



**DAWOOD EQUITIES LIMITED**

**MEMBER OF PAKISTAN STOCK EXCHANGE LIMITED AND PAKISTAN MERCHANTILE EXCHANGE LIMITED**

**CORPORATE BRIEFING**



## **BACKGROUND - DAWOOD EQUITIES LIMITED**

Dawood Equities Limited (DEL) was incorporated under the Companies Ordinance 1984 on May 3, 2006 as public limited company. DEL commenced commercial operations from October 03, 2006. DEL is also registered under the Securities and Exchange Commission of Pakistan as a broker. The company is a licensed TRE Certificate Holder of Pakistan Stock Exchange Limited.

Securities & Exchange Commission of Pakistan has also granted license to Dawood Equities Limited to undertake Future Broker Activity under Regulation 52 of the Future Market Act 2016.

DEL is touting to be one of the growing equity trading platforms for capital markets in Pakistan. We, at DEL, are committed to provide superior customer service to your utmost satisfaction. DEL recognizes the role and importance of human resource as well as technological infrastructure. DEL is well equipped with quality professionals of Chartered Accountancy and Masters of Business Administration. Since inception the DEL has recorded reasonable growth in operating revenues and profits. The growth in the operations of the company was utilized to strengthen the capital base. The commitment of our team towards the delivery of services to satisfy every requirement of our clientele is being reposed through growth of our clientele.

We strive to provide effective, efficient and prompt response and customer oriented service as well as quality advice to our prestigious clients. Our commitment to provide our client with superior investment advice, attentive customer service, and excellent trade executions continues to provide the foundation for our success in the brokerage services industry.

At DEL, we believe that the essential in the success of any brokerage house is the strength of its human capital. To this end the company has required individual with a strong record of achievements and integrity for its dealing and back office team.

At DEL, we believe that a brokerage house should maintain the highest level of integrity and ethical standards in order to maintain the client trust and confidence. Furthermore, unlike other brokerage house, which evaluates their teams on turnover and churning of shares, our performances evaluates is based on profitability of clients, with the management fully focused on this aspect. All company structure is designed to provide a comprehensive timely customer performance picture to its clients, enabling them to make better investment decision.



### **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. To create long term shareholder value through superior financial performance driven by the delivery of a diversified range of innovative, customer-focused financial products and services and supported by an operating culture based on the highest levels of teamwork, efficiency and integrity.**

### **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. To continue building a firm foundation based on research and market analysis enabling us to deliver strong results and value growth for our clients.**

### **OUR VALUES**

**At DEL, we believe that the essential in the success of any brokerage house is the strength of its human capital. To this end the company has required individual with a strong record of achievements and integrity of its dealing and back office team. At DEL, we believe that the brokerage house should maintain the highest level of integrity and ethical standards in order to maintain the client trust and confidence.**



## **SERVICES OFFERED**

DEL is a platform to assist the client in making profitable decisions while dealing in capital and money market operations. In principle we render following services to our clients, namely,

### **1. EQUITY BROKERAGE**

DEL, being the corporate member of Karachi Stock Exchange, is duly registered and recognized brokerage house of the country and is fully capable of undertaking sale and purchase of all scripts listed on Karachi Stock Exchange.

DEL offers its services for dealing in securities on Ready counter, future counter, Margin Financing and Margin Trading facility. The clientele of DEL includes both individuals as well as leading financial institutions. Our trading activities include the execution of retail orders, block trades, and corporate equity repurchases.

### **2. UNDERWRITING OF SHARES**

DEL with its strong balance sheet footing also underwrites the Initial Public Offerings and Right Issues of the securities. Recently DEL has entered into underwriting agreement of more than fifteen issues of securities since January 2017 when DEL became the registered underwriter with the SECP.

### **3. COMMODITY TRADING**

DEL is now offering trading opportunities to our customers at Pakistan Mercantile Exchange (PMEX) – online commodity exchange of Pakistan. Commodity brokerage service provided by Dawood Equities offers trading opportunities at Pakistan Mercantile Exchange (PMEX)

The commodities in which trading is currently taking place include Crude Oil, Gold, Silver, Cotton, Rice, Sugar, Wheat, Palm Olein, KIBOR, Red Chilli.

### **4. SHARES CUSTODIAN AND ALLIED SERVICES**

DEL also act as the custodian of securities owned by our value clients and executes share transfers and other allied matters on their behalf. The company has dedicated resource to resolve the issues arising in respect of shares transfer and custody.

### **5. ASSISTANCE IN RESPECT OF PORTFOLIO RISK MANAGEMENT**

Keeping in view the volatility of the capital markets and degree of risk associated with the equity investments. DEL also assists its clients in formulating portfolio



management strategies to minimize the risk of loss associated with each transaction of the capital market and with a view to maximize the wealth of our clients.

