



DAWOOD EQUITIES LIMITED

**For The Six Month Period Ended
December 31, 2015
(Un-Audited)**

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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	Mr. Junaid Zakaria Dada (Chairman) Abdul Aziz Habib (Chief Executive) (Subject to Approval of Karachi Stock Exchange Limited) Mr. Khalid Yousuf (Non executive Director) Mr. Asim Iftekhar Yakoob (Independent Director) Ms. Rubina Khanum (Independent Director) Syed Muhammad Abbas (Non Executive Director) Syed Ijlal Haider (Subject to approval of KSE)
Chief Financial Officer & Company Secretary	Mr. Salman Yaqoob
Audit Committee	Mr. Asim Iftekhar Yakoob - Chairman Mr. Khalid Yousuf Ms. Rubina Khanum
HR & R Committee	Syed Muhammad Abbas Mr. Asim Iftekhar Yakoob 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 United Bank Limited Burj 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 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, 32271905 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 half year ended December 31, 2015.

FINANCIAL RESULT

During the period under review the Company's net revenue increased by 92.1% as compared to last year whereas the administrative expenses increased by only 36.1%. Operation profit rose to Rs 4.65 million as compared to Rs.2.7 million in corresponding period last year. Profit before tax has been increased to Rs.4.84 million as compared to 3.14 million in same period of last year. The summary of comparative financial performance is given below:

OPERATING RESULTS	DECEMBER 31 2015 Rupees	DECEMBER 31 2014 Rupees
Gross Revenue	18,709,779	10,869,909
Net Revenue	12,737,428	6,631,639
Capital gain / (Loss) on disposal of investments	(228,337)	1,441,312
Gain / (Loss) on re- measurement of investments at fair value through profit & loss	(631,927)	(59,714)
Administrative Expenses	(7,233,941)	(5,312,188)
Financial Charges	(36,575)	(33,710)
Other Operating Income	138,178	381,947
Profit / (loss) before tax	4,844,826	3,139,186
Taxation	6,386,763	(339,873)
Profit / (loss) after tax	11,231,589	2,799,313
Gain per share basic and diluted	0.45	0.11

EMPHASIS OF MATTER PARAGRAPH IN AUDITORS' REPORT

We draw attention of the users of the financial statements to the note 12.1 of the financial statements which describe uncertainty related to the outcome of the suit filed by the company against 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 opinion is not qualified in respect of this matter.

The Directors of your company are very optimistic about the outcome of the suit filed for recovery of Rs. 75.436 million. The legal proceeding is still not concluded, but lawyer is confident that the outcome of the case will be in favor of the company and a chance of recovery is very bright. However, 40% provision for irrecoverable debt is provided after considering the contingencies of the event.

We further draw attention of the users of the financial statements to the note 8.1 of the financial statements relating to deferred tax assets based on business projection for five years devised by the company. The plan involve certain key assumptions underlying the estimation of future taxable profits of the company which would then be utilized to sett-off the deferred tax assets.

CASUAL VACANCY

During the half year ended December 31 2015, Syed Ijlal Haider appointed as the director to fill the casual vacancy occurred due to demise of Abdul Qadir Sakhi. Further during the period Mr. Abdul Aziz Habib appointed as Chief Executive Officer after the election of Directors whereas Mr. Junaid Dada appointed as Chairman of the Company.

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/Clients, 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

Junaid Dada
Chairman

Karachi: February 25, 2016



DAWOOD EQUITIES LIMITED

**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, 2015 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, 2015. 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, 2015 and 2014 have not been reviewed as we are required to review only the cumulative figures for the six months period ended December 31, 2015.

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 Matters

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.

We also draw attention towards note 8.1 of the annexed financial statements relating to deferred tax asset. Management believes that the asset will be utilized in coming years based on projections of future profitability and uncertainty is attached with those projections.

Our report is not qualified in respect of these matters.

Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated:

Engagement Partner:
Farhan Ahmed Memon



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2015**

		<i>(Un-audited)</i>	<i>(Audited)</i>
		<i>December 31,</i>	<i>June 30,</i>
		<i>2015</i>	<i>2015</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<u>ASSETS</u>			
Non-Current Assets			
Property and equipments	5	264,345	282,275
Intangible assets	6	13,663,818	13,663,818
Long term investment - available for sale	7	40,434,494	40,434,494
Long term deposit		1,137,500	1,137,500
Deferred tax asset	8	42,331,723	35,000,000
		97,831,880	90,518,087
Current Assets			
Short term investments	9	36,134,816	29,257,054
Trade debts	10	84,361,148	75,279,045
Advances, deposits and prepayments		4,007,491	33,563,082
Other receivables		17,944,230	18,407,784
Tax refunds due from government		6,351,069	5,604,476
Cash and bank balances		10,001,713	6,119,780
		158,800,467	168,231,221
Total Assets		256,632,347	258,749,308
<u>EQUITY AND LIABILITIES</u>			
Capital and Reserves			
Authorized Share Capital			
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		(15,996,845)	(27,228,434)
		233,968,155	222,736,566
Current Liabilities			
Trade and other payables	11	22,664,192	36,012,742
Contingencies			
	12	-	-
Total Equity and Liabilities		256,632,347	258,749,308

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 SIX MONTH PERIOD ENDED DECEMBER 31, 2015**

	Note	Half year ended		Quarter Ended	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
		----- Rupees -----			
Operating revenue	13	12,737,428	6,631,639	5,288,249	4,102,981
Capital (loss) / gain on disposal of investments - net		(228,337)	1,441,212	(1,028,037)	1,078,470
(Loss) / profit on remeasurement of investments carried at fair value through profit and loss		(631,927)	(59,714)	1,250,982	(69,683)
		11,877,164	8,013,137	5,511,194	5,111,768
Administrative expenses		(7,223,941)	(5,312,188)	(3,584,438)	(2,909,982)
		4,653,223	2,700,949	1,926,756	2,201,786
Other operating income		138,178	381,947	35,167	304,778
Reversal of provision		90,000	90,000	90,000	45,000
Bank charges		(36,575)	(33,710)	(16,026)	(9,642)
Profit before taxation		4,844,826	3,139,186	2,035,897	2,541,922
Taxation-net	14	6,386,763	(339,873)	6,639,567	(339,873)
Profit after taxation		11,231,589	2,799,313	8,675,464	2,202,049
Earning per share - basic and diluted		0.45	0.11	0.35	0.09

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 SIX MONTH PERIOD ENDED DECEMBER 31, 2015**

	<i>Half year ended</i>		<i>Quarter Ended</i>	
	<i>December 31, 2015</i>	<i>December 31, 2014</i>	<i>December 31, 2015</i>	<i>December 31, 2014</i>
	----- Rupees -----			
Profit for the period	11,231,589	2,799,313	8,675,464	2,202,049
Other comprehensive income	-	-	-	-
Total comprehensive income	11,231,589	2,799,313	8,675,464	2,202,049

