



**INVESTMENTS**

WE KNOW YOUR VALUE



**786 INVESTMENTS LIMITED**

**FOR THE  
HALF YEAR ENDED  
DECEMBER 31, 2020  
(UN-AUDITED)**

## CONTENTS

---

<b>Corporate Information</b>	<b>2</b>
<b>Directors' Report</b>	<b>3</b>
ڈائریکٹرز رپورٹ	5
<b>Auditors' Report</b>	<b>7</b>
<b>Condensed Interim Statement of Financial Position</b>	<b>8</b>
<b>Condensed Interim Profit and Loss Account</b>	<b>9</b>
<b>Condensed Interim Statement of Comprehensive Income</b>	<b>10</b>
<b>Condensed Interim Statement of Changes in Equity</b>	<b>11</b>
<b>Condensed Interim Cash Flow Statement</b>	<b>12</b>
<b>Condensed Interim Notes to the Financial Statements</b>	<b>13</b>

---

## CORPORATE INFORMATION

---

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

## DIRECTORS' REPORT FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

---

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 reviewed financial statements of 786 along with the auditors reviewed report for the half year ended December 31, 2020. Your Company continued its journey of success and composed for growth.

### **MARKET, ECONOMY & STOCK REVIEW**

#### **Economy & Money Market Review:**

The Calendar year 2020 was once difficult for the world, as the pandemic wreaked havoc on economies and created unnecessary problems for governments. Pakistan was no longer an exception to the phenomenon as GDP growth for fiscal year 20 contracted for the first time after nearly 50 years. Nevertheless, the country was running far above the relative economies in terms of both the welfare of the economy and the population thanks to a mixture of administration and absolute luck. The local economy has seen a V-shaped recovery, strengthening normal opinions and confidence. It is expected that the target economic increase ranges will be executed smoothly.

The COVID 19 has been a hidden blessing for Pakistan's external account position, where the country is reaping the benefits of low oil charges and remittance flows. For the fifth consecutive month, the current account posted a surplus, reaching \$ 447 million in November. This brings the cumulative surplus for the first 5 months to \$ 1,640 million against a deficit of \$ 1,745 million for the remaining year of the same duration. Once again, remittances provided the largest contribution to the surplus, with a \$ 2.3 billion increase of 28% year-on-year. The financial account confirmed a significant improvement with entries of \$ 380 million in November 2020 against a net outflow of USD 585 million in October 2020.

The current account posted a surplus of USD 997 million in the first half-year compared to a deficit of USD 2.032 million in the corresponding length of the last year. The enhancement got here in major on the lower back of greater remittances which grew at a surprising charge of 25% at some stage in the period. Foreign change reserves of the central financial institution saw an amplify of USD 1.3 billion at some stage in the first half due to expanded balance of charge position.

The CPI inflation during December dropped to 7.97% YoY, from 8.35% YoY in the previous month, taking the average inflation in the first 6 months of 21 to 8.63% YoY. On a last month basis, inflation fell 0.68% in December, breaking the eight-month consecutive uptrend. The downward trend was once shown through food prices, with a significant decrease of 3.2% from the previous month. Overall inflation can be expected to decline in 1QCY21 due to the excessive fundamental effect, after which it would have to choose to rise again in 2Q. We estimate CPI to increase ~ 9.2% on average next year, minus any major fuel cost shock. With operating costs at 7%, actual fees will stay below negative and the central bank may want to raise interest rates slightly over the next half of the fiscal year.

As the financial system commenced to open up, tax collection additionally expanded and grew by 5% for the duration of the first half of the fiscal year and nearly met the preferred goal for the period. The fiscal deficit for the first 5 months of the duration clocked in at 1.8% of GDP, in contrast to 1.6% of GDP final year. The principal balance was even better at a surplus of 0.5% of GDP in contrast to ultimate year's surplus of 0.3% of GDP. The yield curve commenced to slope upward after inflation persevered to disappoint investors. The central bank additionally raised its expectation of inflation as mentioned in the minutes of MPC. It now expects it to fall in the upward range of 7-9% in contrast to in the past expectations of inflation falling in the decrease range. 3, 5, and 10 Year bonds saw an upward push of seventy four bps, 114 bps, and 129 bps respectively at some stage in the period.

## STOCK MARKET REVIEW & OUTLOOK:

During the month of December 2020, the KSE-100 index rose by 2,687 points and closed at 43,755 points. The average daily market size was 491 million, which is 74% more based on MoM. Commercial banks, technology and communications, and cement contributed significantly to the index's performance. Foreigners were net traders with net sales totaling \$ 96 million during the month, while on the local front the most important customers were net buyers of companies, individuals and insurance companies for \$ 57 million, \$ 33 million and \$ 23 million, respectively. Oil spending improved 9% during the month as Brent closed at \$ 51.8 / barrel. While short-term volatility cannot be controlled, we continue with a long-term high-quality outlook in the justice market. We encourage traders to increase their long-term exposure to equities at these levels.

### Auditors' Report:

The Auditors in their review report on half-year ended December 31, 2020, concluded as under:

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

### Company Performance Review:

The Company's gross earnings during the period stood at PKR 7.30 million as compared to PKR 10.11 million in the same period last year. Total expenses were PKR 11.47 million as compared to PKR 13.74 million in the same period last year. Share of associates shows a Profit of PKR 3.36 million as compared to PKR 4.82 million the same period last year. Net Profit for the period was PKR 4.95 million as opposed to a profit of PKR 2.82 million in the same period last year.

### Future Plans:

786IL is building a strategy focused on times of COVID-19, and in anticipation of post COVID-19, with a focus on ease of both operations and customer access to information and our team, during periods of lockdown and with an emphasis on virtual, safer communications and elimination of paper for reasons of health and safety, as well as to be a more sustainable, purpose-driven, eco-friendly role model among asset management companies.

Our objective for the year is to grow Asset under Managements (AUM) through an effective virtual, social media driven sales strategy.

