



DAWOOD EQUITIES LIMITED

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2016



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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	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 (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
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	1900-B Saima Trade Towers, I.I. Chindrigar 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

Notice of Annual General Meeting (AGM-XI)

Notice is hereby given that Eleventh Annual General Meeting of Dawood Equities Limited will be held at its Registered Office, 1900-B, Saima Trade Towers, I. I. Chundrigar Road, Karachi on October 31, 2016 at 8:45 am to transact the following business:

Ordinary Business

1. To confirm the minutes of X Annual General Meeting held on October 31, 2015.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2016 together with Directors' and Auditors' Reports thereon.
3. To consider the appointment of Auditors for the year ending June 30, 2017 and to fix their remuneration. The Board of Directors have recommended for reappointment of M/s Haroon Zakaria & Company Chartered Accountants as external auditors.

Special Business

Ordinary Resolution:

1. Transmission of Annual Accounts:

To give effect of S.R.O 470(I) 2016 dated May 31, 2016 of the Securities and Exchange Commission of Pakistan ("SECP"), shareholder's approval is being sought to allow the Company to circulate its Annual Report through CD/DVD/USB to all members. The Company, however, shall place on its website a standard Request Form to enable intimation to the Company by those members who require hard copy of the Annual Report instead of through CD/DVD/USB. In this regard, the following resolutions are proposed to be passed as ordinary resolutions:

Resolved That the Company may transmit the annual balance sheet and profit and loss account, auditor's report and directors' report, to its members through CD/DVD/USB instead of in hard copy at their registered addresses.

Further Resolved That the standard Request Form be and is hereby placed on Company's website for the purpose of communication of the requisition of annual audited accounts through hard copy.

Special Resolution:

2. Amendment in Articles of Association:

The Securities and Exchange Commission of Pakistan has issued the Companies (E-Voting) Regulations, 2016 (the "Regulations") on January 22, 2016 vide S.R.O 43(1)/2016 which allows both members and non-members to take part in decision making in the general meeting of the Company through electronic means through an Intermediary.

In order to comply with the Regulations, the existing Articles of Associations (AOA) of the Company needs to be amended.

To consider, propose and if thought fit, pass with or without modification, the Special Resolutions to amend the existing Articles of Association by addition of the following new paragraph in Article 75 and reword Article 87 in order to bring the effect of the Companies (E-Voting) Regulations, 2016.

Resolved That the following new paragraph be and is hereby added in the existing Article 75 of the AOA of the Company to be read as follows:

The provisions and requirements for e-voting as prescribed by the SECP from time to time shall be deemed to be incorporated in these Articles of Association, irrespective of the other provisions of these Articles and notwithstanding anything contradictory therein.



DAWOOD EQUITIES LIMITED

Further Resolved That following new paragraph be and is hereby added in the existing Article 87 of the AOA of the Company to be read as follows:

87. Proxy:

An instrument appointing a proxy shall be in the form specified in Regulation 39 of the Table 'A' in the First Schedule to the Ordinance or Schedule II of the Companies (E-Voting) Regulations, 2016 or in any other form which the Directors may approve."

Further Resolved That the Chief Executive Officer and the Company Secretary be and are hereby singly authorized to take or cause to be taken any and all actions necessary and incidental for the purposes of altering the Articles of Association of the Company and make necessary submissions and complete legal formalities, as may be required to implement the aforesaid Special Resolutions.

3. Amendment in Memorandum of Association

Further Resolved That following addition as sub-clause 62 in Object Clause III of the Memorandum of Association of the Company be and hereby approved:

- i. To act as a member of Pakistan Mercantile Exchange Limited and to carry on the business as broker in all Futures Contracts registered with PMEX in or outside Pakistan under broker registration license and subject to meeting all legal and regulatory requirements as specified by the Commission or relevant legal jurisdiction from time to time.
- ii. To engage in the futures trading in commodities such as gold, cotton, cotton yarn, wheat, rice, sugar and any other commodities as allowed by the Pakistan Mercantile Exchange Limited.
- iii. To establish ready, future, forward contract and conduct business of commodity in or outside Pakistan and to perform all allied and incidental functions in order to facilitate, set-up and carry on the business of all kind of commodities.
- iv. To buy and sell all kind of commodities and engage in the export and import business of all kind of commodities.
- v. To facilitate the shipment, delivery, loading, carriage by land, sea and air delivery and insurance of commodity and to take such actions as the company may think fit.
- vi. To open branch or branches in any place in Pakistan or arrange franchise as may appear necessary or desirable to the Company.

Further Resolved That Mr. Abdul Aziz Habib, CEO be and is hereby authorized to do all such acts, deeds, things, matters as may be required for above purposes". A statement under Section 160 (1) (b) of the Companies Ordinance, 1984 setting forth all material facts concerning the resolution contained in the Notice which shall be considered for adoption at the Meeting is being sent to the Members along with a copy of this Notice

4. Any other Business with the permission of the Chair.

October 08, 2016

Karachi

By Order of the Board

Salman Yaqoob
CFO & Company Secretary



DAWOOD EQUITIES LIMITED

Notes:

1. The share transfer books of the Company shall remain closed from October 23 2016 to October 31 2016 (both days inclusive). Shareholders are requested to notify to our Share Registrar FD Registrar Services (SMC-Pvt.) Ltd at 1705, 17th Floor, Saima Trade Tower A, I.I.Chundrigar Road, Karachi, if any change of address immediately.
2. A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote on his/her behalf. No person other than a member shall act as proxy. Proxy forms, in order to be effective, must be received at the Registered Office, duly stamped and signed not less than 48 hours before the meeting.
3. The CDC account/sub-account holders are requested to bring with them their computerized National ID Cards (CNIC) along with Participant(s) ID number and their account numbers at the time of attending this meeting in order to facilitate identification of the respective shareholder(s). In respect of corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signatures be produced at the time of meeting.
4. Any person who seeks to contest an election to the office of director shall, whether he is a retiring director or otherwise, file with the company, not later than fourteen days before the date of the meeting at which elections are to be held, a notice of his intention to offer himself/herself for election as a director in terms of section 178(3) of the Companies Ordinance 1984.
5. As per directives of SECP, All Shareholders are requested to submit their copy of CNIC to the Registrar for updating of record.
6. In case of individuals, the account holder or sub-account holders whose registration details are uploaded as per the Regulations shall submit the proxy form as per the above requirement.
7. Attested copies of valid CNIC or the passport of the beneficial owners and the Proxy shall be furnished with the Proxy Form.
8. The proxy shall produce his valid original CNIC or original passport at the time of the meeting.
9. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
10. The proxy form will be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the forms.



DAWOOD EQUITIES LIMITED

**STATEMENT UNDER SECTION 160 (1) (b) OF
THE COMPANIES ORDINANCE 1984**

This statement is annexed to the notice of the annual general meeting of Dawood Equities Limited (hereinafter referred to as the "Company") to be held at its Registered Office, 1900-B, Saima Trade Towers, I. I. Chundrigar Road, Karachi on October 31, 2016 at 8:45 am. and sets out material facts concerning the special business to be transacted at the annual general meeting.

The board of directors of the Company ("the Board") have called the above-stated meeting to discuss and put to vote vide a special resolution the following matter:

Amendments in Memorandum of Association of the Company:

To give effect of the purchase of PMEX card, shareholder's approval is being sought to allow the Company to effectuate the amendment to Clause III of the Memorandum of Association of the Company thereby to insert standard clauses as prescribed by PMEX.

Amendments In The Articles Of Association Of The Company

To give effect of the Companies (E-Voting) Regulations, 2016, the shareholders' approval is being sought to amend the Articles of Association of the Company to enable e-voting which will give the members option to be part of the decision making in the general meeting of the Company through electronic means.

75. Votes:

"The provisions and requirements for e-voting as prescribed by the SECP from time to time shall be deemed to be incorporated in these Articles of Association, irrespective of the other provisions of these Articles and notwithstanding anything contradictory therein."

87. Proxy:

"An instrument appointing a proxy shall be in the form specified in Regulation 39 of the Table 'A' in the First Schedule to the Ordinance or Schedule II of the Companies (E-Voting) Regulations, 2016 or in any other form which the Directors may approve."

Transmission of Annual Accounts:

To give effect to the notification S.R.O 470(I) 2016 dated May 31, 2016 of the Securities and Exchange Commission of Pakistan ("SECP"), shareholder's approval is being sought to allow the Company to circulate its Annual Report through CD/DVD/USB to all members. The Company, however, shall place on its website a standard Request Form to enable those members requiring a hard copy of the Annual Report instead of through CD/DVD/USB, to intimate the Company of their requirement.

Statement with respect to the interest of any of the directors of the Company in relation to abovementioned matter:

Each director of the Company has notified to the board of directors that they have no interest in the transaction being contemplated by the Company as discussed above except to the extent of their shareholdings.

**By Order of the Board
CFO & Company Secretary**



DAWOOD EQUITIES LIMITED

DIRECTORS' REPORT TO THE MEMBERS

On the behalf of Board of Directors of Dawood Equities Limited (DEL), I am pleased to present herewith Annual Report of the company for the financial year 2015-16 together with Audited Financial Statements for the financial year and the Auditor's Report thereon.

NATURE OF BUSINESS

Dawood Equities Limited is a Public Limited Company listed on Karachi Stock Exchange Limited. The Company is engaged in Equity Trading, Corporate Finance and Securities Research.

ECONOMIC REVIEW

Pakistan's economy has made significant improvement amid rising disposable incomes, consumer demand and urbanization. Despite the reduced output, a GDP growth at 4.71% was achieved due to both the industrial and services sectors showing significant development. Business environment remained brisk, with the significantly better law and order situation in the country. Some of the major industries driving the Large Scale Manufacturing (LSM) increase were Automobiles, Fertilizers and Non-Metallic Mineral Products. Favorable low inflation at 2.9% in contrast to 4.6% during the previous year, as a result of soft commodity prices in the global market in general and lower oil prices in particular; which created room for the State Bank's policy rate to be slashed by another 75bps to a multi-decade low of 5.75% by June 2016.

On the external front, the country's exports declined to USD 22 billion, a decrease of 9%, resulting in the trade deficit increasing to USD 18.5 billion (2014-15: USD 17.2 billion). Albeit, a mild 7% year-on-year retraction in the Current Account Deficit (CAD) to USD 2.5 billion was achieved through robust influx of workers' remittances during the year settling at USD 19.9 billion (a 6% ascend from 2014-15), coupled with an impressive 39% surge in Foreign Direct Investment (FDI) to USD 1.3 billion. Supportive provisions from the International Monetary Fund, the World Bank and the Asian Development Bank also assisted the foreign exchange reserves to reach an all-time high of USD 23 billion, providing an effective import cover of 5 months and stability to the local currency.

STOCK MARKET REVIEW

The benchmark equity index KSE-100 recorded a return of 9.8% during the financial year 2015-16 to close at a level of 37,783. Volumes during the year averaged at 209 million shares (decrease of 5% year -on - year) and Valued Traded averaged to USD 106 million (decrease of 20% year-on-year). The most important development of this year was Pakistan's re-classification from MSCI Frontier Markets to Emerging Markets. The other factors resulting in the market exhibiting decent performance were improving macros, better law and order situation and increased investments on account of China Pakistan Economic Corridor (CPEC). Furthermore, the Pakistan Stock Exchange (PSX) has recently commenced road shows for the demutualisation of the exchange and we foresee strategic investments from international exchanges, as well as domestic institutions. Overseas investors remained on the edge with portfolios worth USD 281.63 million off-loaded in 2015-16, as compared to net buying of USD 38.54 million witnessed in 2014-15. However, a reversal in this trend has already commenced since the announcement of Pakistan's re-classification with net buying of USD 59.65 million.

FINANCIAL PERFORMANCE

The Company earned operating revenue of Rs.20.6 million as compare to Rs.17.7 million in last year. During the year under review, your Company's year - end profit after tax was PKR 1.5 million translates to earnings of PKR 0.04 per share. The profit has been reduced on account of recognition of impairment due to decline in value of TREC from PKR 13.6 million to PKR 5 million.



