



**INVESTMENTS**

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**786 INVESTMENTS LIMITED**

**FOR THE  
NINE MONTH AND QUARTER  
ENDED MARCH 31, 2020  
(UN-AUDITED)**

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## CORPORATE INFORMATION

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<b>Board of Directors</b>	Ms. Shafqat Sultana	Chairperson
	Miss Tara Uzra Dawood	Chief Executive Officer
	Ms. Charmaine Hidayatullah	Director
	Mr. Ahmed Salman Munir	Director
	Syed Shabahat Hussain	Director
	Mr. Tahir Mehmood	Director
	Syed Farhan Abbas	Director

**Chief Financial Officer &  
Company Secretary**

Mr. Noman Shakir

**Audit Committee**

Syed Shabahat Hussain	Chairman
Mr. Tahir Mehmood	Member
Syed Farhan Abbas	Member

**Human Resource  
Committee**

Ms. Shafqat Sultana	Chairperson
Miss Tara Uzra Dawood	Member
Mr. Tahir Mehmood	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 QUARTER ENDED MARCH 31, 2020

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It gives me immense pleasure to present on behalf of the Board of Directors of 786 Investments Limited. ("786" or the "Company") I am pleased to present the report on the affairs of the Company for the quarter ended March 31, 2020. Your Company continued its journey of success and composed for growth.

### **Economy and Money Market Review:**

Since the beginning of 2020, the pandemic (COVID-19) outbreak and rapidly spread across the world and triggered disruptions in economies worldwide. The impact of coronavirus spreading globally, demand for commodities specifically oil is witnessing a slowdown amid downward revision in global economic growth. Total revenue for the duration of 1HFY20 confirmed a healthy boom of 39% YoY amid the hefty increase in Non-tax revenue, while Total expenditure rose by way of 25% in the main due to a rise in domestic debt servicing. Inflation is set to descend in the coming quarters which will result in an economic policy easing cycle to start, resulting in market rerating amid attractive valuations and positive long-term outlook for Pakistan. This quarter of FY20 was full of gloom and doom after the Coronavirus outbreak wreaked havoc on the global economy. The headline CPI inflation continued to ease as it grew by 10.2% YoY, the lowest level was once considered in the last eight months. The stress on inflation receded particularly as the government passed on the impact of declining crude oil prices to consumers. The MPC committee in its first meeting of the month reduced the interest rate by 75 bps citing the easing outlook on inflation.

State Bank of Pakistan for the first time slashed its policy rate in two spells, reversing the stance it has been pursuing due to the fact that the end of 2017. In the first spell, SBP introduced a reduction of seventy-five bps against the expectation of the market, citing easing food inflation and a fall in oil prices. Following the scheduled monetary meeting, the central bank held an emergent assembly whereby SBP referred to as an in-addition rate cut of one hundred fifty bps bringing the policy rate to 11%.

State Bank of Pakistan accepted bids well worth PKR 60.75 billion at a reduced off-price of 102.5295. In line with the discount on the policy rate, KIBOR fees confirmed a downward trend at some stage in the month whereby 3MK, 6MK, and 12MK have been down by means of 224bps, 229bps, and 265bps respectively and clocked in at 11.22%, 11.16% & 10.91%.

The downfall in the month of March erased all the features which the market had made on the grounds that the month of Aug-19 and accordingly, KMI-30 and KSE-100 index touched a new low of 41,365 factors and 27,229 points, respectively in Mar-20. However, in the last week of the month, attractive valuations and institutional aid helped the market to stage some mild recovery and KMI-30 and KSE-100 index ended the month at 45,056 points and 29,232 points, respectively. The outlook for inflation has accelerated in mild of the recent deceleration in domestic food prices, sharp fall in global oil prices, and the slowdown in external and domestic demand due to the Coronavirus pandemic.

### **Equity Market Review and Outlook:**

The benchmark KSE-100 had its worst month considering the financial crisis of 2008 as the global pandemic took a toll on all risk assets. KSE-100 lost 23.1% all through this length taking it to negative territory for the FY20, at -13.8%. Foreigners offloaded equities aggressively decreasing their exposure by using USD eighty-five million throughout the period. On the local front, Insurance companies became out to be fundamental buyers.

The energy chain underperformed severely as crude oil prices had its one of the worst periods of records after Saudi Arabia started a price war as a settlement wasn't reached between OPEC and Russia. Oil prices touched its 18 years during this quarter as low at some point in the period. E&Ps and OMC's lost more than 30% in the course of the period. Commercial banks also lost almost 30% throughout the period, as the central financial institution persisted its easing policy, whilst foreigners persevered to dump local banks as they risk assets.

Fertilizers and Pharmaceutical sectors outperformed the index as protective plays remained in the radar of investors. The gap between each asset category remains remarkable and offers exceptional returns to risk investors, assuming the state of economy normalizes in a couple of months. Stock Market Review During the month of March 2020, the benchmark KSE-100 index went down by 8,752 points to shut at 29,232 points. The oil prices declined by means of 54.7% throughout the month with Brent closing at USD 22.74/barrel.

### Company Performance Review:

The Company's gross earnings during the period stood at PKR 13.34 million as compared to PKR 0.04 million in the same period last year. Total expenses were PKR 19.78 million as compared to PKR 25.10 million in the same period last year. Share of associates shows a Profit of PKR 8.15 million as compared to the loss of PKR 8.97 million the same period last year. Net Profit for the period was PKR 3.38 million as opposed to the loss of PKR 35.08 million in the same period last year.

The merger effectively facilitated the benefit of economies of scale turned our losses into profits. As of now, the return from the fund is also showing an upward/increasing trend which means an increase in daily Net Asset Value (NAV).

### Future Plans:

We have planned and significantly modify the financial and operational aspects of the company, also restructures our operations and develop a strategy to cut costs in an effective way to turn around the company. Our objective for the year is to grow Asset under Management (AUM) through Alternative Sales Personal ie bots and virtual sales. If a digital system for sales could be economically set up, it would be the easiest, and most scalable. As of now, the company is maintaining only one fund which categorized into Islamic Income Fund which is the surviving fund called 786 Smart Fund (formerly Dawood Income Fund) having AUM of PKR 670.39 million for the quarter ended March 31, 2020.

