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DAWOOD EQUITIES LIMITED

CORPORATE INFORMATION

Chairman	Haji Abdul Ghani
Chief Executive Officer / Director	Mr. Muhammad Munir Issani
Directors	Mr. Abdul Qadir Sakhi Mr. Muhammad Ayub Mr. Muhammad Khalid Mr. Abdul Aziz Habib Mr. Junaid Zakaria Dada
Chief Financial Officer	Syed Muhammad Imran Rafique
Company Secretary	Syed Nazeer Haider Zaidi
Audit Committee	Mr. Abdul Aziz Habib - Chairman Mr. Muhammad Khalid - Member Mr. Abdul Qadir Shaki - Member
Auditors	Haroon Zakaria & Co. Chartered Accountants
Legal Advisor	Rauf & Ghaffar Law Associates
Bankers	Bank Al Habib Limited Habib Metropolitan Bank Limited Bank Al Falah Limited Allied Bank Limited Bank Islami Pakistan Limited Dawood Islamic Bank Limited Arif Habib Bank Limited MCB Bank Limited
Web-site	www.dawoodequities.com
Registered Office & Head Office	1700-A, Saima Trade Towers, I.I Chundrigar Road, Karachi. Phonne No.: 021-2275256-8 Fax No. : 021-2275255
Registrars	F.D Registrar Services (SMC-Pvt.) Ltd 1705, Saima Trade Tower-A I.I Chundrigar Road, Karachi



DAWOOD EQUITIES LIMITED

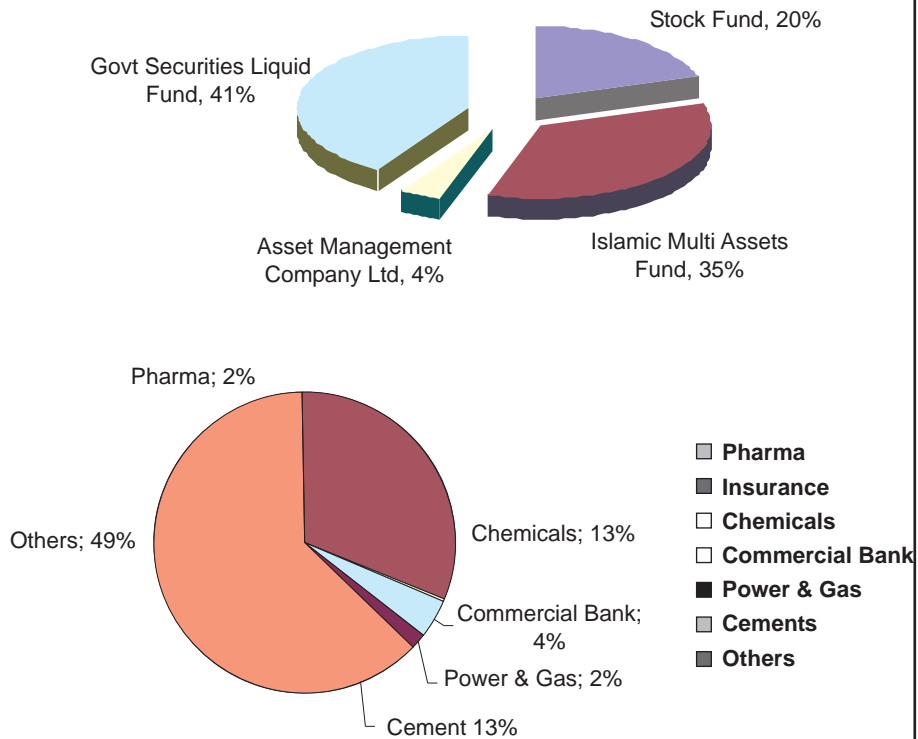
DIRECTORS' REPORT

Dear Shareholders,

The directors are pleased to present to you the un-audited financial statements of Dawood Equities Limited (DEL) for the first quarter ended September 30, 2008.

