



DAWOOD EQUITIES LIMITED

**Half Yearly Report
December 31, 2017
(Un-Audited)**

**HALF
YEARLY
REPORT
2017**



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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 Dada (Chairman) Abdul Aziz Habib (Chief Executive) Mr. Khalid Yousuf (Non executive Director) Mr. Asim Iftekhar Yakoob (Independent Director) Ms. Rubina Khanum (Independent Director) Syed Muhammad Abbas (Non executive Director) Mr. Saifullah
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
External Auditor	Haroon Zakaria & Co.
Internal Auditor	Sajid & Co. Chartered Accountants
Legal Advisor	Rauf & Ghaffar Law Associates
Bankers	Bank Al Habib Limited Habib Metropolitan Bank Limited Bank Al Falah Limited Unted Bank Limited Burj Bank Limited MCB Bank Limited
Website	www.dawoodequities.com
Registered Head Office	17th Floor - Saima Trade Towers A, 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, 32271905 Fax. 021-32621233



DAWOOD EQUITIES LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders

On the behalf of Board of Directors of Dawood Equities Limited (DEL), we are pleased to present herewith the unaudited financial statements for the second quarter ended December 31, 2017.

FINANCIAL PERFORMANCE

The Company earned core operating revenue of Rs.21.2 million as compare to Rs. 14.1 million an increase of 50% whereas expenses increased by 20.1% in same period last year. The profit has been reduced on account of revaluation of investments, reversal of deferred tax and recognition of tax on commission income of members of the Stock Exchange which is now subject to final tax regime.

The summary of Financial Results is as follows:

	December 31, 2017 Rupees	December 31, 2016 Rupees
Net Revenue	21,216,268	14,148,623
Administrative Expenses	8,913,320	7,419,858
Profit / (Loss) after tax	(26,854,628)	9,839,643
Earnings per share basic and diluted	(1.07)	0.39

EMPHASIS OF MATTER PARAGRAPH IN AUDITORS' REPORT

We draw attention of the users of the financial statements to the note 8 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.

On behalf of the Board

Junaid Dada
Chairman

Abdul Aziz Habib
Chief Executive Officer

Karachi: **February 27, 2018**



DAWOOD EQUITIES LIMITED

ڈائریکٹرز کی رپورٹ:

محترم حصص یافتگان،

داؤدوا کیوٹیور لمیٹڈ (ڈیل کمپنی) کے ڈائریکٹرز کی جانب سے دسمبر 31، 2017ء کو ختم ہونے والے لاشہائی کے غیر آڈٹ شدہ مالیاتی گوشوارہ پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

مالیاتی نتائج:

زیر جائزہ مدت کے دوران کمپنی نے خالص آمدنی میں گزشتہ سال کے مقابلے میں 50% اضافہ ہوا ہے۔ جبکہ انتظامی اخراجات میں 20.1% اضافہ ہوا۔ آپریشن کا منافع براہ کھر 21.2 ملین روپے ہو گیا ہے۔ جو کہ گزشتہ سال تقابلی مدت میں 14.1 ملین روپے تھا۔ اسٹاک آپیکھج کے ارکان کی کمیشن کی آمدنی پرنکس کی منتقلی کی وجہ سے منافع میں کمی واقع ہوئی ہے۔ جو کہ اب حتمی نیکس کے نظام کے تابع ہے۔

مالیاتی نتائج کا خلاصہ مندرجہ ذیل ہے:

December 31, 2016 Rupees	December 31, 2017 Rupees	
14,148,623	21,216,268	خالص آمدنی
7,419,858	8,913,320	انتظامی اخراجات
9,839,643	(26,854,628)	نفع (نقصان) نقل از نیکس
0.39	(1.07)	نفع فی حصص بنیادی اور معتدل

آڈٹ رپورٹ میں شامل امفاسز آف میٹر پیراگراف:

ہم مالیاتی گوشواروں کے صارفین کی توجہ مالی بیانات کے نوٹ نمبر 8 کی طرف مبذول کراتے ہیں۔ اس منصوبے میں کچھ کلیدی مفادات شامل ہیں جو کمپنی سے مستقبل کے نیکس قابل منافع کے تخمینے میں تخیر کرتے ہیں جو اس کے بعد معتدل نیکس اثاثوں کو مل کرنے کیلئے استعمال کیا جائے گا۔

عبدالعزیز چوہدری
چیف ایگزیکٹو آفسر

جنیٹ اڈا
چیرمین

کراچی مورخہ فروری 27، 2018ء



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, 2017 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, 2017. 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 September 2017 and 2016 have not been reviewed as we are required to review only the cumulative figures for the six months period ended December 31, 2017.

