

**Q
U
A
R
T
E
R
L
Y**



DAWOOD EQUITIES LIMITED

**Quarterly Report
September 30, 2021
(Un-Audited)**

**R
E
P
O
R
T**

2021



DAWOOD EQUITIES LIMITED

Contents

Page

■ Corporate Objective.....	2
○ Our Vision.....	2
○ Our Mission.....	2
■ Company information.....	3
■ Directors' Report.....	4
■ ڈائریکٹرز کی رپورٹ	5
○ Condensed Interim Balance Sheet.....	6
○ Condensed Interim Profit & Loss Account.....	7
○ Condensed Interim Statement of Comprehensive Income	8
○ Condensed Interim Statement of Cash Flow.....	9
○ Condensed Interim Statement of Changes in Equity.....	10
○ Notes to The Financial Statement	11





Our Vision

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

Our Mission

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



DAWOOD EQUITIES LIMITED

Company Information

Board of Directors

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

Chief Financial officer & Company Secretary

Mr. Salman Yaqoob

Audit Committee

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

HR & R Committee

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

External Auditor

M. Yousuf Adil & Company
Chartered Accountants

Internal Auditor

Reanda Haroon Zakaria & Company
Chartered Accountants

Legal Advisor

Rauf & Ghaffar Law Associates

Bankers

Bank Al Habib Limited
Habib Metropolitan Bank Limited
Bank Al Falah Limited
United Bank Limited
Albaraka Bank (Pakistan) Limited
MCB Bank Limited
The Bank of Khyber

Website

www.dawoodequities.com

Registered Head Office

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

Registered Branch Office

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

Office no 07, Mezzanine Floor, Auto Bhan Tower Auto,
Auto Bhan Road, Latifabad No. 3, Hyderabad.
Tel: +92-22-3411027

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

Share Registrar

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



DAWOOD EQUITIES LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders

On the behalf of Board of Directors of Dawood Equities Limited (DEL), I am pleased to present herewith the unaudited financial statements for the first quarter ended September 30 2021.

FINANCIAL PERFORMANCE

During the period under review, the benchmark KSE100 Index shed 2,456 points to close at 44,900 level, losing 5.2%. Activity during the period under review also remained thin with average volumes of 412 million shares and average trading value of PKR13.9 billion compared to 500 million shares and PKR17.6 billion, respectively during the same period last year. Trading activity also reduced when compared to the previous quarter ending June 2021 with average volumes of 669 million shares and value of PKR20.3 billion. Investors remained at bay amidst the uncertain geo-political and domestic conditions and macroeconomic pressures with weakening PKR and suspended IMF talks resulted in reduced trading activities.

This first quarter revenue stand at Rs. 26.2 million as compared to Rs.28.7 million in same quarter last year.

The Net Profit of the company arrived at Rs.5 million which translate to earning per share of Rs.0.18 in first quarter while breakup value of share arrive at Rs 10.56 per share. Decline in profit is due to unrealized loss on re-measurement of company's investments owing to deteriorated capital market condition and the increase in running expenses brought about by the new projects taken up in line with the company's strategy to expand its business.

The summary of Financial Results is as follows:

	September 30, 2021 Rupees	September 30, 2020 Rupees
Gross Revenue	26,257,018	28,714,995
Net Revenue	17,711,796	19,035,871
Administrative Expenses	(8,034,984)	(6,401,379)
Profit / (Loss) after tax	5,001,994	15,413,621
Earnings per share basic and diluted	0.18	0.62

Junaid Dada
Chairman

Abdul Aziz Habib
Chief Executive Officer

Karachi: **October 28, 2021**



DAWOOD EQUITIES LIMITED

ڈائریکٹرز کی رپورٹ:

محترم حصص یافتگان

دواڈا ایکویٹیز لمیٹڈ (DEL) کے بورڈ آف ڈائریکٹرز کی جانب سے، میں 30 ستمبر 2021 کو ختم ہونے والی پہلی سرمایہ کے لئے غیر نظر پائی شدہ مالی سالیات پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

