



DAWOOD EQUITIES LIMITED

**Half Yearly Report
December 31, 2020
(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 develops 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. Asim Iftekhhar Yakoob (Independent Director) Ms. Sobia Saif (Independent Director) Syed Muhammad Abbas (Non executive Director) Mr. Saifullah
Chief Financial officer & Company Secretary	Mr. Salman Yaqoob
Audit Committee	Mr. Asim Iftekhhar Yakoob- Chairman Mr. Khalid Yousuf Ms. Sobia Saif
HR & R Committee	Mr. Asim Iftekhhar Yakoob- Chairman Syed Muhammad Abbas Abdul Aziz Habib
External Auditor	Reanda Haroon Zakaria & Company Chartered Accountants
Internal Auditor	Sajid & Co. 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
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, 2020.

ECONOMIC REVIEW

Economic recovery continued strongly during the outgoing quarter on the back of supportive actions and policies of the GoP. Bounce back in the cyclical indicators has managed to post remarkable LSM numbers with LSM Index posting a jump of 14.5% YoY during Nov'20 (12-Yr high) and 7.4% YoY during 5MFY21, led by the Textile and Food Sectors. Inflation during the outgoing quarter tamed down to an average of 8.4% against 8.8% during 1QFY21, while CPI during 1HFY21 came down to an average of 8.6% vis-à-vis 11.1% SPLY. Core inflation has come down significantly to an average of 6.4% during 1HFY21 against 8.1% SPLY. On the external front, the Current Account posted a surplus of USD 1,131mn during 1HFY21 against a deficit of USD 2,032mn SPLY, with a surplus each month barring December.

The strong external performance has been fueled by robust workers' remittances which clocked in at USD 14.2bn, up 25% YoY. Imports during the said period depicted a 4.8% YoY jump owing to increase in machinery imports (utilization of TERF) as well as raw materials, while exports showed a 4.8% YoY decline due to dampened global demand as major trading partners such as US and UK continue to reel from the ongoing global pandemic. Reserves have continued to beef up, with SBP reserves reaching USD 13.4bn as at Dec'20 against USD 12.1bn as at Jun'20 and USD 11.3bn as at Dec'19. On the monetary policy front, the SBP decided to hold the policy rate at 7%, highlighting its satisfaction with the overall financial conditions of the country. Inflationary concerns have waned on the back of narrowing food inflation, as the government stepped in to close the demand-supply gap.

STOCK MARKET REVIEW

Better handling of COVID than rest of the World as well as improving macro-economic fundamentals started paying dividends to Pakistan in the shape of a vigorous recovery in KSE100 index. The benchmark Index posted a phenomenal gain of 27% in 1HFY21 (2QFY21: 8% QoQ). On 9M basis, the Index has so far returned 62% over the bottom it touched in March 2020. Interest rates at 7% throughout 1HFY21, Current Account surpluses during the past months, increase workers' remittances indicate a turnaround story for Pakistan Stock Exchange.

During 1HFY21, major contribution to the Index came from Banks (+192pts), Cement (+137pts), Technology (+125pts), Textile Composite (+585pts) and Fertilizer (+524pts). Amongst the categories of Investors, Foreigners remained persistent Sellers with an outflow of US\$ 279mn, followed by Banks & DFIs (US\$ 69mn). On the buying side, Individuals, Companies and Insurance contributed the most with US\$ 159mn, US\$ 91mn and US\$ 83mn respectively.

FINANCIAL PERFORMANCE

During the period under review, your Company has performed exceptionally well and achieved strong profitability during the 1HFY21. The Company has posted after-tax-profit of PKR 28.88 million for 1HFY21, which is 228.66% higher than the corresponding period last year and translates into earnings per share of PKR 1.16.

During 1H-FY21, the brokerage division revenue increased by 401.5% from the same period last year and posted a total brokerage revenue of PKR 53.87 million (1HFY20: PKR 10.74 million).