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 also draw attention towards note 8 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.

**Reanda 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, 2017**

		<i>(Un-audited)</i> <i>December 31,</i> <i>2017</i>	<i>(Audited)</i> <i>June 30,</i> <i>2017</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	5	14,689,026	14,551,898
Intangible assets	6	5,000,000	5,000,000
Long term investment - available for sale	7	42,626,147	41,163,828
Long term deposit		1,137,500	1,137,500
Deferred tax asset	8	37,895,174	55,149,439
		<u>101,347,847</u>	<u>117,002,665</u>
Current Assets			
Short term investments	9	34,478,952	29,866,214
Trade debts	10	65,163,575	48,796,786
Receivable against margin finance		4,806,792	10,230,215
Advances, deposits and prepayments		5,666,016	40,409,094
Other receivables		18,410,047	22,049,816
Tax refunds due from government		14,819,266	13,538,595
Cash and bank balances	11	25,834,747	12,195,915
		<u>169,179,396</u>	<u>177,086,635</u>
Total Assets		<u><u>270,527,243</u></u>	<u><u>294,089,300</u></u>
<u>EQUITY AND LIABILITIES</u>			
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>(32,487,102)</u>	<u>7,277,424</u>
		<u>217,477,898</u>	<u>257,242,424</u>
Non Current Liabilities			
Rental deposits		25,000	25,000
Current Liabilities			
Trade and other payables	12	53,024,345	36,821,876
Contingencies			
	13	-	-
Total Equity and Liabilities		<u><u>270,527,243</u></u>	<u><u>294,089,300</u></u>

Chief Executive

Director

Chief Financial Officer



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2017**

	Note	Half year ended		Quarter Ended	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
----- Rupees -----					
Operating revenue	14	21,216,268	14,148,623	11,348,186	8,874,026
Capital (loss) / gain on disposal of investments - net		(18,568,716)	4,052,100	(9,379,614)	2,886,395
(Loss) / profit on remeasurement of investments carried at fair value through profit and loss		(1,024,786)	1,084,771	11,217	(84,449)
		1,622,767	19,285,494	1,979,790	11,675,972
Administrative expenses		(8,913,320)	(7,419,858)	(5,109,272)	(4,591,264)
		(7,290,553)	11,865,635	(3,129,482)	7,084,707
Other operating income		274,855	2,052,594	110,380	1,920,509
Reversal of provision		-	90,000	-	90,000
Financial charges		(733,604)	(37,242)	(33,999)	(14,257)
(Loss) / Profit before taxation		(7,749,302)	13,970,987	(3,053,101)	9,080,959
Taxation-net	15	(19,105,326)	(4,131,344)	(17,912,448)	(3,789,042)
(Loss) / Profit after taxation		(26,854,628)	9,839,643	(20,965,549)	5,291,917
(Loss) / Earning per share -Basic and Diluted		(1.07)	0.39	(0.84)	0.21

The annexed notes from 1 to 20 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 PERIOD ENDED DECEMBER 31, 2017**

	<i>Half year ended</i>		<i>Quarter Ended</i>	
	<i>December 31, 2017</i>	<i>December 31, 2016</i>	<i>December 31, 2017</i>	<i>December 31, 2016</i>
	----- Rupees -----			
(Loss) / profit for the period	(26,854,628)	9,839,643	(20,965,548)	5,291,917
Unrealized (loss)/ gain on remeasurement	(12,909,898)	28,636,759	2,312,192	28,636,759
Total comprehensive income	(39,764,526)	38,476,402	(18,653,356)	33,928,676

The annexed notes from 1 to 20 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 PERIOD ENDED DECEMBER 31, 2017**

