



**First Quarter Report
September 30, 2013
(Un-Audited)**

DAWOOD EQUITIES LIMITED



DAWOOD EQUITIES LIMITED

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DAWOOD EQUITIES LIMITED

COMPANY INFORMATION

Board of Directors

Abdul Aziz Habib (Chairman) Non Executive Director
Mr. Abdul Qadir Sakhi (Chief Executive) Executive Director
Mr. Khalid Rafique (Non Executive Director) Subjected to approval by KSE
Mr. Junaid Zakaria Dada (Independent Director)
Mr. Asim Iftekhhar Yakoob (Independent Director)
Ms. Rubina Khanum (Independent Director)
Mr. Muhamad Abbas (Non Executive Director) Subjected to approval by KSE

Chief Financial Officer & Company Secretary

Mr. Salman Yaqoob

Audit Committee

Mr. Junaid Zikaria Dada - Chairman
Mr. Asim Iftekhhar Yakoob
Ms. Rubina Khanum

HR & R Committee

Mr. Muhammad Abbas
Junaid Zakaria Dada
Abdul Aziz Habib

Auditor

Haroon Zakaria & Co.

Legal Advisor

Rauf & Ghaffar Law Associates

Bankers

Bank AL Habib Limited
Habib Metropolitan Bank Limited
Bank Al Falah Limited
Bank Islami Pakistan Limited
Burj Bank Limited
Arif Habib Bank Limited
MCB Bank Limited

Website

www.dawoodequities.com

Registered Head Office

1900-B Saima Trade Towers,
I.I. Chundrigar Road, Karachi.
Phone No. 021-32271881-1883
Fax No. 021-32275086

Registered Branch Office

Room # 810, 8th Floor, KSE Building,
Stock Exchange Road, Karachi.
Phone No. 021-32474028
Fax No. 021-32418873

Share Registrar

F.D Registrar Services(SMC-Pvt) Ltd
1705 17th Floor,
Saima Trade Tower-A,
I.I. Chundrigar Road, Karachi.
Phone No. 021-35478192-93
Fax. 021-32621233



DAWOOD EQUITIES LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders,

The Board of Directors of Dawood Equities Limited ("DEL" or the "Company") is pleased to present the unaudited first quarter interim financial statements of the Company for the period ended September 30, 2013.

FINANCIAL PERFORMANCE

The summary of comparative financial performance is given below:

OPERATING RESULTS	SEPTEMBER 30, 2013	SEPTEMBER 30, 2012
Operating Revenue	2,397,073	1,239,743
Gain / (Loss) on re-measurement of investments at fair value through profit and loss	(997,626)	1,035,682
Capital gain on disposal of investments	253,133	-
Administrative expenses	(2,404,262)	(1,558,950)
Financial charges	(25,079)	(20,971)
Other operating income	902,033	91,332
Profit & loss after tax	125,272	786,836
Gain per share basic & diluted	0.01	0.03

ACKNOWLEDGEMENT

The Board of Directors wish to record their gratitude to the valued clients, shareholders and business partners for their continued trust they have placed in the company and to record their appreciation to the employees of the Company for their commitment and dedication.

The Board is gratefully acknowledges its gratitude to the Securities & Exchange Commission of Pakistan and Karachi Stock Exchange (Guarantee) Limited for their guidance and support.

Abdul Qadir Sakhi
Chief Executive

Karachi: October 31, 2013.



DAWOOD EQUITIES LIMITED

Condensed Interim Balance Sheet (Un-Audited) As At September 30, 2013

	Note	30 Sep-13 Rupees	(Audited) 30 Jun-13 Rupees
ASSETS			
Non-Current Assets			
Property and equipment	4	282,876	30,580
Intangible assets		21,876,318	21,948,818
Long term investment		36,336,182	36,336,182
Long term deposits		1,139,918	1,137,500
Deferred taxation		-	-
		<u>59,635,294</u>	<u>59,453,080</u>
Current Assets			
Short term investments	5	48,882,475	49,882,302
Trade debts		51,641,303	63,394,016
Accrued income		-	-
Loan to staff		-	5,000
Trade deposits and short term prepayments	6	662,020	830,454
Other receivable		6,429,604	4,611,563
Tax refunds due from government		3,246,437	2,961,607
Bank balances	7	705,534	1,778,849
		<u>111,567,372</u>	<u>123,463,791</u>
Total Assets		<u><u>171,202,666</u></u>	<u><u>182,916,871</u></u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Authorized Share Capital			
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		<u>(88,750,939)</u>	<u>(88,876,211)</u>
		161,214,061	161,088,789
Current Liabilities			
Trade and other payables		9,988,605	21,828,082
Contingencies and commitments	8		
Total Equity and Liabilities		<u><u>171,202,666</u></u>	<u><u>182,916,871</u></u>

