



INVESTMENTS

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786 INVESTMENTS LIMITED

**FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED**

**DECEMBER 31, 2018
(UN-AUDITED)**



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CORPORATE INFORMATION

Board of Directors	Ms. Shafqat Sultana Miss Tara Uzra Dawood Ms. Charmaine Hidayatullah Mr. Ahmed Salamn Munir Syed Shabahat Hussain Mr. Tahir Mehmood Syed Farhan Abbas	Chairperson Chief Executive Officer Director Director Director Director Director
Chief Financial Officer & Company Secretary	Mr. Talal Ismail Pasha	
Audit Committee	Syed Shabahat Hussain Mr. Tahir Mehmood Syed Farhan Abbas	Chairman Member Member
Human Resource Committee	Ms. Shafqat Sultana Miss Tara Uzra Dawood Mr. Tahir Mehmood	Chairperson Member Member
Legal Advisor	Rauf & Ghaffar Law Associates (Advocates & Consultants) Suite # 65, 5th Floor, Fareed Chamber, Abdullah Haroon Road, Saddar – Karachi, Pakistan.	
Registrars	F.D. Registrar Services (SMC-Pvt.) Ltd. Office# 1705, 17th Floor Saima Trade Tower. A, I.I. Chundrigar Road, Karachi-74000, Pakistan.	
Banker:	Habib Metropolitan Bank Limited JS Bank Limited Al Baraka Bank (Pakistan) Limited	
Rating:	PACRA: AM3	



DIRECTORS' REPORT FOR THE HALF YEAR ENDED DECEMBER 31, 2018

It gives me immense pleasure to present on behalf of the Board of Directors of **786 Investments Ltd** "786 or the Company", I am pleased to present reviewed financial statements of 786 along with auditors reviewed report for the half year ended December 31, 2018. Your Company continued its journey of success and is poised for growth.

MARKET & ECONOMY REVIEW

Economic Review

The economy did not fare well in 2018. Acceleration halted and the economic challenges were aggravated in the second half. The government's negotiated bilateral inflows averted a sovereign default and offered space for maneuverability to fix disruptive factors.

People hope that the new leadership will be able to revive waning business confidence and minimize the pain of stabilization for the working masses. The government's vision will come into full play in the year ahead. It is high time to identify the perils and promises.

All global economic forecasters have revised down the expected economic performance of the country citing shrinking foreign exchange reserves and a high debt burden among other factors. The World Bank, International Monetary Fund (IMF) and the Asian Development Bank have brought down the GDP growth forecast by two to three per cent. Reputable credit rating agencies Moody's and Fitch Ratings have downgraded Pakistan to the lower end of the highly speculative grade.

In its current review the IMF stated: "Macroeconomic stability gains have been eroding, putting the outlook at risk. Growth is expected to moderate to 4pc in 2019, and slow to about 3pc in the medium-term". It projected a slight rise in the unemployment ratio. The current account balance is forecast at negative 5.3pc for 2019 compared to negative 4.1pc for 2017 and negative 5.9pc in 2018.

Average headline CPI inflation stands at 6.0 percent for the first half of FY19, which is considerably higher than the 3.8 percent recorded during the same period last year. SBP's inflation cast for FY19 in the range of 6.5% to 7.5% in view of (i) higher anticipated international oil prices (ii) an upward revision in domestic gas prices (iii) an increase regularity duty on imports and (iv) exchange rate depreciations. The policy interest rate was raised by 350 bps to 10% during the period under review.

To sum up, the economy has averted the immediate severe balance of payments crises and all macro-economic indicators are showing positive trends towards stabilization. The general paradigm of fiscal and monetary policies has been realigned towards exports, investment and productivity growth. In the days to come, bold steps will be put in place to facilitate both foreign and local investment and dramatically improve the ease of doing business climate in the country. Additionally, financial inflows are expected from friendly countries, which will also help provide some relief to the external account.

Stock Market Review:

During the period under review, the Pakistan Stock markets 100 index underperformed -11.56%, the market remained volatile due to Political uncertainty in the wake of General elections and rising concerns on macroeconomic stability. This was further driven by currency volatility (21% depreciation against USD) and monetary policy tightening (policy rate hiked up 425bps in CY18). The index started from 41,910.90 on July 2, 2018 and reached the lowest point of 36,663.38 points on Oct 22, 2018. It reached its peak of 43,556.63 points on July 30, 2018. The index closed at 37,066.67 points on December 31, 2018. During the period the foreign investors offloaded securities worth PKR 50.246 billion. which was absorbed by domestic individual investors, companies, banks and insurance companies. We expect that 2019 will be a good year for the Pakistani Stock Market. Confidence of Foreign and Local investors will be restored to re-enter the stock market due to the following reasons: (i) Political stability achieved through election in 2018; (ii) current account deficit showing declining trend; (iii) expected entry into a new IMF program; (iv) risk of substantial devaluation has



subsidized; and (v) stock market valuations are attractive (Price-to-Earnings ratio of 7.6 times of 2019 earnings). Political uncertainty in the wake of General elections during the year amidst rising concerns on macroeconomic stability dragged overall market sentiment. This was further driven by currency volatility (21% depreciation against USD) and monetary policy tightening (policy rate hiked up 425bps in CY18)

Money Market Review:

The SBP held thirteen Treasury bill auctions during the 1half FY19. The cumulative participation witnessed were PKR 10.90bn against the pre-announced auction target of PKR 10.50bn while the SBP accepted an amount of PKR 9.85bn during the period under review. That being said, acceptance in 3 months tenor represented 99.99% of the total accepted amount while the 6 months were 0.01% while no bids were received in 12 months tenor. Further during this period SBP conducted six Pakistan Investment Bond (PIB) auctions and raised PKR 36.18bn the last cut-off yields was 12.25%, 12.70% and 13.15% for 3, 5 and 10 years respectively. Further during this period SBP conducted one Floating Rate Bonds (FRB) auction based on spread over 6 months weighted average cut-off T.Bills. The cumulative participation witnessed were PKR 93.473bn against the auction target of PKR 150bn while the SBP did not accepted any amount. The SBP did not conduct any GOP Ijarah Sukuk auction during the period under review.