----SD----

Director

----SD----

Shafqat Sultana  
Chairperson

786 نویں سٹ لائبری

ڈائریکٹری کر پورٹ

برائے 31 دسمبر 2020 پختہ ششماہی

1786 نویں سٹ لائبری (786 یا ڈی کپنی) کے بروڈ آف ڈائریکٹری جانب سے، میں 786 گروپ کی 31 دسمبر 2020 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، اقتصادی اور اسٹاک کا جائزہ

اقتصادی جائزہ اور مستقبل کا نظر

کیلندر سال 2020 دیا کے لئے مشکل ترین سالوں میں سے ایک تھا، کیونکہ وہ بائی پیاری نے میشتوں کو تباہ کر دیا اور حکومتوں کے لئے غیر ضروری مسائل پیش کر دیے تھے۔ پاکستان بھی اس رہنمائی سے منفی نہیں رہا کیونکہ ہال 20 میں ہی ذی نیلوں نے 50 سال کے بعد پہلی راتی ملک میں ہوتی ہے۔ بہرحال، انتقام اور مطلوب خوشی کے مرکب کی بدولت ملک میشتوں کی بہتری اور آبادی کے لاملاطی سے نسبتاً باقی میشتوں سے بہت آگے چل رہا ہے۔ ملکی میشتوں نے وہی ٹھیک بھائی کی بھائی ہے، جس سے عام رائے اور انتظامیت میں ہے۔ تو قع کی جاری ہے کہ معاشرے کے ادراگ اسافر کے ادراگ آسانی سے حاصل کر لے جائیں گے۔

کووئی 19، پاکستان کے ہر دوی کا کوئی پوزیشن کے لئے ایک پوشیدہ خفتہ ٹائپ ہوا ہے، جہاں تک تیل کے کم معاوضے اور تسلیت زر سے فائدہ اٹھا رہا ہے۔ مسلسل پانچوں میٹنے میں، کرنٹ اکاؤنٹ نے سرٹس درج کر دیا، جو نویں 447 میلین ڈالر کا نتیجہ گیا ہے۔ پہلے 5 ماہ کے دوران بھوگی سرٹس 1,640 میلین ڈالر ہو گیا ہے جبکہ ڈالر کی شرکت فراہم کی ہے۔ جس میں سال 2020 کا اضافہ ہوا۔ مالیاتی اکاؤنٹ میں اکتوبر 2020 میں 585 میلین امریکی ڈالر کے غاصب اخراج کے مقابلے نومبر 2020 میں 380 میلین ڈالر کے اندرا جات کے ساتھ نیایاں بہتری کی تصدیق ہے۔

کرنٹ اکاؤنٹ نے پچھلے سال کی امداد میں 2.032 میلین امریکی ڈالر خارے کے مقابلے میں رواں مالی سال کی پہلی ششماہی میں 997 میلین ڈالر کا سرٹس درج کر لیا ہے۔ یہ اضافہ تسلیت زر میں اضافی بدولت ہوا جو اس مدت میں چند مرطون پر 25 فیصد تک جرست اگیر طور پر زیادہ حاصل ہوئی۔ سفر مالیاتی ادارے کے زرہ مدد کے خاتمے میں چارج پوزیشن کی توجیہ کے باعث پہلی ششماہی میں چند مرطون پر 1.3 میلین امریکی ڈالر کا اضافہ ہوا۔

دیہر کے دوران ہی پی آئی کی افراط زگری شہزادہ میں 8.35% سالانہ کے ہو کر 7.97 فیصد سالانہ تک افراط زگری شہزادہ کو 6.63 فیصد سالانہ تک لے جاتی تھی۔ جو سال 21 کے پہلے 6 ماہ میں اوسط افراط زگری شہزادہ کو 8.63 فیصد سالانہ تک لے جاتی تھی۔ گذشتہ ماہ کی پیاری، دیہر میں افراط زگری میں 0.68 فیصد کی کمی اور توجیہ کی اضافے کے رہنمائی کو توڑا ہے۔ پچھلے میٹنے کے مقابلے میں 3.2 فیصد کی نیایاں کی کمی ساتھ، اضافے کے خودروں کی قیومیں میں کم کار، رہنمائی دکھائیں۔ خروج سے زیادہ بیانیاتی اڑکی جو پی 21 QCY 10 میں بھوگی طور پر افراط زگری شہزادہ کی توجیہ کی جا سکتی ہے، جس کے بعد اسے دوبارہ 2Q میں اضافے کا انتخاب کرنا پڑے گا۔ ہمارا اندماز ہے کہ پی آئی اگلے سال اوس طبق 9.9-9.6 فیصد پر ہے گا، جس سے قیوں میں معمولی اضافہ ہو گا۔ آپ پہلی اندرا جات 7 فیصد کے ساتھ، اہل فیضیں میٹنے سے یہی ریس گی اور مرکزی بیک مالی سال کی اگلی ششماہی کے دوران سو ڈالر کی شرکوں میں تدریجے اضافہ کرنا چاہتا ہے۔

چونکہ مالیاتی نظام کے خاتمے کے ساتھ ہی مالی سال کی پہلی ششماہی کے دوران بکیں وصولی میں کافی اضافہ ہوا اور یہ 5 فیصد تک بڑھ گی اور اس مدت کے لئے تجھی مقدمہ کے قریب ترین نتیجے گیا۔ مدت کے پہلے 5 میہوں کے لئے مالی خارجہ کی ذی پی کے 1.8 فیصد پر آگی، جو گزشتہ سال، جی ذی پی کا 1.6 فیصد تھا۔ اصل بیکس جو بھوگی سال کے تجھی ذی پی کے 0.3 فیصد سرٹس کے برعکس جی ذی پی کے 0.5 فیصد سرٹس پر کافی بہتر تھا۔ افراط زگری ساریکا کے بعد بیکس پر کارکش کرنے کے بعد بیکس اور کارکش اور کی طرف بڑھنا شروع ہو گی۔ مرکزی بیک نے افراط زگری میں اضافی توجیہ کو بھایا جس کا MPC میں بیان کیا گیا ہے۔ اب توجیہ کی جاری ہے کہ افراط زگری کی کمی ماضی کی توجیہات کے برکھاں میں 7-9 فیصد کی حد میں اضافہ ہوتا ہے۔ 5، اور 10 سال کے باعث میں اس مدت کے کمی مرطون پر بالترتیب 74 پی آئی، 114 پی آئی، اور 129 پی آئی اس کا اضافہ ہوا۔

