



DAWOOD EQUITIES LIMITED

**Half Yearly Report
December 31, 2021
(Un-Audited)**

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Our Vision

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

Our Mission

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



DAWOOD EQUITIES LIMITED

Company Information

Board of Directors	Mr. Junaid Dada (Chairman) 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



DAWOOD EQUITIES LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders

On the behalf of Board of Directors of Dawood Equities Limited (DEL), we are pleased to present herewith the financial statements for the half year and second quarter ended December 31, 2021.

FINANCIAL PERFORMANCE

During 1H-FY22, the total revenue amounting to 50.63 million versus total revenue of PKR 59.59 million in the same period last year. Total revenue of DEL decreased as a result of lower activity / volumes at the stock exchange resulted in decrease in trading commission from individual and corporate clients as compared to same period last year.

During the period, Administrative expenses increased by 13.76% as compared to the same period last year as your company has invested in its human resources and expanded its branch networks and support teams. During the period the company recognized credit loss amounting to PKR 15 million in accordance with IFRS 9 and impairment of investments amounting to PKR 5.5 million owing to freezing of shares by Pakistan Stock Exchange resulted in profit after tax amounting to PKR 4.7 million which translates into earnings per share of PKR 0.17.

The equity of your Company as at the balance sheet date is PKR 281.48 million which translates into book value per share of PKR 10.24. The summary of Financial Results is as follows:

	December 31, 2021	December 31, 2020
	Rupees	Rupees
Gross Revenue	50,632,159	59,591,353
Operating Profit	33,398,281	38,386,637
Administrative Expenses	20,667,884	18,167,336
Profit / (Loss) after tax	4,709,933	28,887,055
Earnings per share basic and diluted	0.17	1.16

During the period Securities & Exchange Commission of Pakistan has granted a license to Dawood Equities Limited as an Underwriter to carry out activities under the Public Offering (Regulated Securities Activities Licensing) Regulation 2017 and subsequently DEL inked underwriting agreement with G-Tech Limited, Unity Foods Limited and Modaraba Al Mali.

ELECTION OF DIRECTORS

During the period following directors have been elected at the Annual General Meeting held on October 25, 2021 for the period of three years.

1. Juanid Dada
2. Abdul Aziz Habib
3. Sobia Saif
4. Areeb Shujaat
5. Muhammad Khalid
6. Muhammad Abbas
7. Saifullah

Mr. Abdul Aziz Habib and Mr. Junaid Dada have been re-appointed as Chief Executive of the company and Chairman of the Board of Directors respectively for the term of three years.



DAWOOD EQUITIES LIMITED

EMPHASIS OF MATTER PARAGRAPH IN AUDITORS' REPORT

We draw attention of the users of the financial statements towards Note 8.1 of the Financial Statements related to deferred tax recognized amounting to PKR 34.77 million. Deferred tax assets based on business projection for five years devised by the company. The plan involve certain key assumptions underlying the estimation of future taxable profits of the company which would then be utilized to sett-off the deferred tax assets.

Junaid Dada
Chairman

Abdul Aziz Habib
Chief Executive Officer

Karachi: **February 25, 2022**



DAWOOD EQUITIES LIMITED

ڈائریکٹرز کی رپورٹ:

محرم حصص پاکستان

داؤدا کیوٹیز لمیٹڈ (DEL) کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم 31 دسمبر 2021 کو ختم ہونے والی ششماہی اور دوسری سرمایہ کے لئے مالی حسابات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی کارکردگی

1H-FY22 کے دوران، گذشتہ مالی سال کی اسی مدت میں 59.59 ملین روپے کی کل آمدنی کے مقابلے میں موجودہ ششماہی کے دوران 50.63 ملین روپے کی کل آمدنی ہوئی۔ DEL کی کل آمدنی گزشتہ سال کی اسی مدت کے مقابلے میں انفرادی اور کارپوریٹ کلائنٹس سے ٹریڈنگ کمیشن میں کمی کے نتیجے میں اسٹاک ایکسچینج پر کم سرگرمی / حجم کی وجہ سے کم ہوئی۔

