



**DAWOOD EQUITIES LIMITED**

**First Quarter Report  
September 30, 2016  
( Un-Audited )**

**Q  
u  
a  
r  
t  
e  
r  
l  
y  
  
R  
E  
P  
O  
R  
T  
  
2016**



**DAWOOD EQUITIES LIMITED**

<b>Contents</b>	<b>Page</b>
▣ Corporate Objective.....	3
○ Our Vision.....	3
○ Our Mission.....	3
▣ Company Information.....	4
▣ Directors' Report.....	5
▣ Financial Statement	
○ Condensed Interim Balance Sheet.....	7
○ Condensed Interim Profit & Loss Account.....	8
○ Condensed Interim Statement of Comprehensive Income .....	9
○ Condensed Interim Statement of Cash Flow.....	10
○ Condensed Interim Statement of Changes in Equity.....	11
○ Notes to The Financial Statement .....	12





## **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 competetive, dynamic and growing brokerage house that provides cometitive services, identifies investment opportunities and developers research based data and information.



**DAWOOD EQUITIES LIMITED**

## **Company Information**

<b>Board of Directors</b>	Mr. Junaid Dada (Chairman) Abdul Aziz Habib (Chief Executive) Mr. Khalid Yousuf (Non executive Director) Mr. Asim Iftekhar Yakoob (Independent Director) Ms. Rubina Khanum (Independent Director) Syed Muhammad Abbas ( Non executive Director) Mr. Saifullah (Subject to approval of KSE)
<b>Chief Financial officer &amp; Company Secretary</b>	Mr. Salman Yaqoob
<b>Audit Committee</b>	Mr. Asim Iftekhar Yakoob- Chairman Mr. Khalid Yousuf Ms. Rubina Khanum
<b>HR &amp; R Committee</b>	Syed Muhammad Abbas Mr. Asim Iftekhar Yakoob Abdul Aziz Habib
<b>External Auditor</b>	Haroon Zakaria & Co.
<b>Internal Auditor</b>	Sajid & Co. Chartered Accountants
<b>Legal Advisor</b>	Rauf & Ghaffar Law Associates
<b>Bankers</b>	Bank Al Habib Limited Habib Metropolitan Bank Limited Bank Al Falah Limited Unted Bank Limited Burj Bank Limited MCB Bank Limited
<b>Website</b>	<a href="http://www.dawoodequities.com">www.dawoodequities.com</a>
<b>Registered Head Office</b>	1900-B Saima Trade Towers, I.I. Chundrigar Road, Karachi. Phone No. 021-32271881-1883 Fax No. 021-32275086
<b>Registered Branch Office</b>	Room-810, 8th Floor, KSE Building, Stock Exchange Road, Karachi. Phone No. 021-32474028 Fax No. 021-32418873
<b>Share Registrar</b>	F.D Registrar Services (SMC-Pvt) Ltd 1705 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi. Phone No. 021-35478192-93, 32271905 Fax. 021-32621233



DAWOOD EQUITIES LIMITED

## DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders

On the behalf of The Directors of Dawood Equities Limited (the "Company") I am pleased to present herewith the un-audited financial statements for the first quarter ended September 30, 2016.

### FINANCIAL RESULT

The summary of comparative financial highlights is given below:

OPERATING RESULTS	SEPTEMBER 30 2016 Rupees	SEPTEMBER 30 2015 Rupees
Operating Revenue	5,274,597	7,449,179
Capital gain on disposal of investments	1,165,705	799,700
Administrative Expenses	(2,828,594)	(3,639,503)
Financial Charges	(22,985 )	(20,549)
Other Operating Income	132,085	103011
Profit after tax	4,547,726	2,556,125
Earnings per share basic and diluted	0.18	0.10

During the period under review the Company reported a profit after tax of Rs. 4,547,726/- as compared to Rs. 2,556,125/-for the corresponding period last year, whereas earnings per share increased to 0.18 per share from 0.10 per share for the corresponding period last year.