DAWOOD EQUITIES LIMITED

The summary of Financial Results is as follows:

	June 30, 2016 Rupees	June 30, 2015 Rupees	% Change
Net Revenue	20,677,611	17,716,575	16.7
Administrative Expenses	(12,559,714)	(10,367,520)	21.15
Profit after tax	1,502,948	46,619,136	-
Earnings per share basic and diluted	0.04	1.87	-
Average Daily Volume Traded	2,597,672	2,459,586	5.6

STATEMENT OF COMPLIANCE

Your company has implemented provisions of the Code of Corporate Governance, since listing at Karachi Stock Exchange Limited. The external auditors has reviewed our report on the statement of compliance with the Code of Corporate Governance, there review report is annexed with this report.

STATEMENT OF CODE OF CONDUCT

As per the Corporate Governance guidelines, the Company has circulated a "Code of Ethics" for compliance. It has been signed by all directors and employees of the Company acknowledging their understanding and acceptance of the Code.

POST BALANCE SHEET EVENTS / DIVIDEND

The paid up capital of DEL is Rs.250 million whereas as at June 30, 2016 equity and reserve is at Rs.223.5 million due to losses in earlier years. Since 2013 DEL is in profit and recovering its losses and Directors believes that once those losses recovered, they will declare dividend in the interest of all shareholders.

RELATED PARTY TRANSACTIONS

In order to comply with the requirement of listing regulations, the company presented all related party transactions before the Audit Committee and the Board for their review and approval.

CREDIT RATING

JCR-VIS Credit Rating Company Limited (JCR-VIS) has assigned entity ratings to the Company of 'BB+/A-3' (Double B Plus/A Minus Three). The outlook on the assigned ratings is 'Stable'. This endorsement has further strengthened our resolve for continuous growth in brokerage and related services and has given confidence to all our clients regarding the stability and continuity of the Company in years to come

HUMAN RESOURCE & REMUNERATION COMMITTEE

In compliance with the Code of Corporate Governance the Board of Directors has constituted a Human Resource & Remuneration Committee (HR&R Committee) whose members consist of three Directors appointed by the Board of Directors.

AUDIT COMMITTEE

The Audit Committee was constituted by the Board under the requirement of the Code of Corporate Governance. It comprises three independent directors appointed by the Board of Directors. During the year the Audit Committee reconstituted after the election of directors.



DAWOOD EQUITIES LIMITED

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

As required by the Code of Corporate Governance we are pleased to report the following:

- a. Proper books of accounts of the Company have been maintained.
- b. The financial statements, present its fairly state of affairs, the results of its operations and cash flows and changes in equity.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements and any changes in accounting policies have been disclosed in the financial statements. The accounting estimates, wherever required are based on reasonable and prudent judgment.
- d. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements any departure there-form has been adequately disclosed and explained.
- e. The system of internal controls is sound in design and has been effectively implemented and monitored.
- f. There are no significant doubts upon the Company's ability to continue as a going concern.
- g. There has been no material departure from the best practices of corporate governance.
- h. The Directors, Chief Executive Officer, CFO and Company Secretary, their spouses and minor children have not traded in the shares of the Company.
- i. Value of DEL Employees Provident Fund is Rs.1,890,353/- as at June 30, 2016.

EMPHASIS OF MATTER PARAGRAPH IN AUDITORS' REPORT

We draw attention of the users of the financial statements to the note 18.1 of the financial statements which describe uncertainty related to the outcome of the suit filed by the company against its corporate client for the recovery of Rs. 75.436 million. The ultimate outcome of the matter cannot presently be determined and provision is made to the extent that management expects will be irrecoverable. Our opinion is not qualified in respect of this matter.

The Directors of your company are very optimistic about the outcome of the suit filed for recovery of Rs. 75.436 million. The legal proceeding is still not concluded, but lawyer is confident that the outcome of the case will be in favor of the company and a chance of recovery is very bright. However, 40% provision for irrecoverable debt is provided after considering the contingencies of the event.

We further draw attention of the users of the financial statements to the note 8.1 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 set-off the deferred tax assets. With trading volume increasing in the first quarter 2016-17, we expect profit to increase and therefore justify the recognition of deferred tax asset.

CORPORATE AND SECRETARIAL COMPLIANCE

The Company Secretary has furnished a Secretarial Compliance Certificate as part of the annual return filed with the registrar of Companies to certify that the secretarial and corporate requirements of the Companies Ordinance, 1984, Memorandum and Articles of Association of the Company and the listing regulations have been duly complied with.

PATTERN OF SHARE HOLDING

The detailed pattern of the shareholding and categories of shareholders of the Company as at June 30, 2016, as required under the listing regulations, have been appended to the Annual Report.

BOARD MEETING

During the year under review, four meetings of the Board of Directors and four meetings of the Audit Committee were held. The attendance of the Board and Audit Committee members was as follows:



DAWOOD EQUITIES LIMITED

Name of Directors	Board Meeting	Audit Committee Meeting
Mr. Abdul Aziz Habib	4	N/A
Mr. Junaid Zakaria Dada	4	2
Mr. Asim Iftekhhar	4	4
Ms. Rubina Khannum	4	4
Mr. Saifullah	1	N/A
Mr. Muhammad Abbas	4	N/A
Mr. Muhammad Khalid	4	2
Mr. Ijlal Haider	2	N/A

ELECTION OF DIRECTORS AND CASUAL VACANCY

During the year the sad demise of our Chief executive, Mr Abdul Qadir Sakhi has occurred in July 2015 and Mr. Junaid Dada has appointed as CEO in his place till the remainder of his term whereas Syed Ijlal Haider appointed as the director to fill the casual vacancy occurred due to demise of Abdul Qadir Sakhi.

At Annual General Meeting held in October 2015, the shareholders of DEL elected the following members who offered themselves for election and being considered eligible and elected as the Directors of the Company for the term of three years:

1. Mr. Abdul Aziz Habib - Re-elected
2. Mr. Junaid Dada - Re-elected
3. Mr. Asim Iftekhhar - Re-elected
4. Ms. Rubina Khannum - Re-elected
5. Mr. Muhammad Abbas - Re-elected
6. Mr. Muhammad Khalid Yousuf - Re-elected
7. Syed Ijlal Haider - Elected

Thereafter Mr. Saifullah appointed in place of Syed Ijlal Haider who resigned for personal reason. Further during the period Mr. Abdul Aziz Habib was appointed as Chief Executive Officer after the election of Directors whereas Junaid Dada was appointed Chairman of the Company.

FUTURE OUTLOOK

The future prospects of DEL looks positive on account of growing market volumes with our increasing market share. We are targeting to generate better volumes from our existing local clients on account of our increasing relationship with local fund managers and broker dealers. We are confident that our team has the capacity to contribute to improving our market share by leveraging our strengths.

The company's focus in the near future will be to further enhance the market share of its brokerage business through expanded branch network and higher sales volume through online trading and also diversify its services in other market segments in order to strengthen its revenue resources.

Your company has applied on December 04, 2015 for registration as an underwriter after fulfilling all conditions and hearing was held on April 28, 2016 and your company is still awaiting a response from Securities & Exchange Commission of Pakistan.

AUDITORS

Haroon Zakaria & Company, Chartered Accountants, have completed their assignment and retired. Being eligible, they offered themselves for reappointment, based on the recommendation of the Audit Committee; the Board further recommends the reappointment of Haroon Zakaria & Company Chartered Accountants as Dawood Equities Limited auditors for the financial year ending on June 30, 2017.



DAWOOD EQUITIES LIMITED

ACKNOWLEDGEMENT

We are grateful to the Company's stakeholders for their continuing confidence and patronage. We record our appreciation to our clients, and the managements of Karachi Stock Exchange for their continuing support and guidance.

Junaid Dada
Chairman

Karachi: September 30, 2016.

بطرف ممبر ڈائریکٹرز رپورٹ:

داؤدا کیو بیٹیز لمیٹڈ (DEL) کے بورڈ آف ڈائریکٹرز کی طرف سے، مجھے مالی سال 2015-2016 کیلئے کمپنی کے سالانہ رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے برائے مالی سال اور اس پر آڈیٹرز رپورٹ پیش کرتے ہوئے خوشی ہے۔

کاروبار کی نوعیت:

داؤدا کیو بیٹیز لمیٹڈ کراچی اسٹاک ایکسچینج لمیٹڈ کمپنی ہے۔ کمپنی ایکویٹی ٹریڈنگ (تجارت حصص)، کارپورٹ فنانس (ادارہ جاتی مالیات) اور سیکیورٹیز ریسرچ (خاندانوں کی تحقیق) میں سرگرم عمل ہے۔

اقتصادی جائزہ:

پاکستان کی معیشت نے بڑھتی ہوئی قابل تصرف مدد، صارف طلب اور شہری ساز کے درمیان نمایاں ترقی کی ہے۔ کم پیداوار کے باوجود مجموعی قومی پیداوار 4.7 فیصد حاصل ہوئی۔ جس کی وجہ سے صنعتی اور خدمات کے شعبہ جات دونوں واضح نشوونما تھی۔ کاروبار ماحول تیز رہا ساتھ ہی ملک میں امن وامان کی صورتحال بھی کافی حد تک بہتر رہی۔ کچھ بڑی صنعتوں نے وسیع پیمانے کی ایسا سازی (LSM) میں اضافہ کو آگے بڑھایا جس میں کار سازی (Automobiles)، کھار سازی (Fertilizers) اور غیر دھاتی معدنی مصنوعات (Non-Metallic Minew Products) شامل ہیں۔ گزشتہ سال کے دوران 4.6 فیصد کے مقابلے میں اس سال 2.9 فیصد پر رہنے والا سازگار کم افراط زر جو عالمی منڈیوں میں ایشیا میں صرف کی معتدل قیمتوں اور خاص طور پر کمزور تیل کی قیمتوں کا نتیجہ تھا۔ جس سے اسٹیٹ بینک آف پاکستان کے لئے پالیسی شرح میں ایک اور 75 بی پی ایس تک کم کرنے کی گنجائش پیدا کی۔ بیرونی محاذ پر ملک کی برآمدات 22 ارب ڈالر (امریکی) تک گر گئی۔ 9 فیصد کی کمی، جس کا نتیجہ 18.5 ارب ڈالر (2014-15: 17.2 ارب ڈالر) تک کے تجارتی خسارے کی صورت میں دیکھا گیا۔ اگرچہ کرنٹ اکاؤنٹ ڈیفیسیٹ (حسابات جاری خسارہ) میں 7 فیصد ایک سال - بہ - سال سکڑاؤ 2.5 ارب ڈالر حاصل ہوا۔ جو کہ دوران سال سمندر پار ملازمین کے زبردست ترسیلات زر جسکی مالیت 19.9 ارب ڈالر (2014-15 سے 6 فیصد زیادہ) تھا کار ہیں منت ہے۔ ساتھ ہی غیر ملکی براہ راست سرمایہ کاری (FDI) میں متاثر کن 39 فیصد کا اضافہ۔ جسکی مالیت 1.3 ارب ڈالر رہی۔ آئی ایم ایف، عالمی بینک اور ایشیائی ترقیاتی بینک کی طرف سے معاون فراہمیاں (پروویژنرز Provisions) نے بھی زرمبادلہ کے ذخائر کو اب تک کی بلند ترین سطح 23 ارب ڈالر تک پہنچانے میں بڑی مددگار ثابت ہوئی ہیں۔ جس سے مقامی کرنسی کو 5 ماہ کا منوثر برآمدی تحفظ اور استحکام حاصل ہو گیا۔

اسٹاک مارکیٹ کا جائزہ:

مالی سال 2015-16 کے دوران بیٹھ مارک (نشان) ایکویٹی انڈیکس کے ایس ای 100 نے 9.8 فیصد کا منافع ریکارڈ کیا جو 37,783 کی سطح پر بند ہوا۔ سال کے دوران اوسط مالیت 106 ملین ڈالر (سال) - بہ - سال 2 فیصد کی کمی رہی۔ اس سال کی سب سے اہم پیش رفت ایم ایس سی آئی فرنیچر مارکیٹس سے ایبرجنگ مارکیٹس تک کی پاکستان کی دوبارہ درجہ بندی تھی۔ دیگر عوامل جو مارکیٹ کی اچھی کارکردگی پر متوجہ ہوئے وہ بہتر ہوتے میکروز، بہتر امن اور امان کی صورتحال اور شین پاک اقتصادی راہداری کے سبب سرمایہ کاری میں اضافہ ہیں۔ مزید برآہ، پاکستان اسٹاک ایکسچینج (PSX) نے ایکسچینج کی ڈی۔ مپو بیلائزیشن کے لئے روڈ شو منعقد کئے ہیں اور ہم بین الاقوامی ایکسچینج کی طرف سے حکمت عملی پر مبنی سرمایہ کاری کی پیش بینی کرتے ہیں۔ اور ساتھ ہی ملکی اداروں سے بھی ایسی ہی توقع رکھتے ہیں۔ سمندر پار سرمایہ کار 2015-16 میں 281.63 ملین ڈالر مالیت کے پورٹ فولیو کے آف- بورڈ