مالیاتی کارکردگی

زیر جائزہ مدت کے دوران ایشیا مارک KSE 100 انڈیکس 2,456 پوائنٹس گر کر 5,2 کر فیصد کی کمی کے ساتھ 44,900 کی سطح پر بند ہوا۔ زیر جائزہ مدت کے دوران سرگرمی بھی 412 ملین شیئرز کے اوسط حجم اور 13.9 ملین روپے کی اوسط تجارتی قدر کے ساتھ کم رہی۔ یکم جولائی سے 31 اگست 2021 تک اس مدت کے دوران باہر تیب 500 ملین شیئرز اور 17.6 ملین روپے بھی۔ اوسط حجم 669 ملین شیئرز اور 20.3 ملین روپے قدر کے ساتھ جون 2021 کو ختم ہونے والی یکجہلی سرمایہ کے مقابلے میں تجارتی سرگرمیاں بھی کم رہیں۔ غیر منقسم ہدف پائی سرمایہ اور ملکی حالات اور پاکستانی روپیہ کے کمزور ہونے اور آئی ایم ایف کے معطل مذاکرات کے ساتھ بھکر واکا تک دباؤ کے نتیجے میں تجارتی سرگرمی کم ہونے کی وجہ سے سرمایہ کار سنبھلتے رہے۔

اس پہلی سرمایہ کی آمدنی گزشتہ سال اسی سرمایہ میں 28.7 ملین روپے کے مقابلے 26.2 ملین روپے رہی۔

کپنی کا خالص منافع 5 ملین روپے تک پہنچ گیا جس کے نتیجے پہلی سرمایہ میں فی حصص آمدنی 0.18 روپے جبکہ حصص کی بڑھاپہ دلیو 10.56 روپے فی شیئر پہنچ گئی ہے۔ منافع میں کمی کی کپنل مارکیٹ کی بگڑتی ہوئی حالت کی وجہ سے کپنی کی سرمایہ کاری کی دوبارہ پیش پرفورمنس نقصان اور کپنی کے کاروبار کو وسعت دینے کی حکمت عملی کے مطابق شروع کیے گئے نئے پروجیکٹس پر ہونے والے اخراجات میں اضافہ کے باعث ہوئی ہے۔

مالیاتی کارکردگی کا خلاصہ

30 ستمبر 2020ء	30 ستمبر 2021ء	
28,714,995	26,257,018	مجموعی آمدنی
19,035,871	17,711,796	خالص آمدنی
(6,401,379)	(8,034,984)	انتظامی اخراجات
15,413,621	5,001,994	بعد از ٹیکس منافع / (نقصان)
0.62	0.18	فی شیئر آمدنی بنیادی اور منقول

عبدالعزیز حبیب
چیف ایگزیکٹو آفیسر

جنید ڈاڈا
چیرمین

کراچی: 28 اکتوبر 2021ء



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 31, 2021**

<u>ASSETS</u>	<i>Note</i>	<i>30-Sep 2021 Rupees</i>	<i>30-Jun 2021 Rupees</i>
Non-Current Assets			
Property and equipment	5	9,420,881	9,056,968
Investment Property		5,427,018	5,504,750
Intangible assets	6	6,000,000	6,000,000
Long term deposits		1,887,500	1,887,500
Deferred taxation		34,767,589	34,767,589
		<u>57,502,988</u>	<u>57,216,807</u>
Current Assets			
Short term investments	7	77,095,005	87,697,874
Trade debts		162,077,921	136,511,319
Receivable against margin finance		12,057,025	2,697,834
Trade deposits and short term prepayments		29,692,110	33,200,635
Other receivable		15,667,363	12,256,825
Tax refunds due from government		7,204,882	6,720,105
Cash and bank balances		15,089,431	13,575,366
		<u>318,883,736</u>	<u>292,659,958</u>
Total Assets		<u>376,386,724</u>	<u>349,876,765</u>
<u>EQUITY AND LIABILITIES</u>			
Capital and Reserves			
Authorized Share Capital			
30,000,000 Ordinary shares of Rs.10 each		<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed and paid up capital		274,965,000	249,965,000
Reserves		15,394,559	43,099,526
measurement of investment available for		<u>290,359,559</u>	<u>293,064,526</u>
Non Current Liabilities			
Rental deposits		25,000	25,000
Current Liabilities			
Trade and other payables		86,002,165	56,787,239
Contingencies and Commitments			
Total Equity and Liabilities	8	<u>376,386,724</u>	<u>349,876,765</u>