	<i>(Un-audited)</i> December 31, 2017 <i>Rupees</i>	<i>Audited</i> June 30, 2017 <i>Rupees</i>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(7,749,302)	(4,478,209)
Adjustment for non cash items:		
Depreciation	673,723	597,443
Loss on remeasurement of investment	1,024,786	1,553,406
Capital (gain) / loss on disposal of investment	18,568,716	(51,347,532)
Dividend income	(546,017)	(762,196)
Loss due to fire	-	178,533
Reversal for doubtful debts	-	(135,000)
Provision for bad debt	-	70,459,095
Financial charges	733,604	102,712
	12,705,509	16,168,252
(Increase) / decrease in current assets		
Trade debts	(16,366,789)	(28,673,323)
Other receivables	3,639,769	(4,142,414)
Receivable against MF	5,423,423	(10,230,215)
Trade deposits and short term prepayments	34,743,078	(31,468,149)
	27,439,481	(74,514,101)
(Decrease) / increase in current liabilities		
Trade and other payables	16,202,469	20,070,100
	56,347,459	(38,275,749)
Taxes paid	(3,131,734)	(7,843,415)
Financial charges paid	(733,604)	(102,712)
	(3,865,338)	(7,946,127)
Net cash generated from / (used in) operating activities	52,482,121	(46,221,876)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(810,850)	(14,986,638)
Disposal of investments - net	(38,578,456)	60,110,970
Dividend received	546,017	762,196
Rental deposits	-	25,000
Net cash (used in) / generated from investing activities	(38,843,289)	45,911,528
Net increase / (decrease) in cash and cash equivalents (A+B)	13,638,832	(310,348)
Cash and cash equivalents at the beginning of the period	12,195,915	12,506,263
Cash and cash equivalents at the end of the period	25,834,747	12,195,915

The annexed notes from 1 to 20 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 PERIOD ENDED DECEMBER 31, 2017**

	<i>Issued, subscribed and paid up capital</i>	<i>Reserves</i>		<i>Total</i>	<i>Total equity</i>	
		<i>Capital</i>	<i>Revenue</i>			
	<i>Gain on remeasurement of AFS investment</i>	<i>Share premium</i>	<i>Unappropriated loss</i>			
----- <i>Rupees</i> -----						
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						
Profit for the period	-	-	-	9,839,643	9,839,643	9,839,643
Other comprehensive income						
Unrealized gain on remeasurement	-	28,636,759	-	-	28,636,759	28,636,759
	-	28,636,759	-	9,839,643	38,476,402	38,476,402
Balance as at December 31, 2016	249,965,000	32,542,717	74,973,750	(95,455,980)	12,060,487	262,025,487
Balance as at July 01, 2017	249,965,000	26,629,377	74,973,750	(94,325,703)	7,277,424	257,242,424
Total comprehensive income for the period						
Loss for the period	-	-	-	(26,854,628)	(26,854,628)	(26,854,628)
Other comprehensive income						
Unrealized Loss on remeasurement of investments	-	(12,909,898)	-	-	(12,909,898)	(12,909,898)
Balance as at December 31, 2017	249,965,000	13,719,479	74,973,750	(94,325,703)	(32,487,102)	217,477,898

The annexed notes from 1 to 20 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer



DAWOOD EQUITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2017**

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 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 PRESENTATION

2.1 Statement of Compliance

This condensed interim financial report of the company for the six months period ended December 31, 2017 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 Repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Repealed 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, 2017.

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, 2017.

Certain standards, amendments and interpretations to the approved accounting standards are effective for accounting periods beginning on or after July 1, 2017 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, 2017.



DAWOOD EQUITIES LIMITED

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, 2017.

	<i>Note</i>	<i>(Un-audited)</i> <i>December 31,</i> <i>2017</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2017</i> <i>Rupees</i>
5 PROPERTY AND EQUIPMENT			
Opening net book value		14,551,898	341,236
Add: Additions	5.1	810,850	14,986,638
Less: Disposals-net			
Cost		-	794,975
Depreciation		-	(616,442)
Depreciation		-	178,533
		(673,723)	(597,443)
Closing net book value		14,689,025	14,551,898
5.1 Following additions were made during the period			
Furniture and fixture		343,000	280,388
Computer equipment		255,450	299,750
Office equipment		168,900	146,500
Land and building		-	14,260,000
Motor vehicle		43,500	-
		810,850	14,986,638
6 INTANGIBLE ASSETS			
Trading Rights Entitlement Certificates (TREC's)		5,000,000	5,000,000
7 LONG TERM INVESTMENT			
		<i>(Un-audited)</i> <i>December 31,</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>Rupees</i>
<i>December 31,</i> <i>No of shares</i>	<i>June 30,</i> <i>No of shares</i>		
1,902,953	1,602,953	Investment in shares of Pakistan Stock Exchange Limited - available for sale	16,029,530
		Unrealized (Loss) / gain on remeasurement	25,134,298
1,902,953	1,602,953	43,368,299	41,163,828
		(742,152)	42,626,147