The short term investment portfolio posted realized and unrealized gains of PKR 11.64 million (1HFY20: PK 3.52 million) resulting in an overall increase of 230.3% from the same period last year.



DAWOOD EQUITIES LIMITED

DIRECTORS' REPORT TO THE MEMBERS

During the period, Administrative expenses increased by 63.55% as compared to the same period last year and posted a total of PKR 18.16 million (1HFY20: PKR 11.11 million), as your Company has invested in its human resources and expanded its business and support teams and increase in tax and corporate consultancy fees.

The equity of your Company as at the balance sheet date is PKR 263.14 million (June 2020: PKR 227.91 million), which translates into book value per share of PKR 10.52 (June 30, 2020: PKR 9.12).

The summary of Financial Results is as follows:

	December 31, 2020 Rupees	December 31, 2019 Rupees
Gross Revenue	59,591,353	19,323,929
Operating Profit	38,386,637	15,660,712
Administrative Expenses	18,167,336	11,107,879
Profit / (Loss) after tax	28,887,055	8,789,204
Earnings per share basic and diluted	1.16	0.48

EMPHASIS OF MATTER PARAGRAPH IN AUDITORS' REPORT

We draw attention of the users of the financial statements towards Note 9.1 of the Financial Statements related to deferred tax recognized amounting to PKR 39.77 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 19, 2021



DAWOOD EQUITIES LIMITED

ڈائریکٹرز کی رپورٹ:

محترم شیئرز ہولڈرز

داؤد ایکویٹیز لمیٹڈ (DEL) کے بورڈ آف ڈائریکٹرز کی جانب سے، میں 31 دسمبر 2020ء کو ختم ہونے والی ششماہی اور دوسری سہ ماہی کے لئے مالی حسابات پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

مالیاتی کارکردگی

حکومت پاکستان کے معاون اقدامات اور پالیسیوں کی بدولت رواں سہ ماہی کے دوران مضبوطی سے معاشی بحالی جاری رہی۔ نیکسٹل اینڈ فونڈسکیئر کی قیادت میں، سائیکیکل اشاروں میں یونٹس بیک نومبر 20 کے دوران LSM انڈیکس میں 14.5% سال بہ سال کا (12 سالہ زیادہ) اضافہ اور 5MFY21 کے دوران 7.4% سال بہ سال اندراج کے ساتھ قابل ذکر LSM نمبر درج کرنے میں کامیاب رہے۔ رواں سہ ماہی کے دوران افراط زر 1QFY21 کے دوران 8.8 فیصد کے مقابلے میں اوسطاً 8.4 فیصد کی سطح پر آگیا، جبکہ 1HFY21 کے دوران CPI گزشتہ سال کی اسی مدت کے 11.1% سے بھی کم ہو کر اوسطاً 8.6 فیصد رہا۔ بنیادی افراط زر 1HFY21 کے دوران گزشتہ سال کی اسی مدت کے 8.1% کے مقابلے میں نمایاں طور پر کم ہو کر اوسطاً 6.4 فیصد تک آگیا ہے۔ بیرونی محاذ پر، کرنٹ اکاؤنٹ نے گزشتہ سال کی اسی مدت میں 2,032 ملین ڈالر کے خسارے کے مقابلے میں 1HFY21 کے دوران 1,131 ملین ڈالر کا سرپلس درج کرایا، جس میں ہر ماہ دسمبر سمیت اضافہ ہوا ہے۔