اس مدت کے دوران، انتظامی اخراجات گزشتہ سال کی اسی مدت کے مقابلے میں 13.76% تک زیادہ ہوئے کیونکہ آپ کی کمپنی نے اپنے ہیڈن ریورسز میں سرمایہ کاری کی اور اپنے ہرنج پیٹ وکس اور مادی ٹیبوں کو وسعت دی۔ اس مدت کے دوران، کمپنی نے پاکستان اسٹاک ایکسچینج کی طرف سے ٹریڈنگ کی وجہ سے 5.5 ملین روپے کی سرمایہ کاری کی انٹیٹیومنٹ اور 9 IFRS کے مطابق 15 ملین روپے کی کریڈٹ خسارہ کی رقم تسلیم کی جس کے نتیجے میں ٹیکس کے بعد منافع 4.7 ملین روپے ہو گیا۔ 0.17 روپے فی شیئر آمدنی ہوئی۔

نیلنس شیٹ کی تاریخ کو آپ کی کمپنی کی ایکٹیوٹی 281.48 ملین روپے ہے جس کے نتیجے میں ویلیوٹی شیئر 10.24 روپے ہوئی۔

مالی نتائج کا خلاصہ حسب ذیل ہے:

31 دسمبر 2020ء روپے	31 دسمبر 2021ء روپے	
59,591,353	50,632,159	جموئی آمدنی
38,386,637	33,398,281	آپریٹنگ منافع
18,167,336	20,667,884	انتظامی اخراجات
28,887,055	4,709,933	بعد از ٹیکس منافع / نقصان
1.16	0.17	فی شیئر آمدنی بنیادی اور معتدل

اس مدت کے دوران سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے داؤدا کیوٹیز لمیٹڈ کو پبلک آفرنگ (ریگولیشنڈ سیکورٹیز اینڈ ایکٹیوٹیز لائسنسنگ) ریگولیشن 2017 کے تحت سرگرمیاں انجام دینے کے لیے ایک انڈر رائٹر کے طور پر لائسنس دیا ہے اور اس کے بعد DEL نے بی ٹیک لمیٹڈ، یو ڈی زلمینڈ اور مضارہ المالی کے ساتھ انڈر رائٹنگ معاہدے پر دستخط کیے ہیں۔

ڈائریکٹرز کا انتخاب

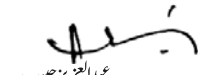
مدت کے دوران تین سالوں کی مدت کے لئے 25 اکتوبر 2021 کو منعقدہ سالانہ اجلاس عام میں مندرجہ ذیل ڈائریکٹرز منتخب ہوئے:


- 1۔ جنید داؤدا
- 2۔ عبدالعزیز حبیب
- 3۔ فوہیمہ سیف
- 4۔ اریب شجاع
- 5۔ محمد خالد
- 6۔ محمد عباس
- 7۔ سیف اللہ

جناب عبدالعزیز حبیب اور جناب جنید داؤدا کو تین سالوں کی مدت کے لئے دوبارہ باترتیب کمپنی کا چیف ایگزیکٹو اور بورڈ آف ڈائریکٹرز کا چیئر مین مقرر کیا گیا ہے۔

آڈیٹرز کی رپورٹ میں معاملاتی بیرونی گراف پر زور

ہم مالی حسابات کے صارفین کی توجہ کمپنی کی طرف سے تیار کردہ پانچ سالوں کے لئے کاروباری منصوبوں پر مختصر ڈیٹریٹنگس اٹاٹوں سے متعلق مالی حسابات کے نوٹ 8.1 پر مرکوز کرتے ہیں۔ اس منصوبے میں کمپنی کے مستقبل کے قابل ٹیکس منافع کے تخمینے کے تحت چند کلیدی مفروضے شامل ہیں جو ڈیٹریٹنگس اٹاٹوں کو حل کرنے کے لئے استعمال کئے جائیں گے۔


