



INVESTMENTS

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786 INVESTMENTS LIMITED

**FOR THE
HALF YEAR ENDED
DECEMBER 31, 2024
(UN-AUDITED)**

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CORPORATE INFORMATION

Management Company	786 Investments Limited G-3 B.R.R. Tower, Hassan Ali Street, Off I.I. Chundrigar Road, Karachi - 74000 Pakistan Tel: (92-21) 32603751-54 Email: info@786investments.com Website: www.786investments.com	
Board of Directors	Mr. Ahmed Salman Munir Miss Tara Uzra Dawood Mr. Nadeem Akhtar Mr. Naveed Ahmed Syed Musharaf Ali Mr. Iqbal Shafiq Mr. Ahmer Zia Sarwar	Chairperson Chief Executive Officer Director Director Director Director Director
Chief Financial Officer & Company Secretary	Mr. Noman Shakir	
Audit Committee	Mr. Ahmer Zia Sarwar Mr. Naveed Ahmed Syed Musharaf Ali	Chairman Member Member
Human Resource Committee	Mr. Ahmed Salman Munir Miss Tara Uzra Dawood Mr. Naveed Ahmed	Chairperson Member Member
Auditors	Riaz Ahmed & Company Chartered Accountants	
Legal Advisor	Rauf & Ghaffar Law Associates (Advocates & Consultants) Suite # 65, 5th Floor, Fareed Chamber, Abdullah Haroon Road, Saddar – Karachi, Pakistan.	
Registrars	F.D. Registrar Services (SMC-Pvt.) Ltd. Office# 1705, 17th Floor Saima Trade Tower. A, I.I. Chundrigar Road, Karachi-74000, Pakistan.	
Banker:	Habib Metropolitan Bank Limited JS Bank Limited	
Rating:	PACRA: AM3	



DIRECTORS' REPORT FOR THE HALF YEAR ENDED DECEMBER 31, 2024

The Board of Directors of **786 Investments Limited**, referred to as '786' or 'the Company,' is pleased to present the reviewed financial statements, along with the auditor's review report, for the half-year ended December 31, 2024.

Economic & Money Market Review:

Pakistan's economy demonstrated resilience in 2024, achieving key milestones despite ongoing challenges. The Pakistan Stock Exchange (PSX) crossed the 100,000-point mark, while inflation dropped to a six-year low of 4.9%, significantly lower than the previous year's 38%. The State Bank of Pakistan (SBP) reduced the policy rate from 22% to 13%, boosting economic activity and lowering production costs. The current account recorded a \$729 million surplus, the highest in two decades, with foreign exchange reserves increasing by \$4 billion. The rupee also strengthened by Rs3 against the US dollar. Fiscal achievements included a PKR 1,700 billion budget surplus, the first in 24 years, driven by higher revenue and controlled spending.

However, industrial production declined by 0.64%, and tax reforms, such as the Tajir-Dost scheme, failed to meet expectations. A new \$7 billion IMF loan was secured under stringent conditions, including additional taxes and the removal of exemptions. Saudi Arabia extended its \$3 billion deposit, providing financial stability. While reduced inflation and interest rates set a positive outlook for 2025, challenges in industrial growth and IMF-imposed conditions require strategic policy interventions to sustain momentum. (Source: The Financial Daily International, SBP)

Company Performance

The Company recorded a profit of PKR 8.28 million during the period ended December 31, 2024, compared to a profit of PKR 6.80 million during the corresponding period. The company's income, which comprised Management Fees, increased by PKR 605,615, representing a 6.86% rise in Management Fees due to the average increase in fund size during the period. Administrative and operating expenses also increased by PKR 3.85 Million, reflecting a 24.07% rise in these expenses. The net unrealized gain on the revaluation of investments showed a profit of PKR 12.50 million, compared to PKR 21.96 million during the corresponding period. Furthermore, the net realized gain on the sale of investments showed PKR 6.77 million. The earnings per share (EPS) of the Company for the period ended December 31, 2023, was PKR 0.55 compared to PKR 0.45 during the corresponding period.

Acknowledgement

We extend our most sincere gratitude to our shareholders and valued customers for their continued trust and patronage. Our heartfelt thanks also go to the dedicated 786 team for their hard work and commitment. Additionally, we express our appreciation to regulatory authorities, particularly the Securities & Exchange Commission of Pakistan and Pakistan Stock Exchange Ltd, for their continued professional guidance and support.

