



DAWOOD EQUITIES LIMITED

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2022



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

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

Hyderabad Branch

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

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

Bantavangar Branch

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

PSX Branch-2

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

Faisalabad Branch

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

PMEX Registered Branch Office

DHA Branch

Office No. 103, First Floor, Plot No. 23-C,
26th Street, Badar Commercial DHA
Phase V Ext., Karachi.

Sheikhupura Branch

Sheikhupura Bypass, Nzd,
Sultan Hospital Care 4 Plaza,
Sheikhupura.

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 17TH ANNUAL GENERAL MEETING

Notice is hereby given that 17th Annual General Meeting of Dawood Equities Limited will be held at 1700-A, Saima Trade Towers, I. I. Chundrigar Road, Karachi on October 26, 2022 at 8:45 am to transact the following business:

Ordinary Business

1. To confirm the minutes of 16th Annual General Meeting held on October 25, 2021.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2022 together with Directors' and Auditors' Reports thereon.
3. To consider the appointment of Auditors for the year ending June 30, 2022/2023 and to fix their remuneration. The Board of Directors have recommended for reappointment of Yousuf Adil, Chartered Accountants as external auditors.
4. To transact any other Business with the permission of the Chair.

By Order of the Board

Salman Yaqoob
CFO & Company Secretary

Date: October 04, 2022
Karachi

Notes:

1. Book Closure Notice

The Share Transfer Books of DEL will be closed from October 16, 2022 to October 26, 2022 (both days inclusive). Transfers received at our registrar office F.D.Registrar Services Pvt Ltd situated at office # 1705, 17th Floor, Saima Trade Tower, I.I.Chundrigar Road, Karachi at the close of business on October 15, 2022 will be treated in time for the purpose of above entitlement to the transferees.

2. Appointment of Proxy and Participation in the AGM

- a) A member entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint another member as his/her proxy to attend, speak and vote for his/her behalf. A proxy must be a member of the Company. A proxy shall also have the right to demand and join in demanding a poll and vote on a poll.
- b) The instrument appointing proxy, together with the power of attorney or other authority under which it is signed, as the case may be, or a notarially certified copy of the power or authority, must be deposited at the Registered Office of the Company situated 1700-A, Saima Trade Towers, I. I. Chundrigar Road, Karachi, at least 48 hours before the time of the meeting.



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- c) Form of Proxy is enclosed. Attested copies of valid CNIC or the passport of the member and the Proxy shall be furnished with the Proxy Form.
- d) Owners of the physical shares and of the shares registered in the name of Central Depository Company of Pakistan Ltd. (CDC) and / or their proxies are required to produce their original valid Computerized National Identity Card (CNIC) or Passport, for identification purposes, at the time of attending the meeting.

3. Video-link Facility

If the members holding ten percent of the total paid up capital or such other percentage of the paid up capital as may be specified by the Commission, are resident in any other city, the company shall provide the facility of video-link to such members for attending annual general meeting of the company, if so required by such members in writing to the company at least seven days (7) before the date of the meeting.

4. Availability of Financial Statements and Reports on the Website:

The Annual Report of the Company for the year ended June 30, 2022 has been placed on the Company's website at the given link: <http://www.dawoodequities.com/financials.php>.



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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 2022 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 FY23.
- 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.
- 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. and
- 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.



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- 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. Mirroring the innovation seen around the world. Pakistan can provide greater accessibility for retail investors - while the self-serve nature of these journeys provides attractive unit economics for the product and service providers.

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 29, 2022



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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, 2022 together with the audited financial statements for the year in accordance with the accounting, regulatory and legal standards and requirements.

ECONOMIC PERFORMANCE:

On the economic front, FY22 marked the beginning of global economic slowdown as the world economies began to experience the effects of the commodity super-cycle with prices surging owing to a combination of supply side pressures and rising energy prices. With no exception Pakistan faced mounting inflationary pressures with CPI rising to 21.32% in June 2022 averaging 12.15% in FY22 against 8.90% recorded in the prior year. However, despite the tough global economic backdrop, Pakistan's economy continued its growth momentum, reflected by 5.97% GDP growth contributed by supportive macroeconomic policies which bolstered aggregate demand.

The accelerating GDP growth led by higher aggregate demand amid accommodative monetary and fiscal policies together with the ramification of the Russia-Ukraine conflict on global commodity prices, however led to a burgeoning current account deficit which ballooned to US\$ 17.3bn (FY21: US\$ 2.8bn). As a result, forex reserves fell to US\$ 9.8bn as of June 30, 2022 with PKR depreciating 23.1% against the US\$ during the outgoing fiscal year. The high current account deficit together with rising inflationary pressures forced the central bank to change policy direction with accumulative 675 bps of monetary tightening to 13.75% during FY22.

A silver lining despite all these macro vulnerabilities was resumption of the IMF Extended Fund Facility (EFF) program paving the way for the release of the 6th tranche of US\$ 1 billion (cumulative funding of US\$ 3 billion) While the program talks were suspended again in March 2022 following the previous government's decision to back track on some performance benchmarks particularly energy subsidies, the program is now back on track with the signing of the Staff Level Agreement in July and IMF executive Board approval on 29th August for the release of US\$ 1.16 billion (7th and 8th tranche).

In another positive development, the FATF plenary committee acknowledged the progress made by the country against money laundering and terrorist financing (AML/CFT) in the past few months and declared Pakistan compliant on all 34 action points. It also highlighted that Pakistan will be taken off the FATF grey list if the on-site visit due in September remains successful.

STOCK MARKET PERFORMANCE:

Domestic stocks suffered during the year amid a burgeoning external account deficit, rising inflationary pressures exacerbated by the commodity super cycle, increased political noise and change in political leadership. Delays in approval of IMF's sixth and seventh review and reclassification from the MSCI Emerging Markets to Frontier Markets further weakened market sentiment.

The benchmark KSE-100 index closed FY22 at 41,541 points, down 12.28% / 5,815 points YoY. The steep PKR depreciation took the US\$ based return to a negative 32.54%, the worst performance since FY19 (-38.60%). As various exogenous and macroeconomic indicators turned south, market participation remained lackluster with average volumes down 44.76% YoY to 291 million shares while average traded value declined 54.69% to US\$ 55 million. Technology (-48% YoY), Refinery (-47% YoY) Cements (-44% YoY), Engineering (-40% YoY), Textiles (-30% YoY), Paper and Board (-28% YoY), Tobacco (-27% YoY) Pharmaceuticals (-24% YoY), and Oil marketing (-18% YoY) etc. were major underperformers during FY22. In contrast, Chemicals (+37% YoY), Autos (+11% YoY), Fertilizers (+10% YoY), Oil and gas exploration (+0.1% YoY) and Commercial Banks (-6% YoY) etc. remained noticeable outperformers. Foreign investors remained net sellers for the seventh consecutive year



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with a net outflow of US\$ 298 million (FY21: US\$ 387 million) mainly concentrated in i) Commercial banks (US\$ 204 million), ii) Cements (US\$ 61 million) and iii) Fertilizers (US\$ 52 million). In contrast, foreigners were net buyers in i) Technology (US\$ 55 million), ii) Power generation (US\$ 11 million) and iii) Textiles (US\$ 4 million).

FINANCIAL PERFORMANCE

We are pleased to share with you the following financial performance of the company for FY22 despite multiple headwinds:

Total revenue of DEL for the FY2022-22 was recorded at Rs.115.71 million versus Rs. 139.22 million in the comparative year. DEL recorded a pre-tax profit of Rs.15.27 million for the year ended June 30, 2022 vs. Rs.59.3 million for the year ended June 30, 2021. The performance is commendable in the backdrop of a 54% decline in traded value and amid low trading activities, market valuations and higher volatility.

Total operating expenses of DEL for the FY2021-22 was recorded at Rs.53.9 million versus Rs.37.4 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. However, the increase in operating expenses is mainly due to increased advisory fee paid to consultant for underwriting of transactions. During the year the company recognized allowance for expected credit loss amount to Rs.17.67 million in compliance with IFRS 9. Finance cost of the company increased to Rs. 2.46 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 279.6 million (June 2021: PKR 293 million) which translates into book value per share of PKR 10.17 (June 30, 2021: PKR 10.65). The summary of Financial Results is as follows:

	June 30, 2022 Rupees	June 30, 2021 Rupees
Revenue	115,715,042	139,211,487
Profit before tax	15,507,831	59,328,661
Profit after tax	9,602,557	41,533,967
Earnings per share basic and diluted	0.35	1.51 Restated

PARTICIPATION IN UIN OPENINGS - GROWING FOOTPRINT THE DIGITAL WAY FORWARD

National Clearing Company Pakistan Limited (NCCPL) declared 279,522 Unique Identification Numbers (UINs) as of June 30, 2022. Dawood Equities Limited believes the number of UINs can be increased in multiples for which technology will play an important role. DEL is constantly working to expand its customer outreach and we have opened 941 new accounts with nearly 95% of those online.

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.



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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.

CORPORATE SOCIAL RESPONSIBILITY

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.

Dedicated Internal Audit helps to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. It is a control which functions by examining and evaluating the adequacy and effectiveness of other controls.

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;



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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;
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. 634,027 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 following directors have been elected at the Annual General Meeting held on October 25, 2021 for the period of three years.

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

Mr. Abdul Aziz Habib and Mr. Junaid Dada have been re-appointed as Chief Executive of the company and Chairman of the Board of Directors respectively for the term of three years whereas Mr. Asim Iftekhar resigned from the Board of Directors during the year.

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.



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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. Asim Iftekhhar	1/1	1/1
Mr. Saifullah	4/4	N/A
Mr. Muhammad Abbas	4/4	3/3
Mr. Muhammad Khalid	4/4	4/4
Ms. Sobia Saif	4/4	4/4
Mr. Areeb Shujaat	3/3	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 except that the new director Mr. Areeb Shujaat who elected at AGM bought 98 shares of the company as required under the article of the company which was duly reported to Securities & Exchange Commission of Pakistan under the regulations.

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.

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, 2022, 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, 2022.



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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. These transactions have been approved by the Audit Committee and Board in their respective meetings. The details of all related party transactions have been provided in note 33 & 34 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 2022-23 will be submitted at the forthcoming Annual General Meeting for approval.

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 Company is striving to yield better volumes from its existing clientele as well as prospective foreign and domestic clients, 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.

The Management feels that the value of equity securities is currently at an extremely attractive level and coupled with the recent approval of the IMF program, the market is only set to stabilize; contributing to a better equity return. This will also help in the growth of Company's core income.

Junaid Dada
Chairman

Abdul Aziz Habib
Chief Executive Officer

Karachi: September 29, 2022



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ڈائریکٹرز کی رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے، 30 جون 2022 کو ختم ہونے والے سال کے لئے کمپنی کی سالانہ رپورٹ معہ سال کے لئے نظر ثانی شدہ مالیاتی گوشوارے اور اکاؤنٹنگ، ریگولیشنز اور قانونی معیارات اور ضروریات کے مطابق این ڈی پی ڈائریکٹرز کی رپورٹ پیش کرتے ہوئے مجھے انتہائی خوشی ہو رہی ہے۔

اقتصادی اور کاروباری ماحول

اقتصادی ماحول کا مزہ، مالی سال 22 میں عالمی اقتصادی سست روی کا آغاز ہوا کیونکہ عالمی معیشتوں نے سچائی سائیزڈ ہوا اور توانائی کی زیادہ قیمتوں کے استخراج کی وجہ سے قیمتوں میں اضافے کے ساتھ شہا کے سپرسائیکل کے اثرات کا تجربہ شروع کر دیا ہے۔ بغیر کسی رعایت کے پاکستان کو مہنگائی کے زیادہ دباؤ کا سامنا کرنا پڑا جس کے ساتھ ہی آئی جی 2022 میں 21.32% تک بڑھ گیا جو کہ مالی سال 22 میں اوسطاً 12.15% اور پچھلے سال میں 8.90% ریکارڈ کیا گیا تھا۔ تاہم، سخت عالمی اقتصادی پس منظر کے باوجود، پاکستان کی معیشت نے اپنی نمونگی رفتار کو جاری رکھا، جس کی عکاسی معاون بینکاروں اور اکنامک پالیسیوں کی وجہ سے 5.97% جی ڈی پی کی نمو کرتی ہے جس سے مجموعی طلب کو تقویت ملی۔

