

**FIRST DAWOOD INVESTMENT  
BANK LIMITED**

**Quarter Report**  
**31 March 2022**





FIRST DAWOOD INVESTMENT BANK LIMITED

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## CORPORATE INFORMATION

<b>Board of Directors</b>	Mr. Christopher John Aitken Andrew Mr. Rafique Dawood	Chairman Director & CEO (Nominee B.R.R. Investments (Pvt) Ltd.)
	Mr. Khurshid A. Khair Mr. Abu Khursheed M. Ariff Mrs. Farhat Ali	Director Director Director
<b>Audit Committee</b>	Mr. Abu Khursheed M. Ariff Mr. Khurshid A. Khair Mrs. Farhat Ali	Chairman Member Member
<b>HR&amp;R Committee</b>	Mr. Khurshid A. Khair Mrs. Farhat Ali Mr. Abu Khursheed M. Ariff	Chairman Member Member
<b>Chief Financial Officer &amp; Company Secretary</b>	Mr. Syed Musharaf Ali	
<b>Auditors</b>	J.A.S.B. & Associates Chartered Accountants	
<b>Head of Internal Audit</b>	Mr. Sohail Ahmed	
<b>Legal Advisor</b>	Nishtar & Zafar	
<b>Legal counsels</b>	A.Q. Abbasi & Associates Ansari AG Legal Kabiraji & Talibuddin Khalil Asif Ejaz & Co. Malik and Malik Law Associates Abid S. Zubari & Co. Raza Khalil Abbasi	
<b>Bankers</b>	Al-Baraka Islamic Bank Ltd. Bank Al-Habib Ltd. Habib Metropolitan Bank Ltd. MCB Bank Ltd.	
<b>Registered Office</b> Head Office	19 <sup>th</sup> Floor, Tower-B, Saima Trade Tower, I. I. Chundrigar Road, Karachi-74000 PABX: +92 (21) 32270182 FAX: +92 (21)3227-1912 Email : fdib@firstdawood.com URL : www.firstdawood.com	
<b>Share Registrar</b>	F.D. Registrar Services (Pvt) Ltd. 1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi-74000 Tel: +92 (21) 3547 8192-93 / 021-32771906 Fax : +92 (21) 3262 1233 / 021-32271905 Email: fdregistrar@hotmail.com, fdregistrar@yahoo.com	

## DIRECTORS' REPORT

IN THE NAME OF ALLAH THE MOST COMPASSIONATE, THE MOST MERCIFUL

Dear Shareholders,

The Board of Directors of First Dawood Investment Bank Limited ("FDIBL" or the "Company") are pleased to present the interim financial statements of the Company for the period ended March 31, 2022.

### Board Composition and Remuneration

1. The total number of directors are 5 as per the following:
  - a. Male: 04
  - b. Female: 01
2. The composition of the board is as follows:

Category	Names
Independent Director	Mr. Khurshid Abul Khair Mr. Abu Khursheed Muhammad Ariff
Chief Executive Officer	Mr. Rafique Dawood
Non-Executive Directors	Mr. Christopher John Aitken Andrew Mrs. Farhat Ali

Composition of the Board of Directors and Board sub-committees is disclosed in the corporate information section of the report.

Non-Executive Directors are paid a reasonable and appropriate remuneration for attending the Board and/or its committees' meetings. This remuneration is not at a level that could be perceived to compromise independence. No fee is paid to the directors who do not attend a meeting. Similarly, fee is not paid for the proposals considered through circulation.

### Financial Performance

Your company during the third quarter of the financial year 2021-22 has reported after-tax profit of Rs.63.327million as compared to Rs.4.977million during corresponding period last year. The profit in current year is due to significant cash recoveries. Henceforth, the net-worth of your company has increased from Rs. 514.125 million to Rs. 596.169 million. The earning per share is 0.427for the period under review.

### Acknowledgement

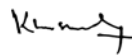
On behalf of First Dawood Investment Bank Ltd., we would like to express our gratitude to the worthy shareholders of the Bank for their support, State Bank of Pakistan, Securities and Exchange Commission and other regulatory bodies for their guidance and cooperation We would especially like to recognize hard-work and dedication of our employees who in these testing times and adverse conditions have performed to the best of their abilities with utmost commitment, and look forward to their continued support.

We wish to pray for health & safety of all mankind against the prevailing pandemic, which continues to introduce new waves.

