



INVESTMENTS

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786 INVESTMENTS LIMITED

**FOR THE
QUARTER ENDED
MARCH 31, 2026
(UN-AUDITED)**



CORPORATE INFORMATION

Management Company	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 Website: www.786investments.com	
Board of Directors	Mr. Ahmed Salman Munir Miss Tara Uzra Dawood Mr. Nadeem Akhtar Mr. Naveed Ahmed Syed Musharaf Ali Mr. Iqbal Shafiq Mr. Ahmer Zia Sarwar	Chairperson Chief Executive Officer Director Director Director Director Director
Chief Financial Officer & Company Secretary	Mr. Noman Shakir	
Audit Committee	Mr. Ahmer Zia Sarwar Mr. Naveed Ahmed Syed Musharaf Ali	Chairman Member Member
Human Resource Committee	Mr. Ahmed Salman Munir Miss Tara Uzra Dawood Mr. Naveed Ahmed	Chairperson Member Member
Auditors	Riaz Ahmed & Company Chartered Accountants	
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	
Rating:	PACRA: AM3	



DIRECTORS' REPORT

The Board of Directors of **786 Investments Limited** ('786' or 'the Company') is happy to present the un-audited financial statements for the nine months ending March 31, 2026.

Economy Review & Outlook:

The ongoing war in the Middle East is becoming a major shock to the global economy, disrupting energy markets, supply chains, and financial systems. It is likely to increase inflation and the cost of living worldwide, affecting fuel, food, energy prices, and causing product shortages. According to Fitch Ratings, the global economy has remained resilient despite multiple geopolitical and U.S. policy shocks. Global growth is expected to ease slightly to 2.6% in 2026 from 2.7% in 2025. Meanwhile, the U.S. GDP growth forecast for 2026 has been revised upward to 2.2%, supported by strong consumer spending and investment in AI.

The International Monetary Fund (IMF) has projected Pakistan's economic growth at 3.6% for FY2025-26, below the government's target of 4.2%, while slightly revising the previous year's estimate upward to 2.7%.

Money Market Review & Outlook:

The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 10.5 percent in its recent meeting March 9, 2026. The Committee observed that the macroeconomic outlook has become quite uncertain following outbreak of the war in the Middle East.

Stock Market Review & Outlook:

The Pakistan Stock Exchange remained volatile during March 2026, with the KSE 100 Index fluctuating between 144,119 and 161,477 points. Early-month declines were triggered by global geopolitical tensions and rising oil prices, which weighed on investor sentiment. However, a partial recovery was observed toward the end of the month, with the index crossing 155,000 points, supported by strong buying activity in banks, fertilizers, and automotive stocks. Trading volumes averaged around 550 million shares, reflecting active market participation.

Company Performance:

The Company recorded a profit of PKR 12.014 million during the period ended March 31, 2026, compared to a profit of PKR 9.555 million during the corresponding period. The company's income, which comprised Management Fees, increased by PKR 3.275 Million, representing a 22.929% rise in Management Fees due to the average increase in fund size during the period. Administrative and operating expenses also increased by PKR 8.800 million, reflecting a 30.62% rise in these expenses. The net unrealized gain on the revaluation of investments showed a profit of PKR 18.244 million, compared to PKR 17.190 million during the corresponding period. Furthermore, the net realized gain on the sale of investments showed PKR 13.083 million. The earnings per share (EPS) of the Company for the period ended March 31, 2026, was PKR 0.60, compared to PKR 0.64 during the corresponding period.

Acknowledgement:

The Directors wish to express their gratitude to the Security & Exchange Commission of Pakistan (SECP) and other regulatory bodies for their valuable support, assistance and guidance. The Board also thanks the employees of the Asset Management Company, the Trustee for their dedication and hard work and the unitholders for their confidence in the Management.