اسٹاک مارکیٹ کا جائزہ اور مستقبل کا نظر

دیہر 2020 کے میں، کے ایس ای 100 انڈسٹریکس کی 2,687 پاکیش اضافے کے ساتھ 755 43 پاکیش پر بند ہوا۔ اوسط یومیہ مارکیٹ سائز 491 میلین تھا، جو مہانہ بیکس پر 74% زیادہ ہے۔ کرشل بیکس، بیکنالوگی اور کیمیکلز اور یمنٹ انڈسٹریکس کی کارکوئی میں اہم شرکت کا رکھتے ہیں۔

غیر ملکی اس مبینے کے دران گھوئی طور پر 96 ملین ڈالر کی خالص فروخت کے ساتھ خالص فروخت کندہ تھے جوکہ متناہی خاڑ پر سب سے اہم صارف کپنیاں، افراد اور اشخاص کپنیاں پا ترتیب 57 ملین ڈالر 33 ملین ڈالر اور 23 ملین ڈالر کی خالص خریدار تھیں۔ اس ماہ کے دران میں کی کچت میں 9 نیصد بھری آئی کیونکہ برینٹ 51.8 / فن یورپ بند ہوا۔ اگرچہ متنی اتار چڑھا کر قابوں پا جائے گا، لیکن ہم جس سس بارکیت میں طویل متنی اعلیٰ معیار کے لفظ نظر کے ساتھ کنٹول جاری رکھتے ہیں۔ ہم تاریخوں کی حوصلہ افزائی کرتے ہیں تاکہ وہ ان طفول پر ایک بھی کے لئے اپنی طویل متنی سرمایہ کاری کو بڑھائیں۔

## آٹو بیئر کر پورٹ

31 دسمبر، 2020 کو ٹائم ہونے والی شماہی پانچ جائزہ رپورٹ میں آٹو بیئر نے مندرجہ ذیل معاملات پر تھہرے ہے ہب ڈیل ہیں: مارے جائزے کی تبادلہ پر، مارے علم میں ایسا کچھ بھی نہیں آیا ہے جس کی وجہ سے ہمیں پہلی بھی ہو کر تمام مادی معاملات میں، عبوری مالی حسابات کو عبوری مالی رپورٹ کے لئے پاکستان میں قابل اطلاع اکاؤنٹ اور پورٹکل معیار کے مطابق تیار نہیں کیا گیا ہے۔

## کپنی کی کارکردگی کا جائزہ:

گریٹر سال کی اسی مدت میں 10.11 ملین روپے کے مقابلے موجودہ مدت میں کپنی کی مجموعی آمدنی 7.30 ملین روپے رہی۔ گریٹر سال کی اسی مدت میں 13.74 ملین روپے کے مقابلے کل اخراجات 11.47 ملین روپے ہوئے۔ گریٹر سال کی اسی مدت میں 4.82 ملین روپے کے مقابلے ایسوسی ایش کے حصے نے 3.36 ملین روپے کے مقابلے ایسوسی ایش کے حصے نے 2.82 ملین روپے منافع کے مقابلے موجودہ مدت کے لئے خالص منافع 4.95 ملین روپے ہوا۔

## مختبل کے مصوبے:

17 اگسٹ 1986 کے ادار پر مرکوز ایک حکمت عملی تیار کری ہے، اور کوئی 19 کے بعد کی توقعات میں، لاک ڈاؤن کے دران، معلومات اور ہماری ٹیم اور صارف تک رسائی آسان بنانے اور پہنچ پر زور دینے کے ساتھ، صحت اور حفاظت کی بناء پر محفوظ مواصلات اور کاغذ کے خاتمه اور ایجاد میکنیکس کپنیوں کے مابین زیادہ پائیدار، با مقصد، ماحول دوست روپ مادل بنانا ہے۔

سال کے لئے ہمارا مقصد ایک موثر پہنچ، سوچل میڈیا کی وساطت سے فروخت کی موثر حکمت عملی کے ذریعہ ایس ایڈریجنس (ای یا یم) کو بڑھانا ہے۔

---SD---  
ڈائریکٹر

---SD---  
شفقت سلطانہ  
چیئرمین

**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, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of 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.

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

  
**Reanda Haroon Zakaria & Company**  
Chartered Accountants

Place: Karachi  
Dated:

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

	<i>Un-Audited December 31 2020</i>	<i>Audited June 30 2020</i>	<i>Audited June 30 2019</i>
<b>ASSETS</b>	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
<b>Non-Current Assets</b>			
Property and Equipment	6	<b>2,656,504</b>	3,621,242
Intangible Asset	7	<b>1,038,825</b>	1,108,080
Long-Term Investments	8	<b>171,309,973</b>	169,578,338
Long-Term Deposits and Prepayments		<b>286,300</b>	536,300
		<b>175,291,602</b>	174,843,960
			<b>189,328,745</b>
<b>Current Assets</b>			
Short-Term Investments	9	<b>22,182,782</b>	22,428,330
Loans and Advances		<b>22,003</b>	22,003
Prepayments and Other Receivable		<b>8,130,670</b>	7,609,372
Trade Receivable - Restated	10	<b>4,975,998</b>	4,108,583
Accrued Markup	11	<b>2,158,223</b>	2,804,667
Tax Refund Due from Government		<b>5,929,846</b>	5,819,256
Cash at Bank	12	<b>32,008,232</b>	12,042,370
		<b>75,407,754</b>	54,834,581
		<b>250,699,356</b>	229,678,541
			<b>219,668,220</b>
<b>Total Assets</b>			
<b>EQUITY and LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
<b>Authorised Capital</b>			
20,000,000 Ordinary Shares of Rs. 10 Each		<b>200,000,000</b>	200,000,000
			<b>200,000,000</b>
<b>Issued, Subscribed and Paid Up Capital</b>			
14,973,750 Ordinary Shares of Rs. 10 Each		<b>149,737,500</b>	149,737,500
General Reserves		<b>33,630,264</b>	33,630,264
Surplus on Revaluation of Investments - At FVTOCI 17		<b>-</b>	5,454,357
Share of Unrealised Gain on Remeasurement of Investments in Associates		<b>236,114</b>	236,114
Director Loan		<b>22,000,000</b>	-
Unappropriated Profit		<b>26,262,690</b>	21,311,258
		<b>231,866,568</b>	210,369,493
			<b>200,940,153</b>
<b>Current Liabilities</b>			
Trade and Other Payables	13	<b>17,834,046</b>	18,310,306
Unclaimed Dividend	14	<b>998,742</b>	998,742
		<b>18,832,788</b>	19,309,048
<b>Contingencies and Commitments</b>	15	<b>250,699,356</b>	229,678,541
<b>Total Equities and Liabilities</b>			<b>219,668,220</b>

The annexed notes from 1 to 24 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 SIX MONTH PERIOD ENDED DECEMBER 31, 2020**

Note	<i>Half Year Ended</i>		<i>Quarter Ended</i>		
	<i>December 31,</i> <b>2020</b>		<i>December 31,</i> <b>2019</b>		
	<b>Rupees</b>				
<i>(Restated)</i>					
<b>Income</b>					
Remuneration from Funds Under Management	16	<b>4,539,560</b>	4,898,474	<b>2,237,235</b>	
Advisory fee		<b>555,556</b>	555,556	<b>277,778</b>	
Capital Gain on Sale of Investment		-	269,631	-	
Income on TFC's		<b>1,314,787</b>	1,720,700	<b>568,672</b>	
Gain on Redemption of Units of Associates' Investment		-	2,068,124	-	
Income on Pakistan Investment Bond		<b>899,227</b>	607,504	<b>366,162</b>	
		<b>7,309,130</b>	10,119,989	<b>3,449,847</b>	
Reclassification of Surplus on Investments	17	<b>5,454,357</b>	-	-	
Deficit on Revaluation of Investments - At FVP&L		<b>(1,880,929)</b>	-	<b>76,501</b>	
		<b>3,573,428</b>	10,119,989	<b>76,501</b>	
<b>Expenses</b>					
Administrative and Operating Expenses	18	<b>(10,865,610)</b>	(13,741,357)	<b>(5,501,485)</b>	
Financial Charges		<b>(610,784)</b>	(3,958)	<b>(514,074)</b>	
		<b>(11,476,394)</b>	(13,745,315)	<b>(6,015,559)</b>	
<b>Operating Loss</b>		<b>(593,836)</b>	(3,625,326)	<b>(2,489,211)</b>	
Other Operating Income	19	<b>2,805,050</b>	2,160,997	<b>451,353</b>	
Share of Associates' Profit	20	<b>3,369,516</b>	4,826,600	<b>1,737,056</b>	
<b>Profit/(Loss) before taxation</b>		<b>5,580,730</b>	3,362,271	<b>(300,802)</b>	
Taxation	21	<b>(629,298)</b>	(532,584)	<b>(473,402)</b>	
<b>Profit/(Loss) for the Period</b>		<b>4,951,432</b>	2,829,687	<b>(774,204)</b>	
<b>Earning/(Loss) Per Share - Basic and Diluted</b>		<b>0.33</b>	0.19	<b>(0.05)</b>	
				0.19	

The annexed notes from 1 to 24 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 SIX MONTH PERIOD ENDED DECEMBER 31, 2020**

Note	<u>Half Year Ended</u>		<u>Quarter Ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<b>Rupees</b>			
	(Restated)			
<b>Profit/(Loss) for the Period</b>	<b>4,951,432</b>	<b>2,829,687</b>	<b>(774,204)</b>	<b>2,915,653</b>
<b>Other Comprehensive Income/(Loss)</b>				
Surplus on Revaluation of Investments - At Fair Value Through Other Comprehensive Income	-	1,561,883	-	820,434
Reclassification of Surplus on Investments 17	<b>(5,454,357)</b>	-	-	-
<b>Total Comprehensive (Loss)/Income for the Period</b>	<b>(502,925)</b>	<b>4,391,570</b>	<b>(774,204)</b>	<b>3,736,087</b>

The annexed notes from 1 to 24 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 SIX MONTH PERIOD ENDED DECEMBER 31, 2020**

	Share Capital		Reserves			Revenue	Total
	Capital	Capital	Sub Ordinated Loan From Director Reserve	Surplus on Measurement of Investment through OCI	Share of Unrealised Gain on Remeasurement of Associates' Investments		
----- Rupees -----							
<b>Balance as at July 1, 2019 as previously reported</b>	149,737,500	33,630,264	-	(13,777)	210,748	16,819,862	200,384,597
<b>Adjustment of advisory fees</b>	-	-	-	-	-	555,556	555,556
<b>Balance as at July 1, 2019 - Restated</b>	149,737,500	33,630,264	-	(13,777)	210,748	17,375,418	200,940,153
<b>Profit for the Period- Restated</b>	-	-	-	-	-	2,829,687	2,829,687
<b>Other Comprehensive Income/(Loss)</b>							
Deficit on Revaluation of Investments							
- At Fair Value Through Other Comprehensive Income	-	-	-	1,561,883	(210,748)	-	1,351,135
<b>Total Comprehensive Income for the Period- Restated</b>	-	-	-	1,561,883	(210,748)	2,829,687	4,180,822
<b>Balance as at December 31, 2019-Restated</b>	149,737,500	33,630,264	-	1,548,106	-	20,205,105	204,565,419
<b>Balance as at June 30, 2020 as reported in audited financial statement</b>	149,737,500	33,630,264	-	5,454,357	236,114	19,644,591	208,702,826
<b>Impact of Investment Advisory fees</b>	-	-	-	-	-	1,666,667	1,666,667
<b>Balance at June 30, 2020- as Restated</b>	149,737,500	33,630,264	-	5,454,357	236,114	21,311,258	210,369,493
<b>Profit for the period</b>	-	-	-	-	-	4,951,432	4,951,432
<b>Other Comprehensive Loss</b>							
Recalification of Surplus on Investments				(5,454,357)		-	(5,454,357)
Sub Ordinated Loan From Director	-	-	22,000,000	-	-	-	22,000,000
<b>Total Comprehensive Loss for the Period</b>	-	-	22,000,000	(5,454,357)	-	4,951,432	21,497,075
<b>Balance as at December 31, 2020</b>	149,737,500	33,630,264	22,000,000	-	236,114	26,262,690	231,866,568