For and on behalf of the Board of Directors.



Chief Executive Officer



Director

April 12, 2022  
Karachi.

## ڈائریکٹرز کی رپورٹ:

تمام ڈائریکٹرز 31 مارچ 2022ء کی تیسری سہ ماہی غیر آڈٹ شدہ مالیاتی گوشوارے کے ساتھ رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

### بورڈ کی بناوٹ اور مشاہرہ

کل ڈائریکٹرز کی تعداد 5 ہے جو مندرجہ ذیل ہیں:

مرد: 04

خاتون: 01

Category	Names
Independent Director	Mr. Khurshid Abul Khair Mr. Abu Khurshheed Muhammad Ariff
Chief Executive Officer	Mr. Rafique Dawood
Non-Executive Directors	Mr. Christopher John Aitken Andrew Mrs. Farhat Ali

### مالیاتی کارکردگی:

ادارے نے تیسری سہ ماہی 31 مارچ 2022ء کے مالیاتی گوشوارے منافع بعد ٹیکس 63.327 ملین روپے اور پچھلے مالیاتی سال کے تیسری سہ ماہی کا منافع 4.977 ملین روپے منافع میں ہے۔ آپ کی کمپنی کی مالیت میں اضافہ 514.125 ملین سے 596.169 ملین ہو گئی ہے۔ حالانکہ مہنگائی کے رجحان کے باوجود ادارے نے اخراجات کو کنٹرول کیا ہے۔ اسی مد میں انتظامی اخراجات کو پچھلے مالیاتی سال کے متنا سب رکھنے میں کامیاب ہوا۔ اور آمدنی فی حصص 0.427 ہے پچھلے سال کے مقابلے میں کمپنی اپنے اخراجات نان پرفارمنگ قرضہ جات کی واپسی کے ذریعے قرضہ جات کے مد میں خاطر خواہ کمی کی جاسکے جو کہ ایک ستون کی حیثیت رکھتی ہے اس ادارے کے لئے۔

### خدمات کا اعتراف:

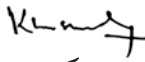
فرسٹ داؤد انویسٹمنٹ بینک کی طرف سے ہم شکر گزار ہیں اپنے بینک کے شراکت دار، اسٹیٹ بینک آف پاکستان، ایس ای سی پی اور دوسری ریگولیٹرز اور اداروں کی طرف سے رہنمائی اور حوصلہ افزائی کا۔

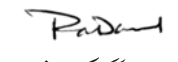
ہم اچھی طرح مستقبل کے چیلنجز سے آگاہ ہیں اور ہم پر اعتماد ہیں کہ یہ ادارہ کاروباری سرگرمیوں آگے کی طرف بڑھے گی اور قرضہ جات کی وصولی کے ذریعے اپنی مالیاتی حیثیت کو بہتر کرے گا۔

بورڈ آف ڈائریکٹرز مشکل حالات میں بھی پوری محنت لگن اور عزم کے ساتھ کام کرنے پر انتظامیہ سمیت تمام ملازمین کی خدمت کو قدر کی نگاہ سے دیکھتا ہے۔