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Director

----SD----

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Shafqat Sultana  
Chairperson

786 انویسٹمنٹ لمیٹڈ  
ڈائریکٹرز کی رپورٹ  
برائے 31 مارچ 2020ء مختصر نمونہ

786 انویسٹمنٹ لمیٹڈ (786 ڈی کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے، میں 786 گروپ کی 31 مارچ 2020ء کو ختم ہونے والی نو ماہی کے کھٹی کے امور پر رپورٹ پیش کرتے ہوئے خوش محسوس کرتا ہوں۔ آپ کی کمپنی نے کامیابی کا سفر جاری رکھا اور ترقی کے لئے تیار ہے۔

مارکیٹ اور اقتصادی جائزہ

اقتصادی اور مٹی مارکیٹ کا جائزہ:

2020 کے آغاز سے، وبائی بیماری (COVID-19) کی وبا پھیل گئی اور تیزی سے پوری دنیا کو اپنی لپیٹ میں لے لیا اور دنیا بھر کی معیشتوں کی بندش کا باعث بنی۔ عالمی سطح پر پھیلتے ہوئے کوورونا وائرس کے اثرات، اجناس خاص طور پر تیل کی طلب عالمی معاشی نمو میں گراؤت کے باعث سست روی کا شکار ہے۔ ٹانگیس محصولات میں زبردست اضافے کے دوران مالی سال 20 کی پہلی ششماہی کی مدت کے لئے سالانہ میل آمدنی نے 39 فیصد کی صحت مند تیزی کی تصدیق کی، جبکہ مقامی ڈیپٹ مرگ میں اضافے کی وجہ سے مجموعی اخراجات میں 25 فیصد اضافہ ہوا۔ آئندہ سہ ماہیوں میں افراط زر کی شرح کم ہوگی جس کے نتیجے میں معاشی پالیسی میں نرمی کا آغاز ہوگا، جس کی بدولت پاکستان کے لئے پرنٹیشن قیمتوں اور شہرت طویل مدتی نقطہ نظر کے مابین مارکیٹ کی بحالی ہوگی۔

کوورونا وائرس پھیلنے سے عالمی معیشت کی تباہی کے بعد مالی سال 20 کی یہ سہ ماہی انتہائی کشیدہ تھی۔ سی پی آئی افراط زر مسلسل تیزی سے کم ہوا کیونکہ اس میں ساہا سال 10.2 فیصد کا اضافہ ہوا، پچھلے آٹھ مہینوں میں کم ترین سطح خیال کیا گیا۔ بھنگائی پر دباؤ خاص طور پر اس وقت کم ہوا جب حکومت نے صارفین کو خام تیل کی قیمتوں میں کمی کے اثرات منتقل کیے۔ MPC کمپنی نے مہینے کے پہلے اجلاس میں افراط زر پر پہلی نقطہ نظر کے حوالے سے سوڈی شرح کو 75bps تک کم کر دیا۔

اسٹیٹ بینک آف پاکستان نے پہلی بار اپنے پالیسی کی شرح کو دو مرحلوں میں کم کیا، اس موافقت کو تبدیل کیا جو 2017 کے آخر میں اس حقیقت کی وجہ سے چل رہا ہے۔ پہلے اپریل میں، SBP نے مارکیٹ کی توقع کے خلاف ایشیائی خورد و نوش کی بھنگائی کو کم کرنے اور تیل کی قیمتوں میں کمی کے حوالے سے 75bps کی کمی متعارف کرائی۔ شیڈول مانیٹری اجلاس کے بعد مرکزی بینک نے ایک بھنگائی کا اسٹیبل کا انعقاد کیا جس کے تحت اسٹیٹ بینک نے 150bps کی اضافی شرح میں کوٹھی کا حوالہ دیتے ہوئے پالیسی شرح کو 11 کوئی فیصد تک کم کر دیا۔

اسٹیٹ بینک آف پاکستان نے 102.5295 کی کم قیمت پر 60.75 روپے کی بولی قبول کی۔ پالیسی شرح میں رعایت کے مطابق، KIBOR، فیس نے مہینہ میں چند مرحلوں پر گراؤت کے رجحان کی تصدیق کی ہے جس کے تحت 6MK، 3MK اور 12MK، 224BS، 229BS اور 265bps نیچے چلا آیا اور 11.22 فیصد، 11.16 فیصد اور 10.91 فیصد پر پہنچ گیا ہے۔

مارچ کے مہینے میں ہونے والی گراؤت نے وہ ساری خصوصیات ختم کر دیں جو مارکیٹ نے اس بنیاد پر حاصل کی تھیں کہ اگست 19 اور اس کے بعد مارچ 20 میں، KMI-30 اور KSE-100 انڈیکس بالترتیب 41,365، 41,365 عموماً اور 27,229 پوائنٹس کی نئی سطح پر پہنچ گیا۔ تاہم، مہینے کے آخری ہفتے میں، پرنٹیشن قیمتوں اور ادارہ جاتی امداد نے مارکیٹ کی بحالی میں مدد کی اور KMI-30 اور KSE-100 انڈیکس ماہ کے آخر میں بالترتیب 45,056 پوائنٹس اور 29,232 پوائنٹس پر بند ہوا۔ ملکی نمونائی قیمتوں میں حالیگی، تیل کی عالمی قیمتوں میں تیزی سے کمی، اور کوورونا وائرس وبائی مرض کی وجہ سے بیرونی اور مقامی طلب میں سست روی کی بدولت بھنگائی کے نقطہ نظر میں تیزی آئی ہے۔

ایکویٹی مارکیٹ کا جائزہ اور مستقبل کا نقطہ نظر:

نیچے مارک کے ایس ای 100 نے اس مہینے کو 2008 کے مالی بحران خیال کیا کیونکہ عالمی وبائی مرض نے تمام خطرات سے متعلقہ اثاثوں کو نقصان پہنچایا ہے۔ کے ایس ای 100 اس عرصہ میں 23.1 فیصد گر کر مالی سال 20 میں %13.8۔ پرا گیا۔ غیر ملکی آف لوڈ ڈائریکٹرز مجموعی طور پر پوری مدت میں بچاؤ لینیں امریکی ڈالر کے ذریعے جارحانہ انداز میں کم ہو گئی۔ مقامی محاذ پر، انٹرنیشنل کمپنیاں اہم خریدار رہیں۔

