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2019

DAWOOD EQUITIES LIMITED

**Quarterly Report
March 31, 2019
(Un-Audited)**

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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 competetitive, dynamic and growing brokerage house that provides cometicitive services, identifies investment opportunities and developers 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. Sobia Saif (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. Sobia Saif
HR & R Committee	Mr. Asim Iftekhar Yakoob- Chairman Syed Muhammad Abbas Abdul Aziz Habib
External Auditor	Reanda Haroon Zakaria & Company Chartered Accountants
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 United Bank Limited Albaraka Bank (Pakistan) Limited MCB Bank Limited The Bank of Khyber
Website	www.dawoodequities.com
Registered Head Office	17th Floor - Saima Trade Towers A, I.I. Chindrigar Road, Karachi. Phone No. 021-32271881-1883 Fax No. 021-32275086
Registered Branch Office	Room 409-410, 4th Floor, New Stock Exchange Building, Stock Exchange Road, Karachi. Phone No. 021-32418874, 32460744 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

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, 2019.

FINANCIAL PERFORMANCE

The Company earned core operating revenue of Rs.13.37 million as compare to Rs. 26.68 million. The revenue is decreased due to decrease in underwriting business. The company's profit after tax arrived at Rs. 12.33 million as compared to a loss of 14.1 million in the corresponding period last year translating to earnings per share of Rs.0.49.

The summary of Financial Results is as follows:

	March 31, 2019 Rupees	March 31, 2018 Rupees
Net Revenue	13,374,010	26,681,135
Administrative Expenses	12,792,277	11,897,817
Profit / (Loss) after tax	12,338,636	(14,172,535)
Earnings per share basic and diluted	0.49	(0.57)



Junaid Dada
Chairman



Abdul Aziz Habib
Chief Executive Officer

Karachi: April 25, 2019

ڈائریکٹرز رپورٹ برائے ممبران

محترم شیئر ہولڈرز

داؤد ایکویٹیز لمیٹڈ (ڈی ای ایل) کے بورڈ آف ڈائریکٹرز کی جانب سے میں 31 مارچ 2019 کو ختم ہونے والی سہ ماہی کیلئے غیر آڈٹ شدہ مالیاتی حسابات پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

مالیاتی کارکردگی:

دوران سہ ماہی کمپنی نے مبلغ 13.37 ملین روپے کی آمدنی حاصل کی جس کا موازنہ 26.68 ملین روپے سے کیا جاسکتا ہے۔ اس آمدنی میں کمی بیمہ کے کاروبار میں کمی کی وجہ سے ہوئی۔ کمپنی نے بعد از ٹیکس منافع مبلغ 12.33 ملین روپے حاصل کیا جس کا موازنہ گذشتہ سال کی اسی مدت کے خسارہ 14.1 ملین روپے سے کیا جاسکتا ہے جو کہ فی شیئر آمدنی 0.49 روپے تھا۔

مالیاتی نتائج درج ذیل ہیں:

31 مارچ 2018	31 مارچ 2019	
روپے	روپے	
26,681,135	13,374,010	مجموعی آمدنی
11,897,817	12,792,272	انتظامی اخراجات
(14,172,535)	12,338,636	بعد از ٹیکس منافع / (خسارہ)
(0.57)	0.49	فی شیئر بنیادی آمدنی



عبدالعزیز حبیب
چیف ایگزیکٹو آفیسر



جنید دادا
چیرمین

کراچی، مورخہ 25 اپریل 2019ء

DAWOOD EQUITIES LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2019

		<i>(Un-audited)</i> March 31, 2019 <i>Rupees</i>	<i>(Audited)</i> June 30, 2018 <i>Rupees</i>
	<i>Note</i>		
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	5	13,897,068	14,530,795
Intangible assets	6	2,500,000	2,500,000
Long term investment - at fair value through OCI	7	31,227,459	37,583,322
Long term deposit		1,131,955	1,137,500
Deferred tax asset		45,719,295	46,632,732
		94,475,777	102,384,349
Current Assets			
Short term investments	8	37,828,820	81,621,981
Trade debts		70,830,087	55,178,928
Receivable against margin finance		2,867,367	3,723,686
Advances, deposits and prepayments		6,917,904	11,936,403
Other receivables		12,984,740	11,227,485
Tax refunds due from government		20,970,138	18,839,552
Cash and bank balances		10,535,761	18,883,066
		162,934,817	201,411,101
Total Assets		257,410,594	303,795,450
 <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		(9,050,116)	3,564,484
		240,914,884	253,529,484
Non Current Liabilities			
Rental deposits		25,000	25,000
Current Liabilities			
Trade and other payables		16,470,711	50,240,966
Contingencies			
	9		
Total Equity and Liabilities		257,410,594	303,795,450

The annexed notes from 1 to 21 form an integral part of these financial statements.