بورڈ آف ڈائریکٹرز کی طرف سے

تاریخ: 12 اپریل 2022ء  
کراچی

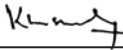
  
ڈائریکٹر

  
چیف ایگزیکٹو آفیسر

**CONDENSED INTERIM FINANCIAL POSITION**  
AS AT MARCH 31, 2022

	Note	Unaudited MARCH 31, 2022 Rupees	Audited JUNE 30, 2021 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	6	4,986,985	4,664,175
Intangible Asset		-	
Right of Use Assets		174,495	174,495
Investment properties		82,580,000	30,297,000
Net investment in lease finance	7	-	10,442,605
Long-term investments	8	206,756,842	206,974,244
Long-term finances	9	-	-
Deferred tax asset	10	290,297,438	290,297,438
		584,795,760	542,849,957
<b>CURRENT ASSETS</b>			
Current portion of non-current assets	11	135,420,247	171,324,867
Short-term investments	12	162,880,000	58,473,889
Available for Sale investment held with Nazir SHC	8.2	56,259,109	55,242,013
Placements and finances	13	-	39,025,413
Asset classified held for sale		29,777,000	29,777,000
Loans , advances and prepayments		1,507,338	4,514,949
Mark-up accrued		66,506	37,426
Other receivables		-	5,004,181
Cash and bank balances		1,786,804	1,088,577
		387,697,004	364,488,315
		972,492,764	907,338,272
<b>EQUITY AND LIABILITIES</b>			
Ordinary shares		1,483,900,230	1,483,900,230
Reserves		457,058,462	457,058,462
Accumulated loss		(1,402,747,073)	(1,466,073,718)
		538,211,619	474,884,974
Surplus / (Deficit) on revaluation of investments		57,957,726	39,240,200
		596,169,345	514,125,174
<b>NON CURRENT LIABILITIES</b>			
Long-term loans	14	30,700,000	36,448,122
Lease Liabilities		93,113	93,113
		30,793,113	36,541,235
<b>CURRENT LIABILITIES</b>			
Current portion of long-term liabilities	15	252,837,772	265,026,366
Mark-up accrued		25,756,644	25,756,644
Short term borrowings	15.2	49,774,280	49,774,280
Accrued and other liabilities		1,601,488	8,643,370
Taxation		15,560,121	7,471,203
		345,530,305	356,671,863
<b>CONTINGENCIES AND COMMITMENTS</b>			
	16	-	-
		972,492,764	907,338,272
		972,492,764	907,338,272

  
Chief Executive

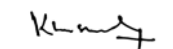
  
Director

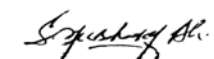
  
Chief Financial Officer

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2022**

Note	Nine Months Ended March 31,		Quarter Ended March 31,	
	2022	2021	2022	2021
	<-----Rupees----->		<-----Rupees----->	
<b>INCOME</b>				
Lease income	213,626	712,154	-	642,154
Return on deposits and investments	6,609,016	3,668,531	2,353,702	1,222,893
Gain on sale of securities	270,000	1,736,615	-	1,267,512
Income from long-term finances	30,000	133,247	-	1,332,472
Other income	63,566,902	644,380	-	192,500
	70,689,544	8,094,152	2,353,702	4,657,531
<b>PROVISION / CHANGES IN FAIR VALUE</b>				
(Provision) / reversal for lease losses and doubtful recoveries	32,162,703	16,167,055	18,178,637	4,232,055
Surplus/(Deficit) on Revaluation of Investment	-	-	-	-
Reclassification of unrealised loss from equity	-	-	-	-
	32,162,703	16,167,055	18,178,637	4,232,055
	102,852,247	24,261,207	20,532,339	8,889,586
<b>EXPENDITURES</b>				
Administrative expenses	(22,925,234)	(18,601,128)	(7,791,529)	(7,183,020)
Unwinding Discount	(2,833,284)	(3,885,828)	-	-
Liability Written Back	2,923,600	-	-	-
Exchange Gain / (Loss)	-	-	-	-
Finance cost	(45)	(849)	-	-
	(22,834,963)	(22,487,805)	(7,791,529)	(7,183,020)
Share of (Loss) / Profit from Associates	(8,601,720)	27,842,236	-	-
<b>(LOSS) / PROFIT BEFORE TAXATION</b>	71,415,564	29,615,638	12,740,810	1,706,567
<b>TAXATION</b>				
Deferred Tax	(8,088,918)	(79,469)	377,651	(64,059)
	-	(24,559,179)	-	-
<b>Current Taxation</b>	(8,088,918)	(24,638,648)	377,651	(64,059)
<b>PROFIT/ (LOSS) AFTER TAXATION</b>	63,326,646	4,976,990	13,118,461	1,642,508
Earning per share - basic	0.427	0.034	0.088	0.011
Earning per share - diluted	0.427	0.034	0.088	0.011

  
**Chief Executive**

  
**Director**

  
**Chief Financial Officer**

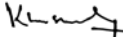
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2022**

	<i>Nine Months Ended</i> <i>March 31,</i>		<i>Quarter Ended</i> <i>March 31,</i>	
	2022	2021	2022	2021
	<----- Rupees ----->			
(Loss) / profit after taxation	63,326,646	4,976,990	61,429,724	3,080,068
Other comprehensive income				
Unrealized remeasurement gain/ (loss) on investment in associates	18,557,755	27,842,236	-	-
Unrealised gain/ (loss) on remeasurement of investment held with Nazir	963,437	372,546	-	-
	19,521,192	28,214,782	-	-
Total comprehensive (loss) / income for the period	82,847,838	33,191,772	61,429,724	3,080,068

