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Half Yearly Report
July - December 31, 2013

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

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DAWOOD EQUITIES LIMITED

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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 Yousuf (Non executive Director)
Mr. Junaid Zakaria Dada (Independent Director)
Mr. Asim Iftkhar 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 Iftkhar 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 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

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 half year ended December 31, 2013.

FINANCIAL RESULT

During the period under review the Company reported a profit of Rs. 2.9 million as compared to Rs. 0.984 million for the corresponding period last year. Earnings per share during the half year ended December 31, 2013 are Rs. 0.12 as compared to Rs.0.04 for the same period of last year.

The summary of comparative financial performance is given below:

OPERATING RESULTS	DECEMBER 31 2013 Rupees	DECEMBER 31 2012 Rupees
Gross Revenue	10,434,702	8,509,309
Net Revenue	4,969,332	2,658,687
Capital gain on disposal of investments	476,304	-
Gain / (Loss) on re-measurement of investments at fair value through profit & loss	(71,186)	1,867,020
Administrative Expenses	(5,282,487)	(3,657,125)
Financial Charges	(45,869)	(36,371)
Other Operating Income	1,336,284	184,445
Profit / (loss) before tax	3,038,553	1,016,656
Taxation	(131,803)	(32,173)
Profit / (loss) after tax	2,906,750	984,483
Gain per share basic and diluted	0.12	0.04

FUTURE OUTLOOK

The company's focus in the near future will be enhanced the market share of its brokerage business through expanded branch network , strengthening corporate clientele and higher sales volume through online trading. The company intended to utilize the opportunities to a dd other revenue stream in order to strengthen its revenue resources.

ACKNOWLEDGEMENTS

We are grateful to the Company's stakeholders for their continuing confidence and patronage. We record our appreciation and thanks to our Bankers, Business Partners/Cl ients, the Securities & Exchange Commission of Pakistan, the management of Karachi Stock Exchange Limited, Central Depository Company of Pakistan and the National Clearing Company of Pakistan for their support and guidance.

On behalf of the Board

Abdul Qadir Sakhi
Chief Executive Officer
Karachi: February 14, 2014

HAROON ZAKARIA & COMPANY

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

INTRODUCTION

We have reviewed the accompanying condensed interim balance sheet of **Dawood Equities Limited** as at December 31, 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the condensed notes forming part thereof (here-in-after referred to as the "Interim financial information") for the six month period ended December 31, 2013. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed profit and loss account for the quarters ended December 31, 2013 and 2012 have not been reviewed as we are required to review only the cumulative figures for the six months period ended December 31, 2013.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the annexed interim financial information are not presented fairly, in all materials respects, in accordance with approved accounting standards as applicable in Pakistan.

Emphasis of Matter

We draw attention of the users of the interim financial information to the note 12.1 of the interim financial information which describes uncertainty related to the outcome of the suit filed by the company against one of its corporate client for the recovery of Rs. 75.436 million. The ultimate outcome of the matter cannot presently be determined and provision is made to the extent that management expects will be irrecoverable.

Our report is not qualified in respect of this matter.

Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: 14-02-2014

Engagement Partner:
Farhan Ahmed Memon



DAWOOD EQUITIES LIMITED

Condensed Interim Balance Sheet (Un-Audited) As At December 31, 2013

		(Un-audited) December 31, 2013 Rupees	(Audited) June 30, 2013 Rupees
ASSETS			
Non-Current Assets			
Property and equipments	5	1,299,155	30,580
Intangible assets		21,803,818	21,948,818
Long term Investment - available for sale	7	36,336,182	36,336,182
Long term deposit		1,137,500	1,137,500
Deferred tax asset	8	-	-
		<u>60,576,655</u>	<u>59,453,080</u>
Current Assets			
Short term investments	9	56,545,103	49,882,302
Trade debts	10	60,660,732	63,394,016
Loans and advances		-	5,000
Deposits and prepayments		1,962,020	830,454
Other receivables		4,885,089	4,611,563
Tax refunds due from government		2,955,868	2,961,607
Cash and bank balances		27,649,254	1,778,849
		<u>154,658,066</u>	<u>123,463,791</u>
Total Assets		<u>215,234,721</u>	<u>182,916,871</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>(85,969,462)</u>	<u>(88,876,211)</u>
		<u>163,995,538</u>	<u>161,088,789</u>
Current Liabilities			
Trade and other payables	11	51,239,183	21,828,082
Contingencies	12	-	-
Total Equity and Liabilities		<u>215,234,721</u>	<u>182,916,871</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 Six Month Period Ended December 31, 2013

