



**INVESTMENTS**

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**786 INVESTMENTS LIMITED**

**ANNUAL REPORT  
2023**



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## CORPORATE INFORMATION

<b>Management Company</b>	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	
<b>Board of Directors</b>	Mr. Ahmed Salman Munir Miss Tara Uzra Dawood Syed Shabahat Hussain Mr. Naveed Ahmed Syed Musharaf Ali Mr. Iqbal Shafiq Mr. Ahmer Zia Sarwar	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. Naveed Ahmed Syed Musharaf Ali	Chairman Member Member
<b>Human Resource Committee</b>	Mr. Ahmed Salman Munir Miss Tara Uzra Dawood Mr. Naveed Ahmed	Chairperson Member Member
<b>Auditors</b>	JASB & Associates Chartered Accountants	
<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	



## *Mission Statement*

*To offer our unit holders the best possible return by expertly diversifying the Fund's investment portfolio into minimal risk and high yielding instruments and at all time to be a good corporate citizen.*



## NOTICE OF ANNUAL GENERAL MEETING (AGM XXXII)

**September 28, 2023**

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

### **Subject: Notice of Annual General Meeting**

Dear Sir,

In accordance with Clause 5.6.9 (b) of the Rule Book of Pakistan Stock Exchange Limited, please find enclosed a copy of the Notice of Annual General Meeting of 786 Investments Limited to be held on October 21, 2023, at 08:00 am, prior to its publication in the newspaper for circulation amongst the Certificate Holders of the Exchange.

Yours sincerely  
for 786 Investments Limited

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**Noman Shakir**  
Company Secretary

Notice is hereby given that the 32nd Annual General Meeting of the shareholders of the Company will be held on Saturday, October 21, 2023, at 08:00, a.m at Registered Office: G3, BRR tower, Hassan Ali Street, Off I.I. Chundrigar Road, Karachi to transact the following business:

### **Ordinary Business**

- 1- To confirm the Minutes of the 31st Annual General Meeting.
- 2- To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2023 together with Directors and Auditors Reports thereon.
- 3- To appoint the Auditors and fix their remuneration for the financial year ending June 30, 2024.

### **Special Business:**

- 4- To approve the circulation of Annual Report (including the Audited Financial Statements, Auditor's Report, Directors' Report, Chairman's Review Report) to the Members of the Company through QR enabled code and web link in accordance with Section 223(6) of the Companies Act, 2017 read with S.R.O. 389(1)/2023 dated March 21, 2023.
5. Any other Business with the permission of the Chair.

Statement under Section 134(3) of the Companies Act 2017 is annexed to the notice being sent to the members.

By Order of the Board

September 27, 2023  
Karachi

**Noman Shakir**  
Company Secretary

**Notes:**

**1- Book Closure**

The share transfer books of 786 Investments Ltd. will remain closed from October 14, 2023, to October 21, 2023 (both days inclusive). The transfers received in order by our share registrar, FD Registrar Services (Pvt) Ltd situated on the 17th floor, Saima Trade Tower A, I.I. Chundrigar Road, Karachi by the close of business on October 13, 2023, will be considered in time to attend and vote at the meeting.

**2- Appointment of Proxy**

- a) A member entitled to attend the meeting may appoint any other member as his/her proxy to attend the meeting through video-link. A proxy form is enclosed.
- b) A member entitled to attend and vote at Annual General Meeting shall be entitled to appoint another member, as a proxy to attend and vote on his/her behalf. The proxies in order to be effective must be
- c) received to FD Registrar Services (Pvt) Ltd situated on the 17th floor, Saima Trade Tower A, I.I. Chundrigar Road, Karachi not less than forty-eight (48) hours before the meeting.
- d) Members are requested to notify changes immediately, if any, in their registered addresses to FD Registrar.

**3- For Appointment of Proxy**

The shareholders will further have to follow the under mentioned guidelines:

- a) In case of individuals having physical shareholding or the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form accordingly.
- b) The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
- c) Notarized copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- d) In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

**4- Submission of copy of CNIC/NTN (Mandatory):**

Individual members who have not yet submitted photocopy of their valid CNIC to the Company/Share Registrar, are once again requested to send their CNIC (copy) at the earliest directly to FD Registrar Corporate Entities are requested to provide their National Tax Number (NTN). Please also give Folio Number with the copy of CNIC/NTN details.

**5- Availability of Annual Audited Financial Statements on the Company's website:**

In terms of Securities and Exchange Commission of Pakistan's (SECP) S.R.O. 634 (1)/ 2014, the Annual Report for the year ended 30 June 2023 will also be placed on 786 Investments Ltd. website \ [www.786investments.com](http://www.786investments.com) and is readily accessible to the shareholders.



**6- Deposit of Physical Certificates in CDC Account**

As per Section 72 of the Companies Acts, 2017, every AMC shall be required to replace its physical certificate with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act.

The AMC having physical shareholders are encouraged to open the CDC sub-account with any of the brokers or investor Account directly with CDC to place their physical certificate into scrip less form.

**7- Un Claimed dividend**

Shareholders who could not collect their bonus shares are advised to contact our share Registrar to collect / enquire about their unclaimed bonus shares, if any. In compliance with section 244 of the Companies Act 2017, after having the stipulated procedure, all such bonus shares outstanding for a period of three years or more from the date due shall be delivered to the SECP.

**STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017**

This statement set out material facts pertaining to Special Business Agenda Item No, 4 on the notice to be transacted at the 32nd Annual General Meeting.

**"RESOLVED THAT** The Securities & Exchange Commission of Pakistan (SECP) through its Notification No. S.R.O. 389(1)/2023 dated March 21, 2023 has allowed the Companies to circulate the Audited Financial Statements to its Members/Shareholders through Quick Response (QR) enabled code and weblink instead through CD/DVD/USB. Considering the optimum use of advancement of technology and Members approval is sought for the circulation of Annual Report (including the Audited Financial Statements, Auditor's Report, Directors' Report, Chairman's Review Report) to the Members of the Company through QR enabled code and weblink in accordance with Section 223(6) of the Companies \ Act, 2017 read with S.R.O. 389(1)/2023 dated March 21, 2023.



## FINANCIAL HIGHLIGHTS

	2023	2022	2021	2020	2019	2018
<b>Rupees In Million</b>						
Authorized Capital	200.0000	200.0000	200.0000	200.0000	200.0000	200.0000
Paid-Up Capital	149.7375	149.7375	149.7375	149.7375	149.7375	149.7375
Shareholders' Equity	241.0174	230.9224	230.1301	210.3695	200.9402	245.4472
Total Assets	260.5485	251.8710	248.8764	229.6785	219.6682	264.0662
Short-Term Investment in Securities	241.4905	226.5300	215.2467	192.0067	10.0710	8.6252
Income From Investments	32.8254	2.0061	4.6185	7.6435	(1.3490)	0.0427
Management Fee	13.2533	13.1830	8.8368	9.5667	12.0170	11.5011
Advisory Fee	1.1111	1.1111	1.1111	1.1111	-	-
Dividend Income	0.4416	17.5517	9.5510	10.0074	10.9284	4.3759
Other Income	0.7176	1.1484	3.7407	2.8357	3.7430	0.5568
Impairment Loss on Investment	-	-	-	-	-	(0.1542)
Profit/(Loss) Before Taxation	13.5561	3.8205	5.1396	5.4481	(39.9570)	(24.8392)
Taxation	3.4610	3.0283	1.8708	1.5122	3.2500	1.5769
Profit/(Loss) After Taxation	10.0951	0.7923	3.2688	3.9359	(43.2070)	(26.4162)
Book Value Per Share	16.0960	15.4218	15.3689	14.0492	13.4195	16.3918
Earnings Per Share	0.67	0.05	0.22	0.26	(2.89)	(1.76)





## **CHAIRMAN'S REPORT**

During the year, the Directors at 786 Investments Limited exhibited remarkable professionalism, demonstrable expertise, and unwavering determination in their efforts to bolster the company's turnaround. I extend my heartfelt appreciation to the dedicated Board Members for their contributions.

Our company is in the process of reassessing its strategy, conducting a comprehensive analysis of the economic landscape, and evaluating available resources. This strategic review includes substantial modifications to both financial and operational facets, a necessity stemming from the financial challenges faced last year.

Furthermore, our company has strategically outlined plans to introduce a new fund, augmenting its size, and has devised a cost-cutting strategy to drive effective transformation. Our primary objective for the year ahead is the expansion of Assets under Management (AUM), a goal we have successfully pursued, leveraging available resources to turn the tide in favor of profitability.

On behalf of the Company, I extend profound gratitude to the Securities and Exchange Commission of Pakistan and the esteemed management of the Pakistan Stock Exchange Limited for their unwavering support and cooperation. Our heartfelt appreciation extends to all stakeholders whose invaluable contributions have played a pivotal role in our ongoing success.

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**Ahmed Salman Munir**  
**Chairperson**

**September 27, 2023**  
**Karachi**



## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of 786 Investments Limited. ("786" or the "Company") is pleased to present the annual report and the audited financial statements of the Company for the year ended June 30, 2023.

### **Principle Business:**

786 Investments Ltd is a public listed company incorporated in Pakistan. The Company is registered as NBFC under the NBFC Rules, 2003. The Company has obtained the license to carry out Asset Management Services and in process of obtaining the license of Investment Advisory Services and under the NBFC Rules, 2003, and NBFC Regulation, 2008.

### **Company Performance Review:**

	<b>June 30, 2023</b>	June 30, 2022
	..... Rupees.....	
Management Fees	<b>13,253,285</b>	13,182,987
Advisory fee	<b>1,111,112</b>	1,111,112
Other Operating Income	<b>717,646</b>	1,148,388
Net unrealized loss on revaluation of investments	<b>(850,290)</b>	(1,387,466)
Administration and Operating Expenses	<b>29,350,496</b>	(24,990,211)
Financial Charges	<b>4,319,917</b>	(2,556,393)
Total Expenses	<b>33,670,413</b>	(27,546,604)
Dividend Income	<b>441,578</b>	17,551,749
Net realized gain on sale of investment	<b>30,830,888</b>	-
(Loss)/Profit Before Taxation	<b>13,556,085</b>	3,820,541
(Loss)/Profit After Taxation	<b>10,095,070</b>	792,288
Earnings per share	<b>0.67</b>	0.05

The Company recorded a Profit above PKR 10 million during the period ended June 30, 2023, as compared to a profit of PKR 0.792 million FY22. The Company Income which comprised of Management Fees increased by PKR 0.070 million representing a 0.5% increase in Management Fees. The administrative and operating expenses increased by PKR 4.36 million representing a 17.45% increase in administrative and operating expenses. Other income also contributed to sustain the profits. Further Dividend Income and Net realized gain on sale of investments from the fund was PKR 31.272 million as compared to the Dividend Income of PKR 17.55 million FY22.

The earnings per share (EPS) of the Company for the period ended June 30, 2023, was PKR 0.67 as compared to PKR 0.05 per share as of June 30, 2022.

The Board of Directors of the Company has a responsibility to ensure that the internal financial control system of the company is adequate and is operating effectively.

The Company focused is to grow Assets Under Management (AUMs). The Company is maintaining one fund which categorized into Islamic Income Fund called 786 Smart Fund. The AUMN of the Fund have shown significant growth over the past year. As of June 2023, the AUM were PKR 721 million as compare to the PKR 589 million for the last year. This indicates a growth of PKR 132 million over the year.



### **Future Plans:**

In light of financial pressures faced last year, the company is revisiting its strategy and analyzing both the economic situation and available resources. Plans are in motion to significantly modify the company's financial and operational aspects.

To facilitate this, the company aims to introduce a new fund to expand its fund size while concurrently developing a strategy to trim costs effectively. The primary objective for the upcoming year revolves around growing the Assets under Management (AUMs).

### **Economic Review:**

The global economy faces challenges from weak growth, high inflation, and uncertainties linked to COVID-19, Ukraine conflict, climate change, and economic shifts. Despite this, 2023's global slowdown is expected to be milder due to improved spending in the US, EU, China's recovery, and steady Indian forecast. Global growth is projected to slow from 3.1% in 2022 to 2.3% in 2023, with a slight improvement to 2.5% in 2024. However, structural issues, pandemic scars, low investment, and debt vulnerabilities pose risks for prolonged subpar growth, impacting poverty reduction and sustainable development. Upward revisions in major economies and China drive the slightly better 2023 growth outlook.

In FY 2023, Pakistan's economy struggled due to floods, inflation, a current account deficit, and a foreign exchange crisis, nearly stagnating growth. The Asian Development Outlook expects Pakistan's GDP to slow from 6% to 0.6% in FY 2023 but rebound to 2% in FY 2024 with stability, reforms, recovery.

IMF agreed to a USD 3 billion bailout, averting default. However, securing this required budget adjustments, potentially dampening domestic demand and raising social tensions. Inflation dipped from 38.0% to 29.4% in June, expected to ease but remain above the 10-year average of 8.0%. Noteworthy risks include El Niño, currency fluctuations, and volatile commodities.

Pakistan's GDP growth for FY 2023 projected at 0.29%, far from 5% target. High inflation, economic slowdown, floods, and IMF funding challenges. Asian Development Outlook projects Pakistan's GDP at 0.6% in FY 2023, rising to 2% in FY 2024 with stability, reforms, recovery.