بیرونی کارکردگی کو کارکنوں کی ترسیلات زر نے مزید مضبوط بنایا ہے جو 25% سالانہ اضافہ سے 14.2 بلین امریکی ڈالر پر پہنچ چکی ہیں۔ موجودہ مدت دوران درآمدات میں 4.8% سالانہ کا اضافہ ظاہر کیا گیا جس کی وجہ مشینری (TERF کے استعمال) اور خام مال کی درآمد میں اضافہ ہے، جبکہ برآمدات میں 4.8% کی کمی واقع ہوئی ہے کیونکہ عالمی وبائی بیماری کے تسلسل میں امریکہ اور برطانیہ جیسے بڑے تجارتی شراکت داروں کی عالمی سطح پر طلب کم رہی ہے۔ ذخائر میں تیزی سے اضافے کا سلسلہ جاری ہے، ایس بی پی کے ذخائر دسمبر 20 میں 13.4 بلین امریکی ڈالر تک پہنچ چکے ہیں جو جون 20 میں 12.1 بلین امریکی ڈالر اور دسمبر 19 میں 11.3 بلین ڈالر تھے۔ مالیاتی پالیسی کے محاذ پر، اسٹیٹ بینک نے ملک کی مجموعی مالی صورتحال سے اطمینان ظاہر کرتے ہوئے پالیسی شرح 7 فیصد پر برقرار رکھنے کا فیصلہ کیا ہے۔ مہنگائی کے خدشات غذائی افراط زر کو کم کر رہے ہیں، کیونکہ حکومت نے طلب و رسد کے فرق کو ختم کرنے کے لئے اقدام اٹھائے ہیں۔



DAWOOD EQUITIES LIMITED

کوویڈ کو باقی دنیا کی نسبت بہتر ہینڈل کرنے اور اقتصادی و معاشی بنیادی اصولوں کی بہتری نے کے ایس ای 100 انڈیکس میں زبردست بحالی کی شکل میں پاکستان کو منافع کی ادائیگی کرنا شروع کر دی ہے۔ بیچ مارک انڈیکس نے 1HFY21 میں 27% کا غیر معمولی منافع (2QFY21: 8 فیصد سہ ماہی بنیاد پر) درج کرایا۔ نو ماہی بنیاد پر، انڈیکس نے مارچ 2020 میں اس کی زیریں سطح سے 62 فیصد کی واپسی درج کرائی ہے۔ 1HFY21 کے دوران سود کی شرح 7 فیصد رہی ہے، پچھلے مہینوں کے دوران کرنٹ اکاؤنٹ میں اضافے، کارکنوں کی ترسیلات زر میں اضافہ پاکستان اسٹاک ایکسچینج میں بدلاؤ کو ظاہر کرتے ہیں۔

1HFY21 کے دوران، انڈیکس میں اہم شراکت بینکوں (+1921 pts)، سینٹ (+1372 pts)، ٹیکنالوجی (+1251 pts)، ٹیکسٹائل کمپوزٹ (+585 pts) اور کھاد (+524 pts) سے ہوئی۔ سرمایہ کاروں کی اقسام میں، غیر ملکی مستقل 279 ملین امریکی ڈالر، اس کے بعد بینک اور ڈی ایف آئی (69 ملین ڈالر) کے اخراج کے ساتھ فروخت کنندگان رہے ہیں۔ خریداری کی طرف، افراد، کمپنیوں اور انشورنس نے بالترتیب 159 ملین امریکی ڈالر، 91 ملین ڈالر اور 83 ملین امریکی ڈالر کے ساتھ سب سے زیادہ حصہ ڈالا ہے۔

مالیاتی کارکردگی

زیر جائزہ مدت کے دوران، آپ کی کمپنی نے غیر معمولی کارکردگی کا مظاہرہ کیا اور 1HFY21 کے دوران مستحکم منافع حاصل کیا ہے۔ کمپنی نے 1HFY21 کے لئے 28.88 ملین روپے بعد از ٹیکس منافع درج کیا ہے، جو گزشتہ سال کے اسی عرصے سے 228.66 فیصد زیادہ ہے اور اس کے نتیجے میں 1.16 روپے فی حصص آمدنی ہوئی ہے۔

مالی سال 21 کی پہلی ششماہی کے دوران، بروکریج ڈویژن کی آمدنی میں گزشتہ سال کی اسی مدت کے مقابلے میں 401.5 فیصد کا اضافہ ہوا ہے اور مجموعی بروکریج آمدنی 53.87 ملین روپے (1HFY20: 10.74 ملین روپے) درج کی گئی ہے۔

