



**DAWOOD EQUITIES LIMITED**

**First Quarter Report  
September 30, 2014  
( Un-Audited )**

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<b>Contents</b>	<b>Page</b>
▀ Corporate Objective.....	2
○ Our Vision.....	2
○ Our Mission.....	2
▀	
▀ Company information.....	3
▀ Directors' Report.....	4
▀ Financial Statement	
○ Condensed Interim Balance Sheet.....	5
○ Condensed Interim Profit & Loss Account.....	6
○ Condensed Interim Statement of Comprehensive Income .....	7
○ Condensed Interim Statement of Cash Flow.....	8
○ Condensed Interim Statement of Changes in Equity.....	9
○ Notes to The Financial Statement .....	10





DAWOOD EQUITIES LIMITED

## CORPORATE OBJECTIVE

### **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**

Board of Directors	Abdul Aziz Habib (Chairman) Non Executive Director Mr. Abdul Qadir Sakhi (Chief Executive) Executive Director Mr. Khalid Yousuf (Non executive Director) Mr. Junaid Zakaria Dada (Independent Director) Mr. Asim Iftekhhar Yakoob (Independent Director) Ms. Rubina Khanum (Independent Director) Syed Muhammad Abbas (Non Executive Director)
Chief Financial Officer & Company Secretary	Mr. Salman Yaqoob
Audit Committee	Mr. Junaid Zikaria Dada - Chairman Mr. Asim Iftekhhar Yakoob Rubina Khanum
HR & R Committee	Syed 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	<a href="http://www.dawoodequities.com">www.dawoodequities.com</a>
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 1st Floor, Chang Chamber, Saddar Bazar, Cantonment, Hyderabad. Tel: (92-22) 2783856 Fax: (92-22) 3864718
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

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, 2014.

### FINANCIAL RESULT

The summary of comparative financial highlights is given below:

OPERATING RESULTS	SEPTEMBER 30, 2014 Rupees	SEPTEMBER 30, 2013 Rupees
Operating Revenue	2,426,328	2,397,073
Capital gain on disposal of investments	362,742	253,133
Administrative Expenses	(2,402,206)	(2,404,262)
Financial Charges	(24,068)	(25,079)
Other Operating Income	224,499	902,033
Profit after tax	597,264	125,272
Earnings per share basic and diluted	0.02	0.01

During the period under review the Company reported a profit after tax of Rs. 597,264/- as compared to Rs. 125,272 for the corresponding period last year. Administrative costs almost remain the same as last year in the same period. The first quarter has lower revenue due to low trading activities in the month of Ramadan. We are optimistic that earnings will increase during the rest of the year.

On behalf of the Board

**Abdul Qadir Sakhi**  
Chief Executive Officer

Karachi: October 27, 2014



DAWOOD EQUITIES LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)  
AS AT SEPTEMBER 30, 2014

	Note	(Un-Audited) 30-Sep 2014 Rupees	(Audited) 30-Jun 2014 Rupees
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property and equipment	4	316,855	342,779
Intangible assets		13,663,818	13,663,818
Long term investment		40,073,830	40,073,830
Long term deposits		1,137,500	1,137,500
Deferred taxation		-	-
		<u>55,192,003</u>	<u>55,217,927</u>
<b>Current Assets</b>			
Short term investments	5	51,849,925	52,860,491
Trade debts		71,570,267	75,725,029
Loan to staff		-	-
Trade deposits and short term prepayments	6	21,273,826	6,353,097
Other receivable		19,171,516	19,423,041
Tax refunds due from government		4,537,981	4,113,121
Bank balances	7	3,715,856	3,102,023
		<u>172,119,371</u>	<u>161,576,802</u>
<b>Total Assets</b>		<u><u>227,311,374</u></u>	<u><u>216,794,729</u></u>
<b>EQUITY AND LIABILITIES</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		<u>(73,610,970)</u>	<u>(74,208,234)</u>
		176,354,030	175,756,766
<b>Current Liabilities</b>			
Trade and other payables		50,957,344	41,037,963
<b>Contingencies and Commitments</b>	8		
<b>Total Equity and Liabilities</b>		<u><u>227,311,374</u></u>	<u><u>216,794,729</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 (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2014**