عالمی اجناس کی قیمتوں پر روس۔ یوکرین تنازعہ کے اثرات کے ساتھ موافق مائیکرو اور مالیاتی پالیسیوں کے باعث زیادہ مجموعی طلب کی وجہ سے جی ڈی پی نمونگی رفتار تیز ہوئی، تاہم کرنٹ اکاؤنٹ خسارے میں 17.3 بلین امریکی ڈالر (مالی سال 21: 28.2 بلین امریکی ڈالر) اضافہ ہو گیا۔ نتیجتاً، 30 جون 2022 تک غیر ملکی زرمبادلہ کے ذخائر کم ہو کر 9.8 بلین امریکی ڈالر پر آگئے اور ختم ہونے والے مالی سال کے دوران پاکستانی روپیہ میں امریکی ڈالر کے مقابلے میں 23.1 فیصد کمی واقع ہوئی۔ زیادہ افراط زر کے ساتھ کرنٹ اکاؤنٹ خسارے میں اضافہ نے مالی سال 22 کے دوران مرکزی بینک کو مالیاتی ترقی کے مجموعی 675 بی بی ایس کے ساتھ 13.75 فیصد تک پالیسی کی سمت تبدیل کرنے پر مجبور کر دیا۔

ان تمام بینکاروں کے باوجود ایک سلور لائٹنگ آئی ایم ایف کے توسیعی فنڈسہولت (ای ایف ایف) پروگرام کا دوبارہ آغاز تھا جس نے 1 بلین امریکی ڈالر (3 بلین امریکی ڈالر کی مجموعی فنڈنگ) کی 6 ویں قسط کے اجراء کی راہ ہموار کی جبکہ پچھلی حکومت کے کارکردگی کے کچھ معیارات خاص طور پر توانائی کی سبسڈیز کو ترک کرنے کے فیصلے کے بعد مارچ 2022 میں ایک بار پھر پروگرام کے مذاکرات معطل کر دیے گئے، یہ پروگرام اب جولائی میں اسٹاف بیل کے معاہدے پر دستخط کرنے اور 1.16 بلین امریکی ڈالر (ساتویں اور آٹھویں قسط) کی واکٹری کے لئے 29 اگست کو آئی ایم ایف کے ایگزیکٹو بورڈ کی منظوری کے بعد دوبارہ ٹریک پر آ گیا۔

ایک اور چھت پیش رفت میں، FATF کی پوری کمیٹی نے گزشتہ چند مہینوں میں خامی مارکنگ اور دہشت گردی کی مالی معاونت (AML/CFT) کے خلاف ملک کی طرف سے کی گئی پیش رفت کو تسلیم کیا اور پاکستان کو ٹام 34 ایکشن پوائنٹس پر عمل کرنے والا قرار دیا۔ اس نے یہ بھی اجاگر کیا کہ اگر ستمبر میں ہونے والا سائٹ کا دورہ کامیاب رہا تو پاکستان کو FATF کی گریٹ سے نکال دیا جائے گا۔

اسٹاک مارکیٹنگ کا جائزہ

سال کے دوران بڑھتے ہوئے بیرونی اکاؤنٹ خسارے، اشیاء کے سپرسائیکل کی وجہ سے زیادہ افراط زر کے دباؤ، بڑھتے ہوئے سیاسی شور اور سیاسی قیادت میں تبدیلی کے باعث ملکی اسٹاکس کو نقصان پہنچا ہے۔ IMF کے چھٹے اور ساتویں جائزے کی منظوری میں تیز اور IMSCI ایمریجنگ مارکیٹس سے فرٹینئر مارکیٹس میں دو بارہ درجہ بندی نے مارکیٹ کے جذبات کو مزید کمزور کر دیا۔

شیخ مارک 100-KSE انڈیکس FY22 میں 41,541 پوائنٹس پر بند ہوا، جو کہ سال بہ سال 12.28% / 5,815 پوائنٹس کی کمی ہے۔ پاکستانی روپیہ کی قدر میں بہت زیادہ کمی نے امریکی ڈالر پر مبنی واپسی کو ضمنی 32.54% تک پہنچا دیا، 19 FY (38.60%) کے بعد کی ایتر کارکردگی ہے۔ جیسا کہ مختلف خارجی اور معاشی اشارے جنوب کی طرف مڑ گئے، مارکیٹ کی شرکت کم رہی جس کے ساتھ اوسط چھ ماہ بہ سال 44.76% کم ہو کر 291 ملین حصص ہو گیا جبکہ اوسط تجارت کی قیمت 54.69% کم ہو کر 55 ملین امریکی ڈالر ہو گئی۔ ٹیکنالوجی (48% YoY)، ریٹائٹری (47% YoY) سینٹ (44% YoY)، انجینئرنگ (40% YoY)، ٹیکسٹائل (30% YoY)، کاغذ اور پورے (28% YoY)، تہساکو (27% YoY)، فارماسیوٹیکلز (24% YoY)، اور آئل مارکیٹنگ (18% YoY) وغیرہ نے FY22 کے دوران ایتر کارکردگی دکھائی۔ اس کے برعکس، ٹیکسٹائل (+37% YoY)، آٹوز (+11% YoY)، فرنیچر (+10% YoY)، تیل اور گیس کی تلاش (0.1% YoY) اور کمرشل بینک (6% YoY) وغیرہ بہتر کارکردگی میں نمایاں رہے۔ غیر ملکی سرمایہ کار 298 ملین امریکی ڈالر (FY21: 387 ملین امریکی ڈالر) کے خالص اخراج کے ساتھ مسلسل ساتویں سال خالص فروخت کنندگان رہے جو کہ بنیادی طور پر (i) کمرشل بینک (204 ملین امریکی ڈالر)، (ii) سینٹ (61 ملین امریکی ڈالر) اور (iii) ٹھکانہ (52 ملین امریکی ڈالر) خصوصی مرکوز رہے۔ اس کے برعکس، غیر ملکی (i) ٹیکنالوجی (55 ملین امریکی ڈالر)، (ii) پارہیتر بینٹ (11 امریکی ڈالر)، (iii) ٹیکسٹائل (4 امریکی ڈالر) میں خالص خریدار تھے۔

مالیاتی کارکردگی

متعدد مشکلات کے باوجود ہمیں مالی سال 22 کے لیے کمپنی کی درج ذیل مالی کارکردگی آپ کو بتاتے ہوئے خوشی ہو رہی ہے۔



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مالی سال 2021-22 کے لئے DEL کی کل آمدنی تقابلی سال میں 139.22 ملین روپے کے مقابلے میں 115.71 ملین روپے ریکارڈ کی گئی۔ DEL نے 30 جون 2022 کو ختم ہونے والے سال کے لئے 15.27 ملین روپے کا قفل ازیکس منافع درج کیا جو 30 جون 2021 کو ختم ہونے والے سال کے لئے 59.3 ملین روپے تھا۔ تجارتی قدر میں %54 کمی اور کم تجارتی سرگرمیوں، مارکیٹ کی قیمتوں اور زیادہ اتار چڑھاؤ کے پس منظر میں کارکردگی قابل تعریف ہے۔

مالی سال 2021-22 کے لئے DEL کے کل آپریٹنگ اخراجات تقابلی سال میں 37.4 ملین روپے کے مقابلے میں 53.9 ملین روپے ریکارڈ کئے گئے۔ انتظامیہ نے محض ضرورت کی بنیاد پر اخراجات برداشت کر کے لاگت پر شعاعر مندی دکھائی جس کے نتیجے میں معمول کے کاروباری اخراجات میں چھت ہوئی۔ تاہم، آپریٹنگ اخراجات میں اضافہ بنیادی طور پر لین دین کی انڈر رائٹنگ کے لیے کنسلٹنٹ کو ادا کی جانے والی ایڈوائزری فیس میں اضافہ ہے۔ سال کے دوران کمپنی نے 9 IFRS کی قیام میں متوقع کریڈٹ نقصان کی رقم 17.67 ملین روپے کے الاؤنس کو تسلیم کیا۔ کمپنی کی مالیاتی لاگت بڑھ کر 2.46 ملین روپے ہو گئی جو کہ مرکزی بینک کی طرف سے جارحانہ مالیاتی سختی کے باعث سود کی بلند شرحوں اور بہتر مواقع اور ورکنگ کپینٹل کی ضرورت میں کمپنی کی سرمایہ کاری کو متاثر بنانے کے لیے قرض لینے کی زیادہ لاٹوں کے استعمال کی وجہ سے زیادہ ہوئی ہے۔

نیلنس شیٹ کی تاریخ تک کمپنی کی ایکویٹی 279.6 ملین روپے (جون 2021: 293 ملین روپے) ہے جس کے نتیجے میں بک ویلیو 10.17 روپے فی شیئر (30 جون، 2021: 11.72 روپے) حاصل ہوئی ہے۔

مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

2021 جون 30	2022 جون 30	
139,211,487	115,715,042	آمدنی
59,328,661	15,507,831	ٹیکس سے قبل منافع
41,533,967	9,602,557	ٹیکس کے بعد منافع
1.51 اعادہ	0.35	فی شیئر آمدنی بنیادی اور معتدل

UIN اور گیسو میں شرکت - ڈیجیٹل راستے پر آگے قدموں کو بڑھانا

نیشنل کیمبرجنگ کمپنی پاکستان لمیٹڈ (NCCPL) نے 30 جون 2022 کو 279,522 منفرد شناختی نمبرز (UINs) کا اعلان کیا۔ داؤدا کونٹریبلر لمیٹڈ کا خیال ہے کہ UINs کی تعداد کو گنا بڑھایا جا سکتا ہے جس کے لیے جیکبنا لوجی ایم کرار ادا کرے گی۔ DEL اپنے صارفین کی رسائی کو بڑھانے کے لیے مسلسل کام کر رہی ہے اور ہم نے 941 نئے اکاؤنٹس کھولے ہیں جن میں سے تقریباً %95 آن لائن ہیں۔

کریڈٹ ریٹنگ

کمپنی کو پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ ("PACRA") کی طرف سے (A-) کی طویل مدتی اور (A2) کی قلیل مدتی ریٹنگی درجہ بندی تفویض کی ہے۔ تفویض کردہ درجہ بندی کا نقطہ نظر مستحکم ہے۔ یہ سرٹیفیکیشن مسلسل ترقی کے لیے مینجمنٹ کے ڈون اور نیا واضح واضح کرتی ہے اور توقع ہے کہ کمپنی کے کلائنٹس کو سہولت اور استحکام کے حوالے سے مزید اختیار فراہم کرے گی۔

رہنہ منجھت

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

کارپوریٹ سماجی ذمہ داری

آپ کی کمپنی نے صحت کی دیکھ بھال، تعلیم، ماحولیات اور سماجی بہبود پر توجہ مرکوز کرنے والے منصوبوں میں شامل ہونے کے لیے متعدد فلاحی سرگرمیوں کے ذریعے سماجی طور پر ذمہ دار تنظیم کے طور پر معاشرے اور کاروبار برادری کے لیے اپنا تعاون جاری رکھا ہے۔ ہم مستقل میں بھی ایسے ٹیک مقاصد میں اپنی شمولیت اور شراکت جاری رکھنے کے خواہاں ہیں۔



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داخلی کنٹرول اور آڈٹ فنکشن

پورڈسٹیکم داخلی کنٹرول سسٹم بشمول کنٹرول کے طریقوں کی قبیل سمیت مؤثر عملدرآمد کا ذمہ دار ہے۔ آڈٹ کمیٹی نے درج ذیل وسیع تر افعال اور کردار کی شناخت کے لئے رینڈا ہارون ڈکریا اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کا داخلی آڈٹ فنکشن حاصل کیا ہے جس کے کام حسب ذیل ہیں:

• پاکستان میں لاگو اور پورڈ کی طرف سے تیار کردہ پالیسیوں اور طریقوں کے مطابق متعلقہ بین الاقوامی اکاؤنٹنگ معیارات کی مطابقت میں نگرانی کے لئے ذمہ داری کے ساتھ قبیل کا جائزہ۔

• اکاؤنٹنگ اور داخلی کنٹرول سسٹم کا جائزہ۔

• معیشت، آپریٹرز (مئی آڈٹ کی ویلیم/ VFM آڈٹ کی ویلیو) کی صلاحیت اور تاثرات کا جائزہ