DAWOOD EQUITIES LIMITED

8 DEFERRED TAXATION

Deferred tax asset amounting to Rs. 37.90 Million (June 30, 2017 : Rs. 55.10 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>(Un-audited)</i>	<i>(Audited)</i>
	<i>December 31,</i>	<i>June 30,</i>
	<i>2017</i>	<i>2017</i>
<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>

9 SHORT TERM INVESTMENTS

In related parties- at fair value through profit or loss	9.1	1,292,871	4,336,984
In related parties- available for sale	9.2	23,360,872	4,521,380
Others- at fair value through profit or loss	9.3	9,825,209	21,007,850
		<u>34,478,952</u>	<u>29,866,214</u>

9.1 Investment in Related Parties

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

<i>December 31,</i>	<i>June 30,</i>			
<i>2017</i>	<i>2017</i>			
<i>Number of Shares</i>				
567,613	567,613	Investment 786 (Formally Dawood Capital Management Ltd.)	1,220,368	1,220,369
8,951	330,500	BRR Guardian Modaraba	72,281	3,090,175
			<u>1,292,649</u>	4,310,544
		Gain / (loss) on remeasurement of investments	222	26,440
			<u>1,292,871</u>	<u>4,336,984</u>

The market value of each listed security is as follows:

Investment 786 (Formally Dawood Capital Management Ltd.)	2.15	2.15
BRR Guardian Modaraba	8.10	9.43

9.2 Financial Assets - Available for sale

<i>December 31,</i>	<i>June 30,</i>			
<i>2017</i>	<i>2017</i>			
<i>Number of Shares</i>				
1,090,500	624,500	Dawood Family Takaful Company Ltd.	9,181,380	4,521,380
1,720,808	-	Investment in shares of The Bank of Punjab	14,179,492	-
			<u>23,360,872</u>	<u>4,521,380</u>



DAWOOD EQUITIES LIMITED

			<i>(Un-audited)</i>	<i>(Audited)</i>
			<i>December 31,</i>	<i>June 30,</i>
			<i>2017</i>	<i>2017</i>
		<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
9.3 Other investments				
Financial Assets - at fair value through profit and loss - Held for trading				
Ordinary shares		9.3.1	<u>9,825,209</u>	<u>21,007,850</u>
9.3.1 Held for trading - Ordinary Shares				
<i>December 31,</i>	<i>June 30,</i>		<i>(Un-audited)</i>	<i>(Audited)</i>
<i>2017</i>	<i>2017</i>		<i>December 31,</i>	<i>June 30,</i>
<i>Number of Shares</i>	<i>Number of Shares</i>		<i>2017</i>	<i>2017</i>
			<i>Rupees</i>	<i>Rupees</i>
300	300	Attock Petroleum Limited	187,719	190,437
-	10,000	Bank of Punjab - LOR	-	16,207
10,000	25,000	Byco Petroleum Pakistan Limited	176,500	532,575
2,000	-	Cherat Cement Company Limited (CHCC)	239,960	-
62,500	-	Crescent standard modarba	176,943	-
40,000	-	Dost Steels Limited (DSL)	501,782	-
17,000	17,000	Fauji Fertilizer Bin Qasim Limited	604,204	887,910
7,500	7,500	Fauji Fertilizer Company Limited	623,550	77,000
500	500	Gul Ahmed Textile Mills Limited	19,620	23,581
100	100	ICI Pakistan Limited	91,362	111,586
500	500	Ittehad Chemicals Limited LOR	14,445	17,390
300,000	300,000	K-Electric Limited	2,112,000	2,452,673
300	-	Kohinoor Textile Mills Limited (KTML)	18,000	-
1,500	1,500	Kot Addu Power Company Limited	114,060	120,315
12,000	-	Maple leaf cement factory ltd	780,000	-
17,500	5,000	Mughal Iron & Steel Limited	1,023,702	705,150
5,000	5,000	Oil & Gas Development Company	743,200	741,550
1,095	1,000	Otsuka Pakistan Limited	237,480	233,010
5,000	-	Pak Electorn Limited (Pael)	379,750	-
-	1,000	Pakistan State Oil Company Limited	-	415,188
367	104,867	Power Cement Limited	3,343	1,496,604
5,000	-	Sui Northern Gas Pipelines Ltd (Sngpl)	669,300	-
12,500	12,500	The Hub Power Company Limited	1,397,625	1,638,250
16,500	15,000	Treet Corporation Limited	735,450	1,069,549
-	369,494	Ittefaq Iron Industries Limited	-	11,158,719
			<u>10,849,995</u>	<u>26,961,847</u>
		Loss on remeasurement of investments	<u>(1,024,786)</u>	<u>(5,953,997)</u>
			<u>9,825,209</u>	<u>21,007,850</u>