	<i>(Un-Audited)</i> 30-Sep 2014 <i>Rupees</i>	<i>(Un-Audited)</i> 30-Sep 2013 <i>Rupees</i>
Operating revenue	2,426,328	2,397,073
Capital gain on disposal of investments - net	362,742	253,133
Gain on remeasurement of investments carried at fair value through profit and loss	9,969	(997,626)
	<u>2,799,039</u>	<u>1,652,580</u>
Administrative expenses	(2,402,206)	(2,404,262)
	<u>396,833</u>	<u>(751,682)</u>
Financial charges	(24,068)	(25,079)
	<u>372,765</u>	<u>(776,761)</u>
Other operating income	224,499	902,033
Other operating charges	<u>                    </u>	<u>                    </u>
<b>Profit before taxation</b>	<u>597,264</u>	<u>125,272</u>
Taxation	<u>                    </u>	<u>                    </u>
<b>Profit after taxation</b>	<u>597,264</u>	<u>125,272</u>
<b>Earning per share - Basic and diluted</b>	<u>0.02</u>	<u>0.01</u>

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, 2014**

	<i>(Un-Audited)</i> 30-Sep 2014 <i>Rupees</i>	<i>(Un-Audited)</i> 30-Sep 2013 <i>Rupees</i>
Profit for the Period	597,264	125,272
Other Comprehensive income	-	-
Total comprehensive income for the period	<u>597,264</u>	<u>125,272</u>

The annexed notes 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, 2014**

(Un-Audited) (Un-Audited)  
30-Sep 30-Sep  
2014 2013  
Rupees Rupees

**A. CASH FLOWS FROM OPERATING ACTIVITIES**

<b>Profit before taxation</b>	597,264	125,272
<b>Adjustment for non cash items:</b>		
Depreciation	25,924	11,480
(Gain) / Loss on remeasurement of investment	(9,969)	997,626
Capital (gain) / Loss on disposal of investment	(362,742)	(253,133)
Dividend income	(51,079)	(149,452)
Amortization on intangible assets		72,500
(Reversal) / provision for doubtful debts	(45,000)	-
Financial charges	24,068	25,079
	<b>178,466</b>	<b>829,372</b>
<b>(Increase) / decrease in current assets</b>		
Trade debts	4,199,762	11,752,713
Loan and advances		5,000
Other receivables	(173,335)	(1,818,041)
Trade deposits and short term prepayments	(14,920,729)	168,434
	<b>(10,894,302)</b>	<b>10,108,106</b>
<b>(Decrease) in current liabilities</b>		
Trade and other payables	10,155,044	(11,839,477)
	<b>10,155,044</b>	<b>(11,839,477)</b>
	<b>(560,792)</b>	<b>(901,999)</b>
Taxes paid	(235,663)	(164,165)
Financial charges paid	(24,068)	(25,079)
	<b>(259,731)</b>	<b>(189,244)</b>
<b>Net cash (used in) / generated from operating activities</b>	<b>(820,523)</b>	<b>(1,091,243)</b>

**B. CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment	-	(263,776)
Disposal of investments - net	1,383,277	255,334
Dividend received	51,079	26,370
<b>Net cash generated from/(used in) investing activities</b>	<b>1,434,356</b>	<b>17,928</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>613,833</b>	<b>(1,073,315)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>3,102,023</b>	<b>1,778,849</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>3,715,856</b>	<b>705,534</b>