FY2023 industrial growth expected to decelerate due to fiscal tightening, currency depreciation, higher energy prices.

Average inflation projected to more than double from 12.2% in FY2022 to 27.5% in FY2023, sustained by energy prices, currency weakness, supply disruptions.

### **Money Market Review:**

The central bank of Pakistan has decided to keep its interest rate unchanged at in July, following a 100 bps hike in June, as economic uncertainty decreased, and investor confidence improved. Recent months have shown a significant moderation in inflation, but the committee is determined to bring it further down towards the medium-term target range of 5-7% by the end of the fiscal year 2025. The decision comes following the seal of a nine-month Stand-By Arrangement (SBA) with the IMF to address external sector stability concerns. Still, additional tax measures, increased electricity tariffs, and slightly higher global commodity prices pose underlying inflationary risks. Thus, further actions of the regulator will depend on the macroeconomic environment.



## **Stock Market Review:**

The performance of PSX was impacted by political uncertainty, deteriorating current account deficit and currency devaluation. The top sectors where market capitalization increased were Technology & Communication, Sugar & Allied Industries, Investment Companies, Real Estate Investment Trust (REIT) and Transport. The total number of listed companies was 531 in the year 2022 and decreased to 524 in the year 2023. The total listed capital in billions of Rs. was 1,552,728 in the year 2022 and increased to 1,627,167 in the year 2023. The total market capitalization in Millions of Rs. was 6,500,828 in the year 2022 and slightly decreased to 6,369,473 in the year 2023. The KSE-100™ Index was 42,420 in the year 2022 and decreased to 41,453 in the year 2023. There were 2 new companies listed during the year 2022, while there were no new companies listed in the year 2023. The listed capital of new companies in millions of Rs. was 2,644 in the year 2022 and increased to 2,697 in the year 2023. No new debt instruments were listed during the year 2022, but 6 new debt instruments were listed in the year 2023. The listed capital of new debt instruments in Rs. millions the year 2022 nil, but it was 31,200 in the year 2023.

## **Asset Management Industry Overview**

Mutual Funds (open-end funds) have Assets Under Management (AUMs) of PKR billion 1,571 as of June 30, 2023, as compared to PKR 1,056 billion as of June 30, 2022. Increased by 48.76%.

The company's primary focus remains on growing its Assets Under Management (AUMs). This indicates a continued dedication to attracting and managing investments.

AUMs of 786 Smart Fund have shown substantial growth over the past year. As of June 2022, AUMs were PKR 589 million, and by June 2023, they increased to PKR 721 million. This represents an increase of PKR 132 million. The fund's return for the year ending June 2023 is reported as 18.84%. In comparison, the fund had a return of 10.81% for the same period in the previous year. The increase in the fund's return is a positive sign and likely contributed to the growth in AUMs.

To continue growing AUMs and investor trust, we should maintain a transparent communication strategy with investors, explaining the factors influencing income distribution and fund performance. Additionally, consider reviewing the fund's investment strategy to ensure it aligns with investor expectations and market conditions. Overall, the increase in AUMs and improved fund returns are positive indicators for your company's growth and performance.

## **Corporate Social Responsibility and Impact on Environment**

In the year 2023, 786 Investments Ltd has given time and expertise to Dawood Global Foundation to distribute 2,500 wheelchairs as part of our commitment to Corporate Social Responsibility (CSR). Our goal was clear: to empower individuals with disabilities and make Pakistan accessible to all.

Throughout the year, our dedicated team worked tirelessly on the ground, providing essential relief to those affected by poverty and handicap-ability in Ghotki, Badin, Khairpur, Hyderabad, Jamshoro, Sanghar, and T. Ailahyar in Sindh. We actively participated in the LADIESFUND #LFWHEEL initiative, extending our support to make a meaningful impact on the lives of those in need.

Our CSR dedication extends far beyond this year; it represents our long-term commitment to creating a more inclusive, accessible, and environmentally responsible future for Pakistan. We express our heartfelt gratitude to our dedicated team and partners whose unwavering support has helped us achieve these milestones. We eagerly anticipate continuing our journey toward a better, more inclusive Pakistan that benefits everyone. Our team members also volunteered for 1) educating girls vocationally, 2) distributing food rations 3) LADIESFUND awards. Our approach and commitment are to you, our clients, our shareholders, our employees, and the community.

## Principle Risk & Uncertainties

The company currently manages the "786 Smart Fund," an Islamic Income Fund primarily invested in Sukuk. Sukuk investments offer attractive returns due to the rise in KIBOR by the Monetary Policy Committee (MPC). In the near future, we are evaluating the allocation of an A+ rated Sukuk, aiming to yield substantial returns.

The Company's risk management policies and procedures ensure that risks are effectively identified, evaluated, monitored, and managed. Risk management is a dynamic function and management must continuously monitor its internal risk procedures and practices to reduce earnings variability.

## Board Evaluation

Listed Companies (Code of Corporate Governance) Regulation, 2019 require evaluation of the Board of Directors as a whole and its committees. In this regard, a comprehensive range of self- evaluation survey were conducted in the Company with respect to the performance of its Board of Directors and Board Committee. Feedback from all the Board members was solicited on areas of strategic clarity & beliefs, direction of business plan and functional adequacy of its role.

## Corporate Governance and Financial Reporting Framework

The Directors are pleased to state as follows:

- The financial statements, prepared by the company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
- Proper books of account have been maintained by the company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored with ongoing efforts to improve it further.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance except as disclosed in the statement of compliance annexed with these financial statements.
- There has been no trading during the year in the units of the Fund carried out by the Directors, Chief Executive Officer, Company Secretary and their spouses and their minor children except as disclosed in the relevant notes to the financial statement.
- There is no statutory payment on account of taxes, duties, levies and charges outstanding.

The Company has complied with the requirement of the Regulation and LISTED COMPANIES (CODE OF CORPORATE GOVERNANANCE) REGULATIONS, 2019 in the following manner.

The total number of directors are seven (7) as per the following:

- a) Male: 6
- b) Female: 1

The Composition of board is as follows:

Category	Names	Designation
Independent Directors	Mr. Ahmed Salman Munir	Chairperson
	Syed Shabahaat Hussain	Director
	Mr. Ahmer Zia Sarwar	Director
Executive Director	Ms. Tara Uzra Dawood	Chief Executive Officer
Non-Executive Directors	Syed Musharaf Ali	Director
	Mr. Naveed Ahmed	Director
	Mr. Iqbal Shafiq	Director
Female Directors	Ms. Tara Uzra Dawood	Chief Executive Officer

### Board of Directors Meetings

During the year, four meetings were held. The attendance of each Director is as follows:

Names	No of Meetings held	No of Meetings attended	Leave granted
Ms. Tara Uzra Dawood	4	4	-
Mr. Iqbal Shafiq	4	4	-
Syed Musharaf Ali	4	4	-
Syed Shabahaat Hussain	4	4	-
Mr. Ahmed Salman Munir	4	4	-
Mr. Naveed Ahmed	4	4	-
Mr. Ahmer Zia Sarwar	4	4	-

### Audit Committee Meeting

During the year, four meetings were held. The attendance of each member is as follows:



<b>Names</b>	<b>No of Meetings held</b>	<b>No of Meetings attended</b>	<b>Leave granted</b>
Syed Shabhat Hussain	4	4	-
Syed Musharaf Ali	4	4	-
Mr. Naveed Ahmed	4	4	-

\*\*Leave of absence was granted.

### **Directors Remuneration**

The remuneration of the Non-Executive Directors, Independent Directors and Chief Executive Officer for attending Board and its Committees meetings is determined by the Company in the General Meeting. The remuneration of the Directors is determined on the basis of prevailing industry trends and business practices. The details of remuneration paid to the Chief Executive Officer and Directors are available in note 29 to the financial statements.

### **Auditors' Appointment**

The "Auditors M/s JASB & Associates Chartered Accountants Chartered accountant in Karachi have consented to act as auditor of the Company. The Board Audit Committee have recommended their re-appointment as for the year ending June 30, 2024 for 786 Investments Ltd and the Board have endorsed the communication".

### **Auditors' Report**

The Auditors have given their unmodified opinion on the financial statements of the Company for the year ended June 30, 2023.

### **Statement of Ethics and Business Practices**

The Board of Directors of Company has adopted a Statement of Ethics and Business Practices. All employees are informed of this statement and are required to observe these rules of conduct in relation to business and regulations.

### **Dividend**

Based on the above, the Board of Directors of the Company has decided not to distribute any dividend to the shareholders for the year.

### **Credit Rating**

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of "AM3", to the Company.

### **Trading in shares of the Company**

During the year 2023, no transactions in shares were carried out by the Directors, Chief Financial Officer & Company Secretary, and their spouses of minor children. Except for the Chief Executive Officer, who purchased 536,827 Shares of the company during the year on July 2022 to June 2023.

Name of person	Date	Nature of Transaction	No. of Shares	Rate	Form of Share Certificate	Market
Ms. Tara Uzra Dawood	08/06/2023	BUY	35000	5.48	CDC	Through CDC
Ms. Tara Uzra Dawood	09/06/2023	BUY	46100	5.17	CDC	Through CDC
Ms. Tara Uzra Dawood	03/02/2023	BUY	109500	4.6115	CDC	Through CDC
Ms. Tara Uzra Dawood	01/02/2023	Inheritance - In	44727	4.97	CDC	Through CDC
Ms. Tara Uzra Dawood	30/01/2023	BUY	10000	4.5	CDC	Through CDC
Ms. Tara Uzra Dawood	30/01/2023	BUY	1000	4.9	CDC	Through CDC
Ms. Tara Uzra Dawood	30/01/2023	BUY	15000	4.6	CDC	Through CDC
Ms. Tara Uzra Dawood	31/01/2023	BUY	2500	5	CDC	Through CDC
Ms. Tara Uzra Dawood	31/01/2023	BUY	120000	4.9	CDC	Through CDC
Ms. Tara Uzra Dawood	31/01/2023	BUY	3500	4.99	CDC	Through CDC
Ms. Tara Uzra Dawood	31/01/2023	BUY	1500	4.98	CDC	Through CDC
Ms. Tara Uzra Dawood	31/01/2023	BUY	2000	4.97	CDC	Through CDC
Ms. Tara Uzra Dawood	30/12/2022	BUY	146000	4.6657	CDC	Through CDC





### **Transaction with Connected Persons/Related Parties**

Transactions between the Fund and its connected persons as disclosed in notes to the financial statements are carried out on an arm's length basis.

### **Pattern of Share Holding as on June 30, 2023**

The pattern of shareholding holding as on June 30, 2023 is annexed to these financial statements.

### **Key Financial Highlights**

Key financial highlights are summarized and annexed to these financial statements.

### **Staff Retirement Benefits**

786 operates a provident fund scheme for all permanent employees' details are included in these financial statements.

### **Events after the Balance Sheet Date**

There was no subsequent event after the Balance sheet date.

### **Acknowledgement**

The Board of Directors of the Management Company is thankful to the Securities and Exchange Commission of Pakistan and the management of the Pakistan Stock Exchange Limited for their continued support and cooperation. The Directors also appreciate the efforts put in by the employees of the Company for their commitment and dedication and shareholders for their confidence in the Company.

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**Director**

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**Ahmed Salman Munir**  
**Chairperson**

**September 27, 2023**  
**Karachi.**

منسلک افراد مختلفہ پارٹیوں کے ساتھ لین وین فنڈ اور اس سے متعلقہ افراد کے درمیان لین وین جیسا کہ مالی گوشواروں میں انکشاف کیا گیا، قابل رسائی بنیاد پر کیا جاتا ہے۔

**30 جون 2023 کو پونٹ ہولڈنگ کا نمونہ**

30 جون 2023 کو پونٹ ہولڈنگ کا نمونہ ان مالی گوشواروں سے منسلک کر دیا گیا ہے۔

**اہم مالیاتی جھلکیاں**

کلیدی مالیاتی جھلکیوں کا خلاصہ ان مالیاتی گوشواروں کے ساتھ منسلک کر دیا گیا ہے۔

**اسٹاف کو ریٹائرمنٹ کے فوائد**

786 تمام مستقل ملازمین کے لئے ایک پرائیویٹ فنڈ اسکیم چلا رہی ہے جس کی تفصیلات ان مالیاتی گوشواروں میں شامل ہے۔

**بعد از بیلنس شیٹ واقعات**

بیلنس شیٹ کی تاریخ کے بعد کوئی واقعہ نہیں ہوا۔

**اظہار تشکر**

مینیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز قابل قدر معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ کے شکر گزار ہیں۔ ڈائریکٹرز عزم، لگن اور محنت پر کمپنی کے ملازمین اور انتظامیہ کا اور کمپنی میں اعتماد پر شکر ہولڈرز کا بھی شکر یہ ادا کرتے ہیں۔

احمد سلمان میز

چیئر پرسن

ڈائریکٹر

27 ستمبر 2023ء

کراچی

\*\* غیر حاضری کی چھٹی دی گئی۔

### ڈائریکٹرز کا مشاہرہ

بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لئے نان ایگزیکٹو ڈائریکٹرز، آزاد ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کے مشاہرہ کا تعین کمپنی اجلاس عام میں کرتی ہے۔ ڈائریکٹرز کا مشاہرہ موجودہ انڈسٹری رجحانات اور کاروباری پریکٹس کی بنیاد پر معین کیا جاتا ہے۔ چیف ایگزیکٹو آفیسر اور ڈائریکٹرز کو ادائے جانے والے مشاہرہ کی تفصیلات مالی حسابات کے نوٹ 29 میں دستیاب ہیں۔

