



DAWOOD EQUITIES LIMITED

**Quarterly Report
March 31, 2018
(Un-Audited)**

**Q
U
A
R
T
E
R
L
Y**

**R
E
P
O
R
T**

2018



Contents	Page
■ Corporate Objective.....	2
○ Our Vision.....	2
○ Our Mission.....	2
■ Company information.....	3
■ Directors' Report.....	4
■ ڈائریکٹرز کی رپورٹ	5
■ Financial Statement	
○ Condensed Interim Balance Sheet.....	6
○ Condensed Interim Profit & Loss Account.....	7
○ Condensed Interim Statement of Comprehensive Income	8
○ Condensed Interim Statement of Cash Flow.....	9
○ Condensed Interim Statement of Changes in Equity.....	10
○ Notes to The Financial Statement	11





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), I am pleased to present herewith the unaudited financial statements for the third quarter ended March 31, 2018.

FINANCIAL PERFORMANCE

The Company earned core operating revenue of Rs.26.68 million as compare to Rs.22.45 million an increase of 18.8% whereas expenses increased by 10.2% 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:

	March 31, 2018 Rupees	March 31, 2017 Rupees
Net Revenue	26,681,135	22,454,946
Administrative Expenses	11,897,817	10,789,249
Profit / (Loss) after tax	(14,172,535)	43,979,649
Earnings per share basic and diluted	(0.57)	1.76

Junaid Dada
Chairman

Karachi: **April 27, 2018**

Abdul Aziz Habib
Chief Executive Officer



DAWOOD EQUITIES LIMITED

ڈائریکٹرز کی رپورٹ:

محترم حصص یافتگان،


داؤد ایکویٹیز لمیٹڈ (کمپنی) کے ڈائریکٹرز کی جانب سے 31 مارچ 2018ء کو ختم ہونے والے نو ماہی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے سرسبز محسوس کر رہا ہوں۔

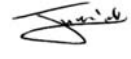
مالیاتی نتائج:

زیر جائزہ مدت کے دوران کمپنی کی خالص آمدنی میں گزشتہ سال کے مقابلے میں 18.8 فیصد اضافہ ہوا ہے جبکہ انتظامی اخراجات میں صرف 10.2 فیصد اضافہ ہوا ہے۔ منافع قبل از ٹیکس بڑھ کے 26.68 بلین روپے ہو گیا ہے جو کہ گزشتہ سال اسی مدت میں 22.45 بلین روپے تھا۔ اسٹاک ایکسچینج کے ارکان کی کمیشن کی آمدنی پر ٹیکس کی منتقلی کی وجہ سے منافع میں کمی واقع ہوئی ہے۔ جو کہ اب حتمی ٹیکس کے نظام کے تابع ہے۔

مالیاتی نتائج کا خلاصہ مندرجہ ذیل ہے:

March 31, 2018 Rupees	March 31, 2017 Rupees	
26,681,135	22,454,946	خالص آمدنی
11,897,817	10,789,249	انتظامی اخراجات
(14,172,535)	43,979,649	نتفع (نقصان) قبل از ٹیکس
(0.57)	1.76	نتفعی حصص بنیادی اور معتدل