Auditors' Report

The Auditors in their review report on half year ended December 31, 2018 emphasis on following matter. Comments on these matters are as under:

- i. Our response to Note 11 to the condensed financial statements is that company has sold partial holding of equity portfolio and ensure to sale remaining portfolio.
- ii. Our response to Note 1.3 to the condensed financial statements is that equity reduced from the prescribe limit mainly due to the losses on Share of associates.

COMPANY PERFORMANCE

The Company's gross earning during the period stood at PKR 4.38 million as compared to PKR 4.25 million in the same period last year. Total expenses were PKR 16.91 million as compared to PKR 15.67 million in the same period last year. Share of associates loss was PKR 19.77 million as compared to loss of PKR 10.41 million in the same period last year.

Net loss for the period was PKR 33.11 million as opposed to loss of PKR 21.59 million in the same period last year. The aforesaid loss primarily due to share of associates loss.

---SD---

Chairperson

---SD---

Director

February 18, 2019
Karachi



786 انویسٹمنٹ لمیٹڈ

ڈائریکٹرز کی رپورٹ

برائے 31 دسمبر 2018 اختتام ششماہی

786 انویسٹمنٹ لمیٹڈ (786 پبلیک کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے، میں 786 گروپ کی 31 دسمبر 2018 کو ختم ہونے والی ششماہی کے مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔ آپ کی کمپنی نے کامیابی کا سفر جاری رکھا اور ترقی کے لئے تیار ہے۔

مارکیٹ اور اقتصادی جائزہ

اقتصادی جائزہ:

2018 میں معیشت اچھی نہیں رہی ہے۔ معیشت کی رفتار کی رہی اور دوسری ششماہی میں معاشی مشکلات بڑھ گئیں۔ حکومت کے دو طرفہ مذاکرات کے تبادلے نے ریاستی امور کو خراب کر دیا اور پاپس کن حوالہ کو حل کرنے کے لئے پائیدار جگہ کی پیشکش کی۔

لوگ امید کرتے ہیں کہ نئی قیادت کا روہاری اعتماد کو فروغ دینے اور کام کرنے والے لوگوں کے لئے استحکام کی پیشگی کوکم کرنے میں کامیاب ہو جائے گی۔ حکومت کا نقطہ نظر اگلے برس میں مکمل کردار ادا کرے گا۔ خطرات اور وعدوں کی شناخت کا یہ بہترین وقت ہے۔

تمام عالمی معاشی پیشگوئیوں نے غیر ملکی ذخائر کی کمی اور دیگر عناصر کے درمیان اعلیٰ قرضوں کے بوجھ کے حوالے سے ملک کی متوقع معاشی کارکردگی کو مزید کم کیا ہے۔ ورلڈ بینک، بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) اور ایشیائی ترقیاتی بینک نے بی ڈی پی نمو کی پیش گوئی کو دو سے تین فی صد تک کم کر دیا ہے۔ نامور کریڈٹ ریٹنگ ایجنسیوں مڈریز اور فچ ریٹنگ نے پاکستان کو انتہائی محتاطی گریڈ کے نچلے درجے میں کمی کی ہے۔

اپنے موجودہ جائزہ میں آئی ایم ایف نے کہا: "اقتصادی استحکام کے حصول کے لئے نقطہ نظر کو خطرے میں ڈال دیا ہے۔ 2019 میں نمو کی رفتار 4 فی صد تک اہتدال پسند اور درمیانی مدت میں تقریباً 3 فی صد تک کی متوقع ہے۔" اس سے بے روزگاری کے تناسب میں معمولی اضافہ ہوا ہے۔ موجودہ اکاؤنٹس بیلنس 2019 کے لئے منفی 5.3 بی سی کی پیش گوئی کی گئی ہے جبکہ 2017 کے لئے منفی 4.1 بی سی اور 2018 میں منفی 5.9 بی سی تھا۔

مالی سال 2019 کی پہلی ششماہی کے لئے اوسط سی بی آئی افراط زر کی شرح 6.0 فی صد رہی ہے، جو پچھلے سال اسی مدت کے دوران 3.8 فی صد رج کی گئی سے قابل ذکر زیادہ ہے۔ ایس بی پی نے مالی سال 19 کے لئے اپنی افراط زر قیمت کو (i) بین الاقوامی تیل کی اعلیٰ متوقع قیمتوں (ii) مقامی گیس کی قیمتوں میں دوبارہ اضافہ (iii) درآمدات پر ریگولیٹری ڈیوٹی میں اضافہ اور (iv) زرمبادلہ کی شرح میں کمی کے مد نظر 6.5 فی صد، 7.5 فی صد کی پیش گوئی کیا ہے۔ زیر جائزہ مدت کے دوران پالیسی انٹریٹ کی شرح 350 بی پی ایس 10 فی صد تک بڑھا دی گئی۔

جموئی طور پر، معیشت نے اوائلی گیم کے بحرانوں کے فوری شدید توازن کو خراب کر دیا ہے اور تمام بڑے معاشی اشارے استحکام کی طرف مثبت رجحانات ظاہر کرتے ہیں۔ مالی اور مالیاتی پالیسیوں کا عام انداز برآمدات، سرمایہ کاری اور پیداواری نمو کی طرف اشارہ کرتا ہے۔ آنے والے دنوں میں، غیر ملکی اور مقامی سرمایہ کاروں کو بولت دینے کے لئے تازہ مندرجات اقدامات کیے جائیں گے اور ملک میں کاروباری آب و ہوا ڈرامائی طور پر آسانی سے بہتر بنائی جائے گی۔ اس کے علاوہ، دوستانہ ممالک سے مالی بہاؤ کی آمد متوقع ہے، جو بیرونی اکاؤنٹس میں کچھ مدد فراہم کرے گی۔

سٹاک مارکیٹ کا جائزہ:

زیر جائزہ مدت کے دوران، پاکستان اسٹاک مارکیٹس 100 انڈیکس نے 11.56 فی صد کم کارکردگی ظاہر کی، عام انتخابات کے بعد سیاسی عدم استحکام اور بڑے اقتصادی استحکام پر بڑھتے ہوئے خدشات کے باعث مارکیٹ میں بے چینی رہی۔ یہ مزید کرنسی کے عدم استحکام (امریکی ڈالر کے مقابلے 21 فی صد کی کمی) اور مالیاتی پالیسی کی سختی (CY18 میں پالیسی کی شرح 425 بی پی ایس تک بڑھ گئی) کی وجہ سے ہوئی۔ یہ 2 جولائی 2018 کو 41910.90 پوائنٹس سے شروع ہوئی اور 22 اکتوبر 2018 کو 36,663.38 پوائنٹس کی سب سے کم سطح پر پہنچ گئی۔ یہ 30 جولائی 2018 کو 43556.63 پوائنٹس کی بلند ترین سطح تک پہنچ گئی۔ 31 دسمبر 2018 کو انڈیکس 37,066.67 پوائنٹس پر بند ہوئی۔ زیر جائزہ مدت کے دوران غیر ملکی سرمایہ کاروں نے 50.24 بلین روپے مالیت کی سکیورٹیز کی سرمایہ کاری کی، جو مقامی انفرادی سرمایہ کاروں، کمپنیوں اور انشورنس کمپنیوں کے ذریعے کی گئی۔ ہم امید کرتے ہیں کہ 2019 پاکستان کی اسٹاک مارکیٹ کے لئے ایک اچھا سال ہوگا۔ غیر ملکی اور مقامی سرمایہ کاروں کا اعتماد مندرجہ ذیل وجوہات کی بناء پر اسٹاک مارکیٹ پر بحال ہو جائے گا: (i) 2018 میں انتخابات کے ذریعے سیاسی استحکام حاصل ہوا؛ (ii) موجودہ اکاؤنٹ خسارہ کی کارروائی ظاہر کرتا ہے؛ (iii) آئی ایم ایف پروگرام میں متوقع داخلہ؛ (iv) روپے کی قدر میں کافی کمی کا خطرہ کم ہو گیا ہے اور (v) اسٹاک مارکیٹ کی قدریں متاثر کن ہیں (قیمت - آمدنی کا تناسب 2019 کی آمدنی 7.6 گنا)۔

سال کے دوران عام انتخابات کے نتیجے میں سیاسی غیر یقینی صورتحال نے اقتصادی استحکام پر بڑھتی ہوئی نشوونما کے دوران، مجموعی طور پر مارکیٹ جذبات کو خوف زدہ کر دیا تھا۔ یہ مزید کرنسی کے عدم استحکام (امریکی ڈالر کے مقابلے 21 فی صد کی کمی) اور مالیاتی پالیسی کی سختی (CY18 میں پالیسی کی شرح 425 بی پی ایس تک بڑھی) کی وجہ سے ہوئی۔

مٹی مارکیٹ کا جائزہ:

ایس بی پی نے مالی سال 19 کی پہلی ششماہی کے دوران تیر (13) ٹریڈری بل آکشن منعقد کرائیں۔ جموئی شرکت کا مشاہدہ پہلے اعلان کردہ بنیادی ہدف 10.50bn روپے کے برخلاف 10.90bn روپے تھا جبکہ ایس بی پی نے زیر جائزہ مدت کے دوران 9.85bn روپے کی رقم کی منظوری دی۔ یہ کہا جا رہا ہے کہ 3 ماہ کی مدت میں قبولیت کیس قابل قبول رقم کی 99.99 فی صد کی نمائندگی کرتی ہے۔ جبکہ 6 ماہ کی 0.01 فی صد تک جبکہ 12 ماہ کی مدت کی کوئی بڈ وصول نہیں ہوئیں۔

مزید، اس عرصے کے دوران، ایس بی پی نے چھ (6) پاکستان انویسٹمنٹ بانڈ (بی آئی بی) بنیادوں کا انعقاد کیا اور 36.18bn روپے اکٹھے کئے اور 5.3 اور 10 سالوں کی پیدوار ہاؤز تیب 12.25 فی صد،



12.70 فیصد اور 13.15 فیصد تھی۔ اس کے علاوہ موجودہ مدت کے دوران، ایس بی پی نے 6 ماہ کی اوسطاً کٹ آف ٹی بٹز پر سٹیٹ بٹونگ ریٹ بائرز (FRB) کی ایک نیلامی منعقد کی۔ مجموعی شرکت کا مشاہدہ 93.473bn روپے کے نیلامی ہدف کے خلاف 150bn روپے کیا گیا تھا جبکہ ایس بی پی نے کسی رقم کی منظوری نہیں دی ہے۔

زیر جائزہ مدت کے دوران ایس بی پی نے کوئی سی او پی اجارہ سٹاک آکشن کا انعقاد نہیں کیا۔

آڈیٹرز کی رپورٹ

31 دسمبر 2018 کو ختم ہونے والی ششماہی رپورٹ میں آڈیٹرز نے مندرجہ ذیل معاملات پر زور دیا ہے۔ ان معاملات پر تبصرے حسب ذیل ہیں:

i۔ مجموعی مالی حسابات کے نوٹ 11 پر ہمارا جواب یہ ہے کہ کمپنی نے ایکٹیو پورٹ فولیو کی جزوی ملکیت کو فروخت اور باقی پورٹ فولیو کی فروخت کو یقینی بنایا۔

ii۔ مجموعی مالی حسابات کے نوٹ 1.3 پر ایکٹیو کم ہو گئی ہے اپنی مقررہ حد سے جسکی زیادہ تر وجہ بیئر آف ایسوسی ایشن میں نقصان ہے۔

کمپنی کی کارکردگی

گزشتہ سال کی اسی مدت میں 4.25 ملین روپے کے مقابلے موجودہ مدت میں کمپنی کی مجموعی آمدنی 4.38 ملین روپے رہی۔ گزشتہ سال کی اسی مدت میں 15.67 ملین روپے کے مقابلے کل اخراجات 16.91 ملین روپے ہوئے۔ گزشتہ سال کی اسی مدت میں 10.41 ملین روپے نقصان کے مقابلے ایسوسی ایشن نقصان کا حصہ 19.77 ملین روپے ہے۔

