روپے	31 مارچ 2022ء روپے	
101,185,678	88,210,609	آپریٹنگ آمدنی
64,967,767	61,631,285	آپریٹنگ منافع
26,861,614	31,706,329	انتظامی اخراجات
41,993,750	16,269,384	بعد از ٹیکس منافع / نقصان
1.53 (اعادہ)	0.59	فی شیئر آمدنی بنیادی اور معتدل



عبدالعزیز چوہدری
چیف ایگزیکٹو آفیسر



چنیدوا
چیرمین

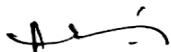
کراچی: 27 اپریل 2022ء

DAWOOD EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

		(Un-audited) March 31,	(Audited) June 30,
		2022	2021
	Note	----- (Rupees) -----	
ASSETS			
Non Current Assets			
Property and equipment	6	10,530,196	9,056,968
Right of use asset		2,529,864	-
Intangible assets		6,000,000	6,000,000
Investment property		5,237,094	5,504,750
Long term deposit		1,887,500	1,887,500
Deferred tax asset		34,767,589	34,767,589
		<u>60,952,242</u>	<u>57,216,807</u>
Current Assets			
Short term investments	7	101,315,718	87,697,874
Trade debts		167,986,058	136,511,319
Receivable against margin finance		7,933,638	2,697,834
Advance deposits and prepayments		18,658,804	33,200,635
Other receivables		14,911,160	12,256,825
Tax refunds due from government		9,843,835	20,742,131
Cash and bank balances	8	44,890,549	13,575,366
		<u>365,539,761</u>	<u>306,681,984</u>
Total Assets		<u><u>426,492,003</u></u>	<u><u>363,898,791</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Authorized Share Capital			
30,000,000 Ordinary shares of Rs.10 each		<u>300,000,000</u>	<u>300,000,000</u>
Share capital		274,965,000	249,965,000
Reserves		15,948,325	43,099,526
		<u>290,913,325</u>	<u>293,064,526</u>
Non Current Liabilities			
Rental deposits		25,000	25,000
Lease liability		2,067,086	-
		<u>2,092,086</u>	<u>25,000</u>
Current Liabilities			
Trade and other payables		80,142,304	56,556,903
Unclaimed dividend		230,336	230,336
Bank overdraft		45,606,254	-
Current portion of lease liability		535,105	-
Provsion for taxation		6,972,593	14,022,026
		<u>133,486,592</u>	<u>70,809,265</u>
Total Equity and Liabilities		<u><u>426,492,003</u></u>	<u><u>363,898,791</u></u>

Contingencies and commitments 9

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.



Chief Executive



Chief Financial Officer




Director


DAWOOD EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2022

<i>Note</i>	<i>Nine Month Ended</i>		<i>Quarter Ended</i>	
	<i>March 31,</i> <i>2022</i>	<i>March 31,</i> <i>2021</i>	<i>March 31,</i> <i>2022</i>	<i>March 31,</i> <i>2021</i>
	----- Rupees -----			
Gross revenue	88,210,609	101,185,678	37,578,450	41,594,325
Commission to agents and dealers	(26,579,324)	(36,217,911)	(9,345,446)	(15,013,195)
Net revenue	61,631,285	64,967,767	28,233,004	26,581,130
Capital gain on disposal of investments - net	3,338,202	5,997,977	1,067,259	810,630
Profit / (Loss) on remeasurement of investments carried at fair value through profit and loss	11,200,355	2,416,088	(3,904,299)	(4,042,872)
	76,169,842	73,381,832	25,395,964	23,348,888
Administrative expenses	(31,706,329)	(26,861,614)	(11,038,446)	(8,694,278)
	44,463,512	46,520,219	14,357,518	14,654,611
Other operating charges	(21,896,945)		(266,187)	
Other operating income	1,531,007	340,877	573,369	89,337
Financial charges	(855,597)	(41,789)	(635,156)	(17,324)
Profit before taxation	23,241,977	46,819,306	14,029,543	14,726,623
Taxation-net	(6,972,593)	(4,825,557)	(2,470,093)	(1,619,929)
Profit after taxation	16,269,384	41,993,750	11,559,450	13,106,695
Earning per share -Basic and Diluted	0.59	Restated 1.53	0.42	Restated 0.47

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.



 Chief Executive



 Chief Financial Officer



 Director

DAWOOD EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2022

	<i>Nine Month Ended</i>		<i>Quarter Ended</i>	
	<i>March 31, 2022</i>	<i>March 31, 2021</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
	----- Rupees -----			
Profit for the period	16,269,384	41,993,750	11,559,450	13,106,695
Other comprehensive income				
Net unrealised (loss) / gain on re-measurement of investments classified as financial assets at fair value through other comprehensive income	(18,420,585)	6,338,080	(2,131,307)	-
assets held at fair value through other comprehensive income	(18,420,585)	6,338,080	(2,131,307)	-
Total comprehensive income / (loss)	(2,151,201)	48,331,830	9,428,144	13,106,695

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.



