



**Nine Month Ended Report
July 2009, March 31, 2010**

DAWOOD EQUITIES LIMITED



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

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DAWOOD EQUITIES LIMITED

CORPORATE 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 Iftekhhar 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 Iftekhhar 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. PhoneNo. 0213246193-65 Fax No. 021-32461962
Registrar	F.D Registrar Services(SMC-Pvt) Ltd Tower-A, Saima Trade Towers, I.I Chundrigar Road, Karachi.



DAWOOD EQUITIES LIMITED

DIRECTORS' REPORT

The directors' are pleased to present to you the un-audited financial statements of Dawood Equities Limited (DEL) for the nine month ended as on March 31, 2010.

Financial Review

The total loss during the nine month stands at Rs. (1.949) Million as compared to total loss Rs.(97.651) Million in the same period of last year. Total Expenses stands at Rs. 9.181 Million during 3rd quarter, under review as compared to Rs. 12.709 million in the same period of last year.

The net assets of the Company stand at Rs.268.432 Million as on March 31, 2010 as compared to Rs. 299.340 Million as at March 31, 2009. Basic Earnings per share stands at Rs. (0.008) at the end of March 31, 2010 however in the same quarter last year it was stands at Rs. (3.906) per share.

Pakistan Economic Review (Nine Months)

Net foreign investment in Pakistan fell 34.2 percent to \$1.37 billion in the first nine months of the 2009/10 fiscal year compared with \$2.08 billion in the same period last year. Out of the total foreign investment, foreign direct investment fell 48.9 percent to \$1.55 billion in the July to March period, from \$3.04 billion in the year-ago period.

There was a net outflow of \$182.6 million of foreign portfolio investment in the nine months, compared with a net outflow of \$957.5 million in the same period last fiscal year.

Stock Market Review

During March, KSE-100 index increased by 521 points (5.4% up) to close at 10,178, Where as it was 4,782.26 points last year same period. It increased by 213% as compared to last year. The average daily turnover during the month was 158 million shares compared to 164 million shares in February.

Initially the market had a lack luster performance with uncertainties about the modalities of capital gain tax and its effect on the volumes in the stock market. However, the rally in the banking and E&P sectors led by foreign buying enabled the KSE-100 index to finally breach the critical level of 10,000 for the first time after 19 months (that is since August, 2008). The main impetus behind this achievement was the buying by foreign funds as KSE witnessed net inflow of US\$ 113 million only in March. In addition, strong earnings growth, announcement of inland freight subsidy on exports of cements and high oil prices provided much needed support to the market. On the macro economic front, external accounts posted an encouraging picture with remittances increasing to US\$ 5.8 billion and trade deficit shrinking to US\$ 9.42 billion in the first 8 months of the fiscal year.

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

Date: 29th April 2010 Place: Karachi



DAWOOD EQUITIES LIMITED

Condensed Interim Balance Sheet As At March 31, 2010

	Note	(Un-audited) March 31, 2010 Rupees	(Audited) June 30, 2009 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipments	5	772,685	1,272,851
Intangible assets		152,500	220,000
Stock exchange membership card and room	6	95,525,000	95,525,000
Long term deposit		1,037,500	1,037,500
		97,487,685	98,055,351
CURRENT ASSETS			
Short term investments	7	47,946,769	228,664,182
Trade debtors - unsecured, considered good		115,876,276	111,735,060
Accrued income		-	37,860
Taxation - net		3,797,993	3,299,314
Advances, deposits and prepayments	8	904,586	790,553
Other receivables		1,187,483	233,320
Cash and bank balances	9	11,960,358	13,841,089
		181,673,465	358,601,378
TOTAL ASSETS		279,161,150	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	10	249,965,000	249,965,000
Capital Reserve		74,973,750	74,973,750
Accumulated loss		(56,506,462)	(54,570,460)
		268,432,288	270,368,290
LONG TERM LIABILITIES			
Deferred taxation	11	-	51,822
CURRENT LIABILITIES			
Short term borrowings		-	60,891,047
Trade and other payables		10,671,470	123,106,017
Accrued mark up		-	2,239,553
Provision for taxation		57,392	-
		10,728,862	186,236,617
CONTINGENCIES AND COMMITMENTS	12	-	-
TOTAL EQUITY AND LIABILITIES		279,161,150	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 Nine Month Period Ended March 31, 2010