On behalf of the board of
786 Investments Limited

----SD----

Chairperson

----SD----

Director

Date: **28 February, 2024**
Place: Karachi

ڈائریکٹرز کی رپورٹ

786 انوسٹمنٹ لمیٹڈ (786 یاڈی کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے، میں 786 گروپ کی 31 دسمبر 2024 کو ختم ہونے والی ششماہی کے نظر ثانی شدہ مالیاتی گوشواروں کے ہمراہ ڈائریکٹرز کی جائزہ رپورٹ پیش کرتے ہوئے خوش محسوس کرتا ہوں۔

اقتصادی اور مکی مارکیٹ کا جائزہ

پاکستان کی معیشت نے 2024ء میں چلک کا مظاہرہ کرتے ہوئے مسلسل مشکلات کے باوجود اہم سنگ میل عبور کئے ہیں۔ پاکستان اسٹاک ایکسچینج (پی ایس ایکس) 100,000 پوائنٹس کی حد عبور کر گئی جبکہ افراط زر چھ سال کی کم ترین سطح 4.9 فیصد پر آگئی جو گزشتہ سال کی 38 فیصد کے مقابلے میں نمایاں طور پر کم ہے۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) نے پالیسی ریٹ کو 22 فیصد سے کم کر کے 13 فیصد کر دیا ہے جس سے معاشی سرگرمیوں میں اضافہ اور پیداواری لاگت میں کمی آئی ہے۔ کرنٹ اکاؤنٹ میں 729 ملین ڈالر سرپلس درج کیا گیا جو دو دہائیوں میں سب سے زیادہ زرمبادلہ کے ذخائر میں 4 بلین ڈالر کا اضافہ ہوا ہے۔ امریکی ڈالر کے مقابلے میں روپیہ کی قدر میں بھی 3 روپے کا اضافہ ہوا۔ مالی کامیابیوں میں 1,700 ملین روپے کا بجٹ سرپلس شامل ہے، جو 24 سالوں میں پہلی بار ہے، جس کی بنیادی وجہ آمدنی زیادہ اور کٹرو لڈ اخراجات ہیں۔

تاہم صنعتی پیداوار میں 0.64 فیصد کمی واقع ہوئی اور ٹیکس اصلاحات جیسے کہ تازہ دوست اسکیم توقعات پر پورا اُترنے میں ناکام رہی۔ آئی ایم ایف سے 7 بلین ڈالر کا نیا قرض سخت شرائط کے تحت حاصل کیا گیا جس میں اضافی ٹیکس کا نفاذ اور اسٹیبلٹی کو ختم کرنا شامل ہے۔ سعودی عرب نے اپنے 3 بلین ڈالر کے ڈیپازٹ میں توسیع کرتے ہوئے مالی استحکام فراہم کیا۔ اگرچہ افراط زر میں کمی اور شرح سود نے 2025 کے لئے مثبت نقطہ نظر قائم کیا ہے، لیکن صنعتی ترقی میں مشکلات اور آئی ایم ایف کی طرف سے عائد کردہ شرائط کی رفتار کو برقرار رکھنے کے لئے اسٹریٹجک پالیسی میں مداخلت ضروری ہے۔

کمپنی کی کارکردگی

گزشتہ سال کی اسی مدت کے دوران 6.80 ملین روپے منافع کے مقابلے میں 31 دسمبر 2024 کو ختم ہونے والی مدت میں کمپنی نے 8.28 ملین روپے کا منافع درج کیا۔ کمپنی کی آمدنی، جو بیجمنٹ نہیں پر مشتمل ہے، مدت کے دوران فنڈ سائز میں اوسط اضافہ کی وجہ سے بڑھ کر 605,615 ہو گئی، جو بیجمنٹ نہیں میں 6.86% اضافہ ظاہر کرتی ہے۔ انتظامی اور آپریٹنگ اخراجات بھی 3.85 ملین روپے تک بڑھ گئے، جو اخراجات میں 24.07% اضافہ کی عکاسی کرتے ہیں۔ سرمایہ کاری کی دوبارہ قیمت بنیادی پر خالص غیر محسوس منافع گزشتہ مدت کے دوران 21.96 ملین روپے کے مقابلے میں 12.50 ملین روپے منافع ظاہر کرتا ہے۔ اس کے علاوہ، سرمایہ کاری کی فروخت پر خالص محسوس منافع 6.77 ملین ظاہر کیا گیا ہے۔ 31 دسمبر 2024 کو ختم ہونے والی مدت میں کمپنی کی فی حصص آمدنی (EPS) 0.55 روپے رہی جو گزشتہ مالی عرصے کے دوران 0.45 روپے تھی۔