 Chief Executive



 Chief Financial Officer



 Director

DAWOOD EQUITIES LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019

	Nine Month Ended		Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Rupees			
Operating revenue	13,374,010	26,681,135	5,026,688	5,464,867
Capital gain / (loss) on disposal of investments - net	4,301,979	(9,246,968)	413,963	9,321,748
Profit / (loss) on remeasurement of investments carried at fair value through profit and loss	1,076,584	824,917	(1,067,912)	1,849,703
	<u>18,752,574</u>	<u>18,259,084</u>	<u>4,372,740</u>	<u>16,636,318</u>
Administrative expenses	(12,792,277)	(11,897,817)	(4,182,646)	(2,984,497)
	<u>5,960,297</u>	<u>6,361,267</u>	<u>190,094</u>	<u>13,651,821</u>
Other operating income	452,053	294,559	156,798	19,704
Reversal of provision	6,652,576	-	-	-
Financial charges	(98,851)	(758,416)	(63,142)	(24,812)
Profit before taxation	<u>12,966,075</u>	<u>5,897,410</u>	<u>283,750</u>	<u>13,646,712</u>
Taxation - net	(627,440)	(20,069,945)	(42,563)	(964,619)
Profit after taxation	<u>12,338,636</u>	<u>(14,172,535)</u>	<u>241,188</u>	<u>12,682,093</u>
Earning per share - basic and diluted	<u>0.49</u>	<u>(0.57)</u>	<u>0.01</u>	<u>0.51</u>

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



Chief Executive



Chief Financial Officer



Director

DAWOOD EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME(UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019

	Nine Months ended		Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- Rupees -----			
(Loss) / profit for the period	12,338,636	(14,172,535)	241,188	12,682,093
Other comprehensive income	-	-	-	-
Unrealized (loss)/ gain on remeasurement	(22,453,586)	(5,430,026)	1,566,536	7,479,872
Total comprehensive income	<u>(10,114,950)</u>	<u>(19,602,561)</u>	<u>1,807,724</u>	<u>20,161,965</u>

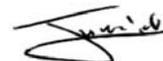
The annexed notes form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

DAWOOD EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019

	(Un-audited) March 31, 2019 Rupees	(Un-audited) March 31, 2018 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	12,966,075	5,897,410
Adjustment for non cash items:		
Depreciation	904,127	851,972
Other income	(452,053)	(294,559)
Dividend income	(493,822)	(1,134,118)
(Gain) / Loss on remeasurement of investment	(4,301,979)	(824,917)
Capital (gain) / Loss on disposal of investment	(1,076,584)	9,246,968
Reversal of Provision	(6,652,576)	-
Financial charges	98,851	758,416
	<u>(11,974,037)</u>	<u>8,603,762</u>
	992,038	14,501,172
Increase / (Decrease) in current assets		
Trade debts	(15,651,159)	2,493,093
Trade deposits and short term prepayments	5,018,499	25,155,691
Receivable against MF	856,319	5,001,571
Other receivables	(1,757,255)	3,018,345
	<u>(11,533,596)</u>	<u>35,668,700</u>
Increase in current liabilities		
Trade and other payables	(33,770,255)	(8,319,307)
Cash flows after working capital changes	<u>(44,311,813)</u>	<u>41,850,565</u>
Financial charges paid	(98,851)	(758,416)
Taxes paid	(1,844,588)	(4,581,555)
	<u>(1,943,439)</u>	<u>(5,339,971)</u>
Net cash generated from / (used in) operating activities	<u>(46,255,252)</u>	<u>36,510,594</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Receipt against other income	452,053	294,559
Addition in fixed assets	(270,400)	(825,850)
Receipt against dividend income	493,822	1,134,118
Short term investment -net	39,113,981	(50,271,507)
Net cash used in investing activities	<u>39,789,456</u>	<u>(49,668,679)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid	(1,881,509)	-
Net cash used in financing activities	<u>(1,881,509)</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents (A+B)	<u>(8,347,305)</u>	<u>(13,158,085)</u>
Cash and cash equivalents at the beginning of the period	<u>18,883,066</u>	<u>12,195,915</u>
Cash and cash equivalents at the end of the period	<u><u>10,535,761</u></u>	<u><u>(962,170)</u></u>
Cash and cash equivalents comprise of:		
Cash and bank balances	<u>10,535,761</u>	<u>(962,170)</u>
	<u><u>10,535,761</u></u>	<u><u>(962,170)</u></u>