The total income during the 1st quarter stands at Rs. 10.225 Million as compared to total loss of Rs. 20.941 Million in the same period last year. Total Expenses stand at Rs. 2.881 Million during the 1st quarter under review as compared to Rs. 16.263 in the same quarter last year. The net assets of the Company stand at Rs. 298.910 Million as at September 30, 2009 as compared to Rs. 359.787 Million as of September 30, 2007. Basic Earnings per share stands at Rs. 0.290 at the end of September 30, 2009 however in the same quarter September 2008 it stands at Rs. (1.488) per share.

Assets Allocation as on September 30, 2009





DAWOOD EQUITIES LIMITED

Economic Review

Pakistan's economic crisis eased a little in 2009 as the government's stabilisation programme took effect. Pakistan is taking preventive measure and trying to overcome crisis and challenges in economy.

The economy is expected to register a modest improvement as real GDP growth raises to 3.0% in 2010, subject to substantial risks, Pakistan's economic outlook in 2010 will be shaped by both internal policies and global economic developments. In an era of rising international oil prices, improvements to the country's current account are crucial. It underlines the critical need for effective measures to build a much larger export base that is sufficient to finance oil, machinery and other essential imports.

Stock Market Review

First quarter is showing positive sign because KSE-100 index has closed at 9,349.67 points at the end of September 2009 from 7,162, showing a net gain of 30.5% as compare to June 2009 index. The market was going up due to foreign investor taking interest and remittances have hit record in the month on August standing USD 780.5 million, increase in country's foreign exchange reserve, positive inflow in portfolio investment and decline in PIB rates.

Outlook and Prospective

During this quarter your company performed very well. The company has overcome its expenses and liabilities. The Board is willing to come out from its entire financial obligation. Due to some effective measured profitability has increased.

Acknowledgements

The Board of Directors would like to express its gratitude to the clients and business partners for their faith and support and the employees for their dedication and commitment.

The Board is gratefully acknowledges to the Securities & Exchange Commission of Pakistan and the Karachi Stock Exchange (Guarantee) Limited for their guidance and support.

On behalf of the Board

Muhammad Munir Issani

Chief Executive Officer/ Director

Karachi: 28th October 2009



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2009**

	Note	September 30, 2009 (Un-Audited) Rupees	June 30, 2009 (Audited) Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	1,099,254	1,272,851
Intangible assets		197,500	220,000
Stock exchange membership card and room		95,525,000	95,525,000
Long term deposit		1,037,500	1,037,500
		97,859,254	98,055,351
CURRENT ASSETS			
Short term investments	5	166,720,367	228,664,182
Trade debts - unsecured, considered good		118,306,992	111,735,060
Accrued income		-	37,860
Taxation - net		3,347,293	3,299,314
Advances, Trade deposits and Short term prepayments	6	3,925,260	790,553
Other receivables		1,185,628	233,320
Cash and bank balances	7	5,514,322	13,841,089
		298,999,862	358,601,378
TOTAL ASSETS		396,859,116	456,656,729
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized share capital			
30,000,000 ordinary shares of Rs. 10/- each		300,000,000	300,000,000
Issued, subscribed and paid up capital			
24,996,500 ,(June 30, 2009 : 24,996,500) ordinary shares of Rs. 10/- each fully paid in cash		249,965,000	249,965,000
Unappropriated profit		27,783,842	20,403,290
		277,748,842	270,368,290
LONG TERM LIABILITIES		51,822	51,822
Deferred taxation			
CURRENT LIABILITIES	8	-	60,891,047
Short term borrowings		119,058,452	123,106,017
Trade and other payables		-	2,239,553
Accrued markup		119,058,452	186,236,617
		-	-
COMMITMENTS	9	396,859,116	456,656,729
TOTAL EQUITY AND LIABILITIES		396,859,116	456,656,729

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

Chief Executive

Director



DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	July 01, 2009 to September 30, 2009 Rupees	July 01, 2008 to September 30, 2008 Rupees
Income	3,167,872	13,097,213
Gain/(Loss) on investments measured at fair value through profit and loss	7,057,339	(34,038,320)
	10,225,211	(20,941,107)
Administrative expenses	2,544,348	6,485,916
	7,680,863	(27,427,023)
Other income	36,215	-
	7,717,078	(27,427,023)
Financial charges	336,526	9,777,231
Net profit/(loss) for the period	7,380,552	(37,204,254)
Taxation	(119,696)	-
Net profit/(loss) after taxation	7,260,856	(37,204,254)
Earnings per share - basic and diluted	0.290	(1.488)

Appropriations have been reflected in the statement of changes in equity.

