

**FIRST DAWOOD INVESTMENT BANK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Note	2017 Rupees	2016 Rupees
<b>Income</b>			
Lease income		4,365,073	5,240,703
Income from long term finances		4,878,644	179,282
Income from placement and finance		1,019,162	-
Return on investments and deposits	32	12,840,535	9,210,716
Gain on sale of securities - net		5,143,547	5,183,695
Other income	33	3,630,537	15,308,090
		<u>31,877,498</u>	<u>35,122,486</u>
<b>Expenses</b>			
Administrative expenses	34	(39,216,290)	(41,055,839)
Finance cost - Net	35	(8,586)	(19,442,685)
Other operating charges	36	(683,857)	-
		<u>(39,908,733)</u>	<u>(60,498,524)</u>
<b>Operating loss before provisions and changes in fair value</b>		<b>(8,031,235)</b>	<b>(25,376,038)</b>
<b>Provisions / changes in fair value</b>			
Reversal / (provision) of provision for potential lease and other loan losses - net	37	5,567,595	(25,835,294)
Impairment on asset classified as held for sale		-	(1,500,000)
Unrealized loss on remeasurment of investments - held for trading		(9,272,983)	(492,960)
Liabilities written back	38	-	77,724,930
Unrealized gain on remeasurment of investments property		5,414,000	
Amount transferred from other comprehensive income		2,485,258	-
		<u>4,193,870</u>	<u>49,896,676</u>
		<u>(3,837,365)</u>	<u>24,520,638</u>
Others	39	-	(1,349,575)
Loss on disposal of asset classified as held for Sale		(300,000)	-
<b>Share of profit/(loss) from associates- net</b>	40	<b>15,859,151</b>	<b>(699,999)</b>
<b>Profit before taxation</b>		<b>11,721,786</b>	<b>22,471,064</b>
Taxation	41	(296,360,790)	477,797,975
<b>(Loss)/Profit after taxation</b>		<b>(284,639,004)</b>	<b>500,269,039</b>
<b>(Loss)/Earning per share - basic</b>	42	<b>(1.92)</b>	<b>3.37</b>
<b>(Loss)/Earning per share - diluted</b>	42	<b>(1.92)</b>	<b>3.37</b>

The annexed notes from 1 to 51 form an integral part of these financial statements.

These financial statements have been signed by two Directors due to reasons stated in note 1.9 to the financial statements.



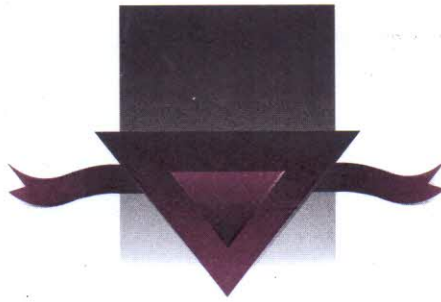
Director



Chief Financial Officer



Director



## FIRST DAWOOD INVESTMENT BANK LIMITED

### EXTRACT FROM AUDITOR'S REPORT TO THE MEMBER

Report that:

- (a) As at June 30, 2017, the Company has recognized deferred tax asset of Rs.381.210 million in respect of carry forward of unused tax losses and provisions that result in deductible temporary differences. As stated in note 13 to the financial statements, assessment for recoverability of the said deferred tax asset on the basis of projections for future taxable income taking into account various assumptions regarding future business prospects and conditions has been carried out by the management. However, we could not substantiate deferred tax assets and relevant projections realization of which is dependent on renewal of license and availability of taxable profit which are uncertain;

in their opinion, except for the possible effects of the matter described in above (a) paragraph, proper books of accounts have been kept by the Company as required by the Repealed Companies ordinance, 1984;

they draw attention to the following matters:

- (i) note 1.3 to the financial statements describes that the Company is facing financial problems, its accumulated losses as at June 30, 2017 are in the tune of Rs.1,518.045 million, and as of that date, the Company's current liabilities exceed its current assets by Rs. 82.122 million and its licenses to carry out business are not renewed. These conditions along with other matters as stated in note 1.3 and contingencies identified in note 31.1 to note 31.6 has given rise to uncertainties which may cast significant doubt about the Company's ability to continue as a going concern and accordingly company may not be able to realize its assets and discharge the liabilities at stated amount.
- (ii) note 10.5 to the financial statements discloses that the Company is not in compliance with certain requirements of NBFC Regulations. Further, as stated in note 1.2 to the financial statements appeal for renewal of registration as Debt Securities Trustee under Regulation 6(2) of Debt Securities Trustee Regulations, 2012 is currently pending at the Hon' able High Court of Sindh.
- (iii) note 17.2 to the financial statements explains the reason for non- transfer of asset classified as held-for-sale and carried at lower of carrying value or recoverable amount.
- (iv) note 10.3 to the financial statements explains the non renewal of license of 786 Investments limited (formerly Dawood Capital management Limited)

Their opinion is not qualified in respect of these matters.

  
Company Secretary



Date: September 29, 2017