On behalf of the board of
786 Investments Limited

----SD----
Chairperson

----SD----
Director

Date: **April 09, 2026**
Place: Karachi



ڈائریکٹرز کی رپورٹ

786 انویسٹمنٹس لمیٹڈ ('786' یا 'کمپنی') کے بورڈ آف ڈائریکٹرز کو خوشی ہے کہ وہ 31 مارچ 2026 کو ختم ہونے والی نو ماہ کی مدت کے لیے غیر آڈٹ شدہ مالی بیانات پیش کر رہے ہیں۔

معاشی جائزہ اور آئندہ کا منظر نامہ:

مشرق وسطیٰ میں جاری جنگ عالمی معیشت کے لیے ایک بڑا دھچکا بنتی جا رہی ہے، جس کے باعث توانائی کی منڈیاں، سپلائی چینز اور مالیاتی نظام متاثر ہو رہے ہیں۔ اس کے نتیجے میں عالمی سطح پر منجھائی اور ایشیائے جنوبی کی قیمتوں میں اضافے کا امکان ہے، جس سے ایندھن، خوراک اور توانائی کی قیمتیں بڑھ سکتی ہیں اور مصنوعات کی قلت پیدا ہو سکتی ہے۔ Fitch Ratings کے مطابق، متعدد دفترانی سیاسی اور امریکی پالیسی کے جھکوں کے باوجود عالمی معیشت نے استحکام کا مظاہرہ کیا ہے۔ توقع ہے کہ 2026 میں عالمی اقتصادی ترقی معمولی کم ہو کر 2.6% رہ جائے گی، جو 2025 میں 2.7% تھی۔ اسی دوران، امریکہ کی بی ڈی پی شرح نمو کے اندازے کو 2026 کے لیے بڑھا کر 2.2% کر دیا گیا ہے، جس کی وجہ مضبوط صارف اخراجات اور مصنوعی ذہانت (AI) میں سرمایہ کاری ہے۔ بین الاقوامی مالیاتی فنڈ (IMF) نے مالی سال 2025-26 کے لیے پاکستان کی معاشی ترقی کی شرح 3.6% متوقع ظاہر کی ہے، جو حکومتی ہدف 4.2% سے کم ہے، جبکہ گزشتہ سال کے تخمینے کو معمولی بڑھا کر 2.7% کر دیا گیا ہے۔

مٹی مارکیٹ کا جائزہ اور منظر نامہ:

مٹی مارکیٹ کی پالیسی کمیٹی (MPC) نے 9 مارچ 2026 کے اپنے حالیہ اجلاس میں پالیسی ریٹ کو 10.5% پر برقرار رکھنے کا فیصلہ کیا۔ کمیٹی نے مشاہدہ کیا کہ مشرق وسطیٰ میں جنگ کے آغاز کے بعد معاشی منظر نامہ خاصا غیر یقینی ہو گیا ہے۔

اسٹاک مارکیٹ کا جائزہ اور منظر نامہ:

پاکستان اسٹاک ایکسچینج مارچ 2026 کے دوران اتار چڑھاؤ کا شکار رہی، جہاں KSE-100 انڈیکس 144,119 سے 161,477 پوائنٹس کے درمیان رہا۔ ماہ کے آغاز میں کمیٹی کی وجہ عالمی جغرافیائی سیاسی کشیدگی اور تیل کی بڑھتی ہوئی قیمتیں تھیں، جس نے سرمایہ کاروں کے اعتماد کو متاثر کیا۔ تاہم، ماہ کے اختتام پر جزوی بحالی دیکھنے میں آئی، اور انڈیکس 155,000 پوائنٹس سے تجاوز کر گیا، جس کی وجہ بینکنگ، فرنیچر اور آٹوموبائل شعبوں میں مضبوط خریداری رہی۔ تجارتی حجم اوسطاً 550 ملین شیئرز رہا، جو مارکیٹ میں فعال شرکت کی عکاسی کرتا ہے۔

کمپنی کی کارکردگی:

کمپنی نے 31 مارچ 2026 کو ختم ہونے والی مدت کے دوران 12.014 ملین روپے کا منافع حاصل کیا، جبکہ گزشتہ سال اسی مدت میں یہ منافع 9.555 ملین روپے تھا۔ کمپنی کی آمدنی، جو منجھت نہیں پر مشتمل ہے، میں 3.275 ملین روپے کا اضافہ ہوا، جو کہ 22.929% اضافے کی نمائندگی کرتا ہے۔ یہ اضافہ بنیادی طور پر فنڈ کے اوسط حجم میں اضافے کے باعث ہوا۔ انتظامی اور آپریٹنگ اخراجات میں بھی 8.800 ملین روپے کا اضافہ ہوا، جو کہ 30.62% اضافے کو ظاہر کرتا ہے۔ سرمایہ کاریوں کی دوبارہ قدر بندی (Revaluation) پر غیر حتمی منافع 18.244 ملین روپے رہا، جبکہ گزشتہ سال یہ 17.190 ملین روپے تھا۔ مزید برآں، سرمایہ کاریوں کی فروخت پر حتمی منافع 13.083 ملین روپے ریکارڈ کیا گیا۔ کمپنی کی فی حصص آمدنی (EPS) 31 مارچ 2026 کو ختم ہونے والی مدت کے لیے 0.60 روپے رہی، جبکہ گزشتہ سال اسی مدت میں یہ 0.64 روپے تھی۔

