

INDEPENDENT REASONABLE ASSURANCE REPORT ON STATEMENT OF FREE FLOAT OF SHARES

To the Chief Executive Officer of Dawood Equities Limited

1. Introduction

We have been engaged to perform a reasonable assurance engagement on the annexed Statement of Free Float of Shares (the 'Statement') of Dawood Equities Limited (the Company) as of September 30, 2023, December 31, 2023, March 31, 2024 and June 30, 2024.

2. Applicable Criteria

The criteria against which the Statement is assessed is Regulation No. 5.7.2(b)(ii) of Pakistan Stock Exchange Limited Regulations (PSX Regulations) which requires every listed company to submit directly to Pakistan Stock Exchange (PSX) an annual Free-Float Certificate duly verified by the auditor along with the annual audited accounts as prescribed under regulation 5.6.9 (a) of the PSX Regulations.

3. Management's Responsibility for the Statement

Management is responsible for the preparation of the Statement as of September 30, 2023, December 31, 2023, March 31, 2024 and June 30, 2024 in accordance with the applicable criteria. This responsibility includes maintaining adequate records and internal controls as determined necessary to enable the preparation of the Statement such that it is free from material misstatement, whether due to fraud or error.

4. Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our Responsibility and Summary of the Work Performed

Our responsibility is to carry out an independent reasonable assurance engagement and to express an opinion as to whether the Statement is prepared in accordance with the applicable criteria, based on the procedures we have performed and the evidence we have obtained.

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable level of assurance about whether the Statement is free from material misstatement.

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the free float of shares and related information in the Statement. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, in the Statement. In making those risk assessments, we considered internal control relevant to the Company's preparation of the Statement. A reasonable assurance engagement also includes assessing the applicable criteria used and significant estimates made by management, as well as, evaluating the overall presentation of the Statement.

We have carried out the procedures considered necessary for the purpose of providing reasonable assurance on the Statement. Our assurance procedures performed included verification of information in the Statement with the underlying data and record comprising of Central Depository Company statements, forms submitted by the Company with Securities & Exchange Commission of Pakistan relating to its pattern of shareholding and other related information. Verification that the computation of free float of shares is in accordance with the PSX Regulations also forms part of our assurance procedures.

With respect to identification of associates of an individual as defined in section 2 (ii) (a) of the Securities Act, 2015, we have obtained and relied on management's representations that are based on written declarations from individuals (i.e. directors, sponsors and senior management officers of the company) about their associates.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

6. Opinion

In our opinion, the Statement of Free Float of Shares as of September 30, 2023, December 31, 2023, March 31, 2024 and June 30, 2024 is prepared, in all material respects, in accordance with the PSX Regulations.

7. Restriction on Use and Distribution

This report is issued in relation to the requirements as stipulated under Regulation No 5.72 (b) (ii) of the PSX Regulations and is not to be used or distributed for any other purpose. This report is restricted to the facts stated herein and the attachments.


Chartered Accountants

Place: Karachi

Date: October 01, 2024



DAWOOD EQUITIES LIMITED



TREC HOLDER PAKISTAN STOCK EXCHANGE LIMITED -TREC NO. 058
MEMBER OF PAKISTAN MERCANTILE EXCHANGE - PMEX CODE 195

DAWOOD EQUITIES LIMITED STATEMENT OF FREE-FLOAT OF SHARES

Particulars	Quarter-1 (September 30, 2023)	Quarter-2 (December 31, 2023)	Quarter-3 (March 31, 2024)	Quarter-4 (June 30, 2024)
Total Outstanding Shares	27,500,000	27,500,000	27,500,000	27,500,000
<i>Less: Government Holdings</i>	-	-	-	-
<i>Less: Shares held by Directors, Sponsors and Senior Management Officers and their Associates</i>	(7,800,973)	(7,801,473)	(7,806,473)	(10,166,473)
<i>Less: Shares in physical form</i>	(6,057,758)	(6,056,708)	(6,054,608)	(6,054,608)
<i>Less: Shares held by Associate companies or undertakings and Group Companies (cross holdings)</i>	-	-	-	-
<i>Less: Shares issued under Employees Stock Option Schemes that cannot be sold in the open market in normal course</i>	-	-	-	-
<i>Less: Treasury shares</i>	-	-	-	-
<i>Less: Any other category that are barred from selling at the review date: Restricted to sell.</i>	-	-	-	-
Free-float of shares	13,641,269	13,641,819	13,638,919	11,278,919

Basis of preparation:

This statement is prepared in accordance with the requirements of Regulation No. 5.7.2(b)(ii) of Pakistan Stock Exchange Limited Regulations (PSX Regulations).



Head Office:

17th Floor, Saima Trade Towers-A,
I.I. Chundrigar Road, Karachi.
Tel: (92-21) 32271881-83 Fax: (92-21) 32275086
Email: info@dawoodequities.com

Stock Exchange Branch:

Room # 409, 410, New Stock Exchange Building,
Stock Exchange Road, Karachi.
Tel: (92-21) 32418873-74

For Branches Please Visit: www.dawoodequities.com



DAWOOD EQUITIES LIMITED

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DAWOOD EQUITIES LIMITED

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DAWOOD EQUITIES LIMITED

CORPORATE OBJECTIVE

Our Vision

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

Our Mission

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



DAWOOD EQUITIES LIMITED

Company Information

Board of Directors

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

Chief Financial officer & Company Secretary

Mr. Salman Yaqoob

Audit Committee

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

HR & R Committee

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

External Auditor

M. Yousuf Adil & Company (Chartered Accountants)

Internal Auditor

Reanda Haroon Zakaria & Company (Chartered Accountants)

Legal Advisor

Rauf & Ghaffar Law Associates

Bankers

Bank Al Habib Limited
Habib Metropolitan Bank Limited
Bank Al Falah Limited
United Bank Limited

Albaraka Bank (Pakistan) Limited
MCB Bank Limited
The Bank of Khyber
Bank Islami Pakistan Limited
Meezan Bank Limited
Dubai Islamic Bank Limited

Website

www.dawoodequities.com

Registered Head Office

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

PSX Registered Branch Office

PSX Branch-1

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

Faisalabad Branch

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

PSX Branch-2

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

Lahore Branch

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

Hyderabad Branch

Office No. 321-A, 8th Floor, Dawood Center,
Auto Bhan Road, Hyderabad.

Gulistan-e-Johar Branch

Office No.2, Ground floor, R-44,
ST.11, Block 15, Gulistan-e-Johar, Karachi

Bantavangar Branch

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

PMEX Registered Branch Office

Sarghoda Branch

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

Gulistan-e-Johar Branch

Office No.2, Ground floor, R-44,
ST.11, Block 15, Gulistan-e-Johar, Karachi

Faisalabad Branch

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

Share Registrar

F.D Registrar Services (Pvt) Ltd
1705 17th Floor, Saima Trade Tower-A,
I.I. Chundrigar Road, Karachi.
Phone No. 021-35478192-93, 32271905
Fax. 021-32621233



DAWOOD EQUITIES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 19th annual General Meeting ("AGM") of the Members of DAWOOD EQUITIES LIMITED will be held on Friday, October 25, 2024, at 08.45 a.m at 1700-A, Saima Trade Towers, I. I. Chundrigar Road, Karachi to transact the following ordinary business:

Ordinary Business

- 1) To confirm the minutes of last Annual General Meeting held on October 26, 2023.
- 2) To receive, consider and adopt the Annual Financial Statements of the Company for the year ended June 30, 2024, together with the Directors' and Auditors' Reports thereon. The annual report of the Company has been uploaded on the Company's website www.dawoodequities.com.
- 3) To appoint Auditors for the year ending June 30, 2025, and fix their remuneration. Present auditors M/s. Yousuf Adil, Chartered Accountants retires and being eligible have offered themselves for the re-appointment. The Board of Director's have recommended for reappointment of M/s. Yousuf Adil, Chartered Accountants as external auditors.
- 4) To elect Seven (7) directors as fixed by the Board of Directors of the Company in accordance with the provisions of Section 159 (1) of the Companies Act, 2017 for the next three years term commencing October 26, 2024. The names of retiring directors of the company, also eligible to offer themselves for re-election are as follows:

- 1) Abdul Aziz Habib
- 2) Junaid Dada
- 3) Areeb Shujaat
- 4) Sobia Saif
- 5) Muhammad Abbas Rizvi
- 6) Muhammad Khalid
- 7) Saifullah

Statement of Material Facts under Section 166(3) of the Companies Act, 2017 is annexed to this notice.

- 5) To transact any other business with the permission of the Chair.

By Order of the Board

Karachi:
October 04, 2024

Salman Yakoob
Company Secretary

Notes:

1) Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from, October 19, 2024, to October 25, 2024 (both days inclusive). Transfers received in order by our Shares Registrar FD Registrar Services (Private) Limited 17th Floor Saima Trade Centre, Tower I. I. Chundrigar Road, Karachi at the close of business on October 18, 2024, will be considered in time for the purpose of attending the Annual General Meeting.



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2) Participation in Annual General Meeting (AGM) and appointment of proxies

A member of the Company entitled to attend and vote at this meeting may appoint another member as a proxy to attend, speak and vote instead of him/her. An instrument appointing a proxy must be received at the Registered Office of the Company not later than forty-eight hours before the time of holding the Meeting. The proxy shall produce his/her CNIC or passport to prove his/her identity. CDC Account Holders will have to further follow the guidelines as laid down in Circular No. 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan.

3) Request for Video Conference Facility

- a. To attend the AGM through video-conferencing facility, members are requested to register themselves by providing the following information through email at salman@dawoodequities.com at least forty-eight (48) hours before the AGM: (i) the Name of Member; (ii) CNIC / NTN No.; (iii) Folio No. / CDC IAS No.; (iv) Cell No.; and (v) Email Address.
- b. Only those members will be accepted at the AGM via video-conferencing whose names match the details shared with the Company for registration (as mentioned in point 'a' above).
- c. The login facility will remain open from 08:30 a.m., till the end of AGM.
- d. Video conferencing facility shall be provided subject to the compliance of section 134(1)(b) of the Act.

4) E- voting and Postal Ballot

It is hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 and its amendments notified vide SRO 2192(1)/2022 dated December 5, 2022 which is further amended by SRO 905(1)/2023 dated July 07, 2023, if the number of persons who offer themselves to be elected is more than the number of directors fixed under Section 159 (1) of the Companies Act, 2017, shareholders will be allowed to exercise their right to vote through postal ballot i.e. by post or e-voting, in the manner and subject to the conditions contained in the aforesaid regulations. The Company shall provide its members with the following options for voting:

i. E-Voting Procedure

- a. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company within due course. Members who intend to exercise their right of vote through E-Voting shall provide their valid cell numbers and e-mail addresses before October 19, 2024.
- b. The web address, login details, will be communicated to members via email.
- c. Identity of the members intending to cast vote through e-Voting shall be authenticated through authentication for login.

ii. Postal Ballot

- a. Members may alternatively opt for voting through postal ballot. For convenience of the members, Ballot Paper will be published in newspapers and the same will also be available on the Company's website www.dawoodequities.com to download.



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- b. The members shall ensure that duly filled and signed ballot paper along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at 1700-A, Saima Trade Towers, I. I. Chundrigar Road, Karachi (Attention of the Company Secretary) one day before the AGM i.e. by October 24, 2024, before 5:00 p.m. The signature on the ballot paper shall match with the signature on CNIC. A postal ballot received after this time / date shall not be considered for voting.

5) Intimation for Change in Address

Members holding shares in physical form are requested to notify any change in their address to our share registrar immediately. Members holding shares in CDS system are requested to have their addresses updated with participant or CDC Investor Account Service.

6) Availability of Financial Statements and Reports

The annual report of the Company has been uploaded on the Company's website.

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

Agenda item 4 - Election of Directors

This Statement sets out the material facts pertaining to the Ordinary Business as described in the Notice of the AGM of the Company. The term of office of the current directors of the Company will expire on October 25, 2024. In accordance with Section 159(1) of the Act, the Board of Directors have fixed the number of Directors to be elected at the AGM at seven (07) to hold the office of director for a period of three (3) years commencing from the date of the AGM. Independent Directors shall be selected in accordance with the provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies (Manner and Selection of Independent Directors) Regulations, 2018. Accordingly, in compliance with the provisions of Regulation 7A of the Listed Companies (Code of Corporate Governance) Regulations, 2019, Election of Directors will be held separately for the following three categories:

S. No.	Categories	No. of Seats
1.	Female Director (may also be considered as an independent Director if meets the criteria of independence as set out under Section 166 of the Act)	01
2.	Independent Directors	02
3.	Other Directors	04

In order to safeguard the interest of the minority shareholders, any member can send his/her nomination for contesting the election in any of above-mentioned categories. Any person who seeks to contest the election of the office of director, whether they are a retiring director or otherwise, shall submit to the Company Secretary at the Registered Office address 1700-A, Saima Trade Towers, I. I. Chundrigar Road, Karachi, not later than fourteen (14) days before the date of AGM, the following documents:

1. Notice of his/her intention to offer himself/herself for the election of directors as per Section 159(3) of the Act, and consent to act as a director on Form 9 as prescribed under the Act, and the Companies Regulations, 2024. (Any person contesting the election of directors must be a Member of the Company at the time of filing his/her consent unless such person is representing a Member which is not a natural person.)



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2. A signed declaration confirming that:

a. He/she is aware of his/her duties and powers under the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Rule Book of Pakistan Stock Exchange Limited, Memorandum and Articles of Association of the Company and other relevant laws and regulations.

b. He/she is not ineligible to become a director of a listed company under the provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and other applicable laws/ regulations. 377

3. A detailed profile along with his/her office address for placement on the Company's website as required under SRO 1196 (I)/2019 dated October 03, 2019.

4. Detail of other directorships held.

5. Copy of valid CNIC or Passport (in case of a foreign national) along with NTN and Folio Number/CDC Account or Sub Account number.

6. The following additional documents are required to be submitted by the candidates intending to contest the election as an independent director:

a. Declaration of independence under Regulation 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

b. Undertaking on non-judicial stamp paper that he/she meets the requirements of Regulation 4(1) of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

All the notices received for the category of Independent Director, shall be subject to due diligence by the Company as prescribed under Section 166 of the Act and 7A of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The final list of candidates contesting the election will be circulated not later than seven (7) days before the date of the AGM in terms of Section 159(4) of the Act. The website of the Company will be updated with the required information and Directors' profile.



DAWOOD EQUITIES LIMITED

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

The Board of Directors ("the Board") of Dawood Equities LTD ("DEL") has performed their duties diligently in upholding the best interest of shareholders' of the Company and has managed the affairs of the Company in an effective and efficient manner. The Board has exercised its powers and has performed its duties as stated in the repealed Companies Act 2017 and the Code of Corporate Governance ("the Code") contained in the Rule Book of the Pakistan Stock Exchange (the Rule Book) where the Company is listed. The Board during the year ended 30 June 2024 played an effective role in managing the affairs of the Company and achieving its objectives in the following manner.

- The Board has ensured that there is adequate representation of non-executive and independent directors on the Board and its committees as required under the Code and that members of the Board and its respective committees has adequate skill experience and knowledge to manage the affairs of the Company.
- The Board has formed an Audit and Human Resource and Remuneration Committee and has approved their respective terms of references and has assigned adequate resources so that the committees perform their responsibilities diligently.
- The Board has developed and put in place the rigorous mechanism for an annual evaluation of its own performance and that of its committees and individual directors. The findings of the annual evaluation are assessed and re-evaluated by the Board periodically.
- The Board has ensured that the directors are provided with orientation courses to enable them to perform their duties in an effective manner and that the four directors on the Board have already taken certification under the Directors Training Program (DTP), remaining director will complete his DTP program during FY25.
- The Board has ensured that the meetings of the Board and that of its committee were held with the requisite quorum, all the decision making were taken through Board resolution and that the minutes of all the meetings (including committees) are appropriately recorded and maintained.
- The Board has developed a code of conduct setting forth the professional standards and corporate values adhered through the Company and has developed significant policies for smooth functioning.
- The Board has actively participated in strategic planning process enterprise risk management system, policy development, and financial structure, monitoring and approval.
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;
- The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and /or internal audit activities.
- The Board has prepared and approved the director's report and has ensured that the directors report is published with the quarterly and annual financial statement of the Company and the content of the director's report are in accordance with the requirement of applicable laws and regulation.
- The Board has ensured the hiring, evaluation and compensation of the Chief Executive and other key executives including Chief Financial Officer, Company Secretary, and Head of Internal Audit.