• مالی اور آپریٹرز کے پرنٹل معلومات کی جانچ پڑتال۔

• اہم خطرات کی شناخت میں معاونت۔

وقت داخلی آڈٹ رسک تجزیہ، کنٹرول، اور نگرانی کے طریقوں کی تشخیص اور تاثرات کو بہتر بنانے کے لئے ایک منظم، نظم و ضبط نقطہ نظر اپنانے کے ذریعے اپنے مقاصد کو پورا کرنے میں مدد کرتا ہے۔ یہ ایک ایسا کنٹرول ہے جو دوسرے کنٹرولز کی مناسب اور مؤثر انداز کی جانچ اور تشخیص کرتا ہے۔

کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں کی قبیل

کمپنی کا پورڈ اور انتظامیہ اس بات کو یقینی بناتی ہے کہ کوڈ آف کارپوریٹ گورننس کے تقاضوں پر عمل عمل کیا گیا ہے۔ کمپنی نے مالی اور نان مالی معلومات کی درستگی، کیریوری ہینڈوئیس اور ڈائریکٹرز کو بڑھانے کے مقصد کے ساتھ مشہور کارپوریٹ گورننس عوامل اختیار کئے ہیں۔

ڈائریکٹرز کی جانب سے ہونے والے غلطیوں کو کسے ہیں:

1. کمپنی کی اختیاری طور سے تیار کردہ مالیاتی حسابات، اس کے امور، آپریٹرز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
2. کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
3. مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ پالیسیوں میں کسی تبدیلیوں کا مالی حسابت میں انکشاف کیا گیا ہے۔ اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
4. مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے۔
5. اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
6. کمپنی کے گولنگ کسٹرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
7. کارپوریٹ گورننس کے بہترین عمل سے کوئی مادی انحراف نہیں کیا گیا ہے۔
8. نیٹلس شیٹ کی تاریخ تک کمپنی کے ذمہ سیکسز، ڈیویڈنڈ، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگی بنایا اور اجابت نہیں ہے۔
9. سال کے دوران DEL کی طرف سے کوئی ٹرانزیکشن نہیں گئی جو دو گواہی، غیر قانونی یا کسی سیکورٹیز مارکیٹ قوانین کی خلاف ورزی ہو۔
10. کمپنی نے کوئی کے ملازمین کے پراویڈنٹ فنڈ میں 634,027 روپے کی رقم ادا کی ہے۔ سال کے اختتام پر کمپنی کے ذمہ کوئی بنایا اور اجابت نہیں ہیں کیونکہ پراویڈنٹ فنڈ ایک الگ ٹرسٹ کے زیر انتظام ہے۔

پورڈسٹیکم میں تبدیلیاں

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

- 1۔ جنید دادا
- 2۔ عبدالعزیز حبیب
- 3۔ صوبیہ سیف
- 4۔ اربیب شجاع ت
- 5۔ محمد خالد
- 6۔ محمد عباس
- 7۔ سیف اللہ



DAWOOD EQUITIES LIMITED

جناب عبدالعزیز حبیب اور جناب جنید دادا کو تین سال کی مدت کے لیے بالترتیب کمپنی کے چیف ایگزیکٹو اور بورڈ آف ڈائریکٹرز کے چیئرمین کے طور پر دوبارہ تعینات کیا گیا ہے جبکہ جناب عاصم افتخار نے سال کے دوران بورڈ آف ڈائریکٹرز سے استعفیٰ دے دیا۔

آڈٹ کمپنی

بورڈ کی آڈٹ کمپنی بورڈ کے منظور شدہ ضوابط کے تحت مؤثر انداز میں اپنے فرائض اوریڈ مدداریاں سرانجام دیتی ہے۔ کمپنی کی تشکیل اس رپورٹ کے ساتھ لف بھی ہے:

یونین ریسورس اینڈ ریمیزیشن کمپنی

کوڈ آف کارپوریشن گورننس کی تعمیل میں بورڈ آف ڈائریکٹرز نے ہیومن ریسورس اینڈ ریمیزیشن کمپنی (ایچ آری اینڈ آر کمپنی) تشکیل دی ہے جس کے ارکان تین ڈائریکٹرز پر مشتمل ہیں جنہیں بورڈ آف ڈائریکٹرز نے مقرر کیا ہے۔ ایچ آری اینڈ آر کمپنی میں کمپنی کی چیئرمین شپ کے حامل آراڈ ڈائریکٹر سمیت تین ارکان شامل ہیں۔

بورڈ اور آڈٹ کمپنی کے اجلاس اور حاضری

زیرجائزہ سال کے دوران، بورڈ آف ڈائریکٹرز کے چار اجلاس اور آڈٹ کمپنی کے بھی چار اجلاس منعقد ہوئے۔ بورڈ اور آڈٹ کمپنی کے ارکان کی حاضری حسب ذیل ہے:

نام ڈائریکٹر	بورڈ اجلاس	آڈٹ کمپنی اجلاس
جناب عبدالعزیز حبیب	4/4	کوئی نہیں
جناب جنید زکریا دادا	4/4	کوئی نہیں
جناب عاصم افتخار	1/1	1/1
جناب سیف اللہ	4/4	کوئی نہیں
جناب محمد عباس	4/4	3/3
جناب محمد خالد	4/4	4/4
محترمہ مصوہیہ سیف	4/4	4/4
جناب اریب شجاعت	3/3	کوئی نہیں

ڈائریکٹرز اور ایگزیکٹوز کی طرف سے کمپنی کے حصص میں تجارت

سال کے دوران کسی ڈائریکٹر، چیف ایگزیکٹو آفیسر، ایف او اور کمپنی سیکرٹری، ان کے زوج اور باقی بچوں کی طرف سے کمپنی کے حصص میں کوئی تجارت نہیں کی گئی ہے۔ ہا سوائے کمپنی کے نئے ڈائریکٹر جناب اریب شجاعت جو AGM میں منتخب ہوئے۔ کمپنی کے آرٹیکل کے تحت مطلوبہ کمپنی کا اٹھانے سے شہر فریڈا جس کی سیکورٹری اینڈ ایگزیکٹو کمیشن آف پاکستان کو ریگولیشنز کے مطابق باقاعدہ اطلاع دی گئی۔

کارپوریٹ اور سیکرٹریل تعمیل

کمپنی سیکرٹری نے سیکرٹریز کے ہاں داخل کردہ سالانہ ریزولوشن کے ایک حصہ کے طور پر ایک سیکرٹریل کمپلائنس سرٹیفکیٹ جمع کرایا ہے جو اس بات کی توثیق ہے کہ کمپنی آرڈیننس، 1984، کمپنی کے میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن اور فرٹی فو اعداد و ضوابط کی سیکرٹریل اور کارپوریٹ ضروریات کے مطابق باقاعدہ عمل کیا گیا ہے۔

تعمیل کا بیان

آپ کی کمپنی نے پاکستان اسٹاک ایکسچینج لمیٹڈ میں اندراج سے کوڈ آف کارپوریٹ گورننس کی دفعات پر عمل کیا ہے۔ ایکسچینج آڈیٹرز نے کوڈ آف کارپوریٹ گورننس کی تعمیل کے بیان پر ہماری رپورٹ کا جائزہ لیا ہے، جائزہ رپورٹ، رپورٹ ہڈا کے ہمراہ منسلک کی گئی ہے۔

ضابطہ اخلاق اور کاروبار کے طریقے

کارپوریٹ گورننس گائیڈ لائنز کے مطابق، کمپنی نے تعمیل کے لئے ایک "ضابطہ اخلاق" جاری کیا ہے۔ یہ کمپنی کے تمام ڈائریکٹرز اور ملازمین نے ضابطہ کو سمجھنے اور قبولیت کو تسلیم کرتے ہوئے دستخط شدہ کئے ہیں۔



DAWOOD EQUITIES LIMITED

شیئرز ہولڈنگ کا نمونہ

فہرستی قواعد و ضوابط کے تحت درکار، 30 جون 2022 کے مطابق کمپنی کے شیئرز ہولڈنگ کا تفصیلی نمونہ اور شیئرز ہولڈرز کی لیگلگ یز سالانہ رپورٹ سے منسلک کی گئی ہیں۔

بوراہان پبلشنگ اور پبلٹیڈ

30 جون 2022 کو ختم ہونے والے مالی سال کے لئے، نامعلوم یا جتنی کسی منافع منقسمہ کی سفارش نہیں کی ہے۔ بیلنس شیٹ تاریخ کے بعد کوئی حالات پیدا نہیں ہوئے ہیں، جس کی مالی حسابات میں انکشاف کے لئے ایڈجسٹمنٹ ضروری ہو۔

متعلقہ اشخاص / متعلقہ پارٹیوں کے ساتھ لین دین

فہرستی ضوابط کے تقاضوں کی تعمیل میں، کمپنی نے متعلقہ پارٹی سے تمام لین دین کو آڈٹ کمپنی اور بورڈ کے سامنے ان کے جائزہ اور منظوری کے لئے پیش کیا ہے۔ ان لین دین کو آڈٹ کمپنی اور بورڈ نے اپنے اجلاسوں میں منظور کیا ہے۔ آڈٹ شدہ مالی بیانات کے نوٹ 33 اور 34 میں متعلقہ پارٹی سے تمام لین دین کی تفصیلات فراہم کی گئی ہیں۔ آپ کی کمپنی اور متعلقہ اشخاص / متعلقہ پارٹیوں کے درمیان تمام لین دین قابل رسائی بنیاد پر کئے گئے ماسوائے ان لین دین کے جن کی جھٹکلیشن درج کی گئی ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے اپنی اسائنمنٹ مکمل کر لی اور ریناؤ ہو گئے ہیں۔ اہلیت کی بنیاد پر، وہ خود کو دوبارہ تفری کے لئے پیش کرتے ہیں، آڈٹ کمپنی کی سفارشات پر، بورڈ نے 30 جون 2023 کو ختم ہونے والے مالی سال کے لئے کمپنی کے آڈیٹرز کی حیثیت سے ایم یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تفری کی سفارش کی جس کی منظوری کے لئے آئندہ سالانہ اجلاس عام میں جمع کرایا جائے گا۔

مستقبل کا نظریہ

آپ کے کمپنی کے مستقبل کے امکانات کمپنی کے مارکیٹ شیئرز کو بڑھانے اور تمام کاروباری شعبوں میں وسیع شرکت کے ذریعہ انتظامیہ کی کوششوں کی وجہ سے بہت بہتر دکھائی دے رہے ہیں۔ کمپنی خدمات کے پرکشم منقادات کے ذریعہ، کمپنی اپنے موجودہ گاہکوں کے ساتھ تعلقات کو وسیع اور بہتر بنا کر متوقع غیر ملکی اور مقامی صارفین سے بھی بہتر مقدار کی پیداوار حاصل کرنے کی کوشش کر رہی ہے۔ اس میں کمپنی کی اعلیٰ معیاری ریسرچ کو بڑھا کر نوول پروڈکٹس اور خدمات کی پیش کش شامل ہے۔

انتظامیہ محسوس کرتی ہے کہ ایکویٹی ہولڈرز کی قدر اس وقت انتہائی پرکشش سطح پر ہے اور IMF پروگرام کی حالیہ منظوری کے ساتھ، مارکیٹ منقسم ہونے، بہتر ایکویٹی ریٹرن میں حصہ ڈالنے کے لیے تیار ہے۔ اس سے کمپنی کی بنیادی آمدنی میں اضافے میں بھی مدد ملے گی۔

بشیر

عبدالعزیز حبیب

چیف ایگزیکٹو آفیسر

بشیر

چئیرمان

چئیرمین

کراچی، 29 ستمبر 2022ء



DAWOOD EQUITIES LIMITED

Pattern Of Share Holding - Form "34"
Shareholders Statistics As At June 30, 2022

Number of Share Holders	Share Holding			Total Shares Held
	From	To	To	
129	1	-	100	3,597
100	101	-	500	39,279
1879	501	-	1000	1,058,642
480	1001	-	5000	997,062
89	5001	-	10000	636,288
29	10001	-	15000	359,978
22	15001	-	20000	396,450
16	20001	-	25000	363,274
10	25001	-	30000	280,200
6	30001	-	35000	202,090
7	35001	-	40000	262,200
2	40001	-	45000	82,505
1	45001	-	50000	48,500
3	50001	-	55000	157,800
2	55001	-	60000	119,000
5	60001	-	65000	319,850
1	65001	-	70000	67,100
2	70001	-	75000	142,400
2	90001	-	95000	185,400
1	95001	-	100000	99,550
1	100001	-	105000	100,199
5	105001	-	110000	550,000
1	120001	-	125000	121,000
1	150001	-	155000	151,000
1	160001	-	165000	163,500
1	165001	-	170000	168,500
1	170001	-	175000	174,185
1	175001	-	180000	176,000
1	180001	-	185000	182,500
1	185001	-	190000	190,000
1	190001	-	195000	191,950
1	205001	-	210000	205,750
2	215001	-	220000	440,000
1	240001	-	245000	245,000
1	245001	-	250000	247,350
2	250001	-	255000	506,000
1	260001	-	265000	264,300
1	270001	-	275000	275,000
1	285001	-	290000	286,350
1	300001	-	305000	303,000
1	315001	-	320000	318,077
1	330001	-	335000	330,250
1	385001	-	390000	385,330
1	405001	-	410000	405,900
1	535001	-	540000	539,000
1	665001	-	670000	665,710
1	675001	-	680000	677,000
1	895001	-	900000	896,500
1	1090001	-	1095000	1,091,650
1	1240001	-	1245000	1,242,670
1	1300001	-	1305000	1,304,500
1	1980001	-	1985000	1,980,001
1	2835001	-	2840000	2,838,989
1	4060001	-	4065000	4,061,674
2826				27,500,000