عبدالعزیز حبیب
چیف ایگزیکٹو آفسر


جنید داؤدا
چیئر مین

کراچی، 25 فروری 2022ء



DAWOOD EQUITIES LIMITED

INDEPENDENT AUDITOR'S REPORT

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Dawood Equities Limited** (the Company) as at December 31, 2021, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flow and notes to the condensed interim financial statements for the six months ended December 31, 2021 (here-in-after referred to as the condensed interim financial statements). Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

We draw attention to note 8.1 of the condensed interim financial statements which describes the management's judgement in relation to recognition of deferred tax asset. Our conclusion is not modified in this respect.

Other matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income, for the quarter ended December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2021.

The condensed interim financial information for the six months ended December 31, 2020 and the annual financial statements of the company for the year ended June 30, 2021 were audited by another firm of chartered accountants, whose review report dated February 19, 2021 and audit report dated September 24, 2021, expressed an unmodified opinion respectively.

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

Chartered Accountants

Place: Karachi

Date:



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2021**

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees) -----	
ASSETS			
Non Current Assets			
Property and equipment	6	9,553,840	9,056,968
Right of use asset		2,678,679	-
Intangible assets	7	6,000,000	6,000,000
Investment property		5,326,312	5,504,750
Long term deposit		1,887,500	1,887,500
Deferred tax asset	8	34,767,589	34,767,589
		<u>60,213,920</u>	<u>57,216,807</u>
Current Assets			
Short term investments	9	121,884,889	87,697,874
Trade debts	10	135,926,542	136,511,319
Receivable against margin finance		5,829,918	2,697,834
Advance deposits and prepayments		50,655,181	33,200,635
Other receivables		14,003,984	12,256,825
Tax refunds due from government		7,140,219	20,742,131
Cash and bank balances	11	36,266,096	13,575,366
		<u>371,706,829</u>	<u>306,681,984</u>
Total Assets		<u>431,920,749</u>	<u>363,898,791</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	274,965,000	249,965,000
Reserves		6,520,181	43,099,526
		<u>281,485,181</u>	<u>293,064,526</u>
Non Current Liabilities			
Rental deposits		25,000	25,000
Lease liability		2,204,907	-
		<u>2,229,907</u>	<u>25,000</u>
Current Liabilities			
Trade and other payables	13	102,870,266	56,556,903
Unclaimed dividend		230,336	230,336
Bank overdraft		40,078,063	-
Current portion of lease liability		524,496	-
Provision for taxation		4,502,500	14,022,026
		<u>148,205,661</u>	<u>70,809,265</u>
Total Equity and Liabilities		<u>431,920,749</u>	<u>363,898,791</u>
Contingencies and commitments	14		

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2021**

	Note	Six months ended		Quarter Ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
(Rupees)					
Operating revenue	15	50,632,159	59,591,353	24,375,141	30,876,358
Commission to agents and dealers		(17,233,878)	(21,204,716)	(8,688,656)	(11,525,592)
		33,398,281	38,386,637	15,686,485	19,350,766
Gain on disposal of investments - net		2,270,943	5,187,347	1,703,004	1,457,532
Net unrealised gain on re-measurement of investments classified as financial assets at fair value through profit or loss		15,104,654	6,458,960	19,823,550	5,669,800
		50,773,878	50,032,944	37,213,039	26,478,098
Administrative expenses		(20,667,884)	(17,793,709)	(12,632,900)	(11,678,897)
		30,105,994	32,239,235	24,580,139	14,799,201
Other operating charges		(21,630,758)	(373,627)	(21,630,758)	(87,060)
Other operating income		957,638	251,540	582,155	21,966
Financial charges		(220,441)	(24,465)	(203,800)	(9,605)
Profit / (loss) before taxation for the period		9,212,433	32,092,683	3,327,736	14,724,502
Taxation-net		(4,502,500)	(3,205,628)	(3,619,795)	(1,358,755)
Profit / (loss) after taxation for the period		4,709,933	28,887,055	(292,059)	13,365,747
Earnings / (loss) per share - Basic and Diluted	16	0.17	Restated 1.05	(0.01)	Restated 0.48

