



DAWOOD EQUITIES LIMITED

**First Quarter Report
September 30, 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	Abdul Aziz Habib (Chairman) Non Executive Director Mr. Junaid Zakaria Dada(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	Irfan Haroon & 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 first quarter ended September 30, 2015.

FINANCIAL RESULT

The summary of comparative financial highlights is given below:

OPERATING RESULTS	SEPTEMBER 30 2015 Rupees	SEPTEMBER 30 2014 Rupees
Operating Revenue	7,449,179	2,426,328
Capital gain on disposal of investments	799,700	362,742
Administrative Expenses	(3,639,503)	(2,402,206)
Financial Charges	(20,549)	(24,068)
Other Operating Income	103011	224,499
Profit after tax	2,556,125	597,264
Earnings per share basic and diluted	0.10	0.02

During the period under review the Company reported a profit after tax of Rs. 2,556,125/- as compared to Rs. 597,264/- for the corresponding period last year, whereas earnings per share increased to 0.10 per share from 0.02 per share for the corresponding period last year.

On behalf of the Board

Abdul Aziz Habib
Chairman

Karachi: October 28, 2015



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2015**

		<i>(Un-Audited)</i>	<i>(Audited)</i>
		<i>30-Sep</i>	<i>30-Jun</i>
		<i>2015</i>	<i>2015</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	4	252,147	282,275
Intangible assets		13,663,818	13,663,818
Long term investment		40,434,494	40,434,494
Long term deposits		1,137,500	1,137,500
Deferred taxation		35,000,000	35,000,000
		<u>90,487,959</u>	<u>90,518,087</u>
Current Assets			
Short term investments	5	50,124,936	29,257,054
Trade debts		71,165,200	75,279,045
Trade deposits and short term prepayments	6	4,245,387	33,563,082
Other receivable		17,286,144	18,407,784
Tax refunds due from government		6,204,042	5,604,476
Cash and bank balances	7	6,082,620	6,119,780
		<u>155,108,329</u>	<u>168,231,221</u>
		<u>245,596,288</u>	<u>258,749,308</u>
Total Assets			
<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>(24,672,309)</u>	<u>(27,228,434)</u>
		<u>225,292,691</u>	<u>222,736,566</u>
Current Liabilities			
Trade and other payables		20,303,597	36,012,742
Contingencies and Commitments			
	8		
Total Equity and Liabilities		<u>245,596,288</u>	<u>258,749,308</u>

The annexed notes form an integral part of these financial statements


Director


Director

In Absences of Chief Executive Approval from the Karachi Stock Exchange Limited, two directors are signing the financial statements including proposed Chief Executive being director.



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2015**

	<i>(Un-Audited)</i> <i>30-Sep</i> <i>2015</i> <i>Rupees</i>	<i>(Un-Audited)</i> <i>30-Sep</i> <i>2014</i> <i>Rupees</i>
Operating revenue	7,449,179	2,426,328
Capital gain on disposal of investments - net	799,700	362,742
Gain on remeasurement of investments carried at fair value through profit and loss	(1,882,909)	9,969
	6,365,970	2,799,039
Administrative expenses	(3,639,503)	(2,402,206)
	2,726,467	396,833
Financial charges	(20,549)	(24,068)
	2,705,918	372,765
Other operating income	103,011	224,499
Other operating charges		
Profit before taxation	2,808,929	597,264
Taxation	(252,804)	
Profit after taxation	2,556,125	597,264
Earning per share - Basic and diluted	0.10	0.02

The annexed notes form an integral part of these financial statements



Director



Director

In Absences of Chief Executive Approval from the Karachi Stock Exchange Limited, two directors are signing the financial statements including proposed Chief Executive being director.



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2015**

	<i>(Un-Audited)</i> 30-Sep 2015 Rupees	<i>(Un-Audited)</i> 30-Sep 2014 Rupees
Profit for the Period	2,556,125	597,264
Other Comprehensive income	-	-
Total comprehensive income for the period	<u>2,556,125</u>	<u>597,264</u>

The annexed noted form an integral part of these financial statement



Director



Director

In Absences of Chief Executive Approval from the Karachi Stock Exchange Limited, two directors are signing the financial statements including proposed Chief Executive being director.