On behalf of the Board

**Junaid Dada**  
Chairman

Karachi: **October 28, 2016**

## ڈائرکٹرز کی رپورٹ

عزیزانہ حصص یافتگان

داؤد ایکویٹیز لمیٹڈ (کمپنی) کے ڈائرکٹرز کی جانب سے میں ستمبر 2016-30 کو ختم ہونے والے پہلے سہ ماہی کے غیر آڈٹ شدہ مالیاتی حسابات پیش کرتے ہوئے مسرت محسوس کر رہا ہوں۔

## مالیاتی نتائج

تفیلی مالیاتی جھلکیوں کا خلاصہ مندرجہ ذیل ہے:

2015، 30 ستمبر	2016، 30 ستمبر	آپریٹنگ نتائج
پاکستانی روپے میں		
7,449,179	5,274,597	آپریٹنگ آمدنی
799,700	1,165,705	سرمایہ کاری بیچنے پر حاصل ہونے والا سرمایہ
(3,639,503)	(2,828,594)	انتظامی اخراجات
(20,549)	(22,985)	مالیاتی اخراجات
103,011	132,085	دیگر آپریٹنگ آمدنی
2,556,125	4,547,726	منافع بعد از ٹیکس
0.10	0.18	فی حصص آمدنی (بنیادی اور معتدل)

زیرجائزہ مدت کے دوران کمپنی نے -/4,547,726 روپے کا منافع بعد از ٹیکس رپورٹ کیا ہے جو کہ پچھلے سال کی اسی مدت میں -/2,556,125 روپے تھا، جبکہ فی حصص آمدنی 0.18 فی حصص تک بڑھ گئی ہے جو کہ پچھلے سال اسی مدت میں 0.10 فی حصص تھی۔

از طرف بورڈ آف ڈائرکٹرز



چئیرمن ڈاؤد

چئیرمین

مورخہ اکتوبر 28، 2016

کراچی



DAWOOD EQUITIES LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)  
AS AT SEPTEMBER 30, 2016

	Note	(Un-Audited) 30-Sep 2016 Rupees	(Audited) 30-Jun 2016 Rupees
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property and equipment	4	451,596	341,236
Intangible assets		5,000,000	5,000,000
Long term investment		40,242,140	40,242,140
Long term deposits		1,137,500	1,137,500
Deferred taxation		37,223,315	37,223,315
		<u>84,054,551</u>	<u>83,944,191</u>
<b>Current Assets</b>			
Short term investments	5	16,112,398	18,381,327
Trade debts		84,901,262	90,447,558
Trade deposits and short term prepayments	6	17,169,333	8,940,945
Other receivable		20,649,153	17,907,402
Tax refunds due from government		9,190,039	8,173,175
Cash and bank balances	7	55,459,176	12,506,263
		<u>203,481,361</u>	<u>156,356,670</u>
		<u>287,535,912</u>	<u>240,300,861</u>
<b>Total Assets</b>			
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Capital and Reserves</b>			
<b>Authorized Share Capital</b>			
30,000,000 Ordinary shares of Rs.10 each		<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed and paid up capital		249,965,000	249,965,000
Reserves		(21,868,189)	(26,415,915)
		<u>228,096,811</u>	<u>223,549,085</u>
<b>Current Liabilities</b>			
Trade and other payables		59,439,101	16,751,776
<b>Contingencies and Commitments</b>			
	8		
<b>Total Equity and Liabilities</b>		<u>287,535,912</u>	<u>258,749,308</u>

The annexed notes form an integral part of these financial statements

  
Chief Executive

  
Director



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

	(Un-Audited) 30-Sep 2016 Rupees	(Un-Audited) 30-Sep 2015 Rupees
Operating revenue	5,274,597	7,449,179
Capital gain on disposal of investments - net	1,165,705	799,700
Gain on remeasurement of investments carried at fair value through profit and loss	1,169,220	(1,882,909)
	<b>7,609,522</b>	<b>6,365,970</b>
Administrative expenses	(2,828,594)	(3,639,503)
	<b>4,780,928</b>	<b>2,726,467</b>
Financial charges	(22,985)	(20,549)
	<b>4,757,943</b>	<b>2,705,918</b>
Other operating income	132,085	103,011
Other operating charges		
<b>Profit before taxation</b>	<b>4,890,028</b>	<b>2,808,929</b>
Taxation	(342,302)	(252,804)
<b>Profit after taxation</b>	<b>4,547,726</b>	<b>2,556,125</b>
<b>Earning per share - Basic and diluted</b>	<b>0.18</b>	<b>0.10</b>

The annexed notes form an integral part of these financial statements

Chief Executive

Director



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

	(Un-Audited) 30-Sep 2016 Rupees	(Un-Audited) 30-Sep 2015 Rupees
Profit for the Period	4,547,726	2,556,125
Other Comprehensive income	-	-
Total comprehensive income for the period	<u>4,547,726</u>	<u>2,556,125</u>