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

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

Junaid Dada
Chairman

September 27, 2024



DAWOOD EQUITIES LIMITED

DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors of the Company, it gives me immense pleasure to present the Annual Report of the Company for the year ended June 30th, 2024 together with the audited financial statements for the year in accordance with the accounting, regulatory and legal standards and requirements.

ECONOMIC PERFORMANCE:

The Country's economic growth remains steadfast and signs of economic stability are becoming more evident. Pakistan is out of the contraction phase and chronic systemic issues inflicting various sectors of the economy hampering growth seems a tale of the past and all signs point towards stabilization and growth. In spite of challenges the country achieved a growth of 2.38% against previous year's contraction of 0.21% with agriculture sector leading achieving growth of 6.25%. Growth expectations for next fiscal year is 3.5%. The inflation is trending downward steadily since third quarter of FY2024 which came in single digit to 9.8% in August 2024 and is expected to come down further to 7.8% in September 2024. Per capita income increased by US\$129 to US\$1680 as compared to US\$1,551 of last year on the account of increase in economic activity and appreciation in the exchange rate.

With the signing of the new IMF program for USD 7 billion, increase in remittances, oil prices below USD70/ barrel, external pressures are expected to further ease giving more stability to rupee dollar parity with CAD expected to remain low. The State Bank of Pakistan after a prolonged wait cut the discount rate and with further disinflation and external account stability, further cut in discount rate is on the cards.

STOCK MARKET PERFORMANCE:

The PSX's benchmark KSE-100 Index reached an all-time high of 82,331, points, a remarkable 30% growth in the calendar year 2024, positioning it as the top-performing market globally. The benchmark KSE-100 index posted an annual return of 89% during FY24 in PKR terms while in USD terms, the return was 94%, as the local currency. The majority increase in return is attributed to re-rating of Price to Earning (PE) from 2.2-2.4x in June 30, 2023 to 3.94x in Jun 28, 2024. A successful initiation and completion of the International Monetary Fund (IMF) Stand-by Agreement, a smooth conduct of general election 2024 and smooth transition of government and timely initiation of talks with IMF for new program were stated as reasons. Following the IMF deal inked in June last year, which helped Pakistan unlock inflows from bilateral and multilateral lender, the country's sovereign rating was upgraded by Fitch from CCC- to CCC while Pakistan's weight in the MSCI FM index increased from ~0.6% to ~2.7%, which helped captivate interest of foreign buyers at the domestic bourse.

This marked the highest level of foreign investment in over a decade with foreign investors purchased \$87 million worth of Pakistani shares in 2024, the highest level since 2014 which according to Bloomberg is largely due to improved economic fundamentals and an increase in foreign participation. KSE-100 index currently is trading at PE of 5.6 which is still undervalued and has a potential to cross 100,000 in 2025. With cut in discount rates globally further foreign investment is expected in PSX.

KSE 100 index companies posted highest ever earnings of Rs1.7trn up 25% YoY in FY24 vs Rs1.3trn in FY23. In US\$ terms, PAT increased 10% YoY to US\$5.8bn in FY24. Dividend Up 30% in FY24. This growth in earnings is majorly contributed to by Banking sector (+35% YoY), Fertilizer sector (+75% YoY), and Cements (+38%) Pharmaceutical sector (+71%) in FY24. Chemicals, Engineering, Refinery, and recorded decline in earnings during FY24 with profitability decline of 38% YoY, 27% YoY, and 25% YoY, respectively. Technology sector reported loss of Rs5.7bn in FY24 primarily led by losses of Pakistan Telecommunication Company (PTC).



DAWOOD EQUITIES LIMITED

Geopolitical tensions have emerged as the predominant risk to the global economic landscape. Presently, conflicts in Eastern Europe and the Middle East, critical hubs for global food and energy distribution, pose imminent challenges to PSX.

FINANCIAL PERFORMANCE

We are pleased to share with you the following financial performance of the company for FY24.

Total revenue of DEL for the FY2023-24 was recorded at Rs.134.1 million versus Rs. 62.3 million in the comparative year. DEL recorded a pre-tax profit of Rs.46.5 million for the year ended June 30, 2024 vs. pre tax loss of Rs.15.6 million for the year ended June 30, 2023.

Total operating expenses of DEL for the FY2023-24 was recorded at Rs.53.8 million versus Rs.44.6 million in the comparative year. The Management adopted a cost conscious approach by incurring expenses on need only basis which resulted in saving in the business routine expenses. During the year the company recognized allowance for expected credit loss amount to Rs.3.9 million in compliance with IFRS 9. Finance cost of the company increased to Rs. 12.3 million due to higher interest rates amid aggressive monetary tightening by the central bank as well as increased utilization of borrowing lines for diversification of company's investment in better opportunities and working capital requirement.

The equity of the Company as at the balance sheet date is PKR 291.1 million (June 2023: PKR 250.2 million) which translates into book value per share of PKR 10.59 (June 30, 2023: PKR 9.1). The summary of Financial Results is as follows:

	June 30, 2024 Rupees	June 30, 2023 Rupees
Revenue	134,152,768	62,339,791
Profit / (Loss) before tax	46,522,563	(15,612,900)
Profit / (Loss) after tax	30,625,401	(24,074,053)
Earnings / (loss) per share basic and diluted	1.11	(0.88)

CREDIT RATING

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

RISK MANAGEMENT

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



DAWOOD EQUITIES LIMITED

CORPORATE SOCIAL RESPONSIBILITY

Realizing the very low penetration in PSX compared to the population, DEL as part of its Corporate Social Responsibility each year enrolls internees to educate them on the potential of PSX. This year marked the third successful program with enrolling 20 internees in the program. The program culminated with certificates being awarded to the internees. Your Company continued its contribution to society and the business community as a socially responsible organization through numerous philanthropic activities to welfare organization involve in projects focusing on healthcare, education, environment, and community welfare. We aim to continue our involvement and contribution to such noble causes in the future as well.

INTERNAL CONTROL AND AUDIT FUNCTION

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

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

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

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

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

The Directors are pleased to report that:

1. The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity;
2. Proper books of account of the Company have been maintained;
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements;
5. The system of internal control is sound in design and has been effectively implemented and monitored;



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6. There are no significant doubts upon the Company's ability to continue as a going concern;
7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;
8. The Company has on account of statutory payment of taxes, duties, levies and charges has no outstanding liability as at the balance sheet date;
9. There are no transactions entered into by the DEL during the year which are fraudulent, illegal or in violation of any securities market laws;
10. The Company has paid amount of RS. 972,289/- in the Provident Fund of the employees of the Company and the Company has no outstanding liability as at the year-end as the Provident Fund is managed by a separate trust.

CHANGES IN THE BOARD

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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

COMPOSITION OF THE BOARD

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

Male 06 Female 01

The composition of the board is as follows:

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



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

AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

BOARD & AUDIT COMMITTEE MEETING AND ATTENDANCE

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

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

TRADING IN SHARES OF THE COMPANY BY DIRECTORS AND EXECUTIVES

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

DIRECTORS' REMUNERATION

Detail of remuneration and other benefits paid to Executive Director are disclosed in the note 35 to the financial statements. These remunerations are duly approved by the Board of Directors. The remuneration of the Director is based on prevailing industry trend and are in accordance with the Listed Companies (Code of Corporate Governance) Regulation 2019. It is ensured that no Director takes part in deciding his own remuneration. Non-Executive Directors are not paid any remuneration during the year.

CORPORATE AND SECRETARIAL COMPLIANCE

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

STATEMENT OF COMPLIANCE

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



DAWOOD EQUITIES LIMITED

ETHICS AND BUSINESS PRACTICES

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

PATTERN OF SHAREHOLDING

The detailed pattern of the shareholding and categories of shareholders of the Company as at June 30, 2024, as required under the listing regulations, have been appended to this Annual Report.

POST BALANCE SHEET DATE EVENT / DIVIDEND

The directors recommended no cash dividend, whether interim or final, for the financial year ended June 30, 2024. No circumstances have arisen since the Balance Sheet date, which require adjustment to disclosure in the Financial Statements

RELATED PARTY TRANSACTION

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

AUDITORS

The retiring auditors M.Yusuf Adil & Company Chartered Accountants have completed their assignment and offered themselves for reappointment. The Board recommends their reappointment and a resolution proposing the appointment of M.Yusuf Adil & Company Chartered Accountants as auditors of the Company for the financial year 2024-25 will be submitted at the forthcoming Annual General Meeting for approval.

SUSTAINABILITY RISK DISCLOSURE - SUSTAINABILITY MANAGEMENT (ESG)

During the year, the Securities and Exchange Commission of Pakistan issued certain amendments (in relation to Regulation 10) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 through its notification dated June 12, 2024. Currently, the Board is assessing these amendments and compliance thereof, as applicable, will be performed through a new or existing Committee in due course of time.

FUTURE OUTLOOK

The future prospects of your Company are exceedingly promising on account of the Management's efforts towards increasing the Company's market share and through wider participation in all its business segments. The year 2025 is expected to be another growth year for PSX and the Company. The Company is striving to yield better volumes from its existing clientele as well as prospective financial institution, by expanding and growing relationships with them through the Company's premium suite of services. This includes offering novel products and services through augmenting the Company's high quality Research.

Junaid Dada
Chairman

Abdul Aziz Habib
Chief Executive Officer

Karachi: September 27, 2024



DAWOOD EQUITIES LIMITED

ڈائریکٹرز کی رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے، مجھے 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ اکاؤنٹنگ، ریگولیٹری اور قانونی کے مطابق سال کے لیے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ پیش کرتے ہوئے یہ حد خوشی ہو رہی ہے۔ معیارات اور ضروریات۔

التصانیء کارکردگی:

ملک کی معاشی ترقی مستحکم ہے اور معاشی استحکام کے آثار نمایاں ہو رہے ہیں۔ پاکستان سٹاکز کے مرحلے سے باہر ہے اور دانمی نظامی مسائل جو معیشت کے مختلف شعبوں کو متاثر کر رہے ہیں نمو کو ماضی کا قصہ لگتا ہے اور تمام نشانیاں استحکام اور ترقی کی طرف اشارہ کرتی ہیں۔ چینلجوں کے باوجود ملک نے گزشتہ سال کے 0.21 فیصد کے سٹاکز کے مقابلے میں 2.38 فیصد کی ترقی حاصل کی جس کے ساتھ زرعی شعبے نے 6.25 فیصد کی ترقی حاصل کی۔ اگلے مالی سال میں ترقی کی توقع 3.5 فیصد ہے۔ ہنگامی مالی سال 2024 کی تیسری سہ ماہی کے بعد سے مسلسل نیچے کی طرف بڑھ رہی ہے جو اگست 2024 میں سنگل بندسوں میں 9.8 فیصد پر آگئی اور توقع ہے کہ ستمبر 2024 میں مزید کم ہو کر 7.8 فیصد ہوجائے گی۔ فی کس آمدنی US\$129 سے بڑھ کر US\$1680 ہوگی۔ اقتصادی سرگرمیوں میں اضافے اور شرح مبادلہ میں اضافے کی وجہ سے گزشتہ سال کے -1.551\$

7 بلین امریکی ڈالر کے نئے آئی ایم ایف پروگرام پر دستخط کے ساتھ، ترسیلات زر میں اضافہ، تیل کی قیمتیں USD70/ بیرل سے کم ہونے سے، بیرونی دباؤ میں مزید نرمی کی توقع ہے کہ CAD کے ساتھ روپے کی برابری میں مزید استحکام آئے گا۔ اسٹیٹ بینک آف پاکستان ایک طویل انتظار کے بعد ڈسکاونٹ کی شرح میں کمی اور مزید ڈس انفلیشن اور بیرونی اکاؤنٹ کے استحکام کے ساتھ، ڈسکاونٹ کی شرح میں مزید کمی کارڈز پر ہے۔

اسٹاک مارکیٹ کی کارکردگی:

PSX کا بینچ مارک KSE-100 انڈیکس 82,331 ہونے سے اب تک کی بلند ترین سطح پر پہنچ گیا، جو کیلنڈر سال 2024 میں 30% کی غیر معمولی نمو ہے، جس نے اسے عالمی سطح پر اعلیٰ کارکردگی کا مظاہرہ کرنے والی مارکیٹ کے طور پر پوزیشن دی ہے۔ بینچ مارک KSE-100 انڈیکس نے PKR کے لحاظ سے FY24 کے دوران 89% کا سالانہ ریٹرن پوسٹ کیا جبکہ USD کے لحاظ سے، ریٹرن مقامی کرنسی کے طور پر 94% تھا۔ واپسی میں زیادہ تر اضافے کی وجہ پرائس ٹو ارننگ (PE) کی ری ریٹنگ ہے جو 30 جون 2023 میں 2.2-2.4x سے 28 جون 2024 میں 3.94x تک پہنچ گئی ہے۔ بین الاقوامی مالیاتی فنڈ (IMF) کی کامیاب شروعات اور تکمیل اسٹیٹ بٹائی ایگریمنٹ، عام انتخابات 2024 کا ہموار انعقاد اور حکومت کی ہموار منتقلی اور نئے پروگرام کے لیے آئی ایم ایف سے بات چیت کا بروقت آغاز اس کی وجوہات بتائی گئیں۔ گزشتہ سال جون میں آئی ایم ایف کے معاہدے پر دستخط کے بعد، جس نے پاکستان کو دو طرفہ اور کثیرالطرفہ قرض دہندہ سے آمد کو غیر مقفل کرنے میں مدد کی، ملک کی خودمختار درجہ بندی کو Fitch نے CCC- سے CCC میں اپ گریڈ کیا جبکہ MSCI FM انڈیکس میں پاکستان کا وزن 0.6% سے بڑھ کر 2.7% ہو گیا، جس نے گھریلو بازار میں غیر ملکی خریداروں کی دلچسپی کو متاثر کرنے میں مدد کی۔

2024 میں غیر ملکی سرمایہ کاروں نے 87 ملین ڈالر مالیت کے پاکستانی حصص کی خریداری کے ساتھ یہ ایک دہائی سے زائد عرصے میں غیر ملکی سرمایہ کاری کی بلند ترین سطح کو نشان زد کیا، جو 2014 کے بعد سے بلند ترین سطح ہے جس کی بڑی وجہ اقتصادی بنیادوں میں بہتری اور غیر ملکی شرکت میں اضافہ ہے۔ KSE-100 انڈیکس اس وقت 5.6 PE پر ٹریڈ کر رہا ہے جس کی قدر ابھی تک کم ہے اور 2025 میں اس کے 100,000 کو عبور کرنے کی صلاحیت ہے۔ عالمی سطح پر رعایتی شرحوں میں کمی کے ساتھ PSX میں مزید غیر ملکی سرمایہ کاری متوقع ہے۔

کے ایس ای 100 انڈیکس کمپنیوں نے مالی سال 23 میں 1.3 ٹرن بمقابلہ مالی سال 24 میں سالانہ 25 فیصد اضافے سے 1.7 ٹریلین روپے کی اب تک کی سب سے زیادہ کمائی کی۔ امریکی ڈالر کی شرائط میں، PAT مالی سال 24 میں 10% YoY بڑھ کر 5.8 بلین امریکی ڈالر ہو گیا۔ مالی سال 24 میں ڈیویڈنڈ 30 فیصد اضافہ۔