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2015**

	<i>(Un-Audited)</i> 30-Sep 2015 Rupees	<i>(Un-Audited)</i> 30-Sep 2014 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,808,929	597,264
Adjustment for non cash items:		
Depreciation	30,128	25,924
(Gain) / Loss on remeasurement of investment	1,882,909	(9,969)
Reversal of impairment		
Capital (gain) / Loss on disposal of investment	(799,700)	(362,742)
Dividend income	(60,204)	(51,079)
Amortization on intangible assets		
(Reversal) / provision for doubtful debts	(45,000)	(45,000)
Gain on sale of vehicle		
Other Income	(58,011)	
Arrived income write-off		
Financial charges	20,549	24,068
	<u>3,779,600</u>	<u>178,466</u>
(Increase) / decrease in current assets		
Trade debts	4,113,845	4,199,762
Other receivables	1,121,640	(173,335)
Trade deposits and short term prepayments	29,317,695	(14,920,729)
	<u>34,553,180</u>	<u>(10,894,302)</u>
(Decrease) in current liabilities		
Trade and other payables	(15,709,145)	10,155,044
	<u>(15,709,145)</u>	<u>10,155,044</u>
	<u>22,623,635</u>	<u>(560,792)</u>
Taxes paid	(1,105,167)	(235,663)
Financial charges paid	(20,549)	(24,068)
	<u>(1,125,716)</u>	<u>(259,731)</u>
Net cash (used in) / generated from operating activities	<u>21,497,919</u>	<u>(820,523)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from Other Income	103,011	
Disposal of investments - net	(21,698,294)	1,383,277
Dividend received	60,204	51,079
	<u>(21,535,079)</u>	<u>1,434,356</u>
Net cash generated from/(used in) investing activities	<u>(21,535,079)</u>	<u>1,434,356</u>
Net (decrease)/increase in cash and cash equivalents	<u>(37,160)</u>	<u>613,833</u>
Cash and cash equivalents at the beginning of the period	<u>6,119,780</u>	<u>3,102,023</u>
Cash and cash equivalents at the end of the period	<u>6,082,620</u>	<u>3,715,856</u>

The annexed notes form an integral part of these financial statements

Director

Director

In Absences of Chief Executive Approval from the Karachi Stock Exchange Limited, two directors are signing the financial statements including proposed Chief Executive being director.



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2015**

	Reserves				Total	Total Equity
	Issued, subscribed and paid up capital	Capital		Revenue		
		Gain on remeasureme nt of AFS Investments	Share premium	Accumulated (loss) / profit		
----- Rupees -----						
Balance as at July 01, 2014	249,965,000	3,737,648	74,973,750	(152,919,632)	(74,208,234)	175,756,766
Total comprehensive income for the period				597,264	597,264	597,264
Balance as at September 30, 2014	249,965,000	3,737,648	74,973,750	(152,322,368)	(73,610,970)	176,354,030
Balance as at October 01, 2014	249,965,000	3,737,648	74,973,750	(152,322,368)	(73,610,970)	176,354,030
Profit for the period ended October - June 2015				46,021,872	46,021,872	46,021,872
Gain on re-measurement of investment available for sale at par value		360,664			360,664	360,664
Total Comprehensive income for the period ended October - June 2015					46,382,536	
Balance as at June 30, 2015	249,965,000	4,098,312	74,973,750	(106,300,496)	(27,228,434)	222,736,566
Balance as at July 01, 2015	249,965,000	4,098,312	74,973,750	(106,300,496)	(27,228,434)	222,736,566
Total comprehensive income for the period				2,556,125	2,556,125	2,556,125
Balance as at September 30, 2015	249,965,000	4,098,312	74,973,750	(103,744,371)	(24,672,309)	225,292,691

The annexed notes form an integral part of these financial statements



Director



Director

In Absences of Chief Executive Approval from the Karachi Stock Exchange Limited, two directors are signing the financial statements including proposed Chief Executive being director.