گزشتہ سال اسی عرصہ میں 21.59 ملین روپے نقصان کے خلاف موجودہ مدت کے لئے خالص نقصان 33.11 ملین روپے ہوا۔ مذکورہ بالا نقصان بنیادی طور پر ایسوسی ایشن نقصان کے حصے کے باعث ہوا ہے۔

---SD---
ڈائریکٹر

---SD---
چیف ایگزیکٹو آفیسر
کراچی 18 فروری 2019ء



REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

Independent Auditor's Review Report

To the Members of 786 Investments Limited

Introduction

We have reviewed the accompanying condensed interim statement of financial information of **786 INVESTMENT LIMITED** as at December 31, 2018 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and the condensed interim statement of cash flows and notes to the financial statements for six-month period then ended (here-in-after referred to as the "Interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for the interim financial reporting.

Emphasis of Matter

We draw attention to:

- i. Note 11 to the condensed financial statements which provide details regarding the equity portfolio maintained by the Company which is in non-compliance of Regulation 37(7)(k) of Non Banking Finance Companies and Notified Entities Regulations, 2008. However, the Company has sold partial portfolio and intends to liquidate the balance portfolio.



- ii. Note 1.3 to the condensed financial statements which provide detail regarding equity of the company as at the period end which is Rs. 208.74 Million reduced mainly due to Associates' losses.

Our conclusion is not qualified in respect of above stated matters.

Other matter

The figures of the condensed statement of profit or loss and other comprehensive income for the quarters ended December 31, 2018 and 2017 have not been reviewed as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

The engagement partner on the review resulting in this independent auditor's review report is **Farhan Ahmed Memon**.



Farhan Zakaria SC
Reanda Farhan Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: 10 FEB 2019



**CONDENSED INTERIM STATEMENT OF FINANCIAL INFORMATION (UNAUDITED)
AS AT 31 DECEMBER 2018**

ASSETS	Note	(Un-Audited) December 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
Non-Current Assets			
Property and Equipment	6	8,360,972	8,620,715
Intangible Asset	7	1,315,845	-
Long-Term Investments	8	198,953,082	227,845,347
Long-Term Loans & Advances	9	-	668,352
Long-Term Deposits		36,300	36,300
Deferred Tax Asset	10	-	-
		208,666,199	237,170,714
Current Assets			
Short-Term Investments	11	3,107,270	8,625,160
Loans and Advances		212,217	524,350
Prepayments and Other Receivable		8,357,405	7,339,647
Trade Receivable	12	2,260,687	2,404,804
Accrued Markup		64,814	24,999
Taxation - Net		4,886,622	4,662,894
Cash and Bank Balances	13	2,689,451	3,313,649
		21,578,466	26,895,503
Total Assets		230,244,665	264,066,217
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized Capital			
20,000,000 Ordinary Shares of Rs. 10 Each		200,000,000	200,000,000
Issued, Subscribed and Paid - Up Capital		149,737,500	149,737,500
General Reserves		33,630,264	33,630,264
Accumulated Profit		24,933,232	56,933,542
Surplus on Revaluation of Investments - At Fair Value through Other Comprehensive Income		334,915	5,075,025
Share of Unrealised Gain on Remeasurement of Investments in Associates		106,515	70,843
		208,742,426	245,447,174
Current Liabilities			
Trade and Other Payables	14	20,503,497	17,620,301
Unclaimed Dividend	15	998,742	998,742
		21,502,239	18,619,043
Contingencies and Commitments	16	-	-
Total Equities and Liabilities		230,244,665	264,066,217

The annexed notes from 1 to 24 form an integral part of these Condensed financial statements.

For 786 Investments Limited
(Management Company)

----SD----
Chief Executive Officer

----SD----
Chief Financial Officer

----SD----
Director



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Note	Half Year Ended		Quarter ended	
		December 31,		December 31,	
		2018	2017	2018	2017
-----Rupees-----					
Income					
Remuneration from Funds under Management	17	6,195,819	5,529,631	3,128,062	2,756,921
Capital Gain on Sale of Shares		36,179	42,699	36,179	-
Loss on Redemption of Units of Associates' Investment		(1,848,732)	(1,312,269)	(1,848,732)	(1,312,269)
Impairment Against Investments		-	(1,750)	-	(1,750)
		<u>4,383,266</u>	<u>4,258,311</u>	<u>1,315,509</u>	<u>1,442,902</u>
Expenses					
Administrative and Operating Expenses	18	16,917,515	15,677,696	8,510,718	10,312,702
Financial Charges		452	770	(1,862)	565
		<u>16,917,967</u>	<u>15,678,466</u>	<u>8,508,856</u>	<u>10,313,267</u>
Operating Loss		<u>(12,534,701)</u>	<u>(11,420,155)</u>	<u>(7,193,347)</u>	<u>(8,870,365)</u>
Other Operating Income		132,109	348,274	82,888	210,342
Share of Associates' (Loss)/Profit	19	(19,779,639)	(10,415,772)	(15,371,577)	300,220
Loss Before Taxation		<u>(32,182,231)</u>	<u>(21,487,653)</u>	<u>(22,482,036)</u>	<u>(8,359,803)</u>
Taxation	20	(929,939)	(105,054)	(519,756)	(46,281)
Net Loss for the Period		<u>(33,112,170)</u>	<u>(21,592,707)</u>	<u>(23,001,792)</u>	<u>(8,406,084)</u>
Loss Per Share - Basic and Diluted		<u>(2.21)</u>	<u>(1.44)</u>	<u>(1.54)</u>	<u>(0.56)</u>

The annexed notes from 1 to 24 form an integral part of these Condensed financial statements.