		Half year ended		Quarter Ended	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	Note	----- Rupees -----			
Operating revenue	13	4,969,332	2,658,687	2,572,259	1,418,944
Capital gain / (loss) on disposal of investments - net		476,304	(4,977)	223,171	-
Profit / (loss) on remeasurement of investments carried at fair value through profit and loss		<u>(71,186)</u>	1,867,020	<u>926,440</u>	831,338
		<u>5,374,450</u>	4,520,730	<u>3,721,870</u>	2,250,282
Administrative expenses		<u>(5,282,487)</u>	(3,657,125)	<u>(2,878,225)</u>	(2,098,175)
		91,963	863,605	843,645	152,107
Other operating income		1,336,284	184,445	434,251	93,113
Reversal of provision	12.2	1,656,175	-	1,656,175	-
Financial charges		<u>(45,869)</u>	(36,371)	<u>(20,790)</u>	(15,400)
Profit before taxation		<u>3,038,553</u>	1,011,679	<u>2,913,281</u>	229,820
Current taxation		<u>(131,803)</u>	(32,173)	<u>(131,803)</u>	(32,173)
Profit after taxation		<u>2,906,750</u>	979,506	<u>2,781,478</u>	197,647
Earning per share - basic and diluted		<u>0.12</u>	0.04	<u>0.11</u>	0.01

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 Six Month Period Ended December 31, 2013

	Half year ended		Quarter Ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	----- Rupees -----			
Profit for the period	2,906,750	979,506	2,781,478	197,647
Other comprehensive income	-	-	-	-
Total comprehensive income	2,906,750	979,506	2,781,478	197,647

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

Chief Executive

Director



DAWOOD EQUITIES LIMITED

Condensed Interim Cash Flow Statement (Unaudited) For The Six Month Period Ended December 31, 2013

	(Un-audited) December 31, 2013 Rupees	(Un-audited) December 31, 2012 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,038,553	1,016,656
Adjustment for non cash items:		
Depreciation	45,526	59,766
Other income	(1,336,284)	(184,445)
Dividend income	(740,650)	(198,295)
Amortization	145,000	145,002
Financial charges	45,869	36,371
	(1,840,539)	(141,601)
	1,198,014	875,055
Increase / (Decrease) in current assets		
Trade debts	2,733,284	(6,935,241)
Loans and advances	5,000	(32,000)
Deposits and prepayments	(1,131,566)	(163,850)
Other receivables	(273,526)	(764,391)
	1,333,192	(7,895,482)
Increase in current liabilities		
Trade and other payables	29,411,101	237,352
	31,942,307	(6,783,075)
Cash flows after working capital changes		
Financial charges paid	(45,869)	(36,371)
Taxes paid	(126,063)	(36,418)
	(171,932)	(72,789)
Net cash generated from / (used in) operating activities	31,770,375	(6,855,864)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Receipt against other income	1,336,284	184,445
Addition in fixed assets	(1,314,100)	
Receipt against dividend income	740,650	198,295
Short term investment	(6,662,804)	(2,030,217)
Net cash used in investing activities	(5,899,970)	(1,647,477)
Net increase / (decrease) in cash and cash equivalents (A+B)	25,870,405	(8,503,341)
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	27,649,254	1,052,836

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 Six Month Period Ended December 31, 2013