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

Chief Executive

Director



DEL

DAWOOD EQUITIES LIMITED

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	September 30, 2009 (Un-Audited) Rupees	September 30, 2008 (Audited) Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(loss) for the period	7,380,552	(37,204,254)
Adjustment for non cash items:		
Depreciation	238,157	300,934
Amortization on intangible assets	22,500	22,500
Financial charges	336,526	9,777,231
	<u>7,977,735</u>	<u>(27,103,589)</u>
(Increase) / decrease in current assets		
Accrued income	37,860	9,436,179
Trade debtors	(6,571,932)	(9,858,659)
Advance, deposits and prepayments	(3,134,707)	904,353
Other receivables	(952,308)	143,391
	<u>(10,621,087)</u>	<u>625,264</u>
(Decrease) / increase in current liabilities		
Trade and other payables	(6,287,118)	(11,131,952)
Cash generated from operations	<u>(8,930,470)</u>	<u>(37,610,277)</u>
Taxes - paid	(47,979)	(2,044,149)
Financial charges paid	(336,526)	(14,483,632)
Net cash (used in) / generated from operating activities	<u>(9,314,975)</u>	<u>(54,138,058)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(64,560)	(48,300)
Purchase of intangible fixed assets	-	-
Purchase of KSE room	-	-
Short term investment	122,834,862	13,674,891
Net cash used in investing activities	<u>122,770,302</u>	<u>13,626,591</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(60,891,047)	(150,000,000)
Long term musharika finance	-	-
Issuance of shares	-	-
Share Premium	-	-
Share deposit money	-	-
Net cash used in financing activities	<u>(60,891,047)</u>	<u>(150,000,000)</u>
Net (decrease) / increase in cash and cash equivalents	<u>52,564,280</u>	<u>(190,511,467)</u>
Cash and cash equivalents at the beginning of the period	<u>(47,049,958)</u>	<u>184,526,741</u>
Cash and cash equivalents at the end of the period	<u>5,514,322</u>	<u>(5,984,726)</u>
Cash and cash equivalents comprise of:		
Cash and bank balances	5,514,322	836,619
Short term borrowings	-	(146,821,345)
Short term investment	-	140,000,000
	<u>5,514,322</u>	<u>(5,984,726)</u>

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

Chief Executive

Director



DEL

DAWOOD EQUITIES LIMITED

**CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

Description	Issued, Subscribed and paid up capital	Share premium	Unappropriat ed profit	Total
	← Rupees →			
Balance as at July 01, 2008	250,000,000	75,000,000	71,991,007	396,991,007
Profit for the period July 2008 to September 2008	-	-	(37,204,254)	(37,204,254)
Balance as at September 30, 2008	250,000,000	75,000,000	34,786,753	359,786,753
Net profit during the period October 2009 to June 2009	-	-	(89,357,213)	(89,357,213)
Shares confiscated by The Securities & Exchanges Commission of Pakistan	(35,000)	(26,250)	-	(61,250)
Balance as at June 30, 2009	249,965,000	74,973,750	(54,570,460)	270,368,290
Net profit during the period July 01, 2009 to September 30, 2009	-	-	7,380,552	7,380,552
Balance as at September 30, 2009	249,965,000	74,973,750	(47,189,908)	277,748,842

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

Chief Executive

Director



DEL

DAWOOD EQUITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2009

1 NATURE AND STATUS OF BUSINESS

1.1 Dawood Equities Limited ("the Company") was incorporated in Pakistan as public limited company on May 3, 2006 under the Companies Ordinance, 1984. The registered office of the Company is situated at 1700- A, Saima Trade Towers, I.I. Chundrigar Road, Karachi. The Company's principal business is trading and brokerage of listed equities, underwriting and investment etc.

1.2 The Company commenced commercial operations from October 3, 2006.

2. BASIS OF PRESENTATION

These financial statements are unaudited but subject to limited scope review by auditors.

The disclosures made in these financial statements have, however, been limited in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting".