 Chief Executive



 Chief Financial Officer

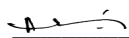


 Director

DAWOOD EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2022

Description	Reserves				Total	Total equity
	Issued, subscribed and paid up capital	Capital		Revenue		
		Gain/(loss) on remeasurement of AFS investment	Share premium	Unappropriated loss		
----- Rupees -----						
Balance as at July 01, 2020	249,965,000	(17,125,870)	74,973,750	(79,897,972)	(22,050,092)	227,914,908
Profit for the period ended July 2020 - March 2021				41,993,750	41,993,750	41,993,750
Unrealized (loss)/ gain on remeasurement relating to available for sale investments carried from other Comprehensive income		6,338,080			6,338,080	6,338,080
Balance as at March 31, 2021	249,965,000	(10,787,790)	74,973,750	(37,904,222)	26,281,738	276,246,738
Balance as at July 01, 2021 (Audited)	249,965,000	6,489,781	74,973,750	(38,364,005)	43,099,526	293,064,526
Profit for the period				16,269,384	16,269,384	16,269,384
Bonus Issue @ 10% per ordinary shares	25,000,000		(25,000,000)		(25,000,000)	
Other comprehensive income						
Net unrealised loss on re-measurement of investments classified as financial assets at fair value through other comprehensive income		(18,420,585)			(18,420,585)	(18,420,585)
	25,000,000	(18,420,585)	(25,000,000)	16,269,384	(27,151,201)	(2,151,201)
Balance as at March 31, 2022 (Un-audited)	274,965,000	(11,930,804)	49,973,750	(22,094,621)	15,948,325	290,913,325

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.


 Chief Executive


 Chief Financial Officer


 Director

DAWOOD EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2022

	March 31, 2022	March 31, 2021
	----- (Rupees) -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	23,241,977	46,819,306
Adjustment for non cash items:		
Depreciation- PPE	1,115,601	986,870
Depreciation- Investment Property	267,657	
Amortization-ROUA	446,446	
Gain on remeasurement of investment	(11,200,355)	(2,416,088)
Capital gain on disposal of investment	(3,338,202)	(5,997,977)
Dividend income	(779,039)	(53,391)
Bank profit	(923,626)	-
Interest expense on finance lease	165,881	
Financial charges	855,597	41,789
	<u>9,851,937</u>	<u>39,380,509</u>
(Increase) / decrease in current assets		
Trade debts	(31,474,739)	(40,211,551)
Other receivables	(2,654,335)	(10,562,071)
Receivable against MF	(5,235,804)	1,178,273
Trade deposits and short term prepayments	14,541,831	(22,109,068)
	<u>(24,823,047)</u>	<u>(71,704,417)</u>
(Decrease) / increase in current liabilities		
Trade and other payables	23,585,401	54,841,289
	<u>8,614,291</u>	<u>22,517,381</u>
Taxes paid	(3,123,730)	1,365,776
Financial charges paid	(855,597)	(41,789)
	<u>(3,979,327)</u>	<u>1,323,987</u>
Net cash (used in) / generated from operating activities	<u>4,634,963</u>	<u>23,841,368</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(2,588,828)	(1,971,358)
Purchase of Intangible Asset	-	3,362,978
Investments - net	(18,399,872)	-
Bank profit received	923,626	
Dividend received	779,039	53,391
Net cash generated / (used in) from investing activities	<u>(19,286,034)</u>	<u>1,445,011</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	360,000	
Net cash generated / (used in) from investing activities	<u>360,000</u>	<u>-</u>
Net (decrease) / increase in cash and cash equivalents (A+B+C)	<u>(14,291,071)</u>	<u>25,286,378</u>
Cash and cash equivalents at the beginning of the period	<u>13,575,366</u>	<u>2,655,060</u>
Cash and cash equivalents at the end of the period	<u>(715,705)</u>	<u>27,941,438</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	44,890,549	27,941,438
Bank overdraft	(45,606,254)	
	<u>(715,705)</u>	<u>27,941,438</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

DAWOOD EQUITIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2022 (UN-AUDITED)

1. NATURE AND STATUS OF BUSINESS

Dawood Equities Limited (the Company) was incorporated in Pakistan as an unquoted public limited company on May 3, 2006 under the Repealed Companies Ordinance, 1984 (now Companies Act 2017). The Company commenced commercial operations from October 03, 2006. Subsequently the Company obtained listing on the Pakistan Stock Exchange Limited (PSX) (Formerly Karachi Stock Exchange Limited) on April 14, 2008. The Company is a Trading Right Entitlement Certificate (TREC) holder of PSX and a member of Pakistan Mercantile Exchange Limited. The registered office of the Company is situated at 1900-B, Saima Trade Towers, I.I. Chundrigar Road, Karachi. The Company's principal business is trading and brokerage of listed equities, underwriting and other investments.