اظہار تشکر:

ڈائریکٹرز پاکستان کے ٹیکو پورٹرز ایڈیٹریٹس کمیٹی (SECP) اور ریگولیٹری اداروں کا ان کی قیمتی معاونت، رہنمائی اور تعاون پر شکریہ ادا کرتے ہیں۔ بورڈ، اثاثہ جاتی انتظامی کمیٹی کے ماز میں، برٹنی اور یونٹ ہولڈرز کا بھی ان کی محنت، لگن اور انتظامیہ پر اعتماد کے لیے تہہ دل سے مشکور ہے۔

منجانب بورڈ

786 انویسٹمنٹس لمیٹڈ

---SD---

ڈائریکٹر

---SD---

چیئر پرسن

مقام: کراچی

بتاریخ: 09 اپریل 2026

786 INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31 MARCH 2026

	Notes	Un-Audited 31 March 2026 Rupees	Audited 30 June 2025 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	11,894,886	13,439,638
Right-of-use asset	5	-	102,662
Intangible asset	6	311,647	415,530
Long-term security deposits and receivable	7	586,325	586,325
		<u>12,792,858</u>	14,544,155
CURRENT ASSETS			
Trade receivables	8	9,491,591	10,472,584
Investments	9	318,697,687	271,073,496
Loans and advances	10	1,021,500	636,750
Prepayments		1,193,221	332,122
Advance income tax		2,538,147	-
Accrued markup	11	170,585	719,128
Bank balances	12	331,392	1,485,277
		<u>333,444,123</u>	284,719,357
TOTAL ASSETS		<u>346,236,981</u>	<u>299,263,512</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
20,000,000 (2025: 20,000,000) Ordinary shares of Rupees 10 each		<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid-up share capital			
Ordinary shares 19,964,501 (30 June 2025: 14,973,750) of Rupees 10 each	13	199,645,010	149,737,500
Capital reserves			
General reserve		33,630,264	33,630,264
Subordinated loan from director	14	-	12,000,000
Revenue reserve			
Un-appropriated profit		88,405,938	76,391,831
TOTAL EQUITY		<u>321,681,212</u>	271,759,595
LIABILITIES			
CURRENT LIABILITIES			
Accrued and other liabilities	15	23,557,027	25,556,822
Provision for taxation and levy payable- net		-	948,353
Unclaimed dividend	16	998,742	998,742
		<u>24,555,769</u>	27,503,917
TOTAL LIABILITIES		<u>24,555,769</u>	27,503,917
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITIES AND LIABILITIES	17	<u>346,236,981</u>	<u>299,263,512</u>

The annexed notes from 1 to 27 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

786 INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED 31 MARCH 2026

	Note	NINE-MONTHS PERIOD ENDED		THREE-MONTHS PERIOD ENDED	
		31 March 2026	31 March 2025	31 March 2026	31 March 2025
		Rupees	Rupees	Rupees	Rupees
Income					
Remuneration from funds under management - net	18	17,561,669	14,286,009	5,867,292	4,855,308
Advisory fee - net	19	577,778	833,334	300,000	277,778
Net realized gain on sale of investments		13,083,519	7,080,555	156,168	304,329
Income on debt securities		2,628,583	1,506,849	654,697	501,370
		33,851,549	23,706,747	6,978,157	5,938,785
Net unrealized gain/(loss) on revaluation of investments at fair value through profit or loss		18,244,885	17,190,138	6,255,750	4,685,380
		52,096,434	40,896,885	13,233,907	10,624,165
Expenses					
Administrative and operating expenses		(37,535,366)	(28,734,669)	(11,400,904)	(8,866,204)
Financial charges	20	(937,413)	(1,650,439)	(135,303)	(422,291)
		(38,472,779)	(30,385,108)	(11,536,207)	(9,288,495)
Operating profit		13,623,655	10,511,777	1,697,700	1,335,670
Other operating income		98,762	704,549	8,424	32,668
Other operating charges		(240,326)	(193,039)	-	(96,490)
Profit before levy and income tax		13,482,091	11,023,287	1,706,124	1,271,848
Levy	21	(826,079)	-	-	-
Profit before income tax		12,656,012	11,023,287	1,706,124	1,271,848
Taxation	22	(641,905)	(1,467,813)	(530,692)	-
Profit for the period		12,014,107	9,555,474	1,175,432	1,271,848
Earnings per share - basic and diluted	23	0.60	0.64	0.08	0.09