جغرافیائی سیاسی کشیدگی عالمی اقتصادی منظر نامے کے لیے ایک اہم خطرہ بن کر ابھری ہے۔ اس وقت، مشرقی یورپ اور مشرق وسطیٰ میں تنازعات، عالمی خوراک اور توانائی کی تقسیم کے اہم مرکز، PSX کے لیے آسٹن چینلجز ہیں۔

مالی کارکردگی

بہمیں مالی سال 24 کے لیے کمپنی کی درج ذیل مالی کارکردگی آپ کے ساتھ شیئر کرتے ہوئے خوشی ہو رہی ہے۔

مالی سال 2023-24 کے لیے ڈی ای ایل کی کل آمدنی روپے کے مقابلے میں 134.1 ملین روپے ریکارڈ کی گئی۔ تقابلی سال میں 62.3 ملین۔ ڈی ای ایل نے 30 جون 2024 کو ختم ہونے والے سال کے لیے 46.5 ملین روپے کا قبل از ٹیکس منافع بمقابلہ 30 جون 2023 کو ختم ہونے والے سال کے لیے 15.6 ملین روپے کا قبل از ٹیکس نقصان ریکارڈ کیا۔



DAWOOD EQUITIES LIMITED

	June 30, 2024	June 30, 2023
	Rupees	Rupees
Revenue	134,152,768	62,339,791
Profit / (Loss) before tax	46,522,563	(15,612,900)
Profit / (Loss) after tax	30,625,401	(24,074,053)
Earnings / (loss) per share basic and diluted	1.11	(0.88)

24-FY2023 کے لیے DEL کے کل آپریٹنگ اخراجات تقابلی سال میں 44.6 ملین روپے کے مقابلے میں 53.8 ملین روپے ریکارڈ کیے گئے۔ انتظامیہ نے صرف ضرورت کی بنیاد پر اخراجات اٹھاتے ہوئے لاگت کا شعوری انداز اپنایا جس کے نتیجے میں کاروبار کے معمول کے اخراجات میں بچت ہوئی۔ سال کے دوران کمپنی نے IFRS 9 کی تعمیل میں متوقع کریڈٹ نقصان کی رقم 3.9 ملین روپے کے الاؤنس کو تسلیم کیا۔ کمپنی کی مالیاتی لاگت بڑھ کر روپے ہو گئی۔ 12.3 ملین مرکزی بینک کی طرف سے جارحانہ مالیاتی سختی کے درمیان سود کی بلند شرحوں کے ساتھ ساتھ بہتر مواقع اور ورکنگ کپیٹل کی ضرورت میں کمپنی کی سرمایہ کاری کو متنوع بنانے کے لیے قرض لینے کی لائنوں کو بڑھتے ہوئے استعمال کی وجہ سے۔

بیلنس شیٹ کی تاریخ کے مطابق کمپنی کی ایکویٹی (جون 2023: 291.1 PKR ملین) (جون 2023: 250.2 PKR ملین) ہے جو (30 PKR 10.59: 2023: 9.1) کی فی شیئر بک ویلیو میں ترجمہ کرتی ہے۔ مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

کریڈٹ ریٹنگ

کمپنی نے پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ ("PACRA") کے ذریعے طویل مدتی کے لیے (A-) اور مختصر مدت کے لیے (A2) کی ہستی کی درجہ بندی تفویض کی ہے۔ تفویض کردہ ریٹنگز پر اؤٹ لک 'مستحکم' ہے۔ اس سرٹیفیکیشن نے مسلسل ترقی کے لیے انتظامیہ کے وژن کو مزید واضح کیا ہے اور امید کی جاتی ہے کہ کمپنی کے صارفین کو ساکھ اور استحکام کے حوالے سے مزید اعتماد ملے گا۔

رسک مینجمنٹ

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

کارپوریٹ سماجی ذمہ داری

آبادی کے مقابلے PSX میں بہت کم دخول کا احساس کرتے ہوئے، DEL اپنی کارپوریٹ سماجی ذمہ داری کے حصے کے طور پر ہر سال انٹرنیٹ کو PSX کی شمولیت سے آگاہ کرنے کے لیے اندراج کرتا ہے۔ اس سال پروگرام میں 20 انٹرنیٹ کے اندراج کے ساتھ تیسرا کامیاب پروگرام ہے۔ پروگرام کا اختتام انٹرنیٹس کو سرٹیفیکیشن سے نوازا گیا۔ آپ کی کمپنی نے صحت کی دیکھ بھال، تعلیم، ماحولیات اور سماجی بہبود پر توجہ مرکوز کرنے والے منصوبوں میں شامل فلاحی تنظیم کے لیے متعدد فلاحی سرگرمیوں کے ذریعے سماجی طور پر ذمہ دار تنظیم کے طور پر معاشرے اور کاروباری برادری کے لیے اپنا تعاون جاری رکھا۔ ہم مستقبل میں بھی ایسے نیک مقاصد میں اپنی شمولیت اور شراکت جاری رکھنے کا ارادہ رکھتے ہیں۔

انٹرنل کنٹرول اور آڈٹ فنکشن

بورڈ کنٹرول کے طریقہ کار کی تعمیل سمیت اندرونی کنٹرول کے مضبوط نظام کے موثر نفاذ کا ذمہ دار ہے۔ آڈٹ کمیٹی نے انٹرنل آڈٹ فنکشن کو ریٹا بارون زکریا اینڈ کو چارٹرڈ اکاؤنٹنٹس کو وسیع تر افعال اور کردار کے لیے آؤٹ سورس کیا ہے جس کی نشاندہی ذیل میں کی گئی ہے۔

- متعلقہ بین الاقوامی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے اور بورڈ کی طرف سے وضع کردہ پالیسیوں اور طریقہ کار کی تعمیل کی نگرانی کے لیے ذمہ داروں کی تعمیل کا جائزہ لین۔
- اکاؤنٹنگ اور اندرونی کنٹرول سسٹم کا جائزہ لین۔
- معیشت، کارکردگی اور آپریشنز کی تاثیر کا جائزہ لین (ویلیو فار منی آؤٹس / وی ایف ایم آؤٹس)
- مالی اور آپریشنل معلومات کی جانچ کرنا۔
- اہم خطرات کی نشاندہی میں مدد کرنا۔

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



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بورڈ آف کارپوریٹ گورننس کی بہترین پریکٹس کی تعمیل:

ڈائریکٹرز کی یہ ہفتے ہوئے خوبیوں ہیں:

1. کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات اس کی حالت، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کو پیش کرتے ہیں۔
2. کمپنی کے حساب کتاب کی مناسب دیکھ بھال کی گئی ہے۔
3. مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
4. بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں پیروی کی گئی ہے۔
5. اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
6. ایک جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت پر کوئی خاص شک نہیں ہے؛
7. کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی اخراج نہیں ہوا ہے، جیسا کہ فرسٹ سٹی کے ضوابط میں تفصیل سے بتایا گیا ہے۔
8. کمپنی کے پاس ٹیکس، ڈیوٹی، لیویز اور چارجز کی قانونی ادائیگی کی وجہ سے پینلٹس سٹیٹ کی تاریخ کے مطابق کوئی بقایا ذمہ داری نہیں ہے۔
9. سال کے دوران DEL کی طرف سے کوئی ایسا لین دین نہیں کیا گیا ہے جو دھوکہ دہی، غیر قانونی یا کسی سیکورٹیز مارکیٹ کے قوانین کی خلاف ورزی میں ہو۔
10. کمپنی نے RS کی رقم ادا کر دی ہے۔ کمپنی کے ملازمین کے پروویڈنٹ فنڈ میں 4,972,289/- اور کمپنی کی کوئی بقایا ذمہ داری نہیں ہے جیسا کہ سال کے آخر میں پراویڈنٹ فنڈ کا انتظام الگ ٹرسٹ کے ذریعے کیا جاتا ہے۔

بورڈ میں تبدیلیاں

زیر نظر سال کے دوران بورڈ کے ڈھانچے میں کوئی تبدیلی نہیں ہوئی۔

آڈٹ کمیٹی

بورڈ کی آڈٹ کمیٹی نے اپنے فرائض اور ذمہ داریوں کو بورڈ کی طرف سے منظور شدہ شرائط کے مطابق مؤثر انداز میں ادا کرنا جاری رکھا۔ اس رپورٹ کے ساتھ کمیٹی کی تشکیل بھی منسلک کر دی گئی ہے۔

ہیومن ریسورس اینڈ ریمونریشن کمیٹی

کمیٹی تشکیل دی ہے جس کے ممبران بورڈ آف HR&R کوڈ آف کارپوریٹ گورننس کی تعمیل میں بورڈ آف ڈائریکٹرز نے ایک ہیومن ریسورس اینڈ ریمونریشن کمیٹی (کمیٹی) تشکیل دی ہے جس میں آزاد ڈائریکٹر کمیٹی کی صدارت کرتا ہے HR&R ڈائریکٹرز کے ذریعے مقرر کیے گئے تین ڈائریکٹرز پر مشتمل ہیں۔

بورڈ کی تشکیل

کمپنی کے بورڈ آف ڈائریکٹرز کی کل تعداد مندرجہ ذیل سات پر مشتمل ہے:

مرد 06 خواتین 01

بورڈ کی تشکیل حسب ذیل ہے

نام	کٹیگری
مسٹر محمد عباس	انڈپنڈنٹ ڈائریکٹر
مسٹر حیدر دانا	چف ایگزیکٹو افسر
مسٹر عبدالعزیز حبیب	چف ایگزیکٹو افسر
مسٹر خالد یوسف	نان-ایگزیکٹو ڈائریکٹر
مسٹر اریب شجاعت	فہمیل ڈائریکٹر
مسٹر سیف اللہ	
میں صوبہ سیف	

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

آڈٹ کمیٹی

جناب محمد عباس - چیئرمین
جناب خالد یوسف۔ ممبر
مسٹر صوبہ سیف - ممبر

انسانی وسائل اور معاوضے کی کمیٹی

جناب محمد عباس - چیئرمین
جناب عبدالعزیز حبیب۔ ممبر
جناب اریب شجاعت۔ ممبر

بورڈ اینڈ آڈٹ کمیٹی کا اجلاس اور حاضری

زیر نظر سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس اور آڈٹ کمیٹی کے چار اجلاس ہوئے۔ بورڈ اور آڈٹ کمیٹی کے ممبران کی حاضری حسب ذیل تھی۔



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ڈائریکٹرز اور ایگزیکٹوز کے ذریعہ کمپنی کے حصص میں تجارت

سال کے دوران ڈائریکٹرز، سی ای او، سی ایف او اور کمپنی سیکرٹری اور ان کی شریک حیات اور نابالغ بچوں کی طرف سے کمپنی کے شیئرز میں کوئی لین دین نہیں ہوا۔

ڈائریکٹرز کا معاوضہ

ایگزیکٹوز ڈائریکٹرز کو ادا کیے جانے والے معاوضے اور دیگر مراعات کی تفصیل مالی بیانات کے نوٹ 35 میں ظاہر کی گئی ہے۔ یہ معاوضے بورڈ آف ڈائریکٹرز کے ذریعہ منظور شدہ ہیں۔ ڈائریکٹرز کا معاوضہ صنعت کے مروجہ رجحان پر مبنی ہے اور یہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019 کے مطابق ہے۔ اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کا فیصلہ کرنے میں حصہ نہ لے۔ نان ایگزیکٹو ڈائریکٹرز کو سال کے دوران کوئی معاوضہ نہیں دیا جاتا۔

ڈائریکٹرز کا نام	بورڈ میٹنگ	آڈٹ کمیٹی میٹنگ
جناب عبدالعزیز حبیب	N/A	4/4
جناب جنید ذکریہ داد	N/A	4/4
جناب سیف اللہ	N/A	4/4
جناب محمد عباس	4/4	4/4
جناب محمد خالد	4/4	4/4
محترمہ صوبیہ سیف	4/4	4/4
جناب اربب شجاعت	N/A	4/4

کمپنی سیکرٹری نے رجسٹرار آف کمپنیز کے پاس جمع کرائے گئے سالانہ ریٹرن کے حصے کے طور پر ایک سیکریٹریل کمپلائنس سرٹیفکیٹ پیش کیا ہے تاکہ اس بات کی تصدیق کی جا سکے کہ کمپنیز ایکٹ، 2017، میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن آف دی کمپنی کے سیکرٹری اور کارپوریٹ تقاضے اور فہرست سازی کے ضوابط مناسب طریقے سے تعمیل کیے جائیں گے۔

تعمیل کا بیان

آپ کی کمپنی نے پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹنگ کے بعد سے کوڈ آف کارپوریٹ گورننس کی دفعات کو نافذ کیا ہے۔ بیرونی آڈیٹرز نے کارپوریٹ گورننس کے ضابطہ کی تعمیل کے بیان پر ہماری رپورٹ کا جائزہ لیا ہے، جائزہ رپورٹ اس رپورٹ کے ساتھ منسلک ہے۔

اخلاقیات اور کارپوریٹری طرز عمل

کارپوریٹ گورننس کے رہنما خطوط کے مطابق، کمپنی نے تعمیل کے لیے ایک "کوڈ آف ایٹھکس" جاری کیا ہے۔ اس پر کمپنی کے تمام ڈائریکٹرز اور ملازمین نے ضابطہ کی سمجھ اور قبولیت کو تسلیم کرتے ہوئے دستخط کیے ہیں۔

شیئرز ہولڈنگ کا بیٹرن

30 جون 2024 تک کمپنی کے شیئرز ہولڈنگ اور حصص یافتگان کے زمرے کا تفصیلی نمونہ، جیسا کہ فہرست سازی کے ضوابط کے تحت درکار ہے، اس سالانہ رپورٹ میں شامل کر دیا گیا ہے۔

پوسٹ بیلنس شیٹ تاریخ واقعہ / ٹیویٹنڈ

ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے کوئی نقد ڈیویڈنڈ نہ دینے کی سفارش کی، چاہے وہ عبوری ہو یا حتمی۔

متعلقہ پارٹی ٹرانزیکشن

فہرست سازی کے ضوابط کے تقاضوں کی تعمیل کرنے کے لیے، کمپنی نے تمام متعلقہ فریق لین دین کو آڈٹ کمیٹی اور بورڈ کے سامنے ان کے جائزے اور منظوری کے لیے پیش کیا ہے۔ تمام متعلقہ فریق کے لین دین کی تفصیلات منسلک آڈٹ شدہ مالی بیانات کے نوٹ 31 میں فراہم کی گئی ہیں۔ آپ کی کمپنی اور منسلک شخص/متعلقہ فریقین کے درمیان تمام لین دین ایک بازو کی لمبائی کی بنیاد پر کیے جاتے ہیں سوائے ان لین دین کے جن کا جواز ریکارڈ کیا گیا ہے۔

آڈیٹرز

ریٹائر ہونے والے آڈیٹرز ایم یوسف عادل اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے اپنا کام مکمل کر لیا ہے اور خود کو دوبارہ تقرری کے لیے پیش کر دیا ہے۔ بورڈ ان کی دوبارہ تقرری کی سفارش کرتا ہے اور مالی سال 2024-25 کے لیے کمپنی کے آڈیٹرز کے طور پر ایم یوسف عادل اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی تقرری کی تجویز پیش کرنے والی قرارداد کو منظوری کے لیے آئندہ سالانہ جنرل میٹنگ میں پیش کیا جائے گا۔



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پائیداری کے خطے کا انکشاف - پائیداری کا انتظام (ESG)