DAWOOD EQUITIES LIMITED

(Un-audited) *(Audited)*
December 31, **June 30,**
2017 **2017**
Rupees **Rupees**

9.3.2 The market value of each listed security is as follows:

Attock Petroleum Limited	523.08	626
Byco Petroleum Pakistan Limited	12.80	19
Fauji Fertilizer Bin Qasim Limited	35.54	43
K-Electric Limited	6.31	7
Mughal Iron And Steel Industries	58.10	81
Oil & Gas Development Company	162.79	-
Otsuka Pakistan Limited	298.95	293
Pakistan State Oil Company Limited	-	387
Pakistan Stock Exchange Limited	22.40	26
Power Cement Limited	8.74	13
The Hub Power Company Limited	91.00	117
Treet Corporation Limited	37.05	57
K-Electric Limited	6.31	-
ICI Pakistan Limited	767.95	-
Gul Ahmed Textile Mills Limited	37.08	-
Treet Corporation Limited	37.05	-
Dost Steels Limited	10.06	-
Cherat Cement Company Limited	110.91	-

(Un-audited) *(Audited)*
December 31, **June 30,**
2017 **2017**
Rupees **Rupees**

Note

Crescent Standard Modaraba	2.79	-
Kohinoor Textile Mills Limited	66.25	-
Maple Leaf Cement Factory Limited	68.44	-
Fauji Fertilizer Company Limited	79.11	-

10 TRADE DEBTS

Considered good		78,035,077	70,800,164
Considered doubtful		135,957,284	126,825,408
	10.1	213,992,361	197,625,572
Provision for doubtful receivables		(148,828,786)	(152,287,470)
		65,163,575	45,338,102
Reversal of Provision `		-	3,458,684
		65,163,575	48,796,786

10.1 This includes an amount of Rs. 10,025,990 (June 30, 2017 : Rs.11,194,117) receivable from related parties of the Company.



DAWOOD EQUITIES LIMITED

		<i>(Un-audited)</i> December 31, 2017	<i>(Audited)</i> June 30, 2017
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
11 CASH AND BANK BALANCES			
Cash in hand		16,931	6,082
Cash at bank			
In current accounts		4,030,637	10,690,384
In saving account		21,787,179	1,499,449
	11.1	25,817,816	12,189,833
		25,834,747	12,195,915
11.1 Balance pertaining to:			
- clients		21,787,179	918,702
- brokerage house		4,030,637	11,271,131
		25,817,816	12,189,833
12 TRADE AND OTHER PAYABLE			
Trade creditors	12.1	24,836,241	21,611,034
Due to dealer		1,763,062	1,437,796
Accrued expenses		1,834,028	1,946,851
Payable to BRR Guardian Modaraba		-	11,158,719
Payable to BRR Financial Services	12.2	24,000,000	-
Withholding tax payable		591,015	667,476
		53,024,345	36,821,876

12.1 This includes an amount of Rs. 1,851,071 (June 30, 2017 : Rs.4,572,723) payable to related parties of the Company.

13 CONTINGENCIES & COMMITMENTS

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

13.1 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.

13.2 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.