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کے ساتھ 2014-15 میں دیکھے گئے 38.54 ملین امریکی ڈالر کی خالص خریداری کے مقابلے میں آگے رہے۔ تاہم اس رجحان کا الٹ پہلے ہی شروع ہو چکا ہے۔ جب سے 59.65 ملین ڈالر کی خالص خریداری کے ساتھ پاکستان کی نئی درجہ بندی کا اعلان ہوا ہے۔

مالیاتی کارکردگی:

کمپنی پچھلے سال کے 17.7 ملین روپے کے مقابلے میں رواں سال 20.6 ملین روپے کے آپریٹنگ ریونیو حاصل کئے۔ زیر جائزہ سال کے دوران آپ کی کمپنی کے بعد از ٹیکس سال کے آخر کا منافع 1.5 ملین روپے رہا جو کہ 0.04 روپے فی شیئر بنتا ہے۔ نفع میں کمی خرابی کے تسلیم کئے جانے کی سبب ہے جو کہ ٹی آر ای سی (TREC) کی مالیت میں 13.6 ملین روپے سے 5 ملین روپے تک کمی کی وجہ سے تھا

مالیاتی نتائج کا خلاصہ درج ذیل ہے:

فیصد (%)	30 جون 2016	30 جون 2016	
تبدیلی	روپے	روپے	
16.7	17,716,575	20,677,611	خالص محصولات (آمدن)
21.15	(10,367,520)	(12,559,714)	انتظامی اخراجات
-	46,619,136	1,502,948	بعد از ٹیکس منافع
-	1.87	0.04	فی شیئر آمدنی بنیادی اور تحلیل شدہ
5.6	2,459,586	2,597,672	یومیہ وسط تجارتی حجم
			گوشوارہ تقبیل:

ادارہ جاتی نظم کے رہنما اصولوں کے مطابق کمپنی نے تقبیل کی غرض سے ایک ضابطہ اخلاق جاری کیا ہے۔ اس پر کمپنی کے تمام ڈائریکٹرز اور ملازمین نے دستخط ثبت کئے یہ تسلیم کرتے ہوئے کہ انہوں نے ضابطے سمجھا اور قبول کیا ہے۔

بعد از پبلش شیڈ واقعات / منافع جات:

ڈی ای ایل کا ادا شدہ سرمایہ 250 ملین روپے ہے جبکہ 30 جون 2016 کو بی (حصص) اور ریزرو (ذخائر) 2235 ملین روپے ہے جس کی وجہ شروع کے سالوں میں نقصانات ہے۔ 2013 سے ڈی ای ایل نفع میں آگئی ہے اور اپنے نقصانات پورے کر رہی ہے اور ڈائریکٹرز کو یقین ہے کہ جیسے ہی یہ نقصانات وصول ہو گئے، وہ تمام شیئر ہولڈرز کے مفاد میں نفع (Divided) کا اعلان کر دیں گے۔

متعلقہ فریقین دین:

لسٹنگ ضوابط کی شرائط کی تکمیل کی غرض سے کمپنی نے جائزے اور منظوری کے لئے آڈٹ کمپنی اور بورڈ کے سامنے تمام متعلقہ لین دین (Transaction) پیش کر دیئے ہیں۔

کریڈٹ ریٹنگ:

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ (JCR-VIS) نے کمپنی کو ڈبل بی پلس اے مائیس تھری (BB+ / A-3) ایٹیٹیٹی ریٹنگ دی ہے۔ توقع (Out look) مستحکم (Stable) ہے۔ اس نامزد ریٹنگ پر اس توفیق و تصدیق نے بروکریج اور اس سے وابستہ و متعلقہ خدمات میں مسلسل ترقی و



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فروغ کیلئے ہمارے عزم و مرید تقویت دی اور ہمارے تمام صارفین (کلائنٹس) کو آنے والوں سالوں میں کمپنی کے استحکام اور تسلسل سے متعلق اعتماد بخشنا ہے۔

انسانی وسائل اور مشاہیرہ کمیٹی:

ادارہ جاتی نظم کے ضابطے کی تعمیل میں بورڈ آف ڈائریکٹرز نے ایک انسانی وسائل اور مشاہیرہ کمیٹی (HR&R Committee) تشکیل دی جو تین ڈائریکٹرز پر مشتمل ہے جس کی تقرری بورڈ آف ڈائریکٹرز کرتا ہے۔

آڈٹ کمیٹی:

ادارہ جاتی نظم کے ضابطے کی شرط کے تحت بورڈ کی جانب سے ایک آڈٹ کمیٹی کا قیام بھی عمل میں آیا ہے۔ یہ تین آزاد و خود مختار ڈائریکٹرز پر مشتمل ہے۔ جس کی تقرری بورڈ آف ڈائریکٹرز کی جانب سے کی جاتی ہے۔ سال کے دوران ڈائریکٹرز کے انتخاب کے بعد آڈٹ کمیٹی دوبارہ تشکیل دی جاتی ہے۔

ادارہ جاتی اور مالیاتی رپورٹنگ فریم ورک:

ادارہ جاتی نظم کے ضابطے کی شرط کے مطابق ہمیں درج ذیل چیزیں بتاتے ہوئے خوشی ہو رہی ہے:

- (الف) کمپنی کی مناسب کتابیں حسابات رکھی جاتی ہے۔
- (ب) مالیاتی گوشوارے کمپنی کے امور کار، اس کی کاروباری سرگرمیوں کے نتائج اور نقد رقوم کے بہاؤ اور حصص میں تبدیلی کو ایمانداری سے پیش کرتے ہیں۔
- (ج) مناسب پالیسیز برائے حسابات مالیاتی گوشواروں کی تیاری میں مستقل مزاجی سے بروئے کار لائی جاتی ہیں۔ اور پالیسیز برائے حسابات میں کسی بھی تبدیلی کو مالیاتی گوشواروں میں منکشف کر دیا جاتا ہے۔ تخمینہ جات حسابات جہاں بھی درکار ہوں وہ معقول اور محتاط فیصلوں پر مبنی ہوتے ہیں۔
- (د) انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز (معیارات بین الاقوامی حسابات) جیسا کہ پاکستان میں لاگو ہیں، ان کی مالیاتی گوشواروں کی تیاری میں بغیر کسی انحراف کے پیروی کی جاتی ہے، اکی صورت و ضد و خال کو مناسب طور پر منکشف اور واضح کر دیا گیا ہے۔
- (ه) اندرونی بندوبست کا نظام (Internal Control) تشکیل کے لحاظ سے اچھا ہے اور اسے موثر طور پر نافذ اور نگرانی کیا جاتا ہے۔
- (ز) ڈائریکٹرز، منظم اعلیٰ (CEO)، سی ایف او اور کمپنی سیکریٹری، انکے ازواج اور نابالغ بچے کمپنی کے شیئرز میں تجارت نہیں کرتے۔
- (ح) ڈی ای ایل ملازمین کے پروویڈنٹ فنڈ کی مالیت 30 جون 2016 کے مطابق -1,890,353 روپے ہے۔

آڈیٹرز رپورٹ میں وہ طور:

ہم مالیاتی گوشواروں کے استعمال کرنے والوں کی توجہ مالیاتی گوشوارے کے نوٹ 18.1 پومبذول کراتے ہیں۔ جو کمپنی کی جانب سے اسکے ادارہ جاتی صارف (کلائنٹ) کے خلاف 75,436 روپے کی وصولی کے لئے دائر درخواست کے نتیجے سے متعلق غیر یقینی صورت حال کی وضاحت کرتا ہے۔ معالے کا حقیقی نتیجہ دریافت نہیں کیا جاسکتا اور اس حد تک پروویڈنٹ (فراہمی) کردی گئی ہے کہ انتظامیہ توقع کرتی ہے کہ یہ ناقابل وصول ہے۔ ہمارا خیال اس معالے کے سلسلے میں اہلیت نہیں رکھتا۔



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آپ کی کمپنی کے ڈائریکٹرز 75,436 ملین روپے کی وصولی کے لئے دائر درخواست کے نتیجے کے بارے میں کافی پُر امید ہیں۔ قانونی کارروائی تاحال مکمل نہیں ہوئی ہے لیکن قانونی ماہر کو اعتماد ہے کہ کیس (معاملہ) کا نتیجہ کمپنی کے حق میں رہے گا۔ اور وصولی کے امکانات بہت روشن ہیں۔ تاہم ناقابل واپسی قرضہ جات کے لئے 40 فیصد پروویژن (فراہمی) معاملے کے احتمال وقوع کو زیر تصور لانے کے بعد کر دی گئی ہے۔ ہم مالیاتی گوشواروں کے استعمال کرنے والوں کی توجہ مالیاتی نوٹ 18.1 پر مزید مبذول کراتے ہیں جو کمپنی کی جانب سے پانچ سال کیلئے وضع کئے گئے کاروباری تجاویز میں کچھ بنیادی مفروضے ہیں جو کمپنی کے مستقبل میں ناقابل ٹیکس منافع جات کے تخمینوں کے تابع ہیں جنہیں اس وقت التوا شدہ ٹیکس اثاثہ جات کے آغاز کی غرض سے بروئے کار لایا جائے گا۔ 17-2016 کی پہلی سہ ماہی میں تجارتی حجم میں اضافے کے ساتھ ہی ہم توقع کرتے ہیں کہ منافع میں اضافہ ہو جائے گا اور اس لئے التوا شدہ ٹیکس اثاثوں کے اعتراف کا جواز بنتا ہے۔

ادارہ جاتی اور دفتری قبیل:

کمپنی سکرٹری نے ایک سکرٹریز بل کمپلائنس سرٹیفکیٹ رجسٹر آف کمپنیز کے ساتھ دائر سالانہ گوشوارے کے حصہ کے طور پر جمع کرائی ہے تاکہ یہ تصدیق ہو کہ کمپنی آڈٹڈ بینس 1984، میمورینڈم اینڈ آرٹیکلز آف ایسی ایشن آف کمپنی اور لسٹنگ ضوابط کی سکرٹریز بل اور کارپوریٹ شرائط پر پوری طرح عمل کیا گیا ہے۔

ہمیر پولڈنگ کے اسلوب:

کمپنی کے شیئرز ہولڈنگ کے مضمحل اسلوب اور شیئرز پولڈرز کی درجہ بندیوں جیسا کہ لسٹنگ ضوابط کے تحت درکار ہیں۔ 30 جون 2016 کے مطابق سالانہ رپورٹ میں منسلک کر دی گئیں ہیں۔

بورڈ اجلاس:

زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی کے چار چار اجلاس منعقد ہوئے۔ بورڈ اور آڈٹ کمیٹی ممبرز کی حاضری حسب ذیل رہی:

ڈائریکٹرز کے نام	بورڈ اجلاس	آڈٹ کمیٹی اجلاس
جناب عبدالعزیز حبیب	4	(دستیاب نہیں)
جناب زکریا ڈاڈا	4	2
جناب عاصم افتخار	4	4
جناب بروینہ خانم	4	4
جناب سیف اللہ	1	(دستیاب نہیں)
جناب محمد عباس	4	(دستیاب نہیں)
جناب محمد خالد	4	2
جناب سید اجلال حیدر	2	(دستیاب نہیں)

ڈائریکٹرز اور عارضی خالی نشست کا انتخاب:

ہمارے چیف ایگزیکٹو (CEO) جناب عبدالقادر سخی کا انوہ ناک انتقال دوران سال جولائی 2016 کو ہو گا اور انکی جگہ جناب جنید ڈاڈا کو منتظم اعلیٰ (CEO) مقرر کر دیا گیا جو باقی مدت پوری کریں گے جبکہ سید اجلاس حیدر کو بطور ڈائریکٹر مقرر کیا گیا تاکہ عبدالقادر سخی کی رحلے سے پیدا ہونے والی عارضی نشست کو پُر کر دیا جائے۔ اکتوبر 2015 کو منعقدہ سالانہ جنرل اجلاس عام میں ڈی ای ایل (DEL) کے شیئر ہولڈرز نے درج ذیل ممبران منتخب کئے گئے جنہوں نے اپنے آپ کو انتخاب کے لئے پیش کیا اور انہیں ایل تصور کیا جا رہا ہے اور تین سال کی مدت کے لئے کمپنی کے ڈائریکٹرز کے طور پر منتخب کر لئے گئے:

جناب عبدالعزیز حبیب	دو بارہ منتخب
جناب جنید ڈاڈا	دو بارہ منتخب
جناب عاصم افتخار	دو بارہ منتخب
جناب پروینہ خانم	دو بارہ منتخب
جناب محمد عباس	دو بارہ منتخب
جناب محمد خالد یوسف	دو بارہ منتخب
جناب سید اجلاس حیدر	دو بارہ منتخب

اس کے بعد جناب سیف اللہ کو سید اجلاس کی جگہ مقرر کیا گیا جنہوں نے ذاتی وجوہات کی بنیاد پر استعفیٰ دیا۔ مزید یہ کہ اس عرصے کے دوران جناب عبدالعزیز حبیب ڈائریکٹرز کے انتخاب کے بعد منتظم اعلیٰ (CEO) مقرر کر دیئے گئے جبکہ جناب جنید ڈاڈا کمپنی کے چیئر مین مقرر ہوئے۔

مستقبل کی توقع:

بڑھتے ہوئے مارکیٹ حجم اور ہمارے بڑھتے ہوئے مارکیٹ شیئر کے سبب ڈی ای ایل (DEL) کے مستقبل کے امکانات کافی مثبت نظر آتے ہیں۔ ہمیں اعتماد ہے کہ ہماری ٹیم اس قابل ہے کہ وہ ہماری قوت کو بروئے کار لاتے ہوئے ہمارے مارکیٹ شیئر کو بڑھانے میں اپنا کردار ادا کریں گے۔ مستقبل قریب میں کمپنی کی توجہ کا مرکز یہ ہوگا کہ وہ وسیع کئے گئے برانچ نیٹ ورک کے ذریعے اپنے براکریٹنگ کاروبار کے مارکیٹ شیئر کو مزید بڑھائے اور آن لائن تجارت (Trading) کے ذریعے سٹاکس ویلیوم کرے اور اپنے وسائل محصولات (آمدن) کو تقویت دینے کو غرض سے مارکیٹ کے دیگر شعبہ جات میں اپنی خدمات کو متنوع بنائے۔

آپ کی کمپنی تمام شرائط پوری کرتے ہوئے 4 دسمبر 2015 کو بطور انڈر رائٹر رجسٹریشن کیلئے درخواست دی چکی ہے لیکن آپ کی کمپنی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے جواب کیلئے تا حال منتظر ہے۔

آڈیٹرز:

بارون زکریا اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے اپنا کام مکمل کر لیا ہے اور وہ سب کدوش ہو چکے ہیں، چونکہ اہل ہیں اسلئے انہوں نے اپنے آپ کو دوبارہ تقرری کے لئے پیش کیا ہے۔ آڈٹ کمیٹی کی سفارشات کی بنیاد پر بورڈ نے بارون زکریا اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو 30 جون 2017 کو ختم ہونے والے مالی سال کے لئے داؤدا بیوٹیڈیٹ کے آڈیٹرز کے طور پر دوبارہ تقرری کیلئے مزید سفارش کی ہے



DAWOOD EQUITIES LIMITED

اعتراف:

ہم کمپنی کے شیئر ہولڈرز کے اُنکے مسلسل اعتماد اور وسر پرستی کے لئے بہت مشکور ہیں۔ ہم اپنے کلائنٹس اور کراچی اسٹاک ایکسچینج کی انتظامیہ انکی مسلسل اعانت اور رہنمائی کے لئے بھی دل کی گہرا یوں سے شکر یہ ادا کرتے ہیں۔

جنید ڈاڈا

چیئر مین

کراچی 30 ستمبر 2016



DAWOOD EQUITIES LIMITED

**Pattern Of Share Holding - Form "34"
Shareholders Statistics As At June 30, 2016**

Number Of Share Holders	Share Holding		Total Shares Held
	From	To	
93	1	- 100	1,726
2348	101	- 500	1,167,035
357	501	- 1,000	353,343
408	1,001	- 5,000	1,078,117
97	5,001	- 10,000	725,213
32	10,001	- 15,000	421,775
11	15,001	- 20,000	202,382
13	20,001	- 25,000	299,908
6	25,001	- 30,000	162,100
9	30,001	- 35,000	298,778
5	35,001	- 40,000	192,090
2	40,001	- 45,000	89,201
4	45,001	- 50,000	195,751
3	50,001	- 55,000	159,500
2	55,001	- 60,000	115,000
2	60,001	- 65,000	126,000
1	65,001	- 70,000	70,000
1	80,001	- 85,000	84,000
1	85,001	- 90,000	86,330
1	90,001	- 95,000	93,500
5	95,001	- 100,000	496,846
2	100,001	- 105,000	204,500
2	120,001	- 125,000	245,500
1	155,001	- 160,000	158,350
1	170,001	- 175,000	174,500
1	195,001	- 200,000	200,000
1	220,001	- 225,000	220,933
3	225,001	- 230,000	690,000
2	245,001	- 250,000	500,000
1	360,001	- 365,000	362,503
1	485,001	- 490,000	490,000
1	515,001	- 520,000	516,000
1	550,001	- 555,000	551,000
1	595,001	- 600,000	600,000
1	860,001	- 865,000	862,188
1	980,001	- 985,000	984,500
1	2,495,001	- 2,500,000	2,499,000
1	2,510,001	- 2,515,000	2,513,000
1	3,145,001	- 3,150,000	3,150,000
1	3,655,001	- 3,660,000	3,659,431
3,425			25,000,000

Categories Of Shareholders	Number Of Share Holders	Total Shares Held	Percentage
Individuals	3,401	16,784,882	67.14
Financial Institutions	3	3,834,000	15.34
Investment Companies	4	740,501	2.96
Joint Stock Companies	14	155,470	0.62
Modaraba	1	2,499,000	10.00
Insurance Companies	1	1,647	0.01
Mutual Fund	1	984,500	3.94
	3,425	25,000,000	100.00



DAWOOD EQUITIES LIMITED

**Details of Pattern of Share holding as Per requirements of
Code of Corporate Governance as on June 30, 2016**

S. No.	Categories of Shareholders	Number of Shareholders	Number of Shares held	Category wise No. of Shares	%
1	Associated Companies		Nil		
2	NIT / ICP		Nil		
3	Names of Directors, CEO their Spouses and Minor Children	7		2,602	0.01
	Mrs. Rubina Khanum		1,000		
	Mr. Asim Ifkikhar		500		
	Mr. Aziz Habib		1		
	Mr. Junaid Zakaria Dada		1		
	Mr. Khalid Yousuf		599		
	Mr. Muhammad Abbas		500		
	Mr. Saifullah		1		
4	Executive		Nil		
5	Public Sector Companies & Corporations	1		1,647	0.01
6	Banks, DFIs, NBFIs, Modarabas, Insurance Companies, Mutual Funds & Others	23		8,213,471	32.85

Shareholders holding Shares 5% or more

Total Paid up Capital	25,000,000	Shares Holding	%
Ayaz Dawood		4,243,431	16.974
The Bank Of Khyber		3,750,000	15.000
Asim Abdul Ghani		2,513,000	10.052
B.R.R. Guardian Modaraba		2,499,000	9.996



DAWOOD EQUITIES LIMITED

Financial Highlights

Financial Year ending June30,	2,016	2,015	2,014	2,013	2,012	2,011
Operating Results						
Operating Revenue	20,677,611	17,716,575	13,567,521	7,723,326	3,615,580	4,263,149
Capital (Loss) Gain on disposal investment-net	(408,188)	2,936,657	347,496	1,757,630	(72,825)	1,923,139
Loss/Gain on remeasurement of investments carried at fair value of through profit and loss.	176,344	(568,478)	53,137	2,426,430	(1,520,861)	(996,440)
Administrative Expenses	(12,559,714)	10,367,520	10,017,906	7,222,355	7,281,577	10,842,782
Financial Charges	(57,897)	64,227	74,871	(54,591)	(58,827)	(43,441)
Other Operating Income	1,504,079	4,210,716	9,091,369	569,110	9,141,707	514,461
Other Charges	(9,830,310)	(563,850)	(971,832)	(214,282)	(21,946,809)	(44,666,936)
(Loss)/Profit before taxation	(498,075)	13,299,873	11,994,914	4,985,26,	(18,123,612)	(49,848,850)
Taxation	1,502,948	33,319,263	(1,064,585)	(103,799)	(243,398)	(246,431)
(Loss)/Gain after taxation	1,004,873	46,619,136	10,930,329	4,881,469	(18,367,010)	(50,095,281)
EPS	0.04	1.87	0.44	0.20	(0.73)	(2.00)
Pay outs						
Dividend						
Bonus%						
Capital & Reserve						
Authorised Share Capital	300,000,000	300,000,00	300,000,00	300,000,000	300,000,000	300,000,00
Issued, subscribed and paid-up Capital	249,965,000	249,965,000	249,965,000	249,965,000	249,965,000	249,965,000
Reserves	(26,415,915)	(27,228,434)	(74,208,234)	(88,876,211)	(93,757,680)	(75,390,670)
Share Application Money						
Assets & Liabilities						
Total Assets	240,300,861	258,749,308	216,794,729	182,916,871	180,140,999	185,460,079
Current Assets	156,356,670	168,231,221	161,576,802	123,463,791	120,357,486	125,138,452
Current Liabilities	16,751,776	36,012,742	41,037,963	21,828,082	23,933,679	10,885,749



DAWOOD EQUITIES LIMITED

Statement of Compliance with the Code of Corporate Governance

Name of Company: Dawood Equities Limited

Year Ended: June 30, 2016

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 35 of Chapter XI listing regulation of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on the Board of Directors. At present the Board has seven directors which include:

Category	Names
Executive Directors	Mr. Abdul Aziz Habib
Non-Executive Directors	Mr. Junaid Dada
	Mr. Khalid Rafique
	Mr. Muhammad Abbas
	Mr. Saifullah
Independent Directors	Mr. Asim Iftikhar Yaqub
	Mr. Rubina Khanum

The casual vacancy of director will be filled within 90 days as per code of corporate governance.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered tax payers and none of them has defaulted in payment of any loan to a banking company, a Development Finance Institution (DFI) or a Non-Banking Finance Institution (NBFI) or, being a member of a stock exchange, has been declared as defaulter by that stock exchange.
4. Casual vacancy has occurred during the period ended June 30, 2016. During the year the sad demise of our Chief executive, Mr Abdul Qadir Sakhi has occurred in July 2015 and Mr. Junaid Dada has appointed as CEO in his place till the remainder of his term whereas Syed Ijlal Haider appointed as the director to fill the casual vacancy occurred due to demise of Abdul Qadir Sakhi.

At Annual General Meeting held on October 2015, the shareholders of DEL elected the following members who offered themselves for election and being considered eligible and elected as the Directors of the Company for the term of three years:

1. Mr. Abdul Aziz Habib - Re-elected
2. Mr. Junaid Dada - Re-elected
3. Mr. Asim Iftikhar - Re-elected
4. Ms. Rubina Khanum - Re-elected
5. Mr. Muhammad Abbas - Re-elected
6. Mr. Muhammad Khalid Yousuf - Re-elected
7. Mr. Syed Ijlal Haider - Elected

Thereafter Mr. Saifullah appointed in place of Syed Ijlal Haider who resigned for personal reason. Further during the period Mr. Abdul Aziz Habib was appointed as Chief Executive Officer after the election of Directors whereas Junaid Dada was appointed Chairman of the Company.



DAWOOD EQUITIES LIMITED

5. The company has developed "Code of Conduct" and appropriate steps are taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have duly executed and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board/Shareholders.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were appropriately recorded and circulated. The minutes of the meetings were appropriately recorded and circulated.
9. The directors at the Board are adequately trained to perform their duties and have been provided in-house presentation to acquaint them on their roles and responsibilities under the requirements of CCG. During this financial year, none of the director has attended any training program of Corporate Governance due to their busy schedule. However, Company has planned the same for the coming year.
10. The Board had approved appointment of CFO and Company secretary, including their remuneration and terms and conditions of employment. Appointment of Head of internal audit is in process.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG except as said in Para 9 and 10 above.
15. The Board has formed an Audit Committee. It comprises three members, of whom all are non-executive directors and the Chairman of the Committee is independent director.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been framed and advised to the Committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises three members; all of them including Chairman are non-executive directors.
18. The company has outsourced internal audit function to Sajid & Co. chartered accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Association of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.