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


Chief Executive


Director


Chief Financial Officer



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2021**

	Quarter Ended	
	30-Sep 2021	30-Sep 2020
	Rupees	
Operating revenue	26,257,018	28,714,995
Less: Commission to agents and dealers	8,545,222	9,679,124
Operating revenue	17,711,796	19,035,871
Capital gain / (loss) on disposal of investments - net	567,939	3,729,815
Loss on commodity trading	-	(11,336)
Profit / (loss) on remeasurement of investments carried at fair value through profit and loss	(4,718,896)	789,160
	13,560,840	23,554,846
Administrative expenses	(8,034,984)	(6,401,379)
	5,525,856	17,153,467
Financial charges	(16,641)	(14,860)
	5,509,216	17,138,606
Other operating income	375,483	229,574
Other operating charges	-	(107,687)
Profit before taxation	5,884,699	17,260,494
Taxation - net	(882,705)	(1,846,873)
Profit after taxation	5,001,994	15,413,621
Earning per share - basic and diluted	0.18	0.62

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2021**

	30-Sep 2021	30-Sep 2020
	<i>Rupees</i>	<i>Rupees</i>
Profit for the year	5,001,994	15,413,621
Other comprehensive (loss) / income on re-measurement of investment available	(7,706,960)	12,599,490
Total comprehensive (loss) / income for the year	<u>(2,704,966)</u>	<u>28,013,111</u>

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2021**

	30-Sep 2021 Rupees	30-Sep 2020 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	5,001,994	15,413,621
Adjustment for non cash items:		
Depreciation	351,068	352,700
Loss / (gain) on remeasurement of investment	4,718,896	(789,160)
Capital (gain) / loss on disposal of investment	(567,939)	(3,729,815)
Loss on commodity trading	-	11,336
Dividend income	(10,000)	-
Financial charges	16,641	14,860
	4,508,665	(4,140,079)
Cash generated from operating activities before working capital changes	9,510,659	11,273,542
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Trade debts	(25,566,602)	(23,704,457)
Other receivables	(3,410,538)	9,003,577
Receivable against MF	(9,359,191)	(6,659,878)
Trade deposits and short term prepayments	3,508,525	(53,699,076)
	(34,827,806)	(75,059,834)
(Decrease) / increase in current liabilities		
Trade and other payables	29,214,926	45,639,949
Cash used in operations	3,897,779	(18,146,343)
Taxes paid	(1,367,481)	(4,792,883)
Financial charges paid	(16,641)	(14,860)
	(1,384,122)	(4,807,743)
Net cash used / generated in operating activities	2,513,658	(22,954,087)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(637,249)	508,388
Receipt from other income	375,483	229,574
Investments - net	(747,827)	26,224,876
Dividend received	10,000	-
	(999,593)	26,962,838
Net cash generated from investing activities	(999,593)	26,962,838
Net (decrease) / increase in cash and cash equivalents (A+B)	1,514,065	4,008,752
Cash and cash equivalents at the beginning of the period	13,575,366	2,655,060
Cash and cash equivalents at the end of the period	15,089,431	6,663,811

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2021**

	Reserves			Sub-Total	Total Equity	
	Issued, subscribed and paid up capital	Capital	Revenue			
		(Loss) / gain on remeasurement of AFS investment	Share premium			Accumulated profit
----- Rupees -----						
Balance as at July 01, 2020	249,965,000	(17,125,870)	74,973,750	(79,897,972)	(22,050,093)	227,914,907
Profit for the period ended				15,413,621	15,413,621	15,413,621
Loss on re-measurement of investment available for sale at par value		12,599,490			12,599,490	12,599,490
Balance as at September 30, 2020	249,965,000	(4,526,380)	74,973,750	(64,484,351)	5,963,018	255,928,018
Balance as at October 01, 2020	249,965,000	(4,526,380)	74,973,750	(64,484,351)	5,963,018	255,928,018
Profit for the period ended October 2020 - June 2021				26,120,346	26,120,346	26,120,346
Loss on re-measurement of investment available for sale at par value		11,016,161			11,016,161	11,016,161
Balance as at June 30, 2021	249,965,000	6,489,781	74,973,750	(38,364,005)	43,099,525	293,064,525
Balance as at July 01, 2021	249,965,000	6,489,781	74,973,750	(38,364,005)	43,099,525	293,064,525
Profit for the period ended				5,001,994	5,001,994	5,001,994
Loss on re-measurement of investment available for sale at par value		(7,706,960)			(7,706,960)	(7,706,960)
Bonus Issue @ 10% per ordinary shares	25,000,000		(25,000,000)		(25,000,000)	
Balance as at September 30, 2021	274,965,000	(1,217,179)	49,973,750	(33,362,011)	15,394,559	290,359,559

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2021**

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 Companies Act 2017. The Company commenced commercial operations from October 03, 2006. Subsequently the Company obtained listing on the Pakistan Stock Exchange Limited formerly Karachi Stock Exchange Limited on April 14, 2008. The registered office of the Company is situated at 1700-A, Saima Trade Towers, I.I. Chundrigar Road, Karachi. The Company's principal business is trading and brokerage of listed equities, underwriting and other investments.