## **6. RESEARCH**

DEL is also engaged in providing research reports through experienced and professional research analysts. For this purposes, a separate service center has been established. The services currently being offered are as follows:

- Review of individual corporate entities;
  - Review of performance of sectors;
  - Review of capital markets
  - Participation in the initial public offering;
  - Participation as underwriters for the public issues of equity and Corporate debt securities; and
  - Acting as underwriting arranger on behalf of our valued clients.

## **7. DAILY MARKET VIEW**

DEL is very much concerned in passing out the information on to its clients to make its clients well informed before taking decision of investing and not investing in any script. We circulate our "Daily Market View" early in the morning to prepare our clients well before the opening of bourses. In addition, our team of experts remains in touch with clients during the trading hours of KSE.

## **8. CUSTOMIZED SOLUTION**

DEL offer to its client's best solution develop or rearrange their portfolio in light of the change market scenario in the country.

## **9. FINANCIAL AND ECONOMIC RESEARCH**

Recognizing the importance of Financial and Economic Research, we have developed in-house expertise to assist our valued customers. DEL's research department is being run by competent analysts, who effectively apply investment and economic tools to interpret the market economic tools.



## **CRITICAL SUCCESS FACTORS AT DAWOOD EQUITIES LIMITED**

Critical success factors employed by DEL provide strength to operate the business efficiently and effectively and to cater the needs of stakeholders of the company. Further robust enforcement of policies and procedures at DEL helps to maintained transparent business environment and regulatory compliance. The below mentioned factors help DEL to achieve its objectives and endeavor to success.

<b>Internal Control Framework</b>	<ul style="list-style-type: none"> <li>• Compliance with Internal control Policies &amp; Procedural Framework</li> <li>• KYC and client confidentiality</li> <li>• Firewalls between customer and proprietary accounts</li> <li>• Regulatory compliance</li> </ul>
<b>External Control Framework</b>	<ul style="list-style-type: none"> <li>• Book Keeping and disclosure Standards</li> <li>• Quality of External Auditors</li> <li>• Transparency and Fidelity in handling of customer assets</li> </ul>
<b>Client Relationship and Fair Play</b>	<ul style="list-style-type: none"> <li>• Fair play and Transparency in customer dealing</li> <li>• Timely client portfolio position reporting</li> <li>• Value added Services</li> <li>• Quality of Research</li> <li>• Effective customer support service</li> </ul>
<b>HR &amp; Infrastructure</b>	<ul style="list-style-type: none"> <li>• Quality and Stability of top management</li> <li>• Organizational structure compatible with strategic direction.</li> <li>• Robustness and sophistication of IT systems</li> <li>• Adequacy and scalability of MIS</li> <li>• Strength of back office operations</li> </ul>
<b>Compliance and Risk Management</b>	<ul style="list-style-type: none"> <li>• Policies monitoring for Exposure and Credit Risk mitigation</li> <li>• Assessment of Fiduciary relationship</li> <li>• Strength of monitoring of internal and external compliance benchmarks</li> </ul>
<b>Financial Management</b>	<ul style="list-style-type: none"> <li>• Market Position</li> <li>• Earning Strength and Stability</li> <li>• Capital Adequacy and Leverage</li> <li>• Asset Quality</li> <li>• Liquidity management</li> </ul>



## **INFORMATION TECHNOLOGY INFRASTRUCTURE AT DAWOOD EQUITIES LIMITED**

### **1. TRADING SOFTWARE AND BACK OFFICE**

**DEL has acquired a state –of-the-art technology driven trading platform that allows seamless and secure trading. It facilitates the market participants to connect from across the globe and trade virtually.**

**DEL also maintained a robust back office management system for Clearing, Settlement, & Reporting and Trader Account Management System.**

### **2. BUSINESS CONTINUITY & DISASTER RECOVERY**

**DEL has fully equipped itself to respond to all types of eventualities such as natural calamities, civil unrest and security breaches. DEL has a fully operational business continuity & disaster recovery locations, which provides a robust structure for resuming all the critical operations in the shortest possible time.**

**DEL has policy of weekly back up of data to be stored at offsite.**

### **3. TECHNOLOGY PARTNERS**

#### **a) VisionMax (Private) Limited – Online and Back Office Systems**

- **Vtrade – Online Trading Platform**
- **StockXS – Back Office System**
- **StockMF – Back Office System**
- **StockMIS – Back Office System**
- **Vtrade – Mobile App**