The annexed notes from 1 to 27 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

786 INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED 31 MARCH 2026

	NINE-MONTHS PERIOD ENDED		THREE-MONTHS PERIOD ENDED	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
	Rupees	Rupees	Rupees	Rupees
Profit after taxation	12,014,107	9,555,474	1,175,432	1,271,848
OTHER COMPREHENSIVE INCOME				
Items that may subsequently be reclassified to profit and loss	-	-	-	-
Items that will not subsequently be reclassified to profit and loss	-	-	-	-
	-	-	-	-
Total comprehensive income for the period	12,014,107	9,555,474	1,175,432	1,271,848

The annexed notes from 1 to 27 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

786 INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2026

	Issued, subscribed and paid-up share capital	Capital Reserves		Revenue Reserve	Total
		General reserve	Subordinated loan from director	Un-appropriated profit	
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2024	149,737,500	33,630,264	12,000,000	40,973,802	236,341,566
Total comprehensive income for the period ended 31 December 2024					
Profit for the period	-	-	-	9,555,474	9,555,474
Other comprehensive income for the period	-	-	-	-	-
	-	-	-	9,555,474	9,555,474
Balance as at 31 March 2025	149,737,500	33,630,264	12,000,000	50,529,276	245,897,040
Balance as at 1 July 2025	149,737,500	33,630,264	12,000,000	76,391,831	271,759,595
Total comprehensive income for the period ended 31 March 2026					
Issue of Right Shares	49,907,510	-	-	-	49,907,510
Repayment of Loan	-	-	(12,000,000)	-	(12,000,000)
Profit for the period	-	-	-	12,014,107	12,014,107
Other comprehensive income for the period	-	-	-	-	-
	49,907,510	-	(12,000,000)	12,014,107	49,921,617
Balance as at 31 March 2026	199,645,010	33,630,264	-	88,405,938	321,681,212

The annexed notes from 1 to 27 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

786 INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2026

	Note	NINE-MONTHS PERIOD ENDED	
		31 March 2026	31 March 2025
		Rupees	Rupees
Profit before levy and income tax		13,482,091	11,023,287
Adjustments for non-cash items:			
Depreciation on property and equipment	4	2,652,352	1,933,220
Depreciation on right-of-use assets	5	102,662	849,705
Amortization on intangible asset	6	103,883	103,882
Financial charges	20	937,413	1,650,439
Revaluation Profit on investments at fair value through profit or loss	20	(18,244,885)	(17,190,138)
Profit earned on savings accounts		(98,762)	(227,308)
Income on debt securities		(2,628,583)	(1,506,849)
Gain on disposal of property and equipment	21	-	(432,797)
Net realized gain on sale of investments	19	(13,083,519)	(7,080,555)
Net cash used in operating activities before working capital changes		(16,777,348)	(10,877,114)
WORKING CAPITAL CHANGES			
(Increase) / decrease in current assets:			
Loans and advances		(384,750)	(397,500)
Prepayments		(861,099)	(378,869)
Trade receivable		980,993	(237,771)
		(264,856)	(1,014,140)
Accrued and other liabilities		611,446	(2,835,011)
Net cash used in operations		(16,430,758)	(14,726,265)
Taxes paid		(4,954,484)	(536,571)
Finance cost paid	20	(3,548,654)	(17,196)
Net cash used in operating activities		(24,933,896)	(15,280,032)
CASH FLOWS FROM INVESTING ACTIVITIES			
Units of mutual fund redeemed		14,500,000	129,200,000
Units of mutual fund purchased		(43,000,000)	(101,000,000)
Receipt of principal amount of TFCs		13,326,190	-
Receipt of mark-up on savings accounts		153,911	431,298
Receipt of mark-up on debt securities		2,000,000	2,000,000
Disposal proceeds on fixed assets		-	432,797
Capital expenditure incurred	4	(1,107,600)	(15,638,161)
Net cash generated from investing activities		(14,127,499)	15,425,934
CASH FLOWS FROM FINANCING ACTIVITIES			
Subordinated loan from director repaid		(12,000,000)	-
Issued Right Shares		49,907,510	-
Net cash used in financing activities		37,907,510	-
Net decrease in cash and cash equivalents		(1,153,885)	145,902
Cash and cash equivalents at beginning of the year		1,485,277	489,215
Cash and cash equivalents at end of the period	12	331,392	635,117