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



Chief Executive



Director



Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE PERIOD ENDED MARCH 31, 2022

	Share Capital			2022		Revenue Reserve		Total
	Ordinary Shares	Preference Shares	Statutory Reserve	Premium on Right Issue	Capital Reserve on Acquisition	Deficit on Revaluation of Investments	Accumulated Losses	
Balance at July 1, 2020	1,483,900,230	-	399,818,213	53,426,910	2,596,484	6,372,708	(1,470,941,138)	475,175,407
Total comprehensive income for the period	-	-	-	-	-	-	-	-
- Profit for the period	-	-	-	-	-	-	-	-
- Other comprehensive income	-	-	-	-	-	-	6,084,275	6,084,275
Share of Unrealised gain on remeasurement of associates investment	-	-	-	-	-	32,867,492	-	32,867,492
- Surplus on revaluation of investment - At fair value through OCI	-	-	-	-	-	-	-	-
Reclassification of gain to profit and loss account	-	-	-	-	-	-	-	-
Deferred Tax/OCI	-	-	1,216,855	-	-	-	-	-
Transfer to Statutory Reserve	-	-	-	-	-	-	(1,216,855)	-
Balance as at June 30, 2021	1,483,900,230	-	401,035,068	53,426,910	2,596,484	39,240,200	(1,466,073,718)	514,125,174
<b>Balance at July 1, 2021</b>	<b>1,483,900,230</b>	<b>-</b>	<b>401,035,068</b>	<b>53,426,910</b>	<b>2,596,484</b>	<b>39,240,200</b>	<b>(1,466,073,718)</b>	<b>514,125,174</b>
Total comprehensive income for the period	-	-	-	-	-	-	63,326,646	63,326,646
- Profit for the period	-	-	-	-	-	-	-	-
- Other comprehensive income	-	-	-	-	-	-	-	-
Share of Unrealised gain on remeasurement of associates investment	-	-	-	-	-	18,717,526	-	18,717,526
Transfer to Statutory Reserve	-	-	-	-	-	-	-	-
Reclassification of gain to profit and loss account	-	-	-	-	-	-	-	-
Deferred Tax/OCI	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	1,483,900,230	-	401,035,068	53,426,910	2,596,484	57,957,726	(1,402,747,073)	596,169,345

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

  
Chief Executive

  
Director

  
Chief Financial Officer

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2022**

	<i>Nine Months Ended March 31</i>	
	<b>2022</b>	<b>2021</b>
	<i>Rupees</i>	<i>Rupees</i>
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	71,415,564	29,615,638
Adjustments:		
Depreciation	996,302	622,539
Finance Income	30,000	(1,332,472)
Lease Income	213,626	(712,154)
Gain on sale of investments	270,000	(1,736,615)
Share of Loss on Investment in Associates	8,601,720	(27,842,236)
Amortization	-	50,940
Finance cost	45	849
Gain on sale of Property and equipment	-	-
Gain / Loss on sale of property and equipment	-	-
Unwinding discount	2,833,284	3,885,828
Provision / (reversal of provision potential lease	(32,162,703)	(16,167,055)
Liabilities Written back	2,923,600	-
Other income	-	(644,380)
	<u>(16,294,126)</u>	<u>(43,874,756)</u>
	55,121,438	(14,259,118)
<b>Changes in operating assets and liabilities</b>		
<i>(Increase) / decrease in operating assets</i>		
Net investment in lease finance	2,678,978	67,275,696
Other Receivable Net	5,004,181	5,977,148
Long-term finances	50,714,080	-
Placements and finances	39,025,413	-
Advances and prepayments	3,007,611	42,104
Mark up accrued	(29,080)	16,371
	<u>100,401,183</u>	<u>73,311,319</u>
	155,522,621	59,052,201
<i>Increase / (decrease) in operating liabilities</i>		
Amortization of interest free loan	-	-
Short Term Borrowings	-	-
Accrued and other liabilities	7,041,882	(1,632,778)
	<u>7,041,882</u>	<u>(1,632,778)</u>
Tax paid	8,088,918	79,469
Net cash (used)/generated from operating activities	<u>170,653,421</u>	<u>57,498,892</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(52,605,810)	(2,254,159)
Proceed from sale of Shares	5,805,000	-
Long-term investments	(799,694)	(42,930,176)
Long-term deposits	-	-
Short-term investments	(104,417,974)	(2,032,202)
Net cash (used)/generated from investing activities	<u>(152,018,478)</u>	<u>(47,216,537)</u>