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



Chief Executive



Director



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2015**

	<i>(Un-audited)</i> <i>December 31,</i> <i>2015</i> <i>Rupees</i>	<i>(Audited)</i> <i>December 31,</i> <i>2014</i> <i>Rupees</i>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,844,826	3,139,186
Adjustment for non cash items:		
Depreciation	61,930	52,218
Other income	(138,178)	(381,947)
Dividend income	(1,267,594)	(814,334)
Financial charges	36,575	33,710
	<u>(1,307,267)</u>	<u>(1,110,353)</u>
	3,537,559	2,028,833
(Increase) / Decrease in current assets		
Trade debts	(9,082,103)	(10,046,839)
Deposits and prepayments	29,555,591	1,684,681
Other receivables	463,554	(848,490)
	<u>20,937,042</u>	<u>(9,210,648)</u>
Increase in current liabilities		
Trade and other payables	(13,348,550)	(4,740,748)
	<u>11,126,051</u>	<u>(1,922,563)</u>
Cash flows after working capital changes		
Financial charges paid	(36,575)	(33,710)
Taxes paid	(1,691,553)	(1,161,842)
	<u>(1,728,128)</u>	<u>(1,195,552)</u>
Net cash generated from/ (used in) operating activities	<u>9,397,923</u>	<u>(13,118,115)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Receipt against other income	138,178	381,947
Addition in fixed assets	(44,000)	(10,700)
Receipt against dividend income	1,267,594	814,334
Short term investment	(6,877,762)	8,947,721
Net cash (used in) / generated from investing activities	<u>(5,515,990)</u>	<u>10,133,302</u>
Net increase / (decrease) in cash and cash equivalents (A+B)	3,881,933	(2,984,813)
Cash and cash equivalents at the beginning of the period	6,119,780	3,102,023
Cash and cash equivalents at the end of the period	<u>10,001,713</u>	<u>117,210</u>

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 SIX MONTH PERIOD ENDED DECEMBER 31, 2015

	Issued, subscribed and paid up capital	Reserves			Total	Total equity
		Capital		Revenue		
		Gain on remeasurement of AFS investment	Share premium	Unappropriated loss		
Balance as at July 01, 2014	249,965,000	3,737,648	74,973,750	(152,919,632)	(74,208,234)	175,756,766
Profit for the period	-	-	-	2,799,313	2,799,313	2,799,313
Balance as at December 31, 2014	249,965,000	3,737,648	74,973,750	(150,120,319)	(71,408,921)	178,556,079
Balance as at July 01, 2015	249,965,000	4,098,312	74,973,750	(106,300,496)	(27,228,434)	222,736,566
Profit for the period	-	-	-	11,231,589	11,231,589	11,231,589
Balance as at December 31, 2015	249,965,000	4,098,312	74,973,750	(95,068,907)	(15,996,845)	233,968,155

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


Chief Executive


Director



DAWOOD EQUITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2015**

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 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 PRESENTATION

2.1 Statement of Compliance

This condensed interim financial report of the company for the six months period ended December 31, 2014 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, 2015.

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, 2015.

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, 2015 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.



DAWOOD EQUITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2015**

	(Un-audited) December 31, 2015 Rupees	(Audited) June 30, 2015 Rupees
5 PROPERTY AND EQUIPMENT		
Opening net book value	282,275	342,779
Add: Additions	44,000	47,300
Less: Disposals-net		
Cost	-	(89,000)
Depreciation	-	89,000
	-	-
Depreciation	(61,930)	(107,804)
Closing net book value	<u>264,345</u>	<u>282,275</u>
6 INTANGIBLE ASSETS		
Trading Rights Entitlement Certificates (TREC)s	<u>13,663,818</u>	<u>13,663,818</u>
7 LONG TERM INVESTMENT		
Investment in shares of Karachi Stock Exchange Limited - available for sale	40,434,494	36,336,182
Unrealized gain on remeasurement at par value	-	4,098,312
	<u>40,434,494</u>	<u>40,434,494</u>

7.1 Investment in shares of Karachi Stock Exchange Limited

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.



DAWOOD EQUITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2015**

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.

8 DEFERRED TAXATION

8.1 Deferred tax asset amounting to Rs. 48.94 (June 30, 2015 : Rs. 60.42) millions has not been recognized on the ground that uncertainty exist regarding future profits of the Company against which the asset could be utilized, accordingly deferred tax is recognised to the extent upto which profitability is expected in next five years based on current profitability of the company.