The annexed notes from 1 to 27 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

786 INVESTMENTS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 MARCH 2026

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, 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 license to carry out "Asset Management Service" has been successfully renewed vide its letter No.SECP/LRD/LD/17/AMCW/786IL/2022 dated 03 July 2025 with effect from 26 May 2025 to 25 May 2028 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. License shall be renewable by the Commission for next three years, subject to the compliance with NBFC Rules and NBFC Regulations.

1.3 The license to carry out "Investment Advisory Services" has been successfully renewed vide its letter No.SECP/LRD/LD/17/AMCW/786IL/2022 dated 03 July 2025 with effect from 26 May 2025 and valid till 25 May 2028. License shall further be renewable by the Commission for next three years, subject to the compliance of the NBFC Rules and the NBFC Regulations.

1.4 The Company is an asset management company of the "786 Smart Fund" and "786 Islamic Money Market Fund".

The Pakistan Credit Agency (PACRA) has assigned Asset Manager rating of "AM3+" to the Management Company dated 10 November 2025.

1.5 In compliance of the NBFC Rules read with SRO 1002(1)/2015 dated October 15, 2015 of SECP, the management would like to report that the Company has sufficient insurance coverage from an insurance company, rated AA++ by the Pakistan Credit Rating Agency limited (PACRA), against financial losses that may be caused as a result of gross negligence of its employees.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These 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.

- 2.1.2** These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2025.
- 2.1.3** These condensed interim financial statements are un-audited. However, subject have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017 .
- 2.1.4** The comparatives in the condensed interim statement of financial position presented in the condensed interim financial statements as at 31 March 2026 have been extracted from the annual audited financial statements for the year ended 30 June 2025, whereas the comparative in condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from unaudited condensed interim financial statements for the period ended 31 December 2024.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These condensed interim financial statements have been presented in Pakistani Rupee, which is the functional and presentation currency of the Company and rounded off to nearest rupee.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the method of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended 30 June 2025

3.1 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

- 6.2** Intangible asset relates to software developed for business operations having remaining useful life of 3 years (30 June 2025: 3.5 years).

	Notes	Un-Audited	Audited
		31 March 2026	30 June 2025
7. LONG-TERM SECURITY DEPOSITS AND RECEIVABLE		Rupees	Rupees
Security deposits:			
Security deposit with Central Depository Company of Pakistan Limited		25,000	25,000
Security deposit against utilities		11,300	11,300
	7.1	36,300	36,300
Receivable:			
786 Islamic Money Market Fund - Fund Under Management	7.2	550,025	550,025
		586,325	586,325

- 7.1** These long-term security deposits are non-interest bearing.

- 7.2** This represents the preliminary and floatation expenses, including expenses incurred in connection with the establishment and authorization of the 786 Islamic Money Market Fund (the Fund). The Fund has commenced operations during the previous year. In accordance with the provisions of the offering document of the Fund, these expenses will be reimbursed by the Fund over a period of five years from the date it becomes operational. Reimbursement of these expenses will commence from the last quarter of the current financial year.