مختصر مدت میں لگائے گئے سرمایہ کاری پورٹ فولیو میں 11.64 ملین روپے (20HFY1: 3.52 ملین روپے) کا حقیقی اور غیر حقیقی فائدہ ہوا جس کے نتیجے میں پچھلے سال کی اسی مدت سے مجموعی طور پر 230.3 فیصد کا اضافہ ہوا۔

اس عرصے کے دوران، انتظامی اخراجات میں گذشتہ سال کی اسی مدت کے مقابلے میں 63.55 فیصد کا اضافہ ہوا اور مجموعی طور پر 18.16 ملین روپے (20HFY1: 11.11 ملین روپے) درج کیا ہے، کیونکہ آپ کی کمپنی نے اپنے انسانی وسائل میں سرمایہ کاری اور اپنے کاروبار اور آمدنی ٹیوں کی توسیع اور ٹیکس اور کارپوریٹ کنسلٹنسی فیس میں اضافہ کیا ہے۔

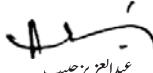
بیلنس شیٹ کی تاریخ کو آپ کی کمپنی کی ایکویٹی 263.14 ملین روپے (جون 2020: 227.91 ملین روپے) ہے، جس کے نتیجے میں فی شیئر بک ویلیو 10.52 روپے (30 جون، 2020: 9.12 روپے) ہے۔

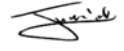
مالی نتائج کا خلاصہ حسب ذیل ہے:

31 دسمبر 2019 روپے	31 دسمبر 2020 روپے	
19,323,929	59,591,353	مجموعی آمدنی
15,660,712	38,386,637	آپریٹنگ منافع
11,107,879	18,167,336	انتظامی اخراجات
8,789,204	28,887,055	بعد از ٹیکس منافع / (نقصان)
0.48	1.16	فی شیئر آمدنی بنیادی اور معتدل

آڈیٹرز کی رپورٹ میں معاملہ کی تجویز کا اثر

ہم صارفین کی توجہ مالیاتی حسابات کے نوٹ 9.1 کی طرف مبذول کرانا چاہتے ہیں جو کہ ملٹوی ٹیکس کی مد میں تسلیم شدہ رقم 39.77 ملین روپے سے متعلقہ ہے۔ ملٹوی ٹیکس اثاثے کمپنی کی طرف سے وضع کردہ پانچ سالوں کے لئے کاروباری پروجیکشن پر مبنی ہیں۔ اس منصوبے میں کمپنی کے مستقبل میں قابل ٹیکس منافع کے تخمینہ کے کچھ اہم مفروضے شامل ہیں جو بعد میں مؤخر ٹیکس اثاثوں کے اثر کو ختم کرنے میں استعمال ہوں گے۔


عبدالعزیز حبیب
چیف ایگزیکٹو آفیسر


چند ڈاڈا
چیرمین

کراچی: 19 فروری 2021



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, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this 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 these 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 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 interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

- (i) We draw attention towards note 9.1 of the annexed condensed interim financial statements relating to deferred tax asset. Management believes that the asset will be utilized in coming years mainly relating to provision for trade debts. However, uncertainty is attached with the realization of recognized deferred tax asset.

Our conclusion is not qualified in respect of above matter.

The engagement partner on the review resulting in this report on interim financial statements is **Farhan Ahmed Memon**.

Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated:



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2020**

		<i>(Un-audited)</i> December 31, 2020 <i>Rupees</i>	<i>(Audited)</i> June 30, 2020 <i>Rupees</i>
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	5	6,915,323	6,618,593
Intangible assets	6	6,000,000	6,000,000
Investment property	7	5,683,188	5,861,625
Long term investment	8	10,417,764	18,839,226
Long term deposit		1,887,500	1,887,500
Deferred tax asset	9	39,771,441	38,540,258
		<u>70,675,216</u>	<u>77,747,202</u>
Current Assets			
Short term investments	10	53,573,356	40,715,753
Trade debts	11	107,833,382	80,525,673
Receivable against margin finance		1,553,678	1,178,273
Trade deposits and short term prepayments		81,718,004	11,843,484
Other receivables		67,580,352	11,602,883
Tax refunds due from government		14,116,523	19,700,908
Cash and bank balances	12	2,681,351	2,655,060
		<u>329,056,646</u>	<u>168,222,034</u>
Total Assets		<u><u>399,731,862</u></u>	<u><u>245,969,236</u></u>
<u>EQUITY AND LIABILITIES</u>			
Capital and Reserves			
Authorized Share Capital			
30,000,000 Ordinary shares of Rs.10 each		<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed and paid up capital		249,965,000	249,965,000
Reserves		13,175,043	(22,050,092)
		<u>263,140,043</u>	<u>227,914,908</u>
Non Current Liabilities			
Rental deposits		25,000	25,000
Current Liabilities			
Trade and other payables	13	136,336,483	17,798,992
Dividend payable		230,336	230,336
		<u>136,566,819</u>	<u>18,029,328</u>
Contingencies			
	14		
Total Equity and Liabilities		<u><u>399,731,862</u></u>	<u><u>245,969,236</u></u>

The annexed notes from 1 to 19 form an integral part of these 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, 2020**

	Note	<i>Half year ended</i>		<i>Quarter Ended</i>	
		<i>December 31,</i>	<i>December 31,</i>	<i>December 31,</i>	<i>December 31,</i>
		<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
		<i>----- Rupees -----</i>			
Gross revenue	15	59,591,353	19,323,929	30,876,358	14,111,860
Commission paid to Dealer		(21,204,716)	(3,663,217)	(11,525,592)	(2,459,206)
Net Revenue		38,386,637	15,660,712	19,350,766	11,652,654
Capital gain on disposal of investments - net		5,187,347	1,188,001	1,457,532	1,804,437
Profit on remeasurement of investments carried at fair value through profit and loss		6,458,960	2,337,625	5,669,800	2,901,729
		50,032,944	19,186,338	26,478,098	16,358,820
Administrative expenses		(18,167,336)	(11,107,879)	(11,765,957)	(6,632,961)
		31,865,608	8,078,459	14,712,141	9,725,859
Other operating income		251,540	1,407,946	21,966	119,001
Reversal of provision		-	-	-	-
Financial charges		(24,465)	(43,103)	(9,605)	(26,728)
Profit before taxation		32,092,683	9,443,302	14,724,502	9,818,132
Taxation-net		(3,205,628)	(654,098)	(1,358,755)	(578,223)
Profit after taxation		28,887,055	8,789,204	13,365,747	9,239,909
Earning per share -Basic and Diluted		1.16	0.48	0.53	0.26

The annexed notes from 1 to 19 form an integral part of these 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, 2020**

	<i>Half year ended</i>		<i>Quarter Ended</i>	
	<i>December 31,</i>		<i>December 31,</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>----- Rupees -----</i>			
Profit for the period	28,887,055	8,789,204	13,365,747	9,239,909
Unrealized gain / (loss) on remeasurement	6,338,080	(989,545)	18,937,570	8,724,979
Total comprehensive income	<u>35,225,135</u>	<u>7,799,659</u>	<u>32,303,317</u>	<u>17,964,888</u>

The annexed notes from 1 to 19 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT CASHFLOWS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020**