The annexed noted form an integral part of these financial statement

Chief Executive

Director



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

	(Un-Audited) 30-Sep 2016 Rupees	(Un-Audited) 30-Sep 2015 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>4,890,028</b>	2,808,929
<b>Adjustment for non cash items:</b>		
Depreciation	39,640	30,128
(Gain) / Loss on remeasurement of investment	(1,169,220)	1,882,909
Capital (gain) / Loss on disposal of investment	(1,165,705)	(799,700)
Dividend income	(28,250)	(60,204)
(Reversal) / provision for doubtful debts	(45,000)	(45,000)
Other Income	(87,085)	(58,011)
Financial charges	22,985	20,549
	<b>2,457,393</b>	3,779,600
<b>(Increase) / decrease in current assets</b>		
Trade debts	5,546,296	4,113,845
Other receivables	(2,741,751)	1,121,640
Trade deposits and short term prepayments	(8,228,388)	29,317,695
	<b>(5,423,843)</b>	34,553,180
<b>(Decrease) in current liabilities</b>		
Trade and other payables	42,687,325	(15,709,145)
	<b>42,687,325</b>	(15,709,145)
	<b>39,720,875</b>	22,623,635
Taxes paid	(674,562)	(1,105,167)
Financial charges paid	(22,985)	(20,549)
	<b>(697,547)</b>	(1,125,716)
<b>Net cash (used in) / generated from operating activities</b>	<b>39,023,328</b>	21,497,919
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	150,000	-
Receipts from Other Income	132,085	103,011
Disposal of investments - net	3,619,250	(21,698,294)
Dividend received	28,250	60,204
<b>Net cash generated from/(used in) investing activities</b>	<b>3,929,585</b>	(21,535,079)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>42,952,913</b>	(37,160)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>12,506,263</b>	6,119,780
<b>Cash and cash equivalents at the end of the period</b>	<b>55,459,176</b>	6,082,620

The annexed notes form an integral part of these financial statements

  
Chief Executive

  
Director



DAWOOD EQUITIES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2016

Issued, subscribed and paid up capital	Reserves			Total	Total Equity	
	Capital		Revenue			
	Gain on re-measurement of AFS Investments	Share premium	Accumulated (loss) / profit			
----- Rupees -----						
Balance as at July 01, 2015	249,965,000	4,098,312	74,973,750	(106,300,496)	(27,228,434)	222,736,566
Total comprehensive income for the period				2,556,125	2,556,125	2,556,125
Balance as at September 30, 2015	<b>249,965,000</b>	<b>4,098,312</b>	<b>74,973,750</b>	<b>(103,744,371)</b>	<b>(24,672,309)</b>	<b>225,292,691</b>
Balance as at October 01, 2015	249,965,000	4,098,312	74,973,750	(103,744,371)	(24,672,309)	225,292,691
Profit/ (Loss) for the period ended October - June 2016				(1,551,252)	<b>(1,551,252)</b>	(1,551,252)
Gain on re-measurement of investment available for sale at par value		(192,354)			<b>(192,354)</b>	(192,354)
Total Comprehensive income for the period ended October - June 2016					<b>(1,743,606)</b>	
Balance as at June 30, 2016	<b>249,965,000</b>	<b>3,905,958</b>	<b>74,973,750</b>	<b>(105,295,623)</b>	<b>(26,415,915)</b>	<b>223,549,085</b>
Balance as at July 01, 2016	249,965,000	3,905,958	74,973,750	(105,295,623)	(26,415,915)	223,549,085
Total comprehensive income for the period				4,547,726	4,547,726	4,547,726
Balance as at September 30, 2016	<b>249,965,000</b>	<b>3,905,958</b>	<b>74,973,750</b>	<b>(100,747,897)</b>	<b>(21,868,189)</b>	<b>228,096,811</b>

The annexed notes form an integral part of these financial statements

Chief Executive

Director



DAWOOD EQUITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2016

### 1 CORPORATE INFORMATION, OPERATIONS AND LEGAL STATUS

Dawood Equities Limited (the Company) was incorporated in Pakistan as an unquoted public limited company on May 3, 2006 under the Companies Ordinance, 1984. The Company commenced commercial operations from October 03, 2006. Subsequently the Company obtained listing on the Karachi Stock Exchange (Guarantee) Limited on April 14, 2008. The registered office of the Company is situated at 1900-B, Saima Trade Towers, I.I. Chundrigar Road, Karachi. The Company's principal business is trading and brokerage of listed equities, underwriting and other investments.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 shall prevail.

#### 2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except as otherwise mentioned in these financial statements. Further, accrual basis of accounting is followed except for cash flow information.

#### 2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company and rounded off to the nearest rupee.

#### 2.4 Use of estimates and judgments

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

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

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

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in the financial statements are described as follows: -

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial statements are the same as those for the preceding published Annual financial statements for the year ended June 30, 2016.