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



DAWOOD EQUITIES LIMITED

		<i>(Un-audited)</i>	<i>(Audited)</i>
		<i>December 31,</i>	<i>June 30,</i>
		<i>2017</i>	<i>2017</i>
		<i>Rupees</i>	<i>Rupees</i>
For purchase of shares		<u>76,707,514</u>	<u>98,724,767</u>
For sale of shares		<u>82,060,202</u>	<u>91,900,532</u>
		<i>(Un-audited)</i>	
		<i>December 31,</i>	<i>December 31,</i>
		<i>2017</i>	<i>2016</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
14 OPERATING REVENUE			
Brokerage commission	14.1	8,666,585	12,067,890
Underwriting commission		9,078,684	-
Custody / Laga / NCSS Fees		1,384,681	1,553,568
Dividend income		546,017	413,904
Profit on cash exposure deposit		327,561	113,261
Income from margin finance		494,801	-
Brokerage commission on subscription		717,940	-
		<u>21,216,268</u>	<u>14,148,623</u>
14.1 Brokerage commission			
Gross commission		13,989,664	14,991,591
Sindh Sales Tax		(1,818,650)	(2,923,701)
		<u>12,171,014</u>	<u>12,067,890</u>
Commission to agents and dealers		(3,504,429)	-
		<u>8,666,585</u>	<u>12,067,890</u>
14.2 Turnover during the year			
Corporate		58,458,179	41,657,602
Individual		182,582,014	468,341,877
In-House investment		46,356,588	3,269,024
		<u>287,396,781</u>	<u>513,268,503</u>
		<i>(Un-audited)</i>	
		<i>December 31,</i>	<i>December 31,</i>
		<i>2017</i>	<i>2016</i>
		<i>Rupees</i>	<i>Rupees</i>
15 TAXATION-NET			
Current tax		1,851,061	(2,183,043)
Deferred tax		17,254,265	(1,948,301)
		<u>19,105,326</u>	<u>(4,131,344)</u>



DAWOOD EQUITIES LIMITED

16 PROVISION FOR IMPAIRMENT LOSSES

The aging of trade debts as at balance sheet is summarized below: -

	<i>December 31, 2017</i>		<i>June 30, 2017</i>	
	<i>Gross</i>	<i>Impairment</i>	<i>Gross</i>	<i>Impairment</i>
	<i>----- Rupees -----</i>			
Past due 1-30 days	33,778,410	-	41,089,253	-
Past due 31 days -90 days	27,151,782	-	3,861,016	-
Past due 90 days -1 year	21,941,678	(12,871,503)	589,660	-
More than one year	135,957,283	(135,957,283)	131,355,054	(78,504,691)
Total	218,829,153	(148,828,786)	176,894,983	(78,504,691)

Company expects that no provision is required based as past recoveries as well as securites held. Further refer Note -13 for pending law suit based on which no further provision is made on corporate client.

17 PATTERN OF SHAREHOLDINGS

Following are the shareholders having more than 5% holding as at December 31, 2017:

<i>Sr. No.</i>	<i>Name of Shareholder</i>	<i>No. of Shares Held</i>	<i>Percentage %</i>
1.	Ayaz Dawood	4,822,131	19.29
2.	The Bank Of Khyber	3,750,000	15.00
3.	Asim Abdul Ghani	2,513,000	10.05
4.	B.R.R. Guardian Modaraba	1,800,000	7.20
5.	Equity International (Pvt.) Ltd.	1,349,500	5.40
		14,234,631	56.94

Changes in following share holding pattern exceeds 5% during preceding six months :

Equity International (Pvt.) Ltd.	1,349,500	5.4%
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18 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

	<i>(Un-Audited)</i> Half year ended		<i>(Un-Audited)</i> Quarter ended	
	<i>December 31,</i> 2017 <i>Rupees</i>	<i>December 31,</i> 2016 <i>Rupees</i>	<i>December 31,</i> 2017 <i>Rupees</i>	<i>December 31,</i> 2016 <i>Rupees</i>
Commission earned from brokerage transactions with member companies and key management personnel of members companies	1,545,903	1,757,057	714,789	948,692
Loan received during the period.	24,000,000	-	24,000,000	-
Expenses paid to member companies	62,000	66,000	62,000	33,000
FDIBL and others Employee Provident Fund Employer's contribution paid	146,266	106,794	73,065	53,397

19 DATE FOR AUTHORIZATION FOR ISSUE

The Board of Directors of the Company authorized these interim financial statements for issue on February 27, 2018.

20 GENERAL

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



Chief Executive



Director



Chief Financial Officer

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- 📊 Financial calculator
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- 📖 Online Quizzes



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