

**BOOK POST**  
PRINTED MATTER

**Under Certificate of Posting**



**DAWOOD EQUITIES LIMITED**

*If undelivered, please return to:*  
**Dawood Equities Limited**  
1700-A, Saima Trade Towers,  
I.I. Chundrigar Road, Karachi-74000

**First Quarterly Report**  
**September 30, 2010**  
**(Un-Audited)**



=====**DAWOOD EQUITIES LIMITED**=====

**TABLE OF CONTENT**

▣ Company Information .....	02
▣ Directors' Report.....	03
▣ Financial Statement.....	04
• Balance Sheet.....	04
• Income Statement.....	05
• Comprehensive Income Statement.....	06
• Cash Flow.....	07
• Statement of Changes in Equity.....	08
• Notes .....	09



COMPANY INFORMATION

Chairman	Haji Abdul Ghani
Chief Executive Officer	Mr. Muhammad Munir Issani
Directors	Mr. Abdul Qadir Sakhi Mr. Abdul Aziz Habib Mr. Junaid Zakaria Dada Mr. Asim Iftekhar Yakoob Ms. Rubina Khanum
Chief Financial Officer	Syed Muhammad Imran Rafiq
Company Secretary	Syed Nazeer Haider Zaidi
Audit Committee	Mr. Abdul Aziz Habib- Chairman Mr. Abdul Qadir Sakhi Mr. Asim Iftekhar Yakoob
Auditor	Haroon Zakaria & Co. Chartered Accountants
Legal Advisor	Rauf & Ghaffar Law Associates
Bankers	Bank Al Habib Limited Habib Metropolitan Bank Limited Bank Al Falah Limited Bank Islami Pakistan Limited Dawood Islami Bank Limited Arif Habib Bank Limited MCB Bank Limited
Website	www.dawoodequities.com
Registered & Head Office	1700-A, Saima Trade Towers, I.I Chundrigar Road, Karachi. Phone No. 021-32275256-8 Fax No. 021-32275255
Registered Branch Office	Room-22, Old Stock Exchange Br. Building, Stock Exchange Rd. Phone No. 021-3246193-65 Fax No. 021-32461962
Registrar	F.D Registrar Services (SMC-Pvt) Ltd Tower-A, Saima Trade Towers, I.I Chundrigar Road, Karachi.



DIRECTORS' REPORT

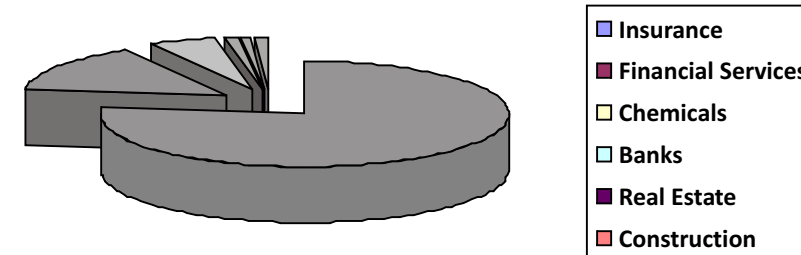
The Directors of your company were actively involved in considering significant issue and decision making during this quarter. They perform their duties according to the law, Articles of Association and code of corporate governance with the objective of safeguarding the interest of the share holder.

Financial Results

With the review of the last financial result, the gross profit / (loss) for the current period is Rs 1.095 million profit where as it was Rs. 10.057 million in last period. The net profit / (loss) is Rs. (1.599) million loss where as it was Rs. 7.261 million loss in the last period. The earnings per share is Rs. (0.064) per share where as it was Rs. (0.29) per share loss.

The current assets is Rs 133.097 million where as it was Rs. 139.924 million as it was last year. The liability of current period is Rs.7.375 million where as it was Rs. 12.801 million in last year.

Assets allocation as on September 30, 2010



Stock Market Review

First quarter is showing slightly positive sign because KSE-100 index has closed at 10,022.25 points where as it was closed at 9,349.67 points in 30th Sep, 2009. There were 7.2% gain as compare to last first qtr (Sep, 2009). During this Qtr stock market was volatile and under pressure.

Acknowledgements

The Board expresses its gratitude to the Securities & Exchange Commission and Karachi Stock Exchange (Guarantee) Limited for their guidance and support. The Board also thanks the employees of the Company for their commitment and hard work and the shareholders for their confidence on the Management.