ایک اور روس کے مابین تغیر نہ ہونے کی وجہ سے سعودی عرب میں قیمتوں کی جنگ شروع ہونے کے بعد خام تیل کی قیمتوں کے بدترین ادوار میں سے ایک تھا جس کے باعث توانائی چین نے اہتر کا کردار کی کا مظاہرہ کیا۔ اس سہ ماہی کے دوران تیل کی قیمتیں 18 سال کی کم ترین سطح پر پہنچ گئیں۔ اور E&Ps اور OMC's مدت کے دوران 30 فیصد سے زیادہ کم ہوئیں۔ تجارتی بینکوں نے بھی اس عرصے میں تقریباً 30 فیصد کا نقصان اٹھایا، کیونکہ مرکزی مالیاتی ادارہ نے اپنی نرمی کی پالیسی کو برقرار رکھا، جب کہ غیر ملکیوں کو اجازتوں کا خطرہ ہونے کی وجہ سے مقامی بینکوں کی بے دخلی پر استقامت رکھنا پڑتی ہے۔

لکھادوں اور دوسازی کے شعبوں نے انڈیکس میں بہتر کارکردگی کا مظاہرہ کیا کیونکہ مختلف کردار سرمایہ کاروں کے راڈار میں برقرار ہیں۔ ہر ایک اثاثہ نگہری کے مابین خلاء قابل ذکر ہے، یہ فرض کرتے ہوئے کہ معیشت کی حالت دو مہینوں میں معمول پر آجائے گی، رسک سرمایہ کاروں کو غیر معمولی منافع کی پیش کش کرتا ہے۔ مارچ 2020 کے مہینے کے دوران اسٹاک مارکیٹ کے جائزہ کے مطابق، بیج مارک کے ایس ای 100 انڈیکس 8,752 پوائنٹس کی کمی سے 29,232 پوائنٹس پر بند ہوا۔ تیل کی قیمتوں میں 22.74 امریکی ڈالرنی بیروں پر بند ہونے کے ساتھ پورے مہینے میں 54.7 فیصد کمی ہوئی۔

### کمپنی کی کارکردگی

گزشتہ سال کی اسی مدت میں 0.04 ملین روپے کے مقابلے موجودہ مدت میں کمپنی کی مجموعی آمدنی 13.34 ملین روپے رہی۔ گزشتہ سال کی اسی مدت میں 25.10 ملین روپے کے مقابلے کل اخراجات 19.78 ملین روپے ہوئے۔ گزشتہ سال کی اسی مدت میں 8.97 ملین روپے نقصان کے مقابلے ایبوی ایٹس کے حصہ نے 8.15 ملین روپے کا منافع دکھایا ہے۔ گزشتہ سال اسی عرصہ میں 35.08 ملین روپے نقصان کے خلاف موجودہ مدت کے لئے خالص منافع 3.38 ملین روپے ہوا۔

انضمام نے بڑے پیمانے پر معیشتوں کے فوئڈ کو مؤثر طریقے سے سہولت فراہم کی جس نے ہمارے نقصانات کو منافع میں بدل دیا۔ ابھی، فنڈ سے منافع میں اضافہ/ بڑھنے کا رجحان نظر آ رہا ہے جس کا مطلب یومیہ خالص اثاثہ قدر میں اضافہ (NAV) ہے۔

### مستقبل کے منصوبے:

ہم نے کمپنی کے مالی اور آپریٹنگ پہلوؤں کی منصوبہ بندی اور نمایاں ترمیم کی ہے، کمپنی کے مؤثر انداز میں اخراجات کم کرنے کے لئے اپنے آپریٹنگ کی تنظیم نو اور ایک حکمت عملی بھی تیار کی ہے۔ سال کے لئے ہمارا مقصد متبادل سیلز پرسنل یعنی یوٹس اور ورجنل سیلز کے ذریعے میٹجمنٹ کے تحت اثاثہ (AUM) کو بڑھانا ہے۔ اگر فروخت کے لئے ڈیجیٹل سسٹم معاشی طور پر مرتب کیا جاسکتا ہے تو، یہ سب سے آسان اور سب سے زیادہ توسیع پذیر ہوگا۔ ابھی تک، کمپنی صرف ایک فنڈ کو برقرار رکھے ہوئے ہے جس کو اسلاک انکم فنڈ کی درجہ بندی کی گئی ہے جو کہ سرو ایڈیٹنگ فنڈ ہے جسے 1786 مارٹ فنڈ (سابقہ ڈاؤڈ انکم فنڈ) کہا جاتا ہے جس کی 31 مارچ 2020 کو ختم ہونے والی سرمایہ میں 670.39 ملین پاکستانی روپے AUM ہے۔

---SD---  
ڈائریکٹر

---SD---  
شفقت سلطانہ  
چیئر پرسن

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
AS AT MARCH 31, 2020**

		<i>Un-Audited March 31 2020</i>	<i>Audited June 30 2019</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property and Equipment	5	4,113,901	5,569,923
Intangible Asset	6	1,142,707	1,246,590
Long-Term Investments	7	168,259,124	181,475,932
Long-Term Deposits and Prepayments		661,300	1,036,300
		<u>174,177,032</u>	<u>189,328,745</u>
<b>Current Assets</b>			
Short-Term Investments	8	22,919,410	10,071,630
Loans and Advances		22,003	39,667
Prepayments and Other Receivable		8,360,199	7,401,153
Trade Receivable	9	2,254,804	2,487,149
Accrued Markup		1,099,189	153,119
Taxation - Net		4,764,959	5,046,837
Cash and Bank Balance	10	14,154,597	4,539,920
		<u>53,575,161</u>	<u>29,739,475</u>
<b>Total Assets</b>		<u><u>227,752,193</u></u>	<u><u>219,068,220</u></u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Share Capital and Reserves</b>			
<b>Authorized Capital</b>			
20,000,000 (June 2019: 20,000,000) Ordinary Shares of Rs. 10 each		<u>200,000,000</u>	<u>200,000,000</u>
<b>Issued, Subscribed and Paid Up Capital</b>			
14,973,750 (June 2019: 14,973,750) Ordinary Shares of Rs. 10 each		149,737,500	149,737,500
General Reserves		33,630,264	33,630,264
Unrealized Gain/(Loss) on Revaluation of Investments-At FVTOCI		5,280,003	(13,777)
Share of Unrealized Gain on Remeasurement of Investments in Associates		-	210,748
Unappropriated Profit		20,207,183	16,819,862
		<u>208,854,950</u>	<u>200,384,597</u>
<b>Current Liabilities</b>			
Trade and Other Payables	11	17,898,501	17,684,881
Unclaimed Dividend	12	998,742	998,742
		<u>18,897,243</u>	<u>18,683,623</u>
<b>Contingencies and Commitments</b>			
	13		
<b>Total Equities and Liabilities</b>		<u><u>227,752,193</u></u>	<u><u>219,068,220</u></u>

