



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

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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	Mr. Bilal Khaliq
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

IN THE NAME OF ALLAH THE MOST COMPASSIONATE, THE MOST MERCIFUL

Dear Shareholders,

The directors' are pleased to present to you the un-audited financial statements of Dawood Equities Limited (DEL) for the third quarter ended March 31, 2009.

The total (loss) during the 3rd quarter stands at Rs. (97.651) Million as compared to total income of Rs. 58.423 Million in the same period last year. Total Expenses stand at Rs. 12.709 Million during the 3rd quarter under review as compare to Rs. 29.813 in the same quarter last year. The net assets of the Company stand at Rs. 299.355 Million as at March 31, 2009 as compared to Rs. 647.070 Million as of June 30, 2008. Basic (Loss) / Earnings per share stands at Rs. (3.906) at the end of March 31, 2009 however in the same quarter last year it was stands at Rs. 3.626 per share.

Economic Review

During this quarter countries all over world as well as Pakistan is taking preventive measures and trying to overcome crisis and challenges in economy, which has affected and increase in government borrowings, weakening rupee, increasing trade deficit, rising inflation, unemployment and interest rate, unstable political and economic conditions. Securities Exchange and Commission of Pakistan impose and amend new as well as old rules and regulations for the members of Karachi Stock Exchange to comply in order to have a better control in this tough economic situation. State Bank of Pakistan continued to tighten its monetary policy to control the current situation. Petroleum prices declined but, have no effect on food, oil, gasoline and electricity prices instead, steady increase is observed as well as inflation is not likely to ease during financial year 2009.

Stock Market Review

An equity market of Pakistan is stabilizing after facing tough time. After Karachi Stock Exchange (Guarantee) Limited preventive measure to reduce the speed of dip in the market, the results are exceptionally well. The confidence of investor are returning to it's usual position despite the impact of global oil, gasoline, electricity and commodity prices has increased and affects the overall volume of business in the economy is stabilizing. One of the many reasons, Stock Market is stabilizing is that International Monetary Fund (IMF) released the second tranche of US\$ 847 million as well as world bank also released US\$ 500 million to Pakistan.

At the beginning of financial year July 01, 2008 KSE-100 index was 12,227.40 after that stock market reflected a negative growth trail and it ended up 6,860.22 at the third quarter March 31, 2009. During nine months KSE-100 index touched all time high of 12,275.53 and ended at a low of 4,782.26 points. The economic activities remained plagued with political uncertainty, deteriorating law and order situation in the country especially northern areas, it caused concern among foreign and as well as local investors, the selling pressure remain continues in all sectors.



DAWOOD EQUITIES LIMITED

Outlook and Prospective

Certainly the FY 2009 is to be another challenging year for Pakistan's economy which is likely to characterize by high inflation and falling GDP growth, weakening macroeconomic indicators, political, law, and order situation do not suggest a turnaround performance over a short term. However, once the political reconciliation is reached and the government attention is focused on the real macroeconomics issues, the economic environment will improve, the country could face a better economic environment going forward. The company is continuing to focus on its strengths in the brokerage business and also diversify its services in other market segments in order to strengthen its revenue sources.

Acknowledgements

The Board of Directors of your company 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

Haji Abdul Ghani
Chairman

Karachi: April 25, 2009



DAWOOD EQUITIES LIMITED

Condensed Interim Balance Sheet As at March 31, 2009

	Note	March 31, 2009 (Un-Audited) Rupees	June 30, 2008 (Audited) Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	1,517,068	3,144,943
Intangible assets		242,500	310,000
Stock exchange membership card and room	7	95,525,000	95,525,000
Long term deposit		1,037,500	1,037,500
		98,322,068	100,017,443
CURRENT ASSETS			
Short term investments	8	189,336,399	598,507,905
Trade debtors - unsecured, considered good		126,601,303	129,331,338
Accrued income		-	9,705,483
Taxation - net		3,391,446	1,412,485
Advances, deposits and prepayments	9	905,534	8,561,848
Other receivables	10	840,960	866,559
Cash and bank balances	11	2,693,727	1,879,333
		323,769,369	750,264,951
TOTAL ASSETS		422,091,437	850,282,394
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			
25,000,000 ordinary shares of Rs. 10/- each fully paid in cash		250,000,000	250,000,000
Shares premium		75,000,000	75,000,000
Unappropriated profit		(25,659,840)	71,991,007
		299,340,160	396,991,007
LONG TERM LIABILITIES			
Long term financing	12	-	250,000,000
Deferred taxation		14,860	79,217
		14,860	250,079,217
CURRENT LIABILITIES			
Short term borrowings		69,086,527	142,352,592
Creditors, accrued and other liabilities		53,649,890	60,859,578
		122,736,417	203,212,170
CONTINGENCIES AND COMMITMENTS			
	13	-	-
TOTAL EQUITY AND LIABILITIES		422,091,437	850,282,394