DAWOOD EQUITIES LIMITED

**Details of Pattern of Share holding as Per requirements of
Code of Corporate Governance as on June 30, 2022**

S. No.	Categories of Shareholders	Number of Shareholders	Number of Shares held	Category wise No. of Shares	%
1	Associated Companies		Nil		
2	NIT / ICP		Nil		
3	Names of Directors, CEO their Spouses and Minor Children	7		1,981,419	7.21
	Mr. Aziz Habib		1		
	Mr. Junaid Zakaria Dada		1,980,001		
	Mr. Khalid Yousuf		658		
	Mr. Muhammad Abbas		550		
	Mrs. Sobia Saif		110		
	Mr. Areeb Shujaat		98		
	Mr. Saifullah		1		
4	Executive		Nil		
5	Public Sector Companies & Corporations	1		1,647	0.01
6	Banks, DFIs, NBFIs, Modarabas, Insurance Companies, Mutual Funds & Others	23		7,108,585	25.85
7	Individuals	2,795		18,408,349	66.94
			2,826	27,500,000	100.00

Shareholders holding Shares 10% or more

Total Paid up Capital	27,500,000	Shares Holding	%
Ayaz Dawood		5,304,344	19.29
Equity International (Pvt.) Ltd.		3,113,989	11.32



DAWOOD EQUITIES LIMITED

FINANCIAL HIGHLIGHTS

Financial Year ending June30,	2022	2021	2020	2019	2018	2017	2016	2015
Operating Results								
Operating Revenue	115,715,043	139,331,028	39,476,322	16,412,640	33,378,199	32,293,531	29,677,611	17,716,575
Capital Gain/(Loss) on disposal investment-net	10,964,397	11,885,816	3,922,893	2,114,390	3,176,766	51,347,532	(408,188)	2,936,657
Gain/(Loss) on remeasurement of investments carried at fair value of through profit and loss.	(6,314,107)	2,215,681	902,955	(1,414,967)	260,761	(1,553,406)	176,344	(568,478)
Administrative Expenses	(53,983,354)	(37,496,458)	(21,804,990)	(1,011,851)	(16,850,446)	(15,690,135)	(12,559,714)	(10,367,520)
Financial Charges	(2,461,605)	(77,951)	(69,152)	(114,563)	(776,373)	(102,712)	(57,897)	(64,227)
Other Operating Income	4,303,284	3,205,235	3,081,063	8,221,388	1,487,032	2,609,555	1,504,079	4,210,716
Other Operating Charges	(1,603,957)	(867,454)	(781,934)	(960,273)	(3,495,130)	(73,382,574)	(9,830,310)	(563,850)
Profit/(Loss) before taxation	15,507,831	59,328,662	14,613,237	5,646,764	16,980,812	(4,478,209)	(498,075)	13,299,873
Taxation	(5,905,274)	(17,794,695)	(6,509,168)	(5,167,204)	(8,637,954)	15,448,129	1,502,948	33,339,263
Profit/(Loss) after taxation	9,602,557	41,533,967	8,104,069	479,560	8,343,753	10,969,920	1,004,673	46,619,136
EPS	0.35	1.66	0.32	0.02	0.33	0.44	0.04	1.87
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	300,000,000	300,000,000
Issued, subscribed and paid-up Capital	274,965,000	249,965,000	249,965,000	249,965,000	249,965,000	249,965,000	249,965,090	249,965,000
Reserves	4,714,411	43,099,526	(22,924,530)	(25,924,530)	3,564,484	7,277,424	(26,415,915)	(27,228,434)
Share Application Money								
Assets & Liabilities								
Total Assets	372,657,361	349,876,765	245,969,236	237,045,163	303,795,450	294,089,38	240,300,861	258,749,308
Current Assets	312,623,815	292,659,958	168,222,035	152,737,865	102,384,349	177,087	156,356,670	168,231,221
Current Liabilities	91,026,473	56,787,239	18,029,328	12,979,693	50,240,966	36,821,876	16,751,776	36,012,742



DAWOOD EQUITIES LIMITED

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

Name of Company: Dawood Equities Limited

Year Ended: June 30, 2022

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

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

2. The composition of 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
	Mrs. Sobia Saif
	Mr. Areeb Shujaat
	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 Chief Executive Officer as a Director in the Board is exempted from the Directors Training Program in accordance with the criteria specified in Clause (xi) of the Code, The remaining directors will acquire the required director's training certification subsequent to renewal of business license.
- 10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their



DAWOOD EQUITIES LIMITED

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.

11. CFO and CEO duly endorsed the financial statements before approval of the board.
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:
 - a) Audit Committee - Quarterly meeting
 - b) HR and Remuneration Committee - Yearly meeting
15. 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.
16. 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.
17. We confirm that all other requirements of Regulations 3,7, 8, 27, 32, 33 and 36 of the regulations have been complied with except requirements in relation to regulation 27.2(c) i.e **"The Chief Financial Officer shall not attend any meeting of the audit committee but should be available to attend its meetings at the invitation of Chairman of Audit Committee."**
18. Explanation for not meeting the certain 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.	Appointment of company secretary is in process and the Board of Directors have shortlisted a candidate for company secretary and will be appointed once finalised.
19 (1)(2)(3)	(1) It is encouraged that a) by June 30, 2020, at least half of the directors on their boards;	Out of seven directors, Four (04) director on the Board have already attended the Directors' Training program in prior years, whereas



DAWOOD EQUITIES LIMITED

Reg. No.	Requirement	Explanation
<p>24</p> <p>19 (1)(2)(3)</p>	<p>b) by June 30, 2021 at least 75% of the directors on their boards; and</p> <p>c) by June 30, 2022 all the directors on their boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.</p> <p>(2) a newly appointed director on the board may acquire, the directors training program certification within a period of one year from the date of appointment as director on the board, provided that director having a minimum 14 years of education and 15 years of experience on the board of listed company, local and or foreign, shall be exempted from director training program.</p> <p>(3) Companies are also encouraged to arrange training for</p> <ol style="list-style-type: none"> 1. at least one female executive every under the director training program from year July 2020 2. at least one head of department every year under the Director training program from July 2022. 	<p>Remaining three (03) directors will pursue the training during the financial year 2022-23 as they could not attend directors training program planned during the year due to business travelling;</p> <p>During the previous year one of Company's head of departments have acquired training under Directors' Training Program. The Company wishes to further pursue the said program for its eligible executives and head of departments in the upcoming years.</p>
<p>29</p>	<p>The board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances. The nomination committee shall be responsible for considering and making recommendations to the Board in respect of the Board committees and the chairmanship of the Board committees. It is also responsible for keeping the structure, size and composition of the Board under regular review and for making recommendations to the Board with regard to any changes necessary. The terms of reference of nomination committee shall be determined by the board of directors ensuring there is no duplication or conflict with matters stipulated under terms of reference of HR&R committee.</p>	<p>The responsibilities as prescribed for the nomination committee are being taken care of at board level as and when needed so a separate committee is not considered to be necessary.</p>
<p>30 (a,b,c)</p>	<p>The board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its</p>	<p>Presently, risk management function is managed at Senior Management Level who appraises the Board accordingly.</p>



DAWOOD EQUITIES LIMITED

Reg. No.	Requirement	Explanation
35(1)	<p>The board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board. The terms of reference of the committee may include the following:</p> <ol style="list-style-type: none">Monitoring and review of all material controls (financial, operational, compliance)Risk mitigation measures are robust and integrity of financial information is ensuredAppropriate extent of disclosure of company's risk frameworkand internal control system in Directors report. <p>The Company may post on its website key elements of its significant policies including but not limited to the following:</p> <ol style="list-style-type: none">Communication and disclosure policy;Code of conduct for members of board of directors, senior management and other employees;Risk management policy;internal control policy;whistle blowing policy;Corporate social responsibility / sustainability / environmental, social and governance related policy.	<p>As the regulation provides concession with respect to disclosure of key elements of significant policies on the website, only those policies which were considered necessary have been posted.</p>

Junaid Dada
Chairman

Karachi
Dated: September 29, 2022



DAWOOD EQUITIES LIMITED

**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, 2022, 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 a summary of significant accounting policies 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, 2022 and of the profit, other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conduct 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.

Following are the Key audit matter(s):

S. No.	Key audit matter(s)	How the matter was addressed in our audit
1.	<p>Valuation of Trade Debts</p> <p>Refer note 4.7.3 and 12 to the financial statements relating to valuation of trade debts.</p> <p>Management considers certain specific factors including the age of the balance, existence of disputes, recent payment patterns and arrangements and any other available information with respect to the credit worthiness and reliability of the counterparties for provision for expected credit loss. Management also uses this information</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">Understanding the management's process for determining the provision for expected credit loss, discussing the judgement exercised by management them at the year end.Assessing the method used by the Company for the recognition of the impact of ECL is allowable under IFRS 9 and assessing the reasonableness of assumptions of made; and



DAWOOD EQUITIES LIMITED

S. No.	Key audit matter(s)	How the matter was addressed in our audit
	<p>to determine whether a provision for impairment is a required at a specific or overall balance level.</p> <p>We identified recoverability of trade debts as a key audit matter as it involves significant management estimates and judgements.</p>	<ul style="list-style-type: none"> • Assessing the financial impact and appropriateness of disclosures made in the financial statements in relation to the expected credit loss against trade debts. • Evaluating the appropriateness of the collateral held by the Company.

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

Management is responsible for the other information. The other information comprises the information included in the Director's Report but does not include the financial statements and our auditor's report thereon.

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 therefore we do not report in this regard.

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.

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



DAWOOD EQUITIES LIMITED

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 profit or loss account, and 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;
- 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 Futures Act, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations,



DAWOOD EQUITIES LIMITED

2016 and Futures Brokers (Licensing and Operations) Regulations, 2018 as at the date on which the statement of financial statements were prepared.

Other matter

The annual financial statements of the Company for the year ended June 30, 2021 were audited by another firm of Chartered Accountants who vide their report dated September 24, 2021, expressed an unmodified opinion thereon.

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


Chartered Accountants

Place: Karachi

Dated: September 29, 2022

UDIN: AR202210057rmz5Jutn4



DAWOOD EQUITIES LIMITED

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, 2022

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, 2022 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, 2022.