The annexed notes from 1 to 21 form an integral part of these 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 NINE MONTH AND QUARTER ENDED MARCH 31, 2020**

	Note	Nine Month Ended March 31,		Quarter Ended March 31,	
		2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees
<b>Income</b>					
Remuneration from Funds Under Management	14	7,185,639	9,228,359	2,287,165	3,032,540
Income on Pakistan Investment Bond		1,139,070	-	531,566	-
Income on TFC's		2,680,871	274,393	960,171	274,393
Capital Gain/(Loss) on Sale Of Investment		269,631	(1,237,175)	-	(1,273,354)
Profit/(Loss) on Redemption Of Units of Associates' Investment		2,068,124	(8,225,334)	-	(6,376,602)
		<u>13,343,335</u>	<u>40,243</u>	<u>3,778,902</u>	<u>(4,343,023)</u>
<b>Expenses</b>					
Administrative and Operating Expenses	15	(19,784,625)	(25,098,835)	(6,043,268)	(8,181,319)
Financial Charges		(5,291)	(3,136)	(1,333)	(2,684)
		<u>(19,789,916)</u>	<u>(25,101,971)</u>	<u>(6,044,601)</u>	<u>(8,184,003)</u>
<b>Operating Loss</b>		<b>(6,446,581)</b>	<b>(25,061,728)</b>	<b>(2,265,699)</b>	<b>(12,527,026)</b>
Other Operating Income	16	2,586,410	193,408	425,413	61,299
Share of Associates' Profit/(Loss)	17	8,157,087	(8,979,028)	3,330,487	10,800,611
<b>Profit/(Loss) Before Taxation</b>		<b>4,296,916</b>	<b>(33,847,348)</b>	<b>1,490,201</b>	<b>(1,665,116)</b>
Taxation	18	(909,595)	(1,240,690)	(377,011)	(310,751)
<b>Net Profit/(Loss) for the Period</b>		<b><u>3,387,321</u></b>	<b><u>(35,088,038)</u></b>	<b><u>1,113,190</u></b>	<b><u>(1,975,867)</u></b>
<b>Earning/(Loss) per Share - Basic And Diluted</b>		<b><u>0.23</u></b>	<b><u>(2.34)</u></b>	<b><u>0.07</u></b>	<b><u>(0.13)</u></b>

The annexed notes from 1 to 21 form an integral part of these 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 NINE MONTH AND QUARTER ENDED MARCH 31, 2020**

	<i>Nine Month Ended</i>		<i>Quarter Ended</i>	
	<i>March 31,</i>		<i>March 31,</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
<b>Net Profit/(Loss) for the Period</b>	<b>3,387,321</b>	<b>(35,088,038)</b>	<b>1,113,190</b>	<b>(1,975,867)</b>
<b>Other Comprehensive Income</b>				
Gain/(Loss) on Revaluation of Investments - At FVTOCI	<b>5,293,780</b>	<b>(1,846,767)</b>	<b>3,731,897</b>	<b>1,781,483</b>
Share of Unrealized Gain From Associates' on Remeasurement of Investments	-	14,803	-	(20,869)
<b>Total Comprehensive Profit/(Loss) for the Period</b>	<b><u>8,681,101</u></b>	<b><u>(36,920,002)</u></b>	<b><u>4,845,087</u></b>	<b><u>(215,253)</u></b>

The annexed notes from 1 to 21 form an integral part of these 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 NINE MONTH PERIOD ENDED MARCH 31, 2020**

	<i>Nine Month Ended March 31,</i>	
<b>Note</b>	<b>2020</b>	<b>2019</b>
	<i>Rupees</i>	<i>Rupees</i>
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit/(Loss) Before Taxation</b>	<b>4,296,916</b>	(33,847,348)
<b>Adjustments for:</b>		
Depreciation on Property and Equipment	1,514,231	1,724,396
Amortization	103,883	103,882
Financial Charges	5,291	3,136
Gain on Disposal of Property and Equipment	-	(5,395)
Mark Up Earned on Saving Account	(1,069,847)	(188,012)
Capital (Gain)/Loss on Sale of Investment	(269,631)	1,237,175
(Profit)/Loss on Redemption of Units of Associates' Investment	(2,068,124)	8,225,334
Share of (Profit)/Loss from Associates'	(8,157,087)	8,979,028
	(9,941,284)	20,079,544
<b>Operating Cash Flows Before Working Capital Changes</b>	<b>(5,644,368)</b>	(13,767,804)
<b>(Increase)/Decrease In Current Assets</b>		
Loans and Advances	17,664	1,112,535
Trade Receivable	232,345	(22,264)
Prepayments and Other Receivables	(959,046)	(772,239)
	(709,037)	318,032
<b>Increase in Current Liabilities</b>		
Trade and Other Payables	213,620	2,258,358
	(6,139,785)	(11,191,414)
Income Taxes Paid - Net	(627,717)	(1,583,335)
Financial Charges Paid	(5,291)	(3,136)
<b>Net Cash Used in Operating Activities</b>	<b>(6,772,793)</b>	<b>(12,777,885)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments - Net	15,946,902	17,299,840
Long-Term Deposits and Prepayments	375,000	-
Proceeds From Disposal of Property & Equipment	-	33,200
Receipt of Mark Up	123,777	38,954
Capital Expenditure Incurred	(58,209)	(2,480,076)
<b>Net Cash Generated From Investing Activities</b>	<b>16,387,470</b>	<b>14,891,918</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>9,614,677</b>	2,114,033
<b>Cash and Cash Equivalents At Beginning of the Year</b>	<b>4,539,920</b>	3,313,649
<b>Cash and Cash Equivalents At End of the Period</b>	<b>14,154,597</b>	<b>5,427,682</b>

The annexed notes from 1 to 21 form an integral part of these 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 NINE MONTH PERIOD ENDED MARCH 31, 2020**