The business units of the Company include the following:

1.1 Business Units	Geographical Location
Head office - Karachi	17th Floor Saima Trade Tower I.I Chundrigar Road Karachi
Stock Exchange Branch - Karachi	Room 409 & 410 New Stock Exchange Building Stock Exchange Road Karachi
Stock Exchange Branch - Karachi	Room 806 New Stock Exchange Building Stock Exchange Road Karachi
Bantvanager Branch - Karachi	Shop no. 2 Plot no. C-10 Bantavanagar Liguatabad Karachi
Hyderabad Branch	Shop no. 7 Mezzanine Floor Autobhan Tower, Autobhan Road Unite no. 3 Latifabad, Hyderabad

2. BASIS OF PRESENTATION

2.1 Statement of Compliance

These condensed interim financial report of the company for the Nine months period ended March 31, 2022 have been prepared, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of:

- Interim Accounting Standard (IAS) 34, Interim Financial Reporting issued by International Accounting Standards 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 (Regulations)

Where provisions of and directives issued under the Act and the Regulations differ from IAS 34, the provisions of and directives issued under the Act and the Regulations have been followed.

2.2 These condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional currency.

2.3 This condensed interim financial report is unaudited but subject to limited scope review by auditors. This condensed interim financial report do not include all of the information and disclosures required in the financial statements, and should be read in conjunction with Company's annual financial statements for the year ended June 30, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements and the significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements of the Company as at and for the year ended June 30, 2021 except as disclosed in note 3.2 below.

3.2 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 recognizes 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 account on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payment that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate applicable in the market for such leases.

The lease liability is subsequently measured at amortized cost using the effective interest rate method and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

At inception, the ROU asset comprises the initial lease liability, initial direct costs and the obligations to refurbish the asset, less any incentives granted by the lessors. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator for impairment, as for owned assets

3.3 Certain new IFRS's and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2021, which do not have any impact on the Company's financial reporting and therefore have not been detailed in these condensed interim financial statements.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2021.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

5.1 The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Estimates and judgements made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the annual financial statements of the Company for the year ended June 30, 2021, except as disclosed otherwise.

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
	Note	----- (Rupees) -----	
6. PROPERTY AND EQUIPMENT			
Opening net book value		9,056,968	6,618,593
Additions	6.1	2,588,828	3,504,059
Depreciation		(1,115,601)	(1,065,684)
Closing net book value		<u>10,530,196</u>	<u>9,056,968</u>
		(Un-audited) March 31, 2022	(Audited) June 30, 2021
	Note	----- (Rupees) -----	
6.1 Following additions were made during the period / year			
Furniture and fixtures		1,255,350	2,560,200
Office equipment		360,218	76,970
Computers		556,260	693,389
Motor Vehicles		417,000	173,500
		<u>2,588,828</u>	<u>3,504,059</u>
		(Un-audited) March 31, 2022	(Audited) June 30, 2021
	Note	----- (Rupees) -----	
7. SHORT TERM INVESTMENTS			
Listed securities - Investments classified as financial assets at fair value through other comprehensive income		24,034,297	42,454,881
Unlisted securities - Investments classified as financial assets at fair value through profit or loss - Related party	7.1	46,759,576	6,056,944
Other listed securities - investments classified as financial assets at fair value through profit or loss	7.2 & 7.3	30,521,845	39,186,049
		<u>101,315,718</u>	<u>87,697,874</u>

8. CASH AND BANK BALANCES

Cash in hand 52,380 37,380

Cash at bank

- in current accounts

- in saving account

8.1	7,752,553	8,760,923
8.1	37,085,615	4,777,063
8.2	44,838,169	13,537,986
	44,890,549	13,575,366
	44,890,549	13,575,366

8.1 These carry markup at the rate of 7.25% (5.50%) per annum

(Un-audited) **(Audited)**
March 31, **June 30,**
2022 **2021**

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

8.2 Balance pertaining to:

- clients

- brokerage houses

	43,796,777	9,115,090
	1,093,772	4,422,896
	44,890,549	13,537,986
	44,890,549	13,537,986

9. CONTINGENCIES & COMMITMENTS

The status of contingencies is same as were reported in the financial statements for the year ended June 30, 2021.

10. TRANSACTION AND BALANCES WITH RELATED PARTIES

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

		(Un-audited) March 31, 2022	(Un-audited) March 31, 2021
		----- (Rupees) -----	
10.1	Transactions during the period		
	Nature of relationship		
	Nature of transaction		
	Member companies and key management personnel of members companies	Commission earned from brokerage transactions	6,333,908 13,076,645
	Member companies	Expenses	334,886 180,000
	Key management personnel	Provident Fund Employer's contribution	447,673 367,676

11. 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.

12. DATE FOR AUTHORISATION FOR ISSUE

The Board of Directors of the Company authorised this condensed interim financial statements for issue on April 27, 2022.

13. GENERAL

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



Chief Executive



Chief Financial Officer



Director