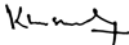
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2022**

	<i>Nine Months Ended March 31</i>	
	<b>2022</b>	<b>2021</b>
	<i>Rupees</i>	<i>Rupees</i>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Short Term Borrowings	<u>(17,936,716)</u>	<u>(9,200,000)</u>
Net cash (used in) from financing activities	<u>(17,936,716)</u>	<u>(9,200,000)</u>
Net increase / ( decrease) in cash and cash equivalents	698,227	1,082,355
Cash and cash equivalents at beginning of the period	1,088,577	1,039,883
Cash and cash equivalents at end of the period	<u><u>1,786,804</u></u>	<u><u>2,122,238</u></u>

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



Chief Executive



Director



Chief Financial Officer

## NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2022

### 1. STATUS AND NATURE OF BUSINESS

- 1.1** First Dawood Investment Bank Limited ("the Company") was incorporated on June 22, 1994 as a public limited company in Pakistan under the Companies Ordinance, 1984 and is listed on the Karachi Stock Exchange. The registered office of the Company is situated in Karachi, Pakistan. The Company had obtained the licenses for Leasing Business and Investment and Finance Services under Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("the Rules") and Non Banking Finance Companies and Notified Entities Regulations, 2008 ("the Regulation") from the Securities and Exchange Commission of Pakistan (SECP) which have been expired and Company has filed an appeal in SECP Appellate Bench for renewal of license.
- 1.2** The Company had applied for registration as a Debt Securities Trustee under Regulation 6(2) of Debt Securities Trustee Regulations, 2012 which was denied by SECP vide its order dated November 22, 2013 against which an appeal has been filed before appellate bench of SECP on December 17, 2013. The appeal is pending. The Company is acting as trustees to Term Finance Certificates / Sukuk issued by Saudi Pak Leasing Company Limited, New Allied Electronics Industries (Private) Limited, Security Leasing Company Limited, Dewan Cement Limited, House Building Finance Company Limited (sukuk issue), Bunny's Limited and Pak Hy-Oils Limited. The value of assets under trustee as at June 30, 2021 amounted to Rs. 9.04 billion (March 31, 2022: Rs. 8.60 billion).

### 2. BASIS OF PREPARATION

- 2.1** This condensed interim financial information has been prepared in accordance with requirements of the International Accounting Standard (IAS) - 34 "Interim Financial Reporting" and the requirements of Non Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulation), the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), The Companies Act, 2017 (the Ordinance) and directives issued by the SECP. In case where requirement differs, the requirements of the Rules, the Regulations, the Ordinance or directives issued by SECP have been followed.
- 2.2** This condensed interim financial information does not include all of the information and disclosures required for annual financial statements and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2021.
- 2.3** This condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency.
- 2.4** This condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange and section 245 of The Companies Act, 2017.

### 3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies and method of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the Company's annual financial statements for the year ended June 30, 2021.
- 3.2** Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company and therefore not stated in this condensed interim financial information.

### 4. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the financial statements of the Company for the year ended June 30, 2021.

### 5. ACCOUNTING ESTIMATES AND JUDGEMENT

The basis for accounting estimates and judgment adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2021.

## NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED MARCH 31, 2022

	Note	March 31, 2022 Rupees	June 30, 2021 Rupees
<b>6. PROPERTY, EQUIPMENT AND INTANGIBLE</b>			
Equipment and appliances		5,403	10,654
Vehicles		4,981,584	4,653,523
Intangible asset		-	-
		<u>4,986,987</u>	<u>4,664,177</u>
		<u>-</u>	<u>-</u>
<b>7. NET INVESTMENT IN LEASE FINANCE</b>			
Net investment in lease finance	7.1	422,015,940	424,694,918
Provision for potential lease losses		(367,139,595)	(367,979,428)
		54,876,345	56,715,490
Current portion		<u>(54,876,345)</u>	<u>(46,272,885)</u>
		<u>-</u>	<u>10,442,605</u>
<b>7.1 Particulars of net investment in lease finance</b>			
Minimum lease payments receivable		528,673,148	531,562,293
Residual value of leased assets		250,012	250,012
		<u>528,923,160</u>	<u>531,812,305</u>
Unearned finance income		-	-
Markup held in Suspense		(106,907,220)	(107,537,463)
Net investment in lease finance		<u>422,015,940</u>	<u>424,274,842</u>
<b>7.1.1</b> The lease finances carry mark up ranging from 6M KIBOR plus spread of 2% to 5% (June 30, 2021): 6M KIBOR plus spread of 2% to 5% per annum having maturity up to 5 years and are secured against leased assets.			
		March 31, 2022 Rupees	June 30, 2021 Rupees
<b>7.2 Provision for potential lease losses</b>			
Opening balance		367,979,428	372,373,879
(Reversal) / charge for the period - net		(839,833)	(4,394,451)
Written off during the period		-	-
Closing balance		<u>367,139,595</u>	<u>367,979,428</u>
<b>7.3 Current portion of lease finance</b>			
Maturing within one year		422,015,940	424,274,842
Provision for potential lease losses		(367,139,595)	(368,529,352)
More Than One Year & Less Than Five Years		-	(10,442,605)
		<u>54,876,345</u>	<u>45,302,885</u>
<b>8. LONG TERM INVESTMENTS</b>			
Investment in unlisted Saving Certificates	8.1	247,111,357	246,365,322
Investment transfer to Nazir		1,505,300	1,505,300
		(41,859,815)	(40,896,378)
		<u>206,756,842</u>	<u>206,974,244</u>

## NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED MARCH 31, 2022

		<b>March 31, 2022</b>	<b>June 30, 2021</b>
	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
<b>8.1 Investment in associates</b>			
Opening balance		164,809,126	161,773,925
Share of reversal of deficit on revaluation of investments recognised in other income		-	-
Share of (loss) / gain		(8,601,720)	27,831,496
Disposal of Investment		-	(14,682,500)
Less: Dawood Family Takaful Ltd. less than 20% (Not Associate)		-	(37,091,006)
Less: transfer to investment held with Nazir		-	(865,025)
Share of reversal of deficit on revaluation of investments at FVOCI recognised in other comprehensive income		17,943,764	27,842,236
		<u>174,151,170</u>	<u>164,809,126</u>

**8.2 Investment held with Nazir SHC at FVOCI****31-March-22**    **30-Jun-21**

Number of Shares

6,466,010	6,466,010	Dawood Family Takaful	40,896,378	37,013,626
1,477,823	1,477,823	Al Baraka Bank Pakistan Limited	14,345,635	13,548,547
			<u>55,242,013</u>	<u>50,562,173</u>
		Remeasurement gain/ (loss) on investment of ABPL	159,778	797,088
		Share of gain/(loss) on investment of DFTL	803,659	3,882,752
			<u>56,205,450</u>	<u>55,242,013</u>

**9. LONG-TERM FINANCES**

Term finance facilities		185,646,574	236,360,654
Provision for doubtful finances		(105,102,672)	(111,308,672)
		80,543,902	125,051,982
Current portion	11	<u>(80,543,902)</u>	<u>(125,051,982)</u>
		-	-

**9.1 Particulars of provision for doubtful finances**

Opening balance	121,308,672	126,426,200
(Reversal) / charge for the period - net	(16,206,000)	(5,117,528)
Provision during the period	-	-
Closing balance	<u>105,102,672</u>	<u>121,308,672</u>

**10. DEFERRED TAX ASSET**

Deferred tax asset is recognized in respect of carry forward assessed tax losses/deductible temporary differences to the extent it is probable that there will be future taxable profits against which these losses/deductible temporary differences can be utilized. The Company has prepared a five year business plan which has been approved by the Board of Directors. The said plan involves certain key assumptions underlying the estimation of future taxable profits including injection of fresh equity. The determination of future taxable profit is directly related and sensitive to certain key assumptions such as recoveries of outstanding lease and long term finances, resumption of licenses, expected return on investments and bank balances etc. Any change in the key assumptions may have an effect on the realizability of the deferred tax asset. The Board and management believes that it is probable that the Company will be able to achieve the profits projected in the business plan and deferred tax amounting to Rs. 290.297 million will be realised in the future.