احتراف

ہم اپنے شیئر ہولڈرز اور قابل قدر کسٹمرز کے ہم پر مسلسل بھروسہ اور سرپرستی کے ساتھ ساتھ اپنی قابل قدر 786 ٹیم کا ان کی محنت اور لگن کے لیے تہہ دل سے شکر ادا کرتے ہیں۔ ہم ریگولیری اتھارٹیز، خاص طور پر سیو ریٹریبٹرز، اینڈ ایکسچینج کمیشن آف پاکستان، اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی مسلسل پیشہ ورانہ رہنمائی اور تعاون کو بھی سراہتے ہیں۔

منجانب بورڈ

786 انوسٹمنٹ لمیٹڈ

---SD---

ڈائریکٹر

---SD---

چیرپرسن

تاریخ: 28 فروری 2025

مقام: کراچی

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of 786 Investments Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of 786 Investments Limited ("the Company") as at 31 December 2024, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2023 and 31 December 2024 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2024.

Scope of Review

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

Conclusion

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

The engagement partner on the review engagement resulting in this independent auditor's review report is Junaid Ashraf.



RIAZ AHMAD & COMPANY
Chartered Accountants

KARACHI

DATE: 28 FEBRUARY 2025
UDIN: RR202410045xMSL/TK5A

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31 DECEMBER 2024**

	Notes	Un-Audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	15,231,758	639,190
Right-of-use asset	5	718,633	1,334,605
Intangible asset	6	484,785	554,040
Long-term security deposits and receivable	7	586,325	586,325
		<u>17,021,501</u>	<u>3,114,160</u>
CURRENT ASSETS			
Trade receivables	8	9,944,719	10,014,665
Investments	9	239,466,740	245,185,756
Loans and advances	10	566,250	280,000
Prepayments		1,752,673	630,505
Accrued markup	11	764,209	801,042
Cash and bank balances	12	619,226	489,215
		<u>253,113,817</u>	<u>257,401,183</u>
TOTAL ASSETS		<u>270,135,318</u>	<u>260,515,343</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
20,000,000 (30 June 2024: 20,000,000) Ordinary shares of Rupees 10 each		<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid-up share capital			
Ordinary shares 14,973,750 (30 June 2024: 14,973,750) of Rupees 10 each		149,737,500	149,737,500
Capital Reserves			
General reserves		33,630,264	33,630,264
Subordinated loan form director	13	12,000,000	12,000,000
Revenue Reserve			
Unappropriated profit		49,257,428	40,973,802
TOTAL EQUITY		<u>244,625,192</u>	<u>236,341,566</u>
LIABILITIES			
CURRENT LIABILITIES			
Accrued and other liabilities	14	23,237,496	22,979,182
Provision for taxation and levy payable- net		1,273,888	195,853
Unclaimed dividend	15	998,742	998,742
		<u>25,510,126</u>	<u>24,173,777</u>
TOTAL LIABILITIES		<u>25,510,126</u>	<u>24,173,777</u>
CONTINGENCIES AND COMMITMENTS	16		
TOTAL EQUITIES AND LIABILITIES		<u>270,135,318</u>	<u>260,515,343</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

For 786 Investments Limited
(Management Company)