- 7.2.1** The maximum aggregate amount receivable under this head at the end of any month during the year was as follows:

786 Islamic Money Market Fund - Fund Under Management	550,025	550,025
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8. TRADE RECEIVABLES

Considered good - unsecured

Balance due from fund under management:

-786 Smart Fund	8.1	8,758,092	9,774,347
-786 Islamic Money Market Fund	8.1	133,499	98,237
Balance due against advisory services:			
-Dawood Family Takaful Limited	8.2	600,000	600,000
	8.3	9,491,591	10,472,584

- 8.1** Balance due from fund under management primarily represent receivable on account of management fee, Sindh Sales Tax on management fee and allocated expenses charged to the fund under management. This also includes Federal Excise Duty receivable from the fund under management as more fully disclosed in Note 15.2 to these financial statements.

- 8.2** This represents receivable on account of investment advisory services and Sindh Sales Tax on investment advisory services.

9. INVESTMENTS

At fair value through profit or loss

Pakistan investment bond	9.1	17,605,235	19,090,145
Units of mutual funds- related party	9.2	301,092,452	251,983,351
Term finance certificates - unlisted	9.3	-	-
		318,697,687	271,073,496

- 9.1** This Government security - Pakistan investment bond having face value of Rupees 20 million (June 2025: 20 million) will mature by 19 September 2029 and carries effective interest at rate of 12.15% (June 2025: 12.15%).

9.2 Units of mutual funds- related party

31 Mar 2026	30 June 2025		Carrying value 31 March 2026	Fair value 31 March 2026	Fair value 30 June 2025
Units	Units		Rupees	Rupees	Rupees
1,776,256	1,451,985	Fund under Management 786 Smart Fund	151,161,711	160,066,098	122,060,693
1,294,047	1,294,047	Fund under Management 786 Islamic Money Market Fund	129,922,658	141,026,354	129,922,658
3,070,303	2,746,032		281,084,370	301,092,452	251,983,351

- 9.3 This represents investments in Nil (June 2025: 5,000), unsecured and subordinated Term Finance Certificates (TFCs) carrying profit equal to 6 months KIBOR plus 1.85% (June 2025: 6 months KIBOR plus 1.85%) receivable half yearly in arrears and matured in August 2025. The instrument is structured to redeem 0.14% of the issue amount during the first 7 years and the remaining 99.86% in the last two (2) equal semi-annual installments of 49.93%.

During the year ended 30 June 2022, Silk Bank Limited (the issuer) did not make its payment of principal and mark-up due on 10 February 2022, as the issuer informed investors of its status regarding the minimum capital requirement and invoked the lock-in clause under the Terms and Conditions of the Trust Deed. This did not constitute a breach of redemption obligations pursuant to the Trust Deed, as per the legal opinion obtained by the issuer. As no observable market inputs were available to determine the fair value of these TFCs, the management recorded a fair value loss of 100% on the investment during the year ended 30 June 2024, with accrual of mark-up suspended in prior years.

During the last year, due to the amalgamation of Silk Bank Limited with United Bank Limited (UBL), UBL settled all outstanding interest and principal amounts due as per the schedule. Accordingly, the Company has recognized the receipt of interest as income in these financial statements and has recorded a fair value gain to the extent of the principal amount recovered. The Company has fully received both the principal and profit amounts.

	Notes	Un-Audited 31 March 2026	Audited 30 June 2025
		Rupees	Rupees
10. LOANS AND ADVANCES			
Secured - considered good			
Advance to employees	10.1 & 10.2	1,021,500	636,750
10.1 This represents the interest free loan provided to the Company's staff on monthly installment basis. The loan will be repaid through monthly deductions from the salary and is secured against the recognized contributory provident fund.			
10.2 The maximum aggregate amount receivable at the end of any month during the year was Rupees 0.793 million (June 2025: 0.756 million).			
11. ACCRUED MARKUP			
On savings accounts		98,762	153,911
On Pakistan investment bond		71,823	565,217
		170,585	719,128
12. BANK BALANCES			
Cash at bank- savings accounts	12.1	331,392	1,485,277
12.1 The balance in savings accounts carries profit at rates ranging from 9.5% per annum (June 2025: 9.5% to 19% per annum).			

13. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

31-Mar-26	30-Jun-25			
Number of shares		Issued for cash		
10,000,000	10,000,000	Ordinary shares of Rupees 10 each fully paid in cash	100,000,000	100,000,000
4,973,750	4,973,750	Ordinary shares of Rupees 10 each fully paid as bonus shares	49,737,500	49,737,500
4,990,751	-	Rigth Shares of Rupees 10 each	49,907,510	
<u>19,964,501</u>	<u>14,973,750</u>		<u>199,645,010</u>	<u>149,737,500</u>

13.1 During the period ended March 31, 2026, the Company allotted 4,990,751 ordinary shares through a rights issue on January 22, 2026, at a par value of PKR 10 per share, amounting to PKR 49,907,510.