The annexed notes form an integral part of these financial statements

Chief Executive

Director



DAWOOD EQUITIES LIMITED

Condensed Interim Profit And Loss Account (Unaudited) For The Period Ended September 30, 2013

	<i>30-Sep</i>	<i>30-Sep</i>
	<i>2013</i>	<i>2012</i>
<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
Operating revenue	2,397,073	1,239,743
Capital gain / (loss) on disposal of investments - net	253,133	-
Gain / (Loss) on remeasurement of investments carried at fair value through profit and loss	<u>(997,626)</u> 1,652,580	<u>1,035,682</u> 2,275,425
Administrative expenses	<u>(2,404,262)</u> (751,682)	<u>(1,558,950)</u> 716,475
Financial charges	<u>(25,079)</u> (776,761)	<u>(20,971)</u> 695,504
Other operating income	902,033	91,332
Other operating charges	-	-
Profit / (Loss) before taxation	<u>125,272</u>	<u>786,836</u>
Taxation	<u>125,272</u>	<u>786,836</u>
Profit / (Loss) after taxation	<u>125,272</u>	<u>786,836</u>
Earning / (Loss) per share - Basic and diluted	<u>0.01</u>	<u>0.03</u>

The annexed notes form an integral part of these financial statements

Chief Executive

Director



DAWOOD EQUITIES LIMITED

Condensed Interim Statement Of Comprehensive Income (unaudited) For The Period Ended September 30, 2013

	September 30, 2013 Rupees	September 30, 2012 Rupees
Profit / (Loss) for the Period	125,272	786,836
Other Comprehensive income	-	-
Total comprehensive loss / profit for the period	<u>125,272</u>	<u>786,836</u>

The annexed noted form an integral part of these financial statement



DAWOOD EQUITIES LIMITED

Condensed Interim Cash Flow Statement (Unaudited) For The Period Ended September 30, 2013

	<i>(Un-Audited)</i> Sept 30 2013 2013 Rupees	<i>(Un-Audited)</i> Sept 30 2012 2012 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	125,272	786,836
Adjustment for non cash items:		
Depreciation	11,480	29,884
(Gain) / Loss on remeasurement of investment	997,626	-
Capital (gain) / Loss on disposal of investment	(253,133)	-
Dividend income	(149,452)	-
Amortization on intangible assets	72,500	-
Financial charges	25,079	20,971
	829,372	837,691
(Increase) / decrease in current assets		
Trade debts	11,752,713	(3,698,807)
Loan and advances	5,000	(28,500)
Other receivables	(1,818,041)	11,104
Trade deposits and short term prepayments	168,434	-
	10,108,106	(3,716,203)
(Decrease) in current liabilities		
Trade and other payables	(11,839,477)	(515,749)
	(11,839,477)	(515,749)
	(901,999)	(3,394,261)
Taxes paid	(164,165)	(209,829)
Financial charges paid	(25,079)	(20,971)
	(189,244)	(230,800)
Net cash (used in) / generated from operating activities	(1,091,243)	(3,625,061)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(263,776)	-
Short Term Investments	255,334	(1,190,683)
Dividend received	26,370	-
Net cash generated from/(used in) investing activities	17,928	(1,190,683)
Net (decrease)/increase in cash and cash equivalents	(1,073,315)	(4,815,744)
Cash and cash equivalents at the beginning of the period	1,778,849	9,556,177
Cash and cash equivalents at the end of the period	705,534	4,740,433

The annexed notes form an integral part of these financial statements

Chief Executive

Director



DAWOOD EQUITIES LIMITED

Condensed Interim Statement Of Changes In Equity (Unaudited) For The Period Ended September 30, 2013