#### **b) Information Technology Services – provide and maintained network infrastructure to DEL.**

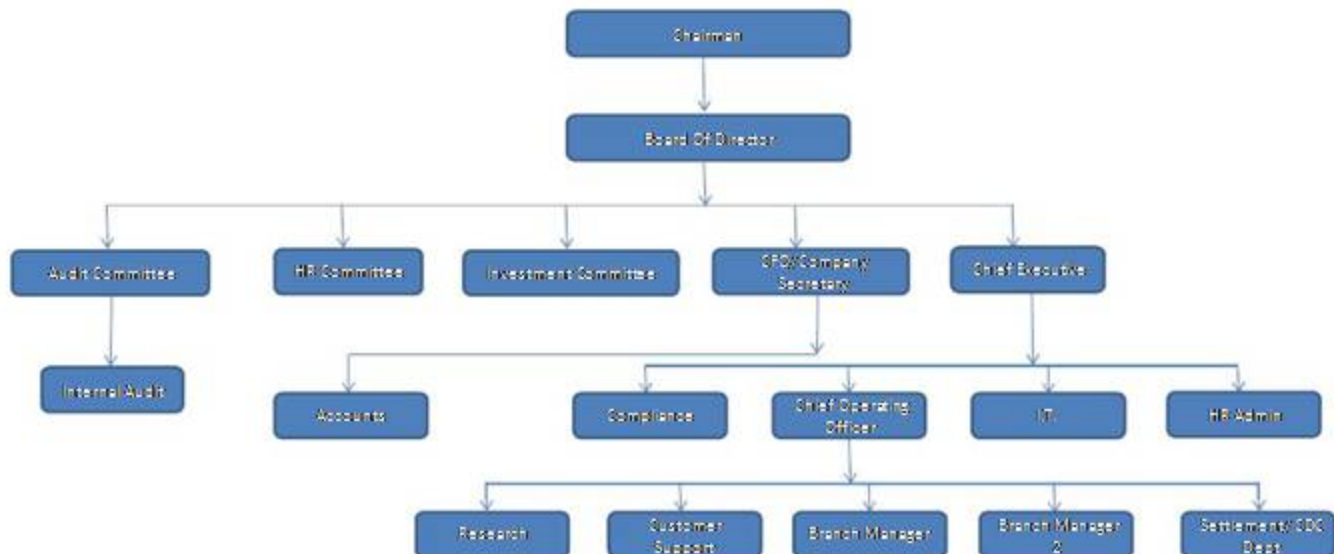
### **4. WEBSITE**

**DEL being a listed company has fully functional website in compliance with regulatory requirements. Information about DEL, its management, services and financial information can easily be access by investors by log in to [www.dawoodequities.com](http://www.dawoodequities.com).**



## CORPORATE STRUCTURE AND HUMAN RESOURCE AT DAWOOD EQUITIES LIMITED

DEL employed highly experience and professional team for the efficient and effective running of brokerage business operations. The company also maintains affiliations with other independent agents to increase the client base. DEL corporate structures along with management detail are hereunder:



### **Mr. Abdul Aziz Habib** *Chief Executive Officer*

Mr. Aziz Habib holds M.A. degree in Economics. He is an experienced businessman having over 10 years of experience in commodities import & exports. He is on Board of Dawood Equities Limited since 2008.

### **Mr. Salman Yaqoob, ACCA, AICS** *Chief Financial Officer & Company Secretary*

Mr. Yaqoob is highly accomplished, results-driven, Chief Financial Officer with more than 14 years experience in Accounting / finance and operations management in financial institutions especially in NBFC's, Modaraba, Insurance and Brokerage business. Expertise in IAS/IFRS Accounting, developing and implementing financial controls, Business Development, Auditing, Business planning and Financial Analysis.

Mr. Yaqoob is an Associate member of Institute of Certified Chartered Accountants & Institute of Corporate Secretaries of Pakistan.

Mr. Yaqoob is a Certified Independent Director certified by Institute of Cost and Management Accountant of Pakistan under the Code of Corporate Governance issued by SECP. He also awarded the certificate for participation in the awareness session conducted by PMEX on future trading of commodities.





**Mr. Nabeel Arif**  
*Chief Operating Officer*

Mr. Nabeel Arif is a graduate in commerce and has over 14 years of experience in Brokerage house Industry as well as trading at PMEX. He is working with Dawood Equities Limited since 2013 and expertise in Investment portfolio management, High net worth client management, and risk management.

**Ms. Memoona Tanveer**  
*Head Business Development – Corporate and HNWI*

Ms. Memoona Tanveer has over 13 years of experience in capital markets. Her expertise include managing and advising institutional and HNW clients of their investment needs and keeping them updated with macroeconomic events and its impact on listed companies, developing the equity investment strategy for retail and corporate clients and regular monitoring and rebalancing of portfolio, depending on market conditions.

**MR. Shahazad Yasin Khan**  
*Head – Research and Analysis*

Mr. Shahazad Yasin Khan is a Master in commerce. He has over 11 years of experience in Brokerage house industry as Research Analyst. He is working with Dawood Equities Limited since 2014 as the Head of Research & Analysis.