Muhammad Munir Issani  
Chief Executive Officer

Date: 27th Sep, 2010 Place: Karachi

**DAWOOD EQUITIES LIMITED****Condensed Interim Balance Sheet  
As At September 30, 2010**

	Note	September 30, 2009 (Un-audited) Rupees	June 30, 2010 (Audited) Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	4	718,935	853,314
Intangible assets		107,500	130,000
Stock exchange membership card and room		95,525,000	95,525,000
Long term investment		-	17,742,225
Long term deposit		1,037,500	1,037,500
		97,388,935	115,288,039
<b>CURRENT ASSETS</b>			
<b>Short term investments</b>			
Trade debts - unsecured, considered good	5	48,588,055	48,000,393
Accrued income		76,437,103	76,235,742
		-	632,175
Taxation - net		3,831,965	3,148,330
Advances, Trade deposits and Short term prepayments	6	1,020,734	521,873
Other receivables		1,078,383	1,257,919
Cash and bank balances	7	2,141,167	10,128,538
		133,097,406	139,924,970
		230,486,341	255,213,009
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
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		(26,905,739)	(25,295,389)
		223,059,261	224,669,611
<b>LONG TERM LIABILITIES</b>			
Deferred taxation		51,822	-
Long term finance		-	17,742,225
		51,822	
<b>CURRENT LIABILITIES</b>			
Short term borrowings		-	-
Trade and other payables		7,375,258	12,801,173
Accrued markup		-	-
		7,375,258	12,801,173
<b>COMMITMENTS</b>			
	8	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		230,486,341	255,213,009

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, 2010**

	Note	July 01, 2010 to September 30, 2010 Rupees	July 01, 2009 to September 30, 2009 Rupees
Income		497,927	3,167,872
Gain/(Loss) on investments measured at fair value through profit and loss		596,616	7,057,339
		1,094,543	10,225,211
Administrative expenses		2,763,771	(2,544,348)
		(1,669,228)	7,680,863
Other income		72,534	36,215.00
		(1,596,694)	7,717,078
Financial charges		2,694	336,526
Net profit/(loss) for the period		(1,599,387)	7,380,552
Taxation		-	(119,696)
Net profit/(loss) after taxation		(1,599,387)	7,260,856
Earnings per share - basic and diluted		(0.064)	0.290

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

**DAWOOD EQUITIES LIMITED****Condensed Interim Comprehensive Income (Unaudited)  
For The Quarter Ended September 30, 2010**

	July 01, 2010 to September 30, 2009 Rupees	July 01, 2009 to September 30, 2009 Rupees
Profit / (Loss) for the Period	(1,599,387)	7,260,856
Other Comprehensive income	-	-
Total comprehensive loss / profit for the period	<u>(1,599,387)</u>	<u>7,260,856</u>

The annexed noted form an integral part of these financial statement

  
 Chief Executive

  
 Director
**DAWOOD EQUITIES LIMITED****Condensed Interim Cash Flow Statement (unaudited)  
For The Quarter Ended September 30, 2010**

	September 30 2010 Rupees	September 30 2009 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit/(loss) for the period	(1,599,387)	7,380,552
Adjustment for non cash items:		
Depreciation	119,879	238,157
Amortization on intangible assets	22,500	22,500
Financial charges	2,694	336,526
	<u>(1,454,315)</u>	<u>7,977,735</u>
<b>(Increase) / decrease in current assets</b>		
Accrued income	632,175	37,860
Trade debtors	(201,361)	(6,571,932)
Advance, deposits and prepayments	(498,861)	(3,134,707)
Other receivables	179,536	(952,308)
	<u>111,489</u>	<u>(10,621,087)</u>
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	(5,425,915)	(6,287,118)
Cash generated from operations	(6,768,740)	(8,930,470)
Taxes - paid	(683,635)	(47,979)
Financial charges paid	(2,694)	(336,526)
<b>Net cash (used in) / generated from operating activities</b>	<u>(7,455,068)</u>	<u>(9,314,975)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible fixed assets	(62,000)	(64,560)
Purchase of intangible fixed assets	-	-
Short term investment	48,000,393	122,834,862
<b>Net cash used in investing activities</b>	<u>47,938,393</u>	<u>122,770,302</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term borrowings	-	(60,891,047)
Long term musharika finance	-	-
Issuance of shares	-	-
Share Premium	-	-
Share deposit money	-	-
<b>Net cash used in financing activities</b>	<u>-</u>	<u>(60,891,047)</u>
Net (decrease) / increase in cash and cash equivalents	40,483,325	52,564,280
Cash and cash equivalents at the beginning of the period	(38,342,157)	(47,049,958)
Cash and cash equivalents at the end of the period	<u>2,141,167</u>	<u>5,514,322</u>
<b>Cash and cash equivalents comprise of:</b>		
Cash and bank balances	<u>2,141,167</u>	<u>5,514,322</u>
	<u>2,141,167</u>	<u>5,514,322</u>