DAWOOD EQUITIES LIMITED

21. The closed period, prior to the announcement of interim/final results and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange.
22. Material/price sensitive information has been disseminated among all participants at once through stock exchange, if any.
23. We confirm that all other material principles enshrined in the CCG have been complied with.

On behalf of the Board of Directors

Abdul Aziz Habib
Chief Executive Officer

Karachi
Dated: September 30, 2016



DAWOOD EQUITIES LIMITED

Auditors' Reports To The Mambers

We have audited the annexed Balance Sheet of Dawood Equities Limited as at June 30, 2016 and related profit and loss account, statement of comprehensive income, statement of cash flow and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conduct our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, statement of cash flow and statement of changes in equity together with the notes forming part thereof confirm with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2016 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Emphasis of matters

We draw attention of the users of the financial statements to the note 18.1 of the financial statements which describe uncertainty related to the outcome of the suit filed by the company against its corporate client for the recovery of Rs.75.436 million. The ultimate outcome of the matter cannot presently be determined and provision is made to the extent that management expects will be irrecoverable.

We also draw attention towards note 8.1 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 opinion is not qualified in respect of this matter.

Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated:

Engagement Partner:
Farhan Ahmed Memon



DAWOOD EQUITIES LIMITED

**Review Report To The Member On Statement Of Compliance
With Best Practices Of Code Of Corporate Governance**

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **DAWOOD EQUITIES LIMITED** ("the Company") to comply with the relevant Listing Regulation of Pakistan Stock Exchange where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Sub- Regulation (x) of Listing Regulation No. 35 notified by The Pakistan Stock Exchange Limited requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company the year ended June 30, 2016.

Further, we would like to highlight below instances of non-compliance with the requirements of the Code as reflected in the paragraph reference where these are stated in the Statement of Compliance:

S. No.	Paragraph Reference	Description
i.	9	Except for those exempted, other directors have not attended any training program of Corporate Governance.
ii.	10	There is no Head of Internal Audit to act as coordinator between the Firm of external auditor and the Board.

Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated:



**Audited Financial Statements
For The Year Ended
June 30 2016**





DAWOOD EQUITIES LIMITED

**Balance Sheet
As At June 30, 2016**

<u>ASSETS</u>	<i>Note</i>	<i>2016 Rupees</i>	<i>2015 Rupees</i>
Non-Current Assets			
Property and equipment	4	341,236	282,275
Intangible assets	5	5,000,000	13,663,818
Long term investment	6	40,242,140	40,434,494
Long term deposits	7	1,137,500	1,137,500
Deferred taxation	8	37,223,315	35,000,000
		<u>83,944,191</u>	<u>90,518,087</u>
Current Assets			
Short term investments	9	18,381,327	29,257,054
Trade debts	10	90,447,558	75,279,045
Trade deposits and short term prepayments	11	8,940,945	33,563,082
Other receivable	12	17,907,402	18,407,784
Tax refunds due from government	13	8,173,175	5,604,476
Cash and bank balances	14	12,506,263	6,119,780
		<u>156,356,670</u>	<u>168,231,221</u>
Total Assets		<u><u>240,300,861</u></u>	<u><u>258,749,308</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	15	249,965,000	249,965,000
Reserves	16	(26,415,915)	(27,228,434)
		<u>223,549,085</u>	<u>222,736,566</u>
Current Liabilities			
Trade and other payables	17	16,751,776	36,012,742
Contingencies and Commitments	18	-	-
Total Equity and Liabilities		<u><u>240,300,861</u></u>	<u><u>258,749,308</u></u>

The annexed notes from 1 to 35 form an integral part of these financial statements

Chief Executive

Director



DAWOOD EQUITIES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016**

	<i>Note</i>	<i>2016 Rupees</i>	<i>2015 Rupees</i>
Operating revenue	19	20,677,611	17,716,575
Capital (loss)/gain on disposal of investments - net	20	(408,188)	2,936,657
Gain / (loss) on remeasurement of investments carried at fair value through profit and loss	21	<u>176,344</u>	<u>(568,478)</u>
		20,445,767	20,084,754
Administrative expenses	22	<u>(12,559,714)</u>	<u>(10,367,520)</u>
		7,886,053	9,717,234
Financial charges	23	<u>(57,897)</u>	<u>(64,227)</u>
		7,828,156	9,653,007
Other operating income	24	1,504,079	4,210,716
Other operating charges	25	<u>(9,830,310)</u>	<u>(563,850)</u>
(Loss) / profit before taxation		(498,075)	13,299,873
Taxation	26	<u>1,502,948</u>	<u>33,319,263</u>
Profit after taxation		<u>1,004,873</u>	<u>46,619,136</u>
Earning per share - Basic and diluted	27	<u>0.04</u>	<u>1.87</u>

The annexed notes from 1 to 35 form an integral part of these financial statements


Chief Executive


Director



DAWOOD EQUITIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

	<i>2016</i> <i>Rupees</i>	<i>2015</i> <i>Rupees</i>
Profit for the year	1,004,873	46,619,136
Other comprehensive (loss) / income	(192,354)	360,664
Total comprehensive income for the year	<u>812,519</u>	<u>46,979,800</u>

The annexed notes from 1 to 35 form an integral part of these financial statements


Chief Executive


Director



DAWOOD EQUITIES LIMITED

**STATEMENT OF CASH FLOW.
FOR THE YEAR ENDED JUNE 30, 2016**

	<i>2016</i>	<i>2015</i>
<i>A. CASH FLOWS FROM OPERATING ACTIVITIES</i>	<i>Rupees</i>	<i>Rupees</i>
(Loss) / profit before taxation	(498,075)	13,299,873
Adjustment for non cash items:		
Depreciation	136,539	107,804
Loss / (gain) on remeasurement of investment	(176,344)	568,478
Capital (gain) / loss on disposal of investment	408,188	(2,936,657)
Dividend income	(2,031,055)	(1,697,256)
Decline in value of TREC	8,663,818	-
Reversal for doubtful debts	(180,000)	(135,000)
Gain on sale of vehicle	(1,300)	(5,400)
Financial charges	57,897	64,227
	<u>6,379,668</u>	<u>9,266,069</u>
(Increase) / decrease in current assets		
Trade debts	(14,988,513)	580,984
Other receivables	500,382	1,015,257
Trade deposits and short term prepayments	24,622,137	(27,209,985)
	<u>10,134,006</u>	<u>(25,613,744)</u>
(Decrease) / increase in current liabilities		
Trade and other payables	(19,260,966)	(5,025,221)
	<u>(2,747,292)</u>	<u>(21,372,896)</u>
Taxes paid	(3,289,066)	(3,172,092)
Financial charges paid	(57,897)	(64,227)
	<u>(3,346,963)</u>	<u>(3,236,319)</u>
Net cash used in operating activities	<u>(6,094,255)</u>	<u>(24,609,215)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(195,500)	(47,300)
Proceeds from sale of property and equipment	1,300	5,400
Disposal of investments - net	10,643,883	25,971,616
Dividend received	2,031,055	1,697,256
Net cash generated from investing activities	<u>12,480,738</u>	<u>27,626,972</u>
Net increase in cash and cash equivalents (A+B)	6,386,483	3,017,757
Cash and cash equivalents at the beginning of the period	6,119,780	3,102,023
Cash and cash equivalents at the end of the period	<u>12,506,263</u>	<u>6,119,780</u>

The annexed notes from 1 to 35 form an integral part of these financial statements


Chief Executive


Director



DAWOOD EQUITIES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

	Issued, subscribed and paid up capital	Reserves		Sub-Total	Total Equity	
		Capital	Revenue			
	Gain/(loss) on remeasurement of AFS investment	Share premium	Accumulated (loss) / profit			
----- Rupees -----						
Balance as at June 30, 2014	249,965,000	3,737,648	74,973,750	(152,919,632)	(74,208,234)	175,756,766
Profit for the year	-	-	-	46,619,136	46,619,136	46,619,136
Gain on re-measurement of investment available for sale at par value	-	360,664	-	-	360,664	360,664
				46,979,800		
Balance as at June 30, 2015	249,965,000	4,098,312	74,973,750	(106,300,496)	(27,228,434)	222,736,566
Profit for the year	-	-	-	1,004,873	1,004,873	1,004,873
Loss on re-measurement of investment available for sale at par value	-	(192,354)	-	-	(192,354)	(192,354)
Total comprehensive income for the year				812,519		
Balance as at June 30, 2016	249,965,000	3,905,958	74,973,750	(105,295,623)	(26,415,915)	223,549,085

The annexed notes from 1 to 35 form an integral part of these financial statements


Chief Executive


Director



DAWOOD EQUITIES LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

1 CORPORATE INFORMATION, OPERATIONS AND LEGAL STATUS

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 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 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: -



Property and equipment

The Company's management determines the estimated useful lives and related depreciation charge for its property and equipment. This also includes estimating the residual values and depreciable lives. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property and equipments with a corresponding affect on the depreciation charge and impairment.

Income Taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

Intangible Assets

The Company reviews the rate of amortization and value of intangible assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of intangible assets with a corresponding affect on the amortization charge and impairment.

Investments stated at Fair Value

The Company has determined fair value of certain investments by using quotations from active market. Fair value estimates are made at a specific point of time based on market conditions and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matter of judgments (e.g. valuation, interest rates, etc.) and therefore, can not be determined with precision.

Trade and Other Receivables

The Company reviews its debtors portfolio regularly to assess amount of any provision required against such trade debtors. Provisions are made after adjustment of liquid securities available.

2.5 Standards, amendments and interpretations which became effective during the year

During the year certain amendments to Standards and new interpretations became effective however they did not have any material effect on the financial statements of the Company.

2.6. New / revised accounting standards, amendments to published accounting standards, and interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards are only effective for annual periods beginning from the dates specified below. These standards are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements, other than increased disclosures in certain cases:

<i>Standards or interpretation</i>	<i>(Effective for annual periods beginning on or after)</i>
IFRS 10	Consolidated Financial Statements, IAS 28 Investments in Associates and Joint Ventures-Sale or Contribution of Assets between an investor and its associates or Joint venture (Amendment) Not yet Finalized



<i>Standards or interpretation</i>		<i>(Effective for annual periods beginning on or after)</i>
IFRS 11	Joint Arrangements-Accounting for acquisition of interest in Joint operation (Amendment)	January 01, 2016
IAS 1	Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 01, 2016
IAS 7	Financial instruments: Disclosures -Disclosure Initiative- (Amendment)	January 01, 2017
IAS 12	Income Taxes- Recognition of Deferred Tax Assets for Unrealized Losses (Amendments)	January 01, 2017
IAS 16	Property, Plant and Equipment and IAS 38Intangible Assets-Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 01, 2016
IAS 16	Property, Plant and Equipment and IAS 41 Agriculture: Bearer Plants (Amendment)	January 01, 2016
IAS 27	Separate Financial Statements-Equity Method in Separate Financial Statements	January 01, 2016

The Company expect that the adoption of the above standards and interpretation will not have any material impact on its financial statements in the period of initial application.

In addition to the above, amendments to various accounting standards have also been issued by the IASB (International Accounting Standards Board). Such improvements are generally effective for accounting periods beginning on or after July 01, 2014. The Company expect that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

<i>Standards or interpretation</i>		<i>(Effective for annual periods beginning on or after)</i>
IFRS 9	Financial Instruments- Classification and Measurement	January 1, 2018
IFRS 14	Regulatory Deferral Accounts	January 01, 2016
IFRS 15	Revenue from Contracts with Customers	January 1, 2018
IFRS 16	Leases	January 1, 2019



3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Property and Equipment

These are initially recognized at cost. Subsequent to initial recognition these are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation is calculated on straight line basis over the estimated useful life of the assets. Depreciation on additions is charged from the month in which they are available for use and on deletions up to the month of deletion. The estimated useful lives for the current and comparative periods are mentioned in note 4.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and its cost can be reliably measured. Cost incurred to replace an item of property and equipment is capitalized and the asset so replaced is retired from use and its carrying amount is derecognized. Normal repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

The residual values and useful lives of assets are reviewed and adjusted, if impact on depreciation is significant. The company's estimate of residual values of property and equipment as at June 30, 2016 has not required any adjustment as its impact is considered insignificant.