	<b>March 31, 2022</b>	<b>June 30, 2021</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>10.1 TAXATION</b>		
Current Year	(8,088,918)	(105,674)
Deferred Tax	-	(24,559,179)
Prior Year	-	-
	<u>(8,088,918)</u>	<u>(24,664,853)</u>

## NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED MARCH 31, 2022

	Note	March 31, 2022 Rupees	June 30, 2021 Rupees
<b>11. CURRENT PORTION OF NON-CURRENT ASSETS</b>			
Net investment in lease finance	7	54,876,345	45,302,885
Long-term finances		80,543,902	125,051,982
Long-term loans		-	-
		<u>135,420,247</u>	<u>170,354,867</u>
<b>12. SHORT TERM INVESTMENTS</b>			
<b>Held-for-trading</b>			
Listed ordinary shares		377,668	377,668
<b>Available-for-sale</b>			
Term finance certificates / sukuk bonds/ Musharaka		162,880,000	58,580,000
Unquoted securities		14,505,413	13,548,547
		<u>177,385,413</u>	<u>72,128,547</u>
Less: provision for impairment in preference shares		(377,668)	(377,668)
Held with Nazir of SHC agianst HBFC Case		(14,505,413)	(13,548,547)
		<u>162,880,000</u>	<u>58,580,000</u>
<b>13. PLACEMENTS AND FINANCES</b>			
Placement and finance- unsecured		-	-
Provision for doubtful finances		-	-
		-	-
Financing against shares		155,158,994	155,185,305
Provision for doubtful finances		(155,158,994)	(155,185,305)
		-	-
Short-term finance - secured		11,300,000	11,300,000
Provision for doubtful finances		(11,300,000)	(11,300,000)
		-	-
Certificates of deposit		5,000,000	5,000,000
Provision for doubtful finances		(5,000,000)	(5,000,000)
		-	-
Morabaha / musharika finances		29,480,667	86,684,717
Provision for doubtful finances		(29,480,667)	(47,659,304)
		-	39,025,413
		-	<u>39,025,413</u>
<b>14 LONG TERM LOANS</b>			
<b>Secured</b>			
Commercial Banks	15	283,380,856	301,317,572
		<u>283,380,856</u>	<u>301,317,572</u>
Current portion		(252,680,856)	(264,869,450)
		<u>30,700,000</u>	<u>36,448,122</u>
<b>15 CURRENT PORTION OF LONG TERM LIABILITIES</b>			
Long term loans	14	252,680,856	264,869,450
Repayment During the Quarter		-	-
Lease Liabilities		156,916	156,916
		<u>252,837,772</u>	<u>265,026,366</u>

15.1 The markup has been reversed based on legal opinion sought and no markup is shown in the external confirmation circulated by the external auditor.

## NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED MARCH 31, 2022

	<b>March 31, 2022</b>	<b>June 30, 2021</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>15.2 SHORT TERM BORROWINGS</b>		
<b>Unsecured</b>		
Development Financial Institution	49,774,280	49,774,280
	<u>49,774,280</u>	<u>49,774,280</u>

- 15.3 "Since the pro-rata release of securities explained in note 13, therefore the company was compelled to adjust the cash & securities held by the Nazir of High court to repay the remaining monthly installments, after the first two installments, which were promptly paid in cash along with markup at rate determined by JCR-VIS credit rating agency i.e. 4.70%. The management is of the opinion that repayments were appropriately made by the company under the situation and that HBFC would not have any additional claim, once the 12-month period awarded by Honorable Supreme Court of Pakistan comes to an end and the repayments, whether in cash or in form of securities ( to be released by nazir SHC) are timely made by the company. Thus to create an unnecessary dispute, the DFI has filed execution in the High court, FDIBL filed an appeal in the High Court against Order. JCR-VIS is an acceptable and justified rate, because it can be verified / recalculated from books of account of HBFC as well. The sum as per aforesaid calculation i.e. as per JCR continues to reflect as accrued liability in the company's account. The company has also filed a petition in the Honorable Hogh Court of Sindh against State Bank of Pakistan for determining cost of fund @ 34.64% which is much higher than the current base interest rate."