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

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

-----  
Chief Executive Officer

-----  
Chief Financial Officer

-----  
Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020**

		<i>December 31,</i>	
		<i>2020</i>	<i>2019</i>
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Restated)</i>	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit Before Taxation</b>		<b>5,580,730</b>	3,362,271
<b>Adjustments for Items not Involving Movement of Funds:</b>			
Depreciation on Property and Equipment		964,738	1,007,885
Amortization		69,255	69,255
Financial Charges		610,784	3,958
Capital Gain on Sale of Investment		-	(269,631)
Mark-Up Earned on Saving Account		(729,314)	(644,434)
Gain on Redemption of Units of Associates' Investment		-	(2,068,124)
Share of Profit From Associates'		(3,369,516)	(4,826,600)
		(2,454,053)	(6,727,691)
<b>Operating Cash in Flows/(Out Flows Before)</b>			
<b>Working Capital Changes</b>		<b>3,126,677</b>	(3,365,420)
<b>Increase in Current Assets</b>			
Loans and Advances		-	(8,336)
Trade Receivable		(867,415)	(822,766)
Prepayments and Other Receivable		(521,298)	(1,213,277)
		(1,388,713)	(2,044,379)
<b>(Decrease) in Current Liabilities</b>			
Trade and Other Payables		(476,260)	161,664
Income Taxes Paid - Net		1,261,704	(5,248,135)
Financial Charges Paid		(739,888)	122,691
<b>Net Cash Used in Operating Activities</b>		<b>(610,784)</b>	(3,958)
		(88,968)	(5,129,402)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investments - Net		(3,570,928)	15,944,402
Long-Term Deposits and Prepayments		250,000	250,000
Receipt of Mark Up on Savings Account		1,375,758	(2,035,324)
Capital Expenditure Incurred		-	(58,209)
<b>Net Cash (Used in)/Generated from Investing Activities</b>		<b>(1,945,170)</b>	14,100,869
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Sub Ordinated Loan From Director		22,000,000	-
<b>Net Cash Generated from Financing Activities</b>		<b>22,000,000</b>	-
<b>Net Increase in Cash and Cash Equivalents</b>		<b>19,965,862</b>	8,971,467
<b>Cash and Cash Equivalents at Beginning of the Year</b>		<b>12,042,370</b>	4,539,920
<b>Cash and Cash Equivalents at End of the Period</b>		<b>32,008,232</b>	13,511,387

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

For 786 Investments Limited  
(Management Company)

-----  
Chief Executive Officer

-----  
Chief Financial Officer

-----  
Director

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 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 Company has successfully renewed his 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 Commission (SECP) has renewed the License for "Investment Advisory Services" vide its letter No.SCD/AMCW/786IL/2020-109 dated November 12, 2020 with effect from May 26, 2019 and valid till May 25, 2022 . Licence shall further be renewable by the Commission for next three years, subject to the compliance of the NBFC Rules and the NBFC Regulations.

### 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.

#### 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 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 2020. Except the Investments are reclassified from fair value through other comprehensive income to fair value through profit and loss. (refer Note: 17)

#### 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 2020.

#### 5 RECITIFICATION OF ERROR

Management has made an adjustment of advisory income relating to the prior periods. Company was unable to account for the advisory income in prior periods due to the pendency of license renewal for investment advisory services by the Commission (SECP). Considering the materiality of the amount, adjustment has been made in the prior periods retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures of statement of financial position, statement of profit or loss and statement of changes in equity have been restated.

<b>The effects of adjustments are summarized below:</b>	<b>Previously Reported</b>	<b>Adjustment</b>	<b>Re-Statement</b>			
	<b>Rupees</b>					
<b>Effect of Error on Financial Statements for Year Ended June 30, 2019 (Audited)</b>						
<b>Statement of Financial Position</b>						
<b>Current - Assets</b>						
Trade receivables	2,487,149	600,000	3,087,149			
Trade and other payables	17,684,881	44,444	17,729,325			
<b>Statement of Changes in Equity</b>						
Unappropriated Profit	16,819,862	555,556	17,375,418			
<b>Statement of Profit or Loss</b>						
Income on Advisory Services	-	555,556	555,556			
<b>Effect of Error on Financial Statements for the Half Year Ended December 31, 2019 (Un-Audited)</b>						
<b>Statement of Profit or Loss</b>						
Income on Advisory Services	-	555,556	555,556			
<b>Effect of Error on Financial Statements for the Quarter Ended December 31, 2019 (Un-Audited)</b>						
<b>Statement of Profit or Loss</b>						
Income on Advisory Services	-	277,778	277,778			
<b>Effect of Error on Financial Statements for Year Ended June 30, 2020 (Audited)</b>						
<b>Statement of Financial Position</b>						
<b>Current - Assets</b>						
Trade receivables	2,308,583	1,800,000	4,108,583			
<b>Trade and Other Payables</b>						
- Sales Tax Payable	13	863,347	133,333			
Unappropriated Profit	19,644,591	1,666,667	21,311,258			
<b>Statement of Profit or Loss</b>						
Income on Advisory Services	-	1,111,111	1,111,111			