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

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

----SD----
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2024**

	Note	SIX-MONTHS PERIOD ENDED		THREE-MONTHS PERIOD ENDED	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		Rupees	Rupees	Rupees	Rupees
Income					
Remuneration from fund under management - net	17	9,430,701	8,825,086	4,521,011	4,558,510
Advisory fee - net	18	555,556	555,556	277,778	277,778
Net realized gain on sale of investments		6,776,226	1,459,405	6,068,844	1,389,763
Income on Pakistan investment bond		1,005,479	1,005,479	495,890	501,369
		<u>17,767,962</u>	<u>11,845,526</u>	<u>11,363,523</u>	<u>6,727,420</u>
Provision against investments		-	(8,982,838)	-	(8,982,838)
Net unrealized profit / (loss) on revaluation of investments at fair value through profit or loss		<u>12,504,758</u>	<u>21,960,965</u>	<u>(295,119)</u>	<u>12,130,251</u>
		30,272,720	24,823,653	11,068,404	9,874,833
Expenses					
Administrative and operating expenses		(19,868,465)	(16,012,892)	(11,091,572)	(8,213,295)
Financial charges	19	(1,228,148)	(2,374,477)	(530,627)	(1,018,720)
		<u>(21,096,613)</u>	<u>(18,387,369)</u>	<u>(11,622,199)</u>	<u>(9,232,015)</u>
Operating profit		9,176,107	6,436,284	(553,795)	642,818
Other operating income		671,881	648,104	162,908	444,403
Other operating charges		(96,549)	-	69,398	-
Profit before levy and income tax		9,751,439	7,084,388	(321,489)	1,087,221
Levy		(451,379)	-	-	-
Profit before income tax		9,300,060	7,084,388	(321,489)	1,087,221
Taxation	20	(1,016,434)	(281,419)	925,087	947,104
Profit after taxation		<u>8,283,626</u>	<u>6,802,969</u>	<u>603,598</u>	<u>2,034,325</u>
Earnings per share for the period - basic and diluted	22	<u>0.55</u>	<u>0.45</u>	<u>0.04</u>	<u>0.14</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

For 786 Investments Limited
(Management Company)

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

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

----SD----
Director



**STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2024**

	SIX-MONTHS PERIOD ENDED		THREE-MONTHS PERIOD ENDED	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Rupees	Rupees	Rupees	Rupees
Profit after taxation	8,283,626	6,802,969	603,598	2,034,325
OTHER COMPREHENSIVE INCOME				
Items that may subsequently be reclassified to profit and loss	-	-	-	-
Items that will not subsequently be reclassified to profit and loss	-	-	-	-
	-	-	-	-
Total comprehensive income for the period	8,283,626	6,802,969	603,598	2,034,325

The annexed notes from 1 to 26 form an integral part of these financial statements.

---SD---

Chief Executive Officer

For 786 Investments Limited
(Management Company)

---SD---

Chief Financial Officer

---SD---

Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2024**

	Issued, subscribed and paid-up share capital	Capital Reserves		Revenue Reserve	Total
		General reserve	Sub ordinated loan from director	Unappropriated profit	
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2023 - Audited (Restated)	149,737,500	33,630,264	22,000,000	35,314,954	240,682,718
Total comprehensive income for the period ended 31 December 2023					
Profit for the period	-	-	-	6,802,969	6,802,969
Repayment of sub ordinance from director	-	-	(10,000,000)	-	-
Other comprehensive income for the period	-	-	-	-	-
	-	-	-	6,802,969	6,802,969
Balance as at 31 December 2023	149,737,500	33,630,264	12,000,000	42,117,923	247,485,687
Balance as at 30 June 2024	149,737,500	33,630,264	12,000,000	40,973,802	236,341,566
Total comprehensive income for the period ended 31 December 2024					
Profit for the period	-	-	-	8,283,626	8,283,626
Other comprehensive income for the period	-	-	-	-	-
	-	-	-	8,283,626	8,283,626
Balance as at 31 December 2024	149,737,500	33,630,264	12,000,000	49,257,428	244,625,192