	<b>March 31, 2022</b>	<b>June 30, 2021</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>16 CONTINGENCIES AND COMMITMENTS</b>		
<b>16.1 Contingent liabilities</b>		
Letters of comfort / guarantee	1,088,000,000	1,088,000,000

The guarantees worth Rs. 1,088 million (June 30, 2020: Rs. 1,088 million) are under litigations and are being defended by lawyers of the Company. Based on the opinion of legal advisors of the Company, the management is confident that adequate legal grounds are available to defend these cases. Accordingly, no provision is required to be made for the said cases in this condensed interim financial information. Brief detail of the guarantees under litigations is as under:

- i. A guarantee of Rs. 245 million was given against a Letter of Commitment and not against a guarantee which is currently in litigation. The beneficiary has restructured its facilities to the customer, hence the amount is restructured/settled. The beneficiary has filed a recovery case and winding up petition against the Company. According to the Company's legal advisors, the Company has good merits to defend both recovery case and winding up petition because the lender can not claim same amount from two parties.
- ii. A guarantee of Rs. 128 million against the bridge finance facility was called as the party in favour of which guarantee was issued defaulted in making payment to the beneficiary bank. The beneficiary has filed winding up petition and suit for recovery in the SHC, which is pending adjudication. According to the Company's legal advisor, the Company has good merits to defend both the recovery case and the winding up petition because the facility status was changed to term loan and also that the recovery Suit against Principal debtor is also pending.
- iii. A guarantee of Rs 465 million against the repayment of sukuk has been called which is currently under litigation. Based on the opinion of the legal advisors of the Company, the Company has good merits to defend the case as the guarantee never became operational due to default on the part of trustee of the sukuk issue.
- IV. A guarantee of Rs. 250 million against the repayment of sukuk was called as the principal debtor defaulted in payment of installments of the said sukuk. The Trustee of the sukuk has filed a recovery suit against the Company in the SHC, which is pending adjudication. Based on opinion of the legal advisors of the Company, the Company has good merits to defend the case as in its view the guarantee never became operational on technical grounds of non-fulfillment of pre-conditions.

**17 TRANSACTIONS WITH RELATED PARTIES**

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

**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)**  
FOR THE PERIOD ENDED MARCH 31, 2022

Details of transactions with related parties and balances with them as at period / year-end are as follows: -

	<u>March 31, 2022</u>		<u>June 30, 2021</u>	
	<i>Key Management Personnel</i>	<i>Associates/ Related Parties</i>	<i>Key Management Personnel</i>	<i>Associates/ Related Parties</i>
	----- Rupees -----			
<b>Investment in associate</b>				
Balance at beginning of the period / year	-	202,765,157	-	161,773,925
Share of Loss from Associate	-	-	-	27,831,496
Disposal of Investment in DFTL	-	-	-	(14,682,500)
Share of reversal of deficit on revaluation of investments classified in other comprehensive income	-	-	-	-
	-	18,557,755	-	27,842,236
Balance at end of the period / year	-	221,322,912	-	202,765,157
<b>Long term finances / loans</b>				
Short term Loan	(2,199,997)	150,000,000	2,199,001	55,000,000
Unearned rent	-	-	-	-
Long term finance	-	-	-	-
Term Finance Certificates / Sukuk bonds	-	-	-	-
Disposal of Fixed Asset Cost	-	-	-	-
	(2,199,997)	150,000,000	2,199,001	55,000,000
<b>Charge to profit and loss account</b>				
Common expenses paid	-	51,094	-	41,539
Share of (loss) / profit from associate	-	(8,601,720)	-	27,831,496
Share of common expenses received	-	-	-	-
Rental income	-	-	-	-
Rental expense	-	60,000	-	30,000
Takaful expense	-	-	-	55,940
	-	(8,490,626)	-	27,958,975

**18 DATE OF AUTHORIZATION FOR ISSUE**

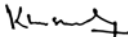
These condensed interim financial statements were authorised for issue on April 12, 2022 by the Board of Directors of the Company.

**19 GENERAL**

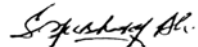
Figures have been rounded off to the nearest Rupee.



Chief Executive



Director



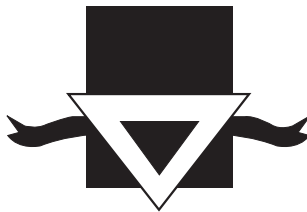
Chief Financial Officer

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19th Floor, Tower-B, Saima Trade Tower,  
I. I. Chundrigar Road, Karachi-74000



## **FIRST DAWOOD INVESTMENT BANK LIMITED**

### **Head Office:**

19th Floor, Tower-B, Saima Trade Tower, I. I. Chundrigar Road, Karachi-74000  
PABX: +92 (21) 32602401 - 06 FAX: +92 (21)3227-1912  
Email : [fdib@firstdawood.com](mailto:fdib@firstdawood.com) URL : [www.firstdawood.com](http://www.firstdawood.com)