### حاسب کا تقرر

"آڈیٹرز میسر جے اے ایس بی چارٹرڈ اکاؤنٹنٹس نے 786 انوسٹمنٹ لمیٹڈ کے آڈیٹر کے طور پر کام کرنے پر رضامندی ظاہر کی ہے۔ بورڈ آڈٹ کمیٹی نے 30 جون 2024 کو ختم ہونے والے سال کے لیے 786 انوسٹمنٹ لمیٹڈ کے لیے ان کی تقرری کی سفارش اور بورڈ نے اس کی توثیق کی ہے۔"

### آڈیٹرز کی رپورٹ

آڈیٹرز نے 30 جون 2023 کو ختم ہونے والے سال کے لئے کمپنی کے مالی گوشواروں پر اپنی غیر نظر ثانی شدہ رائے دی ہے۔

### اخلاقیات اور کاروباری طریقوں کا بیان

کمپنی کے بورڈ آف ڈائریکٹرز نے اخلاقیات اور کاروباری طریقوں پر عمل کیا ہے۔ تمام ملازمین کو اس بیان بارے میں مطلع کیا گیا ہے اور کاروباری قواعد و ضوابط کے سلسلے میں ان اصولوں پر عمل کرنا ضروری قرار دیا گیا ہے۔

### ڈیویڈنڈ

مذکورہ بالا کی بنیاد پر، کمپنی کے بورڈ آف ڈائریکٹرز نے سال کے لئے شیئرز ہولڈرز کو کوئی ڈیویڈنڈ آمدنی تقسیم نہ کرنے کا فیصلہ کیا ہے۔

### کریڈٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے کمپنی کو "AM3" کی ایسٹ نیچر ریٹنگ تفویض کی ہے۔

### کمپنی کے حصص میں تجارت

سال 2022-23 کے دوران ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانس آفیسر اور کمپنی سیکرٹری، ان کے زوج اور نابالغ بچوں کی طرف سے حصص کی کوئی تجارت نہیں کی گئی ہے۔ مساوائے چیف ایگزیکٹو آفیسر، جنہوں نے جولائی 2022 سے جولائی 2023 کو سال کے دوران کمپنی کے 536,827 شیئرز خریدے ہیں۔

شیر حقیقت کی شکل	مارکیٹ	ریٹ	شیرز کی تعداد	لین دین کی نوعیت	تاریخ	تخص کا نام
CDC کے ذریعے	CDC	5.48	35000	خریدے	08/06/2023	تختہ متا راعز اواؤد
CDC کے ذریعے	CDC	5.17	46100	خریدے	09/06/2023	تختہ متا راعز اواؤد
CDC کے ذریعے	CDC	4.6115	109500	خریدے	03/02/2023	تختہ متا راعز اواؤد
CDC کے ذریعے	CDC	4.97	44727	وراخت میں	01/02/2023	تختہ متا راعز اواؤد
CDC کے ذریعے	CDC	4.5	10000	خریدے	30/01/2023	تختہ متا راعز اواؤد
CDC کے ذریعے	CDC	4.9	1000	خریدے	30/01/2023	تختہ متا راعز اواؤد
CDC کے ذریعے	CDC	4.6	15000	خریدے	30/01/2023	تختہ متا راعز اواؤد
CDC کے ذریعے	CDC	5	2500	خریدے	31/01/2023	تختہ متا راعز اواؤد
CDC کے ذریعے	CDC	4.9	120000	خریدے	31/01/2023	تختہ متا راعز اواؤد
CDC کے ذریعے	CDC	4.99	3500	خریدے	31/01/2023	تختہ متا راعز اواؤد
CDC کے ذریعے	CDC	4.98	1500	خریدے	31/01/2023	تختہ متا راعز اواؤد
CDC کے ذریعے	CDC	4.97	2000	خریدے	31/01/2023	تختہ متا راعز اواؤد
CDC کے ذریعے	CDC	4.6657	146000	خریدے	30/12/2022	تختہ متا راعز اواؤد

بورڈ کی ترتیب درج ذیل ہے:

کلیگری	نام	عہدہ
آزاد ڈائریکٹر	جناب احمد سلمان منیر	چیئر پرسن
	سید شہادت حسین	ڈائریکٹر
	جناب احمد ضیاء سرور	ڈائریکٹر
ایگزیکٹو ڈائریکٹر	محترمہ تارا اعجاز اداؤد	چیف ایگزیکٹو آفیسر
نان ایگزیکٹو ڈائریکٹر	سید شرف علی	ڈائریکٹر
	جناب نوید احمد	ڈائریکٹر
	جناب اقبال شفیق	ڈائریکٹر
خاتون ڈائریکٹر	محترمہ تارا اعجاز اداؤد	چیف ایگزیکٹو آفیسر

بورڈ آف ڈائریکٹرز کے اجلاس

سال کے دوران، چار اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے:

نام	منعقدہ اجلاس کی تعداد	اجلاسوں میں شرکت کی تعداد	تغییل
محترمہ تارا اعجاز اداؤد	4	4	-
جناب اقبال شفیق	4	4	-
سید شرف علی	4	4	-
سید شہادت حسین	4	4	-
جناب احمد سلمان منیر	4	4	-
جناب نوید احمد	4	4	-
جناب احمد ضیاء سرور	4	4	-

آؤٹ کسٹی کا اجلاس

سال کے دوران، چار اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے:

نام	منعقدہ اجلاسوں کی تعداد	تعداد حاضری اجلاس	تغییل
سید شہادت حسین	4	4	-
سید شرف علی	4	4	-
جناب نوید احمد	4	4	-

## اصولی خطرہ اور غیر یقینی صورتحال

کمپنی فی الحال "786 سارٹ فنڈ"، ایک اسلامی انکم فنڈ کا انتظام کرتی ہے جو بنیادی طور پر سٹاک میں سرمایہ کاری کرتا ہے۔ مائٹری پالیسی کمیٹی (MPC) کی طرف سے KIBOR میں اضافے کی وجہ سے سٹاک کی سرمایہ کاری پر کمیشن منافع کی پیش کش کرتی ہے۔ مستقبل قریب میں، ہم ایک A+ ریٹینڈ سٹاک کی ایلوکیشن کا جائزہ لے رہے ہیں، جس کا مقصد خاطر خواہ منافع حاصل کرنا ہے۔

کمپنی کی رسک مینجمنٹ پالیسیاں اور طریقہ کار اس بات کو یقینی بناتے ہیں کہ خطرات کی موثر طریقے سے شناخت، تخصیص، بھرائی اور انتظام کیا جائے۔ رسک مینجمنٹ ایک متحرک فنکشن اور انتظامیہ کو کمائی کے تغیر کو کم کرنے کے لیے اپنے اندرونی خطرہ کے طریقہ کار اور پریکٹسز کی مسلسل نگرانی کرنی چاہیے۔

## بورڈ کی تفصیلات

لسٹڈ کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشن، 2019 کے تحت تمام بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی تفصیلات ضروری ہوتی ہے۔ اس سلسلے میں، کمپنی کے بورڈ آف ڈائریکٹرز اور بورڈ کمیٹی کی کارکردگی کا جائزہ لینے کے لئے کمپنی میں اوبیلویشن سروے کی ایک وسیع رینج منعقد کی گئی تھی۔ بورڈ کے تمام ارکان کے تاثرات اسٹریٹجک وضاحت اور عقائد، کاروباری منصوبہ کی سمت اور اس کے کردار کی فعال کفایت کے شعبوں پر تسلی بخش تھے۔

کارپوریٹ گورننس اور مالیاتی رپورٹنگ کا دائرہ کار

ڈائریکٹرز بخوشی بیان کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکٹیوٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
  - کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
  - مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
  - مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے اور کسی انحراف کا واضح انکشاف اور وضاحت کی گئی ہے۔
  - اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
  - کمپنی کے گورننگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
  - کارپوریٹ گورننس کے بہترین عمل سے کوئی مادی انحراف نہیں کیا گیا ہے سوائے جن کا مالی گوشواروں کے ساتھ منسلک تعلیمی بیان میں انکشاف کیا گیا۔
  - فنڈ کے یونٹ میں کسی ڈائریکٹر، چیف ایگزیکٹو آفیسر، کمپنی سیکرٹری اور ان کے زوج اور ان کے نابالغ بچوں کی طرف سے سال کے دوران کوئی تجارت نہیں کی گئی سوائے جن کا مالی گوشواروں سے متعلقہ نوٹس میں انکشاف کیا گیا۔
  - ٹیکسز، ڈیویڈنڈ، لیویز اور بقایا چارجز کی مد میں کوئی قانونی ادائیگی نہیں ہے۔
- کمپنی نے درج ذیل انداز میں لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور ریگولیشن کے تقاضوں کی تعمیل کی ہے۔
- ڈائریکٹرز کی کل تعداد سات (7) درج ذیل کے مطابق ہے:

6	مرد
1	خاتون

ہوگئی۔ کل لسٹڈ سرمایہ سال 2022 میں 1,552,728 بلین روپے تھا اور سال 2023 میں بڑھ کر 1,627,167 بلین روپے ہو گیا۔ کل مارکیٹ کپٹلائزیشن سال 2022 میں 6,500,828 بلین روپے تھی اور سال 2023 میں قدرے کم ہو کر 6,369,473 بلین روپے ہو گئی۔ KSE-100™ انڈیکس سال 2022 میں 42,420 تھا اور سال 2023 میں کم ہو کر 41,453 ہو گیا۔ سال 2022 کے دوران 2 نئی کمپنیاں شامل ہوئیں، جبکہ سال 2023 میں کوئی نئی کمپنی لسٹڈ نہیں ہوئی۔ نئی کمپنیوں کا لسٹڈ سرمایہ سال 2022 میں 2,644 بلین روپے تھا اور سال 2023 میں بڑھ کر 2,697 بلین روپے ہو گیا۔ سال 2022 کے دوران کوئی نئے قرض کے آلات درج نہیں ہوئے تھے، لیکن سال 2023 میں 6 نئے قرض کے آلات درج کیے گئے۔ نئے قرض کے آلات کا لسٹڈ سرمایہ سال 2022 میں صرف لیکن سال 2023 میں یہ 631,200 بلین روپے رہا۔

### اقتصادی مجموعت صنعت کا جائزہ

30 جون 2023 کو میڈیٹل فنڈز (اوپن اینڈ فنڈز) کے ایٹ انڈر مینجمنٹ (AUM) کی ماریٹ 30 جون 2022 کو 1,056 بلین روپے کے مقابلے 30 جون 2023 کو 1,571 بلین روپے ہوئی۔ 48.76 فیصد کا اضافہ ہوا۔

کمپنی کی بنیادی توجہ اپنے ایٹ انڈر مینجمنٹ (AUMs) کو بڑھانے پر ہے۔ یہ سرمایہ کاری کو راغب اور ان کا انتظام کرنے کے لیے مسلسل لگن کو ظاہر کرتا ہے۔

786 سمارٹ فنڈ کے AUMs نے پچھلے سال سے خاطر خواہ نمو ظاہر کی ہے۔ جون 2022 کو 589 AUMs بلین روپے تھے، اور جون 2023 تک، وہ بڑھ کر 721 بلین روپے ہو گئے۔ یہ 132 بلین روپے کے اضافے کی نمائندگی کرتے ہیں۔

جون 2023 کو ختم ہونے والے سال کے لیے فنڈ کا منافع 18.84% درج کیا گیا ہے۔ اس کے مقابلے میں، پچھلے سال کی اسی مدت کے لیے فنڈ کا منافع 10.81% تھا۔ فنڈ کے منافع میں اضافہ ایک مثبت علامت ہے اور ممکنہ طور پر AUMs کی نمو میں معاون ہے۔

AUMs کی نمو اور سرمایہ کاروں کے اعتماد کو جاری رکھنے کے لیے، ہمیں سرمایہ کاروں کے ساتھ رابطہ کی ایک شفاف حکمت عملی کو برقرار رکھنا چاہیے، جس میں آمدنی کی تقسیم اور فنڈ کی کارکردگی کو متاثر کرنے والے عوامل کی وضاحت کرنی چاہیے۔ مزید برآں، فنڈ کی سرمایہ کاری کی حکمت عملی کے جائزہ پر غور تاکہ یہ یقینی بنایا جاسکے کہ یہ سرمایہ کاروں کی توقعات اور مارکیٹ کے حالات کے مطابق ہے۔

مجموعی طور پر، AUMs میں اضافہ اور فنڈ کے بہتر منافع جات آپ کی کمپنی کی نمو اور کارکردگی کے لیے مثبت اشارے ہیں۔

