



**DAWOOD EQUITIES LIMITED**

**First Quarter Report  
September 30, 2017  
( Un-Audited )**

**Contents**

**Page**

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

## **Our Vision**

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

## **Our Mission**

Our mission is to become a competitive, dynamic and growing brokerage house that provides competitive services, identifies investment opportunities and develops 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 Iftekhhar Yakoob (Independent Director) Ms. Rubina Khanum (Independent Director) Syed Muhammad Abbas ( Non executive Director) Mr. Saifullah
<b>Chief Financial officer &amp; Company Secretary</b>	Mr. Salman Yaqoob
<b>Audit Committee</b>	Mr. Asim Iftekhhar Yakoob- Chairman Mr. Khalid Yousuf Ms. Rubina Khanum
<b>HR &amp; R Committee</b>	Syed Muhammad Abbas Mr. Asim Iftekhhar 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>	17th Floor - Saima Trade Towers A, I.I. Chindrigar 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**

On the behalf of Board of Directors of Dawood Equities Limited (DEL), I am pleased to present herewith the unaudited financial statements for the first quarter ended September 30 2017.

**FINANCIAL PERFORMANCE**

The Company earned core operating revenue of Rs.9.86 million as compare to Rs.5.27 million in same period last year. The profit has been reduced on account of revaluation of investments and recognition of tax on commission income of members of the Stock Exchange which is now subject to final tax regime under section.

The summary of Financial Results is as follows:

	<b>September 30, 2017</b>	<b>September 30, 2016</b>
	<b>Rupees</b>	<b>Rupees</b>
Net Revenue	9,868,082	5,274,597
Administrative Expenses	(3,804,048)	(2,828,594)
Profit / (Loss) after tax	(5,889,080)	4,547,726
Earnings per share basic and diluted	(0.24)	0.18

**Junaid Dada**  
Chairman

**Abdul Aziz Habib**  
Chief Executive Officer

Karachi: **September 30, 2017**



DAWOOD EQUITIES LIMITED

## ڈاؤد ایکویٹیز کی رپورٹ

عزیز حصص یافتگان

داؤد ایکویٹیز لمیٹڈ (کمپنی) کے ڈائریکٹرز کی جانب سے میں ستمبر 30، 2017 کو ختم ہونے والے پہلے سہ ماہی کے غیر آڈٹ شدہ مالیاتی حسابات پیش کرتے ہوئے سترت محسوس کر رہا ہوں۔

**مالیاتی کارکردگی :**

زیر جائزہ مدت کے دوران کمپنی نے Rs.5.27 ملین روپے کا منافع بعد از ٹیکس رپورٹ کیا ہے جو کہ پچھلے سال کی اسی مدت میں Rs.9.86 ملین روپے ہے۔

تفیلی مالیاتی جھلکیوں کا خلاصہ مندرجہ ذیل ہے:

ستمبر 30، 2016	ستمبر 30، 2017	
پاکستانی روپے میں	پاکستانی روپے میں	
5,274,597	9,868,082	خالص محصولات
(2,828,594)	(3,804,048)	انتظامی اخراجات
4,547,726	(5,889,080)	سرمایہ کاریوں کے ناکے پر سرمائے کا حصول ( نقصان)
0.18	(0.24)	فی حصص آمدنی (بنیادی اور معتدل)

از طرف بورڈ آف ڈائریکٹرز

عبدالعزیز حبیب  
چیف ایگزیکٹو آفیسر

چئیر ڈاؤد

چئیرمین

کراچی ستمبر 30، 2017ء



DAWOOD EQUITIES LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)  
AS AT SEPTEMBER 30, 2017

	Note	(Un-audited) September 30, 2017 Rupees	(Audited) June 30, 2017 Rupees
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property and equipments	5	14,952,571	14,551,898
Intangible assets	6	5,000,000	5,000,000
Long term investment - available for sale	7	73,482,197	41,163,828
Long term deposit		1,137,500	1,137,500
Deferred tax asset		55,149,439	55,149,439
		<b>149,721,707</b>	<b>117,002,665</b>
<b>Current Assets</b>			
Short term investments	8	26,181,958	29,866,214
Trade debts		52,326,276	48,796,786
Receivable Against Margin Finance		6,987,558	10,230,215
Advances, deposits and prepayments		14,126,903	40,409,094
Other receivables		22,447,964	22,049,816
Tax refunds due from government		13,985,580	13,538,595
Cash and bank balances		10,098,528	12,195,915
		<b>146,154,767</b>	<b>177,086,635</b>
<b>Total Assets</b>		<b>295,876,474</b>	<b>294,089,300</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
<b>Authorized Share Capital</b>			
30,000,000 Ordinary shares of Rs.10 each		300,000,000	300,000,000
Issued, subscribed and paid up capital		249,965,000	249,965,000
Reserves		(9,209,362)	7,277,424
		<b>240,755,638</b>	<b>257,242,424</b>
<b>Non Current Liabilities</b>			
Rental deposits		25,000	25,000
<b>Current Liabilities</b>			
Trade and other payables		55,095,836	36,821,876
<b>Contingencies</b>	9	-	-
<b>Total Equity and Liabilities</b>		<b>295,876,474</b>	<b>294,089,300</b>