## 6 PROPERTY AND EQUIPMENT

### 6.1 The following is the statement of property and equipment:

Description	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total
	Rupees-----				
<b>Period Ended December 31, 2020</b>					
Opening Net Book Value (NBV)	395,656	2,324,868	453,327	447,391	3,621,242
Additions (at cost)	-	-	-	-	-
<b>Disposals</b>					
Cost	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Net Book Value</b>	-	-	-	-	-
Depreciation Charge	(36,316)	(559,337)	(130,450)	(238,635)	(964,738)
<b>Closing Net Book Value</b>	<b>359,340</b>	<b>1,765,531</b>	<b>322,877</b>	<b>208,756</b>	<b>2,656,504</b>
<b>Gross Carrying Value Basis</b>					
Cost	1,487,514	5,593,370	1,494,502	5,280,475	13,855,861
Accumulated					
Depreciation/Impairment	(1,128,174)	(3,827,839)	(1,171,625)	(5,071,719)	(11,199,357)
<b>Net Book Value</b>	<b>359,340</b>	<b>1,765,531</b>	<b>322,877</b>	<b>208,756</b>	<b>2,656,504</b>
<b>Year Ended June 30, 2020</b>					
Opening Net Book Value (NBV)	468,289	3,443,542	611,449	1,046,643	5,569,923
Additions (at Cost)	-	-	-	58,209	58,209
	468,289	3,443,542	611,449	1,104,852	5,628,132
<b>Disposals</b>					
Cost	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Net Book Value</b>	-	-	-	-	-
Depreciation Charge	(72,633)	(1,118,674)	(158,122)	(657,461)	(2,006,890)
<b>Closing Net Book Value</b>	<b>395,656</b>	<b>2,324,868</b>	<b>453,327</b>	<b>447,391</b>	<b>3,621,242</b>
<b>Gross Carrying Value Basis</b>					
Cost	1,487,514	5,593,370	1,494,502	5,280,475	13,855,861
Accumulated					
Depreciation/Impairment	(1,091,858)	(3,268,502)	(1,041,175)	(4,833,084)	(10,234,619)
<b>Net Book Value</b>	<b>395,656</b>	<b>2,324,868</b>	<b>453,327</b>	<b>447,391</b>	<b>3,621,242</b>
<b>Depreciation Rate % per Annum</b>	<b>10</b>	<b>20</b>	<b>20</b>	<b>33</b>	

			<i>Un-Audited</i>	<i>Audited</i>
			<i>December 31</i>	<i>June 30</i>
			<i>2020</i>	<i>2020</i>
		<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b>7</b>	<b>INTANGIBLE ASSET</b>			
	Computer Software		<u>1,038,825</u>	<u>1,108,080</u>
<b>7.1</b>	<b>Computer Software</b>			
	<b>Opening Net Book Value</b>		<b>1,108,080</b>	<b>1,246,590</b>
	Addition		-	-
	Amortization Charge		(69,255)	(138,510)
	<b>Closing Net Book Value</b>		<b>1,038,825</b>	<b>1,108,080</b>
	Cost		<b>1,385,100</b>	<b>1,385,100</b>
	Accumulated Amortization		<b>(346,275)</b>	<b>(277,020)</b>
	<b>Closing Net Book Value</b>		<b>1,038,825</b>	<b>1,108,080</b>
	<b>Amortization Rate</b>		<b>10%</b>	<b>10%</b>
<b>8</b>	<b>LONG-TERM INVESTMENTS</b>			
	<i>Investments in Associates - Units of Mutual Funds - Equity Method</i>		<i>Un-Audited</i>	<i>Audited</i>
			<i>December 31</i>	<i>June 30</i>
	<i>786 Smart Fund (Formerly Dawood Income Fund)</i>		<i>2020</i>	<i>2020</i>
	<i>(Open - End - Fund) - an associate (Using Equity Method)</i>		<i>Rupees</i>	<i>Rupees</i>
	1,825,406 (June 30, 2020: 1,825,406) Units, Representing 27.22% (June 30, 2020: 23.60%) Holding.		<b>151,228,309</b>	<b>147,858,793</b>
	<i>Investment in PIB's- At Fair Value through Profit &amp; Loss</i>			
	<i>Government Securities - Pakistan Investment</i>			
	<i>Bonds having Face Value of 20 Million</i>	8.1	<b>20,081,664</b>	<b>21,719,545</b>
			<b>171,309,973</b>	<b>169,578,338</b>
<b>8.1</b>	This Government securities - Pakistan Investment Bonds will mature latest by September 19, 2029 and carry interest at the rate of 12.14821%			
<b>9</b>	<b>SHORT TERM INVESTMENTS</b>			
		<i>Note</i>	<i>December 31, 2020</i>	<i>June 30, 2020</i>
			<i>Face Value</i>	<i>Fair Value</i>
			<i>Face Value</i>	<i>Fair Value</i>
			<i>Rupees</i>	<i>Rupees</i>
	<b>At Fair Value through OCI</b>			
	Term Finance Certificate	9.2	<b>21,131,286</b>	<b>22,182,782</b>
			<b>21,131,286</b>	<b>22,182,782</b>
	Cumulative Gain on Revaluation of Investment		<b>1,051,496</b>	-
			<b>22,182,782</b>	<b>22,182,782</b>
			21,133,786	22,428,330
			1,294,544	-
			22,428,330	22,428,330

### 9.1 Term Finance Certificates - Unlisted

<b>Number of Certificates</b>				<b>Decmeber 31, 2020</b>		<b>June 30, 2020</b>	
<b>Dec., 31, 2020</b>	<b>June 30, 2020</b>	<b>Name of Company</b>	<b>Note</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Cost</b>	<b>Fair Value</b>
				<b>Rupees</b>			
<b>5,000</b>	<b>5,000</b>	<b>Silk Bank Limited</b>	<b>9.1.1</b>	<b>21,131,286</b>	<b>22,182,782</b>	<b>21,133,786</b>	<b>22,428,330</b>

9.1.1 Term Finance Certificates are valued using rate prevailing on MUFAP (Mutual Fund Association of Pakistan) which is 88.7844% of face value at the statement of financial position date.