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

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

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

----SD----
Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2024**

		SIX-MONTHS PERIOD ENDED	
		31 December	31 December
Note		2024	2023
		Rupees	Rupees
	Profit before levy and income tax	9,751,439	7,084,388
	Adjustments for non-cash charges and other items:		
	Depreciation on property and equipment	4 1,045,592	219,903
	Depreciation on right-of-use assets	5 615,972	577,211
	Amortization on intangibles	6.1 69,255	69,255
	Financial charges	19 1,228,148	2,366,228
	Impairment loss on investments	-	8,982,838
	Revaluation gain on investments at fair value through profit or loss	(12,504,758)	(21,960,965)
	Mark-up earned on savings accounts	(194,640)	(205,869)
	Gain on sale of assets	(432,797)	-
	Income on Pakistan Investment Bonds	(1,005,479)	(1,005,479)
	Net realized gain on sale of investments	(6,776,226)	(1,459,405)
	Net cash used in from operating activities before working capital changes	(8,203,494)	(5,331,895)
	Working capital changes		
	(Increase) / Decrease in current assets:		
	Loans and advances	(286,250)	(420,000)
	Prepayments	(1,122,168)	(1,330,768)
	Trade receivable	69,946	(679,351)
		(1,338,472)	(2,430,119)
	(Decrease) / Increase in current liabilities:		
	Accrued and other liabilities	(955,744)	(1,020,607)
	Net cash used in from operations after working capital changes	(10,497,710)	(8,782,621)
	Taxes paid	(389,778)	(665,853)
	Finance cost paid	(14,090)	(118,194)
	Net cash used in operating activities	(10,901,578)	(9,566,668)
	CASH FLOWS FROM INVESTING ACTIVITIES		
	Units of mutual fund redeemed	126,000,000	21,000,000
	Units of mutual fund purchased	(101,000,000)	(3,000,000)
	Receipt of mark-up on savings account	236,952	149,240
	Income received on Pakistan investment bonds	1,000,000	1,000,000
	Disposal proceeds on fixed assets	432,797	-
	Capital expenditure incurred	(15,638,160)	-
	Net cash generated from investing activities	11,031,589	19,149,240
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Subordinated loan from director repaid	-	(10,000,000)
	Lease rental paid	-	(609,156)
	Net cash used in financing activities	-	(10,609,156)
	Net decrease in cash and cash equivalents	130,011	(1,026,584)
	Cash and cash equivalents at beginning of the year	489,215	1,488,537
	Cash and cash equivalents at end of the period	619,226	461,953

The annexed notes from 1 to 26 form an integral part of these financial statements.

For 786 Investments Limited
(Management Company)

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

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

----SD----
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2024

1. STATUS AND NATURE OF BUSINESS

- 1.1 786 Investments Limited ("the Company") was incorporated on September 18, 1990 as a public limited Company in Pakistan, with its registered office at G3, BRR Tower, Hassan Ali Street, Off I.I. Chundrigar Road, Karachi 74000. The Company is listed on the Pakistan Stock Exchange Limited. The Company has changed its name to 786 Investments Limited from Dawood Capital Management Limited with effect from 20 January 2017 after completing regulatory formalities.

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

- 1.2 The license to carry out "Asset Management Service" has been successfully renewed vide its letter No.SCD/AMCW/38/786IL/AMS/04/2022 dated 12 May 2022 with effect from 26 May 2022 to 25 May 2025 under Rule 5 of the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 amended through S.R.O 1131(1) 2007, S.R.O 271(1) 2010, S.R.O 570(1)/2012 and S.R.O 1002(1)/2015 respectively. License shall be renewable by the Commission for next three years, subject to the compliance with NBFC Rules and NBFC Regulations.
- 1.3 The license to carry out "Investment Advisory Services" has been successfully renewed vide its letter No.SCD/AMCW/37/786IL/IAS/07/2022 dated 12 May 2022 with effect from 26 May 2022 and valid till 25 May 2025. License shall further be renewable by the Commission for next three years, subject to the compliance of the NBFC Rules and the NBFC Regulations.
- 1.4 The Company is an asset management company of the "786 Smart Fund" and "786 Islamic Money Market Fund".
- 1.5 The Pakistan Credit Agency (PACRA) has assigned Asset Manager rating of "AM3" to the Management Company dated 20 December 2024.
- 1.6 In compliance of the NBFC Rules read with SRO 1002(1)/2015 dated October 15, 2015 of SECP, the management would like to report that the Company has sufficient insurance coverage from an insurance company, rated AA++ by the Pakistan Credit Rating Agency limited (PACRA), against financial losses that may be caused as a result of gross negligence of its employees.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRS Standards) issued by the international Accounting Standard Boards (IASB) as notified under the Companies Act, 2017;
 - Provision of and directives issued under the Companies Act, 2017;
 - The Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (The NBFC Rules), and the Non Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations); and
 - Directives issued by the SECP.