	Share Capital		Reserves			Subtotal	Total Equity
	Issued, Subscribed and Paid-Up Capital	General Reserve	Capital	Revenue	Unappropriated Profit		
			Unrealized Gain/(Loss) on Measurement of Investments - At FVTOCI	Share of Unrealized Gain on Remeasurement of Associates' Investments			
<b>Balance as at July 1, 2018</b>	149,737,500	33,630,264	5,075,025	70,843	56,933,542	95,709,674	245,447,174
<b>Loss for the Period</b>	-	-	-	-	(35,088,038)	(35,088,038)	(35,088,038)
<b>Other Comprehensive Income</b>							
Deficit on Revaluation of Investments - At FVTOCI	-	-	(1,846,767)	-	-	(1,846,767)	(1,846,767)
Transfer to Equity on Account of Disposal of Investment - At FVTOCI	-	-	(2,944,723)	-	2,944,723	-	-
Share of Unrealized Gain on Remeasurement of Associates' Investments	-	-	-	14,803	-	14,803	14,803
<b>Total Comprehensive Income/(Loss) for the Period</b>	-	-	(4,791,490)	14,803	(32,143,315)	(36,920,002)	(36,920,002)
<b>Balance as at March 31, 2019</b>	149,737,500	33,630,264	283,535	85,646	24,790,227	58,789,672	208,527,172
<b>Balance as at July 1, 2019</b>	149,737,500	33,630,264	(13,777)	210,748	16,819,862	50,647,097	200,384,597
<b>Profit for the Period</b>	-	-	-	-	3,387,321	3,387,321	3,387,321
<b>Other Comprehensive Income</b>							
<b>Loss on Revaluation of Investments - At FVTOCI</b>							
- Deficit on Revaluation of Shares	-	-	9,301	(210,748)	-	(201,447)	(201,447)
- Surplus on Revaluation of Sukuk Pakistan Investment Bond	-	-	1,781,148	-	-	1,781,148	1,781,148
Transfer to Equity on Account of Disposal of Investment - At FVTOCI	-	-	3,503,331	-	-	3,503,331	3,503,331
Share of Unrealized Gain on Remeasurement of Associates' Investments	-	-	-	-	-	-	-
<b>Total Comprehensive Income/(Loss) for the Period</b>	-	-	5,293,780	(210,748)	3,387,321	8,470,353	8,470,353
<b>Balance as at March 31, 2020</b>	149,737,500	33,630,264	5,280,003	-	20,207,183	59,117,450	208,854,950

The annexed notes from 1 to 21 form an integral part of these 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 NINE MONTH PERIOD ENDED MARCH 31, 2020**

**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. Chundrigar Road, Karachi 74000. The Company is listed on the Pakistan Stock Exchange Limited. The Company has changed its name to 786 Investments Limited from Dawood Capital Management 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;

- 786 Smart Fund (Formerly Dawood Income Fund)
- 786 Rising Star Fund (Formerly Dawood Islamic Fund)
- First Dawood Mutual Fund

The company has successfully renewed its license to carry out "Asset Management Service" dated May 28, 2019 under Rule 5 of the Non Banking Finance Companies (Establishment and Regulation) 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** During the Year, the SECP vide its letter reference No: SCD/AMCW/786IL/153/2019 dated December 02, 2019 granted approval under regulation 58(1)(m) of Non -Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations, 2008) read with circular No: 20 of June 23, 2009 for the merger of 786 Rising Star Fund (786RSF), First Dawood Mutual Fund (FDMF) with and into 786 Smart Fund (786SF) Surviving scheme in terms of Scheme of Merger as approved by the Board of Directors of 786 Investments Ltd. and the Unit Holders of the respective Scheme of Merger in their General Meeting held on September 23, 2019 and October 16, 2019 respectively.

**1.4** The Whole of the Undertaking 786 Rising Star Fund (786RSF) and First Dawood Mutual Funds (FDMF) Which Includes All Assets, Rights, Liabilities, Bank Balances, Obligations, Mandates, Undertaking, Securities, Contracts Documents, Record etc. were transferred to and vested in 786 Smart Fund (786SF) from December 20, 2019 ("Effective Date of Merger"). Accordingly, the balances as of December 19, 2019 for 786 Rising Star Fund (786RSF), First Dawood Mutual Fund (FDMF) are as follows:

<i><b>Description</b></i>	<i><b>786 Rising Star Fund</b></i>	<i><b>First Dawood Mutual Fund</b></i>
Assets	<b>107,015,830</b>	<b>116,526,613</b>
Less: Liabilities	<b>2,042,844</b>	<b>8,569,389</b>
<b>Net Assets</b>	<b><u>104,972,986</u></b>	<b><u>107,957,224</u></b>

The Merging Schemes stood merged with and into the surviving scheme on the basis of swap ratio calculated on the basis of Net Asset values (NAV) of the Merging and the Surviving Schemes at the close of the business day on December 19, 2019 (the day immediately preceding the effective date of merger) For one unit of 786 Rising Star Fund (786RSF), 1.256 units of 786 Smart Fund (786SF) were issued, and For one unit of First Dawood Mutual Fund (FDMF) 0.2044 units of 786 Smart Fund (786SF) were issued. Assets and Liabilities of 786 Rising Star Fund (RSF) and First Dawood Mutual Fund (FDMF) have been recorded/Merged at the fair value as of the merging date.

As a result of Merger, an appropriate number of units of 786 Smart Fund (786SF) (based on Swap ratio) were issued to those eligible persons whose names appeared in the Register of Unitholders of 786 Rising Star Fund (786RSF) and First Dawood Mutual Fund (FDMF) as at the close of business day on December 19, 2019 (the day immediately preceding the effective date of merger) without charge of any load by the Management. Upon the allotment of units of 786 Smart Fund (786SF) to the eligible persons, all units representing their holding in 786 Rising Star Fund (786RSF) and First Dawood Mutual Fund (FDMF) stood cancelled.

- 1.3** In accordance with Regulation 4 of 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 amounted to Rs. 208.85 (June 2019 : Rs. 200.384) Million due to which license relating to Investment Advisory Services has not been renewed. The Company's financial statements for the year ended December 31, 2019 are being prepared on a going concern basis as the management has complied with the minimum equity requirement in respect of Asset Management Services and submitted the renewal fees relating to Investment Advisory services which in the opinion of the Company will be renewed. Asset Management services License is renewed successfully dated May 28, 2019 under Rule 5 of the Non Banking Finance Companies (Establishment and Regulation) 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.