Description	Issued, subscribed and paid up capital	Reserves		Total	Total equity
		Capital Share premium	Revenue Unappropriated loss		
----- Rupees -----					
Balance as at July 01, 2012	249,965,000	74,973,750	(168,731,430)	(93,757,680)	156,207,320
Profit for the period	-	-	979,506	979,506	979,506
Balance as at December 31, 2012	249,965,000	74,973,750	(167,751,924)	(92,778,174)	157,186,826
Balance as at July 01, 2013	249,965,000	74,973,750	(163,849,961)	(88,876,211)	161,088,789
Profit for the period	-	-	2,906,750	2,906,750	2,906,750
Balance as at December 31, 2013	249,965,000	74,973,750	(160,943,212)	(85,969,462)	163,995,538

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 Six Month Period Ended December 31, 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 PRESENTATION

2.1 Statement of Compliance

This condensed interim financial report of the company for the six months period ended December 31, 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial report is unaudited but subject to limited scope review by auditors. This condensed interim financial report do not include all of the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2013.

2.2 Functional and Presentation Currency

This condensed interim financial report has been presented in Pakistan Rupees, which is the functional currency of the Company.

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, 2013.

Available for sale investments for which reliable estimate of market value is not available are measured at cost.

Certain standards, amendments and interpretations to the approved accounting standards are effective for accounting periods beginning on or after July 1, 2013 but are considered not to be relevant or have any significant effect on the Company's operation and are therefore not detailed in this condensed interim financial report.

4. ESTIMATES

The preparation of this condensed interim financial report in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

In preparing this condensed interim financial report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June, 2013.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2013.



DAWOOD EQUITIES LIMITED

Notes To The Financial Statements (Unaudited) For The Six Month Period Ended December 31, 2013

	Note	(Un-audited) December 31, 2013 Rupees	(Audited) June 30, 2013 Rupees
5 PROPERTY AND EQUIPMENT			
Opening net book value		30,580	71,013
Add: Additions		1,314,100	33,360
Less: Disposals-net			
Cost	5.1	334,100	-
Depreciation		(334,100)	-
		-	-
Depreciation		(45,525)	(73,793)
Closing net book value		1,299,155	30,580
5.1 Following disposals of assets at cost were made during the period			
Furniture and fixture		-	-
Motor vehicle		334,100	-
		334,100	-
6 INTANGIBLE ASSETS			
Computer software		115,000	260,000
TREC and KSE room		21,688,818	21,688,818
		21,803,818	21,948,818
7 LONG TERM INVESTMENT			
- Available for sale	7.1	36,336,182	36,336,182

7.1 This represents shares of Karachi Stock Exchange Limited (KSEL) acquired in pursuance of corporatization and demutualization of KSEL as a public company limited by shares. As per the arrangements the authorized and paid-up capital of KSEL is Rs.10,000,000,000 and Rs.8,014,766,000 respectively with a par value of Rs. 10 each. The paid-up capital of KSEL is equally distributed among 200 members of KSEL by issuance of 4,007,383 shares to each member in the following manner:

1. 40% of the total shares allotted (i.e. 1,602,953 shares) are transferred in the House Account - CDC of each initial shareholder;

2. 60% of the total shares (i.e. 2,404,430 shares) have been deposited in a sub-account in Company's name under KSEL's participant ID with CDC which will remain blocked until they are divested to strategic investor(s), general public and financial institutions.

Right to receive distributions and sale proceed against 60% shares in the blocked account shall vest in the initial shareholder, provided that bonus and right shares (if any) shall be transferred to blocked account and disposed off with the blocked shares.

Right to vote against blocked shares shall be suspended till the time of sale. The shares of KSEL shall be listed within such time as the SECP may prescribe in consultation with the Board of Directors of KSEL.

In the absence of an active market of the shares of KSE and TREC, the allocation of the carrying value of the membership card of Rs. 50 million between the shares (financial asset) and TREC (an intangible asset) has been made by the company on the basis of similar ratio as between TREC and shares of KSEL in the base minimum capital requirement.