	<i>(Un-audited)</i> December 31, 2020 <i>Rupees</i>	<i>Audited</i> June 30, 2020 <i>Rupees</i>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	32,092,683	14,613,237
Adjustment for non cash items:		
Depreciation	496,096	939,479
Gain on remeasurement of investment	(6,458,960)	(902,955)
Capital gain on disposal of investment	(5,187,347)	(3,922,893)
Dividend income	(53,376)	(171,949)
Bank profit	-	(897,780)
Financial charges	24,465	69,152
	20,913,561	9,726,291
(Increase) / decrease in current assets		
Trade debts	(27,307,709)	2,736,185
Other receivables	(55,977,469)	318,749
Receivable against Marginal finance	(375,405)	(1,178,273)
Trade deposits and short term prepayments	(69,874,520)	2,219,868
	(153,535,103)	4,096,528
(Decrease) / increase in current liabilities		
Trade and other payables	118,537,491	5,049,635
Taxes paid	1,147,574	(1,600,000)
Financial charges paid	(24,465)	(69,152)
	1,123,109	(1,669,152)
Net cash (used in) / generated from operating activities	(12,960,942)	17,203,302
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(614,388)	(94,500)
(Purchase) / Disposal of investments - net	13,548,246	(17,448,534)
Dividend received	53,376	171,949
Net cash generated from / (used in) investing activities	12,987,234	(17,371,085)
Net increase / (decrease) in cash and cash equivalents (A+B)	26,291	(167,783)
Cash and cash equivalents at the beginning of the period	2,655,060	2,822,842
Cash and cash equivalents at the end of the period	2,681,351	2,655,060

The annexed notes from 1 to 19 form an integral part of these 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, 2020**

	<i>Reserves</i>					<i>Total</i>	<i>Total equity</i>
	<i>Issued, subscribed and paid up capital</i>	<i>Capital</i>		<i>Revenue</i>			
		<i>Gain on remeasurement of investment - at fair value through OCI</i>	<i>Share premium</i>	<i>Unappropriated loss</i>			
----- Rupees -----							
Balance as at July 01, 2019	249,965,000	(12,896,239)	74,973,750	(88,002,040)	(25,924,529)	224,040,470	
Profit for the period	-	-	-	8,789,204	8,789,204	8,789,204	
Dividend paid	-	-	-		-	-	
Other comprehensive income							
Unrealized loss on remeasurement	-	(989,545)	-	-	(989,545)	(989,545)	
	-	(989,545)	-	8,789,204	7,799,659	7,799,659	
Balance as at December 31, 2019	249,965,000	(13,885,784)	74,973,750	(79,212,836)	(18,124,870)	231,840,129	
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	-	-	-	28,887,055	28,887,055	28,887,055	
Other comprehensive income							
Unrealized gain on remeasurement of investments	-	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	249,965,000	(10,787,790)	74,973,750	(51,010,917)	13,175,043	263,140,043	

The annexed notes from 1 to 19 form an integral part of these 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, 2020**

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 (Formerly Karachi Stock Exchange Limited) on April 14, 2008. The registered office of the Company is situated at 1700-A, Saima Trade Towers, I.I. Chundrigar Road, Karachi. The Company's principal business is trading and brokerage of listed equities, underwriting and other investments.

2 BASIS OF PRESENTATION

2.1 Statement of Compliance

This condensed interim financial report of the company for the six months period ended December 31, 2020 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act have been followed.

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 the Company's annual financial statements for the year ended June 30, 2020.

2.2 Functional and Presentation Currency

This condensed interim financial report has been presented in Pakistan Rupees, which is the functional currency of the Company.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report is the same as those applied in the preparation of the financial statements for the year ended June 30, 2020.

Certain standards, amendments and interpretations to the approved accounting standards are effective for accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or have any significant effect on the Company's operation and are therefore not detailed in this condensed interim financial report.

4 ESTIMATES

The preparation of this condensed interim financial report in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments 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.