### کارپوریٹ سماجی ذمہ داری اور ماحول پر اثرات

سال 2023 میں، 786 انوسٹمنٹس لمیٹڈ نے کارپوریٹ سماجی ذمہ داری (CSR) سے ہماری وابستگی کے تحت، داؤد گلوبل فاؤنڈیشن کو 2,500 ڈییل چیزز تقسیم کرنے کے لیے وقت اور مہارت دی ہے۔ ہمارا مقصد: معذور افراد کو با اختیار اور پورے پاکستان کو قابل رسائی بنانے کے لئے واضح تھا۔

سال بھر، ہماری سرشار ٹیم نے گراؤنڈ پر، سندھ میں گھوٹی، بدین، خیر پور، حیدرآباد، جامشورو، ساگھڑ اور نٹو اللہ یار میں غربت اور معذوری سے متاثرہ افراد کو ضروری ریلیف فراہم کرنے کے لئے انتھک محنت کی۔ ہم نے لیڈر فنڈ #LFWHEEL اقدام، ضرورت مندوں کی زندگیوں پر با معنی اثر ڈالنے کے لیے اپنا تعاون بڑھانے میں فعال طور پر حصہ لیا۔

ہماری CSR لگن اس سال سے کہیں آگے تک پھیلی ہوئی ہے، یہ پاکستان کے لیے ایک زیادہ جامع، قابل رسائی، اور ماحولیاتی طور پر ذمہ دار مستقبل بنانے کے لیے ہمارے طویل مدتی عزم کی نمائندگی کرتا ہے۔ ہم اپنی سرشار ٹیم اور شرکاء اور کارکنوں کا تہہ دل سے شکریہ ادا کرتے ہیں جن کی غیر حتمی حمایت نے ہمیں یہ سنگ میل حاصل کرنے میں مدد کی ہے۔ ہم ایک بہتر، زیادہ جامع پاکستان کی طرف اپنا سفر جاری رکھنے کے منتظر ہیں جس سے ہر کسی کو فائدہ ہے۔

ہماری ٹیم کے اراکین نے رضا کارانہ طور پر (1) لڑکیوں کو پیشہ ورانہ تعلیم دینے، (2) خوراک تقسیم کرنے (3) لیڈر فنڈ ایوارڈز کے لئے خدمات سرانجام دیں۔ ہمارا نقطہ نظر اور عزم آپ، ہمارے کلائنٹس، ہمارے شیئرز، ہولڈرز، ہمارے ملازمین اور کمیونٹی کے لیے ہے۔

## مستقبل کے منصوبے:

گزشتہ سال درپیش ماہی دباؤ کے تناظر میں، کمپنی اپنی حکمت عملی پر نظر ثانی اور دونوں اقتصادی صورتحال اور دستیاب وسائل کا تجزیہ کر رہی ہے۔ کمپنی کے مالیاتی اور آپریشنل پہلوؤں کو نمایاں طور پر تبدیل کرنے کی منصوبہ بندی کی جا رہی ہے۔

اس کی سہولت کے لیے، کمپنی اپنے فنڈ سائز کو بڑھانے کے لیے ایک نیا فنڈ متعارف کروانے کا ارادہ رکھتی ہے اور ساتھ ہی لاگت کو مؤثر طریقے سے کم کرنے کی حکمت عملی تیار کر رہی ہے۔ آئندہ سال کا بنیادی مقصد برائے اختتام اثاثوں (AUMs) کو بڑھانے پر توجہ مرکوز رکھنا ہے۔

## اقتصادی جائزہ:

عالمی معیشت کو کمزور نمو، بلند افراط زر، اور COVID-19 سے منسلک غیر یقینی صورتحال، پوکریں تنازع، موسمیاتی تبدیلی، اور اقتصادی تبدیلیوں کی مشکلات کا سامنا ہے۔ اس کے باوجود، امریکہ، یورپی یونین میں بہتر اخراجات، چین کی بحالی، اور مستحکم ہندوستانی پیش گوئی کی وجہ سے 2023 کی عالمی سست روی کم ہونے کی توقع ہے۔ عالمی نمو 2022 میں 3.1 فیصد سے 2023 میں 2.3 فیصد تک رہنے کا امکان ہے، جو کہ معمولی بہتری کے ساتھ 2024 میں 2.5 فیصد ہو جائے گی۔ تاہم، ساختی مسائل، وبائی امراض، کم سرمایہ کاری، اور قرض پر انحصار سے طویل ذیلی نمو کے لیے خطرات لاحق ہیں، جو غربت کی اور پائیدار ترقی کو متاثر کرتے ہیں۔ اہم معیشتوں اور چین میں بحالی 2023 کے نمو کے نقطہ نظر کو قدرے بہتر بناتی ہے۔

مالی سال 2023 میں، پاکستان کی معیشت سیلاب، مہرگائی، کرنٹ اکاؤنٹ خسارہ اور غیر ملکی زرمبادلہ کے بحران کی وجہ سے مشکلات کا شکار رہی، جس سے متوقع بیاک گئی۔ ایشین ڈویلپمنٹ فنڈ نظر کو توقع ہے کہ پاکستان کی جی ڈی پی مالی سال 2023 میں 6 فیصد سے 0.6 فیصد تک سست رہے گی لیکن استحکام، اصلاحات، بحالی کے ساتھ مالی سال 2024 میں 2 فیصد تک پہنچ جائے گی۔

آئی ایم ایف نے ڈیفالٹ سے بچاؤ کے لیے 3 بلین امریکی ڈالر کے تیل آؤٹ پر اتفاق کیا۔ تاہم، اس مطلوبہ بجٹ ایڈجسٹمنٹ کے حصول نے، ممکنہ طور پر مقامی طلب کو کم اور سماجی تناؤ کو بڑھا دیا۔ جون میں افراط زر 38.0% سے کم ہو کر 29.4% ہو گیا، جس میں کمی کی توقع ہے لیکن 10 سالہ 8.0% کی اوسط سے زیادہ رہے گی۔ قابل ذکر خطرات میں EIU نیو، کرنسی کے اتار چڑھاؤ، اور ایشیاء کی غیر مستحکم قیمتیں شامل ہیں۔

مالی سال 2023 کے لیے پاکستان کی جی ڈی پی کی شرح نمو 0.29 فیصد رہنے کا امکان ہے جو کہ 5 فیصد کے ہدف سے کہیں زیادہ کم ہے۔ جس کی بنیادی وجہ بلند افراط زر، معاشی سست روی، سیلاب، اور آئی ایم ایف فنڈنگ کی مشکلات ہیں۔ ایشین ڈویلپمنٹ فنڈ نظر نے پاکستان کی جی ڈی پی کو مالی سال 2023 میں 0.6 فیصد سے، اصلاحات، بحالی کے ساتھ مالی سال 2024 میں 2 فیصد تک بڑھانے کا منصوبہ بنایا ہے۔

مالیاتی خلقی کرنسی کی قدر میں کمی، توانائی کی بلند قیمتوں کی وجہ سے مالی سال 2023 کی صنعتی نمو میں کمی کی توقع ہے۔

توانائی کی قیمتوں میں اضافہ، کرنسی کی قدر میں کمی، سپلائی میں خلل برقرار رہنے کی وجہ سے اوسط افراط زر مالی سال 2022 میں 12.2% سے مالی سال 2023 میں 27.5% تک تقریباً دو گنا سے زیادہ ہونے کا امکان ہے۔

## مٹی مارکیٹ کا جائزہ:

پاکستان کے مرکزی بینک نے جون میں 100 بی پی ایس اضافہ کے بعد، جولائی میں اپنی شرح سود کو برقرار رکھنے کا فیصلہ کیا ہے، کیونکہ اقتصادی غیر یقینی صورتحال میں کمی اور سرمایہ کاروں کے اعتماد میں بہتری آئی۔ حالیہ مہینوں نے افراط زر میں نمایاں اعتدال کا مظاہرہ کیا، لیکن کمیٹی مالی سال 2025 کے اختتام تک اسے درمیانی مدت کے ہدف کی 5-7 فیصد کی حد تک مزید نیچے لانے کے لیے پُر عزم ہے۔ یہ فیصلہ بیرونی شعبے کے استحکام کے خدشات کو دور کرنے کے لیے آئی ایم ایف کے ساتھ نو ماہ کے اسٹیبلز بانڈی ازمنجمنٹ (SBA) کے بعد سامنے آیا ہے۔ پھر بھی، اضافی ٹیکس اقدامات، بجلی کے نرخوں میں اضافہ، اور عالمی ایشیاء کی قدرے بلند قیمتیں افراط زر کے بنیادی خطرات کو ختم دیتی ہیں۔ اس طرح، ریگولیٹرز کے مزید اقدامات کا انحصار بیکرو اتنا کم ماحول پر ہوگا۔

## اشاک مارکیٹ کا جائزہ:

PSX کی کارکردگی سیاسی غیر یقینی صورتحال، کشیدہ کرنٹ اکاؤنٹ خسارہ اور کرنسی کی قدر میں کمی سے متاثر ہوئی۔ سرفہرست سیکٹرز جہاں مارکیٹ کھپلاؤ بڑھ رہی ہیں اضافہ ہوا ان میں ٹیکنالوجی اور کیو بی سی، شوگر اینڈ ایڈیٹریٹس، انوسٹمنٹ کمپنیاں، رینیل اسٹیٹ انوسٹمنٹ ٹرسٹ (REIT) اور ٹرانسپورٹ شامل ہیں۔ لسٹڈ کمپنیوں کی کل تعداد سال 2022 میں 531 تھی اور سال 2023 میں کم ہو کر 524

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

786 انویسٹمنٹ لمیٹڈ (786 اور دی کمپنی) کے بورڈ آف ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے سال کی سالانہ رپورٹ اور نظر ثانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

اصل کاروبار

786 انویسٹمنٹ لمیٹڈ ایک پبلک لسڈ کمپنی جو پاکستان میں قائم ہے۔ کمپنی این بی ایف سی قواعد، 2003 کے تحت این بی ایف کے طور پر رجسٹرڈ ہے۔ کمپنی نے این بی ایف سی قواعد، 2003 اور این بی ایف سی ریگولیشن، 2008 کے تحت سرمایہ کاری مشاورتی خدمات اور ایسٹ مینجمنٹ سروسز سرانجام دینے کا لائسنس حاصل کر رکھا ہے۔

کمپنی کی کارکردگی کا جائزہ

30 جون 2022	30 جون 2023	
13,182,987	<b>13,253,285</b>	مینجمنٹ فیس
1,111,112	<b>1,111,112</b>	ایڈوائزری فیس
1,148,388	<b>717,646</b>	دیگر آپریٹنگ آمدنی
(1,387,466)	<b>(850,290)</b>	سرمایہ کاری کی دوبارہ تفتیش پر خالص غیر حقیقی نقصان
(24,990,211)	<b>29,350,496</b>	انتظامیہ اور آپریٹنگ اخراجات
(2,556,393)	<b>4,319,917</b>	مالیاتی چارجز
(27,546,604)	<b>33,670,413</b>	مکمل خرچہ
17,551,749	<b>441,578</b>	ڈیویڈنڈ آمدنی
-	<b>30,830,888</b>	سرمایہ کاری کی فروخت پر خالص منافع حاصل ہوا۔
3,820,541	<b>13,556,085</b>	ٹیکس سے قبل (نقصان) / نفع
792,288	<b>10,095,070</b>	ٹیکس کے بعد (نقصان) / نفع
0.05	<b>0.67</b>	فی شیئر آمدنی

کمپنی نے 30 جون 2023 کو ختم ہونے والی مدت کے دوران 10 ملین روپے سے زیادہ کا منافع جبکہ مالی سال 22 میں 0.792 ملین روپے کا منافع درج کرایا تھا۔ کمپنی کی آمدنی جو بنیادی طور پر مینجمنٹ فیس پر مشتمل ہے 0.070 ملین روپے سے بڑھ کر مینجمنٹ فیس میں 0.5 فیصد کا اضافہ ظاہر کر رہی ہے۔ لیکن بالترتیب انتظامی اور آپریٹنگ اخراجات 4.36 ملین روپے سے بڑھ کر جو انتظامی اور آپریٹنگ اخراجات میں 17.45 فیصد کا اضافہ ظاہر کر رہے ہیں۔ دیگر آمدنی نے بھی کمپنی کے مستحکم منافع میں حصہ شامل کیا۔ اس کے علاوہ ڈیویڈنڈ آمدنی مالی سال 22 میں 17.55 ملین روپے منافع کے مقابلے ڈیویڈنڈ انکم فنڈ 31.272 ملین روپے کا منافع ظاہر کرتا ہے۔

30 جون 2023 کو ختم ہونے والی مدت کے لئے کمپنی کی فی شیئر آمدنی (ای پی ایس) 0.67 روپے فی شیئر تھی جو 30 جون 2022 کو 0.05 روپے فی شیئر تھی۔

کمپنی کے ڈائریکٹرز کی یہ ذمہ داری ہے کہ اس بات کو یقینی بنائیں کہ کمپنی کا داخلی مالی کنٹرول سسٹم کافی اور موثر طریقے سے کام کر رہا ہے۔

کمپنی کی توجہ اثاثوں کے زیر انتظام (AUMs) کو بڑھانا ہے۔ کمپنی ایک فنڈ کو برقرار رکھ رہی ہے، جس کی وجہ بندی اسلاک انکم فنڈ میں کی گئی ہے جسے 786 اسمارٹ فنڈ کہتے ہیں۔ فنڈ کے AUMN نے گزشتہ سال کے دوران نمایاں اضافہ دکھایا ہے۔ جون 2023 تک، AUM پچھلے سال کے 589 ملین روپے کے مقابلے 721 ملین روپے تھے۔ یہ سال بھر میں 132 ملین روپے کی نمو کی نشاندہی کرتا ہے۔





**J.A.S.B. & Associates**  
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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of 786 Investments Limited

**Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations), prepared by the Board of Directors of **786 Investments Limited** for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company corporate governance procedures and risks.