For 786 Investments Limited
(Management Company)

-----SD-----
Chief Executive Officer

-----SD-----
Chief Financial Officer

-----SD-----
Director



**STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Half Year Ended December 31,		Quarter ended December 31,	
	2018	2017	2018	2017
Rupees				
Net Loss for the Period	(33,112,170)	(21,592,707)	(23,001,792)	(8,406,084)
Other Comprehensive (Loss)/Income				
Deficit on Revaluation of Investments - At Fair Value through Other Comprehensive Income	(3,628,250)	(3,645,441)	(3,032,589)	(3,049,780)
Share of Unrealised Gain from Associates on Remeasurement of Investments	35,672	38,216	35,672	38,216
Total Comprehensive Loss for the Period	(36,704,748)	(25,199,933)	(25,998,709)	(11,417,649)

The annexed notes from 1 to 24 form an integral part of these Condensed financial statements.

For 786 Investments Limited
(Management Company)

----SD----

Chief Executive Officer

----SD----

Chief Financial Officer

----SD----

Director



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Half Year Ended December 31,	
	2018	2017
	Rupees	Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss Before Taxation	(32,182,231)	(21,449,438)
Adjustments for Items Not Involving Movement of Funds:		
Depreciation on Property and Equipment	1,106,610	614,558
Amortization	69,255	-
Gain on Sale of Investment	(36,179)	(42,699)
Financial Charges	452	770
Gain on Disposal of Property and Equipment	(5,395)	(12,416)
Markup Earned on Saving Account	(126,714)	(348,274)
Provision for Impairment	-	1,750
Loss on Redemption of Units	1,848,732	1,312,269
Share of Associates' Loss	19,779,639	10,415,772
	22,636,400	11,941,730
Operating Cash Flows Before Working Capital Changes	(9,545,831)	(9,507,708)
(Increase)/Decrease in Current Assets		
Loans and Advances	312,133	(25,000)
Prepayments and Other Receivables	(1,017,758)	(1,042,094)
Trade Receivable	144,117	(180,865)
	(561,508)	(1,247,959)
Decrease/(Increase) in Current Liabilities		
Trade and Other Payables	2,883,196	3,753,345
	(7,224,143)	(7,002,322)
Income Taxes Paid - Net	(1,153,667)	(761,447)
Financial Charges Paid	(452)	(770)
Net Cash Used in Operating Activities	(8,378,262)	(7,764,539)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Investments Long and Short - Net	9,225,385	15,004,484
Proceeds from Disposal of Property and Equipment	33,200	50,000
Receipt of Mark-Up on Saving Accounts	86,899	405,593
Capital Expenditure Incurred	(1,591,420)	(5,766,007)
Net Cash Generated From Investing Activities	7,754,064	9,694,070
Net (Decrease)/Increase in Cash and Cash Equivalents	(624,198)	1,929,531
Cash and Cash Equivalents At Beginning of the Period	3,313,649	12,335,666
Cash and Cash Equivalents At End of the Period	2,689,451	14,265,197

The annexed notes from 1 to 24 form an integral part of these Condensed financial statements.

For 786 Investments Limited
(Management Company)

----SD----
Chief Executive Officer

----SD----
Chief Financial Officer

----SD----
Director



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Share Capital		Reserves			Total
	Capital	Capital	Revenue			
Issued, Subscribed and Paid-Up Capital	General Reserve	Surplus on Revaluation of Investment - At Fair Value through Other Comprehensive Income	Share of Unrealised Gain on Remeasurement of Associates' Investments	Accumulated Profit/(Loss)		
----- Rupees -----						
Balance as at July 1, 2017	149,737,500	33,630,264	4,098,143	21,403	83,399,141	270,886,451
Loss for the Period	-	-	-	-	(21,592,707)	(21,592,707)
Other Comprehensive Income/(Loss)						
Deficit on Revaluation of Investments - At Fair Value through Other Comprehensive Income	-	-	(3,645,441)	-	-	(3,645,441)
Share of Unrealised Gain on Remeasurement of Associates' Investments	-	-	-	38,216	-	38,216
Total Comprehensive Loss for the Period	-	-	(3,645,441)	38,216	(21,592,707)	(25,199,933)
Balance as at December 31, 2017	<u>149,737,500</u>	<u>33,630,264</u>	<u>452,702</u>	<u>59,619</u>	<u>61,806,434</u>	<u>245,686,518</u>
Balance as at July 1, 2018	149,737,500	33,630,264	5,075,025	70,843	56,933,542	245,447,174
Loss for the Period	-	-	-	-	(33,112,170)	(33,112,170)
Other Comprehensive Income/(Loss)						
Deficit on Revaluation of Investments - At Fair Value through Other Comprehensive Income	-	-	(3,628,250)	-	-	(3,628,250)
Transfer to Equity on Account of Disposal of Investment - At Fair Value through Other Comprehensive Income.	-	-	(1,111,860)	-	1,111,860	-
Investments	-	-	-	35,672	-	35,672
Total Comprehensive Loss for the Period	-	-	(4,740,110)	35,672	(32,000,310)	(36,704,749)
Balance as at December 31, 2018	<u>149,737,500</u>	<u>33,630,264</u>	<u>334,915</u>	<u>106,515</u>	<u>24,933,232</u>	<u>208,742,426</u>

The annexed notes from 1 to 24 form an integral part of these Condensed financial statements.

**For 786 Investments Limited
(Management Company)**

-----SD-----
Chief Executive Officer

-----SD-----
Chief Financial Officer

-----SD-----
Director



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

1 STATUS AND NATURE OF BUSINESS

1.1 786 Investments Limited, the Company was incorporated on September 18, 1990 as a public limited Company in Pakistan, with its registered office at G3, Ground Floor BRR Tower, Hassan Ali Street, Off I. I. Chandigarh Road, Karachi 74000. The Company is listed on the Pakistan Stock Exchange Limited. During the last period, the Company has changed its name to 786 Investments Limited with effect from 20 January 2017 after completing regulatory formalities.

The Company is registered as a Non Banking Finance Company under the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (The NBFC Rules). The Company has obtained the licenses to carry out investment advisory services and asset management services under the NBFC Rules and the Non Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations).