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME(UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2021**

	Six months ended		Quarter Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	----- (Rupees) -----			
Profit / (loss) after taxation for the period	4,709,933	28,887,055	(292,059)	13,365,747
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) / gain on re-measurement of investments classified as financial assets at fair value through other comprehensive income	(16,289,278)	6,338,080	(8,582,318)	18,937,570
Total comprehensive (loss) / income for the period	<u>(11,579,345)</u>	<u>35,225,135</u>	<u>(8,874,377)</u>	<u>32,303,317</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT CASHFLOWS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2021**

	December 31, 2021	December 31, 2020
	----- (Rupees) -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	9,212,433	32,092,683
Adjustment for non cash items:		
Depreciation - property and equipment	904,634	496,096
Depreciation - right of use asset	297,631	-
Net unrealised gain on re-measurement of investments classified as financial assets at fair value through profit or loss	(15,104,654)	(6,458,960)
Gain on disposal of investments - net	(2,270,943)	(5,187,347)
Dividend income	(1,186,035)	(53,376)
Bank profit	(652,754)	-
Interest expense on finance lease	113,093	-
Financial charges	220,441	24,465
	(8,466,154)	20,913,561
(Increase) / decrease in current assets		
Trade debts	584,777	(27,307,709)
Other receivables	(1,747,159)	(55,977,469)
Receivable against margin finance	(3,132,084)	(375,405)
Advance deposits and prepayments	(17,454,546)	(69,874,520)
	(21,749,012)	(153,535,103)
Increase in current liabilities		
Trade and other payables	46,313,363	118,537,491
Cash generated from / (used in) operating activities	16,098,197	(14,084,051)
Taxes paid	(420,114)	1,147,574
Financial charges paid	(220,441)	(24,465)
Net cash generated from / (used in) operating activities	15,457,642	(12,960,942)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,223,068)	(614,388)
(Purchase) / Disposal of investments - net	(33,100,696)	13,548,246
Dividend received	1,186,035	53,376
Bank profit received	652,754	-
Net cash (used in) / generated from investing activities	(32,484,975)	12,987,234
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(360,000)	-
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(17,027,333)	26,291
Cash and cash equivalents at the beginning of the period	13,575,366	2,655,060
Cash and cash equivalents at the end of the period	(3,811,967)	2,681,351
CASH AND CASH EQUIVALENTS		
Cash and bank balances	36,266,096	2,681,351
Bank overdraft	(40,078,063)	-
	(3,811,967)	2,681,351

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2021

	Reserves				Total	Total equity
	Issued, subscribed and paid up capital	Capital		Revenue		
		Gain on remeasurement of investment - at fair value through OCI	Share premium	Unappropriated losses		
	----- (Rupees) -----					
Balance as at July 01, 2020 (Audited)	249,965,000	(17,125,870)	74,973,750	(79,897,972)	(22,050,092)	227,914,908
Profit for the period	-	-	-	28,887,055	28,887,055	28,887,055
Other comprehensive income						
Net unrealised gain on re-measurement of investments classified as financial assets at fair value through other comprehensive income	-	6,338,080	-	-	6,338,080	6,338,080
	-	6,338,080	-	28,887,055	35,225,135	35,225,135
Balance as at December 31, 2020 (Un-audited)	249,965,000	(10,787,790)	74,973,750	(51,010,917)	13,175,043	263,140,043
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	-	-	-	4,709,933	4,709,933	4,709,933
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	-	(16,289,278)	-	-	(16,289,278)	(16,289,278)
	25,000,000	(16,289,278)	(25,000,000)	4,709,933	(36,579,345)	(11,579,345)
Balance as at December 31, 2021 (Un-audited)	274,965,000	(9,799,497)	49,973,750	(33,654,072)	6,520,181	281,485,181