سال کے دوران، پاکستان کے سیکورٹیز اینڈ ایکسچینج کمیشن نے 12 جون 2024 کو اپنے نوٹیفکیشن کے ذریعے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں کچھ ترامیم (ضابطہ 10 کے سلسلے میں) جاری کیں۔ فی الحال، بورڈ ان کا جائزہ لے رہا ہے۔ اس کی ترامیم اور تعمیل، جیسا کہ قابل اطلاق ہو، مقررہ وقت میں ایک نئی یا موجودہ کمیٹی کے ذریعے انجام دی جائے گی۔

مستقبل کا آؤٹ لک

کمپنی کے مارکیٹ شیئر کو بڑھانے اور اس کے تمام کاروباری حصوں میں وسیع تر شرکت کے ذریعے انتظامیہ کی کوششوں کی وجہ سے آپ کی کمپنی کے مستقبل کے امکانات بہت زیادہ امید افزا ہیں۔ سال 2025 PSX اور کمپنی کے لیے ایک اور ترقی کا سال ہونے کی امید ہے۔ کمپنی اپنے موجودہ گاہکوں کے ساتھ ساتھ ممکنہ مالیاتی ادارے سے کمپنی کے پرمیم سوٹ آف سروسز کے ذریعے ان کے ساتھ تعلقات کو وسعت دے کر اور بڑھتے ہوئے بہتر حجم حاصل کرنے کی کوشش کر رہی ہے۔ اس میں کمپنی کی اعلیٰ معیار کی تحقیق کو بڑھانے کے ذریعے نئی مصنوعات اور خدمات کی پیشکش بھی شامل ہے۔

چینر میں چیف

جنید دادا عبدالعزیز حبیب
ایگزیکٹو آفیسر

کراچی: 27 ستمبر 2024



DAWOOD EQUITIES LIMITED

Pattern Of Share Holding - Form "34"
Shareholders Statistics As At June 30, 2024

Number of Share Holders	Share Holding			Total Shares Held
	From	To	To	
155	1	-	100	4,158
85	101	-	500	31,313
1793	501	-	1000	1,007,888
442	1001	-	5000	914,736
76	5001	-	10000	525,067
32	10001	-	15000	406,026
19	15001	-	20000	347,859
16	20001	-	25000	371,579
7	25001	-	30000	194,700
4	30001	-	35000	132,637
8	35001	-	40000	303,565
2	40001	-	45000	86,005
2	45001	-	50000	98,500
2	50001	-	55000	109,000
1	55001	-	60000	57,506
2	60001	-	65000	128,000
3	65001	-	70000	201,199
3	70001	-	75000	217,400
2	75001	-	80000	155,000
1	85001	-	90000	87,500
3	90001	-	95000	278,924
2	95001	-	100000	200,000
1	100001	-	105000	100,199
5	105001	-	110000	550,000
1	115001	-	120000	120,000
1	125001	-	130000	129,000
2	155001	-	160000	317,535
1	165001	-	170000	167,000
1	170001	-	175000	174,185
2	175001	-	180000	356,000
1	200001	-	205000	205,000
1	210001	-	215000	212,000
2	215001	-	220000	440,000
2	245001	-	250000	497,350
2	250001	-	255000	506,000
2	260001	-	265000	525,302
1	270001	-	275000	275,000
1	285001	-	290000	286,350
1	300001	-	305000	300,500
1	330001	-	335000	330,250
1	385001	-	390000	385,330
1	425001	-	430000	426,593
1	495001	-	500000	500,000
1	535001	-	540000	539,000
1	910001	-	915000	910,800
1	1240001	-	1245000	1,242,670
1	1980001	-	1985000	1,980,001
1	2225001	-	2230000	2,228,210
1	3870001	-	3875000	3,870,489
1	4065001	-	4070000	4,066,674
2698				27,500,000



DAWOOD EQUITIES LIMITED

Pattern Of Shareholding As On June 30, 2024

Shareholder's Detail	Shareholders	Shares Held	%
<u>Directors and their Spouse(s) and Minor Children</u>	7	1,981,419	7.21
Mr. Areeb Shujaat		98	0.00
Mr. Aziz Habib		1	0.00
Mr. Junaid Zakaria Dada		1,980,001	7.20
Mr. Khalid Yousuf		658	0.00
Mr. Muhammad Abbas		550	0.00
Mrs. Sobia Saif		110	0.00
Mr. Saifullah		1	0.00
Associated Companies, Undertaking And Related Parties.	-	-	-
Executives	-	-	-
Public Sector Companies and Corporations	-	-	-
<u>Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds</u>	18	9,270,561	33.71
EQUITY INTERNATIONAL (PVT) LTD		4,145,489	
B. R. R. INVESTMENT (PRIVATE) LIMITED		2,767,210	
VORSON (PRIVATE) LIMITED		676,000	
ICON CONSULTANTS (PRIVATE) LIMITED		536,350	
TAG CONSULTING (PVT.) LIMITED		330,250	
DAWOOD EQUITIES LIMITED - MF		300,500	
EVALUATION GRID (PRIVATE) LIMITED		247,350	
RS PUBLISHERS (PRIVATE) LIMITED		110,000	
MRA SECURITIES LIMITED - MF		75,000	
TRUSTEE-FIRST DAWOOD INV. BANK LTD. & OTHER EMPOLYEES P.FUND		36,000	
SALIM SOZER SECURITIES (PRIVATE) LIMITED		30,000	
IMPERIAL INVESTMENT (PVT) LTD.		7,150	
SHAFFI SECURITIES (PVT) LIMITED		3,000	
NCC - PRE SETTLEMENT DELIVERY ACCOUNT		2,379	
SARFRAZ MAHMOOD (PRIVATE) LTD		1,650	
PRUDENTIAL SECURITIES LIMITED		1,133	
CAPITAL VISION SECURITIES (PVT) LTD.		550	
ESCORTS INVESTMENT BANK LIMITED		550	
General Public	2,673	16,248,020	59.08
Total	2,698	27,500,000	100.00

Shareholders holding 5% or more

Name	Shares held	Percentage
Mr. Ayaz Dawood	5,309,344	19.31
Equity International (Pvt.) Ltd.	4,145,489	15.07
B. R. R. INVESTMENT (PRIVATE) LIMITED	2,767,210	10.06
Mr. Junaid Zakaria Dada	1,980,001	7.20



DAWOOD EQUITIES LIMITED

FINANCIAL HIGHLIGHTS

Financial Year ending June 30	2024	2023	2022	2021	2020	2019
Operating Results						
Opening Revenue	134,152,768	62,339,791	115,715,043	139,331,028	39,476,322	16,412,640
Capital Gain/(Loss) on disposal investment net.	18,523,411	(729,488)	10,964,397	11,885,816	3,922,893	2,114,390
Gain/(Loss) on remeasurment of investments carried at fair value of through profit and loss.	2,333,340	1,438,970	(6,314,107)	2,215,681	902,955	(1,414,967)
Administrative Expenses	(53,881,584)	(44,635,104)	(53,983,354)	(37,496,458)	(21,804,990)	(1,011,851)
Financial Charges	(12,306,844)	(8,202,924)	(2,461,605)	(77,951)	(69,152)	(114,563)
Other Operating Income	9,450,446	6,894,761	4,303,284	3,205,235	3,081,063	8,221,388
Other Operating Charges	(1,248,588)	(1,060,000)	(1,603,957)	(867,454)	(781,934)	(960,273)
Profit/(Loss) before taxation	46,522,563	(15,612,900)	15,507,831	59,328,662	14,613,237	5,646,764
Taxation	(15,897,162)	(8,461,153)	(5,905,274)	(17,794,695)	(6,509,168)	(5,167,204)
Profit/(Loss) after taxation	30,625,401	(24,074,053)	9,602,557	41,533,967	8,104,069	479,560
EPS	1.11	(0.88)	0.35	1.66	0.32	0.02
Pay outs						
Dividend						
Bonus%				10		
Capital & Reserve						
Authorised Share Capital	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000
Issued, subscribed and paid-up Capital	275,000,000	274,965,000	274,965,000	249,965,000	249,965,000	249,965,000
Reserves	16,175,376	(24,745,000)	4,714,411	43,099,526	(22,924,530)	(25,924,530)
Share Application Money						
Assets & Liabilities						
Total Assets	475,568,021	353,743,104	372,657,361	349,876,765	245,969,236	237,045,163
Current Assets	429,285,279	300,473,314	312,623,815	292,659,958	168,222,035	152,737,865
Current Liabilities	183,673,416	102,163,087	91,026,473	56,787,239	18,029,328	12,979,693



DAWOOD EQUITIES LIMITED

TREC HOLDER PAKISTAN STOCK EXCHANGE LIMITED - TREC No. 058
MEMBER OF PAKISTAN MERCANTILE EXCHANGE - PMEX CODE 195

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

Name of the company: **DAWOOD EQUITIES LIMITED**
YEAR ENDED: **30 JUNE 2024**

1. The total number of directors are **07** as per the following:

- a. Male: **06**
- b. Female: **01**

2. The composition of the board is as follows:

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

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

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
- 4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- 5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
- 8. The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9. The directors of the Company are experienced and seasoned corporate professionals and are well-versed with the relevant laws applicable to the Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities. The four directors on the Board have already taken certification under the Directors Training Program (DTP), remaining director will complete his DTP program during FY25.
- 10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. The Chief Financial Officer has also been assigned the responsibilities of Company Secretary. CFO and CEO duly endorsed the financial statements before approval of the board.
- 11.

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Tel: (92-21) 32271881-83 Fax: (92-21) 32275086
Email: info@dawoodequities.com

Stock Exchange Branch:
Room # 409, 410, New Stock Exchange Building,
Stock Exchange Road, Karachi.
Tel: (92-21) 32418873-74

For Branches Please Visit: www.dawoodequities.com



DAWOOD EQUITIES LIMITED

TREC HOLDER PAKISTAN STOCK EXCHANGE LIMITED - TREC NO. 058
MEMBER OF PAKISTAN MERCANTILE EXCHANGE - PMEX CODE 195

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

AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

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

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

For and behalf of the board



Chairman

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DAWOOD EQUITIES LIMITED

◆ YOUSUF ADIL

Yousuf Adil
Chartered Accountants

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

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Dawood Equities Limited** (the Company), which comprise the statement of financial position as at June 30, 2024, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

S. No.	Key Audit Matter	How the matter was addressed in our audit
1.	<p>Revenue recognition</p> <p>Refer note 5.14 and 21 to the financial statements relating to revenue recognition.</p> <p>The Company generates revenue from brokerage services and related services.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We obtained an understanding of, assessed and tested the design and implementation of key internal controls over the recording of revenue; We assessed the appropriateness of the company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards;

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DAWOOD EQUITIES LIMITED

◆ YOUSUF ADIL

Yousuf Adil
Chartered Accountants

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

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

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

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DAWOOD EQUITIES LIMITED

YOUSUF ADIL

Yousuf Adil
Chartered Accountants

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

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DAWOOD EQUITIES LIMITED

YOUSUF ADIL

Yousuf Adil
Chartered Accountants

- c) investment made, expenditure incurred and guarantees extended during the year were for the purpose of Company's business;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- e) The Company was in compliance with the requirement of Section 78 of the Securities Act 2015, Section 62 of the Future Market Act, 2016 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial statements were prepared.
- f) The Company was in compliance with the relevant requirements of Futures Brokers (Licensing and Operations Regulations), 2018 as at the date on which the statement of financial position was prepared.

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


Chartered Accountants

Place: Karachi
Date: October 01, 2024
UDIN: AR202410057G3mdTWHv5

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited



DAWOOD EQUITIES LIMITED

◆ YOUSUF ADIL

Yousuf Adil
Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Dawood Equities Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 for the year ended June 30, 2024

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors (the Board) of Dawood Equities Limited (the Company) for the year ended June 30, 2024 in accordance with the requirements of Regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

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

S. No.	Paragraph Reference	Description
1	19	Regulation 24 states that "No person shall be appointed as the company secretary unless he holds the qualification as specified under the relevant Regulations by the Commission: Provided, the same person shall not simultaneously hold office of chief financial officer and the company secretary of a listed company." However, during the course of our review we observed that the company secretary and the Chief Financial Officer is the same person.


Chartered Accountants

Place: Karachi
Date: October 01, 2024
UDIN: CR202410057grRU9EGMe

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Deloitte Touche Tohmatsu Limited



DAWOOD EQUITIES LIMITED

Audited Financial Statements
For The Year Ended
June 30 2024





DAWOOD EQUITIES LIMITED

STATEMENT OF FINANCIAL POSITION
As At June 30, 2024

	Note	June 30, 2024 ----- (Rupees) -----	June 30, 2023 -----
ASSETS			
Non-current assets			
Property and equipment	6	8,931,031	10,561,203
Investment property	7	4,434,122	4,790,998
Intangible assets	8	6,000,000	6,000,000
Long term deposits	9	2,150,000	2,150,000
Deferred tax asset	10	24,767,589	29,767,589
		<u>46,282,742</u>	<u>53,269,790</u>
Current assets			
Short term investments	11	75,409,140	55,231,309
Trade debts	12	201,676,331	175,231,732
Receivable against margin finance		11,767,141	10,450,883
Advances deposits and prepayments	13	95,033,216	23,292,377
Other receivables	14	23,729,339	16,054,491
Taxation - net		3,146,145	11,114,374
Bank balances	15	18,523,967	9,098,148
		<u>429,285,279</u>	<u>300,473,314</u>
Total assets		<u><u>475,568,021</u></u>	<u><u>353,743,104</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	16	275,000,000	274,965,000
Reserves		16,175,376	(24,745,000)
		<u>291,175,376</u>	<u>250,220,000</u>
Non current liabilities			
Rental deposits		25,000	25,000
Lease liability	17	694,229	1,335,017
		<u>719,229</u>	<u>1,360,017</u>
Current liabilities			
Trade and other payables	18	138,228,865	37,407,250
Unclaimed dividend		230,336	230,336
Short term running finance facility	19	44,573,427	63,934,041
Current portion of lease liability	17	640,788	591,460
		<u>183,673,416</u>	<u>102,163,087</u>
Total equity and liabilities		<u><u>475,568,021</u></u>	<u><u>353,743,104</u></u>
Contingencies and commitments	20		

The annexed notes from 1 to 41 form an integral part of these financial statements

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

**PROFIT OR LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2024**

		June 30, 2024	June 30, 2023
	Note	----- (Rupees) -----	-----
Revenue from contract with customers	21	134,152,768	62,339,791
Commission to agents and dealers		(46,581,306)	(22,647,430)
		87,571,462	39,692,361
Capital gain / (loss) on disposal of investments - net	22	18,523,411	(729,488)
Net unrealised gain on re-measurement of investments classified as financial assets at fair value through profit or loss	23	2,333,340	1,438,970
		108,428,213	40,401,843
Administrative expenses	24	(53,881,584)	(44,635,104)
Allowance for expected credit losses		(3,919,080)	(9,011,477)
		50,627,549	(13,244,738)
Financial charges	25	(12,306,844)	(8,202,924)
		38,320,705	(21,447,661)
Other operating income	26	9,450,446	6,894,761
Other operating charges	27	(1,248,588)	(1,060,000)
Profit / (loss) before final tax, revenue tax and income tax		46,522,563	(15,612,900)
Final tax	28	(1,992,659)	(78,848)
Profit / (loss) before revenue tax and income tax		44,529,904	(15,691,748)
Revenue tax	29	(968,313)	(1,471,804)
Profit / (loss) before income tax		43,561,591	(17,163,552)
Income tax - net	30	(12,936,190)	(6,910,501)
Profit / (loss) after taxation		30,625,401	(24,074,053)
Earnings / (loss) per share - basic and diluted	31	1.11	(0.88)

The annexed notes from 1 to 41 form an integral part of these financial statements