## **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. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the international Accounting Standard Boards (IASB) as notified under the Companies Act, 2017.
- Provision of and directives issued under the Companies Act, 2017.
- 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); and
- Directives issued by the SECP

Where provisions of and directives issued under the Companies Act, 2017, The NBFC Rules, The NBFC Regulations and by the SECP differ with the requirements of IFRS the provisions of and directives issued under the Companies Act, 2017, The NBFC Rules, The NBFC Regulations and SECP have been followed.

This condensed interim financial information is un-audited are being circulated to the shareholders as per the requirement of the NBFC regulations. The Board of Directors declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Company.

## 2.2 Basis of Measurement

These condensed interim financial statements have been prepared under the historical cost convention, except for certain investments which are measured at fair value.

These condensed interim financial statements have been prepared following accrual basis of accounting except for cash flow information.

## 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 SUMMARY OF SIGNIFICANT 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 30 June 2019.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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 management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended 30 June 2019.

		<i>Un-Audited</i> <b>March 31</b> <b>2020</b> <b>Rupees</b>	<i>Audited</i> <b>June 30</b> <b>2019</b> <b>Rupees</b>
<b>5 PROPERTY AND EQUIPMENT</b>			
<b>Opening Net Book Value (NBV)</b>		<b>5,569,923</b>	8,620,715
Additions During the Period	5.1	<b>58,209</b>	1,094,976
		<b>5,628,132</b>	9,715,691
Disposal (NBV) during the Period	5.2	-	(1,805,405)
Depreciation Charged during the Period		<b>(1,514,231)</b>	(2,340,363)
<b>Closing Net Book Value (NBV)</b>		<b>4,113,901</b>	5,569,923
<b>5.1 Following additions were made to Property and equipment during the period:</b>			
Office Equipment		<b>58,209</b>	220,304
Computers		-	874,672
		<b>58,209</b>	1,094,976
<b>5.2 Following is the net book value of Property and equipment disposed off during the period:</b>			
Office Equipment		-	-
Vehicle		-	1,777,600
Computers		-	27,805
		-	1,805,405

		<i>Un-Audited March 31 2020 Rupees</i>	<i>Audited June 30 2019 Rupees</i>
<b>6 INTANGIBLE ASSET</b>			
Computer Software	6.1	<u>1,142,707</u>	<u>1,246,590</u>
<b>6.1 Computer Software</b>			
<b>Opening Net Book Value</b>		<b>1,246,590</b>	<b>-</b>
Addition		-	1,385,100
Amortization Charge		<u>(103,883)</u>	<u>(138,510)</u>
<b>Closing Net Book Value</b>		<u><b>1,142,707</b></u>	<u><b>1,246,590</b></u>
Cost		<b>1,385,100</b>	1,385,100
Accumulated Amortization		<u>(242,393)</u>	<u>(138,510)</u>
		<u><b>1,142,707</b></u>	<u><b>1,246,590</b></u>
<b>Rate of Amortization</b>		<u><b>10%</b></u>	<u><b>10%</b></u>
<b>7 LONG-TERM INVESTMENTS</b>			
<b>Investments in Associates - Units of Mutual Funds - Equity Method</b>			
<b>First Dawood Mutual Fund (Open-End - Fund) - an associate (Using Equity Method)</b>			
Nil (June 30, 2019: 3,442,963) Units, Representing 0% (June 30, 2019: 55.72%) Holding.		-	59,702,020
<b>786 Smart Fund (Formerly Dawood Income Fund) (Open - End - Fund) - an associate (using equity method)</b>			
1,673,191 (June 30, 2019: 1,372,100) Units, Representing 21.95% (June 30, 2019: 24.67%) Holding.		<b>147,205,013</b>	110,362,938
<b>786 Rising Star Fund (Formerly Dawood Islamic Fund) (Open-End- Fund) - an associate (using equity method)</b>			
Nil (June 30, 2019: 109,323) Units, Representing Nil (June 30, 2019: 11.20%) Holding.		-	11,410,974
		<u>147,205,013</u>	<u>181,475,932</u>
<b>Government Securities - Pakistan Investment Bonds having Face Value of 20 Million</b>	7.1	<b>21,054,111</b>	-
<b>At fair value - through other comprehensive income - Shares - unquoted</b>			
<b>Al Baraka Bank (Pakistan) Limited</b>			
Nil (June 30, 2019: Nil) Shares		-	22,655
Less: Impairment		-	-
Less: Sale of 2,961 Shares		-	(22,655)
		-	-
<b>Dawood Family Takaful Limited - Related party</b>			
Nil (June 30, 2019: Nil) Shares		-	11,710,186
Less: Impairment		-	-
Less: Sale of 2,372,500 Shares		-	(11,710,186)
		-	-
		<u><b>168,259,124</b></u>	<u><b>181,475,932</b></u>



7.1 This Government securities - Pakistan Investment Bonds will mature latest by September 19, 2029 and carry interest at the rate of 12.14821%.

	Note	March 31, 2020		June 30, 2019	
		Cost	Fair Value	Cost	Fair Value
----- Rupees -----					
<b>8 SHORT-TERM INVESTMENTS</b>					
<b>At Fair Value - Through Other Comprehensive Income</b>					
Listed Shares - Related Party	8.1	-	-	1,385,910	1,376,609
Term Finance Certificate - Unlisted	8.2	21,133,786	22,919,410	9,189,514	8,695,021
		<b>21,133,786</b>	<b>22,919,410</b>	10,575,424	10,071,630
Cumulative Gain/(Loss) on Revaluation of Investment		1,785,624	-	(503,794)	-
		<b>22,919,410</b>	<b>22,919,410</b>	10,071,630	10,071,630

#### 8.1 Listed Shares - Related Party

Number of Shares			Name of Company	Note	March 31, 2020		June 30, 2019	
Mar., 31, 2020	June 30, 2019				Cost	Fair Value	Cost	Fair Value
----- Rupees -----								
<b>Financial services</b>								
-	930,141		First Dawood Investment Bank Limited - Related Party	8.1.1	-	-	1,385,910	1,376,609

#### 8.2 Term Finance Certificates - Unlisted

Number of Certificates			Name of Company	Note	March 31, 2020		June 30, 2019	
Mar., 31, 2020	June 30, 2019				Cost	Fair Value	Cost	Fair Value
----- Rupees -----								
<b>Financial</b>								
5,000	2,000		Silk Bank Limited	8.2.1	21,133,786	22,919,410	9,189,514	8,695,021

8.2.1 Term Finance Certificates are valued using rate prevailing on MUFAP (Mutual Fund Association of Pakistan) which is 85.6763% of face value at the statement of financial position date.