**DAWOOD EQUITIES LIMITED**

		<b>September 30, 2016 (Un-audited) Rupees</b>	<b>June 30, 2016 (Audited) Rupees</b>
<b>4. PROPERTY &amp; EQUIPMENT</b>	<b>Note</b>		
Written down value at the beginning of the period/year		341,236	282,275
Add: Additions during the period/year	4.1	150,000	195,500
Less: Depreciation during the period/year		(39,640)	(136,539)
Disposals-net		-	-
Written down value at the ending of the period/year		<u>451,596</u>	<u>341,236</u>
<b>4.1</b> Following additions in assets at cost were made during the period/year:			
Vehicles			95,000
Furniture & Fixture		150,000	100,500
		-	-
		<u>150,000</u>	<u>195,500</u>
<b>5 SHORT TERM INVESTMENTS</b>			
In related Parties - at fair value through profit & loss		1,556,495	1,350,729
In related Parties - available for sale		-	3,318,755
Others - at fair value through profit & loss		14,555,903	13,711,843
		-	-
		<u>16,112,398</u>	<u>18,381,327</u>
<b>6 ADVANCES, TRADE DEPOSITS AND SHORT TERM PREPAYMENT</b>			
Trade deposits		16,918,869	8,791,225
Prepayments & other advances		250,464	149,720
		<u>17,169,333</u>	<u>8,940,945</u>
<b>7 CASH AND BANK BALANCES</b>			
Cash in hand		13,365	4,136
Cash at banks - current & PLS accounts	8.1	<u>55,445,811</u>	<u>12,502,127</u>
		<u>55,459,176</u>	<u>12,506,263</u>

**7.1** PIs Account account carries Rs. 3.1% mark-up (June 30, 2016: 3.1% per annum).

**8 COMMITMENTS**

**8.1** The Company has filed a suit in the Honorable Sindh High Court Karachi against one of its corporate client against recovery of Rs.75.436 million and proceedings are in process. Currently negotiations outside court is in process and therefore no further provision during current year has been made and management believes that provision of Rs. 28.672 million as already made is sufficient.



**DAWOOD EQUITIES LIMITED**

8.2 Compromise decree has been passed by the Honorable High Court of Sindh regarding fully provided balance of Mr. Abbas Qurban of Rs. 30.33 million. The amount of Rs. 1.6 million is recovered through Provident Fund balance of Mr. Abbas Qurban with the First Dawood Investment Bank Limited. The remaining balance will be receivable in equal monthly installment of Rs.15,000 per month until fully recovered. The provision will be reversed in the similar pattern as recovery occurs.

**9 TRANSACTION WITH RELATED PARTIES**

Related parties comprises member companies, directors, key management personnel of member companies and various other related parties that has an interest in the Company that gives it significant influence over the Company. Details of transactions with related parties during the year are as follows: -

	<b>September 30, 2015 (Un-audited) Rupees</b>	<b>June 30, 2015 (Audited) Rupees</b>
<b>Commission earned from brokerage transactions with member companies and key management personnel of member companies</b>	<u>808,364</u>	<u>2,825,689</u>
<b>Expenses paid / payable to member companies</b>	<u>33,000</u>	<u>132,000</u>
<b>FDIBL &amp; Other Employee PF - Employers Contribution paid</b>	<u>53,397</u>	<u>215,391</u>

9.1 The above transactions are at arm's length basis on commercial terms and conditions.

**10 REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVE**

The directors of the company have not drawn any remuneration during the period

None of the employees fall under the category of executives as defined in Companies Ordinance 1984.

**11 DATE FOR AUTHORIZATION FOR ISSUE**

The Board of Directors of the Company authorized these condensed financial statements for issue on **October 28, 2016**.

**12 GENERAL**

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

  
\_\_\_\_\_  
Chief Executive

  
\_\_\_\_\_  
Director








www.jamapunji.pk










**Be aware, Be alert,  
Be safe**

Learn about investing at  
[www.jamapunji.pk](http://www.jamapunji.pk)

**Key features:**

-  Licensed Entities Verification
-  Scam meter\*
-  Jamapunji games\*
-  Tax credit calculator\*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator  
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler\*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

 [jamapunji.pk](http://jamapunji.pk)

 [@jamapunji\\_pk](https://twitter.com/jamapunji_pk)

\*Mobile apps are also available for download for android and ios devices



**BOOK POST**  
Printed Matter

**UNDER CERTIFICATE OF POSTING**

*if undelivered, please return to:*  
**Dawood EQUITIES LIMITED**  
1900-B, Saima Trade Tower  
I.I Chundrigger Road Karachi.