DAWOOD EQUITIES LIMITED

Notes To The Financial Statements (Unaudited) For The Six Month Period Ended December 31, 2013

8 DEFERRED TAXATION

Deferred tax asset has not been recognized on the ground that uncertainty exist regarding future profits of the Company against which the asset could be utilized.

	Note	December 31, 2013 Rupees	June 30, 2013 Rupees
9 SHORT TERM INVESTMENTS			
In related parties	9.1	39,706,358	40,452,631
Others	9.2	16,838,745	9,429,671
		56,545,103	49,882,302

9.1 Investment in Related Parties

Financial Assets - at fair value through profit and loss - Held for trading

December 31, 2013	June 30, 2013		December 31, 2013 Rupees	June 30, 2013 Rupees
		Number of Shares		
567,613	567,613	Dawood Capital Management Ltd.	2,015,025	766,278
127,805	127,805	First Dawood Investment Bank Ltd.	232,606	190,429
			2,247,631	956,707
		Gain/(Loss) on remeasurement of investments	(736,273)	1,290,924
			1,511,358	2,247,631

Financial Assets - Available for sale - at cost

December 31, 2013	June 30, 2013		Note	December 31, 2013 Rupees	June 30, 2013 Rupees
		Number of Shares			
3,819,500	3,820,500	Dawood Family Takaful Company Limited	8.1.1	38,195,000	38,205,000
				39,706,358	40,452,631

9.1.1 Investment available for sale - provision for impairment

Investment at cost	38,195,000	38,205,000
Reversal of impairment	-	-
	38,195,000	38,205,000

9.2 Other investments

Financial Assets - at fair value through profit and loss - Held for trading

	Note	December 31, 2013 Rupees	June 30, 2013 Rupees
Ordinary Shares	8.2.1	15,190,088	7,990,943
Units of open end funds	8.2.2	1,501,132	1,438,728
Units of closed end funds	8.2.3	147,525	-
		16,838,745	9,429,671



DAWOOD EQUITIES LIMITED

Notes To The Financial Statements (Unaudited) For The Six Month Period Ended December 31, 2013

8.2.1 Held for trading - Ordinary Shares

December 31, 2013	June 30, 2013		(Un-audited) December 31, 2013 Rupees	(Audited) June 30, 2013 Rupees
8,205	2,900	Adamjee Insurance Company Limited	594,733	168,925
12,420	12,420	Arif Habib Corporation Limited	252,687	326,796
15,608	10,070	Askari Commercial Bank Limited	184,175	150,942
720	600	Attock Petroleum Limited	258,936	284,622
10,000	-	Azgard Nine Limited	74,412	-
1,171	-	Akzo Noble Pakistan Limited	125,374	-
9,500	14,500	D.G.Khan Cement limited	654,273	685,300
-	10,000	Dost Steel Limited	-	54,300
104,473	104,475	Engro Polymer & Chemical Ltd.	1,303,514	1,029,059
9,675	9,675	Fauji Fertilizer Bin Qasim Limited	363,780	394,934
3,025	3,025	Fauji Fertilizer Company Limited	306,644	335,926
19,000	-	Fauji Cement Company Limited	301,768	-
-	5,000	Fatima Fertilizer company Limited	-	128,550
2,328	2,328	ICI Pakistan Limited	414,593	386,448
1,500	1,500	Kot Addu Power Company Limited	95,670	67,500
1,000	-	KSB Pump Company Limited	90,514	-
1,000	1,000	Lucky cement Limited	231,246	202,282
-	10,000	Maple Leaf Cement Factory Limited	-	247,000
5,175	10,175	National Bank Limited	230,044	416,180
1,535	1,535	National Refinery Limited	317,285	355,184
11,000	6,000	Nishat Mills Limited	1,212,660	285,480
5,000	-	Pakistan International Airline	35,550	-
220	220	Aisha Steel Limited - Preference Shares received as specie dividend	4,291	-
5,000	-	Pakgen Power Limited	100,900	-
1,500	-	Pioneer Cement Limited	57,564	-
600	-	Nestle Pakistan Limited	4,560,637	-
3,000	-	Pakistan Telecommunication Company Limited	85,156	-
22,500	-	NIB Bank	51,750	-
25,500	-	Sui Southern Gas Company Limited	631,194	-
5,000	-	Summit Bank Limited	10,606	-
20,000	-	Karachi Electric Supply Company Limited	111,201	-
174,172	174,172	Lotte Pakistan PTA Limited	1,171,133	1,224,428
			13,832,292	6,862,103
		Gain/(Loss) on remeasurement of investments	1,357,796	1,128,840
			15,190,088	7,990,943