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

		June 30, 2024	June 30, 2023
	Note	(Rupees)	(Rupees)
Profit / (loss) for the year		30,625,401	(24,074,053)
Other comprehensive income for the period			
Items that will not be reclassified subsequently to statement of profit or loss			
Net unrealised gain / (loss) on re-measurement of investments classified as financial assets at fair value through other comprehensive income	11	10,294,975	(5,385,358)
Total comprehensive income for the year		40,920,376	(29,459,411)

The annexed notes from 1 to 41 form an integral part of these financial statements

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024**

	Reserves					Sub total	Total equity
	Issued, subscribed and paid up capital	Capital		Revenue			
		Deficit on remeasurement of investment At fair value through OCI	Share premium	Accumulated (loss) / profit			
----- (Rupees) -----							
Balance as at June 30, 2022	274,965,000	(16,497,891)	49,973,750	(28,761,448)		4,714,411	279,679,411
Loss for the year	-	-	-	(24,074,053)		(24,074,053)	(24,074,053)
Other comprehensive income							
Net unrealised loss on re-measurement of investments classified as financial assets at fair value through other comprehensive income	-	(5,385,358)	-	-		(5,385,358)	(5,385,358)
Total comprehensive income for the year	-	(5,385,358)	-	(24,074,053)		(29,459,411)	(29,459,411)
Balance as at June 30, 2023	274,965,000	(21,883,249)	49,973,750	(52,835,501)		(24,745,000)	250,220,000
Share capital during the year	35,000	-	-	-		-	-
Profit for the year	-	-	-	30,625,401		30,625,401	30,625,401
Other comprehensive income							
Net unrealised gain on re-measurement of investments classified as financial assets at fair value through other comprehensive income	-	10,294,975	-	-		10,294,975	10,294,975
Total comprehensive income for the year	-	10,294,975	-	30,625,401		40,920,376	40,920,376
Balance as at June 30, 2024	275,000,000	(11,588,274)	49,973,750	(22,210,100)		16,175,376	291,175,376

The annexed notes from 1 to 41 form an integral part of these financial statements

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

STATEMENT OF CASH FLOW.
FOR THE YEAR ENDED JUNE 30, 2024

	Note	June 30, 2024	June 30, 2023
		(Rupees)	
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss) before taxation		46,522,563	(15,612,900)
Adjustment for non cash items:			
Depreciation - property and equipment	6.1 & 6.3	2,533,744	2,519,763
Depreciation - investment property	7.1	356,876	356,876
Net unrealised (gain) / loss on re-measurement of investments classified as financial assets at fair value through profit or loss	23	(2,333,340)	(1,438,970)
Capital (gain) / loss on disposal of investments - net	22	(18,523,411)	729,488
(Gain) / Loss on disposal of operating fixed asset	26	(30,425)	(9,300)
Provision for expected credit losses	12	3,919,080	9,011,477
Dividend income	21	(794,513)	(525,650)
Profit on saving accounts	26	(2,077,608)	(1,118,267)
Interest expense on lease liability	17	128,540	174,071
Other financial charges	25	12,178,304	8,028,853
		41,879,810	2,115,441
(Increase) / decrease in current assets			
Trade debts		(30,363,680)	(9,843,713)
Receivable against margin finance		(1,316,258)	(6,296,508)
Advance deposits and prepayments		(71,740,839)	(3,107,246)
Other receivables		(7,639,848)	(2,674,809)
		(111,060,624)	(21,922,277)
(Decrease) / Increase in current liabilities			
Trade and other payables		100,821,615	(840,693)
Cash generated from / (used in) from operating activities		31,640,801	(20,647,529)
Taxes paid		(2,928,932)	(6,120,000)
Other financial charges paid		(12,178,304)	(8,028,853)
		(15,107,236)	(14,148,853)
Net cash used in operating activities		16,533,565	(34,796,381)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of operating fixed asset	6.1	(928,947)	(895,363)
Proceeds from sale of operating fixed asset		55,800	54,280
Net proceeds / (acquisition) in short term investments		10,973,894	24,855,910
Long term deposit paid		-	(262,500)
Dividend received		794,513	525,650
Bank profit received		2,077,608	1,118,267
Net cash generated from investing activities		12,972,868	25,396,244



DAWOOD EQUITIES LIMITED

STATEMENT OF CASH FLOW.
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023
Note	----- (Rupees) -----	
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	<u>(720,000)</u>	<u>(720,000)</u>
Cash used in financing activities	<u>(720,000)</u>	<u>(720,000)</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	28,786,433	(10,120,137)
Cash and cash equivalents at the beginning of the year	<u>(54,835,893)</u>	<u>(44,715,756)</u>
Cash and cash equivalents at the end of the year	<u>(26,049,460)</u>	<u>(54,835,893)</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	15 18,523,967	9,098,148
Short term running finance liability	19 (44,573,427)	(63,934,041)
	<u>(26,049,460)</u>	<u>(54,835,893)</u>

The annexed notes from 1 to 41 form an integral part of these financial statements

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2024

1. CORPORATE INFORMATION, OPERATIONS AND LEGAL STATUS

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

1.1 The business units of the Company include the following:

Business Units	Geographical location
- Head office - Karachi	1700-A, 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 2 - Karachi	Room 806, New Stock Exchange Building, Stock Exchange Road, I.I Chundrigar Road Karachi.
- Bantvanagar Branch - Karachi	Shop No. 2, Plot No. C-10 Bantavangar Liguatabad, Karachi.
- Gulistan e Johar 2 Branch - Karachi	Office 2, Ground floor house no. R.44 ST.11 Block 15 Gulistan E Johar, Karachi
- Hyderabad Branch	Suit no: 07 Mezzanine Floor, Auto Bhan Tower Auto, Auto Bhan Road, Latifabad no. 3, Hyderabad
- Faisalabad Branch	5th floor, State life Building Liaqat Road, Faisalabad
- Lahore Branch	Room no 8, First floor , 10 A, Kibria Town, Raiwind Road , P.O Thokar Niazbaig, Lahore
- Sargodha Branch	Office no.134, First floor, Al- Rehman Plaza, University Road, Sargodha

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act);



DAWOOD EQUITIES LIMITED

- Provisions of and directives issued under the Act;
- Securities Brokers (Licensing and Operations) Regulations, 2016;
- Futures Brokers (Licensing and Operations) Regulations Act;
- Central Depository Company of Pakistan Limited (CDC) Regulations; and
- Futures Brokers (Licensing and Operations) Regulations, 2018.

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

2.2 Basis of Measurement

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

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

The preparation of these financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and in future periods, if the revision affects both current and future periods.

Critical judgements

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

	Note
a) determining the residual values and useful lives of the property and equipment	5.1
b) impairment of financial assets and provisions - for expected credit loss allowance	5.6.3
c) impairment of non financial assets	5.5
d) provision for taxation including deferred tax	5.4
e) provision against liability and contingencies	5.16
f) lease liabilities	5.9.1



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3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

3.1 New amendments that are effective for the year ended June 30, 2024

The following amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 - Disclosure of accounting policies	January 1, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 1, 2023
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023
- Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules	January 1, 2023

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

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

	Effective from accounting period beginning on or after:
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
- IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants	January 01, 2024
- Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7' Financial Instruments Disclosures' - Supplier Finance Arrangements	January 01, 2024



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

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 – Presentation and Disclosures in Financial Statements
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures

4. ADOPTION OF NEW ACCOUNTING POLICY

4.1 Accounting for minimum tax and final tax

The guide was issued by Institute of Chartered Accountants of Pakistan (ICAP) in May 2024 'IAS 12 Application Guidance on Accounting for Minimum tax and Final tax' (the guide) which would be applicable for the reporting year June 30, 2024 and onwards.

In the given guide it has been stated that minimum tax and final tax which are charged as per the provisions of the Income Tax Ordinance, 2001 (ITO), previously were accounted for and presented as income tax within the scope of IAS 12 'Income taxes'. However, as per IAS 12, income taxes includes all domestic and foreign taxes which are based on taxable profits. Whereas the term taxable profits / (losses) as per IAS 12 states that "taxable profit (tax loss) is the profit (loss) for a period, determined in accordance with the rules established by the taxation authorities, upon which income taxes are payable (recoverable)."

In continuation of this, the guide has referred para BC4 of IFRIC 21 'Levies' where it is further clarified that taxes whose calculation is based on gross amounts such as revenue do not meet the definition of income taxes since it is not based on taxable profits hence these are considered as 'Levies' as per IFRIC 21.

In view of the above clarifications from ICAP, it has been established that minimum tax and final taxes do not meet the criteria of income tax expense as per IAS 12 hence it should be accounted for under IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

The guide issued by ICAP provides two (2) approaches to account for minimum and final regime taxes, which is a choice of accounting policy of which the Company has chosen the following:

Approach (b):

Designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21/IAS 37.

Under approach (b) i.e. when the excess is treated as a 'levy', the effective rate of income tax is equal to the enacted rate of income tax.

Similarly, any amount deducted as final taxes will be classified as a levy in the statement of profit or loss and there would be no deferred tax liability / (asset) recognised in case of final tax.

Super tax charged to entities as per provisions of ITO, will be classified as either 'Income Tax' or 'levy' in accordance with guide stated in preceding paragraphs of this guide [i.e. if super tax calculation is based on taxable profits as defined in IAS 12, then, such super tax shall be recognised as 'income tax' otherwise such super tax shall qualify for recognition as 'levy' as per IFRIC 21 / IAS 37].

Advance taxes paid under any section of the ITO, except minimum taxes paid under section 113, which are termed as levy as per the above guide will be classified as 'prepaid assets'.

The above changes have been accounted for in these financial statements as per the requirements of IAS 8



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'Accounting Policies, Changes in Accounting Estimates and Errors'. The adoption of this policy did not result in re-statement of financial statements since deferred tax asset recognised in the year ended June 30, 2023 was already at average rate and the application of this guide did not result any material differences except for reclassifications which are presented as below:

	Note	Current Classification	Previous Classification
<i>Effect on statement of profit or loss:</i>			
<i>For the year ended June 30, 2023</i>			
<i>Taxation:</i>			
- Current year		-	1,550,652
<i>Revenue taxes:</i>			
- minimum taxes	29	1,471,804	-
<i>Final taxes:</i>			
- dividend income	28	78,848	-
		<u>1,550,652</u>	<u>1,550,652</u>

4.2 Significant Accounting Policy to Material Accounting Policies Information

During the year, the Company adopted the Disclosure of Accounting Policies (Amendments to IAS 1) from January 01, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves.

5. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These have been consistently applied to all the years presented, unless otherwise stated.

5.1 Property and equipment

5.1.1 Operating fixed asset

These are operating fixed assets which are stated at cost less accumulated depreciation and impairment, if any. Such costs include the cost of replacing parts of operating fixed assets when that cost is incurred. Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Depreciation is charged to statement of profit or loss over the useful life of the asset on a systematic basis applying the straight line method at the rates specified in note 6 to the financial statements.

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

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

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

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

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



5.1.2 Right of use assets

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

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

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

5.2 Investment property

Investment property is held to earn rentals or for capital appreciation or both and is measured at cost less any accumulated depreciation and any impairment losses, if any. Maintenance and normal repairs are charged to statement of profit or loss as and when incurred.

5.2.1 Depreciation

Depreciation on this property is measured at cost less any accumulated depreciation and any impairment losses, if any. The depreciation on investment property measured at cost is charged to administrative expenses. Depreciation is charged to statement of profit or loss over the useful life of the asset on a systematic basis applying the straight line method at the rates specified in note 7.

5.3 Intangible assets

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

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

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

5.4 Taxation

i. Current tax

Provision for current taxation is based on taxable income at the enacted / corporate tax rate after taking into account tax credits and rebates available, if any, as per the ITO.

ii. Revenue tax

Minimum tax include levies as per IFRIC 21 which comprises of minimum tax as per section 113 and minimum taxes under various sections of ITO.



DAWOOD EQUITIES LIMITED

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- (a) those outflows of resources that are within the scope of other standards.
- (b) fines or other penalties that are imposed for breaches of the legislation.

In these financial statements, levy includes minimum taxes differential, if any, final taxes and super taxes which are calculated on a basis other than taxable profits. The corresponding advance tax paid, except for minimum taxes under section 113, which are treated as levy are recognised as prepaid assets.

iii. Final tax

Final tax includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under ITO.

Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

iv. Deferred tax

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the average effective rate of tax as determined in approach (b) to the guide issued by ICAP.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

Deferred tax assets and liabilities are measured at enacted tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

5.5 Impairment of non-financial asset

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

5.6 Financial instruments

5.6.1 Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

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



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Financial assets at amortised cost

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

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

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

Financial assets at FVTOCI

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

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

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

Financial assets at FVTPL

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

5.6.2 Subsequent measurement

Financial assets and liabilities at amortised cost

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

Financial assets at FVTOCI

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

Financial assets and liabilities at FVTPL

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

Valuation of investments

Fair values of investments are determined as follows:



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Listed shares

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

Unlisted shares

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

5.6.3 Impairment of financial assets at amortised cost

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

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

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

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

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

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

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

5.6.4 Derecognition

Financial assets

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

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

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



DAWOOD EQUITIES LIMITED

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

5.7 Trade debts and other receivables

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

5.8 Cash and cash equivalents

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

5.9 Leases

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

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

5.9.1 Lease liabilities

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

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

5.10 Financial liabilities

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

5.11 Offsetting of financial assets and financial liabilities

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



DAWOOD EQUITIES LIMITED

5.12 Trade and other payables

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

5.13 Proposed dividend and transfer between reserves

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

5.14 Revenue recognition

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

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

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

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

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

Commission income is recognised on accrual basis.

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

Dividend income is recorded when the right to receive the dividend is established.

Return on securities other than shares is recognised on accrual basis.

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

5.15 Rental income

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

5.16 Provisions

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



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5.17 Segment reporting

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

5.18 Settlement date accounting

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

5.19 Employee retirement benefits-defined contribution plan

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

6. Property and equipment	Note	June 30, 2024	June 30, 2023
		(Rupees)	
Operating fixed assets	6.1	7,740,512	8,775,420
Right of use asset	6.3	1,190,519	1,785,783
		8,931,031	10,561,203

6.1. Operating fixed assets

Particulars	June 30, 2024				June 30, 2024				Written down value as at June 30, 2024	Depreciation rate (%)
	Cost				Accumulated Depreciation					
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Depreciation for the year	Disposals	Closing balance		
	(Rupees)									
Building	7,137,500	-	-	7,137,500	2,346,502	356,876	-	2,703,378	4,434,122	5
Furniture and fixture	3,952,050	-	-	3,952,050	1,725,808	749,111	-	2,474,919	1,477,131	20
Vehicles	1,377,900	274,000	(290,500)	1,361,400	578,617	259,850	(265,125)	573,342	788,058	20
Office equipment	655,188	-	-	655,188	363,713	97,437	-	461,150	194,038	20
Computers	3,646,265	654,947	-	4,301,212	2,978,843	475,206	-	3,454,049	847,163	33
	16,768,903	928,947	(290,500)	17,407,350	7,993,483	1,938,480	(265,125)	9,666,838	7,740,512	

Particulars	June 30, 2023				June 30, 2023				Written down value as at June 30, 2024	Depreciation rate (%)
	Cost				Accumulated Depreciation					
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Depreciation for the year	Disposals	Closing balance		
	(Rupees)									
Building	7,137,500	-	-	7,137,500	1,989,626	356,876	-	2,346,502	4,790,998	5
Furniture and fixture	3,932,050	20,000	-	3,952,050	931,480	794,328	-	1,725,808	2,226,242	20
Vehicles	1,010,400	460,500	(93,000)	1,377,900	507,559	164,058	(93,000)	578,617	799,283	20
Office equipment	640,188	15,000	-	655,188	213,806	149,907	-	363,713	291,475	20
Computers	3,291,382	399,863	(44,980)	3,646,265	2,519,513	459,330	-	2,978,843	667,422	33
	16,011,520	895,363	(137,980)	16,768,903	6,161,984	1,924,499	(93,000)	7,993,483	8,775,420	



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6.2 Operating fixed assets include fully depreciated assets amounting to Rs. 3.15 million (June 30, 2023 : Rs. 1.75 million) as at June 30, 2024.