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

  
 Chief Executive

  
 Director



**DAWOOD EQUITIES LIMITED**

**Condensed Interim Statement Of Changes In Equity (Unaudited)  
For The Quarter Ended September 30, 2010**

	Issued, subscribed and paid up capital	Share Premium	Unappropriated profit	Total
	Rupees			
<b>Balance as at July 01, 2009</b>	249,965,000	74,973,750	(54,570,460)	270,368,290
Profit for the period July 2009 to September 2009	-	-	7,380,552	7,380,552
<b>Balance as at September 30, 2009</b>	249,965,000	74,973,750	(47,189,908)	277,748,842
Net profit during the period October 2009 to June 2009	-	-	(53,090,194)	(53,090,194)
<b>Balance as at June 30, 2010</b>	249,965,000	74,973,750	(100,280,102)	224,658,648
Net profit during the period July 01, 2009 to September 30, 2009	-	-	(1,599,387)	(1,599,387)
<b>Balance as at September 30, 2010</b>	249,965,000	74,973,750	(101,879,489)	223,059,261

  
Chief Executive



**DAWOOD EQUITIES LIMITED**

**Notes To The Financial Statements (Unaudited)  
For The Quarter Ended September 30, 2010**

**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.

  
Director



**DAWOOD EQUITIES LIMITED**

**Notes To The Financial Statements (Unaudited)  
For The Quarter Ended September 30, 2010**

	September 30, 2009 (Un-audited) Rupees	June 30, 2010 (Audited) Rupees
<b>4. EQUIPMENT</b>		
Written down value at the beginning of the period/year	853,314	1,272,851
Add: Additions during the period/year	4.1 62,000	356,210
Less: Depreciation during the period/year	(142,379)	(139,867)
Disposals-net	(54,000)	(635,880)
Written down value at the ending of the period/year	<u>718,935</u>	<u>853,314</u>
4.1 Following additions in assets at cost were made during the period/year:		
Computer Equipment	62,000	154,500
Office equipment	-	105,000
	<u>62,000</u>	<u>356,210</u>
Router was purchased for online trading system.		
<b>5 SHORT TERM INVESTMENTS</b>		
Fair value through profit and loss-		
Held for trading		
Ordinary shares	47,910,064	47,334,522
Units of open end funds	677,991	665,871
Initially designated at fair value through profit and loss account	-	-
	<u>48,588,055</u>	<u>48,000,393</u>



**DAWOOD EQUITIES LIMITED**

**Notes To The Financial Statements (Unaudited)  
For The Quarter Ended September 30, 2010**

	September 30, 2009 (Un-audited) Rupees	June 30, 2010 (Audited) Rupees
<b>6 ADVANCES, TRADE DEPOSITS AND SHORT TERM PREPAYMENT</b>		
(Unsecured - Considered good)		
Advance against salary & expenses	427,457	282,093
Trade deposits	254,193	185,889
Short term prepayments	339,084	53,891
	<u>1,020,734</u>	<u>521,873</u>
<b>7 CASH AND BANK BALANCES</b>		
Cash in hand	20,000	972
Cash at banks - current & PLS accounts	8.1 2,121,167	10,127,566
	<u>2,141,167</u>	<u>10,128,538</u>
7.1 Current account carries Rs. 5% mark-up (June 30, 2009: 5% per annum).		



**DAWOOD EQUITIES LIMITED**

**Notes To The Financial Statements (Unaudited)  
For The Quarter Ended September 30, 2010**

**8 COMMITMENTS**

**8.1 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.

**9 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**

	<b>September 30, 2009 (Un-audited) Rupees</b>	<b>June 30, 2010 (Audited) Rupees</b>
Investments during the period/year (Shares Sold)	-	104,758,577
Borrowings during the period/year	-	-
Commission earned from brokerage transactions during the period/year	-	2,683,767
Profit earned during the period/year	-	619,583
Markup charged during the period/year	-	-
Expenses paid during the period/year	153,705	122,179

**10 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:

	<b>September 30, 2010 Rupees</b>	<b>June 30, 2010 Rupees</b>
Managerial remuneration	351,912	1,407,996
House rent allowance	128,001	512,004
Medical expenses	6,000	24,000
Total	<u>485,913</u>	<u>1,944,000</u>
Number of person	<u>1</u>	<u>1</u>

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



**DAWOOD EQUITIES LIMITED**

**Notes To The Financial Statements (Unaudited)  
For The Quarter Ended September 30, 2010**

**11 DATE FOR AUTHORIZATION FOR ISSUE**

The Board of Directors of the Company authorized these condensed financial statements for issue on \_\_\_\_\_.

**12 GENERAL**

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

  
Chief Executive

  
Director