Gains and losses on disposal of assets, if any, are taken to profit and loss account.

3.2 Intangible Assets

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Trading Rights Entitlement Certificates

Trading Rights Entitlement Certificates are measured in a manner as specified in note 3.3.3.

Software

Costs directly associated with identifiable software products that will have probable economic benefits exceeding costs beyond one year are recognized as an intangible asset. Direct costs include the purchase costs of software and other directly attributable costs of preparing the software for its intended use.

This is initially stated at cost and subsequently carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged applying straight line method over estimated useful life of the software.

3.3 Investments

All investments are initially recognized at fair value, being the cost of the consideration given including transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged off to the profit and loss account.



All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchases and sales are recognized at the settlement date. Trade date is the date on which the Company commits to purchase or sale an asset.

The management determines the appropriate classification of the investment made by the Company in accordance with the requirements of International Accounting Standards (IAS) 39: 'Financial Instruments: Recognition and Measurement' at the time of purchase.

The Company classifies its investments in the following categories: -

3.3.1 Financial assets 'at fair value through profit or loss - held for trading'

Financial assets that are acquired principally for the purpose of generating profit from short term fluctuations in market price, interest rate movements or are financial assets included in a portfolio in which pattern of short-term profit taking exists.

A non-derivative financial asset is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Investments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction cost are recognized in profit or loss when incurred. Investments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

3.3.2 Available for sale

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in market prices, are classified as 'available for sale'.

'Available for sale' financial assets are marked to market using the closing market rates and are carried on the balance sheet at fair value. Net gains and losses arising on changes in fair value of these financial assets are recognized in other comprehensive income, until the available for sale financial assets are derecognized. At this time, the cumulative gain or loss previously recognized directly in other comprehensive income is reclassified from other comprehensive income to profit or loss as a reclassification adjustment.

3.3.3 Shares of Pakistan Stock Exchange Limited

Membership card is surrendered by the Company in lieu of shares of PSXL and TREC. Such shares are treated as investment available for sale and valued by apportioning the value of previous membership card. Value of previous membership card is apportioned in the ratio in which base minimum capital is allocated to shares and TREC. After initial recognition these shares are valued at breakup value of shares as determined by PSX and gain / (loss) on remeasurement is charged to equity until disposed off or impaired.

3.4 Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loan and receivables are carried at amortized cost using the effective interest method.

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized on trade date-the date on which the Company commits to purchase or sales the assets. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through



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profit or loss. Financial assets are derecognized when the right to receive the cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownerships.

The Company assesses to each balance sheet date whether there is objective evidence that a financial asset at a group of financial assets is impaired.

3.5 Trade debts and other receivables

Trade debts and other receivables are recognized at fair value and subsequently measured at amortized cost. A provision for impairment in trade and other receivables is made when there is an objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

3.6 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprises cash and bank balances and short term investments having maturity upto three months net of short term borrowings which are repayable on demand.

3.7 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

3.8 Borrowing Cost

Borrowing costs are interest or other auxiliary costs incurred by the Company in connection with borrowing of funds and is treated as periodic cost and charged to profit and loss account.

3.9 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in equity or below equity, in which case it is recognized in equity or below equity respectively.

Current

Provision for taxation is determined in accordance with the provisions of Income Tax Ordinance, 2001.

Deferred

Deferred tax is provided in full using the balance sheet liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

3.10 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.



3.11 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization if no impairment loss had been recognized.

3.12 Financial instruments

Financial Instruments carried on the balance sheet date include investments, loans and advances, deposits and prepayments, trade debts and other receivables, accrued income on investments, cash and bank balances, short term borrowings, trade and other payables and accrued markup on short term finance.

Financial Assets

The Company classifies its financial assets in held to maturity, held for trading and loans and receivables categories. The classification depends on the purpose for which assets are acquired. Management determines the classification of its financial assets at initial recognition.

Financial Liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

3.13 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are off-set and the net amount is reported in the financial statements only when the Company has a legally enforceable right to off-set the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

3.14 Revenue recognition

Brokerage, commission and other income are recognized as and when services have been provided. Capital gains and losses on sale of marketable securities are recorded on the date of sale.

Dividend income on equity investments is recognized, when the right to receive the same is established.



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Unrealized Capital gains / (losses) arising from marking investment to the market value of investments classified as 'financial assets at fair value through profit or loss - held for trading' are included in profit and loss account in the period in which they arise.

Income on placement of funds is recognized on accrual basis.

Income from Custody / Laga / NCSS Fees is recognized on occurrence of transactions.

3.15 Transactions with related parties

Transactions with related parties are carried out at arm's length using the methods prescribed in the Companies Ordinance, 1984.

3.16 Earnings per share

Earnings per share is calculated by dividing the profit after tax for the year by the weighted average number of shares outstanding during the year.

3.17 Dividend distributions and appropriations

Dividend distributions and appropriations if any, are recorded in the period in which the distributions and appropriations are approved.

4 PROPERTY AND EQUIPMENT

Particulars	Owned Assets				Total
	Computers	Office equipment	Furniture & Fixtures	Motor vehicle	
----- Rupees -----					
Year ended June 30, 2016					
Opening net book	106,000	15,325	-	160,950	282,275
Additions			100,500	95,000	195,500
Disposals					
Cost	-	-	-	(13,000)	(13,000)
Depreciation	-	-	-	13,000	13,000
Net book value	-	-	-	-	-
Depreciation charge	(62,417)	(4,580)	(9,425)	(60,117)	(136,539)
Closing net book value	43,583	10,745	91,075	195,833	341,236
As at June 30, 2016					
Cost	1,435,287	620,587	100,500	393,000	2,549,374
Accumulated	(1,391,704)	(609,842)	(9,425)	(197,167)	(2,208,138)
	43,583	10,745	91,075	195,833	341,236

4.1 The following assets were disposed off during the year:

Particulars	Cost	Accumulate depreciation	Written Down Value	Sales Proceed	Gain on disposal	Mode of disposal
Bike	13,000	13,000	-	1,300	1,300	Benefit to
2016	13,000	13,000	-	1,300	1,300	-
2015	89,000	89,000	-	5,400	5,400	



	<i>Note</i>	<i>2016 Rupees</i>	<i>2015 Rupees</i>
5 INTANGIBLE ASSETS			
Computer software	5.1	-	-
TREC	5.2	5,000,000	13,663,818
5.1 Computer Software		5,000,000	13,663,818
Opening net book value		-	-
Amortization charge		-	-
Closing net book value		-	-
As at June 30, 2016			
Cost		1,450,000	1,450,000
Accumulated amortization		(1,450,000)	(1,450,000)
		-	-
Rate of amortization (%)		20	20
		2016	2015
5.2 TREC		Rupees	Rupees
Carrying value		13,663,818	13,663,818
Decline in value		(8,663,818)	-
		5,000,000	13,663,818
5.2.1	Pursuant to the promulgation of the stock exchange (Corporatisation, Demutualization and Integration) Act, 2012 (The Act), the ownership in a stock exchange has been segregated from the right to trade on the exchange. Accordingly, the company has received equity shares of PSX and a Trading Right Entitlement Certificates (TRECs) in lieu of its membership card of PSX. Pakistan Stock Exchange Limited has determined value of Pakistan Stock Exchange Limited Trading Rights Entitlement Certificate for base minimum capital purpose amounting to Rs.5 million.		
	<i>Note</i>	<i>2016 Rupees</i>	<i>2015 Rupees</i>
6 LONG TERM INVESTMENTS			
Investment in shares of Pakistan Stock Exchange			
Exchange Limited - available for sale	6.1	36,336,182	36,336,182
Unrealized gain on remeasurement at par value	6.2	3,905,958	4,098,312
		40,242,140	40,434,494
6.1	This represents shares of Pakistan Stock Exchange Limited (PSXL) formerly Karachi Stock Exchange Limited (KSEL) acquired in pursuance of corporatization and demutualization of PSX as a public company limited by shares. As per the arrangements the authorized and paid-up capital of PSX is Rs.10,000,000,000 and Rs.8,014,766,000 respectively with a par value of Rs. 10 each. The paid-up capital of PSXL is equally distributed among 200 members of PSXL by issuance of 4,007,383 shares to each member in the following manner:		



1. 40% of the total shares allotted (i.e. 1,602,953 shares) are transferred in the House Account - CDC of each initial shareholder;

2. 60% of the total shares (i.e. 2,404,430 shares) have been deposited in a sub-account in Company's name under PSXL's participant ID with CDC which will remain blocked until they are divested to strategic investor(s), general public and financial institutions.

Right to receive distributions and sale proceed against 60% shares in the blocked account shall vest in the initial shareholder, provided that bonus and right shares (if any) shall be transferred to blocked account and disposed off with the blocked shares.

Right to vote against blocked shares shall be suspended till the time of sale. The shares of PSXL shall be listed within such time as the SECP may prescribe in consultation with the Board of Directors of PSXL.

In the absence of an active market of the shares of PSX and TREC, the allocation of the carrying value of the membership card of Rs. 50 million between the shares (financial asset) and TREC (an intangible asset) has been made by the company on the basis of similar ratio as between TREC and shares of PSXL in the base minimum capital requirement.

6.2 Pakistan Stock Exchange Limited has determined value of Pakistan Stock Exchange Limited shares for base minimum capital purpose amounting to Rs. 10.042 (2015 : Rs.10.09) per share.

	2016	2015
	Rupees	Rupees
7 LONG TERM DEPOSITS		
Pakistan Stock Exchange Limited	700,000	700,000
Central Depository Company Limited	137,500	137,500
National Clearing Company Pakistan Limited	300,000	300,000
	<u>1,137,500</u>	<u>1,137,500</u>
8 DEFERRED TAXATION		
Relating to deductible temporary difference		
Accelerated tax depreciation	(22,468)	(23,043)
Alternate corporate tax	(2,232,450)	(2,232,450)
Minimum tax	(183,601)	-
Trade debts-provision for doubtful debts	(26,752,795)	(26,752,795)
Tax losses	(62,486,506)	(66,414,505)
Deferred tax asset	<u>(91,677,820)</u>	<u>(95,422,792)</u>
Deferred tax asset not recognized	54,454,505	60,422,792
	<u>(37,223,315)</u>	<u>(35,000,000)</u>

8.1 Deferred tax asset recognised aggregating to Rs.37.223 (2015:35)million . The management of the Company believes that based on the projections of future taxable profits, it would be able to realise these tax losses in the future. These projections are however, subject to uncertainty.



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	<i>Note</i>	<i>2016 Rupees</i>	<i>2015 Rupees</i>
9 SHORT TERM INVESTMENTS			
In related parties - at fair value through profit & loss	9.1	1,350,729	1,624,557
In related parties - available for sale - at cost	9.2	3,318,755	12,095,000
Others - at fair value through profit & loss	9.3	13,711,843	15,537,496
		<u>18,381,327</u>	<u>29,257,054</u>

9.1 In related parties - at fair value through profit & loss

<i>2016</i>	<i>2015</i>		<i>2016 Rupees</i>	<i>2015 Rupees</i>
<i>---- Number of Shares ----</i>				
567,613	567,613	Dawood Capital Management Ltd.	1,220,368	1,135,426
-	22,500	BBR Guardian Modaraba	-	177,290
127,805	127,805	First Dawood Investment Bank Ltd.	132,917	191,708
			1,353,285	1,504,424
		Gain / (Loss) on remeasurement of investments	(2,556)	120,133
			<u>1,350,729</u>	<u>1,624,557</u>

	<i>2016 Rupees</i>	<i>2015 Rupees</i>
The market value of each listed security is as follows:		
Dawood Capital Management Ltd.		2.15
First Dawood Investment Bank Ltd.		1.02

9.2 In related parties - available for sale - at cost

<i>2016</i>	<i>2015</i>		<i>Note</i>	<i>2016 Rupees</i>	<i>2015 Rupees</i>
<i>Number of Shares</i>					
363,500	1,209,500	Dawood Family Takaful Limited	9.2.1	<u>3,318,755</u>	<u>12,095,000</u>

9.2.1 The breakup of value of these shares based on last available audited financial statements, i.e. for the year ended December 31, 2015, of the investee Company is Rs. 5.23 (2015 : Rs.5.96) per share.



