



DIRECTOR'S REPORT

The boards of director are pleased to present you the un-audited financial statement for the first quarter (September 30, 2011).

FINANCIAL RESULTS

With the review of the last financial result, the gross profit / (loss) for the current period is **Rs 45.5 thousand** profit where as it was **Rs. 1.09 million** in last period. The net profit / (loss) is **Rs. (1.974) million** loss where as it was **Rs. (1.599) million** loss in the last period. The earnings per share is **Rs. (0.08)** per share where as it was **Rs. (0.06)** per share loss.

The current assets is **Rs 127.901 million** for the ended of first quarter where as it was **Rs. 125.138 million** as on 30 June 2011. The liability of first quarter is **Rs. 15.405 million** where as it was **Rs. 10.885 million** as on 30 June 2011.

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.

Dated : 31st Oct, 2011

Mr. Muhammad Munir Issani
Chief Executive Officer

DAWOOD EQUITIES LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2011

	Note	September 30, 2011 (Un-audited) Rupees	June 30, 2011 (Audited) Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	123,305	319,127
Intangible assets		817,496	840,000
Stock exchange membership card and room		58,025,000	58,025,000
Long term investment		-	-
Long term deposit		1,137,500	1,137,500
		60,103,301	60,321,627
CURRENT ASSETS			
Short term investments	5	39,973,028	40,533,751
Trade debts - unsecured, considered good		74,636,487	75,012,713
Accrued income		-	648,415
Taxation - net		3,228,520	3,140,743
Advances, Trade deposits and Short term prepayments	6	690,910	629,944
Other receivables		1,677,850	1,106,861
Cash and bank balances	7	7,695,133	4,066,025
		127,901,928	125,138,452
		188,005,229	185,460,079
TOTAL ASSETS			
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		(77,365,094)	(75,390,670)
		172,599,906	174,574,330
LONG TERM LIABILITIES			
Deferred taxation		-	-
Long term finance		-	-
		-	-
CURRENT LIABILITIES			
Short term borrowings		-	-
Trade and other payables		15,405,322	10,885,749
Accrued markup		-	-
		15,405,322	10,885,749
COMMITMENTS			
	8	-	-
TOTAL EQUITY AND LIABILITIES		188,005,229	185,460,079

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, 2011

	July 01, 2011 to September 30, 2011	July 01, 2010 to September 30, 2010
Note	Rupees	Rupees
Income	38,378	497,927
Gain/(Loss) on investments measured at fair value through profit and loss	7,143	596,616
Administrative expenses	2,058,619	2,763,771
Other income	48,504	72,534.00
Financial charges	9,829	2,694
Net profit/(loss) for the period	(1,974,424)	(1,599,388)
Taxation	-	-
Net profit/(loss) after taxation	(1,974,424)	(1,599,388)
Earnings per share - basic and diluted	(0.08)	(0.06)

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 (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	September 30 2011 Rupees	September 30 2010 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(loss) for the period	(1,974,424)	(1,599,387)
Adjustment for non cash items:		
Depreciation	123,321	119,879
Amortization on intangible assets	72,501	22,500
Financial charges	9,829	2,694
	(1,768,773)	(1,454,314)
(Increase) / decrease in current assets		
Accrued income	648,415	632,175
Trade debtors	376,226	(201,361)
Advance, deposits and prepayments	(60,966)	(498,861)
Other receivables	(570,989)	179,536
	392,687	111,489
(Decrease) / increase in current liabilities		
Trade and other payables	(4,519,573)	(5,425,915)
Cash generated from operations	(5,895,659)	(6,768,740)
Taxes - paid	(87,777)	(683,635)
Financial charges paid	(9,829)	(2,694)
Net cash (used in) / generated from operating activities	(5,993,265)	(7,455,069)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	-	(62,000)
Purchase of intangible fixed assets	-	-
Short term investment	40,533,751	48,000,393
Net cash used in investing activities	40,533,751	47,938,393
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	-	-
Long term musharika finance	-	-
Issuance of shares	-	-
Share Premium	-	-
Share deposit money	-	-
Net cash used in financing activities	-	-
Net (decrease) / increase in cash and cash equivalents	34,540,486	40,483,324
Cash and cash equivalents at the beginning of the period	(26,845,353)	(38,342,157)
Cash and cash equivalents at the end of the period	7,695,133	2,141,167
Cash and cash equivalents comprise of:		
Cash and bank balances	7,695,133	2,141,167
	7,695,133	2,141,167