عبدالعزیز حبیب
چیف ایگزیکٹو آفسر


جنید اڈا
چیئر مین

کراچی مورخہ فروری 2018ء



DAWOOD EQUITIES LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2018

		(Un-audited) March 31, 2018 Rupees	(Audited) June 30, 2017 Rupees
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	5	14,525,776	14,551,898
Intangible assets	6	5,000,000	5,000,000
Long term investment - available for sale	7	49,305,512	41,163,828
Long term deposit		1,137,500	1,137,500
Deferred tax asset	8	37,895,174	55,149,439
		107,863,962	117,002,665
Current Assets			
Short term investments	9	41,120,402	29,866,214
Trade debts	10	46,303,693	48,796,786
Receivable against margin finance		5,228,644	10,230,215
Advances, deposits and prepayments		15,253,403	40,409,094
Other receivables		19,031,471	22,049,816
Tax refunds due from government		15,304,468	13,538,595
Cash and bank balances	11	16,061,390	12,195,915
		158,303,470	177,086,635
Total Assets		266,167,432	294,089,300
<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		(12,325,137)	7,277,424
		237,639,863	257,242,424
Non Current Liabilities			
Rental deposits		25,000	25,000
Current Liabilities			
Trade and other payables	12	28,502,569	36,821,876
Contingencies			
	13	-	-
Total Equity and Liabilities		266,167,432	294,089,300


Chief Executive


Director


Chief Financial Officer



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2018**

	Nine Month Ended		Quarter Ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Rupees		Rupees	
Operating revenue	26,681,135	22,454,946	5,464,867	8,306,323
Capital gain / (loss) on disposal of investments - net	(9,246,968)	36,103,359	9,321,748	32,051,259
Profit / (loss) on remeasurement of investments carried at fair value through profit and loss	824,917	(446,167)	1,849,703	(1,530,938)
	<u>18,259,084</u>	<u>58,112,138</u>	<u>16,636,318</u>	<u>38,826,644</u>
Administrative expenses	<u>(11,897,817)</u>	<u>(10,789,249)</u>	<u>(2,984,497)</u>	<u>(3,369,391)</u>
	6,361,267	47,322,888	13,651,821	35,457,252
Other operating income	294,559	2,127,566	19,704	74,972
Reversal of provision		135,000		45,000
Financial charges	<u>(758,416)</u>	<u>(62,387)</u>	<u>(24,812)</u>	<u>(25,145)</u>
Profit before taxation	<u>5,897,410</u>	<u>49,523,068</u>	<u>13,646,712</u>	<u>35,552,080</u>
Taxation - net	(20,069,945)	(5,543,419)	(964,619)	(1,412,075)
	-	-	-	-
Profit after taxation	<u>(14,172,535)</u>	<u>43,979,649</u>	<u>12,682,093</u>	<u>34,140,005</u>
Earning per share - basic and diluted	<u>(0.57)</u>	<u>1.76</u>	<u>0.51</u>	<u>1.37</u>

The annexed notes 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 NINE MONTH PERIOD ENDED MARCH 31, 2018**

	Nine Months ended		Quarter Ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	----- Rupees -----			
(Loss) / profit for the period	(14,172,535)	43,979,649	12,682,093	34,140,005
Other comprehensive income	-	-	-	-
Unrealized (loss)/ gain on remeasurement	(5,430,026)	(1,711,435)	7,479,872	(1,711,435)
Total comprehensive income	(19,602,561)	42,268,214	20,161,965	32,428,570

The annexed notes 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 NINE MONTH PERIOD ENDED MARCH 31, 2018**

	(Un-audited) March 31, 2017 Rupees	(Un-audited) March 31, 2016 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,897,410	49,523,068
Adjustment for non cash items:		
Depreciation	851,972	404,557
Other income	(294,559)	(2,127,566)
Dividend income	(1,134,118)	(467,453)
(Gain) / Loss on remeasurement of investment	(824,917)	
Capital (gain) / Loss on disposal of investment	9,246,968	
Financial charges	758,416	62,387
	<u>8,603,762</u>	<u>(2,128,075)</u>
	14,501,172	47,394,992
Increase / (Decrease) in current assets		
Trade debts	2,493,093	(7,264,144)
Trade deposits and short term prepayments	25,155,691	(15,400,687)
Receivable against MF	5,001,571	-
Other receivables	3,018,345	836,069
	<u>35,668,700</u>	<u>(21,828,762)</u>
Increase in current liabilities		
Trade and other payables	(8,319,307)	4,128,877
	<u>41,850,565</u>	<u>29,695,107</u>
Cash flows after working capital changes		
Financial charges paid	(758,416)	(62,387)
Taxes paid	(4,581,555)	(5,648,375)
	<u>(5,339,971)</u>	<u>(5,710,762)</u>
Net cash generated from / (used in) operating activities	<u>36,510,594</u>	<u>23,984,345</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Receipt against other income	294,559	2,127,566
Addition in fixed assets	(825,850)	(14,399,888)
Receipt against dividend income	1,134,118	467,453
Short term investment -net	(33,247,947)	(15,855,174)
Net cash used in investing activities	<u>(32,645,119)</u>	<u>(27,660,043)</u>
Net increase / (decrease) in cash and cash equivalents (A+B)	3,865,475	(3,675,697)
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	<u>16,061,390</u>	<u>8,830,566</u>
Cash and cash equivalents comprise of:		
Cash and bank balances	16,061,390	8,830,566
Short term running finance	-	-
Short term investment	-	-
	<u>16,061,390</u>	<u>8,830,566</u>