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, 2014**

	Reserves			Total	Total Equity	
	Issued, subscribed and paid up capital	Capital				
		Gain on remeasurement of AFS Investments	Share premium			Revenue Accumulated (loss) / profit
----- Rupees -----						
Balance as at July 01, 2013	249,965,000		74,973,750	(163,849,961)	(88,876,211)	161,088,789
Total comprehensive income for the period				125,272	125,272	125,272
<b>Balance as at September 30, 2013</b>	<b>249,965,000</b>	<b>-</b>	<b>74,973,750</b>	<b>(163,724,689)</b>	<b>(88,750,939)</b>	<b>161,214,061</b>
Balance as at July 01, 2014	249,965,000	3,737,648	<b>74,973,750</b>	(152,919,632)	(74,208,234)	175,756,766
Total comprehensive income for the period	-	-		597,264	597,264	597,264
<b>Balance as at September 30, 2014</b>	<b>249,965,000</b>	<b>3,737,648</b>	<b>74,973,750</b>	<b>(152,322,368)</b>	<b>(73,610,970)</b>	<b>176,354,030</b>

The annexed notes form an integral part of these financial statements

Chief Executive

Director



**DAWOOD EQUITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2014**

**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.



DAWOOD EQUITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2014**

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, 2014.

	<b>Note</b>	<b>September 30, 2014 (Un-audited) Rupees</b>	<b>June 30, 2014 (Audited) Rupees</b>
<b>4. EQUIPMENT</b>			
Written down value at the beginning of the period/year		342,779	30,580
Add: Additions during the period/year	4.1		1,425,300
Less: Depreciation during the period/year		(25,924)	(148,034)
Disposals-net		-	(965,067)
Written down value at the ending of the period/year		<u>316,855</u>	<u>342,779</u>
4.1 Following additions in assets at cost were made during the period/year:			
Vehicles			1,295,000
Computer equipment			107,400
Office Equipment			22,900
		<u>-</u>	<u>1,425,300</u>
<b>5 SHORT TERM INVESTMENTS</b>			
In related Parties - at fair value through profit & loss		1,562,625	1,327,133
In related Parties - available for sale		38,195,000	38,195,000
Others - at fair value through profit & loss		12,092,300	13,338,358
		<u>-</u>	<u>-</u>
		<u>51,849,925</u>	<u>52,860,491</u>



DAWOOD EQUITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2014**

	Note	September 30, 2014 (Un-audited) Rupees	June 30, 2014 (Audited) Rupees
<b>6 ADVANCES, TRADE DEPOSITS AND SHORT TERM PREPAYMENT</b>			
(Unsecured - Considered good)			
Trade deposits		20,721,242	6,286,242
Short term prepayments		552,584	66,855
		<u>21,273,826</u>	<u>6,353,097</u>
<b>7 CASH AND BANK BALANCES</b>			
Cash in hand		4,174	1,745
Cash at banks - current & PLS accounts		3,711,682	3,100,278
		<u>3,715,856</u>	<u>3,102,023</u>

7.1 Pls Account account carries Rs. 6% mark-up (June 30, 2014: 6% 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.

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: -

Commission earned from brokerage transactions with member companies and key	279,963	1,381,539
Expenses paid / payable to member companies	-	132,000

Year end balances are mentioned in relevant notes.



DAWOOD EQUITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2014**

**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:

	<b>September 30, 2014 (Un-audited) Rupees</b>	<b>June 30, 2014 (Audited) Rupees</b>
Managerial remuneration	-	-
House rent allowance & Utilities	-	-
Medical expenses	-	-
Total	<u>-</u>	<u>-</u>
Number of person	<u>-</u>	<u>-</u>

The Company also provided the Chief Executive with Company maintained car.

**11 DATE FOR AUTHORIZATION FOR ISSUE**

The Board of Directors of the Company authorized these condensed financial statements for issue on October 27, 2014.

**12 GENERAL**

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

Chief Executive

Director



**DAWOOD EQUITIES LIMITED**

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