1.2 The Company has floated the following open end funds;

- Dawood Income Fund
- Dawood Islamic Fund
- First Dawood Mutual Fund

The Company has successfully renewed its license to carry out "Asset Management Service" and "Investment Advisory Service " dated October 19 ,2017 under rule 5 of the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 and under Rules, 2003 amended through S.R.O 1131(1) 2007, S.R.O 271(1) 2010,S.R.O 570(1)/2012 and S.R.O 1002(1)/2015 respectively.

1.3 In accordance with regulation 4 - Part I of Non Banking Finance Companies and Notified Entities Regulations, 2008 an NBFC licensed by the Commission to undertake Asset Management Services and Investment Advisory Services is required to maintain equity amounting to Rs. 230 Million. As at the period end the Company's equity amounts to Rs. 208.74 Million (June 30, 2018 Rs. 245.45 Million).

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified Under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017; and
- The Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (The NBFC Rules), and the Non Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations).
- Directives issued by the SECP

Where the provisions of and directives issued under Companies Act, 2017 The NBFC Rules, The NBFC Regulations and by the SECP differ with the requirements of IAS 34, the provisions of and the directives issued under the Companies Act, 2017, The NBFC Rules, The NBFC Regulations and by the SECP prevail.

2.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of International Accounting Standard (IAS) 34 : "Interim Financial Reporting". These financial statements are unaudited but have been reviewed by the external auditors of the Company.

2.3 Functional and Presentation Currency

These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.



3 ACCOUNTING POLICIES

The accounting policies and the method of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the company for the year ended June 30, 2018 Except financial instruments which are being measured in accordance with IFRS 9.

Certain standards, amendments and interpretations to the approved accounting standards are effective for accounting periods beginning on or after July 1, 2018 but are considered not to be relevant or have any significant effect on the Company's operation and are therefore not detailed in this condensed interim financial statements except for IFRS 9 whose adoption is summarised below.

3.1 Change in Accounting Policy

Effective 01 July, 2018, the company adopted IFRS 9 "Financial Instruments", which has replaced IAS 39 "Financial Instruments: Recognition and Measurement".

IFRS 9 prescribes the rules for the classification and measurement of financial instruments, measuring impairment allowances for financial assets, and hedge accounting. Unlike IAS 39 where multiple classification categories were permitted, this standard has simplified the classification of a financial asset either "At Amortised Cost" or "At Fair Value (Through Profit or Loss OR Through Other Comprehensive Income)" based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

As permitted by IFRS 9, the company has not restated comparatives on initial application of IFRS 9. Certain key transitional provisions used to calculate the transitional impact, are summarised below:

- IFRS 9 is not applied to financial instruments that have been derecognised as of 01 July, 2018; and
- The classification and measurement requirements are applied considering facts and circumstances in existence as of 01 July, 2018 for the business model and fair value option elections, and facts and circumstances at the date of initial recognition for the contractual cash flow characteristics of financial assets.
- The change of classification of financial instruments are categorised below:

Financial Assets	Category as per		Effect on opening Equity Rupees
	IAS 39	IFRS 9	
Long-Term Investments	Available for sale	At fair value through other comprehensive income	-
Long-Term Deposits	Loans & receivables	Amortized cost	-
Short-Term Investments	Available for sale	At fair value through other comprehensive income	-
Loans and Advances	Loans & receivables	Amortized cost	-
Trade Receivable	Loans & receivables	Amortized cost	-
Accrued Markup	Loans & receivables	Amortized cost	-
Cash and Bank Balances	Loans & receivables	Amortized cost	-
Financial Liabilities			
Accrued Expenses	Other financial liabilities	Amortized cost	-
Unclaimed Dividend	Other financial liabilities	Amortized cost	-

Key Accounting Policies as revised under IFRS 9

Following the application of IFRS 9, the Company's policy for financial instruments stands amended as follows:

3.1.1 Financial Assets

The Company classifies its financial assets at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.



b) Financial Assets - At Amortised Cost

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial Assets - At Fair Value through Other Comprehensive Income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

d) Financial Assets - At Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognised at trade date i.e. the date on which the Company commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Gains and losses arising on financial assets at amortised cost and financial assets at fair value through profit or loss are recognised in profit or loss. Interest calculated under effective interest method, dividend, impairment (on debt instrument) and foreign exchange gains and losses on financial assets at fair value through other comprehensive income are also recognised in profit or loss. Gains and losses from changes in fair value of financial assets at fair value through other comprehensive income are recognised in other comprehensive income and, in case of debt instruments, are reclassified to profit or loss on derecognition or reclassification. Gains and losses from changes in fair value of equity securities designated at fair value through other comprehensive income are not subsequently transferred to profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

3.1.2 Financial Liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

4 ESTIMATES

The preparation of this condensed interim financial report in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

In preparing this condensed interim financial report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June, 2018. Except financial instruments which are being measured in accordance with IFRS 9.



The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

5 CORRECTION OF ERROR

During the year error is corrected prospectively in the statement of changes in equity owing to the trivial nature of amount.

5.1 The detail of reclassification is as follows

As at July 01, 2017

	Debit	Credit
Share of unrealised gain on remeasurement of associates' investments	-	21,403
Accumulated profit/(loss)	21,403	-

As at July 01, 2018

Share of unrealised gain on remeasurement of associates' investments	-	70,843
Accumulated profit/(loss)	70,843	-

	(Un-Audited) December 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
6 PROPERTY AND EQUIPMENT		
Opening Net Book Value (NBV)	8,620,715	2,975,753
Additions During the Period	874,672	7,306,934
	9,495,387	10,282,687
Disposal (NBV) during the Period	(27,805)	(37,584)
Depreciation Charged during the Period	(1,106,610)	(1,624,388)
Closing Net Book Value (NBV)	8,360,972	8,620,715

6.1 Following additions were made to Property and equipment during the period :

Office Equipment	-	9,000
Vehicles	-	2,686,070
Computers	874,672	248,359
	874,672	2,943,429