The annexed notes 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 NINE MONTH PERIOD ENDED MARCH 31, 2018**

Description	Reserves				Total	Total equity
	Issued, subscribed and paid up capital	Capital		Revenue		
		Gain/(loss) on remeasuremen t of AFS investment	Share premium	Unappropriated loss		
----- Rupees -----						
Balance as at July 01, 2016	249,965,000	3,905,958	74,973,750	(105,295,623)	(26,415,915)	223,549,085
Comprehensive income for the period ended July - March 2017	-	-	-	43,979,649	43,979,649	43,979,649
Adjustment on re-measurement of investment	-	(1,711,435)	-	-	(1,711,435)	(1,711,435)
Balance as at March 31, 2017	249,965,000	2,194,523	74,973,750	(61,315,974)	15,852,299	265,817,299
Balance as at April 01, 2017	249,965,000	2,194,523	74,973,750	(61,315,974)	15,852,299	265,817,299
Loss for the period April 2017-June 2017	-	-	-	(33,009,729)	(33,009,729)	-
Loss on re-measurement of investment available for sale at par value	-	24,434,854	-	-	24,434,854	-
Comprehensive income for the period ended April - June 2017	-	-	-	(8,574,875)	(8,574,875)	(8,574,875)
Balance as at June 30, 2017	249,965,000	26,629,377	74,973,750	(94,325,703)	7,277,424	257,242,424
Balance as at July 01, 2017	249,965,000	26,629,377	74,973,750	(94,325,703)	7,277,424	257,242,424
Unrealized (loss)/ gain on re-measurement relating to available for for sale investments	-	(5,430,026)	-	-	(5,430,026)	(5,430,026)
Profit for the period ended July - March 2018	-	-	-	(14,172,535)	(14,172,535)	(14,172,535)
Balance as at March 31, 2018	249,965,000	21,199,351	74,973,750	(108,498,238)	(12,325,137)	237,639,863

The annexed notes 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 NINE MONTH PERIOD ENDED MARCH 31, 2018**

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 Nine months period ended March 31, 2018 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.

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, 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>March 31,</i> <i>2018</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	825,850	14,986,638
Less: Disposals-net			
Cost		-	794,975
Depreciation		-	(616,442)
		-	178,533
Depreciation		(851,972)	(597,443)
Closing net book value		<u>14,525,776</u>	<u>14,551,898</u>
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		15,000	14,260,000
Motor vehicle		43,500	-
		<u>825,850</u>	<u>14,986,638</u>
6 INTANGIBLE ASSETS			
Trading Rights Entitlement Certificates (TRECs)		<u>5,000,000</u>	<u>5,000,000</u>
7 LONG TERM INVESTMENT			
December 31,	June 30,		
No of shares			
1,902,953	1,602,953	Investment in shares of Pakistan Stock Exchange Limited - available for sale	16,029,530
			25,134,298
		Unrealized (Loss) / gain on remeasurement	41,163,828
<u>1,902,953</u>	<u>1,602,953</u>	<u>49,305,512</u>	<u>41,163,828</u>
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.			