DAWOOD EQUITIES LIMITED

Notes To The Financial Statements (Unaudited) For The Six Month Period Ended December 31, 2013

8.2.2 Units of open end funds

December 31, 2013	June 30, 2013			
134,428	129,626	NAFA Government Securities Liquid Fund	1,301,168	1,294,355
1,475	1,243	NAMCO Balanced Fund	137,561	137,708
			1,438,729	1,432,063
		Gain on remeasurement of units	62,403	6,666
			1,501,132	1,438,728

8.2.3 Units of closed end funds

December 31, 2013	June 30, 2013			
17,500		Golden Arrow Selected Stocks Fund	140,544	
		Gain on remeasurement of units	6,981	
			147,525	
			(Un-audited) December 31, 2013 Rupees	(Audited) June 30, 2013 Rupees
		Note		

10 TRADE DEBTS

Considered good		5,531,052	14,591,015
Considered doubtful		133,584,563	128,914,060
	10.1	139,115,615	143,505,075
Provision for doubtful receivables		(78,454,884)	(80,111,059)
		60,660,732	63,394,016

10 This includes an amount of Rs.29.334 (June 30, 2013 : Rs.30.730) million receivable from related parties of the Company against which provision amounting to Rs.28.681 (June 30, 2013 : Rs.29.880) million has been made by the Company, refer in note-12.2



DAWOOD EQUITIES LIMITED

Notes To The Financial Statements (Unaudited) For The Six Month Period Ended December 31, 2013

Note	(Un-audited)	(Audited)
	December 31, 2013	June 30, 2013
	Rupees	Rupees
11 TRADE AND OTHER PAYABLE		
Trade creditors	49,319,314	17,094,745
Accrued expenses	550,760	3,662,699
Withholding tax payable	1,369,109	1,070,638
	<u>51,239,183</u>	<u>21,828,082</u>

11.1 This includes an amount of Rs.11.389 (June 30, 2013 : Rs..039) million payable to related parties of the Company.

12 CONTINGENCIES

The status of contingencies as were reported in the financial statements for the year are given below:

12.1 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 is sufficient.

12.2 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.

Note	December 31, 2013	December 31, 2012
	Rupees	Rupees
13 OPERATING REVENUE		
Brokerage commission	3,152,186	2,128,081
Additional commission	429,662	-
Custody / Laga / NCSS Fees	646,833	337,288
Dividend income	740,650	198,295
	<u>4,969,332</u>	<u>2,663,664</u>

13.1 Brokerage commission

Gross commission	10,434,702	8,509,309.00
Federal excise duty	(1,438,613)	(1,168,573.00)
	8,996,089	7,340,736
Commission to agents and dealers	(5,843,903)	(5,212,654.65)
	<u>3,152,186</u>	<u>2,128,081</u>



DAWOOD EQUITIES LIMITED

Notes To The Financial Statements (Unaudited) For The Six Month Period Ended December 31, 2013

14 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.

December 31, 2013	(Un-Audited) Half year ended	December 31, 2013	(Un-Audited) Quarter ended
	December 31, 2012		December 31, 2012
Rupees	Rupees	Rupees	Rupees
Commission earned from brokerage transactions with member companies and key management personnel of members companies	384,128	705,436	256,418
Expenses paid to member companies	66,000	-	-

15 DATE FOR AUTHORIZATION FOR ISSUE

The Board of Directors of the Company authorized these interim financial statements for issue on 14-02-2014.

16 GENERAL

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

Chief Executive

Director