8.2.2 Term finance certificates carry profit equal to 6 month KIBOR plus 1.85% receivable half yearly in arrears and will mature in August 2025. The Instrument is structured to redeem 0.14% of the Issue Amount during the first 7 years and remaining 99.86% in last two (2) equal semi annual installments of 49.93% each. The instrument is unsecured and subordinated as to payment of Principal and Profit to all other indebtedness of the bank, including deposits.

<b>9 TRADE RECEIVABLE</b>	<b>Note</b>	<b>Un-Audited March 31 2020 Rupees</b>	<b>Audited June 30 2019 Rupees</b>
<b>Associates</b>			
786 Smart Fund (Formerly Dawood Income Fund)		<b>2,254,804</b>	1,183,182
786 Rising Star Fund (Formerly Dawood Islamic Fund)		-	317,373
First Dawood Mutual Fund		-	986,594
		<b>2,254,804</b>	<b>2,487,149</b>

#### **10 CASH AND BANK BALANCE**

<b>Cash in Hand</b>		<b>25,000</b>	4,646
<b>Cash at Bank</b>			
Current Accounts		<b>101,609</b>	101,609
Savings Accounts	10.1	<b>14,027,988</b>	4,433,665
		<b>14,129,597</b>	4,535,274
		<b>14,154,597</b>	<b>4,539,920</b>

10.1 The balance in savings accounts carry profit at rates ranging from 10% to 11.25% per annum (June 2019: 4% to 8.25% per annum).

<b>11 TRADE AND OTHER PAYABLES</b>	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
Accrued Expenses	11.1	<b>9,360,546</b>	7,503,662
Sindh Workers' Welfare Fund Payable		<b>1,130,400</b>	2,596,844
FED Payable	11.2	<b>6,513,677</b>	6,513,677
Sales Tax Payable		<b>893,878</b>	1,061,845
Wht Payable		-	8,853
		<b>17,898,501</b>	<b>17,684,881</b>

11.1 This includes an amount of Rs. 7.75 (June 30, 2019: Rs. 5.57) Million received from NCCPL being refund of tax amount with respect to funds under management. This amount will be disbursed to unit holders'.

11.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the Asset Management Services rendered by the Management Company of the Fund were already subject to provincial sales tax levied by Sindh Revenue Board, which is being charged to the Fund, the Company was of the view that further levy of FED was not justified.

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 Management Services 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 (June 30, 2018: Rs. 6.51) Million is being retained with a corresponding receivable from the funds of the same amount in financial statements as the matter is pending before the Supreme Court of Pakistan.

		<i>Un-Audited</i> <b>March 31</b> <b>2020</b> <b>Rupees</b>	<i>Audited</i> <b>June 30</b> <b>2019</b> <b>Rupees</b>
<b>12 UNCLAIMED DIVIDEND</b>	12.1	<b>998,742</b>	<b>998,742</b>

12.1 Registrar of Company has dispatched letters to shareholders for claiming dividend. Notice under section 244 of Companies Act, 2017 will be served accordingly.

## 13 CONTINGENCIES AND COMMITMENTS

### 13.1 Contingencies

13.1.1 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.

### 13.2 Commitments

There was no commitment during the period (June 2019: Nil)

<b>March 31</b> <b>2020</b> <b>Rupees</b>	<b>March 31</b> <b>2019</b> <b>Rupees</b>
---	---

## 14 REMUNERATION FROM FUNDS UNDER MANAGEMENT

### Associates - Open - end funds

786 Smart Fund (Formerly Dawood Income Fund)	<b>5,466,849</b>	5,261,838
786 Rising Star Fund (Formerly Dawood Islamic Fund)	<b>727,929</b>	1,213,820
First Dawood Mutual Fund	<b>990,861</b>	2,752,701
	<b>7,185,639</b>	<b>9,228,359</b>

<b>2020</b>	<b>2019</b>
<b>Remuneration for Services Rendered as an Asset Management Company</b>	
----- Percentage -----	

### 14.1 During the Period the Company has Charged Management fee as Under;

#### Associates - Open - End Funds

786 Smart Fund (Formerly Dawood Income Fund)	<b>1.5</b>	1.5
786 Rising Star Fund (Formerly Dawood Islamic Fund)	<b>1.5</b>	1.5
First Dawood Mutual Fund	<b>2</b>	2

	Note	March 31,	
		2020 Rupees	2019 Rupees
<b>15 ADMINISTRATIVE AND OPERATING EXPENSES</b>			
Salaries and Allowances		<b>10,231,540</b>	16,273,239
Rent, Rates and Taxes		<b>1,139,506</b>	1,153,982
Postage and Telephones		<b>280,847</b>	236,459
Legal and Professional Charges		<b>1,409,965</b>	1,198,350
Printing and Stationery		<b>165,316</b>	153,905
Travelling and Conveyance		<b>16,095</b>	110,813
Vehicles Running		<b>1,338,251</b>	1,536,186
Advertisement Expense		<b>308,700</b>	124,200
Electricity		<b>655,528</b>	333,616
Repairs and Maintenance		<b>146,094</b>	87,206
Auditors' Remuneration		<b>508,480</b>	176,040
Entertainment		<b>71,513</b>	265,466
Insurance		<b>318,863</b>	372,405
Depreciation	5	<b>1,514,231</b>	1,724,396
Amortization		<b>103,883</b>	103,882
Fee and Subscriptions		<b>1,793,389</b>	1,389,559
Newspapers and Periodicals		<b>570</b>	329
Directors' Fee		<b>232,000</b>	264,000
Commission		<b>27,904</b>	41,475
Marketing Expenses		<b>-</b>	39,000
Others		<b>104,940</b>	63,676
		<b>20,367,615</b>	25,648,184
<b>Less: Reimbursement of Fees and Expenses</b>		<b>(582,990)</b>	(549,349)
		<b>19,784,625</b>	25,098,835

#### 16 OTHER OPERATING INCOME

Mark-Up		<b>1,069,847</b>	193,408
Other Income	16	<b>1,516,563</b>	-
		<b>2,586,410</b>	193,408

16.1 The company has received 63,000 and 1,887 shares of Drekkar Kingsway Limited and Sapphire Textile Mills limited respectively which were previously held in the Pakistan Venture Limited i.e. former name of the company in the physical form. The company has recognized investment at Fair value through profit and loss during the current year and gain on recognition as well as on disposal is recognized in statement of profit and loss account.

