



D A W O O D E Q U I T I E S L I M I T E D

TREC HOLDER KARACHI STOCK EXCHANGE LIMITED
TREC REGISTRATION NO. BRK-131

Schedule II
[Clause 2(1)]

Compliance Report with the Licensing Conditions

This is to certify that M/s. Dawood Equities Limited has obtained necessary license from Securities Market Division, Securities and Exchange Commission of Pakistan to undertake the business activities as authorized in its memorandum of association, and that the company is compliant with the conditions contained in license to carry on the business activities imposed by Securities and Exchange Commission of Pakistan for the year ended 30th June 2016.

Chief Executive

November 15, 2016

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**INDEPENDENT ASSURANCE REPORT ON COMPLIANCE
REPORT WITH THE LICENSING CONDITIONS
APPLICABLE ON THE COMPANY**

To the board of directors of Dawood Equities Limited

1. Introduction

We have been engaged to perform a limited assurance engagement on the annexed compliance report issued by Dawood Equities Limited on its compliance with the licensing conditions to carry on the business activities imposed by Securities Market Division - Securities and Exchange Commission of Pakistan (SECP) for the year ended 30th June 2016, as required in terms of the Companies (Compliance with Licensing Conditions) General Order, 2016 (the SECP Order) issued by the Securities & Exchange Commission of Pakistan.

2. Applicable Criteria

The Criteria against which the subject matter information (the Compliance Report) is assessed is the SECP Order and the applicable licensing conditions imposed by the Authority.

3. Management's Responsibility for Compliance

The responsibility for compliance with the licensing conditions applicable on the Company is that of the Board of Directors of the Company and who are also responsible for the preparation and presentation of the Compliance Report in accordance with the applicable criteria.

4. Our Independence and Quality Controls

We have complied with the Independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control 1 "Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility is to express a conclusion on the compliance report. We conducted our engagement in accordance with International Standard on Assurance Engagements 3000, 'Assurance Engagements other than audits or review of historical financial statements' issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the compliance report is free from material misstatement.

A member of



Independent legal & accounting firms

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The procedures performed in a Limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, the procedures selected were based on the requirements in the SECP's Order and also dependent on our judgment. Within the scope of our work, we perform amongst other the following procedures:

- Checked that the company has obtained necessary [permission / license / approval] from Securities Market Division - Securities and Exchange Commission of Pakistan to undertake the business activities as authorized in its memorandum of association;
- Checked that company is compliant with the conditions contained in [permission / license / approval] to carry on the business activities imposed by Securities Market Division - Securities and Exchange Commission of Pakistan;
- Reviewed to the extent where such compliance can be objectively verified;
- Checked that the compliance report reflects the status of the company's compliance with the applicable licensing conditions and report if it does not;

6. Description of matter giving rise to exception

Company has appointed compliance officer on October 28, 2016 as per regulation number 29 of Securities Brokers (Licensing and Operations) Regulations, 2016 which date falls after the year ended June 30, 2016.

7. Conclusion

Our conclusion has been formed on basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on our limited assurance engagement, nothing has come to our attention except for the effect of matter reported in paragraph above, that causes us to believe that the Compliance Report does not fairly reflect in all material respects, the compliance status, in accordance with the SECP's Order and the licensing conditions imposed by the Authority.



Haroon Zakaria S/o.
Haroon Zakaria & Company
Chartered Accountants

Engagement Partner:
Farhan Ahmed Memon

Place: Karachi

Date: 22 NOV 2016