	<i>December 31, 2015</i>	<i>June 30, 2015</i>
	<i>Rupees</i>	<i>Rupees</i>
9 SHORT TERM INVESTMENTS		
In related parties- at fair value through profit or loss	1,616,029	1,624,557
In related parties- available for sale at cost	17,440,000	12,095,000
Others- at fair value through profit or loss	17,078,788	15,537,497
	<u>36,134,816</u>	<u>29,257,054</u>

9.1 Investment in Related Parties

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

<i>December 31, 2015</i>	<i>June 30, 2015</i>		<i>December 31, 2015</i>	<i>June 30, 2015</i>
<i>Number of Shares</i>			<i>Rupees</i>	<i>Rupees</i>
567,613	567,613	Dawood Capital Management Ltd.	1,220,581	1,135,426
31,000	22,500	B.R.R. Guardian Modaraba	221,650	177,290
127,805	127,805	First Dawood Investment Bank Ltd.	182,761	191,708
			<u>1,624,992</u>	<u>1,504,424</u>
		(Loss) / gain on remeasurement of investments	(8,964)	120,133
			<u>1,616,029</u>	<u>1,624,557</u>

The market value of each listed security is as follows:

Dawood Capital Management Ltd.	2.15	2.15
First Dawood Investment Bank Ltd.	1.33	1.80
BBR Guardian Modaraba	7.28	7.73

9.2 Financial Assets - Available for sale - at cost

<i>December 31, 2015</i>	<i>June 30, 2015</i>		<i>December 31, 2015</i>	<i>June 30, 2015</i>
<i>Number of Shares</i>				
1,744,000	1,209,500	Dawood Family Takaful	<u>17,440,000</u>	<u>12,095,000</u>



DAWOOD EQUITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2015**

9.3 Other investments

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

	<i>Note</i>	<i>December 31, 2015 Rupees</i>	<i>June 30, 2015 Rupees</i>
Ordinary Shares	9.3.1	15,539,928	13,556,299
Units of mutual funds	9.3.2	1,538,859	1,981,198
		17,078,788	15,537,497

9.3.1 Held for trading - Ordinary Shares

<i>December 31, 2015 Number of Shares</i>	<i>June 30, 2015 Number of Shares</i>		<i>(Un-audited) December 31, 2015 Rupees</i>	<i>(Audited) June 30, 2015 Rupees</i>
1,000	1,000	Allied Bank Limited	93,000	113,516
6,920	6,920	Arif Habib Corporation Limited	359,309	265,068
8,205	8,205	Adamjee insurance company limited	449,137	386,423
14,500	14,500	Askari Bank Limited	316,245	338,129
200	171	Akzo Nobel Pakistan Limited	50,437	69,292
720	720	Attock Petroleum Limited	360,180	424,630
1,500	1,500	Clover Pakistan Limited	100,575	186,277
50,000	-	Dewan Cement Limited	796,500	-
100,973	130,473	Engro Polymer & Chemicals	1,107,385	1,654,833
15,500	10,500	Engro Powergen Qadirpur Limited	542,500	453,686
10,000	-	Faysal Bank Limited	151,600	-
14,675	9,675	Fauji Fertilizer Bin Qasim Limited	849,131	478,891
1,000	1,000	Gadoon Textile Mills Limited	118,970	276,038
25,000	-	Golden Arrow Selected Stocks	271,250	-
11,000	10,000	Gul Ahmed Textile Mills Limited	428,120	579,081
3,100	-	Glaxosmithkline Pakistan Limited	736,971	-
5,000	-	Hascol Petroleum Limited	774,358	-
110	93	Habib Bank Limited	21,745	16,922
10,000	10,000	Habib Metropolitan Bank Limited	289,300	290,032
1,828	1,828	Ici Pakistan Limited	879,798	746,690
1,500	1,500	Kot Addu Power Company Limited	142,125	88,560
35,500	35,500	K-Electric Limited	268,836	296,430
161,672	189,172	Lotte Chemical Pakistan Limited	1,033,575	1,360,147
35	5,000	Mughal Iron And Steel Industries	2,497	265,037
5,175	5,175	National Bank Of Pakistan	264,701	330,413
13,000	-	Nishat Mills Limited	1,272,155	-
1,535	1,535	National Refinery Limited	339,776	312,676
26,800	-	Pakistan International Bulk	740,182	-
2,500	3,500	Pakistan Petroleum Limited	309,054	598,220