The Regulations requires the Company to place before Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

*Jasb Associates*

**Chartered Accountants**

Engagement Partner: **Basharat Rasool**

Karachi

Dated:

UDIN: CR202310452Kvljifcwh

**SATATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF  
CORPORATE GOVERNANANCE) REGULATIONS, 2019  
FOR THE YEAR ENDED JUNE 30, 2023.**

The Company has complied with the requirement of the Regulation in the following manner:

1. The total number of directors are seven (7) as per the following:

- a) Male: 06  
b) Female: 01

2. The Composition of board is as follows:

<b>Category</b>	<b>Names</b>	<b>Designation</b>
Independent Directors	Mr. Ahmed Salman Munir Syed Shabaha Hussain Mr. Ahmer Zia Sarwar	Chairperson Director Director
Executive Director	Ms. Tara Uzra Dawood	Chief Executive Officer
Non-Executive Director	Syed Musharaf Ali Mr. Naveed Ahmed Mr. Iqbal Shafiq	Director Director
Female Directors	Ms. Tara Uzra Dawood	Chief Executive Officer

3. The Directors have confirmed that none of them is serving as a director in more than seven listed companies, including this company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The board has developed a Vision/Mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained by the company.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirement of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The Board of Directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. Majority of the Directors of the Company have completed/ are exempted from the requirement of Directors' Training program.
10. The Board has approved appointment of Head of Internal Audit during the year, including their remuneration and terms and conditions of employment and complied with relevant requirement of the Regulations. There is no change in Chief Financial Officer and Company Secretary during the year.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed following committees comprising of members given below:

a) Audit Committee

S.No.	Name	Designation
1	Syed Shabaha Hussain	Chairman
2	Syed Musharaf Ali	Member
3	Mr. Naveed Ahmed	Member

b) Human Resource & Remuneration Committee

S.No.	Name	Designation
1	Mr. Ahmed Salman Munir	Chairman
2	Ms. Tara Uzra Dawood	Member
3	Mr. Naveed Ahmed	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee were as per following:

- a) Audit Committee: Quarterly;  
b) HR & Remuneration Committee: Yearly;

15. The Board has set up an effective internal audit function.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied.

**AHMED SALMAN MUNIR**

Chairperson

Karachi: \_\_\_\_\_



**J.A.S.B. & Associates**  
Chartered Accountants

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## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 786 INVESTMENTS LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of 786 Investments Limited, which comprise the statement of financial position as at June 30, 2023 and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows together with the notes forming part thereof conform with approved accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give true and fair view of the state of company's affairs as at June 30, 2023 and of the profit or loss and other comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Jan



## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	<b>Valuation of Investments</b>  The Company's investment comprises investments in equity and debt instruments. As at June 30, 2023 total net investment amount to Rs. 241.490 million.  The valuation of these investments is made using different valuation techniques as disclosed in note 10 to the financial statements.	Valuation of investments were addressed by applying following procedures: <ul style="list-style-type: none"><li>• Evaluated the design and implementation of key control around investments;</li><li>• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies;</li></ul>

## Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with approved accounting standards as applicable in Pakistan and requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Jas*



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

*JASB*



We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the company as required by the Companies Act, 2017 (XIX of 2017));
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns and are further in accordance with the accounting policies consistently applied.
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980),

#### **Other Matters**

##### **Prior Year Financial Statements Audited by Predecessor Auditor**

The financial statements of the Company for the year ended June 30, 2022 were audited by another auditor who had expressed an un-modified opinion vide their report dated September 29, 2022.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Basharat Rasool.

*Jasb Associates*

**Chartered Accountants**

Karachi

Dated:

UDIN: AR202310452VT2hmRcp5



## STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

		2023	2022
	Note	-----Rupees-----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	6	982,460	877,914
Intangible assets	7	692,550	831,060
Long-term deposits and prepayments	8	36,300	36,300
		1,711,310	1,745,274
<b>CURRENT ASSETS</b>			
Loans and advances	9	-	300,000
Investments	10	241,490,472	226,530,045
Prepayments and other receivable	11	7,197,355	7,105,869
Trade receivables	12	3,173,915	2,814,597
Accrued markup	13	713,624	902,734
Tax refund due from government	14	4,773,289	7,406,613
Cash and bank balances	15	1,488,537	5,065,871
		258,837,192	250,125,729
<b>TOTAL ASSETS</b>		<b>260,548,502</b>	<b>251,871,003</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorised share capital</b>			
20,000,000 (2022: 20,000,000) ordinary shares of Rs. 10 each		200,000,000	200,000,000
Issued, subscribed and paid-up share capital	16	149,737,500	149,737,500
General reserves		33,630,264	33,630,264
Unappropriated profit		35,649,678	25,554,608
Subordinated loan from director	17	22,000,000	22,000,000
		241,017,442	230,922,372
<b>CURRENT LIABILITIES</b>			
Accrued and other liabilities	18	18,532,318	19,949,889
Unclaimed dividend	19	998,742	998,742
		19,531,060	20,948,631
<b>CONTINGENCIES AND COMMITMENTS</b>	20	-	-
<b>TOTAL EQUITIES AND LIABILITIES</b>		<b>260,548,502</b>	<b>251,871,003</b>

The annexed notes from 1 to 37 form an integral part of these financial statements.

**786 Investments Limited  
(Management Company)**

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Executive Officer





**STATEMENT OF PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2023**

		2023	2022
	Note	-----Rupees-----	
Remuneration from fund under management	21	13,253,285	13,182,987
Advisory fee	22	1,111,112	1,111,112
Dividend income		441,578	17,551,749
Net realized gain on sale of investments		30,830,888	-
Income on term finance certificates		-	257,628
Income on Pakistan investment bonds		1,994,521	1,748,457
		47,631,384	33,851,933
Provision against investments		-	(2,245,710)
Net unrealized loss on revaluation of investments at fair value through profit or loss		(850,290)	(1,387,466)
		46,781,094	30,218,757
Administrative and operating expenses	23	(29,350,496)	(24,990,211)
Financial charges	24	(4,319,917)	(2,556,393)
		(33,670,413)	(27,546,604)
<b>Operating profit</b>		13,110,681	2,672,153
Other operating income	25	717,646	1,148,388
Other operating charges	26	(272,242)	-
		13,556,085	3,820,541
<b>Profit before taxation</b>		13,556,085	3,820,541
Taxation	27	(3,461,015)	(3,028,253)
		10,095,070	792,288
<b>Net profit for the year</b>		10,095,070	792,288
<b>Earnings per share for the year - basic and diluted</b>	28	0.67	0.05

The annexed notes from 1 to 37 form an integral part of these financial statements.

**786 Investments Limited  
(Management Company)**

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Executive Officer



**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
	-----Rupees-----	
<b>Net profit for the year</b>	<b>10,095,070</b>	792,288
<b>Other comprehensive loss</b>		
Reclassification of surplus on investments	-	-
<b>Other comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) for the year</b>	<b><u>10,095,070</u></b>	<b><u>792,288</u></b>

The annexed notes from 1 to 37 form an integral part of these financial statements.

786 Investments Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Executive Officer



**CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2023**

	Issued, subscribed and paid-up share capital	General reserve	Unappropriated profit	Total	Subordinated loan from director	Grand Total
-----Rupees-----						
<b>Balance as at July 1, 2021</b>	149,737,500	33,630,264	24,762,320	58,392,584	22,000,000	230,130,084
Profit for the year- as restated	-	-	792,288	792,288	-	792,288
<b>Balance as at June 30, 2022</b>	149,737,500	33,630,264	25,554,608	59,184,872	22,000,000	230,922,372
<b>Balance as at July 1, 2022</b>	149,737,500	33,630,264	25,554,608	59,184,872	22,000,000	230,922,372
<b>Profit for the year</b>	-	-	10,095,070	10,095,070	-	10,095,070
<b>Balance as at June 30, 2023</b>	149,737,500	33,630,264	35,649,678	69,279,942	22,000,000	241,017,442

The annexed notes from 1 to 37 form an integral part of these financial statements.

786 Investments Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Executive Officer



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>13,556,085</b>	<b>3,820,541</b>
<b>Adjustments for non-cash and other items:</b>		
Depreciation on property and equipment	557,517	1,427,958
Amortization	138,510	138,510
Provision against investments	-	2,245,710
Financial charges	4,319,917	2,556,393
Mark-up earned on saving account	(310,590)	(681,457)
Income on Pakistan investment bonds	(1,994,521)	(1,748,457)
Income on term finance certificate	-	(257,628)
Revaluation loss on investments classified at fair value through profit or loss	850,290	1,387,466
Liabilities written back	-	(390,656)
Dividend income	(441,578)	(17,551,749)
Bank Balances written off	-	-
	<b>3,119,545</b>	<b>(12,873,910)</b>
<b>Working Capital Changes</b>		
<i>Changes in Current Assets:</i>		
Loans and advances	300,000	(300,000)
Deposits, prepayments and other receivable	(91,486)	473,640
Trade receivable	(359,318)	(876,101)
Accrued markup	189,110	1,528,783
	<b>38,306</b>	<b>826,322</b>
<i>Changes in current liabilities:</i>		
Accrued and other liabilities	(5,721,567)	47,725
<b>Cash used in operations</b>	<b>10,992,369</b>	<b>(8,179,322)</b>
Taxes paid	(827,691)	(3,770,041)
Finance cost paid	(15,921)	(11,108)
<b>Net Cash used in operating activities</b>	<b>10,148,757</b>	<b>(11,960,471)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments made during the year	(15,810,717)	(14,918,985)
Term finance certificate redeemed	-	2,500
Receipt of mark-up on savings account	310,590	681,457
Income received on term finance certificate	-	257,628
Income received on Pakistan investment bonds	1,994,521	1,748,457
Dividend received	441,578	17,551,749
Capital expenditure incurred	(662,063)	(253,627)
<b>Net cash generated from/(used in) investing activities</b>	<b>(13,726,091)</b>	<b>5,069,179</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Subordinated loan from director	-	-
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,577,334)</b>	<b>(6,891,292)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>5,065,871</b>	<b>11,957,163</b>
<b>Cash and cash equivalents at end of the year</b>	<b>1,488,537</b>	<b>5,065,871</b>

The annexed notes from 1 to 37 form an integral part of these financial statements.

**786 Investments Limited  
(Management Company)**

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Executive Officer



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 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 license to carry out "Asset Management Service" has been successfully renewed dated May 12, 2022 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 The license to carry out "Investment Advisory Services" has been successfully renewed vide its letter No.SCD/AMCW/37/786IL/IAS/07/2022 dated May 12, 2022 with effect from May 26, 2022 and valid till May 25, 2025. 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 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 financial statements have been prepared under the historical cost convention, except for certain investments which are measured at fair value. These financial statements have been prepared following accrual basis of accounting except for cash flow information.

#### 2.3 Functional and presentation currency

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

### 3 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements is in conformity with approved accounting standards which requires the use of certain critical accounting estimates. It also requires 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.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

- a) Recognition of taxation and deferred taxation;
- b) Determining the useful lives of operating fixed assets;
- c) Classification of investments; and
- d) Impairment of financial assets.

#### 4 NEW STANDARDS INTERPRETATIONS AND AMMENDMENTS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS

##### 4.1 Standards, interpretation and amendments to published accounting and reporting standards that are effective in the current year

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Company for accounting periods beginning on or after January 1, 2022. These are considered either to not be relevant or do not have any significant impact on the Company's financial statements and are therefore, not detailed in these financial statements.

##### 4.2 Standards, interpretations and amendments to published accounting and reporting standards are not yet effective

The following new standards and interpretations of and amendments to existing published accounting and reporting standards will be effective from the dates mentioned below against the respective standard, interpretation or amendment:

<b>Amendments:</b>	<b>Effective date accounting period beginning on or after</b>
-IAS 8, - 'Accounting policies, changes in accounting estimates and errors' (amendments)	Jan 01, 2023
-IAS 12, - 'Income Taxes' (amendments)	Jan 01, 2023
-IAS 1, - 'Presentation of financial statements' (amendments)	Jan 01, 2024

The above amendments are not expected to have any material impact on financial statements of the company.

There are certain new standards, amendments to the published accounting and reporting standards and new interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2023. However, these will not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these financial statements.

#### 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### 5.1 Property and equipment

###### 5.1.1 Owned assets

These are stated at cost less accumulated depreciation and impairment, if any. Such costs include the cost of replacing parts of fixed assets when that cost is incurred. Maintenance and normal repairs are charged to profit and loss account as and when incurred. Depreciation is charged to profit and loss account over the useful life of the asset on a systematic basis applying the straight line method at the rates specified in note 6 to the financial statements.

Depreciation on additions is charged from the month in which the assets are put to use while no depreciation is charged in the month in which the assets are disposed off.