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

Chief Executive

Director



DAWOOD EQUITIES LIMITED

Condensed Interim Profit and Loss Account (Un-Audited) For the Nine Month Period Ended March 31, 2009

Note	July 01, 2008 to March 31, 2009 Rupees	July 01, 2007 to March 31, 2008 Rupees	January 01, 2009 to March 31, 2009 Rupees	January 01, 2008 to March 31, 2008 Rupees
Income	16,391,493	64,821,638	1,972,938	17,122,274
(Loss)/Gain on investments measured at fair value through profit and loss	(79,780,085) (63,388,592)	47,735,806 112,557,444	(42,830,441) (40,857,503)	29,958,484 47,080,758
Administrative expenses	12,709,329 (76,097,921)	29,813,360 82,744,084	2,995,659 (43,853,162)	8,259,030 38,821,728
Other income	441,624 (75,656,297)	79,077 82,823,161	441,624 (43,411,538)	17,227 38,838,955
Financial charges	21,635,974	24,400,017	3,585,575	8,620,559
Net (loss)/profit for the period	(97,292,271)	58,423,144	(46,997,113)	30,218,396
Provision for Taxation				
Current	(422,933)	-	(41,896)	-
Deferred	64,357	-	54,668	-
Prior	-	-	-	-
	(358,576)	-	12,772	-
Net (loss)/profit after taxation	(97,650,847)	58,423,144	(46,984,341)	30,218,396
(Loss) / earnings per share - basic and diluted.	(3.906)	3.626	(1.879)	1.648

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 Cash Flow Statement (Un-Audited)
For the Nine Month Period Ended March 31, 2009**

	2009 Rupees	2008 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / profit for the period	(97,292,271)	58,423,144
Adjustment for non cash items:		
Depreciation	912,799	615,325
Amortization on intangible assets	67,500	67,498
Gain on sale of fixed assets	(441,624)	-
Loss / (Gain) on investments measured at fair value through profit and loss	79,780,085	(47,735,806)
Financial charges	21,635,974	24,400,017
	<u>4,662,463</u>	<u>35,770,178</u>
Decrease / (Increase) in current assets		
Accrued income	9,705,483	1,310,956
Trade debtors	2,730,035	(12,909,257)
Advance, deposits and prepayments	7,656,314	(119,549,953)
Other receivables	25,599	3,345,404
	<u>20,117,431</u>	<u>(127,802,850)</u>
(Decrease) in current liabilities		
Creditors, accrued and other liabilities	(2,805,597)	(18,429,766)
Financial charges paid	(25,112,440)	(1,277,045)
Taxes - paid	(2,401,894)	(6,139,829)
	<u>(30,319,931)</u>	<u>(25,846,640)</u>
Net cash used in operating activities	<u>(5,540,037)</u>	<u>(117,879,312)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(218,300)	(1,322,425)
Proceeds from sale from property and equipment	441,624	-
Purchase of intangible fixed assets	-	(200,000)
Purchase of KSE room	-	(8,025,000)
Short term investment	4,397,172	(42,511,457)
Placement and finance	-	40,928,245
Long term deposit	-	(37,500)
Net cash generated / (used) in investing activities	<u>4,620,496</u>	<u>(11,168,137)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(250,000,000)	-
Issuance of shares	-	100,000,000
Share Premium	-	75,000,000
Net cash (used) / generated from financing activities	<u>(250,000,000)</u>	<u>175,000,000</u>
Net (decrease) / increase in cash and cash equivalents	<u>(250,919,541)</u>	<u>45,952,551</u>
Cash and cash equivalents at the beginning of the period	<u>184,526,741</u>	<u>258,330,064</u>
Cash and cash equivalents at the end of the period	<u>(66,392,800)</u>	<u>304,282,615</u>
Cash and cash equivalents comprise of:		
Cash and bank balances	2,693,727	54,282,615
Short term running finance	-	250,000,000
Short term borrowings	(69,086,527)	-
	<u>(66,392,800)</u>	<u>304,282,615</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
For the Nine Month Period Ended March 31, 2009**