**Mr. Wajahat Atique Syed**  
*Compliance Officer*

Mr. Wajahat Atique Syed is a graduate in commerce and ACMA finalist. He has over 10 years of experience in Financial Industry. Previously he served in UAE and returns back to Pakistan in 2018 and join Dawood Equities Limited as Compliance Officer.

**Mr. Atif Rehman Khan**  
*Karachi Corporate Branch Manager*

Mr. Atif Rehman Khan is a graduate in commerce. He has over 9 years of experience in Brokerage house industry. He is working with Dawood Equities Limited since 2010 as the Corporate Branch Manager.

**Mr. Farhan Saleem**  
*Hyderabad Branch Manager*

Mr. Farhan Saleem is a Business graduate from Hyderabad. He has 13 years of working experience in brokerage House Industry. He is working as Hyderabad branch manager in Dawood Equities Limited.



**DAWOODERQUE LIMITED**

**FINANCIAL HIGHLIGHTS**

Financial Year ending June 30,	2020	2019	2018	2017	2016	2015
<b>Operating Results</b>						
Operating Revenue	30,476,122	16,812,640	31,781,199	32,891,531	20,677,611	17,716,575
Capital Gain/(Loss) on disposal of investment	3,922,883	2,114,300	3,767,866	51,747,532	(808,188)	2,996,657
Gain/(Loss) on disposal of investment at fair value of the property sold	902,955	(4,414,967)	267,094	(1,553,408)	176,344	(568,678)
Administrative Expenses	(21,804,000)	(11,611,851)	(16,850,448)	(15,600,135)	(12,589,714)	(10,367,520)
Financial Charge	(89,152)	(114,563)	(776,373)	(100,712)	(57,897)	(84,227)
Other Operating Expense	3,087,083	3,731,388	1,487,032	2,689,555	1,504,059	4,210,716
Other Operating Charge	(781,384)	(840,773)	(1,485,130)	(71,382,574)	(8,830,310)	(561,850)
Profit/(Loss) before taxation	14,893,237	5,696,764	16,880,012	(4,678,209)	(8,807)	13,899,871
Taxation	(8,502,889)	(5,167,204)	(8,677,039)	15,488,129	1,502,948	31,319,268
Profit/(Loss) after taxation	6,390,348	499,560	8,202,973	10,809,920	1,004,873	46,219,139
EPS	0.32	0.02	0.33	0.44	0.04	1.87
<b>Payments</b>						
Dividend						
Interest						
<b>Capital Reserve</b>						
Authorized Share Capital	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000
Issued, subscribed and paid-up Capital	240,985,000	240,985,000	240,985,000	240,985,000	240,985,000	240,985,000
Reserve	(22,051,022)	(25,574,530)	3,564,894	7,777,624	(264,538.5)	(27,238,634)
<b>Share Application Money</b>						
<b>Assets &amp; Liabilities</b>						
<b>Total Assets</b>	265,940,236	217,065,161	301,295,450	294,089,300	240,300,861	258,749,308
<b>Current Assets</b>	168,222,085	152,377,865	102,384,349	177,086,625	156,356,670	161,231,221
<b>Current Liabilities</b>	88,018,328	13,979,693	50,240,966	36,821,876	16,753,776	36,811,742



**PROJECTED PROFIT & LOSS ACCOUNT OF NEXT SIX YEARS (Amount in Rupees)**

	2021	2022	2023	2024	2025
Revenue from operations	42,450,540	51,540,648	61,848,778	75,618,533	92,142,240
Revenue from PMEX operations	188,125	235,156	1,043,945	804,932	756,165
Gain on disposal of Investments	2,875,000	2,500,500	3,575,000	1,900,000	2,200,500
Gain/(Loss) on re-measurement of investments	2,350,500	2,750,800	-1,575,950	-2,475,500	2,800,450
Administrative Expenses	(14,590,884)	(16,779,516)	(19,296,444)	(22,190,910)	(25,519,547)
Expenses of PMEX operations	(4,125,550)	(4,538,105)	(4,991,916)	(5,491,107)	(6,040,218)
Financial Charges	(632,500)	(695,750)	(765,325)	(841,858)	(926,043)
Other Operating Income	787,500	826,875	868,219	911,630	957,211
Other Operating Charges	(605,000)	(665,500)	(732,050)	(805,255)	(885,781)
Profit/(Loss) before taxation	28,697,731	35,175,108	39,974,257	47,430,465	65,484,977
Taxation	(4,304,660)	(5,276,266)	(5,996,139)	(7,114,570)	(9,822,747)
Profit/(Loss) after taxation	24,393,072	29,898,842	33,978,119	40,315,895	55,662,231
EPS	0.98	1.28	1.36	1.61	2.23
Dividend %	4.5	6	7.5	9.0	10