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

- 2.1.2 These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2024.

2.1.3 These condensed interim financial statements are un-audited. However, subject have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017 .

2.1.4 The comparatives in the condensed interim statement of financial position presented in the condensed interim financial statements as at 31 December 2024 have been extracted from the annual audited financial statements for the year ended 30 June 2024, whereas the comparative in condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from unaudited condensed interim financial statements for the period ended 31 December 2023.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the method of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended 30 June 2024

3.1 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

	Notes	Un-Audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
4. PROPERTY AND EQUIPMENT			
Operating fixed assets	4.1	15,231,758	639,190
4.1 Operating fixed assets			
Opening book value		639,190	982,460
Add: Purchases during the period / year		15,638,160	95,800
Less: Depreciation charged during the period / year		(1,045,592)	(439,070)
Less: Disposed assets during the period / year			
- Cost of disposed asset		4,327,970	-
- Accumulated depreciation		(4,327,970)	-
		-	-
		15,231,758	639,190
Depreciation rates		10-33%	10-33%

4.2 The cost of fully depreciated assets as at 31 December 2024 is Rupees 9.211 million (30 June 2024: 13.589 million) and are still in active use of the Company.

5.	RIGHT-OF-USE ASSET	Notes	Un-Audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
	Reconciliation of carrying amount of right-of-use asset			
	Balance at the beginning of the year		1,334,605	2,405,045
	Less: Depreciation charged during the period		(615,972)	(1,154,422)
	Add: Impact of reassessment		-	83,982
	Balance at the end of the period	5.1	718,633	1,334,605
	Annual rate of depreciation (%)		20%	20%

5.1 The Company obtained building on lease for head office. There is no impairment against right-of-use asset. The principal terms and conditions of this lease arrangement are as follows:

Office Premises	Lessor Name	Lease start date	Lease tenure
G3 BRR Tower Hassan Ali Street Off I.I. Chunrigar Road, Karachi	BRR Guardian Limited	1-Aug-20	5 Years

6.	INTANGIBLE ASSET		Un-Audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
	Computer software	6.1	484,785	554,040

6.1	Computer software		Un-Audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
	At 01 July 2024			
	Cost		1,385,100	1,385,100
	Accumulated amortization		(831,060)	(692,550)
	Net book value		554,040	692,550
	Period ended 31 December 2024			
	Opening net book value		554,040	692,550
	Amortization charged during the year		(69,255)	(138,510)
	Closing net book value		484,785	554,040
	At 31 December 2024			
	Cost		1,385,100	1,385,100
	Accumulated amortization		(900,315)	(831,060)
	Net book value		484,785	554,040
	Amortization rate		10%	10%

6.2 Intangible asset relates to software developed for business operations having remaining useful life of 4 years (30 June 2024: 4.5 years).

7.	LONG-TERM SECURITY DEPOSITS AND RECEIVABLE	Note	Un-Audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
	Security deposits:			
	Security deposit with Central Depository Company of Pakistan Limited		25,000	25,000
	Security deposit against utilities		11,300	11,300
		7.1	36,300	36,300
	Receivable:			
	786 Islamic Money Market Fund - Fund Under Management	7.2	550,025	550,025
			586,325	586,325

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

7.2 This represents the preliminary and floatation expenses including expenses incurred in connection with the establishment and authorization of the 786 Islamic Money Market Fund (the Fund) which will be reimbursed by the Fund over a period of 5 years from the date it becomes operational in accordance with the provisions of the offering document of the Fund. The receivable has not been discounted to its present value as the financial impact thereof is not considered to be material.

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

	Un-Audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
786 Islamic Money Market Fund - Fund Under Management	<u>550,025</u>	<u>550,025</u>

8. TRADE RECEIVABLES

Considered good - unsecured

Balance due from fund under management:

-786 Smart Fund	8.1	8,578,286	9,414,665
-786 Islamic Money Market Fund		166,433	-

Balance due against advisory services:

-Dawood Family Takaful Limited	8.2	1,200,000	600,000
	8.3	<u>9,944,719</u>	<u>10,014,665</u>

8.1 Balance due from fund under management primarily represent receivable on account of management fee, Sindh Sales Tax on management fee and allocated expenses charged to the fund under management. This also includes Federal Excise Duty receivable from the fund under management as more fully disclosed in Note 14.2 to these financial statements.