In preparing this condensed interim financial report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June, 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at year ended June 30, 2020



DAWOOD EQUITIES LIMITED

		<i>(Un-audited)</i>	<i>(Audited)</i>
		<i>December 31,</i>	<i>June 30,</i>
		<i>2020</i>	<i>2020</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
5	PROPERTY AND EQUIPMENT		
	Opening net book value	6,618,593	7,463,572
	Add: Additions	5.1 614,388	94,500
	Depreciation	(317,658)	(939,479)
	Closing net book value	<u>6,915,323</u>	<u>6,618,593</u>
5.1	Following additions were made during the period		
	Furniture and fixture	90,000	40,000
	Computer Equipment	413,388	-
	Motor vehicle	111,000	54,500
		<u>614,388</u>	<u>94,500</u>
6	INTANGIBLE ASSETS		
	Trading Rights Entitlement Certificate (TREC)	2,500,000	2,500,000
	PMEX Univrsal Membership	3,500,000	3,500,000
		<u>6,000,000</u>	<u>6,000,000</u>
7	INVESTMENT PROPERTY		
	Opening net book value	5,861,625	6,218,500
	Add: Additions	-	-
	Depreciation	(178,438)	(356,875)
	Closing net book value	<u>5,683,188</u>	<u>5,861,625</u>
8	LONG TERM INVESTMENT		
	<i>December 31, 2020</i>		
	<i>June 30, 2020</i>		
	<i>No of shares</i>		
	702,953	1,902,953	
			Investment in shares of PSX -
			available for sale
			18,839,226
			24,738,389
			Unrealized gain/loss on remeasurement
			(8,421,462)
			(5,899,163)
	<u>702,953</u>	<u>1,902,953</u>	<u>10,417,764</u>
			<u>18,839,226</u>
8.1	Shares in Hand		
	At fair value through OCI- Available	22,259	259
	At fair value through OCI-Pledge	680,694	1,902,694
		<u>702,953</u>	<u>1,902,953</u>



DAWOOD EQUITIES LIMITED

		<i>(Un-audited)</i>	<i>(Audited)</i>
		December 31,	June 30,
		2020	2020
		Rupees	Rupees
9	DEFERRED TAXATION		
	<i>Relating to deductible temporary difference</i>		
	Accelerated tax depreciation	469,837	3,320,323
	Unrealized gain on remeasurement of investments	968,844	135,443
		<u>1,438,681</u>	<u>3,455,766</u>
	<i>Relating to taxable temporary difference</i>		
	Minimum tax	(479,166)	-
	Trade debts-provision for doubtful debts	(41,681,668)	(41,231,101)
	Tax losses	-	(130,478)
	Gain / (Loss) on re-measurement of investment - At fair value through OCI	950,712	(634,445)
		<u>(41,210,121)</u>	<u>(41,996,024)</u>
	<i>Deferred tax asset</i>	<u>(39,771,441)</u>	<u>(38,540,258)</u>
9.1	Deferred tax asset recognised aggregating to Rs. 39.771 (2020 : Rs.38.540) million. The management of the Company believes that it would be able to realise the deferred tax asset pertaining to provision for bad debts. These projections are however, subject to uncertainty.		
10	SHORT TERM INVESTMENTS		
	At fair value through OCI	11,270,390	16,787,890
	At fair value through profit or loss	42,302,966	23,927,863
		<u>53,573,356</u>	<u>40,715,753</u>
10.1	Shares worth Rs.143.92 million appears in the records of the company, which are held on behalf of the related party. It is not a part of short term investment of the company.		
11	TRADE DEBTS		
		<i>(Un-audited)</i>	<i>(Audited)</i>
		December 31,	June 30,
		2020	2020
		Rupees	Rupees
	Considered good	109,387,060	81,703,946
	Considered doubtful	142,176,210	142,176,210
		<u>251,563,270</u>	<u>223,880,156</u>
	Provision for doubtful receivables	(142,176,210)	(142,176,210)
		<u>109,387,060</u>	<u>81,703,946</u>
	Receivable against margin finance	(1,553,678)	(1,178,273)
		<u>107,833,382</u>	<u>80,525,673</u>
11.1	This includes an amount of Rs.11.398 million /- (June 30, 2020 : Rs.2.559 million) receivable from related parties of the Company.		