DAWOOD EQUITIES LIMITED

	<i>(Un-audited)</i> March 31, 2018 <i>Rupees</i>	<i>(Audited)</i> June 30, 2017 <i>Rupees</i>
9 SHORT TERM INVESTMENTS		
In related parties- at fair value through profit or loss	410,098	4,336,984
Available for sale	30,557,457	4,521,380
Others- at fair value through profit or loss	10,152,846	21,007,850
	<u>41,120,402</u>	<u>29,866,214</u>
10 TRADE DEBTS		
Considered good	60,958,698	70,800,164
Considered doubtful	134,173,781	126,825,408
	195,132,479	197,625,572
Provision for doubtful receivables	(148,828,786)	(152,287,470)
	46,303,693	45,338,102
Reversal of Provision `	-	3,458,684
	<u>46,303,693</u>	<u>48,796,786</u>
11 CASH AND BANK BALANCES		
Cash in hand	10,076	6,082
Cash at bank		
In current accounts	2,401,927	10,690,384
In saving account	13,649,387	1,499,449
	16,051,314	12,189,833
	<u>16,061,390</u>	<u>12,195,915</u>
11.1 Balance pertaining to:		
- clients	13,649,387	918,702
- brokerage house	2,401,927	11,271,131
	<u>16,051,314</u>	<u>12,189,833</u>
12 CONTINGENCIES & COMMITMENTS		
The status of contingencies as were reported in the financial statements for the year ended June 30, 2017 is same as follows:		
12.1 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.		
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. After upfront settlement theremaining balance will be receivable in equal monthly installment of Rs.15,000 per month until fully recovered.		
13 PATTERN OF SHAREHOLDINGS		
Following are the shareholders having more than 5% holding as at December 31, 2017:		



DAWOOD EQUITIES LIMITED

Sr. No.	Name of Shareholder	No. of Shares Held	Percentage %
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
		<u>14,234,631</u>	<u>56.94</u>

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

Equity International (Pvt.) Ltd.	<u>1,349,500</u>	<u>5.4%</u>
---	------------------	-------------

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.

	<i>(Un-Audited)</i> <i>Nine Month ended</i>		<i>(Un-Audited)</i> <i>Quarter ended</i>	
	<i>31-Mar-18</i> <i>2018</i> <i>Rupees</i>	<i>31-Mar-17</i> <i>2017</i> <i>Rupees</i>	<i>31-Mar-18</i> <i>2018</i> <i>Rupees</i>	<i>31-Mar-17</i> <i>2017</i> <i>Rupees</i>
Commission earned from brokerage transactions with member companies and key management personnel of members companies	<u>2,564,534</u>	1,018,631	<u>1,733,420</u>	790,416
Loan recived / Paid during the period.	<u>25,000,000</u>	-	<u>25,000,000</u>	-
Expenses paid to member companies	<u>120,000</u>	99,000	<u>60,000</u>	33,000
FDIBL and others Employee Provident Fund Employer's contribution paid	<u>219,032</u>	-	<u>72,766</u>	-

15 DATE FOR AUTHORIZATION FOR ISSUE

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

16 GENERAL

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


Chief Executive


Director


Chief Financial Officer



BOOK POST
Printed Matter

UNDER CERTIFICATE OF POSTING

www.jamapunji.pk

 **Jama Punji**
سرمایہ کاری سمجھداری کے ساتھ



**Be aware, Be alert,
Be safe**
Learn about investing at
www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes

 Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

jamapunji.pk @jamapunji_pk

*Mobile apps are also available for download for android and ios devices

if undelivered, please return to:
Dawood EQUITIES LIMITED
17th Floor - Saima Trade Towers A,
I.I. Chindrigar Road, Karachi.