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

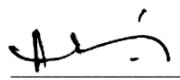

 Chief Executive

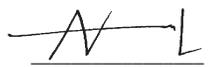

 Chief Financial Officer

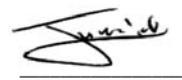

 Director

DAWOOD EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019

Description	Issued, subscribed and paid up capital	Reserves		Total	Total equity	
		Capital	Revenue			
		Gain/(loss) on remeasuremen t of AFS investment	Share premium	Unappropriated loss		
----- Rupees -----						
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 remeasurement relating to available 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
Balance as at April 01, 2018	249,965,000	21,199,351	74,973,750	(108,498,238)	(12,325,137)	237,639,863
Loss for the period April 2018-June 2018				22,516,288	22,516,288	
Loss on re-measurement of investment available for sale at par value		(6,626,667)			(6,626,667)	
Comprehensive income for the period ended April - June 2018	-		-	15,889,621	15,889,621	15,889,621
Balance as at June 30, 2018	249,965,000	14,572,684	74,973,750	(85,981,950)	3,564,484	253,529,484
Balance as at July 01, 2018	249,965,000	14,572,684	74,973,750	(85,981,950)	3,564,484	253,529,484
Unrealized (loss)/ gain on remeasurement relating to available for sale investments		(22,453,586)			(22,453,586)	(22,453,586)
Profit for the period ended July - March 2019	-		-	12,338,636	12,338,636	12,338,636
Dividend paid				(2,499,650)	(2,499,650)	(2,499,650)
Balance as at March 31, 2019	249,965,000	(7,880,902)	74,973,750	(76,142,964)	(9,050,116)	240,914,884


 Chief Executive


 Chief Financial Officer


 Director

DAWOOD EQUITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019

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

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, 2018.

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, 2018.

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, 2018 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, 2018.

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, 2018.

DAWOOD EQUITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019

	<i>Note</i>	<i>(Un-audited)</i> <i>March 31,</i> <i>2019</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2018</i> <i>Rupees</i>
5 PROPERTY AND EQUIPMENT			
Opening net book value		14,530,795	14,551,898
Add: Additions	5.1	270,400	1,037,096
Less: Disposals-net			
Cost		-	-
Depreciation		904,127	(1,058,199)
			(1,058,199)
Closing net book value		<u>13,897,068</u>	<u>14,530,795</u>
 5.1 Following additions were made during the period			
Furniture and fixture		-	343,000
Computer equipment		-	306,696
Office equipment		35,000	279,400
Land and building		-	15,000
Motor vehicle		235,400	93,000
		<u>270,400</u>	<u>1,037,096</u>
		-	
6 INTANGIBLE ASSETS			
Trading Rights Entitlement Certificates (TRECs)		<u>2,500,000</u>	<u>2,500,000</u>
 7 LONG TERM INVESTMENT			
Investment in shares of Pakistan Stock Exchange Limited - available for sale		37,583,322	49,640,015
Unrealized (Loss) / gain on remeasurement		<u>(6,355,863)</u>	<u>(12,056,693)</u>
		<u>31,227,459</u>	<u>37,583,322</u>
 8 SHORT TERM INVESTMENTS			
Related party			
At fair value through profit and loss		14,940	3,942
Others:			
At fair value through profit or loss		17,025,123	1,328,967
At fair value through OCI		9,051,540	36,781,380
Others - at fair value through profit or loss		11,737,218	43,507,692
		<u>37,828,820</u>	<u>81,621,981</u>

9 CONTINGENCIES & COMMITMENTS

The status of contingencies as were reported in the financial statements for the year ended June 30, 2018 is same as follows:

- 9.1 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.
- 9.2 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.

10 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>Un Audited</i>	
	<i>Nine Month ended</i>		<i>Quarter ended</i>	
	<i>31-Mar-19</i>	<i>31-Mar-18</i>	<i>31-Mar-19</i>	<i>31-Mar-18</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	3,036,851	2,564,534	1,237,414	1,733,420
Loan Received/ Paid During the Period	-	25,000,000	-	25,000,000
Expenses paid to member companies	120,000	120,000	120,000	60,000
FDIBL and others Employee Provident Fund Employer's contribution paid	273,591	219,032	91,197	72,766

11 DATE FOR AUTHORIZATION FOR ISSUE

The Board of Directors of the Company authorized these interim financial statements for issue on April 25, 2019.

12 GENERAL

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


Chief Executive


Chief Financial Officer


Director



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