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	18	<p>Section 24 of the regulation 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."</p> <p>However, during the course of our review we observed that the company secretary and the Chief Financial Officer is the same person.</p>
2	17	<p>Section 27.2 (c) of the regulations states that "Provided that chief executive officer and the chief financial officer shall not attend any meeting of the audit committee but should be available to attend its meetings at the invitation of chairman of audit committee."</p> <p>During course of our review, we noted that Chief Financial Officer attended all audit committee meetings without any invitation from Chairman of the audit committees as he is also the Company Secretary.</p>


Chartered Accountants

Place: Karachi

Date: September 29, 2022

UDIN: CR202210057jRfpTY5Wr



DAWOOD EQUITIES LIMITED

**Audited Financial Statements
For The Year Ended
June 30 2022**





DAWOOD EQUITIES LIMITED

STATEMENT OF FINANCIAL POSITION
As At June 30, 2022

	Note	June 30, 2022	June 30, 2021
----- (Rupees) -----			
ASSETS			
Non-Current assets			
Property and equipment	5	9,849,536	9,056,968
Right of use asset	6	2,381,047	-
Investment property	7	5,147,874	5,504,750
Intangible assets	8	6,000,000	6,000,000
Long term deposits	9	1,887,500	1,887,500
Deferred tax asset	10	34,767,589	34,767,589
		60,033,546	57,216,807
Current assets			
Short term investments	11	84,763,095	87,697,874
Trade debts	12	174,399,496	136,511,319
Receivable against margin finance		4,154,375	2,697,834
Advances deposits and prepayments	13	20,185,131	33,200,635
Other receivables	14	15,803,106	12,256,825
Taxation - net		6,032,103	6,720,105
Cash and bank balances	15	7,286,509	13,575,366
		312,623,815	292,659,958
Total assets		372,657,361	349,876,765
EQUITY AND LIABILITIES			
Capital and reserves			
Issued, subscribed and paid up capital	16	274,965,000	249,965,000
Reserves		4,714,411	43,099,526
		279,679,411	293,064,526
Non current liabilities			
Rental deposits	17	25,000	25,000
Lease liability	18	1,926,477	-
		1,951,477	25,000
Current liabilities			
Trade and other payables	19	38,247,943	56,556,903
Unclaimed dividend		230,336	230,336
Short term running finance facility	20	52,002,265	-
Current portion of lease liability	18	545,929	-
		91,026,473	56,787,239
Total Equity and Liabilities		372,657,361	349,876,765
Contingencies and Commitments			
	21		

The annexed notes from 1 to 42 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, 2022**

		June 30, 2022	June 30, 2021
	Note	----- (Rupees) -----	
Revenue from contract with customers	22	115,715,043	139,211,487
Commission to agents and dealers		(33,435,882)	(58,867,236)
		82,279,161	80,344,251
Capital gain on disposal of investments - net	23	10,964,397	11,885,816
Net unrealised (loss) / gain on re-measurement of investments classified as financial assets at fair value through profit or loss	24	(6,314,107)	2,215,681
		86,929,451	94,445,748
Administrative expenses	25	(53,983,354)	(37,496,458)
Allowance for expected credit losses		(17,675,988)	-
		15,270,109	56,949,290
Financial charges	26	(2,461,605)	(77,951)
		12,808,504	56,871,339
Other operating income	27	4,303,284	3,324,776
Other operating charges	28	(1,603,957)	(867,454)
Profit before tax		15,507,831	59,328,661
Taxation - net	29	(5,905,274)	(17,794,694)
Profit after taxation		9,602,557	41,533,967
Earning per share - Basic and diluted	30	0.35	(Restated) 1.51

The annexed notes from 1 to 42 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, 2022

June 30, 2022 June 30, 2021
----- (Rupees) -----

Profit for the year	9,602,557	41,533,967
Other comprehensive (loss) / income for the period		
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>		
Net unrealised (loss) / gain on re-measurement of investments classified as financial assets at fair value through other comprehensive income	(22,987,672)	23,615,651
Total comprehensive income for the year	<u>(13,385,115)</u>	<u>65,149,618</u>

The annexed notes from 1 to 42 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, 2022**

A.	Note	June 30, 2022	June 30, 2021
		(Rupees)	
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		15,507,831	59,328,661
Adjustment for non cash items:			
Depreciation - property and equipment		1,661,881	1,065,684
Depreciation - right of use asset		595,263	-
Depreciation - investment property		356,876	356,876
Net unrealised (loss) / gain on re-measurement of investments classified as financial assets at fair value through profit or loss		6,314,107	(2,215,681)
Capital gain on disposal of investments - net		(10,964,397)	(11,885,816)
Loss on disposal of property and equipment		84,677	-
Provision for expected credit losses		(17,675,988)	-
Dividend income		(903,569)	(119,541)
Bank profit		(1,368,874)	(38,706)
Interest expense on lease liability		216,096	-
Other financial charges		2,245,509	77,951
		(3,930,588)	46,569,428
(Increase) / decrease in current assets			
Trade debts		(20,212,189)	(55,985,646)
Receivable against margin finance		(1,456,541)	(1,519,561)
Advance deposits and prepayments		13,015,504	(21,357,151)
Other receivables		(3,546,281)	(653,942)
		(12,199,507)	(79,516,300)
(Decrease) / Increase in current liabilities			
Trade and other payables		(18,352,316)	39,430,710
Cash (used in) / generated from operating activities		(34,482,411)	6,483,838
Taxes paid		(5,173,917)	(13,704,857)
Other financial charges paid		(2,245,509)	(77,951)
		(7,419,426)	(13,782,808)
Net cash used in operating activities		(41,901,837)	(7,298,970)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(2,588,828)	(3,504,059)
Proceeds from sale of property and equipment		49,702	-
Purchase of short term investments - net		(15,402,602)	21,603,794
Dividend received		903,569	119,541
Bank profit received		1,368,874	-
Net cash (used in) / generated from investing activities		(15,669,285)	18,219,276
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid		(720,000)	-
Cash used in financing activities		(720,000)	-
Net (decrease) / increase in cash and cash equivalents (A+B+C)		(58,291,122)	10,920,306
Cash and cash equivalents at the beginning of the year		13,575,366	2,655,060
Cash and cash equivalents at the end of the year		(44,715,756)	13,575,366
CASH AND CASH EQUIVALENTS			
Cash and bank balances	15	7,286,509	13,575,366
Bank overdraft	20	(52,002,265)	-
		(44,715,756)	13,575,366

The annexed notes from 1 to 42 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, 2022

	Reserves					Total equity
	Capital		Revenue		Sub total	
	Issued, subscribed and paid up capital	Deficit on remeasurement of investment At fair value through OCI	Share premium	Accumulated (loss) / profit		
----- (Rupees) -----						
Balance as at June 30, 2020	249,965,000	(17,125,870)	74,973,750	(79,897,972)	(22,050,092)	227,914,908
Profit for the year	-	-	-	41,533,967	41,533,967	41,533,967
Net unrealised gain on re-measurement of investments classified as financial assets at fair value through other comprehensive income	-	23,615,651	-	-	23,615,651	23,615,651
Total comprehensive income for the year	-	23,615,651	-	41,533,967	65,149,618	65,149,618
Balance as at June 30, 2021	249,965,000	6,489,781	74,973,750	(38,364,005)	43,099,526	293,064,526
Profit for the year	-	-	-	9,602,557	9,602,557	9,602,557
Bonus Issue @ 10% per ordinary shares	25,000,000	-	(25,000,000)	-	(25,000,000)	-
Net unrealised loss on re-measurement of investments classified as financial assets at fair value through other comprehensive income	-	(22,987,672)	-	-	(22,987,672)	(22,987,672)
Total comprehensive income for the year	25,000,000	(22,987,672)	(25,000,000)	9,602,557	(38,385,115)	(13,385,115)
Balance as at June 30, 2022	274,965,000	(16,497,891)	49,973,750	(28,761,448)	4,714,411	279,679,411

The annexed notes from 1 to 42 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, 2022**

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. 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.

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.

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 Boards (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Act;
- Securities Brokers (Licensing and Operations) Regulations, 2016;
- Futures Brokers (Licensing and Operations) Regulations Act; and
- Central Depository Company of Pakistan Limited Regulations.

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.



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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	4.1
a) determining the residual values and useful lives of the right of use assets	4.2.1
b) impairment of financial assets and provisions - for expected credit loss allowance	4.7.3
c) impairment of non financial assets	4.5
d) provision for taxation including deferred tax	4.6
e) provision against liability and contingencies	4.18
e) lease liabilities	4.2.2

3. NEW / REVISED ACCOUNTING STANDARDS, AMENDMENTS TO PUBLISHED ACCOUNTING STANDARDS, AND INTERPRETATIONS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2022

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. 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
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021

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

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments



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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 IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Annual improvements of IFRS 2018-2020 cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - classification of liabilities as current or non-current	January 1, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - 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 IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely
Other than the aforesaid standards, interpretations and amendments, the IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:	
- IFRS - 1 First Time Adoption of International Financial Reporting Standards	
- IFRS - 17 Insurance Contracts	

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2021 unless otherwise stated.

4.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment, if any. Such costs include the cost of replacing parts of property and equipment 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 5 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.



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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 property and equipment 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.

4.2 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.

Till June 30, 2021 the lease contracts of the Company did not meet the recognition criteria as laid down by IFRS-16 and were recognised as short term leases. 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.

4.2.1 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. Right-of-use assets are subject to impairment.

4.2.2 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.

4.3 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. 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.



4.4 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and any 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.

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.

4.5 Impairment of non-financial asset

The carrying amounts of the Company's assets, for which policy is given separately, are reviewed at each reporting sheet 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.

4.6 Taxation

Current

The charge for current taxation is based on taxable income at current rates of taxation after taking into consideration available tax credits, rebates and tax losses, if any. However, for income covered under final tax regime, taxation is based on applicable tax rules under such regime. The charge for current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the year.

Deferred

Deferred tax is accounted for using the balance sheet method in respect of all temporary timing differences arising from difference between the carrying amount of the assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

4.7 Financial instruments

4.7.1 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).

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.



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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.

4.7.2 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 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:

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.



4.7.3 Impairment of financial assets at amortised cost

The Company recognizes 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.

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 of 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.

4.7.4 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.

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 investments revaluation reserve is not reclassified to profit or loss, but is transferred to revenue reserve.

4.8 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.

4.9 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.



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4.10 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 profit and loss account. Subsequent recoveries of amounts previously written off are credited to the statement of profit or loss.

4.11 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.

4.12 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.

4.13 Related party transactions and transfer pricing

Transactions and contracts with the related parties are based on the policy that all transactions between the Company and related parties are carried out at arm's length prices which are determined in accordance with the methods prescribed in the Act.

4.14 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.

4.15 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 and bank overdraft.

4.16 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.

4.17 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.

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

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.



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

4.18 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.

4.19 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. Operating fixed assets

Particulars	June 30, 2022									
	----- Cost -----				----- Accumulated Depreciation -----				Written down value as at December 31	Depreciation rate
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Depreciation for the year	Disposals	Closing balance		
	----- (Rupees) -----									(%)
Building	7,137,500	-	-	7,137,500	1,632,750	356,876	-	1,989,626	5,147,874	5
Furniture & Fixtures	3,149,700	1,255,350	(473,000)	3,932,050	578,426	712,138	359,084	931,480	3,000,570	20
Vehicles	949,400	417,000	(356,000)	1,010,400	717,359	146,200	356,000	507,559	502,841	20
Office equipment	537,870	360,218	(257,900)	640,188	322,889	128,354	237,437	213,806	426,382	20
Computers	2,735,122	556,260	-	3,291,382	2,201,200	318,313	-	2,519,513	771,869	33
	14,509,592	2,588,828	(1,086,900)	16,011,520	5,452,624	1,661,881	952,521	6,161,984	9,849,536	

Prior Year

Particulars	June 30, 2021									
	----- Cost -----				----- Accumulated Depreciation -----				Written down value as at December 31	Depreciation rate
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Depreciation for the year	Depreciation on disposals	Closing balance		
	----- (Rupees) -----									(%)
Building	7,137,500	-	-	7,137,500	1,275,875	356,875	-	1,632,750	5,504,750	5
Furniture & Fixtures	589,500	2,560,200	-	3,149,700	310,933	267,493	-	578,426	2,571,274	20
Vehicles	775,900	173,500	-	949,400	534,104	183,255	-	717,359	232,041	20
Office equipment	460,900	76,970	-	537,870	224,295	98,594	-	322,889	214,981	20
Computers	2,041,733	693,389	-	2,735,122	2,041,733	159,467	-	2,201,200	533,922	33
	11,005,533	3,504,059	-	14,509,592	4,386,940	1,065,684	-	5,452,624	9,056,968	



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6. RIGHT OF USE ASSET	Note	June 30, 2022	June 30, 2021
		----- (Rupees) -----	
Opening balance		-	-
Additions		2,976,310	-
Depreciation expense		(595,263)	-
Closing balance		<u>2,381,047</u>	<u>-</u>
		----- (Percentage) -----	
Depreciation rate		<u>20%</u>	<u>20%</u>

6.1 Lease assets comprise of head office with a lease term of 5 years.

7. INVESTMENT PROPERTY	Note	June 30, 2022	June 30, 2021
		----- (Rupees) -----	
Cost		7,137,500	7,137,500
Accumulated depreciation	7.1	(1,989,626)	(1,632,750)
		<u>5,147,874</u>	<u>5,504,750</u>

7.1 Accumulated depreciation

Opening balance		1,632,750	1,275,874
Charge for the year		356,876	356,876
Closing balance		<u>1,989,626</u>	<u>1,632,750</u>
		----- (Percentage) -----	
Depreciation rate		<u>5%</u>	<u>5%</u>

7.2 Investment property represents office # 409 in Pakistan Stock Exchange, area of the office is 240 Sq.ft.

8. INTANGIBLE ASSETS	Note	June 30, 2022	June 30, 2021
		----- (Rupees) -----	
Trading Rights Entitlement certificate (TREC)	8.1	3,500,000	3,500,000
PMEX Universal Trading Rights Entitlement Certificate	8.1	2,500,000	2,500,000
Software	8.2	-	-
		<u>6,000,000</u>	<u>6,000,000</u>

8.1 These represent intangible assets having indefinite useful life and 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

National Clearing Company of Pakistan Limited	9.1	1,137,500	1,137,500
Pakistan Mercantile Exchange		750,000	750,000
		<u>1,887,500</u>	<u>1,887,500</u>

9.1 This includes amount transferred from PSX and CDC.



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10. DEFERRED TAX ASSET

Relating to taxable temporary difference

Accelerated depreciation	(2,644,204)	(2,644,204)
Unrealised gain on remeasurement of investments	(3,819,308)	(3,819,308)
	(6,463,512)	(6,463,512)

Relating to deductible temporary difference

Trade debts - Allowance for expected credit loss	41,231,101	41,231,101
	34,767,589	34,767,589

10.1 The deferred tax asset mainly includes asset recognised against allowances for expected credit losses as the management estimates that sufficient taxable profits will be available in future years against which such deferred tax asset can be utilised. The management has not recorded deferred credit for the year amounting to Rs. 12.68 million due to the uncertainty over realisation of the deferred tax asset. The deferred tax recognised represents management's best estimate of the probable benefits that will be available to the Company in future years in the form of reduced tax liability as the Company would be able to set off the profits earned in those years mainly against the write off of allowances for expected credit losses.