	March 31,	
	2020 Rupees	2019 Rupees
<b>17 SHARE OF ASSOCIATES' PROFIT/(LOSS)</b>		
786 Smart Fund (Formerly Dawood Income Fund)	<b>8,157,087</b>	4,602,307
786 Rising Star Fund (Formerly Dawood Islamic Fund)	<b>-</b>	(933,949)
First Dawood Mutual Fund	<b>-</b>	(12,647,386)
	<b>8,157,087</b>	(8,979,028)

## 18 TAXATION

	<b>March 31,</b>	
	<b>2020</b>	<b>2019</b>
	<b>Rupees</b>	<b>Rupees</b>
Current	<b>909,595</b>	1,395,797
Prior	-	(155,107)
	<b>909,595</b>	<b>1,240,690</b>

## 19 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:

<b>Relationship with the Company</b>	<b>Nature of Transactions During the Period</b>	<b>(Un-Audited)</b>	
		<b>March 31,</b>	
		<b>2020</b>	<b>2019</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>Mutual Funds Managed by the Company</b>			
	Management Fee Charged	<b>7,185,639</b>	9,228,359
	Sales Tax on Management Fee Charged	<b>934,133</b>	1,199,687
	Accounting and operational Charges	<b>582,990</b>	549,349
	786 Smart Fund Issue of 849,869 Units (March 31, 2019: 987,385 Units)	<b>72,825,422</b>	80,505,723
	786 Smart Fund Redemption of 548,779 Units (March 31, 2019: 244,208 Units)	<b>45,000,000</b>	20,000,000
	786 Smart Fund - Gain on Redemption of Units	<b>859,566</b>	426,892
	786 Smart Fund - Dividend Received	-	2,359,674
	786 Rising Star Fund - Issue of Nil Units (March 31, 2019: 68,643 Units)	-	7,997,225
	786 Rising Star Fund - Dividend Received	-	15,597
	786 Rising Star Fund - Conversion of 109,323 Unit due to Merger	<b>11,779,074</b>	
	786 Rising Star Fund - Gain on Conversion of Units due to Merger	<b>368,100</b>	-
	First Dawood Mutual Fund Issue of Nil Units (March 31, 2019: 447,033 Units)	-	10,142,221
	First Dawood Mutual Fund Redemption of Nil Units (March 31, 2019: 4,257,577 Units)	-	86,500,000
	First Dawood Mutual Fund - Gain on Conversion of Units due to Merger/Loss on Redemption of Units	<b>629,710</b>	(8,652,226)
	First Dawood Mutual Fund - Conversion of 3,442,963 Unit due to Merger	<b>60,331,730</b>	-
	First Dawood Mutual Fund Dividend <input type="checkbox"/> Received	-	359,277
	Management Fee Received	<b>7,417,984</b>	9,206,095

<i>Relationship with the Company</i>	<i>Nature of Transactions During the Period</i>	<i>(Un-Audited)</i>	
		<i>March 31, 2020</i>	<i>2019</i>
		<i>Rupees</i>	<i>Rupees</i>
<b>Other Related Party</b>			
<b>First Dawood Investment Bank Limited &amp; Others</b>			
<b>Employees' Provident Fund</b>			
	Provident Fund Contribution	570,283	960,588
<b>B.R.R Guardian Modaraba</b>			
	Rent Charge during the Period - <b>office</b>	1,123,756	1,123,756
<b>Key Management Personnel</b>			
	Remuneration	5,309,730	10,750,500
	Sale of 930,141 Shares of First Dawood Investment Bank Limited	1,655,541	-
	Gain on Disposal of Shares	269,631	-
	Sale of 2,372,500 Shares of Dawood Family Takaful Limited	-	12,313,275
	Sale of 2,961 Shares of Al Baraka Bank Pakistan Limited	-	23,777
	Gain on Disposal of Shares	-	604,211
<b>Dawood Family Takaful Limited</b>			
	Insurance Expense Charge during the Period	35,321	45,720
<b>Dawood Equities Limited</b>			
	Brokerage Commission Paid on Disposal of Shares	27,904	41,475
<i>Associated companies/other related parties</i>	<i>Balances at Period End Units Held:</i>	<i>March 31, 2020</i>	<i>30 June 2019</i>
		<i>Rupees</i>	<i>Rupees</i>
<b>Mutual Funds Managed by the Company</b>			
	786 Smart Fund (Formerly Dawood Income Fund) 1,673,191 (June 30, 2019: 1,372,100) Units	147,205,013	110,362,938
	First Dawood Mutual Fund Nil Units (June 30, 2019: 3,442,963) Units	-	59,702,020
	786 Rising Star Fund (Formerly Dawood Islamic Fund)		
	Nil Units (June 30, 2019: 109,323) Units	-	11,410,974
	Trade Receivable	2,254,804	2,487,149
<b>First Dawood Investment Bank Ltd.</b>			
	Nil (June 30, 2019: 930,141) shares	-	1,376,609
<b>B.R.R Guardian Modaraba</b>			
	Prepaid Rent - <b>Office</b>	499,447	124,862
<b>Dawood Equities Limited</b>			
	Receivable in Respect of Disposal of Shares	-	93,098

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.



**20 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorized for issue in Board of Directors of the Company on April 23, 2020.

**21 GENERAL**

**21.1** 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).

**21.2** 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

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**Managed By:  
786 Investments Limited**

G-3 Ground Floor, B.R.R. Tower, Hassan Ali Street,  
Off I.I. Chundrigar Road, Karachi - 74000 Pakistan  
Tel: (92-21) 32603751-54  
Email: [info@786investments.com](mailto:info@786investments.com)  
Website: [www.786investments.com](http://www.786investments.com)