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2021**

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

- 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 The figures of condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 and notes forming part thereof



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have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figure for the six months ended December 31, 2021 and December 31, 2020. The comparative statement of financial position presented has been extracted from annual financial statements for the year ended June 30, 2021; the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity of the Company have been extracted from the un-audited condensed interim financial statements for the six months ended December 31, 2020.

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.



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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) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees) -----	
6. PROPERTY AND EQUIPMENT			
Opening net book value		9,056,968	6,618,593
Additions	6.1	1,223,068	3,504,059
Depreciation		(726,196)	(1,065,684)
Closing net book value		<u>9,553,840</u>	<u>9,056,968</u>
6.1	Following additions were made during the period / year		
Furniture and fixtures		555,350	2,560,200
Office equipment		304,718	76,970
Computers		171,000	693,389
Motor Vehicles		192,000	173,500
		<u>1,223,068</u>	<u>3,504,059</u>
7. INTANGIBLE ASSETS			
Trading Rights Entitlement Certificate (TREC)	7.1	2,500,000	2,500,000
PMEX Universal Membership	7.1	3,500,000	3,500,000
Software	7.2	-	-
		<u>6,000,000</u>	<u>6,000,000</u>
7.1	These represent intangible assets having indefinite useful life and are carried at cost less impairment, if any.		
7.2	This represents fully amortised software currently use by the Company for trading of shares and back office operations having cost of Rs.1.45 million and accumulated amortisation of Rs.1.45 million.		
		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees) -----	
8. DEFERRED TAX ASSET			
	8.1	<u>34,767,589</u>	<u>34,767,589</u>
8.1	The deferred tax asset mainly includes asset recognised against allowances for expected credit losses as the management estimates that sufficient taxable profits will be available in future years against which such the deferred tax asset can be utilised. The estimates of future taxable profits are based on financial projections of the Company for the next five years approved by the Board. The projections involve certain key assumptions underlying the estimation of future estimated taxable profits including income tax rates, cost curtailment, growth of brokerage commission, investment returns. Any significant change in the key assumptions may have an effect on the realisability of the deferred tax asset.		



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		(Un-audited) December 31, 2021	(Audited) June 30, 2021
9. SHORT TERM INVESTMENTS	Note	----- (Rupees)-----	
Listed securities - Investments classified as financial assets at fair value through other comprehensive income		26,165,604	42,454,881
Unlisted securities - Investments classified as financial assets at fair value through profit or loss - Related party	9.1	57,704,876	6,056,944
Other listed securities - investments classified as financial assets at fair value through profit or loss	9.2 & 9.3	38,014,409	39,186,049
		<u>121,884,889</u>	<u>87,697,874</u>
9.1	The embedded value of these shares based on actuarial valuation of the investee Company as at June 30, 2021 was Rs.17.79 per share. Actuarial valuation is performed on annual basis.		
9.2	This include shares of Ansari Sugar Mills Limited amounting to Rs. 5.5 million against which the Company has made fair value adjustment in full. The Company was unable to trade these shares as these had been frozen by Pakistan Stock Exchange.		
9.3	This includes shares with carrying value of Rs. 28.37 million (June 30, 2021 Rs. 24.35 million) pledged with NCCPL against exposure margin.		
		(Un-audited) December 31, 2021	(Audited) June 30, 2021
10. TRADE DEBTS	Note	----- (Rupees)-----	
Receivable from clients against purchase of marketable securities and commodity contracts	10.1 & 10.2	293,102,752	278,687,529
Allowance for expected credit losses		(157,176,210)	(142,176,210)
		<u>135,926,542</u>	<u>136,511,319</u>
10.1	This includes an amount of Rs. 22.27 million (June 30, 2021 : Rs.16.02 million) receivable from related parties of the Company.		
		(Un-audited) December 31, 2021	(Audited) June 30, 2021
10.2	The age analysis of these trade debts is as follows: ----- (Rupees) -----		
Past due 1-30 days		54,982,942	91,066,271
Past due 31 days - 90 days		24,021,743	2,757,935
Past due 90 days - 1 year		41,220,846	7,034,031
More than one year		172,877,221	177,829,292
		<u>293,102,752</u>	<u>278,687,529</u>
10.3	The Company holds securities having value of Rs. 3.53 billion (June 30, 2021: Rs. 4.08 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 19.32 million (June 30, 2021: 35.28 million).		