	Issued, subscribed and paid up capital	Share premium	Unappropriat ed profit	Total
	← Rupees →			
Balance as at July 01, 2007	150,000,000	-	14,544,003	164,544,003
Share issue during the period	100,000,000	75,000,000	-	175,000,000
Net profit during the period Marach 31, 2008	-	-	58,423,144	58,423,144
Net loss during the period June 30, 2008	-	-	(976,140)	(976,140)
Balance as at June 30, 2008	<u>250,000,000</u>	<u>75,000,000</u>	<u>71,991,007</u>	<u>396,991,007</u>
Balance as at July 01, 2008	250,000,000	75,000,000	71,991,007	396,991,007
Net loss during the period	-	-	(97,650,847)	(97,650,847)
Balance as at March 31, 2008	<u>250,000,000</u>	<u>75,000,000</u>	<u>(25,659,840)</u>	<u>299,340,160</u>

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

Chief Executive

Director



DAWOOD EQUITIES LIMITED

Notes to the Financial Statements For the Nine Months Period Ended March 31, 2009 (Un-Audited)

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 STATEMENT OF COMPLIANCE

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

3. 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 financial statements have been 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.



DAWOOD EQUITIES LIMITED

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 and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2008 except for property, plant and equipment and intangible.

During the period the Company has changed the method of charging depreciation. Previously, depreciation on additions was charged for the whole year in the year of additions and no depreciation was charged in the year of disposal. Now, depreciation on additions is charged from the date on which asset is acquired till its disposal. The change in accounting estimates has been applied prospectively. Had there been no change in accounting estimate the loss for the nine months ended 31 March 2009 would have been lower by 0.196 million. The carrying amount of property plant and equipment would have no effect.

5. 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, 2008.



DAWOOD EQUITIES LIMITED

	Note	March 31, 2009 (Un-audited) Rupees	June 30, 2008 (Audited) Rupees
6 PROPERTY, PLANT AND EQUIPMENT			
Opening net book value		3,144,943	1,662,596
Additions	6.1	218,300	2,672,515
Disposals		(1,412,115)	
Depreciation charged / adjusted		(434,060)	(1,190,168)
Closing net book value		<u>1,517,068</u>	<u>3,144,943</u>
6.1 Following additions in assets at cost were made during the period:			
Computers		189,000	1,005,975
Office equipments		29,300	186,050
Furniture and fixtures		-	
Motor vehicles		-	1,480,490
		<u>218,300</u>	<u>2,672,515</u>
7. 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>
8. SHORT TERM INVESTMENTS			
Fair value through profit and loss			
Held for trading			
Ordinary shares	8.1	34,418,894	105,131,294
Units of open end funds	8.2	2,326,849	2,898,185
Initially designed at fair value			
through profit & loss account	8.3	152,590,656	165,478,426
Held to maturity			
Certificate of Investment			
Financial institution		-	100,000,000
Placement of fund			
Financial institution		-	75,000,000
Modaraba		-	150,000,000
		<u>189,336,399</u>	<u>598,507,905</u>