	<i>Issued, subscribed and paid up capital</i>	<i>Reserves</i>		<i>Total</i>	<i>Total</i>	<i>Equity</i>
		<i>Capital Share premium</i>	<i>Revenue Accumulated (loss) / profit</i>			
----- Rupees -----						
Balance as at July 01, 2012	249,965,000	74,973,750	(168,731,430)	(93,757,680)		156,207,320
Total comprehensive loss for the year			786,836	786,836		786,836
Balance as at September 30, 2012	249,965,000	74,973,750	(167,944,594)	(92,970,844)		156,994,156
Balance as at July 01, 2013	249,965,000	74,973,750	(163,849,961)	(88,876,211)		161,088,789
Total comprehensive loss for the year	-	-	125,272	125,272		125,272
Balance as at September 30, 2013	249,965,000	74,973,750	(163,724,689)	(88,750,939)		161,214,061

The annexed notes form an integral part of these financial statements

Chief Executive

Director



DAWOOD EQUITIES LIMITED

Notes To The Financial Statements (Unaudited) For The Period Ended September 30, 2013

1 NATURE AND STATUS OF BUSINESS

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, 2013.



DAWOOD EQUITIES LIMITED

Notes To The Financial Statements (Unaudited) For The Period Ended September 30, 2013

				September 30, 2013 (Un-audited) Rupees		June 30, 2013 (Audited) Rupees	
		Note					
4.	EQUIPMENT						
	Written down value at the beginning of the period/year			30,580		71,013	
	Add: Additions during the period/year	4.1		263,776		33,360	
	Less: Depreciation during the period/year			(11,480)		(73,793)	
	Disposals-net			-		-	
	Written down value at the ending of the period/year			282,876		30,580	
4.1	Following additions in assets at cost were made during the period/year:						
	Vehicles			263,776			
	Computer equipment					33,360	
				-		-	
				263,776		33,360	
5	SHORT TERM INVESTMENTS						
	In related Parties - at fair value through profit & loss			1,743,433		2,247,631	
	In related Parties - available for sale			38,205,000		38,205,000	
	Others			8,934,042		9,429,671	
				-		-	
				48,882,475		49,882,302	
6	ADVANCES, TRADE DEPOSITS AND SHORT TERM PREPAYMENT						
	(Unsecured - Considered good)						
	Advance against salary & expenses			-		-	
	Trade deposits			581,566		761,000	
	Short term prepayments			80,454		69,454	
				662,020		830,454	
7	CASH AND BANK BALANCES						
	Cash in hand			-		-	
	Cash at banks - current & PLS accounts	8.1		705,534		1,778,849	
				705,534		1,778,849	
7.1	Current account carries Rs. 6.5% mark-up (June 30, 2013: 5% per annum).						



DAWOOD EQUITIES LIMITED

Notes To The Financial Statements (Unaudited) For The Period Ended September 30, 2013

8 COMMITMENTS

8.1 Commitments

The company has filed a suit in the Honorable Sindh High Court Karachi against one of its client against recovery of Rs. 75.436 million. The company expects favorable outcome of the case and accordingly provision is made to the extent that management estimate will be irrecoverable.

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: -

Related parties

	September 30, 2013 (Un-audited) Rupees	June 30, 2013 (Audited) Rupees
Investment transactions with Member Companies		
Shares purchased during the year	-	-
Shares sold during the year	-	-
Borrowings from Member Companies		
Borrowing of funds during the year	-	-
Repayment of Borrowings during the year	-	-
Commission earned from brokerage transactions with member companies and key management personnel of member companies	127,710	1,048,880
Expenses paid / payable to member companies	-	122,000

Year end balances are mentioned in relevant notes.

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

The aggregate amount charged in the accounts for the year for remuneration, including certain benefits, to the Chief Executive of the Company are as follows:

Chief Executive

Director



DAWOOD EQUITIES LIMITED

Notes To The Financial Statements (Unaudited) For The Period Ended September 30, 2013

	September 30, 2013 (Un-audited) Rupees	June 30, 2013 (Audited) Rupees
Managerial remuneration	-	-
House rent allowance & Utilities	-	-
Medical expenses	-	-
Total	-	-
Number of person	1	-

11 DATE FOR AUTHORIZATION FOR ISSUE

The Board of Directors of the Company authorized these condensed financial statements for issue on October 31, 2013.

12 GENERAL

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

Chief Executive

Director

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Dawood Equities Limited

1900-B, Saima Trade Towers
I.I Chundrigar Road, Karachi.