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

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2017

	Quarter Ended	
	30-Sep 2017	30-Sep 2016
	Rupees	
Operating revenue	9,868,082	5,274,597
Capital gain / (loss) on disposal of investments - net	(9,189,102)	1,165,705
Profit / (loss) on remeasurement of investments carried at fair value through profit and loss	(1,036,003) (357,023)	1,169,220 7,609,522
Administrative expenses	(3,804,048) (4,161,072)	(2,828,594) 4,780,928
Other operating income	164,475	132,085
Financial charges	(699,605)	(22,985)
<b>Profit / (Loss) before taxation</b>		
Taxation - net	(1,192,878) -	(342,302) -
<b>Profit after taxation</b>	(5,889,080)	4,547,726
<b>Earning per share - basic and diluted</b>	<b>(0.24)</b>	<b>0.18</b>

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

Chief Executive

Director

Chief Financial Officer





**DAWOOD EQUITIES LIMITED**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2017**

	<b>30-Sep 2017 Rupees</b>	<b>30-Sep 2016 Rupees</b>
Profit / (Loss) for the period	(5,889,080)	4,547,726
Un-realized Loss on re-measurement of investment available for sale	(10,597,706)	
<b>Total comprehensive income for the year</b>	<b><u>(16,486,786)</u></b>	<b><u>4,547,726</u></b>

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

Chief Executive

Director

Chief Financial Officer

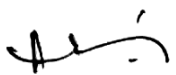



DAWOOD EQUITIES LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)  
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2017

	30-Sep 2017 Rupees	30-Sep 2016 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	(4,696,202)	4,890,028
<b>Adjustment for non cash items:</b>		
Depreciation	178,250	39,640
Loss / (gain) on remeasurement of investment	1,036,003	(1,169,220)
Capital (gain) / loss on disposal of investment	9,189,102	(1,165,705)
Dividend income	(9,200)	(28,250)
Reversal for doubtful debts	-	(45,000)
Other Income	-	(87,085)
Financial charges	699,605	22,985
	<u>6,397,558</u>	<u>2,457,393</u>
<b>(Increase) / decrease in current assets</b>		
Trade debts	(3,529,490)	5,546,296
Other receivables	(398,148)	(2,741,751)
Receivable against MF	3,242,657	-
Trade deposits and short term prepayments	26,282,191	(8,228,388)
	<u>25,597,210</u>	<u>(5,423,843)</u>
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	18,273,960	42,687,325
	<u>50,268,728</u>	<u>39,720,875</u>
Taxes paid	(1,639,863)	(674,562)
Financial charges paid	(699,605)	(22,985)
	<u>(2,339,469)</u>	<u>(697,547)</u>
<b>Net cash used in operating activities</b>	<u>47,929,259</u>	<u>39,023,328</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(578,923)	150,000
Receipt from other income	-	132,085
Investments - net	(49,456,923)	3,619,250
Dividend received	9,200	28,250
<b>Net cash generated from investing activities</b>	<u>(50,026,646)</u>	<u>3,929,585</u>
<b>Net (decrease) / increase in cash and cash equivalents (A+B)</b>	<u>(2,097,387)</u>	<u>42,952,913</u>
<b>Cash and cash equivalents at the beginning of the period</b>	<u>12,195,915</u>	<u>12,506,263</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>10,098,528</u>	<u>55,459,176</u>