14. SUBORDINATED LOAN FROM DIRECTOR

The subordinated loan previously carried a mark-up at the rate of 3-month KIBOR plus 2% (June 30, 2025: 3-month KIBOR plus 2%). Repayment of the loan was subject to the discretion of the Company and required prior approval from the Securities and Exchange Commission of Pakistan (SECP). In accordance with the NBFC Rules and ATR-32 issued by the Institute of Chartered Accountants of Pakistan (ICAP), the subordinated loan had been classified as part of equity.

During the period, the Company has fully repaid the subordinated loan after obtaining the requisite approvals; accordingly, no principal amount remains outstanding as at the reporting date.

15. ACCRUED AND OTHER LIABILITIES	Notes	Un-Audited	Audited
		31 March 2026	30 June 2025
		Rupees	Rupees
Accrued expenses		2,608,645	2,645,234
Accrued mark-up on director loan	14	11,570,605	14,181,846
Payable to fund under management	15.1	-	701,689
FED payable	15.2	6,513,677	6,513,677
Workers' Welfare Fund payable		1,534,699	1,294,373
Sales tax payable		1,278,349	-
Withholding tax payable		51,052	220,003
		<u>23,557,027</u>	<u>25,556,822</u>

15.1 This represents amount received from NCCPL being refund of tax amount with respect to funds under management. This amount will be disbursed to unit holders of the fund under management.

15.2 This represents amount payable against Federal Excise Duty (FED) on management fees received/receivable from the Fund under management. The amount is being held for payment to Federal Board of Revenue on the basis of stay order of the Honorable High Court of Sindh dated 04 September 2013. The stay order was granted as a result of petition filed by asset management companies on the forum of MUFAP against the amendment in Finance Act, 2013 which levied FED on the fees received by asset management companies from funds under management.

The Honorable Sindh High Court in its decision dated 16 July 2016 maintained the previous order passed against other constitutional petition whereby levy of FED is declared to be 'Ultra Vires' the Constitution. On 23 September 2016, the Federal Government has filed an appeal against the said order in the Honorable Supreme Court of Pakistan (SCP) and thus, the previous balance of FED has not been reversed.

Further, the Federal Government vide Finance Act, 2016 has excluded asset management companies and other non-banking finance companies from charge of FED on their services. Accordingly, no provision for FED is made from 01 July 2016 onwards.

16. UNCLAIMED DIVIDEND

In compliance of section 244 of the Companies Act, 2017, the Company is in the process of opening a separate bank account for unclaimed dividend.

17. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at reporting date (30 June 2025: Nil).

		Un-Audited	Audited
		31 March 2026	31 March 2025
18. REMUNERATION FROM FUNDS UNDER MANAGEMENT - NET	Notes	Rupees	Rupees
Management fee from collective investments schemes related parties			
786 Smart Fund	18.1	19,234,721	16,035,398
786 Islamic Money Market Fund	18.2	961,198	393,513
Less: Sindh sales tax	18.3	(2,634,250)	(2,142,901)
		<u>17,561,669</u>	<u>14,286,009</u>

18.1 The management fee is charged by the Management Company on the average annual net assets of the respective funds, determined on a daily basis, in accordance with the provisions of 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). The fee is charged at the rate of 1.5% (June 2025: 1.5%) per annum for 786 Smart Fund.

18.2 In accordance with the provisions of the Trust Deed of the Fund, the Management Company is entitled to charge a remuneration fee at the rate of 1.5% per annum of the average annual net assets of the Fund, calculated on a daily basis.

However, the Management Company, as a gesture of support to the Fund and its unit holders, has voluntarily reduced its remuneration rate and is currently charging 0.3% per annum on the average annual net assets of the Fund, calculated on a daily basis.

18.3 This pertains to Sindh Sales Tax levied by Provincial Government of Sindh at the rate of 15% (June 2025: 15%) through the Sindh Sales Tax on Services Act, 2011.

19. ADVISORY FEE - NET

This represents the advisory fee from the Dawood Family Takaful Fund, a related party, as agreed under an agreement dated 30 November 2018.