These condensed financial statements are un-audited are prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directive take precedence.

These condensed interim financial statements have been presented in Pakistan Rupee, which is the functional currency of the Company.

3. ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are the same as those for the preceding published annual financial statements for the year ended June 30, 2009.



DEL
DAWOOD EQUITIES LIMITED

	Note	September 30, 2009 (Un-Audited) Rupees	June 30, 2009 (Audited) Rupees
4. PROPERTY AND EQUIPMENT			
Written down value at the beginning of the period/year		1,272,851	3,144,943
Add: Additions during the period/year	4.1	64,560	218,300
Less: Depreciation during the period/year		(238,157)	(1,137,145)
Disposals-net		-	(953,247)
Written down value at the ending of the period/year		1,099,254	1,272,851
4.1 Following additions in assets at cost were made during the period:			
Computer		10,850	29,300
Office equipment		53,710	189,000
		64,560	218,300
5. SHORT TERM INVESTMENTS			
Fair value through profit and loss-			
Held for trading			
Ordinary shares		164,004,580	79,864,222
Units of open end funds		2,715,787	2,451,469
Initially designated at fair value through profit and loss account		-	146,348,491
		166,720,367	228,664,182

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

Chief Executive

Director



DEL
DAWOOD EQUITIES LIMITED

	Note	September 30, 2009 (Un-Audited) Rupees	June 30, 2009 (Audited) Rupees
6. ADVANCES, TRADE DEPOSITS AND SHORT TERM PREPAYMENT			
(Unsecured - Considered good)			
Advance against salary & expenses		61,568	9,750
Trade deposits		3,609,096	609,096
Short term prepayments		254,596	181,457
		<u>3,925,260</u>	<u>800,303</u>
7. CASH AND BANK BALANCES			
Cash in hand		22,000	-
Cash at banks - current & PLS accounts	7.1	5,492,322	1,879,333
		<u>5,514,322</u>	<u>1,879,333</u>
7.1	Current account carries Rs. 5% mark-up (June 30, 2009: 5% per annum).		
8. SHORT TERM BORROWINGS			
Secured			
Financial institution		-	60,891,047
		<u>-</u>	<u>60,891,047</u>

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

Chief Executive

Director



DAWOOD EQUITIES LIMITED

9. COMMITMENTS

9.1 Commitments

The company has filed a suit in the Honorable Sindh High Court Karachi against one of its client against recovery of Rs. 75.436 million. The company expects favorable outcome of the case and accordingly provision is made to the extent that management estimate will be irrecoverable.

The complain has been lodged against the company by one of its client for the recovery of Rs. 268,680 for which arbitration is held at Karachi Stock Exchange (KSE) and it is probable that amount will be settled as appearing in the company's books.

10. TRANSACTION WITH RELATED PARTIES

The company in the normal course of business carries out transactions with various related parties. Significant balances and transaction with related parties as follows

Related parties

	September 30, 2009 (Un-Audited) Rupees	June 30, 2009 (Audited) Rupees
Investments during the period/year	(311,460.46)	(349,023,184)
Borrowings during the period/year	-	(250,000,000)
Commission earned from brokerage transactions during the period/year	316,287.01	1,007,962
Profit earned during the period/year	-	18,653,094
Markup charged during the period/year	-	4,874,102
Expenses paid during the period/year	84,796	1,324,377
Fixed assets sold to the member company	-	1,406,375
Gain on sale of fixed assets to the member company	-	453,128

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

Chief Executive

Director



DAWOOD EQUITIES LIMITED

11. Remuneration of Chief Executive

The aggregate amount charged in the accounts for the year for remuneration, including certain benefits, to the Chief Executive of the Company are as follows:

	September 30, 2009 Rupees	June 30, 2009 Rupees
Managerial remuneration	352,002	1,407,996
House rent allowance	128,001	512,004
Medical expenses	6,000	24,000
Total	486,003	1,944,000
Number of person	1	1

The Company also provided the Chief Executive with Company maintained car.

12. DATE FOR AUTHORIZATION FOR ISSUE

The Board of Directors of the Company authorized these condensed financial statements for issue on 28th October 2009.

13. GENERAL

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

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

Chief Executive

Director

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