The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed estimated recoverable amount, assets are written down to their estimated recoverable amount.

An item of fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The residual values and useful lives of assets are reviewed at each financial year end and adjusted, if appropriate.

Gains and losses on disposals, if any, are included in the profit and loss account.

## 5.2 Intangible assets

Intangible assets includes software with a finite useful life and are stated at cost less accumulated amortization and accumulated impairment losses, if any. Such intangible assets are amortized using the straight-line method taking into account residual value, if any, at the rate specified in note 7 to these financial statements. Amortization is charged from the date the asset is available for use while in the case of assets disposed off, it is charged till the date of disposal. The useful lives and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

## 5.3 Financial instruments

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortized cost of cost as the case may be.

### 5.3.1 Classification - IFRS 9

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be 'at fair value through profit or loss' if:

- i) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- ii) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- iii) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

#### Financial assets

The Company classifies its financial assets as subsequently measured 'at amortised cost' or measured 'at fair value through profit or loss' on the basis of both:

- The entity's business model for managing of the financial assets
- The contractual cash flow characteristics of the financial asset

#### Financial assets measured 'at amortised cost'

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category short-term non-financing receivables, accrued income and other receivables.

#### Financial assets measured 'at fair value through profit or loss'

A financial asset is measured 'at fair value through profit or loss' if:

- a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

#### Financial liabilities

##### Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured 'at fair value through profit or loss'. The Company includes in this category short-term payables, including accrued and other liabilities.

### 5.3.2 Measurement of financial asset

#### Initial measurement

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

#### Subsequent measurement

##### Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, and impairment are recognised in the statement of profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit and loss.

##### Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the statement of profit and loss.

##### Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in the statement of profit and loss.

##### Financial assets measured at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, and impairment are recognised in the statement of profit and loss.

### 5.3.3 Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

### 5.3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated financial statements only when the Company has a legally enforceable right to offset and the Company intends to either settle on a net basis, or to realise the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the unconsolidated financial statements only when permitted by the accounting and reporting standards as applicable in Pakistan.

### 5.3.5 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged, cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

### 5.3.6 Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

- a) Transferred substantially all of the risks and rewards of the asset; or
- b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.



### 5.3.7 Impairment

#### 5.3.7.1 Financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the Gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Based on the management assessment no ECL was required since the Company's financial assets at amortized cost are held with related parties or counterparties with low credit risk. Further, ECL calculated on Trade Debts was not required as the amount assessed was immaterial to the unconsolidated financial statement.

#### 5.3.7.2 Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the unconsolidated statement of profit or loss.

### 5.4 Settlement date accounting

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchases and sales are recognized at the settlement date. Trade date is the date on which the Company commits to purchase or sale an asset.

### 5.5 Financial instruments

#### 5.5.1 Financial assets and liabilities

Financial assets include investments, deposits, loans, advances, other receivables, receivable from funds and cash and bank balances.

Financial liabilities include accrued expenses and other liabilities and liabilities against assets subject to finance lease. Financial liabilities are classified according to the substance of the contractual agreement entered into.

At the time of initial recognition, all the financial assets and liabilities are measured at cost, which is the fair value of the consideration given or received for it. Transaction costs are included in the initial measurement of all financial assets and liabilities except for transaction costs that may be incurred on disposal. The particular recognition method adopted for recognition of financial assets and liabilities subsequent to initial recognition is disclosed in the policy statement associated with each item.

#### **5.5.2 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Corresponding income on the asset and charge on the liability is also off-set.

#### **5.5.3 Related party transactions and transfer pricing**

Transactions and contracts with the related parties are based on the policy that all transactions between the Company and related parties are carried out at arm's length prices which are determined in accordance with the methods prescribed in the Companies Act, 2017.

#### **5.6 Employee retirement benefits-defined contribution plan**

The Company operates recognised provident fund scheme for all its eligible employees. Equal monthly contributions are made, both by the Company and its employees, to the fund at the rate of 10 percent of basic salary.

#### **5.7 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalent consist of bank balances and running finances under mark-up arrangements.

#### **5.8 Trade debts, loans, deposits, interest accrued and other receivables**

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

#### **5.9 Subordinated loan from sponsors**

Subordinated loans are classified as per the terms and conditions of loan agreements and in accordance with the classification criteria provided in NBFC Rules and TR-32 of ICAP.

#### **5.10 Trade and other payables**

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

#### **5.11 Proposed dividend and transfer between reserves**

Dividends declared and transfer between reserves, except appropriations which are required by the law, made subsequent to the balance sheet date are considered as non adjusting events and are recognized in the financial statements in the year in which such dividends are declared or transfers between reserves are made.

#### **5.12 Revenue recognition**

Remuneration for investment advisory and asset management services are recognised on accrual basis.

Management fee is recognized on accrual basis when relevant services are rendered.

Gains and losses on sale of marketable securities are recognised on the trade debt.

Dividend income is recorded when the right to receive the dividend is established. Return on securities other than shares is recognised on accrual basis.

Return on bank deposits are recognised on accrual basis. Other income is recognised as and when earned.

#### **5.13 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, if it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

#### 5.14 Operating Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incurred expenses. Board of Directors has been identified as chief operating decision maker and is responsible for performance, allocation of resources and assessment of results.

#### 5.15 Taxation

##### Current

The charge for current taxation is based on taxable income at current rates of taxation after taking into consideration available tax credits, rebates and tax losses, if any. However, for income covered under final tax regime, taxation is based on applicable tax rules under such regime. The charge for current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the year.

##### Deferred

Deferred tax is accounted for using the statement of financial position liability method in respect of all temporary timing differences arising from difference between the carrying amount of the assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

#### 6 PROPERTY AND EQUIPMENT

	2023	2022
Note	-----Rupees-----	
6.1	<u>982,460</u>	<u>877,914</u>

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

Description	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
-----Rupees-----					
<b>Year ended June 30, 2023</b>					
Opening net book value (NBV)	277,552	198,180	207,397	194,785	877,914
Additions (at cost)	-	-	-	662,063	662,063
<b>Disposals</b>					
Cost	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Net Book value</b>	-	-	-	-	-
Depreciation charge	(52,504)	(198,175)	(80,906)	(225,932)	(557,517)
<b>Closing net book value</b>	<u>225,048</u>	<u>5</u>	<u>126,491</u>	<u>630,916</u>	<u>982,460</u>
<b>Gross carrying value basis</b>					
Cost	1,487,514	5,593,370	1,701,852	6,246,765	15,029,501
Accumulated depreciation	(1,262,466)	(5,593,365)	(1,575,361)	(5,615,849)	(14,047,041)
<b>Net book value</b>	<u>225,048</u>	<u>5</u>	<u>126,491</u>	<u>630,916</u>	<u>982,460</u>
<b>Depreciation rate % per annum</b>	<u>10</u>	<u>20</u>	<u>20</u>	<u>33</u>	

Description	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
-----Rupees-----					
Year ended June 30, 2022					
Opening net book value (NBV)	330,056	1,206,194	195,579	320,416	2,052,245
Additions (at cost)	-	-	207,350	46,277	253,627
Disposals					
Cost	-	-	-	-	-
Depreciation	-	-	-	-	-
Net Book value	-	-	-	-	-
Depreciation charge	(52,504)	(1,008,014)	(195,532)	(171,908)	(1,427,958)
Closing net book value	277,552	198,180	207,397	194,785	877,914
Gross carrying value basis					
Cost	1,487,514	5,593,370	1,701,852	5,584,702	14,367,438
Accumulated depreciation	(1,209,962)	(5,395,190)	(1,494,455)	(5,389,917)	(13,489,524)
Net book value	277,552	198,180	207,397	194,785	877,914
Depreciation rate % per annum	10	20	20	33	
<b>7 INTANGIBLE ASSETS</b>				<b>2023</b>	<b>2022</b>
			Note	-----Rupees-----	
Computer software			7.1	<b>692,550</b>	831,060
<b>7.1 Computer software</b>					
Opening Net Book Value				<b>831,060</b>	969,570
Addition				-	-
Amortization Charge				<b>(138,510)</b>	(138,510)
Closing Net Book Value				<b>692,550</b>	831,060
Cost				<b>1,385,100</b>	1,385,100
Accumulated Amortization				<b>(692,550)</b>	(554,040)
Closing Net Book Value				<b>692,550</b>	831,060
Amortization rate				<b>10%</b>	10%
<b>7.2</b> Intangibles relates to software developed for business operations having remaining useful life of 6 years.					
<b>8 LONG TERM DEPOSITS AND PREPAYMENTS</b>				<b>2023</b>	<b>2022</b>
<b>Deposits</b>			Note	-----Rupees-----	
With Central Depository Company of Pakistan Limited				<b>25,000</b>	25,000
Against utilities				<b>11,300</b>	11,300
				<b>36,300</b>	<b>36,300</b>
<b>9 LOANS AND ADVANCES</b>					
<b>Unsecured - considered good</b>					
Advance against salary			9.1	-	300,000

**9.1 Advance against Salary**

Name of the Employee	Terms of the Loans	Security	Purpose	Maximum Aggregate Amount Outstanding at any time with reference to Month End Balance	Provision	Written Off
Noman Shakir	Monthly installment basis	Unsecured	Family commitment	300,000	-	-

**10 INVESTMENTS**

	Note	2023	2022
<b>At fair value through profit or loss</b>			
Pakistan investment bonds	10.1	15,638,850	17,311,043
Units of mutual fund- related party	10.2	205,640,237	189,007,617
Term finance certificate - unlisted	10.3	20,211,385	20,211,385
		<u>241,490,472</u>	<u>226,530,045</u>

10.1 This Government securities - Pakistan investment bonds will mature latest by September 19, 2029 and carry interest at the rate of 12.14% (2022: 12.14%).

**10.2 Units of mutual funds- related party**

	2023	2022	2023		2022
			Carrying value	Fair value	Fair value
-----Number of units-----			-----Rupees-----		
	2,495,416	2,312,993	786 Smart Fund - Fund Under Management	204,376,757	189,007,617

**10.3 Term Finance Certificate - Unlisted**

	2023	2022	2023	2022
			-----Rupees-----	
---Number of certificates---				
	5,000	5,000	Silk Bank Limited Provision against investment	22,457,095
			(2,245,710)	(2,245,710)
			<u>20,211,385</u>	<u>20,211,385</u>

10.3.1 This represents investments in BBB+ rated, unsecured and subordinated Term Finance Certificate (TFCs) carry profit equal to 6 months KIBOR plus 1.85% (2022: 6 months 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%.

During the year, Silk Bank Limited (the issuer) has not made its payment of principal and mark-up due on February 10, 2022, as issuer informed the investors the status of minimum capital requirement and invoked lock-in clause governed by Terms and Conditions of the Trust Deed till minimum capital requirement is met and does not constitute a breach of issuer's redemption obligations pursuant to the Trust Deed as per the legal opinion sought by the issuer. Due the above fact the management has prudently recorded an impairment of 10% on the amount of investments based on the Company's policy. Further, the accrual of markup on the same was also suspended. The management is actively looking the matter for the redemption of the same.

**11 PREPAYMENTS AND OTHER RECEIVABLE**

	2023	2022
<b>Prepayments</b>		
	-----Rupees-----	
Insurance	163,317	142,453
Rent	124,859	124,862
Others	395,500	324,875
	<u>683,676</u>	<u>592,190</u>
<b>Other receivable</b>		
Federal excise duty	6,513,679	6,513,679
	<u>7,197,355</u>	<u>7,105,869</u>

11.1 This represents amount receivable from funds in lieu of Federal Excise Duty the break up of which is as follows:

	Note	2023	2022
		-----Rupees-----	
786 Smart Fund- Fund Under Management	11.1.1	<u>6,513,679</u>	<u>6,513,679</u>

11.1.1 The Maximum amount outstanding at any time during the year with reference to month end balances from the funds is Rs. 6.51 (2022: Rs. 6.51) million .

	Note	2023	2022
		-----Rupees-----	
<b>12 TRADE RECEIVABLE</b>			
Receivable against management fees		<u>2,273,915</u>	1,914,597
Receivable on account of advisory fees		<u>900,000</u>	900,000
	12.1	<u>3,173,915</u>	<u>2,814,597</u>

12.1	30-Jun-23		30-Jun-22	
	Gross	Impairment	Gross	Impairment
	----- Rupees -----			
Past due 1 – 60 days	<u>2,273,915</u>	-	1,914,597	-
Past due 61 – 90 days	<u>900,000</u>	-	900,000	-
Past due 91 – 180 days	-	-	-	-
Past due 181 – 365 days	-	-	-	-
	<u>3,173,915</u>	-	<u>2,814,597</u>	-

12.2 Maximum aggregate amount outstanding at any time during the year with reference to month end balances from each fund is as follows:

	Note	2023	2022
		-----Rupees-----	
786 Smart Fund- Fund Under Management		<u>2,273,915</u>	1,914,597
Dawood Family Takkaful Limited- Common Directorship		<u>900,000</u>	900,000

**13 ACCRUED MARKUP**

Saving accounts		<u>149,240</u>	332,871
Term finance certificates		-	-
Pakistan investment bonds		<u>564,384</u>	569,863
		<u>713,624</u>	<u>902,734</u>

**14 TAX REFUND DUE FROM GOVERNMENT**

Opening		<u>7,406,613</u>	6,664,825
Tax paid during the year		<u>827,691</u>	3,770,041
Provision for the year		<u>(3,461,015)</u>	(3,028,253)
Closing		<u>4,773,289</u>	<u>7,406,613</u>

**15 CASH AND BANK BALANCES**

Cash in hand		-	-
Cash at bank-saving accounts	15.1	<u>1,488,537</u>	5,065,871
		<u>1,488,537</u>	<u>5,065,871</u>

15.1 The balance in savings accounts carry profit at rates of 19% per annum (2022: 5.5% per annum).

**16 ISSUED, SUBSCRIBED AND PAID - UP CAPITAL**

2023	2022		2023	2022
-----Number of shares-----			-----Rupees-----	
10,000,000	10,000,000	Ordinary shares of Rs. 10 each issued as fully paid in cash	100,000,000	100,000,000
4,973,750	4,973,750	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	49,737,500	49,737,500
<b>14,973,750</b>	<b>14,973,750</b>		<b>149,737,500</b>	<b>149,737,500</b>

**16.1 Reconciliation of number of ordinary shares outstanding**

Balance at the beginning of the year	14,973,750	14,973,750
Share issued during the year	-	-
Balance at the end of the year	<b>14,973,750</b>	<b>14,973,750</b>

16.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

16.3 The following shares are held by the related parties with whom the Company has entered into transactions or has arrangements in place.