11. SHORT TERM INVESTMENTS

	Note	June 30, 2022 ----- (Rupees) -----	June 30, 2021 -----
Listed securities - Investments classified as financial assets at fair value through other comprehensive income	11.1	19,467,210	42,454,881
Unlisted securities - Investments classified as financial assets at fair value through profit or loss - related party	11.2	29,019,255	6,056,944
Listed securities - Investments classified as financial assets at fair value through profit or loss	11.3	36,276,630	39,186,049
		84,763,095	87,697,874

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

June 30, 2022	June 30, 2021	Name of investee	June 30, 2022		June 30, 2021
			Cost	Market value	Market value
---- (Number of shares) ----			----- (Rupees) -----		
1,902,953	1,902,953	Pakistan Stock Exchange Limited	22,934,471	19,467,210	42,454,881

11.2 Details of unlisted securities - Investments classified as financial assets at fair value through profit or loss - Related party.

June 30, 2022	June 30, 2021	Name of investee	June 30, 2022		June 30, 2021
			Carrying value	Fair value	Market value
---- (Number of shares) ----			----- (Rupees) -----		
1,554,326	340,469	Dawood Family Takaful Limited	17,395,620	29,019,255	6,056,944

11.2.1 The fair / embedded value of these shares based on actuarial valuation of the investee company is Rs. 18.67 (June 30, 2021: Rs.17.79) per share.



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11.3 Listed shares - others - at fair value through profit and loss

June 30, 2022	June 30, 2021	Name of investee	June 30, 2022		June 30, 2021	
			Note	Carrying value	Market value	Market value
---- (Number of shares) ----			----- (Rupees) -----			
INVESTMENT COMPANY						
301	301	786 Investments Limited		3,136	1,604	3,136
25,000	25,000	Jahangir Siddiqui & Company Limited		301,468	198,500	29,750
25,000	-	First Dawood Investment Bank Limited		83,255	50,250	-
MODARABAS						
384	384	Allied Rental Modaraba		4,047	8,621	4,047
183,100	2,100	B.R.R Guardian Modaraba		2,319,326	1,920,719	27,783
-	9,500	First Prudential Modaraba		-	-	24,700
SUGAR & ALLIED INDUSTRIES						
949,871	949,871	Ansari Sugar Mills Limited	11.4	5,518,758	-	5,518,758
REFINERY						
424,000	55,000	Energyco PK Limited (Byco Petroleum Pakistan Limited)		2,867,132	2,264,160	638,550
6,500	-	National Refinery Limited		2,211,190	1,641,705	-
CHEMICAL						
14,000	14,000	Descon Oxychem Limited		375,760	219,800	375,760
-	325,000	Nimir Resins Limited		-	-	6,548,750
145,000	-	G3 Technologies (Service Fabrics Limited)		1,670,578	1,226,700	-
ENGINEERING						
-	11,000	Dost Steels Limited		-	-	54,780
PACKAGING						
5,500	5,000	Ecopack Limited		226,700	160,050	226,700
12,473	-	Pakistan Aluminium Beverage Cans Limited		632,197	393,274	-
FERTILIZER						
82	80,082	Fauji Fertilizer Bin Qasim Limited		2,153	1,660	2,114,966
OIL & GAS MARKETING COMPANIES						
75,641	25,641	Hascol Petroleum Limited		510,984	319,205	228,974
10,000	5,000	Pakistan State Oil Company Limited		2,101,390	1,718,400	1,121,250
48,000	38,000	Sui Southern Gas Company Limited		636,075	434,880	505,400
5,000	-	Hi Tech Lubricants Limited		246,759	198,250	-
5,000	-	Shell Pakistan Limited		660,024	590,650	-



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June 30, 2022	June 30, 2021	Name of investee	June 30, 2022		June 30, 2021	
			Note	Carrying value	Market value	Market value
---- (Number of shares) ----			----- (Rupees) -----			
INSURANCE						
1	1	IGI Life Insurance Limited		58	17	47
55,000	-	Pak Reinsurance Company Limited		382,514	481,250	-
TEXTILE COMPOSITE						
-	10	Interloop Limited		-	-	700
-	16,500	Nishat Mills Limited		-	-	1,539,450
2,000	-	Feroze1888 Mills Limited		140,760	124,860	-
CABLE & ELECTRICAL GOODS						
-	1,000	Johnson & Phillips (Pakistan) Limited		-	-	53,990
72,219	28,500	Pak Elektron Limited		1,149,726	1,147,560	999,210
10,000	-	Singer Pakistan Limited		257,009	127,300	-
POWER GENERATION & DISTRIBUTION						
924,000	675,500	K-Electric Limited		3,024,594	2,808,960	2,823,590
2,000	2,000	Kot Addu Power Company Limited		88,700	55,060	88,700
AUTOMOBILE PARTS & ACCESSORIES						
2,150	4,150	Loads Limited		46,462	20,877	89,682
COMMERCIAL BANKS						
15,000	15,000	National Bank Of Pakistan		548,550	419,250	548,550
5,000	-	Summit Bank Limited		14,555	11,200	-
5,000	-	Meezan Bank Limited		572,469	564,900	-
TRANSPORT						
50,000	50,000	Pakistan International Bulk Terminal Limited.		569,000	301,000	569,000
CEMENT						
836	836	Power Cement Limited - Preference shares		9,739	6,354	9,739
100	-	Cherat Cement Company Limited		9,211	9,304	-
360,847	-	Flying Cement Company Limited		3,607,969	2,590,881	-
OIL & GAS EXPLORATION COMPANIES						
-	3,000	Pakistan Oil Field Limited		-	-	1,181,580



DAWOOD EQUITIES LIMITED

June 30, 2022	June 30, 2021	Name of investee	June 30, 2022		June 30, 2021	
			Note	Carrying value	Market value	Market value
---- (Number of shares) ----			----- (Rupees) -----			
AUTOMOBILE ASSEMBLER						
138,029	51,330	Sazgar Engineering Works Limited		13,309,633	8,574,361	8,634,219
PHARMACEUTICALS						
1,951	1,501	The Searle Company Limited		249,091	212,698	364,173
15,000	-	AGP Limited		1,484,009	1,314,300	-
LEATHER & TANNERIES						
1,000	1,000	Service Global Footwear Limited		57,830	40,180	57,830
FOOD & PERSONAL CARE PRODUCTS						
22,000	10,000	Organic Meat limited		837,284	480,480	367,400
26,500	16,500	Treet Corporation Limited		1,060,715	773,270	816,585
110,000	-	Unity Foods Limited		3,126,957	2,207,700	-
50,000	-	Fauji Foods Limited		459,517	331,500	-
TECHNOLOGY & COMMUNICATION						
15,000	10,000	TRG Pakistan Limited - Class 'A'		1,317,548	1,159,950	1,663,300
24,000	100,000	TPL Corp limited		408,015	218,880	1,955,000
25,000	-	Telecard Limited		441,821	270,750	-
PROPERTY						
33,500	-	TPL Properties Limited		669,705	675,360	-
				54,214,373	36,276,630	39,186,049

11.4 The shares are frozen by Pakistan Stock Exchange for non compliance and the Company is unable to trade in these shares and therefore during the year, the Company has recognised fair value adjustment against these shares.

12. TRADE DEBTS	Note	June 30, 2022	June 30, 2021
		----- (Rupees) -----	
- Secured	12.1	156,108,520	136,511,319
- Unsecured		178,143,174	142,176,210
		334,251,694	278,687,529
Allowance for expected credit losses	12.3	(159,852,198)	(142,176,210)
		174,399,496	136,511,319



DAWOOD EQUITIES LIMITED

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

S.No	Name of related party	June 30, 2022		June 30, 2021	
		Outstanding balance	Maximum aggregate amount	Outstanding balance	Maximum aggregate amount
----- (Rupees) -----					
1	Equity International (Private) Limited	301,050	1,504,973	5,000	5,963,926
2	BRR Guardian Modaraba	15,773	13,032,277	819	26,344,420
3	Dawood Family Takaful Limited	3,629,487	37,023,527	5,467,518	51,995,200
4	Rafique Dawood	2,128,198	1,047,906	122,299	1,760,093
5	Areeb Shujaat	193,054	193,054	-	680
6	Ayaz Dawood	10,022,610	17,225,511	9,337,225	25,880,921
7	Sobia Saif	59,772	627,123	188,587	371,931
8	Saifullah	214,747	4,670,317	-	1,614,577
9	Salman Yaqoob	3,153,142	5,834,385	525,410	1,476,070
10	Nabeel Arif	7,019,342	10,341,077	-	3,338,848
		26,737,175	91,500,150	15,646,858	118,746,666

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

	June 30, 2022			June 30, 2021		
	Due from related parties	Other parties	Total	Due from related parties	Other parties	Total
Upto five days	14,351,446	18,886,745	33,238,191	14,869,310	52,684,119	67,553,429
More than five days	12,401,501	288,612,002	301,013,503	782,842	210,351,258	211,134,100
	26,752,947	307,498,747	334,251,694	15,652,152	263,035,377	278,687,529

12.3 Provision for trade debts considered doubtful

	June 30, 2022	June 30, 2021
	----- (Rupees) -----	
Opening balance	142,176,210	142,176,210
Provision made during the year	17,675,988	-
Closing balance	159,852,198	142,176,210

12.4 The Company holds securities having value of Rs. 2.34 billion (June 30, 2021: Rs. 4.08 billion) in its sub-accounts for its clients within the Central Depository System of the Central Depository Company of Pakistan Limited. Securities beneficially held by the Company's clients pledged with the Pakistan Stock Exchange Limited are Rs. 95.35 million (June 30, 2021: Rs. 35.28 million).

13. ADVANCES DEPOSITS AND PREPAYMENTS

	June 30, 2022	June 30, 2021
	----- (Rupees) -----	
Trade deposits	13.1	19,867,931
Advance to employees - secured		292,200
Prepayments		25,000
		20,185,131
		33,200,635



DAWOOD EQUITIES LIMITED

13.1 This represents deposits maintained with NCCPL in respect of future, ready and margin trading transactions. These deposits carry profit at variable rates.