DAWOOD EQUITIES LIMITED

		<i>(Un-audited)</i> December 31, 2020	<i>(Audited)</i> June 30, 2020
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
12 CASH AND BANK			
<i>Cash in hand</i>		14,860	-
<i>Cash at bank</i>			
In current accounts		1,279,251	4,083,594
In saving account		1,387,240	1,428,535
	12.1	2,666,491	2,655,060
		2,681,351	2,655,060
12.1 Balance pertaining to:			
- clients		1,289,975	1,525,328
- brokerage house		1,376,516	1,129,732
		2,666,491	2,655,060
13 TRADE AND OTHER PAYABLE			
Trade creditors	13.1	124,388,544	11,266,344
Payable to Provident fund		82,690	-
Payable to dealers		7,174,488	-
Accrued expenses		3,300,414	5,752,222
Withholding tax payable		1,390,347	1,010,763
		136,336,483	18,029,328

13.1 This includes an amount of Rs. 1.229 million /- (June 30, 2020 : Rs 0.172 million) payable to related parties of the Company.

14 CONTINGENCIES & COMMITMENTS

The status of contingencies as were reported in the financial statements for the year ended June 30, 2020 is same as follows:

14.1 The Company has filed a suit in the Honorable High Court of Sindh against one of its corporate client against recovery of Rs.75.436 million and proceedings are in process. Honorable High Court has appointed Commissioner for determination of amount. Currently 100% provision of Rs. 75.436 million has been made as ultimate outcome is uncertain.

14.2 Commitment against unrecorded transactions executed before year end having settlement date subsequent to period end :-

	<i>(Un-audited)</i> December 31, 2020	<i>(Audited)</i> June 30, 2020
	<i>Rupees</i>	<i>Rupees</i>
For purchase of shares	404,091,212	86,057,446
For sale of shares	428,166,677	79,886,720



DAWOOD EQUITIES LIMITED

		<i>(Un-audited)</i>	
		<i>December 31,</i>	
		<i>2020</i>	<i>2019</i>
15 GROSS REVENUE	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
Brokerage commission	15.1	53,870,368	10,742,920
Commission From New Listing Applications□		491,957	-
Underwriting commission		-	6,751,769
Custody / Laga / NCSS Fees		3,774,126	1,249,156
Dividend income		53,376	101,759
Profit on cash exposure deposit		811,231	478,325
Brokerage commission on subscription		590,295	-
		59,591,353	19,323,929
15.1 Brokerage commission			
Gross commission		60,873,516	12,127,921
Sindh Sales Tax		(7,003,148)	(1,385,001)
		53,870,368	10,742,920

16 PATTERN OF SHAREHOLDINGS

Following are the shareholders having more than 5% holding as at December 31, 2020:

<i>Sr. No.</i>	<i>Name of Shareholder</i>	<i>No. of Shares Held</i>	<i>Percentage %</i>
1.	Ayaz Dawood	4,822,131	19.29
2.	The Bank of Khyber	3,750,000	15.00
3.	Asim Abdul Ghani	2,513,000	10.05
4.	Equity International (Private) Limited	2,830,445	11.32
		13,915,576	55.66

17 TRANSACTION WITH RELATED PARTIES

Related parties comprises of major shareholders, associated companies with or without common directors, other companies with common directors, retirement benefits fund, directors, key management personal and their close family members.

	<i>(Un-Audited)</i>		<i>(Un-Audited)</i>	
	<i>Half year ended</i>		<i>Quarter ended</i>	
	<i>December 31,</i>		<i>December 31,</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Commission earned from brokerage transactions with member companies and key management personnel of members companies	8,231,895	3,501,080	3,702,367	2,485,657
Expenses paid to member companies	120,000	120,000	60,000	60,000
FDIBL and others Employee Provident Fund Employer's contribution paid	242,540	185,394	147,210	3,000



DAWOOD EQUITIES LIMITED

18 DATE FOR AUTHORIZATION FOR ISSUE

The Board of Directors of the Company authorized these interim financial statements for issue on February 19, 2021.

19 GENERAL

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

Chief Executive

Director












Chief Financial Officer



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