Note	July 01, 2009 to March 31, 2010	July 01, 2008 to March 31, 2009	Jan 01, 2010 to Mar 31, 2010	Jan 01, 2009 to Mar 31, 2009
	Rupees			
Income	8,916,767	16,391,493	927,054	1,972,938
(Loss) on remeasurement at fair value through profit and loss	<u>(1,949,531)</u>	<u>(79,780,085)</u>	<u>(653,515)</u>	<u>(42,830,441)</u>
	6,967,236	(63,388,592)	273,539	(40,857,503)
Administrative expenses	<u>9,181,412</u>	<u>12,709,329</u>	<u>2,873,371</u>	<u>2,995,659</u>
	(2,214,176)	(76,097,921)	(2,599,832)	(43,853,162)
Other income	<u>642,502</u>	<u>441,624</u>	<u>355,526</u>	<u>441,624</u>
	(1,571,674)	(75,656,297)	(2,244,306)	(43,411,538)
Financial charges	<u>358,758</u>	<u>21,635,974</u>	<u>11,447</u>	<u>3,585,575</u>
Profit / (loss) before taxation	<u>(1,930,432)</u>	<u>(97,292,271)</u>	<u>(2,255,753)</u>	<u>(46,997,113)</u>
Provision for Taxation				
current year	<u>57,392</u>	<u>(422,933)</u>	<u>(25,164)</u>	<u>(41,869)</u>
deferred tax	<u>(51,822)</u>	<u>64,357</u>	<u>(51,822)</u>	<u>54,668</u>
	(5,570)	(358,576)	(76,986)	-
Net profit / (loss) after taxation	<u>(1,936,002)</u>	<u>(97,650,847)</u>	<u>(2,332,739)</u>	<u>(46,997,113)</u>
Earnings / (loss) per share - basic and diluted	<u>(0.008)</u>	<u>(3.906)</u>	<u>(0.009)</u>	<u>(1.880)</u>

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


 Chief Executive


 Director



DAWOOD EQUITIES LIMITED

Condensed Interim Cash Flow Statement (Unaudited) For The Nine Month Period Ended March 31, 2010

	2010 Rupees	2009 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	(1,930,432)	(97,292,271)
Adjustment for non cash items:		
Depreciation	669,726	912,799
Interest income	(636,502)	-
Gain on sale of fixed	-	(441,624)
Profit on investment measure at fair value	-	79,780,085
Amortization on intangible assets	67,500	67,500
Financial charges	358,758	21,635,974
	459,482	4,662,463
Cash generated from / (used in) operation before working capital changes	(1,470,950)	(92,629,808)
Increase / (decrease) in current assets		
Trade debtors	(4,141,216)	2,730,035
Accrued Income	-	9,705,483
Advance, deposits and prepayments	(114,033)	7,656,314
Other receivables	(954,163)	25,599
	(5,209,412)	20,117,431
Increase in current liabilities		
Creditors, accrued and other liabilities	(112,434,547)	(2,805,597)
Net cash used in operations	(119,114,909)	(75,317,974)
Financial charges paid	(2,598,311)	(25,112,440)
Taxation - paid	(498,679)	2,401,894
	(3,096,990)	(22,710,546)
Net cash used in operating activities	(122,211,899)	(98,028,520)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(169,210)	(218,300)
Proceeds from sale from property and equipment	-	441,624
Receipt against interest income	674,362	-
Short term investment	180,717,413	4,397,172
Net cash generated from investing activities	181,222,565	4,620,496
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long term financing	-	(250,000,000)
Repayment of short term borrowings	(60,891,047)	-
Net cash used in financing activities	(60,891,047)	(250,000,000)
Net decrease in cash and cash equivalents	(1,880,381)	(250,919,541)
Cash and cash equivalents at the beginning of the period	13,841,089	184,526,741
Cash and cash equivalents at the end of the period	11,960,708	(66,392,800)
Cash and cash equivalents comprise of:		
Cash and bank balances	11,960,358	2,693,727
Short term running finance	-	(69,086,527)
Short term investment	-	-
	11,960,358	(66,392,800)

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 Nine Month Period Ended March 31, 2010

Description	Issued, subscribed and paid up capital	Capital Reserve	Accumulated Profit / (Loss)	Total Equity
		Share Premium		
Rupees				
Balance as at July 01, 2008	250,000,000	75,000,000	71,991,007	396,991,007
Net loss for the period	-	-	(97,650,847)	(97,650,847)
Balance as at March 31, 2009	250,000,000	75,000,000	(25,659,840)	299,340,160
Balance as at July 01, 2009	249,965,000	74,973,750	(54,570,460)	270,368,290
Net profit for the period	-	-	(1,936,002)	(1,936,002)
Balance as at March 31, 2010	<u>249,965,000</u>	<u>74,973,750</u>	<u>(56,506,462)</u>	<u>268,432,288</u>

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

Chief Executive

Director



DAWOOD EQUITIES LIMITED

Notes To The Financial Statements (Unaudited) For The Nine Month Period Ended March 31, 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.