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		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees)-----	
11. CASH AND BANK BALANCES			
Cash in hand		52,380	37,380
Cash at bank			
- in current accounts		1,580,834	8,760,923
- in saving account	11.1	34,632,882	4,777,063
	11.2	36,213,716	13,537,986
		<u>36,266,096</u>	<u>13,575,366</u>

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

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
		----- (Rupees)-----	
11.2 Balance pertaining to:			
- clients		34,494,958	9,115,090
- brokerage houses		1,771,138	4,422,896
		<u>36,266,096</u>	<u>13,537,986</u>

12. SHARE CAPITAL

December 31, 2021	June 30, 2021		(Un-audited) December 31, 2021	(Audited) June 30, 2021
---- (Number of Shares) ----			Note ----- (Rupees) -----	
Authorised share capital				
<u>30,000,000</u>	<u>30,000,000</u>	Ordinary shares of Rs.10/- each	<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed and paid up				
		Ordinary shares of Rs.10/- each		
24,996,500	24,996,500	fully paid in cash	249,965,000	249,965,000
2,500,000	-	Issued for consideration other than cash	25,000,000	-
<u>27,496,500</u>	<u>24,996,500</u>		12.1 <u>274,965,000</u>	<u>249,965,000</u>

12.1 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.



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12.2 PATTERN OF SHAREHOLDINGS

Following are the shareholders having more than 5% holding.

Sr. No.	Name of Shareholder	December 31, 2021		June 30, 2021	
		Shares Held (Number)	Percentage (%)	Shares Held (Number)	Percentage (%)
1.	Ayaz Dawood	5,304,344	19.29	4,822,131	19.29
2.	Equity International (Private) Limited	3,113,989	11.33	2,830,445	11.32
		8,418,333	30.62	7,652,576	30.61

(Un-audited) (Audited)
December 31, June 30,
2021 2021
Note ----- (Rupees) -----

13. TRADE AND OTHER PAYABLE

Trade creditors	13.1	75,193,650	45,617,050
Payable to NCCPL		17,611,297	-
Payable to dealers		5,418,762	7,109,624
Withholding tax payable		2,838,824	337,963
Accrued expenses		1,805,393	3,492,266
Payable to provident fund		2,340	-
		102,870,266	56,556,903

13.1 This includes an amount of Rs. 25.20 million (June 30, 2021 : Rs 0.22 million) payable to related parties of the Company.

14. CONTINGENCIES & COMMITMENTS

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

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

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
For purchase of shares	184,878,251	273,378,480
For sale of shares	176,096,870	278,494,322