DAWOOD EQUITIES LIMITED

	No. of Shares 2009	No. of Shares 2008		March 31, 2009 (Un-audited) Rupees	June 30, 2008 (Audited) Rupees
8.1			Held to trading		
			Ordinary shares		
			Quoted securities		
	731,950	731,950	First Dawood Investment Bank Limited	12,201,606	67,370,787
	190	190	BRR Guardian Modaraba	532	1,355
	15,000	15,000	Askari Commercial Bank Limited	244,650	602,850
	5,000	5,000	United Bank Limited	256,650	425,450
	4,400	1,000	Pakistan Petroleum Limited	762,388	245,990
	1,000	1,000	The Bank Of Punjab	11,090	31,130
	2,700	2,700	National Bank Of Pakistan Limited	237,870	398,250
	25,000	25,000	Bank Al Habib Limited	856,800	1,055,500
	1,150	1,150	Bank Al Falah Limited	16,111	47,219
	509,600	509,600	American Life Insurance Company Limited	13,193,544	24,970,400
	25,000	25,000	Habib Metropolitan Bank Limited	615,500	1,029,250
	5,437	3,625	IGI Insurance Limited	352,155	818,235
	6,000	6,000	New Jubilee Insurance Limited	350,400	1,010,640
	2,000	2,000	Fauji Fertilizer Company Limited	217,300	264,640
	2,500	2,500	The Hub Power Company Limited	51,550	71,500
	34,500	35,000	Bosicor Pakistan Limited	222,870	469,000
	213,673	223,673	Engro Polymer & Chemical Limited	4,816,190	6,280,738
	2,222	2,000	Arif Habib Bank Limited	11,688	38,360
	<u>1,587,322</u>	<u>1,592,388</u>		<u>34,418,894</u>	<u>105,131,294</u>
8.2			Units of open end funds		
	No. of Units 2009	No. of Units 2008			
	79,634.9871	77,535.8015	NAFA Stock Fund	506,088	888,894
	107,276.4598	101,967.6131	NAFA Islamic Income Fund	985,721	1,055,691
	100,000.0000	100,000.0000	NAFA Islamic Multi-Asset Fund	835,040	953,600
	<u>286,911.4469</u>	<u>279,503.4146</u>		<u>2,326,849</u>	<u>2,898,185</u>
8.3			Initially designed at fair value through profit & loss		
			Ordinary shares		
			Quoted securities		
	386,713	257,292	First Dawood Investment Bank Limited	6,446,506	1,826,691
	567,613	516,012	Dawood Capital Management	2,889,150	14,396,735
	<u>954,326</u>	<u>773,304</u>		<u>9,335,656</u>	<u>16,223,426</u>
			Ordinary shares		
			Unquoted securities		
	14,325,500	14,925,500	Dawood Family Takaful Company Limited	143,255,000	149,255,000
	<u>15,279,826</u>	<u>15,698,804</u>		<u>152,590,656</u>	<u>165,478,426</u>
9. ADVANCES, DEPOSITS AND PREPAYMENT					
(Unsecured - Considered good)					
Advance against salary				73,250	116,754
Advance against expenses				100,000	300,000
Trade deposits			9.1	609,096	7,816,278
Prepayments				123,188	328,816
				<u>905,534</u>	<u>8,561,848</u>



DAWOOD EQUITIES LIMITED

9.1 This deposit comprises of exposure deposit against future contracts amounting to Rs. 0.333 million (June 30, 2008: Rs. 7.341 million), exposure deposit against provisional listing amounting to Rs. 0.276 (June 30, 2008: Rs. 0.276 million) and initial deposit against provisional listing amounting to Rs. Nil (June 30, 2008: 0.200 million).

	Note	March 31, 2009 (Un-Audited) Rupees	June 30, 2008 (Audited) Rupees
10. OTHER RECEIVABLE			
(Unsecured - considered good)			
Dividend receivable from clients		120,344	10,500.00
Other receivables		720,616	856,059
		<u>840,960</u>	<u>866,559</u>
11. CASH AND BANK BALANCES			
Cash at banks - current accounts	11.1	<u>2,693,727</u>	<u>1,879,333</u>
11.1 Current account carries Nil mark-up rate (June 30, 2008 : 1.25% to 1.75% per annum)			
12. LONG TERM FINANCING			
Secured			
Financial Institution		-	100,000,000
Modaraba		-	150,000,000
		<u>-</u>	<u>250,000,000</u>
13. CONTINGENCIES AND COMMITMENTS			
13.1 Contingencies			
The company has filed a suit in the Honorable Sindh High Court Karachi against one of our client against recovery of Rs. 75.436 million.			
13.2 Commitments			
There were no capital commitments as at the balance sheet date.			



DAWOOD EQUITIES LIMITED

14. TRANSACTION WITH RELATED PARTIES

Related parties comprises of major shareholders, associated companies with or without common directors, other companies with common directors, retirement benefits fund, directors, key management personal and their close family members.

Contributions to and accruals in respect of staff retirements and other benefits plans are made in accordance with the terms of the contribution plan. Remuneration to the chief executive in accordance with the terms of their appointment.

Details of transactions with related parties and balances with them as at the period-end were as follows:

	July 01, 2008 to March 31, 2009 Rupees (Un-Audited)	July 01, 2007 to March 31, 2008 Rupees (Un-Audited)
With Key Management Personnel		
Remuneration to Chief Executive Officer	<u>1,586,262</u>	<u>-</u>

15. DATE FOR AUTHORIZATION FOR ISSUE

The Board of Directors of the Company authorized these financial statements for issue on April 25th, 2009.

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,

11, Chundrigar Road, Karachi-74000