2 BASIS OF PRESENTATION

These condensed interim financial statements are unaudited but subject to limited scope review by auditors and have been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as applicable in Pakistan.

These condensed interim financial statements are being submitted to the shareholders as required by listing 'regulations of Karachi Stock Exchanges and section 245 of the Companies 'Ordinance, 1984.

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in preparation of the annual audited financial statements of the Company for the year ended June 30, 2009. However, unquoted investments in associated undertaking is classified at cost and separated from investments at fair value through profit and loss to comply with the requirements of IAS-39.

4 ESTIMATES

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by the management in applying the Company's accounting policies.



DAWOOD EQUITIES LIMITED

Notes To The Financial Statements (Unaudited) For The Nine Month Period Ended March 31, 2010

	Note	March 31, 2010 (Un-audited) Rupees	June 30, 2009 (Audited) Rupees
5 PROPERTY AND EQUIPMENTS			
Opening net book value		1,272,851	3,144,943
Additions	5.1	169,560	218,300
Disposals-net		-	(953,247)
Depreciation charges		(669,726)	(1,137,145)
Closing net book value		<u>772,685</u>	<u>1,272,851</u>
5.1 Following additions in assets at cost were made during the period:			
Computer		10,850	29,300
Motor Vehicle		105,000	-
Office equipment		53,710	189,000
		<u>169,560</u>	<u>218,300</u>
6 STOCK EXCHANGE -MEMBERSHIP CARD			
Membership card			
Karachi Stock Exchange - At cost		87,500,000	87,500,000
Room			
Karachi Stock Exchange - At cost		8,025,000	8,025,000
		<u>95,525,000</u>	<u>95,525,000</u>
7 SHORT TERM INVESTMENTS			
Fair value through profit and loss			
- In shares of listed companies	7.1	6,977,379	79,864,222
- In units of open ended funds	7.2	712,816	2,451,469
Related parties			
- In listed companies	7.3	1,760,155	3,539,654
Available for sale- at cost			
- In shares of unquoted companies at cost	7.4	38,496,420	143,255,000
		<u>47,946,769</u>	<u>229,110,345</u>



DAWOOD EQUITIES LIMITED

Notes To The Financial Statements (Un-Audited) For The Nine Month Period Ended March 31, 2010

7.1 - In shares of listed companies

March 31, 2010 (Un-audited)	June 30, 2009 (Audited)		March 31, 2010 (Un-audited) Rupees	June 30, 2009 (Audited) Rupees
No. of shares				
-	45,000	Abbott Laboratories (Pakistan) Limited	-	3,609,000
-	11,100	Adamjee Insurance Company Limited	-	932,289
-	5,000	Agriauto Industries Limited	-	163,200
120,146	170,000	American Life Insurance Company (Pakistan) Limited	1,688,051	2,383,400
-	2,222	Arif Habib Bank Limited	-	15,532
-	9,000	Arif Habib Limited	-	602,010
-	56,000	Arif Habib Securities Limited	-	1,547,840
-	9,700	Artistic Denim Mills Limited	-	217,862
-	36,750	Askari Commercial Bank Limited	-	561,540
-	7,000	Attock Cement Pakistan Limited	-	491,540
8,370	12,000	Attock Refinery Limited	964,810	1,497,480
-	50,440	Bank Al Falah Limited	-	532,142
-	31,875	Bank Al Habib Limited	-	812,494
-	43,000	Boc Pakistan Limited	-	4,945,000
-	34,500	Bosicor Pakistan Limited	-	240,120
-	1,900	Century Paper & Board Mills Limited	-	25,061
-	24,900	Cherat Cement Company Limited	-	336,897
-	20,000	Cherat Papersack Limited	-	723,000
-	60,000	D.G. Khan Cement Company Limited	-	1,779,000
-	52,500	EFU General Insurance Limited	-	4,624,725
-	67,000	EFU Life Assurance Limited	-	6,695,980
15,000	213,673	Engro Polymer & Chemical Limited	225,000	4,093,975
-	22,000	Fauji Fertilizer Bin Qasim Limited	-	389,180
-	20,500	Fauji Fertilizer Company Limited	-	1,782,475
-	-	Fauji Cement Company Limited	-	-
-	22,500	Faysal Bank Limited	-	217,800
-	10,040	First Habib Bank Modaraba	-	39,256
-	30,000	First Habib Modaraba	-	173,100
-	34,500	Glaxosmithkline Pakistan Limited	-	4,133,445
-	31,250	Habib Metropolitan Bank Limited	-	775,312
1,324	32,000	ICI Pakistan Limited	214,647	4,488,000
331	53,837	IGI Insurance Limited	29,903	4,863,634
-	5,000	Indus Motor Company Limited	-	538,600
-	93,200	Jahangir Siddiqui & Company Limited	-	2,161,308