	(Un-audited) December 31, 2021	(Un-audited) December 31, 2020
15. OPERATING REVENUE	Note ----- (Rupees) -----	
Revenue from contract with customers		
- brokerage commission	15.1 41,201,887	53,870,368
- commission From New Listing Applications□	-	491,957
- underwriting commission	1,946,787	-
- custody / Laga / NCSS Fees	3,237,278	3,774,126
- brokerage commission on subscription	2,409,607	590,295
Others		
- dividend income	1,186,035	53,376
- profit on cash exposure deposit	650,565	811,231
	<u>50,632,159</u>	<u>59,591,353</u>
15.1 Brokerage commission		
Gross commission	46,558,132	60,873,516
Sindh Sales Tax	(5,356,245)	(7,003,148)
	<u>41,201,887</u>	<u>53,870,368</u>
16. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on the basic earnings per share of the Company which is as follows:		
	(Un-audited) December 31, 2021	(Un-audited) December 31, 2020
Profit after taxation for the period	<u>4,709,933</u>	<u>28,887,055</u>
		Restated
Weighted average number of ordinary shares outstanding during the period (Shares)	<u>27,496,500</u>	<u>27,496,500</u>
		Restated
Earnings per share - Basic and Diluted	<u>0.17</u>	<u>1.05</u>
16.1 The Company has issued bonus shares during the period and accordingly the earnings per share for the comparative period has been restated.		
17. FAIR VALUE HIERARCHY		
There were no transfers amongst levels during the period.		



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18. 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) December 31, 2021	(Un-audited) December 31, 2020
		----- (Rupees) -----	
18.1	Transactions during the period		
	Nature of relationship		
	Nature of transaction		
	Member companies and key management personnel of members companies	4,928,282	8,231,895
	Member companies	334,886	120,000
	Key management personnel	270,940	242,540
19.	NET CAPITAL BALANCE	Note	2021 Rupees
	CURRENT ASSETS		
	Cash in hand		52,380
	Cash at bank		
	- Pertaining to brokerage house		1,771,138
	- Pertaining to clients		34,494,958
	Total Bank balances	19.1	36,266,096
	Margin Deposit		
	- with NCCPL	19.2	49,965,231
	Receivables From:		
	- NCCPL		9,901,360
	Trade Receivables		
	Book value		298,932,670
	Less: Outstanding for more than 14 days		(252,031,535)
		19.3	46,901,135
	Investment in listed securities in the name of brokerage house		64,180,013
	Less: 15% discount		(9,627,002)
		19.4	54,553,011
	Securities purchased for client where payment has not been received in 14 days	19.5	33,543,668
		19	
	Total Current Assets	A	231,182,881



	Note	2021 Rupees
CURRENT LIABILITIES		
Trade Payables		
Book value		75,193,650
Less: Overdue for more than 30 days		(15,994,198)
	19.6	59,199,453
Other liabilities	19.7	84,503,708
Total Current Liabilities	B	143,703,161
NET CAPITAL BALANCE	C=A-B	87,479,720
19.1 Cash At Bank		
- Pertaining to brokerage house		
Current Accounts		1,440,516
Saving Accounts		330,622
		1,771,138
- Pertaining to clients		
Current Accounts		-
Saving Accounts		34,494,958
		34,494,958
19.2 Margin Deposit		
Exposure Deposit (Ready)		3,680,000
Exposure Deposit (Future)		44,222,070
MTS Exposure		2,063,161
		49,965,231
19.3 Trade Receivables		
Aging of trade receivables		46,901,135
This amount is based on 14 days Net capital aging of trade receivables		
19.4 Investment in Listed Securities		
Others - ordinary shares		64,180,013
Less: 15% discount		(9,627,002)
		54,553,011
19.5 Securities Held on Behalf of Client Where Payment Has Not Been Received in 14 Days		
The amount represents lower of securities held and receivable above 14 days from clients.		
19.6 Investment in Listed Securities		
This amount is based on 30 days Net capital aging of trade payables		



19.7 Other Liabilities

Other payables
Unclaimed dividend
Bank overdraft
Current portion of lease liability

**2021
Rupees**

43,670,813
230,336
40,078,063
524,496
84,503,708

20. 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.

21. DATE FOR AUTHORISATION FOR ISSUE

The Board of Directors of the Company authorised this condensed interim financial statements for issue on February 25, 2022.

22. GENERAL

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

Chief Executive

Director

Chief Financial Officer



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