	2023	2022
Name of related party	-----Number of shares-----	
First Dawood Investment Bank Limited	2,246,070	2,246,070
BRR Guardian Modaraba	1,935,505	1,935,505
Tara Uzra Dawood - Chief Executive Officer	2,393,485	1,856,658

**17 SUBORDINATED LOAN FROM DIRECTOR**

This subordinated loan carries markup @ 3 Months KIBOR + 2 % (2022: 3 Months KIBOR + 2%) and is repayable at the discretion of the Company. This loan has been classified as part of equity as per NBFC rules and ATR 32 issued by the ICAP.

	2023	2022
18 ACCRUED AND OTHER LIABILITIES	-----Rupees-----	
Accrued expenses	18.1 2,911,867	9,140,992
Accrued mark-up on director loan	8,491,078	4,187,082
FED payable	18.2 6,513,677	6,513,677
Worker Welfare Fund payable	272,242	-
Sales tax payable	192,231	100,901
Withholding tax payable	151,223	7,237
	<b>18,532,318</b>	<b>19,949,889</b>

18.1 This includes an amount of Rs. 0.19 million (2022: Rs. 7.895 million) received from NCCPL being refund of tax amount with respect to funds under management. This amount will be disbursed to unit holders.

18.2 This represents amount payable against Federal Excise Duty (FED) on management fees received/receivable from the Funds 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 September 04, 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 July 16, 2016 maintained the previous order passed against other constitutional petition whereby levy of FED is declared to be 'Ultra Vires' the Constitution. On September 23, 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 July 01, 2016 onwards.

## 19 UNCLAIMED DIVIDEND

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

## 20 CONTINGENCIES AND COMMITMENTS

### 20.1 Commitments

There was no commitment during the year (2022: Nil)

		2023	2022
	Note	-----Rupees-----	
<b>21 REMUNERATION FROM FUND UNDER MANAGEMENT</b>			
<b>Open-end funds</b>			
786 Smart Fund- fund under management		14,976,210	14,896,775
Less: Sales tax on remuneration		<u>(1,722,925)</u>	<u>(1,713,788)</u>
		<u>13,253,285</u>	<u>13,182,987</u>
<b>Remuneration for services rendered as an asset management company</b>			
786 Smart Fund- Fund under Management		-----Percentage-----	
		1.5	1.5
		<u>1.5</u>	<u>1.5</u>
<b>22 ADVISORY FEE</b>			
Advisory Fee		1,200,000	1,200,000
Less: Sales Tax on Advisory Fee		<u>(88,888)</u>	<u>(88,888)</u>
		<u>1,111,112</u>	<u>1,111,112</u>
<b>23 ADMINISTRATIVE AND OPERATING EXPENSES</b>			
Salaries and allowances	23.1	16,236,133	12,751,254
Rent, rates and taxes		1,522,844	1,514,100
Postage and telephones		331,404	293,539
Legal and professional charges		428,500	1,370,905
Printing and stationery		309,215	245,669
Travelling and conveyance		103,351	80,829
Vehicles running		2,618,034	1,624,299
Advertisement expense		46,555	103,500
Electricity		2,249,042	1,143,586
Repairs and maintenance		88,586	311,812
Auditors' remuneration	23.2	558,200	502,200
Entertainment		244,697	305,315
Insurance		421,360	351,262
Depreciation		557,517	1,427,958
Amortization		138,510	138,510
Fee and Subscriptions		3,688,591	2,920,391
Newspapers and periodicals		-	117
Directors' fee		336,000	212,000
Others expenses		<u>355,509</u>	<u>571,830</u>
		<u>30,234,048</u>	<u>25,869,076</u>
Less: Reimbursement of fees and expenses	23.3	<u>(883,552)</u>	<u>(878,865)</u>
		<u>29,350,496</u>	<u>24,990,211</u>



23.1 This includes amount of Rs. 0.804 (2022: Rs. 0.727) million relating to staff retirement benefits.

	2023	2022
	-----Rupees-----	
<b>23.2 Auditors' remuneration</b>	Note	
Annual audit	336,000	280,000
Half yearly review	145,000	145,000
Sales Tax	34,000	34,000
Out of pocket expenses	43,200	43,200
	<u>558,200</u>	<u>502,200</u>

**23.3 Reimbursement of Fees and Expenses Breakup:**

786 Smart Fund- Fund under Management	23.3.1	<u>883,552</u>	<u>878,865</u>
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23.3.1 In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I)/2015 dated November 25, 2015, the Management Company of the Fund is entitled for reimbursement of fees and expenses incurred by the Management Company in relation to registrar services, accounting, operation and valuation services related to Fund maximum up to 0.1% of average annual net assets of the Scheme or actual whichever is less. Accordingly, Company has charged accounting and operational charges to the Fund at the rate of 0.1% per annum of the average annual net assets of the Fund. The breakup in respect of each fund is as follows:

	2023	2022	
	-----Rupees-----		
<b>24 FINANCIAL CHARGES</b>	Note		
Mark-up On Director loan	24.1	4,303,996	2,545,285
Bank charges		15,921	11,108
		<u>4,319,917</u>	<u>2,556,393</u>

24.1 This Director loan carry interest at the rate of 3 month Kibor +2% (2022: 3 month Kibor +2%).

**25 OTHER OPERATING INCOME**

**Income from financial assets**

Mark-up earned on saving accounts	310,590	681,457
Participation fee	263,684	76,275

**Income from non - financial assets**

Scrap sales	143,372	-
Liabilities written back	-	390,656
	<u>143,372</u>	<u>390,656</u>
	<u>717,646</u>	<u>1,148,388</u>

**26 OTHER OPERATING CHARGES**

Workers welfare fund	272,242	-
	<u>272,242</u>	<u>-</u>

**27 TAXATION**

Current tax	3,461,015	3,028,253
	<u>3,461,015</u>	<u>3,028,253</u>

27.1 The tax reconciliation has not been prepared in these financial statements as the Company's income attracts minimum tax and final tax regime under the Income Tax Ordinance, 2001.

**28 EARNINGS PER SHARE- Basic and diluted**

	2023	2022
Net profit for the year- Rupees	<u>10,095,070</u>	<u>792,288</u>
Weighted average number of ordinary shares	<u>14,973,750</u>	<u>14,973,750</u>
Earnings per share- Rupees	<u>0.67</u>	<u>0.05</u>

There are no dilutive potential shares as at the year end.

**29 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES**

	2023			2022		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	------(Rupees)-----					
Managerial remuneration	5,216,000	-	1,912,000	4,816,000	-	1,864,000
Housing Rent	2,086,400	-	764,800	1,926,400	-	745,600
Medical	590,000	-	48,000	89,916	-	28,000
Utilities	521,600	-	191,200	481,600	-	186,400
Provident Fund	521,604	-	191,192	481,601	-	185,730
Bonus	652,000	-	250,000	-	-	-
Meeting Fee	-	336,000	-	-	212,000	-
	<b>9,587,604</b>	<b>336,000</b>	<b>3,357,192</b>	<b>7,795,517</b>	<b>212,000</b>	<b>3,009,730</b>
Number of Persons	<b>1</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>6</b>	<b>2</b>

29.1 The Chief Executive and Executives have been provided with company maintained cars.

29.2 Executive means an employee other than Director and Chief Executive Officer, whose basic salary exceeds Rs. 1,200,000 in a financial year.

**30 DISCLOSURE RELATING TO PROVIDENT FUND**

	2023	2022
Size of the Fund- Rupees	240,118,646	209,208,362
Cost of Investments Made- Rupees	200,063,012	129,403,874
Percentage of Investments Made- Percentage	83.32%	61.85%
Fair Value of Investments- Rupees	200,063,012	129,403,874

**Breakup of Investments**

	2023	2022
Defence Saving Certificates	38,000,000	43,000,000
Term Finance Certificates	18,856,338	-
Sukuks	12,134,568	6,127,200
T-Bills / Commercial Paper	9,610,189	5,979,309
Listed Securities	46,572,204	46,122,500
Mutual Funds	25,587,055	23,458,242
Bank balances	49,302,658	4,716,623
	<b>200,063,012</b>	<b>129,403,874</b>

**Breakup of Investments (Percentage as size of the fund)**

	2023	2022
Defence Saving Certificates	19%	33%
Term Finance Certificates	9%	0%
Sukuks	6%	5%
T-Bills / Commercial Paper	5%	5%
Listed Securities	23%	36%
Mutual Funds	13%	18%
Bank balances	25%	4%
	<b>100%</b>	<b>100%</b>

The Provident Fund (the Fund) is maintained for its permanent employees and the employees of its associated companies/undertakings at group level. Accordingly, the information is based upon the latest unaudited financial statements of the Fund as at June 30, 2023 and audited financial statements as at June 30, 2022. As per Trustees, Investments out of Provident Fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the Rules formulated for this purpose.

### 31 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 during the year are as follows:

Relationship with the Company	Nature of Transactions During the year	June 30, 2023	June 30, 2022
		-----Rupees-----	
<b>Transactions During the year</b>			
<b>Chief executive officer</b>	Interest bearing subordinated loan	4,303,996	2,545,285
	Management fee charged - net of tax	13,253,285	13,182,987
	Sales tax on management Fee	1,722,925	1,713,788
	Accounting and operational charges	883,552	878,865
<b>786 Smart Fund- Fund under Management</b>	Purchase of 2,150,212 Units (June 30, 2022: Nil) Units	204,609,179	-
	Redemption of 2,315,452 Units (June 30, 2022: Nil) Units	219,876,756	-
	Re-Invet of Units: 4,574 (June 30, 2022: 187,720)	375,341	14,918,986
	Refundof Capital of Units : 343,089 (June 30, 2022: Nil)	28,152,749	-
<b>Other Related Party</b>			
First Dawood Investment Bank Limited & Others Employees' Provident Fund	Provident fund contribution	804,459	727,597
B.R.R Guardian Modaraba- 12.93% shareholder	Rent charge during the year	1,498,344	1,489,600
Key Management Personnel	Remuneration and directors fee	11,096,422	11,017,247
	Loan to Chief Financial Officer	-	390,000
Dawood Family Takaful Limited- common directorshp	Insurance expense charge during the year	60,165	69,608
	Advisory fee	1,111,112	1,111,112

#### Balances as the year end

	<b>Units Held:</b>		
786 Smart Fund- Fund under Management	786 Smart Fund 2,495,416 (June 30, 2022: 2,312,993) Units	205,640,238	189,007,617
	Receivable against management fees	2,273,915	1,914,597
Dawood Family Takaful Limited- - common directorshp	Advisory fee receivable	900,000	900,000
B.R.R Guardian Modaraba- 12.93% shareholder	Prepaid rent	124,859	124,862
Key Management Personnel	Loan to Chief Financial Officer	-	300,000
Chief executive officer	Subordinated loan including mark-up	30,491,078	26,187,082

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.

### 32 OPERATING SEGMENTS

These financial statements have been prepared on the basis of single reportable segment as the Company's asset allocation decision are based on single, integrated business strategy and the Company's business performance is evaluated on an overall basis.

- 32.1 Remuneration from fund Under management represents 28% ( 2022: 42%) of the total revenue of the Company. Whereas, Advisory Fee represents 2% ( 2022: 4%).



Receivable against management fees represents 71.64% (2022 : 68.02%) of the total trade receivables.

### 33 FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks: market risk (comprising currency risk, interest rate risk, and other price risk), liquidity risk and credit risk that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's financial assets primarily comprise of deposits, investments, trade receivables and cash and bank balances. The Company also has deposits, loans and advances, other receivables and accrued markup. The Company's principal financial liabilities include trade and other payables.

#### 33.1 Market risk

Market risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and regulations laid down by the Securities and Exchange Commission of Pakistan, the NBFC Regulations and the NBFC Rules.

Market risk comprises of three types of risks: currency risk, interest rate risk and other price risk.