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			2016	2015
9.3 Other investments - at fair value through profit and loss		Note	Rupees	Rupees
Ordinary Shares		9.3.1	12,149,391	13,556,299
Units of mutual funds		9.3.4	1,562,452	1,981,197
			13,711,843	15,537,496
9.3.1 Held for trading - Ordinary Shares				
	2016	2015		
	Number of Shares			
	5,420	6,920	Arif Habib Corporation Limited	220,323
	6,675	9,675	Fauji Fertilizer Bin Qasim Limited	358,053
	720	720	Attock Petroleum Limited	310,205
	1,200	171	Akzo Noble Pakistan Limited	231,516
	67,473	130,473	Engro Polymer & Chemical Limited	615,410
	300	300	Thall Limited	76,413
	1,828	1,828	ICI Pakistan Limited	785,949
	-	4,000	Adam Sugar Mills Limited	-
	-	5,000	Engro Fertilizer Limited	-
	-	150	Packages Limited	-
	-	25	Fauji Fertilizer Company Limited	-
	175	5,175	National Bank Limited	9,041
	-	1,535	National Refinery Limited	-
	500	-	Nishat Mills Limited	61,336
	181,672	189,172	Lotte Chemical Pakistan Limited	1,061,279
	-	50,000	Bank of Punjab	-
	6,000	1,000	Allied Bank Limited	552,000
	15,000	15,000	Fatima Fertilizer Company Limited	499,200
	15,500	10,500	Engro Powergen Qadirpur Limited	469,960
	-	93	Habib Bank Limited	-
	1,000	1,000	Gadoon Textile Mill Limited	123,415
	5,000	10,000	Gul Ahmed Textile Limited	170,013
	6,000	10,000	Habib Metropolitan Bank Limited	176,340
	-	5,000	Mughal Iron & Steel Limited	-
	-	6,047	Nimir Industries Limited	-
	-	10,000	Lafarge Pakistan Cement Limited	-
	-	1,500	Clover Pakistan Limited	-
	-	100	Abbot Laboratories	-
	8,205	8,205	Adamjee Insurance Company Limited	439,214
	1,500	1,500	Kot Addu Power Company Limited	115,755
	22,500	14,500	Askari Commercial Bank Limited	421,875
	-	5,000	Oil & Gas Development Company	-
	-	6,000	Bannu Woolen Mills limited	-



DAWOOD EQUITIES LIMITED

2016	2015		2016	2015
Number of Shares			Rupees	Rupees
-	2,000	Nishat Chunian Limited	-	67,376
-	10,000	Pakistan Reinsurance Limited	-	301,742
-	5,500	System Limited	-	281,039
-	3,500	Pakistan Petroleum Limited	-	598,220
75,000	35,500	K Electric Limited	608,125	296,430
10,000	17,500	Pakistan Telecommunication Limited	151,504	384,086
5,000	-	Pakgen Power Company Limited	133,019	-
6,000	12,500	Treet Corporation Limited	284,940	349,526
-	500	Attock Cement Pakistan Limited	-	107,266
15,000	-	Dewan Cement Limited	218,506	-
5,500	-	Dawood Lawrenepur Limited	775,406	-
10,000	-	Faysal Bank Limited	141,500	-
25,000	-	Golden Arrow Selected Stocks	194,750	-
2,500	-	Ghandara Nissan Limited	418,412	-
2,500	-	Glaxosmithline Pakistan Limited	538,575	-
4,000	-	Hi-Tech Lubricants Limited	230,950	-
5,000	-	Pakistan International Bulk Limited	162,523	-
10,000	-	Pakistan Refinery Limited	445,624	-
5,000	-	Synthetic Products Enterprises Limited	215,100	-
10,000	-	Saif Power Limited	287,500	-
26,500	-	TPL Trakker Limited	339,583	-
5,000	-	TRG Pakistan Limited - "Class- A"	192,027	-
			12,035,340	14,662,910
		Gain/Loss on remeasurement of investments	114,051	(1,106,611)
			12,149,391	13,556,299
			<i>2016</i>	<i>2015</i>
			<i>Rupees</i>	<i>Rupees</i>

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

Arif Habib Corporation Limited	39.49	53.22
Attock Petroleum Limited	437.54	567.22
D.G. Khan Cement Limited	190.49	142.77
Dost Steel Limited	12.78	10.10
Engro Polymer & Chemical Limited	8.50	9.79
Thall Limited	283.02	285.43
Adam Sugar Mills Limited	29.82	18.10
Packages Limited	636.22	594.08
Nishat Mills Limited	107.90	114.23
Lotte Chemical Pakistan Limited	6.01	6.92
Habib Bank Limited	197.56	215.15



	<i>2016</i>	<i>2015</i>
	<i>Rupees</i>	<i>Rupees</i>
Hascol Petroleum Limited	195.37	114.51
Kohenoor Textile Mills Limited	80.03	64.69
Nimir Industries Limited	30.00	20.00
Lafarge Pakistan Cement Limited (Pakcem)	17.66	19.46
Clover Pakistan Limited	42.55	85.33
Abbot Laboratories	754.00	667.31
Bannu Woolen Mills limited	53.16	50.89
Attock Cement Pakistan Limited	238.71	190.60
Fauji Fertilizer Bin Qasim Limited	53.01	55.32
Pakistan Reinsurance Limited	30.26	28.90
System Limited	57.64	46.07
Pakistan Petroleum Limited		
Mughal Iron & Steel Limited	67.19	56.24
Nishat Chunian Limited	35.42	36.73
Kot Addu Power Company Limited	89.25	86.04
Allied Bank Limited	89.96	99.94
Fauji Fertilizer Company Limited	114.72	149.42
Adamjee Insurance Company Limited	50.16	47.62
Askari Commercial Bank Limited	18.68	21.21
Engro Powergen Qadirpur Limited	28.92	39.08
Akzo Noble Pakistan Limited	184.65	319.17
Pakgen Power Company Limited	24.05	30.01
K Electric Limited	8.06	8.42
Bank of Punjab	8.04	9.13
Searle Pakistan Limited	536.15	320.69
Engro Fertilizer Limited	64.48	88.69
National Refinery Limited	475.4	232.06
ICI Pakistan Limited	445.02	428.87
National Bank Limited	57.81	53.19
Gadoon Textile Mill Limited	128.59	164.76
Pakistan Telecommunication Limited	15.03	20.50
Oil & Gas Development Company	138.07	179.24
Habib Metro Bank Limited	28.37	30.00
Gul Ahmed Textile Limited	36.19	49.05
Fatima Fertilizer Company Limited	33.94	39.07
Treet Corporation limited	49.43	16.12



9.3.4 Units of mutual funds

2016	2015		Note	2016 Rupees	2015 Rupees
---- Number of Units ----					
128,722	147,659	NAFA Government Securities Liquid Fund		1,436,894	1,406,923
-	1,475	NAMCO Income Fund		-	156,274
				<u>1,436,894</u>	<u>1,563,197</u>
		Gain on remeasurement of units		<u>125,558</u>	<u>418,000</u>
				<u>1,562,452</u>	<u>1,981,197</u>

9.3.5 The market value of each unit of fund is as follows:

NAMCO Income Fund	-	327.85
NAFA Government Securities Fund	11.16	10.14

10 TRADE DEBTS

Considered good	10.1	42,126,841	26,727,513
Considered doubtful		<u>126,825,408</u>	<u>127,236,223</u>
		<u>168,952,249</u>	<u>153,963,736</u>
Provision for considered doubtful	10.2	<u>(78,504,691)</u>	<u>(78,684,691)</u>
		<u>90,447,558</u>	<u>75,279,045</u>

10.1 This includes amount of Rs. 12,988,853 (2015:Rs.Nil) receivable from related parties of the Company.

	2016 Rupees	2015 Rupees
--	----------------	----------------

10.2 Provision for trade debts considered doubtful

Opening balance		78,684,691	78,819,691
Provision made during the year	25	-	-
Provision reverse during the year	25	<u>(180,000)</u>	<u>(135,000)</u>
		<u>78,504,691</u>	<u>78,684,691</u>

11 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Trade deposits	8,791,225	33,463,082
Advance to employees	117,000	-
Prepayments	<u>32,720</u>	<u>100,000</u>



12 OTHER RECEIVABLES	<i>Note</i>	<i>2016</i>	<i>2015</i>
- Considered good		Rupees	Rupees
Receivable for PSX Office	12.1	12,606,550	12,606,550
Receivable from PSX		3,930,333	3,390,912
Receivable from NCCPL		-	995,058
Receivable from Dawood Money Market Fund - related party		960,016	1,055,016
Other receivables		50,255	-
Receivables from Dealers		360,248	360,248
		<u>17,907,402</u>	<u>18,407,784</u>

12.1 This represents amount receivable from PSX in pursuance to agreement dated May 17, 2013 as compensation for old building. The compensation amount is finalized during 2014 and excess of Rs.4,581,550 is recognise as income.

	<i>Note</i>	<i>2016</i>	<i>2015</i>
		Rupees	Rupees
13 TAX REFUNDS DUE FROM GOVERNMENT			
Opening balance		5,604,476	4,113,121
Add: Paid during the period		2,568,699	1,491,355
		8,173,175	5,604,476
Provision for taxation		-	-
		8,173,175	5,604,476

14 BANK BALANCES

Cash in hand		4,136	3,236
Cash at bank			
Current accounts		12,358,257	2,758,889
Saving accounts	14.1	143,870	3,357,655
		12,506,263	6,119,780

14.1 Saving accounts carries mark-up at the rate of 4% (2015 : 3.1%) per annum.

15 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

<i>2016</i>	<i>2015</i>		<i>2016</i>	<i>2015</i>
<i>Number of Ordinary</i>			<i>Rupees</i>	<i>Rupees</i>
<i>shares of Rs.10 each</i>				
24,996,500	24,996,500	Fully paid in cash	249,965,000	249,965,000



16 RESERVES
- Capital reserve

Share premium is capital reserve and is held for utilization of purposes as stated in section 83 of the Companies Ordinance, 1984.

	<i>Note</i>	<i>2016</i> <i>Rupees</i>	<i>2015</i> <i>Rupees</i>
17 TRADE AND OTHER PAYABLES			
Trade creditors	17.1	11,497,329	26,545,721
Due to dealer		684,557	1,897,295
Temporary overdraft		-	4,849,279
Accrued expenses		2,594,162	2,202,271
Payable to NCCPL		1,062,736	-
Withholding tax payable		912,992	518,176
		<u>16,751,776</u>	<u>36,012,742</u>

17.1 This includes amount of Rs. 1,126,049 (2015 : Rs.498,000) payable to related parties of the Company.

18 CONTINGENCIES AND COMMITMENTS

18.1 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. Honorable High Court has appointed Commissioner for determination of amount. Company expects favourable outcome of the case 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.

18.2 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.