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

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

6.3 Right of use asset	Note	June 30, 2024	June 30, 2023
		(Rupees)	
Opening balance		1,785,783	2,381,047
Depreciation expense	24	(595,264)	(595,264)
Closing balance		<u>1,190,519</u>	<u>1,785,783</u>
		(Percentage)	
Depreciation rate		<u>20%</u>	<u>20%</u>

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

7. INVESTMENT PROPERTY

Cost		7,137,500	7,137,500
Accumulated depreciation	7.1	(2,703,378)	(2,346,502)
		<u>4,434,122</u>	<u>4,790,998</u>

7.1 Accumulated depreciation

Opening balance		2,346,502	1,989,626
Charge for the year	24	356,876	356,876
Closing balance		<u>2,703,378</u>	<u>2,346,502</u>
		(Percentage)	
Depreciation rate		<u>5%</u>	<u>5%</u>

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

8. INTANGIBLE ASSETS

Trading Rights Entitlement certificate (TREC)	8.1	2,500,000	2,500,000
Pakistan Merchantile Exchange (PMEX)	8.1	3,500,000	3,500,000
Universal Trading Rights Entitlement Certificate			
Software	8.2	-	-
		<u>6,000,000</u>	<u>6,000,000</u>



DAWOOD EQUITIES LIMITED

- 8.1** Trading rights entitlement certificate (TREC) and PMEX universal trading rights entitlement certificate are both obtained for trading purpose and have indefinite useful life. These are carried at cost less impairment, if any.
- 8.2** This represents fully amortised software currently used by the Company for trading of shares and back office operations having cost of Rs.1.45 million.

9. LONG TERM DEPOSITS	Note	June 30, 2024	June 30, 2023
		(Rupees)	
National Clearing Company of Pakistan Limited (NCCPL)		1,400,000	1,400,000
Pakistan Mercantile Exchange (PMEX)		750,000	750,000
		<u>2,150,000</u>	<u>2,150,000</u>

10. DEFERRED TAX ASSET

Relating to taxable temporary difference

Accelerated depreciation	(1,151,171)	(1,310,390)
Amortisation - Intangibles	(1,740,000)	-
Unrealised gain on remeasurement of investments	(1,224,764)	-
	(4,115,935)	(1,310,390)

Relating to deductible temporary difference

Trade debts - Allowance for expected credit loss	28,883,525	31,077,979
	<u>24,767,589</u>	<u>29,767,589</u>

- 10.1** The management has not recorded the deferred tax asset against lease liability and allowances for expected credit losses of amounting to Rs. 0.04 million and Rs. 21.22 million respectively due to the uncertainty over availability of future estimated taxable profits required to recover the benefit.

11. SHORT TERM INVESTMENTS

Listed securities - Investments classified as financial assets at fair value through other comprehensive income	11.1	24,376,828	14,081,852
Unlisted securities - Investments classified as financial assets at fair value through profit or loss	11.2	21,790,333	29,976,507
Listed securities - Investments classified as financial assets at fair value through profit or loss	11.3	29,241,979	11,172,950
		<u>75,409,140</u>	<u>55,231,309</u>

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

June 30, 2024	June 30, 2023	Name of investee	June 30, 2024		June 30, 2023
			Carrying value	Market value	Market value
---- (Number of shares) ----			(Rupees)		
<u>1,902,953</u>	<u>1,902,953</u>	PSX Limited	<u>14,081,853</u>	<u>24,376,828</u>	<u>14,081,852</u>



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

June 30, 2024	June 30, 2023	Name of investee	June 30, 2024		June 30, 2023
			Carrying value	Market value	Market value
---- (Number of shares) ----			(Rupees)		
<u>1,183,613</u>	<u>1,583,545</u>	Dawood Family Takaful Limited	<u>22,041,195</u>	<u>21,790,333</u>	<u>29,976,507</u>

11.2.1 The fair / embedded value of these shares based on actuarial valuation of the investee company is Rs. 18.41 (June 30, 2023: Rs.18.93) per share.

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

June 30, 2024	June 30, 2023	Name of investee	June 30, 2024			June 30, 2023
			Note	Carrying value	Market value	Market value
---- (Number of shares) ----			(Rupees)			
INVESTMENT COMPANY						
2,301	7,801	786 Investments Limited		12,402	12,379	42,048
25,000	25,000	Jahangir Siddiqui & Company Limited		162,500	182,500	162,500
25,000	25,000	First Dawood Properties Limited		40,000	57,250	40,000
1,000	-	Dawood Hercules Corporation Limited		139,005	160,930	-
MODARABAS						
100	190,100	B.R.R Guardian Modaraba		1,150	1,569	2,186,150
SUGAR & ALLIED INDUSTRIES						
949,871	949,871	Ansari Sugar Mills Limited	11.4	-	-	-
REFINERY						
17,000	-	Cnergyco PK Limited (Byco Petroleum Pakistan Limited)		83,645	65,450	-
7,000	2,500	National Refinery Limited		1,965,695	1,858,360	375,000
25,000	-	Pakistan Refinery Limited		711,217	580,000	-
CHEMICAL						
250	250	Ghani Chemical Industries Limited		2,360	2,758	2,360
60,000	10,000	Engro Polymer & Chemicals Limited		2,815,144	2,695,200	422,500
65,500	-	Lotte Chemical Pakistan Limited		1,158,082	1,158,040	-
500	-	Pakistan Oxygen Limited		47,028	40,240	-
PACKAGING						
6,325	6,325	Ecopack Limited		91,713	98,544	91,713
-	3,473	Pakistan Aluminium Beverage Cans Limited		-	-	157,049
FERTILIZER						
25,000	82	Fauji Fertilizer Bin Qasim Limited		854,515	886,750	966



DAWOOD EQUITIES LIMITED

June 30, 2024	June 30, 2023	Name of investee	June 30, 2024		June 30, 2023
			Carrying value	Market value	Market value
---- (Number of shares) ----			----- (Rupees) -----		
OIL & GAS MARKETING COMPANIES					
100,000	641	Hascal Petroleum Limited	646,819	619,000	3,558
5,000	-	Pakistan State Oil Company Limited	885,576	831,050	-
53,309	-	Sui Southern Gas Company Limited	625,258	505,369	-
-	5,000	Hi Tech Lubricants Limited	-	-	106,150
5,000	-	Shell Pakistan Limited	677,524	670,500	-
30,000	10,000	Sui Northern Gas Pipelines Limited	2,125,926	1,904,100	393,700
1,000	-	Attock Petroleum Limited	407,014	386,240	-
INSURANCE					
1	1	IGI Life Insurance Limited	8	13	8
TEXTILE COMPOSITE					
5,000	-	Chakwal Spinning Mills Ltd	207,507	115,700	-
25,000	-	Nishat Chunian Limited	763,778	655,250	-
SYNTHETIC & RAYON					
5,000	-	Image Pakistan Limited	54,423	66,100	-
CABLE & ELECTRICAL GOODS					
-	2,219	Pak Elektron Limited	-	-	20,082
-	-	Singer Pakistan Limited	-	-	-
-	2,000	Waves Home Appliances Limited	-	-	8,860
99,586	-	Fast Cables Limited	2,434,878	2,381,101	-
POWER GENERATION & DISTRIBUTION					
170,000	24,792	K-Electric Limited	787,129	787,100	42,642
2,000	2,000	Kot Addu Power Company Limited	59,453	66,220	41,600
AUTOMOBILE PARTS & ACCESSORIES					
3,650	3,650	Loads Limited	23,178	33,945	23,178
COMMERCIAL BANKS					
-	15,000	National Bank Of Pakistan	-	-	292,200
5,000	5,000	Bank Makramah Limited	8,750	9,200	8,750
-	-	Meezan Bank Limited	-	-	-
100,000	27,500	The Bank Of Punjab	631,392	487,000	95,425
50,000	-	Silk Bank Limited	52,503	45,500	-
TRANSPORT					
7,300	-	Pakistan International Container Terminal Limited	443,376	286,087	-



DAWOOD EQUITIES LIMITED

June 30, 2024	June 30, 2023	Name of investee	June 30, 2024		June 30, 2023	
			Note	Carrying value	Market value	Market value
---- (Number of shares) ----			----- (Rupees) -----			
		ENGINEERING				
8,000	-	Crescent Steel & Allied Products Limited		582,779	432,080	-
2,000	-	KSB Pumps Company Limited		264,520	226,720	-
		CEMENT				
336	836	Power Cement Limited - Preference shares		2,349	3,528	5,844
-	100	Cherat Cement Company Limited		-	-	12,028
-	360,847	Flying Cement Company Limited		-	-	1,999,092
10,000	-	Maple Leaf Cement Factory Limited		422,015	380,000	
		OIL & GAS EXPLORATION COMPANIES				
-	10,000	Pakistan Petroleum Limited		-	-	591,400
		AUTOMOBILE ASSEMBLER				
4,000	32,529	Sazgar Engineering Works Limited		1,697,252	3,329,840	1,654,100
		PHARMACEUTICALS				
35,000	2,938	The Searle Company Limited		2,071,701	1,999,200	112,584
10,000	10,000	AGP Limited	11.3.1	595,546	923,700	564,800
5,000	-	Citi Pharma Limited		146,955	142,500	-
		FOOD & PERSONAL CARE PRODUCTS				
-	18,145	Organic Meat Limited		-	-	377,054
96,829	26,500	Treet Corporation Limited		1,739,095	1,506,659	419,495
100	50,000	Fauji Foods Limited		1,007	887	287,000
5,000	-	Bunny's Limited		74,075	66,700	-
500	-	S. S. Oil Mills Limited		49,510	36,160	-
		TECHNOLOGY & COMMUNICATION				
15,000	-	TRG Pakistan Limited		1,147,750	930,750	-
24,000	24,000	TPL Corp limited		140,659	112,560	144,240
-	26,875	Telecard Limited		-	-	177,375
125,000	-	Pakistan Telecommunication Company Limited		1,839,210	1,501,250	
		PROPERTY				
-	25,000	TPL Properties Limited		-	-	311,500
				29,738,844	29,241,979	11,172,950

11.3.1 Shares of AGP are pledged against 40% of value for running finance facility in Bank Alfalah.

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



DAWOOD EQUITIES LIMITED

	Note	June 30, 2024	June 30, 2023
		(Rupees)	
12. TRADE DEBTS			
- Secured	12.1	189,450,738	141,596,201
- Unsecured		185,008,348	202,499,205
		374,459,086	344,095,406
Allowance for expected credit losses	12.6	(172,782,755)	(168,863,675)
		201,676,331	175,231,731

12.1 Trade debts are secured against property and shares.

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

Name of related party	June 30, 2024		June 30, 2023	
	Outstanding balance	Maximum aggregate amount	Outstanding balance	Maximum aggregate amount
(Rupees)				
Equity International (Private) Limited	612,431	6,358,552	2,568,793	2,966,150
B. R. R. Investment (Private) Limited	284,968	55,305,788	4,175	29,187,074
FDIBL and Employee Provident Fund	137,432	16,660,113	3,358	17,884,684
Muhammad Abbas Rizvi	5,449	5,449	-	-
Abdul Aziz Habib	1,212	1,212	-	-
Junaid Dada	4,003	4,003	-	-
Muhammad Khalid	77,994	77,993	-	-
Rafique Dawood	-	-	445	2,445,787
Areeb Shujaat	58,150	675,309	350,259	822,975
Ayaz Dawood	-	15,232,387	2,010,029	22,873,430
Sobia Saif	2,378,470	2,722,191	364,393	950,442
Saifullah	1,471,929	1,823,323	369,821	1,065,557
Salman Yaqoob	4,351,798	6,343,810	2,738,362	3,607,734
Nabeel Arif	7,836,854	11,405,846	7,547,155	8,490,044
	17,220,690	116,615,977	15,973,214	99,448,281

12.3 Ageing analysis of trade receivables

	June 30, 2024			June 30, 2023		
	Due from Related Parties	Other Parties	Total	Due from Related Parties	Other Parties	Total
(Rupees)						
Not Overdue:	-	-	-	-	-	-
Past Due (Less than 30 days)	13,720,465	70,630,611	84,351,076	4,874,951	23,523,374	28,398,325
Past Due (Less than 60 days)	2,037,150	30,749,492	32,786,642	883,637	16,288,159	17,171,796
Past Due (Less than 90 days)	1,374,917	17,256,707	18,631,624	440,464	3,213,190	3,653,654
Past Due (Less than 365 days)	1,906	50,862,126	50,864,032	9,774,161	79,536,835	89,310,996
Past Due (Over 365 days)	86,252	187,739,460	187,825,712	-	205,560,635	205,560,635
Total trade receivables	17,220,690	357,238,396	374,459,086	15,973,213	328,122,193	344,095,406
Impairment provision for trade receivable	-	(172,782,755)	(172,782,755)	-	(168,863,675)	(168,863,675)
	17,220,690	184,455,641	201,676,331	15,973,214	159,258,518	175,231,731



DAWOOD EQUITIES LIMITED

12.4 Ageing analysis of trade receivables

June 30, 2024

Name of Related Party	Not Overdue	Past Due (Less than 30 days)	Past Due (Less than 60 days)	Past Due (Less than 90 days)	Past Due (Less than 365 days)	Past Due (Over 365 days)	Impairment provision for trade receivable	Net trade receivable
(Rupees)								
Equity International (Private) Limited	-	612,431	-	-	-	-	-	612,431
B. R. R. Investment (Private) Limited	-	284,968	-	-	-	-	-	284,968
FDIBL and Employee Provident Fund	-	137,432	-	-	-	-	-	137,432
Muhammad Abbas Rizvi	-	-	-	-	700	4,749	-	5,449
Abdul Aziz Habib	-	-	-	-	500	712	-	1,212
Junaid Dada	-	-	500	-	-	3,503	-	4,003
Muhammad Khalid	-	-	-	-	706	77,288	-	77,994
Areeb Shujaat	-	18	58,133	-	-	-	-	58,151
Ayaz Dawood	-	-	-	-	-	-	-	-
Sobia Saif	-	1,364,196	680,682	333,591	-	-	-	2,378,469
Saifullah	-	1,471,929	-	-	-	-	-	1,471,929
Salman Yaqoob	-	2,740,811	569,661	1,041,326	-	-	-	4,351,798
Nabeel Arif	-	7,108,680	728,174	-	-	-	-	7,836,854
Total	-	13,720,465	2,037,150	1,374,917	1,906	86,252	-	17,220,690

June 30, 2023

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



DAWOOD EQUITIES LIMITED

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

	June 30, 2024			June 30, 2023		
	Due from related parties	Other parties	Total	Due from related parties	Other parties	Total
	(Rupees)					
Upto five days	2,210,792	31,425,294	33,636,087	2,754,450	10,176,364	12,930,814
More than five days	15,009,898	325,813,102	340,822,999	13,218,763	317,945,829	331,164,592
	<u>17,220,690</u>	<u>357,238,396</u>	<u>374,459,086</u>	<u>15,973,213</u>	<u>328,122,193</u>	<u>344,095,406</u>

12.6 Allowance for expected credit loss	Note	June 30, 2024	June 30, 2023
		(Rupees)	
Opening balance		168,863,675	159,852,198
Provision made during the year		3,919,080	9,011,477
Closing balance		<u>172,782,755</u>	<u>168,863,675</u>

12.7 The Company holds securities having value of Rs. 4,240 million (June 30, 2023: Rs. 2,950 million) in its sub-accounts for its clients within the Central Depository System of the Central Depository Company of Pakistan Limited. Securities beneficially held by the Company's clients pledged with the PSX Limited are Rs. 195.35 million (June 30, 2023: Rs. 101.6 million).