	June 30, 2022	June 30, 2021
14. OTHER RECEIVABLES	Note	(Rupees)
Un-secured		
Receivable from NCCPL	11,807,216	8,988,401
Tax refund due from government	2,423,424	2,423,424
Other receivables	1,572,466	845,000
	<u>15,803,106</u>	<u>12,256,825</u>
15. CASH AND BANK BALANCES		
Cash in hand	13,675	37,380
Cash at bank		
- in current accounts	2,299,333	8,760,923
- in savings accounts	4,973,501	4,777,063
	<u>7,272,834</u>	<u>13,537,986</u>
	<u>7,286,509</u>	<u>13,575,366</u>
Balance in cash at bank pertaining to:		
- clients	5,987,814	9,115,090
- brokerage house	1,285,020	4,422,897
	<u>7,272,834</u>	<u>13,537,986</u>

15.1 These carry markup at the rate of 4% to 8% (June 30, 2021: 4% to 6%) per annum.

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

16. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

June 30, 2022	June 30, 2021		June 30, 2022	June 30, 2021
----- (Number of Shares) -----			----- (Rupees) -----	
Authorised share capital				
<u>30,000,000</u>	<u>30,000,000</u>	Ordinary shares of Rs.10/- each	<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed and paid up				
24,996,500	24,996,500	Ordinary	249,965,000	249,965,000
<u>2,500,000</u>	-	Issued for consideration other than cash	<u>25,000,000</u>	-
<u>27,496,500</u>	<u>24,996,500</u>		<u>274,965,000</u>	<u>249,965,000</u>

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.



DAWOOD EQUITIES LIMITED

16.2 PATTERN OF SHAREHOLDINGS

Following are the shareholders having more than 5% holding.

Sr. No.	Name of shareholder	June 30, 2022		June 30, 2021	
		Shares Held (Number)	Percentage (%)	Shares Held (Number)	Percentage (%)
1	Ayaz Dawood	5,304,344	19.29%	4,822,131	19.29%
2	Equity International (Private) Limited	3,113,989	11.33%	2,830,445	11.32%
3	Junaid Zakaria Dada	1,980,001	7.20%	-	-
		10,398,334	37.82%	7,652,576	30.61%

17. RENTAL DEPOSITS

	June 30, 2022	June 30, 2021
Note	----- (Rupees) -----	
Rental deposits	17.1	25,000
	25,000	25,000

17.1 As required by the Companies Act, 2017 these are held by the Company in a separately maintained bank account.

18. LEASE LIABILITY

Opening balance		-	-
Increase in lease liability		2,976,310	-
Repayments		(720,000)	-
Interest expense	26	216,096	-
Closing balance	18.1	2,472,406	-

18.1 Tenure analysis

Non-current liability		1,926,477	-
Current liability		545,929	-
		2,472,406	-

18.2 The incremental borrowing rate used in determining present value of lease payments is 8.34%.

18.3 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, 2022		June 30, 2021	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
----- (Rupees) -----				
Upto one year	720,000	545,929	-	-
After one year	2,880,000	1,926,477	-	-
Total lease liability	3,600,000	2,472,406	-	-
Financial charges allocable to future periods	(1,127,594)	-	-	-
Total lease liability	2,472,406	2,472,406	-	-
Current portion	(545,929)	(545,929)	-	-
Non - current portion	1,926,477	1,926,477	-	-



DAWOOD EQUITIES LIMITED

		June 30, 2022	June 30, 2021
	Note	----- (Rupees) -----	
19. TRADE AND OTHER PAYABLES			
Trade creditors	19.1	27,702,194	45,617,050
Accrued expenses		5,646,147	3,492,266
Payable to dealers		4,518,283	7,109,624
Withholding tax payable		381,319	337,963
		<u>38,247,943</u>	<u>56,556,903</u>

19.1 This includes an amount of Rs. 14.07 million (June 30, 2021: Rs 0.22 million) payable to related parties of the Company.

		June 30, 2022	June 30, 2021
	Note	----- (Rupees) -----	
20. SHORT TERM RUNNING FINANCE FACILITY			
Bank overdraft	20.1	<u>52,002,265</u>	<u>-</u>

20.1 Short term running finance facility from Bank Alfalah against pledge of shares amounting to Rs. 50 million with markup of 3 months Kibor plus 3% per annum.

21. CONTINGENCIES AND COMMITMENTS

21.1 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.

21.2 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 case was initiated on June 28, 2012. The Company has arguable case and confident that the case will be decided in its favor.

21.3 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. Appeal is pending before Appellate Bench, Securities Exchange Commission of Pakistan at Islamabad.

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

		June 30, 2022	June 30, 2021
	Note	----- (Rupees) -----	
For purchase of shares		80,002,331	273,378,480
For sale of shares		84,073,376	278,494,322



DAWOOD EQUITIES LIMITED

		June 30, 2022	June 30, 2021
		(Rupees)	
22. REVENUE FROM CONTRACT WITH CUSTOMERS	Note		
- brokerage commission - net	22.1	71,810,752	128,075,868
- underwriting commission - net		33,710,080	-
	22.2	105,520,832	128,075,868
- custody / Laga / NCSS fees		5,755,393	8,844,251
- brokerage commission on subscription		3,818,435	1,275,942
- income from margin finance		620,383	1,015,426
		115,715,043	139,211,487

22.1 Brokerage commission pertains to

Institutional clients	11,864,311	51,758,300
Retail customers / Individual	59,946,441	76,317,568
	71,810,752	128,075,868

22.2 Brokerage commission and underwriting commission

Brokerage commission	81,146,150	144,725,731
Underwriting commission	38,092,390	-
Gross commission	119,238,540	144,725,731
Sales tax	(13,717,708)	(16,649,863)
	105,520,832	128,075,868

23. CAPITAL GAIN ON DISPOSAL OF INVESTMENTS - NET

Capital gain in ready and future market - net	10,964,397	11,885,816
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24. NET UNREALISED (LOSS) / 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 - Related party	11,623,635	2,652,254
Net unrealised loss on re-measurement of investments - Others	(17,937,742)	(436,573)
	(6,314,107)	2,215,681



DAWOOD EQUITIES LIMITED

25. ADMINISTRATIVE EXPENSES	Note	June 30, 2022	June 30, 2021
		(Rupees)	
Salaries and other benefits	25.1	20,307,235	13,543,816
Rent, rates & taxes		-	504,666
Repairs and maintenance		992,529	2,190,248
Software maintenance		1,578,150	1,145,450
Utilities		1,841,734	1,254,842
Gifts and donations		100,786	-
Fees and subscription		12,420,616	13,743,944
Brokerage expenses		11,972,562	-
Printing and stationery		582,070	423,939
Traveling and conveyance		923,550	1,341,413
Entertainment		465,775	1,103,976
Depreciation on property and equipment		1,661,881	1,065,684
Depreciation on investment property		356,876	356,876
Depreciation on right of use assets		595,263	-
Sales tax expense		-	623,604
Miscellaneous expenses		184,327	198,000
		<u>53,983,354</u>	<u>37,496,458</u>

25.1 This includes amount of Rs. 1.12 million for actual reimbursement of vehicle related expenses of employees.

26. FINANCIAL CHARGES	Note	June 30, 2022	June 30, 2021
		(Rupees)	
Mark up on bank overdraft		2,083,243	-
Interest expense on lease liability	18	216,096	-
Bank charges		162,266	77,951
		<u>2,461,605</u>	<u>77,951</u>

27. OTHER OPERATING INCOME		June 30, 2022	June 30, 2021
Profit on bank accounts		1,368,874	38,706
Dividend income		903,569	119,541
Profit on cash exposure deposit		1,614,642	2,659,143
Rental income		200,000	474,999
Miscellaneous income		216,199	32,387
		<u>4,303,284</u>	<u>3,324,776</u>



DAWOOD EQUITIES LIMITED

		June 30, 2022	June 30, 2021
	Note	----- (Rupees) -----	-----
28. OTHER OPERATING CHARGES			
Brokerage Expense on subscription		557,000	230,686
Auditor's remuneration	28.1	962,280	28.1 636,768
Loss on disposal of property and equipment		84,677	-
		<u>1,603,957</u>	<u>867,454</u>
28.1 Auditor's remuneration			
Statutory audit		550,000	459,970
Half yearly review		125,000	92,593
Certifications on compliance with code of corporate governance		50,000	37,037
Certifications and other services		85,000	-
Out of pocket expenses		81,000	-
Sales tax		71,280	47,168
		<u>962,280</u>	<u>636,768</u>
29. TAXATION - NET			
Current			
- for the year		7,141,036	14,022,026
- prior year		(1,235,762)	-
Deferred		-	3,772,668
		<u>5,905,274</u>	<u>17,794,694</u>
Relationship between tax expense and accounting profit:			
Profit before taxation		<u>15,507,831</u>	<u>59,328,661</u>
Tax at the applicable rate 29%		<u>4,497,271</u>	<u>17,205,312</u>
Tax effect of others		<u>1,408,003</u>	<u>589,382</u>
		<u>5,905,274</u>	<u>17,794,694</u>
30. EARNING PER SHARE - BASIC AND DILUTED			
Profit after taxation (Rupees)		<u>9,602,557</u>	<u>41,533,967</u>
Weighted average number of ordinary shares (Numbers)		<u>27,496,500</u>	(Restated) <u>27,496,500</u>
Earnings per share - basic and diluted (Rupees)		<u>0.35</u>	(Restated) <u>1.51</u>

30.1 The Company has issued bonus shares during the year and accordingly the earnings per share for the comparative year has been restated.



DAWOOD EQUITIES LIMITED

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

31.1 FINANCIAL INSTRUMENTS BY CATEGORY

At FVTPL

Short term investments	55,743,840	45,242,993
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At FVTOCI

Short term investment	19,467,210	42,454,881
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Amortised cost

Long term deposits	1,887,500	1,887,500
Trade debts	174,399,496	136,511,319
Receivable against margin finance	4,154,375	2,697,834
Trade deposits	19,867,931	33,000,635
Other receivable	13,379,682	9,833,401
Bank balances	7,272,834	13,575,366
	220,961,818	197,506,055
	296,172,868	285,203,929

Financial Liabilities

Amortised cost

Rental deposits	25,000	25,000
Lease liability	2,472,406	-
Trade and other payables	37,866,624	56,218,940
Unclaimed dividend	230,336	230,336
Short term running finance facility	52,002,265	-
	92,596,631	56,474,276

31.2 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 minimise potential adverse effects on the Company's financial performance.

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.



DAWOOD EQUITIES LIMITED

Exposure to credit risk

Credit risk of the Company arises principally from trade debts, advance deposits and prepayments, other receivables and bank balances. 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. 296.17 million (June 30, 2021 : Rs. 285.20 million) the financial assets which are subject to credit risk amounted to Rs. 220.96 million (June 30, 2021 : Rs. 197.67 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, 2022	June 30, 2021
	----- (Rupees) -----	
Long term deposits	1,887,500	1,887,500
Trade debts	174,399,496	136,511,319
Receivable against margin finance	4,154,375	2,697,834
Deposits	19,867,931	33,200,635
Other receivables	13,379,682	9,833,401
Bank balances	7,272,834	13,537,986
	<u>220,961,818</u>	<u>197,668,675</u>

No impairment has been recognised except as disclosed in note 12.3 in respect of trade debts as the security against the same is adequate or counter parties have sound financial standing.

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, 2022	June 30, 2021
----- (Rupees) -----						
Bank Al-Habib Limited	PACRA	June 30, 2022	AAA	A-1+	51,906	106,491
Habib Metropolitan Bank Limited	PACRA	June 30, 2022	AA+	A-1+	507,270	2,443,971
MCB Bank Limited	PACRA	June 30, 2022	AAA	A-1+	271,456	600,595
Albaraka Bank (Pakistan) Limited	JCR-VIS	June 30, 2022	A+	A-1	1,460,319	5,025,879
Bank Al-Falah Limited	PACRA	June 30, 2022	AA+	A1+	4,918,485	5,167,414
The Bank of Khyber	PACRA	June 30, 2022	A	A-1	-	76,997
United Bank Limited	JCR-VIS	June 30, 2022	AA+	N/A	38,298	116,639
Bank Islami Pakistan Limited	PACRA	June 30, 2022	A+	A-1	25,100	-
					<u>7,272,834</u>	<u>13,537,986</u>



DAWOOD EQUITIES LIMITED

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 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, 2022			
	Carrying Amount	Contractual Cash flows	Less than one year	More than one year
----- (Rupees) -----				
Financial Liabilities				
Trade and other payables	37,866,624	37,866,624	37,866,624	-
Lease liability	2,472,406	2,472,406	545,929	1,926,477
Unclaimed dividend	230,336	230,336	230,336	-
Rental deposits	25,000	25,000	25,000	-
Short term running finance facility	52,002,265	52,002,265	52,002,265	-
	June 30, 2021			
	Carrying Amount	Contractual Cash flows	Less than one year	More than one year
----- (Rupees) -----				
Financial Liabilities				
Trade and other payables	56,218,940	56,218,940	56,218,940	-
Unclaimed dividend	230,336	230,336	230,336	-
Rental deposits	25,000	25,000	25,000	-

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.