##### 33.1.1 Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

##### 33.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

###### a) Sensitivity analysis for variable rate instruments

Presently, the Company does not hold any variable profit based investment except balances with bank in deposit account, investment in term finance certificate and subordinated loan from director exposing the Company to cash flow profit rate risk. In case of 100 basis points increase / decrease as on June 30, 2023, with all other variables held constant, the equity of the Company and net profit for the year would have been higher / lower by Rs. 0.00 (2022: Rs. 0.03) million.

Interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of the contractual repricing or maturity date.

###### b) Sensitivity analysis for fixed rate instruments

Presently, the Company does not hold any fixed profit based investment except investment in Pakistan investments bonds exposing the Company to cash flow profit rate risk. In case of 100 basis points increase / decrease as on 2023, with all other variables held constant, the equity of the Company and net profit for the year would have been higher / lower by Rs. 0.17 (2022: Rs. 0.20) million.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

2023

	Effective yield / profit rate	Expose to yield / profit rate risk			Not exposed to yield / profit rate risk
		Total	Level 1	Level 2	
	%	-----Rupees-----			
<b>On balance sheet</b>					
<b>financial instruments</b>					
<b>Financial assets</b>					
Cash and bank balances	5.5	1,485,847	1,485,847	-	-
Investments	12.14	241,490,472	2,500	5,000	35,842,735
Deposits		36,300	-	-	-
Accrued markup		645,529	-	-	-
Trade receivables		3,173,915	1,637,205	-	-
<b>Total financial assets</b>		<b>246,832,063</b>	<b>3,125,552</b>	<b>5,000</b>	<b>35,842,735</b>
<b>Financial liabilities</b>					
Subordinated loan from director	16.87	22,000,000	22,000,000	-	-
Accrued and other liabilities		11,346,945	-	-	-
<b>Total financial liabilities</b>		<b>33,346,945</b>	<b>22,000,000</b>	<b>-</b>	<b>-</b>
<b>On balance sheet gap</b>		<b>213,485,118</b>	<b>(18,874,448)</b>	<b>5,000</b>	<b>35,842,735</b>

2022

	Effective yield / profit rate	Expose to yield / profit rate risk			Not exposed to yield / profit rate risk
		Total	Level 1	Level 2	
	%	-----Rupees-----			
<b>On balance sheet</b>					
<b>financial instruments</b>					
<b>Financial assets</b>					
Cash and bank balances	5.5	5,065,871	5,065,871	-	-
Investments	9.41 - 12.14	226,530,045	2,500	5,000	37,514,928
Deposits		36,300	-	-	-
Accrued markup		902,734	-	-	-
Trade receivables		2,814,597	1,637,205	-	-
<b>Total financial assets</b>		<b>235,349,547</b>	<b>6,705,576</b>	<b>5,000</b>	<b>37,514,928</b>
<b>Financial liabilities</b>					
Subordinated loan from director	9.45	22,000,000	22,000,000	-	-
Accrued and other liabilities		13,328,074	-	-	-
<b>Total financial liabilities</b>		<b>35,328,074</b>	<b>22,000,000</b>	<b>-</b>	<b>-</b>
<b>On balance sheet gap</b>		<b>200,021,473</b>	<b>(15,294,424)</b>	<b>5,000</b>	<b>37,514,928</b>

33.1.3 Price Risk

Price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market. The Company manages its exposure to price risk by investing in Companies as per the trust deed.

In case of a 5% increase / decrease in rates determined by MUFAP as on December 31, 2021, the equity of the Company would increase / decrease by Rs. 11.44 (2022: Rs. 10.76) million, as a result of reduction / increase in unrealized gains / (losses).

### 33.2 Credit risk

Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties to fulfil their obligations. There is a possibility of default of issuers of the instrument, financial institutions or counter parties.

#### Management of credit risk

The Company's policy is to enter into financial contracts with reputable counterparties in accordance with the internal riskmanagement policies and investment guidelines approved by the Board of Directors. The Investment Committee closely monitors the creditworthiness of the Company's counterparties (e.g. issuer of the instruments, brokers, banks, etc.) by reviewing their credit ratings, financial statements and press releases on a regular basis. In addition the credit risk is also minimized due to the fact that the Company only invests in liquid equity and money market based collective investment schemes (CIS).

#### The maximum exposure to credit risk is as follows: -

	2023		2022	
	Carrying Amount	Maximum Exposure	Carrying Amount	Maximum Exposure
	%			
Cash and bank balances	1,485,847	1,485,847	5,065,871	5,065,871
Investments	241,490,472	241,490,472	226,530,045	226,530,045
Deposits	36,300	36,300	36,300	36,300
Accrued markup	645,529	645,529	902,734	902,734
Trade receivables	3,173,915	3,173,915	2,814,597	2,814,597
	<b>246,832,063</b>	<b>246,832,063</b>	<b>235,349,547</b>	<b>235,349,547</b>

The Company kept its funds with banks having strong credit ratings. Currently the funds are kept with banks having rating of A1+ to AA+.

### 33.3 Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in raising funds to meet its obligations and commitments associated with financial instruments. The Company is not materially exposed to the liquidity risk as all obligations/commitments of the Company are short-term in nature and restricted to the extent of available liquidity and all assets of the Company are readily disposable in the market.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year	More than one year
<b>As at June 30, 2023</b>					
Subordinated loan from director	22,000,000	22,000,000	-	-	-
Accrued and other liabilities	11,346,945	11,346,945	-	-	-
	<b>33,346,945</b>	<b>33,346,945</b>			
<b>As at June 30, 2022</b>					
Subordinated loan from director	22,000,000	22,000,000	-	-	-
Accrued and other liabilities	13,328,074	13,328,074	-	-	-
	<b>35,328,074</b>	<b>35,328,074</b>			

	2023	2022
	-----Rupees-----	
<b>33.4 Financial instruments by category</b>		
<b>Financial assets</b>		
<b>At fair value through profit or loss</b>		
Investments	241,490,472	226,530,045
<b>At Amortized Cost</b>		
Cash and bank balances	1,488,537	5,065,871
Deposits	36,300	36,300
Accrued markup	713,624	902,734
Trade receivables	3,173,915	2,814,597
	<b>5,412,376</b>	<b>8,819,502</b>
	<b>246,902,848</b>	<b>235,349,547</b>
<b>Financial Liabilities</b>		
<b>At Amortized Cost</b>		
Subordinated loan Form director	22,000,000	22,000,000
Accrued and other liabilities	11,675,187	13,328,074
	<b>33,675,187</b>	<b>35,328,074</b>

### 33.5 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibility;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

### 33.6 Capital Risk Management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholder value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure the Company may adjust the amount of dividend, return on capital to shareholders or issue new shares. Currently the Company has an equity of 230.92 (2022: Rs 230.13) million against the minimum equity requirement of Rs. 230 Million set by the Securities and Exchange Commission of Pakistan for the Non Banking Finance Company providing Asset Management Services and Advisory Services.

## 34 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.



The following table shows financial instruments recognised at fair value, analyzed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The table shown below analyses the financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2023			2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	-----Rupees-----					
<b>Financial assets fair value through profit or loss</b>						
Pakistan investments bonds	-	15,638,850	-	-	17,311,043	-
Units mutual funds	-	205,640,237	-	-	189,007,617	-
Terms finance certificate	-	20,211,385	-	-	20,211,385	-
	-	241,490,472	-	-	226,530,045	-

### 34.1 Valuation techniques

For Level 2 the Company values the investment using rates mentioned on MUFAP.

Investment in mutual funds are valued on the basis of the closing net assets at the reporting date announced by the Mutual Funds Association of Pakistan (MUFAP) based on the closing net assets of the mutual funds.

Investment in term finance certificates and Pakistan investment bonds are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed.

### 34.2 Transfers during the year

During the year ended June 30, 2023 there were no transfers between level and level 2 fair value measurements, and no transfer into and out of Level 3.

34.3 The Company has not disclosed the fair values for financial assets other than above, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of fair value.

### 35 NUMBER OF EMPLOYEES

The number of employees as at year end was 9 (2022: 7) and average number of employees during the year was 8 (2022: 8).

### 36 GENERAL

36.1 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.

36.2 Figures have been rounded off to the nearest rupee.

### 37 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors on **27 September 2023** of the Company.

**786 Investments Limited**  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Executive Officer





**Pattern of Shareholding  
As on June 30, 2023**

<b>Number Of Shareholders</b>	<b>From</b>	<b>Shareholding</b>	<b>To</b>	<b>Total Shares Held</b>
159	1	-	100	3,819
181	101	-	500	52,186
199	501	-	1000	162,295
184	1001	-	5000	509,663
63	5001	-	10000	452,507
27	10001	-	15000	334,895
15	15001	-	20000	270,500
11	20001	-	25000	250,000
3	25001	-	30000	87,947
4	30001	-	35000	133,000
3	35001	-	40000	113,000
3	40001	-	45000	128,000
2	45001	-	50000	96,000
2	50001	-	55000	107,000
4	60001	-	65000	250,190
1	80001	-	85000	85,000
4	95001	-	100000	399,500
3	115001	-	120000	352,779
1	125001	-	130000	130,000
1	150001	-	155000	153,500
1	175001	-	180000	177,000
1	185001	-	190000	186,500
1	190001	-	195000	194,000
1	255001	-	260000	256,509
1	270001	-	275000	273,500
1	340001	-	345000	344,500
1	645001	-	650000	648,845
1	1015001	-	1020000	1,017,479
1	1375001	-	1380000	1,376,006
1	1935001	-	1940000	1,935,505
2	2245001	-	2250000	4,492,125
<b>882</b>				<b>14,973,750</b>

S. No.	Categories of Share holders	Numbers	Shares Held	% Age
1	<b>Associated Companies</b>	3	6,427,630	42.93
	B.R.R. Guardian Modaraba		1,935,505	
	First Dawood Investment Bank Limited		2,246,070	
	The Bank of Khyber		2,246,055	
2	<b>NIT &amp; ICP</b>	2	1,000	0.01
	Investment Corporation of Pakistan		500	
	IDBP (ICP UNIT)		500	
3	<b>Directors, CEO their Spouses and Minor Children</b>	7	2,408,801	16.09
	Miss Tara Uzra Dawood		2,393,485	
	Mrs. Shafqat Sultana		2,816	
	Mr. Ahmer Zia Sarwar		2,500	
	Mr. Ahmed Salman Munir		2,500	
	Syed Shabaha Hussain		2,500	
	Syed Musharaf Ali		2,500	
	Mr. Naveed Ahmed		2,500	
4	<b>Banks, DFIs, NBFIs, Insurance Companies, Takaful, Modarabas, Pension Funds and Others</b>	17	1,011,362	6.75
5	<b>General Public</b>	853	5,124,957	34.23
	<b>Total</b>	<b>882</b>	<b>14,973,750</b>	<b>100.00</b>

**Shareholders holding ten percent or more shares in the Company**

14,973,750

Miss Tara Uzra Dawood	2,393,485	15.98
First Dawood Investment Bank Limited	2,246,070	15.00
The Bank of Khyber	2,246,055	15.00
B.R.R. Guardian Modaraba	1,935,505	12.93

**FORM OF PROXY  
32<sup>nd</sup> ANNUAL GENERAL MEETING**

786 Investments Limited.  
Karachi.

I/We \_\_\_\_\_ of \_\_\_\_\_ (full address)

being a member of 786 Investments Limited Folio # \_\_\_\_\_ do hereby appoint

Mr./Ms \_\_\_\_\_ Folio # \_\_\_\_\_

of \_\_\_\_\_ (full address) (or failing him)

Mr./Ms \_\_\_\_\_ Folio# \_\_\_\_\_

of \_\_\_\_\_ (full address)

being another member of the Company as my/our proxy to attend and vote for me/us on my/our behalf, at the Annual General Meeting of the Company to be held on October 21, 2023 at 08:00 hours and to every adjournment thereof.

And witness my/our hand/seal this \_\_\_\_\_ day of \_\_\_\_\_ 2023, signed by the said

\_\_\_\_\_ in the presence of

Mr./Ms \_\_\_\_\_

of \_\_\_\_\_ (full address)

REVENUE  
STAMP  
Rs. 5/-

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Signature(s) and or Seal

**Important Notes:**

1. The share transfer books of the Company will remain closed from October 14, 2023 to October 21, 2023 (both days inclusive).
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him/her.
3. An instrument appointing a proxy and the power of attorney or other Authority (if any) under which it is signed or a notarially certified copy of the Power or Authority, in order to be valid, must be deposited at the Registered office of the Company, 48 hours before the meeting and must be duly stamped, signed and witnessed.
4. If more than one instrument of proxy appointing more than one person is deposited with the Company, all such instruments of proxy shall be rendered invalid.
5. This signature on the Instrument of Proxy must conform to the specimen signature recorded with the Company.
6. CDC account holders will in addition have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 of the Securities & Exchange Commission of Pakistan for attending the meeting.



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**BOOK POST**

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If undelivered, please return to:  
**786 Investment Limited**  
G-3, B.R.R. Tower,  
Hassan Ali Street,  
Off I.I. Chundrigar Road,  
Karachi - 74000 Pakistan



**Managed By:**  
**786 Investments Limited**

G-3, B.R.R. Tower, Hassan Ali Street,  
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Website: [www.786investments.com](http://www.786investments.com)