13. ADVANCES DEPOSITS AND PREPAYMENTS

Trade deposits	13.1	94,569,907	22,076,493
Advance to employees - secured		213,309	537,884
Prepayments		250,000	678,000
		<u>95,033,216</u>	<u>23,292,377</u>

13.1 This represents deposits maintained with National Clearing Company of Pakistan Limited (NCCPL) in respect of future, ready and margin trading transactions. These deposits carry profit at variable rates.

14. OTHER RECEIVABLES

Un-secured

Receivable from NCCPL	14,909,763	14,271,749
Receivable from PMEX	559,461	738,297
Other receivables	8,260,115	1,044,445
	<u>23,729,339</u>	<u>16,054,491</u>



DAWOOD EQUITIES LIMITED

15. BANK BALANCES	Note	June 30, 2024	June 30, 2023
		(Rupees)	
Cash at bank			
- in current accounts		11,688,888	6,767,771
- in savings accounts	15.1	6,835,079	2,330,377
		18,523,967	9,098,148
Balance in cash at bank pertaining to:			
- clients		15,925,912	2,772,520
- brokerage house		2,598,055	6,325,628
		18,523,967	9,098,148

15.1 These carry markup at the rate of 9% to 15% (June 30, 2023: 8% to 14%) per annum.

16. SHARE CAPITAL

June 30, 2024	June 30, 2023		June 30, 2024	June 30, 2023
(Number of Shares)			(Rupees)	
30,000,000	30,000,000	Authorised share capital	300,000,000	300,000,000
		Ordinary shares of Rs.10/- each		
25,000,000	24,996,500	Issued, subscribed and paid up	250,000,000	249,965,000
		Ordinary shares of Rs.10 each fully paid in cash		
2,500,000	2,500,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	25,000,000	25,000,000
27,500,000	27,496,500		275,000,000	274,965,000

16.1 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.

16.2 PATTERN OF SHAREHOLDINGS

Following are the shareholders having more than 5% holding.

Name of shareholder	June 30, 2024		June 30, 2023	
	Shares Held (Number)	Percentage (%)	Shares Held (Number)	Percentage (%)
Ayaz Dawood	5,309,344	19.31%	5,304,344	19.29%
Equity International (Private) Limited	4,145,489	15.07%	3,113,989	11.33%
Junaid Zakaria Dada	1,980,001	7.20%	1,980,001	7.20%
B. R. R. Investment (Private) Limited	2,767,210	10.06%	-	-
	14,202,044	51.64%	10,398,334	37.82%



DAWOOD EQUITIES LIMITED

17. LEASE LIABILITY	Note	June 30, 2024	June 30, 2023
		(Rupees)	
Opening balance		1,926,477	2,472,406
Repayments		(720,000)	(720,000)
Interest expense	25	128,540	174,071
Closing balance	17.1	<u>1,335,017</u>	<u>1,926,477</u>

17.1 Tenure analysis

Non-current liability	694,229	1,335,017
Current liability	640,788	591,460
	<u>1,335,017</u>	<u>1,926,477</u>

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

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

	June 30, 2024		June 30, 2023	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
(Rupees)				
Upto one year	720,000	640,788	720,000	591,460
After one year	720,000	694,229	1,440,000	1,335,017
Total lease liability	<u>1,440,000</u>	<u>1,335,017</u>	<u>2,160,000</u>	<u>1,926,477</u>
Financial charges allocable to future periods	(104,983)	-	(233,523)	-
Total lease liability	<u>1,335,017</u>	<u>1,335,017</u>	<u>1,926,477</u>	<u>1,926,477</u>
Current portion	(640,788)	(640,788)	(591,460)	(591,460)
Non - current portion	<u>694,229</u>	<u>694,229</u>	<u>1,335,017</u>	<u>1,335,017</u>

18. TRADE AND OTHER PAYABLES

Trade creditors	18.1	99,494,170	30,454,134
Accrued expenses		8,674,550	5,297,352
Bank overdraft	18.2	25,790,134	-
Payable to dealers		3,758,997	1,265,663
Withholding tax payable		511,014	390,101
		<u>138,228,865</u>	<u>37,407,250</u>

18.1 Trade and other payables include balance amounting to Rs. 1.77 million as at June 30, 2024 (June 30, 2023: nil) payable to major shareholder of the Company.



DAWOOD EQUITIES LIMITED

		June 30, 2024	June 30, 2023
	Note	(Rupees)	
18.2 Bank overdraft			
Saving Account			
- Client		25,570,715	-
- Brokerage house		219,419	-
	18.2.1	25,790,134	-

18.2.1 This represent book overdraft against cheques issued to clients which were not presented in the bank at the year end.

19. SHORT TERM RUNNING FINANCE FACILITY

Bank overdraft - secured	19.1 & 19.2	44,573,427	63,934,041
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19.1 Short term running finance facility from Bank Alfalah Limited against pledge of shares amounting to Rs. 100 million with markup of 3 months KIBOR plus 2.5% per annum.

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

20. CONTINGENCIES AND COMMITMENTS

20.1 The Company has filed a suit 607/2024 in the Civil Court Karachi (the Court) against one of its corporate client for the recovery of Rs. 4.5 million. A provision of Rs. 4.5 million has been made in these financial statements as ultimate outcome is uncertain.

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

20.3 A former dealer of the Company instituted a defamation suit 483/2022 against the Company for damages of Rs. 102 million in High Court of Sindh. The suit is pending before High Court of Sindh for service dated November 1, 2022 and in current year the hearing will be held at the date October 14, 2024 and case was initiated on June 28, 2012. As per the Company legal advisor has arguable case and confident that the case will be decided in its favor.

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

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



DAWOOD EQUITIES LIMITED

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

	June 30, 2024	June 30, 2023
Note	(Rupees)	
For purchase of shares	245,230,165	170,373,266
For sale of shares	222,966,330	192,040,314

21. REVENUE FROM CONTRACT WITH CUSTOMERS

- brokerage commission - net	21.1	100,508,176	50,449,397
- underwriting commission - net		21,904,401	5,685,173
	21.2	122,412,577	56,134,570
- custody / laga / National clearing and settlement fees		7,236,546	4,901,861
- brokerage commission on subscription		1,177,597	684
- income from margin finance		2,531,535	777,026
- dividend income		794,513	525,650
		<u>134,152,768</u>	<u>62,339,791</u>

21.1 Brokerage commission pertains to

Institutional clients	20,133,987	10,321,386
Retail customers / Individual	80,374,189	40,128,011
	<u>100,508,176</u>	<u>50,449,397</u>

21.2 Brokerage commission and underwriting commission:

Brokerage commission	111,343,505	57,007,819
Underwriting commission	24,371,494	6,077,495
Gross commission	135,714,999	63,085,314
Sales tax	(13,302,422)	(6,950,744)
	<u>122,412,577</u>	<u>56,134,570</u>

22. CAPITAL GAIN / (LOSS) ON DISPOSAL OF INVESTMENTS - NET

Capital gain / (loss) in ready and future market - net	<u>18,523,411</u>	<u>(729,488)</u>
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23. NET UNREALISED GAIN ON RE-MEASUREMENT OF INVESTMENTS CLASSIFIED AS FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Net unrealised gain on re-measurement of investments	2,692,197	3,714,377
Net unrealised loss on re-measurement of investments	(358,857)	(2,275,407)
	<u>2,333,340</u>	<u>1,438,970</u>



DAWOOD EQUITIES LIMITED

24. ADMINISTRATIVE EXPENSES	Note	June 30, 2024	June 30, 2023
		(Rupees)	
Salaries and other benefits	24.1	28,987,472	26,054,209
Repairs and maintenance		377,422	1,222,538
Software maintenance		917,177	1,872,868
Utilities		2,588,937	2,169,047
Fees and subscription		2,472,438	-
Regulatory charges		11,238,034	8,163,109
Brokerage expenses		190,000	74,678
Printing and stationery		454,430	433,445
Traveling and conveyance		280,605	253,990
Entertainment		629,188	517,396
Depreciation on property and equipment	6.1	1,938,480	1,924,499
Depreciation on investment property	7	356,876	356,876
Depreciation on right of use assets	6.3	595,264	595,264
Legal and professional fees		2,396,900	743,850
Miscellaneous		458,361	253,335
		53,881,584	44,635,104

24.1 Salaries and other benefits include Rs. 0.97 million (2023: Rs. 0.84 million) in respect of provident fund.

25. FINANCIAL CHARGES

Mark up on short term running finance		12,029,543	7,843,803
Bank charges		148,761	185,050
Interest expense on lease liability	17	12,178,304	8,028,853
		128,540	174,071
		12,306,844	8,202,924

26. OTHER OPERATING INCOME

Profit on saving accounts		2,077,608	1,118,267
Gain on disposal of operating fixed assets		30,425	9,300
Profit on cash exposure deposit		6,998,395	3,048,027
Rental income		330,000	330,000
Miscellaneous income		14,018	349,060
Written back liability	26.1	-	2,040,107
		9,450,446	6,894,761

26.1 During 2023, management had written back tax payable against tax authorities that was appearing from previous years.

27. OTHER OPERATING CHARGES

Auditor's remuneration	27.1	1,248,588	1,060,000
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DAWOOD EQUITIES LIMITED

		June 30, 2024	June 30, 2023
	Note	(Rupees)	
27.1 Auditor's remuneration			
Statutory audit		725,000	605,000
Half yearly review		150,000	137,500
Certifications on compliance with code of corporate governance		50,000	55,000
Certifications and other services		126,000	93,982
Out of pocket expenses		105,100	90,000
Sales tax		92,488	78,518
		<u>1,248,588</u>	<u>1,060,000</u>
28. FINAL TAX			
Final tax on:			
- Capital gain		1,873,482	-
- Dividend income		119,177	78,848
	28.1	<u>1,992,659</u>	<u>78,848</u>
28.1 These represent final taxes paid on capital gain and dividend income as per section 37A and section 5 of the Income Tax Ordinance, 2001 respectively, and are recognised as levy in line with the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.			
29. REVENUE TAX			
Minimum tax	29.1	<u>968,313</u>	<u>1,471,804</u>
29.1 These represents minimum tax provision under section 113 of the Income Tax Ordinance, 2001. The provision for minimum tax has been recognised as levies in these financial statements as per the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.			
30. INCOME TAX - NET			
Current			
- for the year		7,878,185	-
- prior year		58,005	1,910,501
Deferred		5,000,000	5,000,000
		<u>12,936,190</u>	<u>6,910,501</u>
30.1 Relationship between income tax expense and accounting profit			
Profit / (loss) before taxation		<u>43,561,591</u>	<u>(17,163,552)</u>
Tax charge @ 29% (2023: 29%)		12,632,861	-
Tax effect of:			
-Prior year tax adjustments		58,005	1,910,501
-Expenses that are not deductible in determining taxable profit		(4,553,685)	-
-Others		5,000,000	5,000,000
		<u>13,137,181</u>	<u>6,910,501</u>



DAWOOD EQUITIES LIMITED

31. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED	Note	June 30, 2024	June 30, 2023
		----- (Rupees) -----	
Profit / (loss) after taxation (Rupees)		30,625,401	(24,074,053)
Weighted average number of ordinary shares (Numbers)	16	27,500,000	27,496,500
Earnings / (loss) per share - basic and diluted (Rupees)		1.11	(0.88)

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

32.1 FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets

At FVTPL

Short term investments	51,032,312	41,149,457
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At FVTOCI

Short term investment	24,376,828	14,081,852
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Amortised cost

Long term deposits	2,150,000	2,150,000
Trade debts	201,676,331	175,231,732
Receivable against margin finance	11,767,141	10,450,883
Trade deposits	94,569,907	22,076,493
Other receivable	23,729,339	16,054,491
Bank balances	18,523,967	9,098,148
	352,416,685	235,061,747
	427,825,825	290,293,056

Financial Liabilities

Amortised cost

Rental deposits	25,000	25,000
Lease liability	1,335,017	1,926,477
Trade and other payables	137,717,851	37,017,149
Unclaimed dividend	230,336	230,336
Short term running finance facility	44,573,427	63,934,041
	183,881,631	103,133,003

32.2 FINANCIAL RISK MANAGEMENT

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



DAWOOD EQUITIES LIMITED

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

a) Credit risk

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

Exposure to credit risk

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

Out of the total financial assets of Rs. 427.83 million (June 30, 2023 : Rs. 290.29 million) the financial assets which are subject to credit risk amounted to Rs. 352.42 million (June 30, 2023 : Rs. 235.06 million).

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

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

	June 30, 2024	June 30, 2023
	----- (Rupees) -----	
Long term deposits	2,150,000	2,150,000
Trade debts	201,676,331	175,231,732
Receivable against margin finance	11,767,141	10,450,883
Deposits	94,569,907	22,076,493
Other receivables	23,729,339	16,054,491
Bank balances	18,523,967	9,098,148
	352,416,685	235,061,747

No provision has been recognised except as disclosed in note 12.6 in respect of trade debts as the security against the same is adequate or counter parties have sound financial standing.



DAWOOD EQUITIES LIMITED

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

Bank	Agency	Date	Long term rating	Short term rating	June 30, 2024	June 30, 2023
					----- (Rupees) -----	
Bank Al-Habib Limited	PACRA	June 30, 2024	AAA	A-1+	5,679,385	444,370
Habib Metropolitan Bank Limited	PACRA	June 30, 2024	AA+	A-1+	3,585,604	5,255,932
MCB Bank Limited	PACRA	June 30, 2024	AAA	A-1+	2,251,172	290,061
Albaraka Bank (Pakistan) Limited	JCR-VIS	June 30, 2024	A+	A-1	610,697	1,475,351
Bank Al-Falah Limited	PACRA	June 30, 2024	AAA	A-1+	5,069,290	627,736
The Bank of Khyber	JCR-VIS	June 30, 2024	A+	A-1	71,272	71,272
United Bank Limited	JCR-VIS	June 30, 2024	AAA	A-1+	33,981	25,246
Bank Islami Pakistan Limited	PACRA	June 30, 2024	AA-	A-1	724,854	69,440
Dubai Islamic Bank Pakistan Limited	JCR-VIS	June 30, 2024	AA	A-1+	57,509	60,345
Meezan Bank Limited	JCR-VIS	June 30, 2024	AAA	A-1+	440,203	778,395
					<u>18,523,967</u>	<u>9,098,148</u>

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

b) Liquidity risk

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

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

	June 30, 2024			
	Carrying Amount	Contractual Cash flows	Less than one year	More than one year
----- (Rupees) -----				
Financial liabilities				
Trade and other payables	137,717,851	137,717,851	137,717,851	-
Lease liability	1,335,017	1,335,017	640,788	694,229
Unclaimed dividend	230,336	230,336	230,336	-
Rental deposits	25,000	25,000	-	25,000
Short term running finance facility	44,573,427	44,573,427	44,573,427	-



DAWOOD EQUITIES LIMITED

June 30, 2023

	Carrying	Contractual	Less than one	More than one
	Amount	Cash flows	year	year
Financial liabilities				
Trade and other payables	37,407,250	37,407,250	37,407,250	-
Lease liability	1,926,477	1,926,477	591,460	1,335,017
Unclaimed dividend	230,336	230,336	230,336	-
Rental deposits	25,000	25,000	25,000	-
Short term running finance facility	63,934,041	63,934,041	63,934,041	-

c) Market risk

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

Currency risk

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

Interest rate risk

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

Financial Assets	June 30, 2024	June 30, 2023
	----- (Rupees) -----	
Variable rate instruments		
Trade deposits	94,569,907	22,076,493
Bank balance - savings accounts	6,835,079	2,330,377

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by the amount shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for the year ended June 30, 2023.