DAWOOD EQUITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 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 Karachi Stock Exchange (Guarantee) Limited on April 14, 2008. The registered office of the Company is situated at 1900-B, Saima Trade Towers, I.I. Chundrigar Road, Karachi. The Company's principal business is trading and brokerage of listed equities, underwriting and other investments.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 shall prevail.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except as otherwise mentioned in these financial statements. Further, accrual basis of accounting is followed except for cash flow information.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company and rounded off to the nearest rupee.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in the financial statements are described as follows: -



DAWOOD EQUITIES LIMITED

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial statements are the same as those for the preceding published Annual financial statements for the year ended June 30, 2015.

	Note	September 30, 2015 (Un-audited) Rupees	June 30, 2015 (Audited) Rupees
4. PROPERTY & EQUIPMENT			
Written down value at the beginning of the period/year		282,275	342,779
Add: Additions during the period/year	4.1		47,300
Less: Depreciation during the period/year		(30,128)	(107,804)
Disposals-net		-	-
Written down value at the ending of the period/year		<u>252,147</u>	<u>282,275</u>
4.1 Following additions in assets at cost were made during the period/year:			
Vehicles		-	47,300
Computer equipment			
Office Equipment			
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>47,300</u>
5 SHORT TERM INVESTMENTS			
In related Parties - at fair value through profit & loss		1,688,221	1,624,557
In related Parties - available for sale		29,595,000	12,095,000
Others - at fair value through profit & loss		18,841,715	15,537,496
		<u>-</u>	<u>-</u>
		<u>50,124,936</u>	<u>29,257,054</u>
6 ADVANCES, TRADE DEPOSITS AND SHORT			
Trade deposits		4,033,082	33,463,082
Short term prepayments		212,305	100,000
		<u>4,245,387</u>	<u>33,563,082</u>
7 CASH AND BANK BALANCES			
Cash in hand		8,690	3,236
Cash at banks - current & PLS accounts	7.1	6,073,930	6,116,544
		<u>6,082,620</u>	<u>6,119,780</u>

7.1 PLS Account account carries Rs. 3.1% mark-up (June 30, 2015: 3.1% per annum).

8 COMMITMENTS

8.1 The Company has filed a suit in the Honorable Sindh High Court Karachi against one of its corporate client against recovery of Rs.75.436 million and proceedings are in process. Currently negotiations outside court is in process and therefore no further provision during current year has been made and management believes that provision of Rs. 28.672 million as already made is sufficient.



DAWOOD EQUITIES LIMITED

8.2 Compromise decree has been passed by the Honorable High Court of Sindh regarding fully provided balance of Mr. Abbas Qurban of Rs. 30.33 million. The amount of Rs. 1.6 million is recovered through Provident Fund balance of Mr. Abbas Qurban with the First Dawood Investment Bank Limited. The remaining balance will be receivable in equal monthly installment of Rs.15,000 per month until fully recovered. The provision will be reversed in the similar pattern as recovery occurs.

9 TRANSACTION WITH RELATED PARTIES

Related parties comprises member companies, directors, key management personnel of member companies and various other related parties that has an interest in the Company that gives it significant influence over the Company. Details of transactions with related parties during the year are as follows: -

	September 30, 2015 (Un-audited) Rupees	June 30, 2015 (Audited) Rupees
Commission earned from brokerage transactions with member companies and key management personnel of member companies	<u>789,472</u>	<u>1,715,414</u>
Expenses paid / payable to member companies	<u>-</u>	<u>132,000</u>
FDIBL & Other Employee PF - Employers Contribution paid	<u>54,292</u>	<u>217,169</u>

9.1 The above transactions are at arm's length basis on commercial terms and conditions.

10 REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVE

The directors of the company have not drawn any remuneration during the period

None of the employees fall under the category of executives as defined in Companies Ordinance 1984.

11 DATE FOR AUTHORIZATION FOR ISSUE

The Board of Directors of the Company authorized these condensed financial statements for issue on October 28, 2015.

12 GENERAL

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

Director

Director

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DAWOOD EQUITIES LIMITED

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