20. FINANCIAL CHARGES

Mark-up on director loan	14	888,759	1,633,243
Bank charges		48,654	17,196
		<u>937,413</u>	<u>1,650,439</u>

20.1 This director loan carries interest at the rate of 3 month Kibor +2% (31 December 2024: 3 month Kibor +2%).

21. LEVY

Minimum tax		826,079	-
Final tax	21.1	-	-
		<u>826,079</u>	<u>-</u>

22. TAXATION

Current tax		641,905	1,467,813
Prior year tax		-	-
Deferred tax		-	-
		<u>641,905</u>	<u>1,467,813</u>

	Notes	Un-Audited	Audited
		31 March 2026	30 June 2025
23. EARNINGS PER SHARE - BASIC AND DILUTED		Rupees	Rupees
Profit for the period (Rupees)		<u>12,014,107</u>	<u>9,555,474</u>
Weighted average number of ordinary shares at year end (Number)		<u>19,964,501</u>	<u>14,973,750</u>
Earnings per share - basic and diluted (Rupees)		<u>0.60</u>	<u>0.64</u>

23.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at 31 March 2026. (30 June 2025 : Nil) which would have any effect on the earnings per share if the option to convert is exercised.

24. 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 other than those disclosed elsewhere in these financial statements during the period are as follows:

	NINE-MONTHS PERIOD ENDED		THREE-MONTHS PERIOD ENDED	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
	Rupees	Rupees	Rupees	Rupees
24.1 Transactions during the period				
Subordinated loan form director				
Interest expense charged for subordinated loan	888,759	1,633,243	98,906	419,185
786 Smart Fund - Fund under Management				
Remuneration from fund under management - net	16,600,471	13,943,824	5,532,672	4,801,443
Accounting and operational charges	-	929,588	-	320,047
Investment of 489,608 (2024: 11,436) units	43,000,000	1,000,000	33,000,000	-
Redemption of 165,337 (2024: 1,461,285) units	14,500,000	129,200,000	2,500,000	3,200,000
786 Islamic Money Market Fund - Fund under Management				
Remuneration from fund under management - net	961,198	342,185	334,620	53,865
Accounting and operational charges	-	46,678	-	27,457
Investment of Nil (2025: 1,000,000) units	-	100,000,000	-	-
Other Related Parties				
First Dawood Investment Bank Limited & Others Employees' Provident Fund				
Provident fund contribution	811,770	742,998	271,216	250,010
B.R.R. Guardian Limited				
Rent paid	1,454,700	-	-	-
Key Management Personnel				
Rumuneration and director fee	8,791,714	7,150,400	4,331,814	2,477,598
Dawood Family Takaful Limited				
Insurance expense during the period	74,367	66,917	24,789	24,879
Advisory fee - net	577,778	833,334	300,000	277,778
			31 March 2026	31 March 2025
24.2 Balance outstanding with related parties			Rupees	Rupees
Receivable balances				
Receivable against management fees			8,891,591	9,652,436
Dawood Family Takaful Limited				
Advisory fee receivable			600,000	600,000
B.R.R. Guardian Limited				
Prepaid rent			484,900	-
Key Management Personnel				
Chief Executive Officer				
Subordinated loan:				
Principal			-	12,000,000
Principal - Repaid			12,000,000	
Accrued Mark-up			11,570,605	13,766,462

24.3 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place:

Name of related party	Basis of relationship	Percentage of shareholding (%)
786 Smart Fund	Fund under Management	11%
786 Islamic Money Market Fund	Fund under Management	31%
B.R.R. Guardian Limited	Shareholding	12.93%
Dawood Family Takaful Limited	Common directorship	N/A

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

25. FINANCIAL RISK MANAGEMENT

There have been no significant changes in the risk management policies since the year end.

These condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended 30 June 2025.

26. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorised for issue on **09-Apr-2026** by the Board of Directors of the Company.

27. GENERAL

27.1 In compliance of the NBFC Rules read with SRO 1002(1)/2015 dated October 15, 2015 of SECP, the management would like to report that the Company has sufficient insurance coverage from an insurance company, rated AA++ by the Pakistan Credit Rating Agency limited (PACRA), against financial losses that may be caused as a result of gross negligence of its employees.

27.2 Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



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