6.2 Following is the net book value of Property and equipment disposed off during the period:

Office Equipment	-	37,584
Computers	27,805	-

7 INTANGIBLE ASSET

Computer Software

- Cost	1,385,100	-
- Accumulated Amortization	(69,255)	-
	1,315,845	-

Amortization Rate

	10%	-
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	Note	(Un-Audited) December 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
8 LONG TERM INVESTMENTS			
Investments in Associates - Quoted			
First Dawood Mutual Fund (Open-End-Fund) - An Associate (Using Equity Method)			
6,298,338 (June 30, 2018: 8,069,728) Fully Paid Ordinary Certificates of Rs. 10/- Each Representing 69.66% (June 30, 2018: 74.28%) Holding		119,850,445	180,584,362
Dawood Income Fund (Open-End-Fund) - An Associate (Using Equity Method)			
805,531 (June 30, 2018: 348,387) Units of Rs. 100/- Each Representing 17.64% (June 30, 2018: 9.19%) Holding		67,452,768	30,765,592
Dawood Islamic Fund (Open-End-Fund) - An Associate (Using Equity Method)			
109,323 (30 June 2018: 40,680) Units of Rs.100/- Each Representing 11.18% (30 June 2018: 4.49%) Holding		<u>11,627,214</u>	<u>4,762,552</u>
		198,930,427	216,112,506
Al Baraka Bank (Pakistan) Limited (formerly Burj Bank Limited) - At Fair Value through Other Comprehensive Income			
2,961 (June 30, 2018: 2,961) Fully Paid Ordinary Shares of Rs. 10/- Each		22,655	24,545
Less: Impairment on Investment		-	(1,890)
		22,655	22,655
Dawood Family Takaful Limited - A Related Party - At Fair Value through Other Comprehensive Income			
Nil (June 30, 2018: 2,372,500) Fully Paid Ordinary Shares of Rs. 10/- Each		11,710,186	11,862,529
Less: Impairment on Investment		-	(152,343)
Less: Sale of 2,372,500 Shares		(11,710,186)	-
		<u>-</u>	<u>11,710,186</u>
		198,953,082	227,845,347
9 LONG TERM LOANS AND ADVANCES			
Advance against Intangible - Software		-	668,352
10 DEFERRED TAX ASSET			
(Taxable)/Deductible Temporary Differences due to:			
Relating to Taxable Temporary Differences			
Carried Forward Assessed Tax Losses		13,438,579	12,846,696
Accelerated Tax Depreciation		10,312	(49,547)
		<u>13,448,891</u>	<u>12,797,149</u>
Unrecognized Deferred Tax Asset	10.1	<u>(13,448,891)</u>	<u>(12,797,149)</u>
		<u>-</u>	<u>-</u>
10.1			
Deferred tax asset has not been recognized on the ground that sufficient taxable profits are not expected in foreseeable future against which the asset could be utilized.			



On 4 September 2013, a Constitutional Petition was filed in the Honorable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

The matter is still pending. With effect from 1 July 2016, FED on services provided or rendered on Non Banking Financial Institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Company has discontinued making further provision in respect of FED on remuneration of Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision made for FED for the period from 13 June 2013 till 30 June 2016 aggregating to Rupees 6.51 Million (June 30, 2018: Rupees 6.51 Million) is being retained with a corresponding receivable of the same amount in financial statements as the matter is pending before the Supreme Court of Pakistan.

15 UNCLAIMED DIVIDEND

According to Section 244 of Companies Act, 2017 all unclaimed dividend for a period of three year shall be credited to Federal Government account after serving 90 days' notice to Shareholders'. No such notice is served by the company as company is in process of identifying the shareholders' and after the identification required procedure will be adopted.

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

The Additional Commissioner of Income Tax (ACIT) has amended the assessment order under section 122 (5A) of the Income Tax Ordinance, 2001, resulting in an additional tax of Rs. 1.005 Million and Rs. 0.820 Million for Tax Years 2003 and 2004 respectively. The Company has filed appeals with the Commissioner of Income Tax Appeals - II (CIT - A). The said appeals are pending for hearing. The management is confident that the appeal will be decided in favour of the Company and therefore no provision in this respect has been made in these financial statements. Appeals have been filed before Income Tax Appellate Tribunal (ITAT) for the Tax Year 2003 and 2004 against the order of CIT - A. Hearing has been fixed and ITAT has finalized the order for the Tax Year 2004, which partially allowed and partially remanded back the order to the CIT - A for passing an order. The case has been decided in favour of the Company by the Appellate Tribunal in Tax Year 2017.

16.2 Commitments

There was no commitments during the period. (June 30, 2018: Nil).

	(Un-Audited) December 31, 2018 Rupees	(Un-Audited) December 31, 2017 Rupees
17 MANAGEMENT FEE		
Open-End Funds		
Dawood Income Fund - An Associate	3,317,115	2,131,476
Dawood Islamic Fund - An Associate	819,681	742,855
First Dawood Mutual Fund - An Associate	<u>2,059,023</u>	<u>2,655,300</u>
	<u>6,195,819</u>	<u>5,529,631</u>

	December 31, 2018	December 31, 2017
17.1 During the period the company has charged Management fee as under:		
	Remuneration for Services Rendered as an Asset Management Company	
	----- Percentage -----	
Open-End Funds		
Dawood Income Fund - An Associate	1.5	1.5
Dawood Islamic Fund - An Associate	1.5	1.5
First Dawood Mutual Fund - An Associate	2	2