DAWOOD EQUITIES LIMITED

Notes To The Financial Statements (Unaudited) For The Nine Month Period Ended March 31, 2010

March 31, 2010 (Un-audited)	June 30, 2009 (Audited)	March 31, 2010 (Un-audited) Rupees	June 30, 2009 (Audited) Rupees
-	10,000	-	1,550,300
-	21,500	-	6,003,660
-	10,240	-	686,387
-	6,000	-	304,500
-	57,500	-	2,185,000
-	203,500	-	1,752,135
17,800	-	1,002,496	-
	3,500		28,000
706	4,400	98,869	833,976
700	4,500	216,853	961,425
87,500	250,000	919,625	3,395,000
-	5,000	-	1,119,500
-	23,700	-	259,752
-	37,500	-	318,375
-	15,000	-	479,250
-	18,000	-	197,640
-	2,500	-	67,725
10,000	-	210,100	-
-	75,300	-	2,883,237
998	-	49,890	-
36,975	-	201,884	-
999	-	26,973	-
700	-	126,336	-
10,000	-	14,500	-
207,446	-	987,443	-
	-		-
<u>518,995</u>	<u>2,066,527</u>	<u>6,977,379</u>	<u>79,418,059</u>
7.2 Units of open end funds			
79,635	79,635	611,111	483,265
-	107,276	-	1,009,139
-	100,000	-	857,360
10,000	10,000	101,705	101,705
<u>89,635</u>	<u>296,911</u>	<u>712,816</u>	<u>2,451,469</u>
7.3 Ordinary shares of listed companies			
-	190	-	513
168,261	145,163	284,361	445,650
<u>567,613</u>	<u>567,613</u>	<u>1,475,794</u>	<u>3,093,491</u>
735,874	712,966	1,760,155	3,539,654



DAWOOD EQUITIES LIMITED

Notes To The Financial Statements (Unaudited) For The Nine Month Period Ended March 31, 2010

	(Un-audited)	(Audited)
	Rupees	Rupees
7.4 At Cost- Related parties		
Ordinary shares of Rs. 10 each		
3,849,642 14,325,500 Dawood Family Takaful Company Limited	38,496,420	143,255,000

The company has sold 10,475,858 takaful share against his liability Rs. 104,75,876/65 with the First Dawood Investment Bank. This share was sold at cost.

8 ADVANCES DEPOSITS AND PREPAYMENT		
Advance against salary & Commission	36,690	9,750.00
Trade deposits	643,696	609,096.00
Short term prepayments	187,402	181,457.00
	904,586	800,303.00

9 CASH AND BANK BALANCES		
Cash at bank	11,940,357.62	13,841,089.00

10 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Share capital representing Rs 35,000 and premium of Rs. 26,250 totalling Rs. 61,250 were deposited with SECP under section 18A of the Securities & Exchange Ordinance 1969. The amount deposited is treated as confiscated and share capital is reduced accordingly on the ground that no allotment of these shares have been made.

	March 31, 2010	June 30, 2009
	(Un-audited)	(Audited)
	Rupees	Rupees
	-	51,822

11 DEFERRED TAXATION

11.1 Deferred tax asset of an amount of Rs. 30.791 million arised due to taxable losses. However, the company has recorded deferred tax asset to the extent of deferred tax liability recognized till last year.

12 CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies as were reported in the financial statements for the year ended June 30, 2009 which are given below:

12.1 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.

13 TRANSACTION WITH RELATED PARTIES

Related parties comprises of major shareholders, associated companies with or without common directors, other companies with common



DAWOOD EQUITIES LIMITED

Notes To The Financial Statements (Unaudited) For The Nine Month Period Ended March 31, 2010

March 31, 2010 (Un-audited) Rupees	June 30, 2009 (Audited) Rupees
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Details of transactions with related parties are as follows:

Remuneration to Chief Executive Officer	1,449,009	1,586,262
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13.1 The above transactions are at arm's length basis on commercial terms and conditions.

14 RECLASSIFICATION

Certain prior period's figures have been reclassified consequent upon certain changes in current year's presentation. The summary of material reclassification is as follows:

FROM	TO	NATURE	AMOUNT
Note 8.3	Note 6.4	Investment at cost	38,496,420

15 DATE FOR AUTHORIZATION FOR ISSUE

The Board of Directors of the Company authorized these financial statements for issue on 29th April, 2010.

16 GENERAL

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



Chief Executive



Director

BOOK POST
PRINTED MATTER

Under Certificate of Posting

If undelivered, please return to:

Dawood Equities Limited

1700-A, Saima Trade Towers,
I.I. Chundrigar Road, Karachi-74000