DAWOOD EQUITIES LIMITED

Interest Rate Risk

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

	June 30, 2022	June 30, 2021
Financial Assets	----- (Rupees) -----	
Variable Rate Instruments		
Trade deposits	19,867,931	33,000,635
Bank balance - savings account	4,973,501	4,777,063

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, 2021.

	Effect on profit and loss	
	100 bp increase	100 bp decrease
	----- (Rupees) -----	
As at June 30, 2022		
Cash flow sensitivity - variable rate instruments	248,414	248,414
As at June 30, 2021		
Cash flow sensitivity - variable rate instruments	377,777	377,777

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. 55.74 (June 30, 2021 : Rs. 81.64 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, 2022	June 30, 2021
Effect on profit	----- (Rupees) -----	
Increase / decrease	557,438	816,409



DAWOOD EQUITIES LIMITED

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).

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, 2022					
Financial assets - measured at fair value					
Short term investments	-	55,743,840	-	29,019,255	84,763,095
Financial assets - disclosed but not measured at fair value					
Long term deposits	1,887,500	-	-	-	1,887,500
Trade debts	174,399,496	-	-	-	174,399,496
Receivable against margin finance	4,154,375	-	-	-	4,154,375
Deposits	19,867,931	-	-	-	19,867,931
Other receivable	13,379,682	-	-	-	13,379,682
Cash and bank balances	7,286,509	-	-	-	7,286,509
	220,975,493	55,743,840	-	29,019,255	305,738,588
Financial liabilities - disclosed but not measured at fair value					
Trade and other payables	37,866,624	-	-	-	37,866,624
Unclaimed dividend	230,336	-	-	-	230,336
Bank overdraft	52,002,265	-	-	-	52,002,265
Lease liability	2,472,406	-	-	-	2,472,406
	92,571,631	-	-	-	92,571,631



DAWOOD EQUITIES LIMITED

	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees)				
June 30, 2021					
Financial assets - measured at fair value					
Short term investments	-	81,640,930	-	6,056,944	87,697,874
Financial assets - disclosed but not measured at fair value					
Long term deposits	1,887,500	-	-	-	1,887,500
Trade debts	136,511,319	-	-	-	136,511,319
Deposits	33,200,635	-	-	-	33,200,635
Cash and bank balances	13,575,366	-	-	-	13,575,366
Other receivable	12,256,825	-	-	-	12,256,825
	<u>197,431,645</u>	<u>81,640,930</u>	<u>-</u>	<u>6,056,944</u>	<u>285,129,519</u>
Financial liabilities - disclosed but not measured at fair value					
Trade and other payables	56,218,940	-	-	-	56,218,940
Unclaimed dividend	230,336	-	-	-	230,336
	<u>56,449,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,449,276</u>

32. PROVIDENT FUND

The Company operates contributory provident fund scheme maintained with First Dawood Investment Bank Limited and Others, Employees contributory provident fund for its permanent employees. All investment are made in accordance with section 218 of Companies Act 2017.

33. 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 period, other than those which have been disclosed elsewhere in these financial statements, are as follows:

33.1 Nature of relationship	Nature of transaction	Note	June 30, 2022	June 30, 2021
			(Rupees)	
Sponsors / Major shareholders				
Rafique Dawood			30,237	151,272
Ayaz Dawood	Commission earned from		212,637	609,666
Equity International (Pvt) Limited	brokerage transactions		15,504	-
Directors				
Areeb Shujaat			1,181	-
Sobia Saif	Commission earned from		14,941	-
Saifullah	brokerage transactions		299,595	282,558
Related companies				
Dawood Family Takaful Ltd	Commission earned from		5,714,038	12,660,703
BRR Guardian Modaraba	brokerage transactions		819,750	2,160,979
	Expenses		477,050	384,000



DAWOOD EQUITIES LIMITED

Nature of relationship	Nature of transaction	Note	June 30, 2022	June 30, 2021
			(Rupees)	
Key Management Personal				
Salman Yaqoob	Commission earned from brokerage transactions		55,464	976
	Provident fund employer's contribution	33.2	115,865	109,200
Nabeel Arif	Commission earned from brokerage transactions		45,359	153,969
	Provident fund employer's contribution		95,069	88,404

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

33.3 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
Rafique Dawood	Sponsor / Major shareholder	577,280	2.10%
Ayaz Dawood	Sponsor / Major shareholder	5,304,344	19.29%
Equity International (Pvt) Limited	Sponsor / Major shareholder	3,113,989	11.33%
Areeb Shujaat	Directors	98	0.00%
Mrs. Sobia Saif	Directors	110	0.00%
Mr. Saifullah	Directors	1	0.00%
Dawood Family Takaful Limited	Related companies	Nil	Nil
Brr Guardian Modaraba	Related companies	539,000	1.96%
Salman Yaqoob	Key management personal	Nil	Nil
Nabeel Arif	Key management personal	Nil	Nil

34. REMUNERATION OF DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
(Rupees)						
Managerial remuneration	1,150,000	846,667	-	-	2,274,000	2,274,000
Directors' fees	-	-	-	-	-	-
Rent and house maintenance	460,000	338,667	-	-	909,600	909,600
Reimbursable expenses	-	-	-	-	72,000	72,000
Utilities	115,000	84,667	-	-	227,400	227,400
Medical	-	-	-	-	120,000	120,000
Conveyance	-	-	-	-	877,284	877,284
	1,725,000	1,270,001	-	-	4,480,284	4,480,284
(Numbers)						
Person(s)	1	1	7	7	2	2



DAWOOD EQUITIES LIMITED

35. NET CAPITAL BALANCE

Excess of current assets over current liabilities determined in accordance with the Third Schedule of the Securities and Exchange Rules 1971, 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, 2022 Rupees
Cash in hand		13,675
Cash at bank		
- Pertaining to brokerage house		1,285,020
- Pertaining to clients	35.1	5,987,814
Total bank balances		7,272,834
Margin Deposit		
- with NCCPL	35.2	19,867,931
Trade Receivables		
Book value		334,251,694
Outstanding for more than 14 days		(294,669,741)
		39,581,953
Investment in listed securities in the name of brokerage house		55,743,840
Less: 15% discount		(8,361,576)
		47,382,264
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		38,157,799
Total Current Assets - (A)		152,276,456
CURRENT LIABILITIES		
Trade Payables		
Book value		27,702,194
Less: Overdue for more than 30 days		(12,916,521)
		14,785,673
	35.3	
Other liabilities	35.4	76,240,800
Total Current Liabilities - (B)		91,026,473
NET CAPITAL BALANCE - (A - B)		61,249,983



DAWOOD EQUITIES LIMITED

June 30, 2022
Rupees

35.1 Cash at bank

Pertaining to brokerage house

Current accounts	1,216,924
Savings accounts	68,096
	1,285,020

Pertaining to clients

Current accounts	1,082,409
Savings accounts	4,905,405
	5,987,814
	7,272,834

35.2 Margin Deposit

Exposure deposit (Ready)	7,450,614
Exposure deposit (Future)	11,965,698
MTS exposure	451,619
	19,867,931

35.3 Investment in Listed Securities

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

35.4 Other Liabilities

Trade payable over due for more than 30 days	12,916,521
Accrued expenses	5,646,147
Payable to dealers	4,518,283
Withholding tax payable	381,319
Unclaimed dividend	230,336
Bank overdraft	52,002,265
Lease liability	545,929
	76,240,800

36. 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					
I.1	Property & Equipment, Right of use asset and Investment property	5	17,378,457	100%	-
I.2	Intangible Assets	8	6,000,000	100%	-
I.3	Investment in Govt. Securities		-	-	-



DAWOOD EQUITIES LIMITED

S. No.	Head of Account	Note	Value in Rupees	Hair Cut / Adjustments	Net Adjusted Value
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	55,743,840	12,204,218	43,539,622
	ii. If unlisted, 100% of carrying value.		-	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	29,019,255	100%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	9	1,887,500	100%	-
1.9	Margin deposits with exchange and clearing house.		19,867,931	-	19,867,931
1.10	Deposit with authorized intermediary against borrowed securities under SLB.		-	-	-
1.11	Other deposits and prepayments	13	25,000	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.		-	-	-
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	292,200	-	292,200
	ii. Advance tax net of provision		6,032,103	-	6,032,103
	iii. Receivables other than trade receivables	14	15,803,106	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.		-	-	-
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.		4,154,375	4,236,358	4,154,375
	i. Lower of net balance sheet value or value determined through adjustments.				



DAWOOD EQUITIES LIMITED

S. No.	Head of Account	Note	Value in Rupees	Hair Cut / Adjustments	Net Adjusted Value
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ii. Net amount after deducting haircut		-	5%	-
	iii. Incase 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. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value		33,238,191	-	33,238,191
	v. Incase 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		141,161,305	39,569,424	39,569,424
	vi. 100% haircut in the case of amount receivable form related parties.				
1.18	Cash and Bank balances				
	i. Bank Balance-proprietary accounts	15	1,285,020	-	1,285,020
	ii. Bank balance-customer accounts	15	5,987,814	-	5,987,814
	iii. Cash in hand	15	13,675	-	13,675
1.19	Subscription money against investment in IPO/ offer for sale (asset)		-	-	-
1.2	Total Assets		337,889,772		153,980,355

2. Liabilities

2.1	Trade Payables				
	i. Payable to exchanges and clearing house		-	-	-
	ii. Payable against leveraged market products		-	-	-
	iii. Payable to customers	19	27,702,194	-	27,702,194
2.2	Current Liabilities				
	i. Statutory and regulatory dues		-	-	-
	ii. Accruals and other payables	19	10,545,749	-	10,545,749
	iii. Short-term borrowings		52,002,265	-	52,002,265
	iv. Current portion of subordinated loans		-	-	-
	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		776,265	-	776,265



DAWOOD EQUITIES LIMITED

S. No.	Head of Account	Note	Value in Rupees	Hair Cut / Adjustments	Net Adjusted Value
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	18	1,926,477	100%	-
	iii. Staff retirement benefits		-	-	-
	iv. Other liabilities as per accounting principles and included in the financial statements		25,000	-	25,000
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.		-	-	-
	ii. Subordinated loans which do not fulfill the conditions specified by SECP				
	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.		-	-	-
	Total Liabilities		92,977,950		91,051,473

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.		-	1,692,970	1,692,970
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.		-	-	-



DAWOOD EQUITIES LIMITED

S. No.	Head of Account	Note	Value in Rupees	Hair Cut / Adjustments	Net Adjusted Value
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		-	-	-
3.7	Repo adjustment				
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/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.		-	-	-
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		-	973,361	973,361
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		-	-	-



DAWOOD EQUITIES LIMITED

S. No.	Head of Account	Note	Value in Rupees	Hair Cut / Adjustments	Net Adjusted Value
	ii. Incase 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		-	2,666,331	2,666,331

244,911,822 Liquid Capital 60,262,551

Calculations Summary of Liquid Capital

(Rupees)

- (i) Adjusted value of Assets (serial number 1.19)
- (ii) Adjusted value of liabilities (serial number 2.5)
- (iii) Total ranking liabilities (series number 3.11)

153,980,355
(91,051,473)
(2,666,331)

60,262,551

June 30, 2022 June 30, 2021

37. CAPITAL ADEQUACY LEVEL

----- (Rupees) -----

Total assets	372,657,361	349,876,765
Total liabilities	(92,977,950)	(56,787,239)
Capital adequacy level	<u>279,679,411</u>	<u>293,089,526</u>

While determining the value of the total assets of the TREC Holder, Notional value of TREC held by such participant as at year ended June 30, 2022 as determined by Pakistan Stock Exchange Limited has been considered.

June 30, 2022 June 30, 2021

38. NUMBER OF EMPLOYEES

----- (Number) -----

At the year end	22	16
Average during the year	19	16

39. NON - ADJUSTING EVENT

The Board in its meeting held on September 29, 2022 has proposed a final cash dividend of Rs. Nil per share (June 30, 2021: Nil) and Nil bonus shares (June 30, 2021: Nil) in respect of the year ended June 30, 2022. The appropriation will be approved by the members in the forthcoming annual general meeting.

40. CORRESPONDING FIGURES

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

41. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue by the Board of the Company on September 29, 2022.

42. GENERAL

Figures have been rounded off to the nearest rupee.



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 26th day of October, 2022 at 8:45 a.m. and at any adjournment thereof.

As witnessed under my/our hands this _____ day of _____ 2022 _____

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

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17th Floor, Saima Trade Tower A
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