	(Un-Audited)	(Un-Audited)
	December 31,	December 31,
	2018	2017
Note	Rupees	Rupees
18 ADMINISTRATIVE AND OPERATING EXPENSES		
Salaries and Allowances	10,945,990	7,455,798
Rent, Rates and Taxes	769,321	723,860
Postage and Telephones	173,156	444,175
Legal and Professional	842,000	4,085,488
Printing and Stationery	124,068	207,024
Travelling and Conveyance	76,338	-
Vehicles Running	1,057,114	586,874
Advertisement	124,200	84,400
Electricity	236,118	286,459
Repairs and Maintenance	55,410	161,841
Auditors' Remuneration	176,040	166,816
Entertainment	218,559	119,532
Insurance	237,521	94,858
Depreciation	6 1,106,610	614,558
Amortization	7 69,255	-
Fees & Subscriptions	789,645	562,776
Newspaper and Magazines	329	-
Directors' Fee	180,000	99,600
Commission	15,660	69,214
Marketing	39,000	-
Others	39,915	96,711
	17,276,249	15,859,984
Less: Reimbursement of Expenses from Funds	18.1 (358,734)	(182,288)
	16,917,515	15,677,696
18.1 In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160 (I)/2015 dated November 25, 2015, The Management Company is entitled from the funds for reimbursement of fees and expenses incurred by the Management Company in relation to Registrar, Accounting, Operation and Valuation services related to Funds maximum up to 0.1% per annum of Average Annual Net Assets of the Scheme or actual whichever is less. Accordingly, Company has charged said charges from the Fund at the rate of 0.1% per annum of the Average Annual Net Assets of the Fund amounting to Rs. 0.359 (December 31, 2017 : Rs.0.182) Million.		
19 SHARE OF ASSOCIATES' (LOSS)/PROFIT		
Dawood Income Fund	2,300,943	1,518,901
Dawood Islamic Fund	(1,130,176)	(291,037)
First Dawood Mutual Fund	(20,950,406)	(11,643,636)
	(19,779,639)	(10,415,772)
20 TAXATION		
Current	1,085,046	74,008
Prior	(155,107)	31,046
	929,939	105,054



Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The provision for current period income tax has been made under section 113 of the Income Tax Ordinance, 2001.

21 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of related group companies, directors and their close family members, senior executives, retirement benefit plans, major shareholders of the Company and funds under management. Transactions with the related parties during the period were as follows:

Relationship with the Company	Nature of Transactions	(Un-Audited)	(Un-Audited)
		December 31, 2018	December 31, 2017
		Rupees	Rupees
Transactions During the Period			
Mutual Funds Managed by the Company	Management Fee Charged	6,195,819	5,529,631
	Sales Tax on Management Fee Charged	805,456	718,852
	Accounting and operational Charges	358,734	182,288
	Dawood Income Fund Issue of 629,730 Units (December 31, 2017: Nil Units)	50,505,724	-
	Dawood Income Fund Redemption of 172,586 Units (December 31, 2017: Nil Units)	14,000,000	-
	Dawood Income Fund - Gain on Redemption of Units	217,714	-
	Dawood Income Fund - Dividend Received (December 31, 2017: Nil)	2,359,674	-
	Dawood Islamic Fund Issue of 68,643 Units (December 31, 2017: 40,679 Units)	7,997,225	5,000,000
	Dawood Islamic Fund - Dividend Received (December 31, 2017: Nil)	15,597	-
	First Dawood Mutual Fund Issue of 447,033 Units (December 31, 2017: Nil Units)	10,142,221	-
	First Dawood Mutual Fund Redemption of 2,218,422 Units (December 31, 2017: 923,344 Units)	47,500,000	20,000,000
	First Dawood Mutual Fund loss on Redemption of Units	(2,066,446)	(1,312,269)
	First Dawood Mutual Fund Dividend Received (December 31, 2017: Nil)	359,277	-
	Management Fee Received	6,339,936	6,426,954
Other Related Party			
B.R.R Guardian Modaraba	Provident Fund Contribution	317,898	363,357
	Rent Charge during the Period - New office	769,321	624,310
Key Management Personnel	Remuneration	7,689,623	1,773,900
	Sale of 2,372,500 Shares of Dawood Family Takaful Limited	12,313,275	-
	Gain on Disposal of Shares	603,089	-
First Dawood Investment Bank Limited	Rent Expense Charge during the Period - Old Office	-	99,550
Dawood Family Takaful Limited	Insurance Expense Charge during the Period	10,592	1,463
Dawood Equities Limited	Brokerage Commission Paid on Disposal of Shares	15,660	-
Associated Companies/Other Related Parties			
	Balances as at Period End	(Un-Audited)	(Audited)
	Units Held:	December 31, 2018	June 30, 2018
Mutual Funds Managed by the Company	Dawood Income Fund 805,531 (June 30, 2018: 348,387) Units	67,452,768	30,765,592
	First Dawood Mutual Fund 6,298,338 (June 30, 2018: 8,069,728) Units	119,850,445	180,584,362
	Dawood Islamic Fund 109,323 (June 30, 2018: 40,680) Units	11,627,214	4,762,552
First Dawood Investment Bank Limited	1,860,641 (June 30, 2018: 2,382,641) Fully Paid Ordinary Shares of Rs. 10/- Each	3,107,270	8,625,160
	Payable in Respect of Rent - Old Office	2,687,850	2,687,850
Dawood Family Takaful Limited	Nil (June 30, 2018: 2,372,500) Fully Paid Ordinary Shares of Rs. 10/- Each	-	11,710,186
	Prepaid Life Insurance	20,839	42,024
B.R.R Guardian Modaraba	Prepaid Rent - New office	749,171	124,862
First Dawood Investment Bank Limited & Others			
Employees Provident Fund	Provident Fund Payable	215,532	-



The Company has not entered into any transaction with directors and senior executives other than those provided under the Company's policies and terms of employment.

22 RECALSSIFICATION

Following figures of prior year have been reclassified for better understanding :-

From	To	Rupees
Trade receivable	Other receivable	<u><u>6,513,677</u></u>

23 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue in Board of Directors of the management company on **18 February, 2019**.

24 GENERAL

24.1 In accordance with the requirement of Rule 9, of the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003, the Company has obtained sufficient Insurance Coverage from Jubilee General Insurance Company Limited against any loss that against financial losses that may be incurred as a result of employee's fraud or gross negligence. The Insurance Company has been assigned a Credit Rating of AA+ by the Pakistan Credit Rating Agency Limited (PACRA).

24.2 Figures have been rounded off to the nearest rupee.

**For 786 Investments Limited
(Management Company)**

____SD____
Chief Executive Officer

____SD____
Chief Financial Officer

____SD____
Director

BOOK POST

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