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, 2011

	July 01, 2011 to September 30, 2011 Rupees	July 01, 2010 to September 30, 2010 Rupees
Profit / (Loss) for the Period	(1,974,424)	(1,599,388)
Other Comprehensive income	-	-
Total comprehensive loss / profit for the period	<u>(1,974,424)</u>	<u>(1,599,388)</u>

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE

DIRECTOR

DAWOOD EQUITIES LIMITED
CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	Issued, subscribed and paid up capital	Share Premium	Unappropriated profit	Total
	Rupees			
Balance as at July 01, 2010	249,965,000	74,973,750	(100,269,139)	224,669,611
Profit for the period July 2009 to September 2009	-	-	(1,599,387)	(1,599,387)
Balance as at September 30, 2010	249,965,000	74,973,750	(101,868,526)	223,070,224
Net profit during the period October 2009 to June 2009	-	-	(48,495,894)	(48,495,894)
Balance as at June 30, 2011	249,965,000	74,973,750	(150,364,420)	174,574,330
Net profit during the period July 01, 2009 to September 30, 2011	-	-	(1,974,424)	(1,974,424)
Balance as at September 30, 2011	249,965,000	74,973,750	(152,338,844)	172,599,906

CHIEF EXECUTIVE

DIRECTOR

DAWOOD EQUITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

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, 2011.

	Note	September 30, 2011 (Un-audited) Rupees	June 30, 2011 (Audited) Rupees
4. EQUIPMENT			
Written down value at the beginning of the period/year		319,127	853,314
Add: Additions during the period/year	4.1	-	70,650
Less: Depreciation during the period/year		(195,822)	(585,937)
Disposals-net		-	(18,900)
Written down value at the ending of the period/year		123,305	319,127

4 Following additions in assets at cost were made during the period/year:

Computer Equipment	-	57,650
Office equipment	-	13,000
	-	-
	-	70,650

Router was purchased for online trading system.

5 SHORT TERM INVESTMENTS

Fair value through profit and loss-

Held for trading

Ordinary shares

39,134,700

5,856,027

Units of open end funds

838,327

806,084

Initially designated at fair value through profit and loss account

-

-

39,973,028

6,662,111

		September 30, 2011 (Un-audited) Rupees	June 30, 2010 (Audited) Rupees
6	ADVANCES, TRADE DEPOSITS AND SHORT TERM PREPAYMENT		
	(Unsecured - Considered good)		
	Advance against salary & expenses	190,309	133,790
	Trade deposits	253,803	269,417
	Short term prepayments	246,798	226,737
		690,910	629,944

7 CASH AND BANK BALANCES

	Cash in hand	-	20,000
	Cash at banks - current & PLS accounts	7,695,133	4,046,025
		7,695,133	4,066,025

7 Current account carries Rs. 5% mark-up (June 30, 2011: 5% per annum).

8 COMMITMENTS

8 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

	September 30, 2011 (Un-audited) Rupees	June 30, 2011 (Audited) Rupees
Investments during the period/year (Shares Sold)	-	-
Borrowings during the period/year	-	-
Commission earned from brokerage transactions during the period/year	-	1,060,164
Profit earned during the period/year	-	619,583
Markup charged during the period/year	-	13,877
Expenses paid during the period/year	60,000	624,620

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:

	September 30, 2011 Rupees	June 30, 2011 Rupees
Managerial remuneration	280,000	1,378,672
House rent allowance & Utilities	139,998	501,336
Medical expenses	-	24,000
Total	<u>419,998</u>	<u>1,904,008</u>
Number of person	<u>1</u>	<u>1</u>

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

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