9.1.2 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>Note</b>	<b>Un-Audited</b>	<b>Audited</b>
	<b>December 31</b>	<b>June 30</b>
	<b>2020</b>	<b>2020</b>
	<b>Rupees</b>	<b>Rupees</b>

### 10 TRADE RECEIVABLE

786 Smart Fund (Dawood Income Fund) - An Associate Receivable on account of advisory fees	5	<b>2,575,998</b>	2,308,583
		<b>2,400,000</b>	1,800,000
		<b>4,975,998</b>	4,108,583

### 11 ACCRUED MARKUP

On Saving Accounts		<b>698,264</b>	644,940
On Term Finance Certificate (TFCs)		<b>890,096</b>	1,489,091
On Pakistan Investment Bond (PIBs)		<b>569,863</b>	670,636
		<b>2,158,223</b>	2,804,667

### 12 CASH AT BANK

<b>Cash in Hand</b>		<b>25,000</b>	1,005
<b>Cash at Bank</b>			
Current Accounts		<b>-</b>	101,609
Saving Accounts	12.1	<b>31,983,232</b>	11,939,756
		<b>31,983,232</b>	12,041,365
		<b>32,008,232</b>	12,042,370

12.1 The balance in savings accounts carry profit at rates ranging from 5.5% per annum (June 2020 : 5.5% to 11.25% per annum).

		<i>Un-Audited</i>	<i>Audited</i>
		<i>31 December</i>	<i>30 June</i>
		<i>2020</i>	<i>2020</i>
	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
<b>13 TRADE AND OTHER PAYABLES</b>			
Accrued Expenses	13.1	<b>11,050,445</b>	9,668,859
Sindh Workers' Welfare Fund Payable		-	1,130,400
FED Payable	15.1.2		
		<b>6,513,677</b>	6,513,677
Sales Tax Payable		<b>269,924</b>	996,680
Wht Payable		-	690
		<b>17,834,046</b>	18,310,306

**13.1** This includes an amount of Rs. 8.398 (June 30, 2020: Rs. 7.75) Million received from NCCPL being refund of tax amount with respect to funds under management. This amount will be disbursed to unit holders'.

		<i>Un-Audited</i>	<i>Audited</i>
		<i>31 December</i>	<i>30 June</i>
		<i>2020</i>	<i>2020</i>
	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
<b>14 UNCLAIMED DIVIDEND</b>			
	14.1	<b>998,742</b>	998,742

**14.1** In compliance of sec 244 of companies Act, 2017, company is in the process of opening a separate bank account for unclaimed dividend.

## 15 CONTINGENCIES AND COMMITMENTS

### 15.1 Contingencies

**15.1.1** 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.

**15.1.2** 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, 2020: 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.

## 15.2 Commitments

There was no commitment during the half year ended December 31, 2020 (June 30, 2020: Nil)

<b>16 REMUNERATION FROM FUNDS UNDER MANAGEMENT</b>	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
	<b>Rupees</b>	<b>Rupees</b>
<b><i>Open-End Funds</i></b>		
786 Smart Fund (Formerly Dawood Income Fund )	<b>4,539,560</b>	3,179,684
786 Rising Star Fund (Formerly Dawood Islamic Fund)	-	727,929
First Dawood Mutual Fund - an associate	-	990,861
	<b>4,539,560</b>	4,898,474
 <b><i>2020 2019</i></b>		
<b><i>Remuneration for services rendered as an asset management company</i></b>		

**16.1 During the period the company has charged Management fee as under:**

----- Percentage -----

<b>Associates - Open - End Funds</b>			
786 Smart Fund (Formerly Dawood Income Fund ) - An Associate	<b>1.5</b>		1.5
786 Rising Star Fund (Formerly Dawood Islamic Fund) - An Associate	-		1.5
First Dawood Mutual Fund - An Associate	-		2

## 17 RECALSSIFICATION

The objective of Company's business model can best be achieved by following fair value through profit and loss instead of fair value through other comprehensive income for its investment in debt instruments. This is because Company is more concerned with fair value measurement of such instruments than cashflows .

The Company, therefore reclassified its investments from FVOCI to FVTPL. The impact of this have been summarized below.

	<i>Previously Reported in OCI</i>	<i>Reclassified to Statement of Profit or Loss</i>
Surplus on Revaluation of Investment in Investments From OCI to P/L	5,454,357	5,454,357

## 17 RECALSSIFICATION

The objective of Company's business model can best be achieved by following fair value through profit and loss instead of fair value through other comprehensive income for its investment in debt instruments. This is because Company is more concerned with fair value measurement of such instruments than cash flows .

The Company therefore reclassified its investments from FVOCI to FVTPL. The impact of this has been summarized below.