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

	<i>Note</i>	<i>2016</i> <i>Rupees</i>	<i>2015</i> <i>Rupees</i>
For purchase of shares		<u>55,573,907</u>	<u>55,105,405</u>
For sale of shares		<u>52,240,842</u>	<u>61,001,152</u>

19 OPERATING REVENUE

Brokerage commission	19.1	15,126,480	13,508,637
Custody / Laga / NCSS Fees		2,514,456	2,135,683
Underwriting commission		1,005,620	375,000
Dividend income		2,031,055	1,697,256
		<u>20,677,611</u>	<u>17,716,575</u>



	<i>Note</i>	<i>2016</i> <i>Rupees</i>	<i>2015</i> <i>Rupees</i>
19.1 Brokerage commission			
Gross commission		31,334,791	28,253,587
Sales tax/ Federal excise duty		(3,817,108)	(3,710,810)
		27,517,683	24,542,777
Commission to agents and dealers		(12,391,203)	(11,034,139)
		15,126,480	13,508,637
20 CAPITAL GAIN/ (LOSS) ON INVESTMENTS - NET			
Investments in others		(408,188)	2,936,657
21 GAIN / (LOSS) ON REMEASUREMENT OF INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT AND LOSS			
Others		111,495	(986,479)
Units of open end mutual funds		64,849	418,000
		176,344	(568,478)
22 ADMINISTRATIVE EXPENSES			
Salaries and other benefits		4,889,771	4,799,017
Rent, rates & taxes		156,000	156,000
Repairs and maintenance		1,081,728	887,096
Utilities		1,026,048	697,396
Fees and subscription		1,301,999	928,303
Regulatory charges		2,343,432	1,762,719
Brokerage expenses		71,305	112,420
Printing and stationery		308,243	185,338
Legal and professional fees		998,846	515,367
Traveling and conveyance		10,140	11,990
Entertainment		155,042	160,943
Depreciation	4	136,539	107,804
Miscellaneous expenses		80,621	43,127
		12,559,714	10,367,520



23 FINANCIAL CHARGES

Bank charges		<u>57,897</u>	<u>64,227</u>
	<i>Note</i>	<i>2016</i> <i>Rupees</i>	<i>2015</i> <i>Rupees</i>

24 OTHER OPERATING INCOME

From financial assets

Profit on bank accounts		231,727	27,614
Profit on cash exposure		249,997	768,341
Income on Term finance certificate		-	14,988
Markup on Certificate on deposit		-	1,596
Liabilities written back		841,055	2,796,388
Reversal of provision for bad debts		<u>180,000</u>	<u>135,000</u>
		<u>1,502,779</u>	<u>3,743,927</u>

From non financial assets

Gain on sale of fixed assets		<u>1,300</u>	<u>5,400</u>
Miscellaneous income		-	461,389
		<u>1,300</u>	<u>466,789</u>
		<u>1,504,079</u>	<u>4,210,716</u>

25 OTHER OPERATING CHARGES

Other expense		151,431	-
Impairment loss on shares of associate		316,245	-
Decline in value of TREC		8,663,818	-
Auditors' remuneration	25.1	<u>698,816</u>	<u>563,850</u>
		<u>9,830,310</u>	<u>563,850</u>

25.1 Auditors' remuneration

Statutory audit		399,600	358,280
Half yearly review		64,276	57,880
Certifications and other services		124,940	104,690
Internal audit		60,000	43,000
System audit		<u>50,000</u>	<u>-</u>
		<u>698,816</u>	<u>563,850</u>

26 TAXATION

Current	26.1	(642,023)	(1,680,737)
Capital gain tax		(78,344)	-
Deferred		<u>2,223,315</u>	<u>35,000,000</u>
		<u>1,502,948</u>	<u>33,319,263</u>



26.1 Income Tax assessment of the Company has been finalized for the tax year 2015. However the Commissioner of Income Tax may at any time during a period of five years from the date of filing of return may select the deemed assessment for audit.

26.2 Since the Company is not liable to pay any current tax because of tax losses for the prior financial years, therefore, no numerical tax reconciliation has been given. Current year tax charge is the Alternative corporate tax as per section 113C of the Income Tax Ordinance, 2001.

27 EARNING PER SHARE	<i>2016</i>	<i>2015</i>
Profit after taxation	<i>Rs.</i> <u>1,004,873</u>	<u>46,619,136</u>
Weighted average number of ordinary shares	<u>24,996,500</u>	<u>24,996,500</u>
Income per share - basic	<i>Rs.</i> <u>0.04</u>	<u>1.87</u>

Diluted earning per share has not been presented as the company did not have any convertible instruments.

28 FINANCIAL INSTRUMENTS BY CATEGORY	<i>2016</i>	<i>2015</i>
	<i>Rupees</i>	<i>Rupees</i>
FINANCIAL ASSETS		
Investment at fair value through profit or loss		
Long term investment	40,242,140	40,434,494
Short term investments	15,062,572	17,162,054
	55,304,712	57,596,548
Available for sale investments		
Short term investment	3,318,755	12,095,000
Loans and receivables		
Long term deposits	1,137,500	1,137,500
Trade debts	168,952,249	153,963,736
Trade deposits	8,791,225	33,463,082
Other receivable	17,907,402	18,047,536
Cash and bank balances	12,506,263	6,119,780
	209,294,639	212,731,634
	267,918,106	282,423,182
FINANCIAL LIABILITIES		
At fair value through profit or loss		
Trade and other payables	16,751,776	36,012,742



29 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks potential adverse effects on the Company's financial performance.

Risk managed and measured by the Company are explained below: -

- a) Credit Risk
- b) Liquidity Risk
- c) Market Risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfill their obligations. There is a possibility of default by participants and of failure of the financial markets, the depositories, the settlements or clearing system etc.

Exposure to credit risk

Credit risk of the Company arises principally from long term and short term investments, trade debts, loan and advances, accrued income, deposits, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

Out of the total financial assets of Rs.267.918 million (2015 : Rs.282.423 million) the financial assets which are subject to credit risk amounted to Rs.267.914 million (2015 : Rs.282.42 million).

All investing transactions are settled / paid for upon delivery as per the advice of investment committee. The company's policy is to enter into financial instrument contract by following internal guidelines such as approving counter parties and approving credits.

As of June 30, 2016, trade debts of Rs.126.825 million (2015 : Rs.127.326 million) are overdue for more than 360 days. Based on the past experience, consideration of financial position, past track records and recoveries, no provision has been made during the year. Impairment allowance by way of provision for doubtful debts of Rs.0.180 million is reversed during the year as the company has recovered its overdue balance from one customer

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to the credit risk at the reporting date is: -



DAWOOD EQUITIES LIMITED

	<i>2016</i>	<i>2015</i>
	<i>Rupees</i>	<i>Rupees</i>
Long term deposits	1,137,500	1,137,500
Investments- long term and short term	58,623,467	69,691,548
Trade debts	168,952,249	153,963,736
Deposits	8,791,225	33,463,082
Other receivables	17,907,402	18,047,536
Bank balances	12,502,127	6,116,544
	<u>267,913,970</u>	<u>282,419,946</u>

The maximum exposure to credit risk for trade debts at balance sheet date amounting to Rs.168.952 (2015 : Rs.153.963) million.

Provision for impairment losses

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

	<i>2016</i>		<i>2015</i>	
	<i>Gross</i>	<i>Impairment</i>	<i>Gross</i>	<i>Impairment</i>
	<i>----- Rupees -----</i>			
Past due 1-30 days	30,998,640	-	23,094,296	-
Past due 31 days -90 days	2,941,972	-	1,923,570	-
Past due 90 days -1 year	8,186,229	-	1,709,648	-
More than one year	126,825,408	(78,504,691)	127,236,223	(78,684,691)
Total	168,952,249	(78,504,691)	153,963,736	(78,684,691)

Based on past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debts past due upto one year do not require any provision. The Company considers Rs.42.127 million (2015 : Rs.48.551 million) as recoverable out of total over due trade debts by more than one year.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

b) Bank balances

Credit quality of bank balances can be assessed with reference to external credit ratings as follows:

<i>Bank</i>	<i>Agency</i>	<i>Date</i>	<i>Short term rating</i>	<i>Long term rating</i>	<i>2016 Rupees</i>	<i>2015 Rupees</i>
Bank Al-Habib Limited	PACRA	June 30, 2016	A1+	AA+	17,395	147,598
Habib Metropolitan Bank Limited	PACRA	June 30, 2016	A1+	AA+	53,845	2,009,201
MCB Bank Limited	PACRA	June 30, 2016	A1+	AAA	1,037,542	509,312
BURJ Bank Limited	JCR-VIS	June 30, 2016	A-2	BBB+	155,445	3,369,231
Bank Al-Falah Limited	PACRA	June 30, 2016	A1+	AA	11,187,623	50,925
The Bank of Khyber	PACRA	June 30, 2016	A	A1	4,659	4,659
United Bank Limited	JCR-VIS	June 30, 2016	A-1+	AAA	45,617	25,617
					<u>12,502,127</u>	<u>6,116,544</u>



c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to the dynamic nature of the business. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

The following are the contractual maturities of financial liabilities, including estimated interest payments: -

	2016			
	<i>Carrying Amount</i>	<i>Contractual Cash flows</i>	<i>Less than one year</i>	<i>More than one year</i>
	----- Rupees -----			
Financial Liabilities				
Trade and other payables	16,751,776	16,751,776	16,751,776	-

	2015			
	<i>Carrying Amount</i>	<i>Contractual Cash flows</i>	<i>Less than one year</i>	<i>More than one year</i>
	----- Rupees -----			
Financial Liabilities				
Trade and other payables	36,012,742	36,012,742	36,012,742	-

d) Market Risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company manages market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies and guidelines. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At year end, the Company is not exposed to any currency risk.

Interest Rate Risk

As reporting date the interest rate profile of the company's interest bearing financial instruments was as follows:



<u>Financial Assets</u>	<i>2016</i> <i>Rupees</i>	<i>2015</i> <i>Rupees</i>
Variable Rate Instruments		
Bank balance - PLS account	<u>143,870</u>	<u>3,357,655</u>

Cash flow Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit for the year by the amount shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2015.

	<i>Effect on profit and loss</i>	
	<i>100 bp increase</i>	<i>100 bp decrease</i>
	<i>(Rupees)</i>	
As at June 30, 2016		
Cash flow Sensitivity - variable rate instruments	<u>1,439</u>	<u>(1,439)</u>
As at June 30, 2015		
Cash flow Sensitivity - variable rate instruments	<u>33,577</u>	<u>(33,577)</u>

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets of the Company.

Price Risk

Price risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

- Sensitivity analysis

At reporting date, if the market prices of each security held by the Company as short term investment had increased / decreased by Rupee 1 with all other variables remain constant, pre tax profit would have been higher / lower by the amount shown below. The analysis is performed on same basis for 2015.

	<i>2016</i> <i>Rupees</i>	<i>2015</i> <i>Rupees</i>
Effect on profit		
Increase / Decrease	<u>1,394,824</u>	<u>1,319,637</u>

Capital risk management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The company finances its operations through equity and by managing working capital.

The Company does not obtained any financing facility and working with 100% equity financing, therefore, no gearing is identified.



e) **Fair Value of Financial Instruments**

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in arm's length transaction.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows: -

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable).

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
	----- <i>Rupees</i> -----		
June 30, 2016			
Investments at fair value through Profit and loss			
- related parties	1,350,729	-	-
- others	12,149,391	1,562,452	-
Available for sale investments - related party	-	-	3,318,755
Investments in shares of PSX	-	40,242,140	-
June 30, 2015			
Investments at fair value through Profit and loss			
- related parties	1,624,557	-	-
- others	13,556,299	1,981,197	-
Available for sale investments - related party	-	-	12,095,000
Investments in shares of PSX	-	40,434,494	-

30 RELATED PARTY TRANSACTIONS

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: -

	<i>Note</i>	<i>2016</i> <i>Rupees</i>	<i>2015</i> <i>Rupees</i>
Commission earned from brokerage transactions with member companies and key management personnel of member companies		<u>2,825,689</u>	<u>1,715,414</u>
Expenses paid / payable to member companies		<u>132,000</u>	<u>132,000</u>
FDIBL and others Employee Provident Fund			
Employer's contribution paid	30.1	<u>215,391</u>	<u>217,169</u>



30.1 The company is part of provident fund of the group as whole according to trust deed.

Year end balances are mentioned in relevant notes.

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

31 REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The directors of the Company have not drawn any remuneration during the current financial year.

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

32 OPERATING SEGMENT

These financial statements have been prepared on the basis of a single reportable segment which is consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

The internal reporting provided to the chief operating decision-maker relating to the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan. There were no change in the reportable segments during the year.

The Company is domiciled in Pakistan. The Company's revenue is generated from shares brokerage, portfolio management, investment advisory, consultancy and underwriting services.

All non-current assets of the Company are located in Pakistan.

	<i>2016</i>	<i>2015</i>
33 NUMBER OF EMPLOYEES		
Number of employees as at year end and average for the year	<u>9</u>	<u>9</u>

34 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the Company on **September 30, 2016**.

35 GENERAL

Figures have been rounded off to the nearest rupee.



Chief Executive



Director



DAWOOD EQUITIES LIMITED

Proxy Form

I/We, _____

of _____

Dawood Equities Limited appoint Mr./Mrs./Ms. _____

_____ of _____

as my proxy to vote for me/us and on my / our behalf at the Annual General Meeting to be held on 31st day of October, 2016 at 8.45 a.m. and at any adjournment thereof.

As witnessed under my/our hand this _____ day of _____ 2016 _____

Signed by _____

Signature and address of the witness

Signature and address of the witness

Please affix
revenue
stamp

Signature of member



Affix
Correct
Postage

The Company Secretary
Dawood EQUITIES LIMITED
1900-B, Saima Trade Tower
I.I Chundrigger Road Karachi.
Phone: 021-32275200
Fax :021-32275086

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