DAWOOD EQUITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2015**

				<i>(Un-audited)</i>	<i>(Audited)</i>
<i>December 31,</i>	<i>June 30,</i>			<i>December 31,</i>	<i>June 30,</i>
<i>2015</i>	<i>2015</i>			<i>2015</i>	<i>2015</i>
<i>Number of Shares</i>				<i>Rupees</i>	<i>Rupees</i>
14,000	-	Pakistan Refinery Limited		727,127	-
30,000	17,500	Pakistan Telecommunication		519,441	384,086
5,500	-	Sui Northern Gas Pipelines Limited		151,407	-
5,000	-	Synthetic Products Enterprises		333,297	-
-	4,000	Adam Sugar Mills Limited		-	89,614
-	5,000	Engro Fertilizer Limited		-	438,418
-	150	Packages Limited		-	108,316
-	25	Fauji Fertilizer Company Limited		-	3,617
-	50,000	Bank of Punjab		-	464,353
-	15,000	Fatima Fertilizer Company Limited		-	604,331
-	6,047	Nimir Industries Limited		-	153,471
-	10,000	Lafarge Pakistan Cement Limited		-	196,027
-	100	Abbot Laboratories		-	72,300
-	5,000	Oil & Gas Development Company		-	1,040,145
-	6,000	Bannu Woolen Mills limited		-	377,280
-	2,000	Nishat Chunian Limited		-	67,376
-	10,000	Pakistan Reinsurance Limited		-	301,742
-	5,500	System Limited		-	281,039
-	500	Attock Cement Pakistan Limited		-	107,266
300	300	Thal Limited		75,900	93,014
13,500	12,500	Treet Corporation Limited		845,161	349,526
3,000	-	United Bank Limited		482,910	-
				16,204,655	14,662,910
Loss on remeasurement of investments				(664,727)	(1,106,611)
				15,539,928	13,556,299

	<i>2015</i>
	<i>Rupees</i>
9.3.2 The market value of each listed security is as follows:	
Allied Bank Limited	94.26
Arif Habib Corporation Limited	51.11
Adamjee insurance company limited	56.51
Askari Bank Limited	21.74
Akzo Nobel Pakistan Limited	216.95
Attock Petroleum Limited	505.12
Clover Pakistan Limited	62.10
Dewan Cement Limited	12.95
Engro Polymer & Chemicals	10.44
Engro Powergen Qadirpur Limited	34.18
Faysal Bank Limited	15.43
Fauji Fertilizer Bin Qasim Limited	52.68
Gadoon Textile Mills Limited	133.85
Golden Arrow Selected Stocks	9.60



DAWOOD EQUITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2015**

	<i>2015</i> <i>Rupees</i>
Gul Ahmed Textile Mills Limited	36.24
GlaxoSmithKline Pakistan Limited	220.02
Hascol Petroleum Limited	144.25
Habib Bank Limited	200.12
Habib Metropolitan Bank Limited	30.47
Ici Pakistan Limited	484.02
Kot Addu Power Company Limited	81.00
K-Electric Limited	7.44
Lotte Chemical Pakistan Limited	6.50
Mughal Iron And Steel Industries	69.70
National Bank Of Pakistan	54.04
Nishat Mills Limited	94.87
National Refinery Limited	223.16
'Pakistan International Bulk	27.97
'Pakistan Petroleum Limited	121.81
Pakistan Refinery Limited	45.21
Pakistan Telecommunication	16.49
Sui Northern Gas Pipelines Limited	24.04
Synthetic Products Enterprises	53.50
Adam Sugar Mills Limited	21.35
Engro Fertilizer Limited	84.13
Packages Limited	582.11
Fauji Fertilizer Company Limited	117.98
Bank of Punjab	9.21
Fatima Fertilizer Company Limited	44.73
Nimir Industries Limited	24.85
Lafarge Pakistan Cement Limited	17.03
Abbot Laboratories	635.00
Oil & Gas Development Company	117.34
Bannu Woolen Mills limited	50.59
Nishat Chunian Limited	55.05
Pakistan Reinsurance Limited	33.85
System Limited	63.03
Attock Cement Pakistan Limited	167.75
Thal Limited	253.33
Treet Corporation Limited	62.96
United Bank Limited	154.95