Note	December 31	
	2020 Rupees	2019 Rupees
Salaries and Allowances	6,146,228	6,984,926
Rent, Rates and Taxes	749,172	749,171
Postage and Telephones	126,041	213,107
Legal and Professional Charges	451,018	1,140,405
Printing and Stationery	70,650	141,085
Vehicles Running	38,279	897,584
Advertisement Expense	47,500	290,700
Electricity	230,906	476,237
Repairs and Maintenance	107,273	109,617
Auditors' Remuneration	387,320	387,320
Entertainment	37,957	42,203
Insurance	190,253	224,111
Depreciation	6 964,738	1,007,885
Amortization	7.1 69,255	69,255
Fee and Subscriptions	1,207,709	1,195,645
Newspapers and Periodicals	-	570
Directors' Fee	158,000	158,000
Commission	-	27,904
Others	62,212	51,144
Bank Balances written off	123,737	-
Less: Reimbursement of Fees and Expenses	11,168,248 (302,638)	14,171,869 (430,512)
	<u>10,865,610</u>	<u>13,741,357</u>

## 18 ADMINISTRATIVE AND OPERATING EXPENSES

Salaries and Allowances	6,146,228	6,984,926
Rent, Rates and Taxes	749,172	749,171
Postage and Telephones	126,041	213,107
Legal and Professional Charges	451,018	1,140,405
Printing and Stationery	70,650	141,085
Vehicles Running	38,279	897,584
Advertisement Expense	47,500	290,700
Electricity	230,906	476,237
Repairs and Maintenance	107,273	109,617
Auditors' Remuneration	387,320	387,320
Entertainment	37,957	42,203
Insurance	190,253	224,111
Depreciation	6 964,738	1,007,885
Amortization	7.1 69,255	69,255
Fee and Subscriptions	1,207,709	1,195,645
Newspapers and Periodicals	-	570
Directors' Fee	158,000	158,000
Commission	-	27,904
Others	62,212	51,144
Bank Balances written off	123,737	-
Less: Reimbursement of Fees and Expenses	11,168,248 (302,638)	14,171,869 (430,512)
	<u>10,865,610</u>	<u>13,741,357</u>

## 19 OTHER OPERATING INCOME

### Income from financial assets

Mark-up earned on saving accounts	729,314	644,434
-----------------------------------	---------	---------

### Income from non - financial assets

Gain on disposal of property and equipment	-	-
Liabilities written back	-	-
Other Income	2,075,736	1,516,563
	<u>2,075,736</u>	<u>1,516,563</u>
	<u>2,075,736</u>	<u>1,516,563</u>
	<u>2,805,050</u>	<u>2,160,997</u>
	<u>3,369,516</u>	<u>4,826,600</u>

## 20 SHARE OF ASSOCIATES' (LOSS)/PROFIT

786 Smart Fund ( Formerly Dawood Income Fund )	

3,369,516	4,826,600

## 21 TAXATION

Current Period Tax	629,298	532,584

## 22 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of related group companies, directors, 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 are as follows:

<b>Relationship with the Company</b>	<b>Nature of Transactions</b>	<b>Dec., 31, 2020</b>	<b>Dec. 31, 2019</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>Mutual Funds Managed by the Company</b>	<b>Transactions During the Period</b>		
	Management Fee Charged	4,539,560	4,898,474
	Sales Tax on Management Fee Charged	590,143	636,802
	Accounting and operational Charges	302,638	430,512
	786 Smart Fund Issue of Nil Units (December 31, 2019: 849,869 Units)	-	72,825,422
	786 Smart Fund Redemption of Nil Units (December 31, 2019: 548,779 Units)	-	45,000,000
	786 Smart Fund - Gain on Redemption of Units	-	859,566
	786 Rising Star Fund - Conversion of 109,323 Unit due to Merger	-	11,779,074
	786 Rising Star Fund - Gain on Conversion of Units due to Merger	-	368,100
	First Dawood Mutual Fund - Gain on Conversion of Units due to Merger / Loss on Redemption of Units	-	629,710
	First Dawood Mutual Fund - Conversion of 3,442,963 Unit due to Merger	-	60,331,730
	First Dawood Mutual Fund - Purchase of Nil TFCs' of Silk Bank Limited (December 31, 2019: 3,000) Units	-	12,937,584
	Management Fee Received	5,406,975	4,631,264
<b>Other Related Party</b>			
First Dawood Investment Bank Limited & Others Employees' Provident Fund	Provident Fund Contribution	311,994	403,256
<b>Key Management Personnel</b>			
	Remuneration	3,532,800	3,543,330
	Sale of 930,141 Shares of First Dawood Investment Bank Limited	-	1,655,541
	Gain on Disposal of Shares	-	269,631
<b>BRR Guardian Modaraba</b>	Rent Charge during the Period - office	749,172	749,171
<b>Dawood Family Takaful Limited</b>	Insurance Expense Charge during the	38,847	28,894
<b>Dawood Equities Limited</b>	Brokerage Commission Paid on Disposal of Shares	-	27,904
	<b>Balances at Period End</b>	<b>31-Dec-20</b>	<b>30-Jun-20</b>
<b>Associated companies/other related parties</b>	<b>Units Held:</b>		
<b>Mutual Funds Managed by the Company</b>	786 Smart Fund 1,825,406 (June 30, 2020: 1,825,406) Units	151,228,309	147,858,793
	Trade Receivable	4,975,998	4,108,583
<b>Dawood Family Takaful Limited</b>	Prepaid Life Insurance	-	12,996
<b>B.R.R Guardian Modaraba</b>	Payable Rent	624,310	-
	Prepaid Rent	-	124,862

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

## **23 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorised for issue in Board of Directors of the management company on 25-Feb-2021.

## **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)

-----  
Chief Executive Officer

-----  
Chief Financial Officer

-----  
Director

# BOOK POST

If undelivered, please return to:

786 Investments Limited  
G-3, B.R.R. Tower,  
Hassan Ali Street,  
Off I.I. Chundrigar Road,  
Karachi - 74000 Pakistan

[www.jamapunji.pk](http://www.jamapunji.pk)



**Be aware, Be alert,  
Be safe**  
Learn about investing at  
[www.jamapunji.pk](http://www.jamapunji.pk)

#### Key features:

- Licensed Entities Verification
- Scam meter\*
- JamaPunji games\*
- Tax credit calculator\*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Stock trading simulator  
(based on live feed from KSE)
- Knowledge center
- Risk profiler\*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- JamaPunji application for mobile device
- Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

[jamapunji.pk](http://jamapunji.pk)   [@jamapunji\\_pk](https://www.twitter.com/jamapunji_pk)

\*Mobile apps are also available for download for android and ios devices

## Managed By: 786 Investments Limited

G-3, 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)