2 SIGNIFICANT TRANSACTIONS AND EVENT THAT AFFECTED THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

Due to the applicability of Companies Act, 2017 certain disclosures of the financial have been presented in accordance with the fourth schedule notified by the Securities and Exchange Commission of Pakistan vide S.R.O. 1169 dated November 7, 2017.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Boards (IASB) as notified under the Companies Act, 2017.
- Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except for certain investments which are measured at fair value.

These financial statements have been prepared following accrual basis of accounting except for cash flow information

3.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

3.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved financial reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.



DAWOOD EQUITIES LIMITED

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report is the same as those applied in the preparation of the financial statements for the year ended June 30 2021.

	(Un-audited) September 30 2021 Rupees	(Audited) June 30, 2021 Rupees
5 PROPERTY AND EQUIPMENT		
Opening net book value	9,056,968	6,618,593
Add: Additions	637,249	3,504,059
Less: Disposals-net	-	-
Depreciation	(273,336)	(1,065,684)
Closing net book value	<u>9,420,881</u>	<u>9,056,968</u>
5.1 Following additions were made during the period		
Computer	-	693,389
Building	-	-
Furniture	555,350	2,560,200
Office equipment	81,899	76,970
Motor vehicle	-	173,500
	<u>637,249</u>	<u>3,504,059</u>
6 INTANGIBLE ASSETS		
UNIVERSAL MEMBERSHIP RIGHT WITH PMEX	3,500,000	3,500,000
Trading Rights Entitlement Certificates (TREC)s	2,500,000	2,500,000
	<u>6,000,000</u>	<u>6,000,000</u>
7 SHORT TERM INVESTMENTS		
At fair value - through other comprehensive income	5,837,444	6,056,944
Others - at fair value through profit & loss	71,257,561	81,640,930
	<u>77,095,005</u>	<u>87,697,874</u>
8 CONTINGENCIES & COMMITMENTS		
The status of contingencies for the quarter ended September 30, 2021 are as follows:		
8.1	The Company has filed a suit in the Honorable High Court of Sindh against one of its corporate client against recovery of Rs. 75.436 million and proceedings are in process. Honorable High Court has appointed Commissioner for determination of amount. Currently 100% provision of Rs. 75.436 million has been made as ultimate outcome is uncertain.	
9 TRANSACTION WITH RELATED PARTIES		
Related parties comprises of major shareholders, associated companies with or without common directors, other companies with common directors, retirement benefits fund, directors, key management personal and their close family members.		



DAWOOD EQUITIES LIMITED

(Un-audited)	(Audited)
September 30	June 30,
2021	2021
Rupees	Rupees

Commission earned from brokerage transactions with member companies and key management personnel of members companies

2,963,532.00	16,385,379
---------------------	-------------------

FDIBL and others Employee Provident Fund

132,870	499,079
----------------	----------------

Employer's contribution paid

Expenses paid / payable to member companies

-	384,000
----------	----------------

10 REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

September 30	June 30,
2021	2021
Chief	Chief
Executive	Executive
Officer	Officer
375,000	1,200,000

Managerial remuneration

None of the employees fall under the category of executives as defined in Companies Act, 2017.

11 OPERATING SEGMENT

These financial statements have been prepared on the basis of a single reportable segment which is consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

The internal reporting provided to the chief operating decision-maker relating to the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan. There were no change in the reportable segments during the year.

The Company is domiciled in Pakistan. The Company's revenue is generated from shares brokerage, portfolio management, investment advisory, consultancy and underwriting services.

All non-current assets of the Company are located in Pakistan.

12 DATE FOR AUTHORIZATION FOR ISSUE

The Board of Directors of the Company authorized these interim financial statements for issue on October 28, 2021.

13 GENERAL

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



Chief Executive



Director



Chief Financial Officer



BOOK POST
Printed Matter

UNDER CERTIFICATE OF POSTING

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