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

  
Chief Executive

  
Director

  
Chief Financial Officer



**DAWOOD EQUITIES LIMITED**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2017**

	Reserves				Sub-Total	Total Equity
	Issued, subscribed and paid up capital	Capital		Revenue		
		(Loss) / gain on remeasurement of AFS investment	Share premium	Accumulated profit		
----- Rupees -----						
Balance as at July 01, 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	249,965,000	3,905,958	74,973,750	(100,747,897)	(21,868,189)	228,096,811
Balance as at October 01, 2016	249,965,000	3,905,958	74,973,750	(100,747,897)	(21,868,189)	228,096,811
Profit for the period ended October - June 2017	-	-	-	6,422,194	6,422,194	6,422,194
Loss on re-measurement of investment available for sale at par value	-	22,723,419	-	-	22,723,419	22,723,419
Total comprehensive income for the year					29,145,613	-
Balance as at June 30, 2017	249,965,000	26,629,377	74,973,750	(94,325,703)	7,277,424	257,242,424
Balance as at July 01, 2017	249,965,000	26,629,377	74,973,750	(94,325,703)	7,277,424	257,242,424
Profit for the period ended				(5,889,080)	(5,889,080)	(5,889,080)
Loss on re-measurement of investment available for sale at par value		(10,597,706)			(10,597,706)	(10,597,706)
Balance as at September 30, 2017	249,965,000	16,031,671	74,973,750	(100,214,783)	(9,209,362)	240,755,638

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

Chief Executive

Director

Chief Financial Officer



**DAWOOD EQUITIES LIMITED**

## **NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2017**

### **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. The Company commenced commercial operations from October 03, 2006. Subsequently the Company obtained listing on the Pakistan Stock Exchange Limited formerly Karachi Stock Exchange Limited on April 14, 2008. The registered office of the Company is situated at 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 (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the repealed Repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Repealed 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.

### **3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report is the same as those applied in the preparation of the financial statements for the year ended June 30, 2015.

June 30 2017

	<b>(Un-audited) September 30 2017 Rupees</b>	<b>(Audited) June 30, 2017 Rupees</b>
<b>5 PROPERTY AND EQUIPMENT</b>		
Opening net book value	14,551,898	341,236
Add: Additions	578,923	14,986,638
Less: Disposals-net	-	(178,533)
Depreciation	(178,250)	(597,443)
Closing net book value	<b>14,952,571</b>	<b>14,551,898</b>
<b>6 INTANGIBLE ASSETS</b>		
Trading Rights Entitlement Certificates (TREC)s	<b>5,000,000</b>	<b>5,000,000</b>
	<b>5,000,000</b>	<b>5,000,000</b>
<b>7 LONG TERM INVESTMENT</b>		
Investment in shares of Pakistan Stock Exchange Limited - available for sale	41,163,828	16,029,530
Addition in Long term investments	42,916,075	
Unrealized gain on remeasurement at par value	(10,597,706)	25,134,298
	<b>73,482,197</b>	<b>41,163,828</b>
<b>8 SHORT TERM INVESTMENTS</b>		
In related parties- at fair value through profit or loss	11,840,894	4,336,984
In related parties- available for sale at cost	3,761,380	4,521,380
Others- at fair value through profit or loss	10,579,685	21,007,850
	<b>26,181,958</b>	<b>29,866,214</b>

**9 CONTINGENCIES & COMMITMENTS**

The status of contingencies as were reported in the financial statements for the year ended June 30, 2017 is same as follows:

- 9.1** The Company has filed a suit in the Honorable High Court of Sindh against one of its corporate client against recovery of Rs.75.436 million and proceedings are in process. Honorable High Court has appointed Commissioner for determination of amount. Currently 100% provision of Rs. 75.436 million has been made as ultimate outcome is uncertain.

9.2 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 will be 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.

## 10 TRANSACTION WITH RELATED PARTIES

Related parties comprises of major shareholders, associated companies with or without common directors, other companies with common directors, retirement benefits fund, directors, key management personal and their close family members.

	<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>September 30</b>	<b>June 30,</b>
	<b>2017</b>	<b>2017</b>
	<b>Rupees</b>	<b>Rupees</b>
Commission earned from brokerage transactions with member companies and key management personnel of members companies	<b>831,114</b>	<b>3,276,158</b>
<b>FDIBL and others Employee Provident Fund</b>	<b>73,201</b>	<b>245,191</b>
Employer's contribution paid		
Expenses paid to member companies	-	99,000

## 11 DATE FOR AUTHORIZATION FOR ISSUE


The Board of Directors of the Company authorized these interim financial statements for issue on **October 30, 2017.**

## 12 GENERAL

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



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



\_\_\_\_\_  
Director










\_\_\_\_\_  
Chief Financial Officer










**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



DAWOOD EQUITIES LIMITED

**BOOK POST**  
Printed Matter

**UNDER CERTIFICATE OF POSTING**

*if undelivered, please return to:*  
**Dawood EQUITIES LIMITED**  
17th Floor, Saima Trade Tower A  
I.I Chundriger Road Karachi