	Effect on profit and loss	
	100 bp increase	100 bp decrease
	----- (Rupees) -----	
As at June 30, 2024		
Cash flow sensitivity - variable rate instruments	1,014,050	1,014,050
As at June 30, 2023		
Cash flow sensitivity - variable rate instruments	244,069	244,069



DAWOOD EQUITIES LIMITED

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

Other price risk

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

As of the reporting date the Company was exposed to price risk since it had investments in quoted securities amounting to Rs. 53.62 million (June 30, 2023 : Rs. 25.25 million) and also because the Company held collaterals in the form of equity securities against their debtor balances.

- Sensitivity analysis

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

	June 30, 2024	June 30, 2023
	----- (Rupees) -----	
Effect on profit		
Increase / decrease	<u>292,420</u>	<u>111,730</u>
Effect on other comprehensive income		
Increase / decrease	<u>243,768</u>	<u>140,819</u>

Capital risk management

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

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

Fair value hierarchy

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

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



DAWOOD EQUITIES LIMITED

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

	Carrying value	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----				
June 30, 2024					
Financial assets - measured at fair value					
Short term investments	-	53,618,807	-	21,790,333	75,409,140
Financial assets - measured at amortised cost					
Long term deposits	2,150,000	-	-	-	2,150,000
Trade debts	201,676,331	-	-	-	201,676,331
Receivable against margin finance	11,767,141	-	-	-	11,767,141
Deposits	94,569,907	-	-	-	94,569,907
Other receivable	23,729,339	-	-	-	23,729,339
Bank balances	18,523,967	-	-	-	18,523,967
	352,416,685	53,618,807	-	21,790,333	427,825,825
Financial liabilities - measured at amortised cost					
Trade and other payables	137,717,851	-	-	-	137,717,851
Unclaimed dividend	230,336	-	-	-	230,336
Short term running finance facility	44,573,427	-	-	-	44,573,427
Lease liability	1,335,017	-	-	-	1,335,017
Rental deposits	25,000	-	-	-	25,000
	183,881,631	-	-	-	183,881,631

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

	Carrying value	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----				
June 30, 2023					
Financial assets - measured at fair value					
Short term investments	-	25,254,802	-	29,976,507	55,231,309
Financial assets - measured at amortised cost					
Long term deposits	2,150,000	-	-	-	2,150,000
Trade debts	175,231,732	-	-	-	175,231,732
Receivable against margin finance	10,450,883	-	-	-	10,450,883
Deposits	22,076,493	-	-	-	22,076,493
Other receivable	16,054,491	-	-	-	16,054,491
Cash and bank balances	9,098,148	-	-	-	9,098,148
	235,061,747	25,254,802	-	29,976,507	290,293,056



DAWOOD EQUITIES LIMITED

	Carrying value	Level 1	Level 2	Level 3	Total
Financial liabilities - measured at amortised cost		----- (Rupees) -----			
Trade and other payables	37,407,250	-	-	-	37,407,250
Unclaimed dividend	230,336	-	-	-	230,336
Bank overdraft	63,934,041	-	-	-	63,934,041
Lease liability	1,926,477	-	-	-	1,926,477
Rental deposits	25,000	-	-	-	25,000
	103,523,104	-	-	-	103,523,104

33. PROVIDENT FUND

34. RELATED PARTY TRANSACTIONS

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

34.1 Nature of relationship	Nature of transaction	Note	June 30, 2024	June 30, 2023
			----- (Rupees) -----	
Sponsors / Major shareholders				
Rafique Dawood	Commission earned from brokerage transactions		-	2,643
Ayaz Dawood	Commission earned from brokerage transactions		517,685	287,405
Equity International (Pvt) Limited	Commission earned from brokerage transactions		87,126	26,295
B. R. R. Investment (Private) Limited	Commission earned from brokerage transactions		1,454,485	451,091
Directors				
Areeb Shujaat	Commission earned from brokerage transactions		1,351	1,650
Sobia Saif	Commission earned from brokerage transactions		104,338	60,506
Saifullah	Commission earned from brokerage transactions		375,196	143,433
Key Management Personal				
Salman Yaqoob	Commission earned from brokerage transactions		80,432	30,927
	Provident fund employer's contribution	34.2	149,800	126,163
Nabeel Arif	Commission earned from brokerage transactions		220,300	47,038
	Provident fund employer's contribution	34.2	123,491	105,213



DAWOOD EQUITIES LIMITED

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

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

Related party	Basis of relationship	Number of shares held in the company	Aggregate percentage shareholding in the Company
Ayaz Dawood	Sponsor / Major shareholder	5,309,344	19.31%
Equity International (Private) Limited	Sponsor / Major shareholder	4,145,489	15.07%
Mr. Areeb Shujaat	Directors	98	0.00%
Mr. Junaid Zakaria Dada	Directors	1,980,001	7.20%
Mrs. Sobia Saif	Directors	110	0.00%
Mr. Khalid Yousuf	Directors	658	0.00%
Mr. Muhammad Abbas	Directors	550	0.00%
Mr. Saifullah	Directors	1	0.00%
Mr. Aziz Habib	Directors / Key management personal	1	0.00%
B.R.R. Investment (Private) Limited	Sponsor / Major shareholder	2,767,210	10.06%
Salman Yaqoob	Key management personal	Nil	Nil
Nabeel Arif	Key management personal	Nil	Nil

35. REMUNERATION OF DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees)					
Managerial remuneration	1,210,000	1,160,004	-	-	2,618,933	2,104,663
Directors' fees	-	-	-	-	-	-
Rent and house maintenance	484,000	464,004	-	-	1,047,573	841,863
Reimbursable expenses	-	-	-	-	-	-
Utilities	121,000	116,004	-	-	261,893	210,463
Medical	-	-	-	-	-	-
Conveyance	-	-	-	-	-	-
	1,815,000	1,740,012	-	-	3,928,399	3,156,989
	(Numbers)					
Person(s)	1	1	7	7	2	2



DAWOOD EQUITIES LIMITED

36. NET CAPITAL BALANCE

Excess of current assets over current liabilities determined in accordance with the Schedule II of the Securities Brokers (Licensing and Operations) Regulations, 2016 and the Guidebook issued by Securities and Exchange Commission of Pakistan (SECP).

CURRENT ASSETS	Note	June 30, 2024 Rupees
Cash at bank		
- Pertaining to brokerage house		2,598,055
- Pertaining to clients	36.1	15,925,912
Total bank balances		18,523,967
Margin Deposit		
- with NCCPL	36.2	119,658,476
Trade Receivables		
Book value		374,459,086
Outstanding for more than 14 days		(341,955,811)
		32,503,275
Investment in listed securities in the name of brokerage house		53,618,807
Less: 15% discount		(8,042,821)
		45,575,986
Value of shares appearing in clients respective sub account to the extent of overdue balance for more than 14 days or value of securities, whichever is less		51,531,953
Total Current Assets - (A)		267,793,656
CURRENT LIABILITIES		
Trade Payables		
Book value		99,494,170
Less: Overdue for more than 30 days		(57,097,745)
		42,396,425
Other liabilities		141,276,991
Total Current Liabilities - (B)		183,673,416
NET CAPITAL BALANCE - (A - B)		84,120,240



DAWOOD EQUITIES LIMITED

June 30, 2024
Rupees

36.1 Cash at bank

Pertaining to brokerage house

Current accounts	2,593,548
Savings accounts	4,507
	<u>2,598,055</u>

Pertaining to clients

Current accounts	9,095,340
Savings accounts	6,830,572
	<u>15,925,912</u>
	<u>18,523,967</u>

36.2 Margin Deposit

Exposure deposit (Ready)	7,450,614
Exposure deposit (Future)	85,855,465
MTS exposure	6,571,619
DFC Margin	19,639,778
GEM exposure	141,000
	<u>119,658,476</u>

36.3 Investment in Listed Securities

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

36.4 Other Liabilities

Trade payable over due for more than 30 days	57,097,745
Accrued expenses	8,674,550
Bank Overdraft	25,790,134
Payable to dealers	3,758,997
Withholding tax payable	511,014
Unclaimed dividend	230,336
Short term running finance facility	44,573,427
Lease liability	640,788
	<u>141,276,991</u>



DAWOOD EQUITIES LIMITED

37. COMPUTATION OF LIQUID CAPITAL BALANCE

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

S. No.	Head of account	Note	Value in Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets					
1.1	Property & Equipment, Right of use asset and Investment property	5 & 6	13,365,153	100%	-
1.2	Intangible Assets	8	6,000,000	100%	-
1.3	Investment in Govt. Securities		-	-	-
1.4	Investment in Debt. Securities				
	If listed than:				
	i. 5% of the balance sheet value in the case of tenure upto 1 year.		-	5%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.		-	7.5%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.		-	10%	-
	If unlisted than:				
	i. 10% of the balance sheet value in the case of tenure upto 1 year.		-	10%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.		-	12.5%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.		-	15%	-
1.5	Investment in Equity Securities				
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	11.1 & 11.3	53,618,807	9,666,270	43,952,537
	ii. If unlisted, 100% of carrying value.		21,790,333	100%	-
1.6	Investment in subsidiaries			100%	-
1.7	Investment in associated companies/undertaking				
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.		-	-	-
	ii. If unlisted, 100% of net value.	11.2	-	100%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	9	2,150,000	100%	-
1.9	Margin deposits with exchange and clearing house.		100,003,898	-	100,003,898
1.10	Deposit with authorized intermediary against borrowed securities under SLB.		-	-	-
1.11	Other deposits and prepayments	13	250,000	100%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)		-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties		-	100%	-
1.13	Dividends receivables.		-	-	-



DAWOOD EQUITIES LIMITED

S. No.	Head of account	Note	Value in Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)		-	-	-
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	13	213,309	-	213,309
	ii. Advance tax net of provision		-	-	-
	iii. Receivables other than trade receivables	14	19,159,872	100%	-
1.16	Receivables from clearing house or securities exchange(s) 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.		19,639,778	-	19,639,778
1.17	Receivables from customers				
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. i. Lower of net balance sheet value or value determined through adjustments.		11,767,141	-	11,767,141
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. ii. Net amount after deducting haircut		-	5%	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract. iii. Net amount after deducting haircut		-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value		19,658,153	-	19,658,153
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. v. Lower of net balance sheet value or value determined through adjustments		325,309,807	270,429,874	54,879,933
	vi. 100% haircut in the case of amount receivable form related parties.		16,994,600	13,133,475	3,861,125
1.18	Cash and Bank balances				
	i. Bank Balance-proprietary accounts	15	2,598,055	-	2,598,055
	ii. Bank balance-customer accounts	15	15,925,912	-	15,925,912
	iii. Cash in hand	15	-	-	-
1.19	Subscription money against investment in IPO/ offer for sale (asset)		-	-	-
1.2	Total assets		628,444,817		272,499,841



DAWOOD EQUITIES LIMITED

S. No.	Head of account	Note	Value in Rupees	Hair Cut / Adjustments	Net Adjusted Value
2. Liabilities					
2.1	Trade payables				
	i. Payable to exchanges and clearing house		-	-	-
	ii. Payable against leveraged market products		-	-	-
	iii. Payable to customers	18	99,494,170	-	99,494,170
2.2	Current liabilities				
	i. Statutory and regulatory dues		-	-	-
	ii. Accruals and other payables	18	12,944,561	-	12,944,561
	iii. Short-term borrowings		44,573,427	-	44,573,427
	iv. Bank adverse book balance		25,790,134	-	25,790,134
	v. Current portion of long term liabilities		-	-	-
	vi. Deferred Liabilities		-	-	-
	vii. Provision for bad debts		-	-	-
	viii. Provision for taxation		-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements		871,124	-	871,124
2.3	Non-current liabilities				
	i. Long-term financing		-	-	-
	ii. Long-term financing obtained from financial institution: Long term portion of financing obtained from a financial institution including amount due against finance lease	17	-	100%	-
	iii. Staff retirement benefits		-	-	-
	iv. Other liabilities as per accounting principles and included in the financial statements		719,229	-	719,229
	v. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Board of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.		-	-	-
2.4	Subordinated loans				
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.		-	-	-



DAWOOD EQUITIES LIMITED

S. No.	Head of account	Note	Value in Rupees	Hair Cut / Adjustments	Net Adjusted Value
	ii. Subordinated loans which do not fulfill the conditions specified by SECP				
2.5	Advance against shares for increase in capital of securities broker 100% Haircut may be allowed in respect of advance against shares if : (a) The existing authorized share capital allows the proposed enhanced share capital. (b) Board of Directors of the company has approved the increase in capital. (c) Relevant Regulatory approvals have been obtained (d) There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed (e) Auditor is satisfied that such advance is against the increase of capital.		-	-	-
2.6	Total liabilities		184,392,645	184,392,645	

3. Ranking liabilities relating to:

3.1	Concentration in margin financing The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.		-	986,277	986,277
3.2	Concentration in securities lending and borrowing The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed.		-	-	-
3.3	Net underwriting commitments (a) in the case of rights issue : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting (b) in any other case : 12.5% of the net underwriting commitments		-	-	-
3.4	Negative equity of subsidiary The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary		-	-	-
3.5	Foreign exchange agreements and foreign currency positions 5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency		-	-	-
3.6	Amount Payable under REPO		-	-	-



DAWOOD EQUITIES LIMITED

S. No.	Head of account	Note	Value in Rupees	Hair Cut / Adjustments	Net Adjusted Value
3.7	Repo adjustment				
	<p>In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities.</p> <p>In the case of finance/seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.</p>		-	-	-
3.8	Concentrated proprietary positions				
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security		-	1,218,841	1,218,841
3.9	Opening Positions in futures and options				
	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts		-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met		-	-	-
3.10	Short sell positions				
	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts		-	-	-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.		-	-	-
3.11	Total ranking liabilities		-	2,205,119	2,205,119

444,052,172 Liquid Capital 85,902,076

Calculations Summary of Liquid Capital

(Rupees)

(i) Adjusted value of Assets (serial number 1.20)	272,499,841
(ii) Adjusted value of liabilities (serial number 2.6)	(184,392,645)
(iii) Total ranking liabilities (series number 3.11)	<u>(2,205,119)</u>
	<u>85,902,077</u>



DAWOOD EQUITIES LIMITED

	June 30, 2024	June 30, 2023
	----- (Rupees) -----	
38. CAPITAL ADEQUACY LEVEL		
Total assets	475,568,021	353,743,104
Total liabilities	(184,392,645)	(103,523,104)
Less: Revaluation Reserves (created upon revaluation of fixed assets)	-	-
Capital adequacy level	291,175,376	250,220,000

	June 30, 2024	June 30, 2023
	----- (Number) -----	
39. NUMBER OF EMPLOYEES		
At the year end	21	22
Average during the year	21	22


40. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue by the Board of the Company on 27, September, 2024

4 1. GENERAL

41.1 Figures have been rounded off to the nearest rupee.

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



Chief Executive



Director



Chief Financial Officer



DAWOOD EQUITIES LIMITED

Proxy Form

I/We, _____

of _____

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

_____ of _____

as my proxy to vote for me/us and on my / our behalf at the Annual General Meeting to be held on 25th day of October, 2024 at 8:45 a.m. and at any adjournment thereof.

As witnessed under my/our hands this _____ day of _____ 2024 _____

Signed by _____

Signature and address of the witness

Signature and address of the witness

Signature of member

Please affix
revenue
stamp



DAWOOD EQUITIES LIMITED

Affix
Correct
Postage

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



DAWOOD EQUITIES LIMITED

BOOK POST
Printed Matter

UNDER CERTIFICATE OF POSTING

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