DAWOOD EQUITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2015**

9.3.2 Units of Mutual funds

<i>December 31, 2015</i>	<i>June 30, 2015</i>		<i>(Un-audited) December 31, 2015 Rupees</i>	<i>(Audited) June 30, 2015 Rupees</i>
139,939	147,659	NAFA Government Securities Liquid Fund	1,497,264	1,406,923
-	1,475	NAMCO Balanced Fund	-	156,275
			1,497,264	1,563,198
		Gain on remeasurement of units	41,596	418,000
			1,538,859	1,981,198

10 TRADE DEBTS

	<i>(Un-audited) December 31, 2015 Rupees</i>	<i>(Audited) June 30, 2015 Rupees</i>
Considered good	35,111,191	26,727,513
Considered doubtful	127,844,647	127,236,223
	162,955,839	153,963,736
Provision for doubtful receivables	(78,594,691)	(78,684,691)
	84,361,148	75,279,045

11 TRADE AND OTHER PAYABLE

Trade creditors	11,316,061	26,545,721
Due to dealer	1,025,638	1,897,295
Temporary overdraft	68,095	4,849,279
Accrued expenses	9,667,419	2,202,271
Withholding tax payable	586,979	518,176
	22,664,192	36,012,742

11.1 This includes an amount of Rs. 169,257 (June 30, 2014 : Rs.498,000) payable to related parties of the Company.

12 CONTINGENCIES & COMMITMENTS

The status of contingencies as were reported in the financial statements for the year ended June 30, 2015 is same as follows:

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.



DAWOOD EQUITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2015**

12.3 Commitment against unrecorded transactions executed before year end having settlement date subsequent to period end :-

	<i>(Un-audited)</i> December 31, 2015 <i>Rupees</i>	<i>(Audited)</i> June 30, 2015 <i>Rupees</i>
For purchase of shares	<u>40,211,394</u>	-
For sale of shares	<u>62,569,575</u>	-

	<i>December 31, 2015</i> <i>Rupees</i>	<i>December 31, 2014</i> <i>Rupees</i>
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13 OPERATING REVENUE

Brokerage commission	8,930,707	4,761,970
Underwriting commission	1,005,620	-
Custody / Laga / NCSS Fees	1,423,973	853,134
Dividend income	1,267,594	814,334
Profit on cash exposure deposit	109,534	202,200
	<u>12,737,428</u>	<u>6,631,639</u>

13.1 Brokerage commission

Gross commission	18,709,779	10,869,909
Federal excise duty	(2,225,551)	(1,411,273)
	<u>16,484,228</u>	<u>9,458,637</u>
Commission to agents and dealers	(7,553,521)	(4,696,667)
	<u>8,930,707</u>	<u>4,761,970</u>

14 TAXATION-NET

Current tax	(944,960)	(339,873)
Deferred	7,331,723	-
	<u>6,386,763</u>	<u>(339,873)</u>

15 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.



DAWOOD EQUITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2015**

	<i>(Un-Audited)</i> <i>Half year ended</i>		<i>(Un-Audited)</i> <i>Quarter ended</i>	
	<i>December 31, 2015</i>	<i>December 31, 2014</i>	<i>December 31, 2015</i>	<i>December 31, 2014</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Commission earned from brokerage transactions with member companies and key management personnel of members companies	1,246,970	700,349	457,498	420,386
Expenses paid to member companies	66,000	66,000	33,000	33,000

16 DATE FOR AUTHORIZATION FOR ISSUE

The Board of Directors of the Company authorized these interim financial statements for issue on **February 25 2016**.

17 GENERAL

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



Chief Executive



Director



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