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

9. INVESTMENTS

At fair value through profit or loss

Pakistan investment bond	18,343,650	16,271,898
Units of mutual fund- related party	221,123,090	228,913,858
	<u>239,466,740</u>	<u>245,185,756</u>

9.1 This Government security - Pakistan investment bond having face value of Rupees 20 million (June 2024: 20 million) will mature by 19 September 2029 and carries effective interest at rate of 12.15% (June 2024: 12.15%).

9.2	Units of mutual funds- related party		31 December 2024		30 June 2024
	31 December 2024 Units	30 June 2024 Units	Carrying value Rupees	Fair value Rupees	Fair value Rupees
			Fund Under Management		
	1,323,991	2,739,190	786 Smart Fund	109,715,470	120,432,637
	1,000,000	-	786 Islamic Money Market Fund	100,000,000	100,690,453
				<u>221,123,090</u>	<u>228,913,858</u>

9.3 Term Finance Certificate - Unlisted

31 December 2024 Certificates	30 June 2024 Certificates		31 December 2024 Rupees	30 June 2024 Rupees
5,000	5,000	Silk Bank Limited - cost	22,457,095	22,457,095
		Fair value loss against investment	<u>(22,457,095)</u>	<u>(22,457,095)</u>
			<u>-</u>	<u>-</u>

- 9.3.1 This represents investments in B rated, unsecured and subordinated Term Finance Certificate (TFCs) carry profit equal to 6 months KIBOR plus 1.85% (2023: 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 ended 30 June 2022, Silk Bank Limited (the issuer) has not made its payment of principal and mark-up due on 10 February 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. No observable market inputs were available to determine the fair market value of these TFCs as at reporting date. Due to these facts, the management has prudently recorded a fair value loss of 100% on the amount of investments. In prior years, the accrual of markup on the same was also suspended.

10. LOANS AND ADVANCES	Note	Un-Audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
Secured - considered good			
Executives		<u>566,250</u>	<u>280,000</u>
12.1 This represents the interest free loan provided to the Company's staff on monthly installment basis. The loan will be repaid through monthly deductions from the salary and is secured against the recognized contributory provident fund.			
11. ACCRUED MARKUP			
On savings accounts		194,346	236,658
On Pakistan Investment Bond		<u>569,863</u>	<u>564,384</u>
		<u>764,209</u>	<u>801,042</u>
12. CASH AND BANK BALANCES			
Cash in hand		25,000	-
Cash at bank- savings accounts	12.1	<u>594,226</u>	<u>489,215</u>
		<u>619,226</u>	<u>489,215</u>
12.1 The balance in savings accounts carries profit at rates of 13.5% per annum (June 2024: 20.5% per annum).			
13. SUBORDINATED LOAN FROM DIRECTOR			
The subordinated loan bears markup at 3 months KIBOR + 2% (30 June 2024: 3 months KIBOR + 2%) and is repayable at the discretion of the Company.			
This loan has been categorized as part of equity in accordance with NBFC rules and ATR 32 issued by the ICAP.			
14. ACCRUED AND OTHER LIABILITIES			
Accrued expenses		1,990,500	3,447,201
Accrued mark-up on director loan	13	13,347,277	12,133,219
Payable to fund under management	14.1	200,000	200,000
FED payable	14.2	6,513,677	6,513,677
Workers' Welfare Fund payable		592,055	495,506
Sales tax payable		218,595	189,579
Withholding tax payable		<u>375,392</u>	<u>-</u>
		<u>23,237,496</u>	<u>22,979,182</u>
14.1 This represents an amount of Rupees 0.20 million (30 June 2024: Rupees 0.20 million) received from NCCPL being refund of tax amount with respect to funds under management. This amount will be disbursed to unit holders of the fund under management.			

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

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

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

15. UNCLAIMED DIVIDEND

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

16. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at reporting date (30 June 2024: Nil).

17. REMUNERATION FROM FUND UNDER MANAGEMENT - NET

This represents the management fee received from the "786-Smart Fund" and "786 Islamic Money Market Fund" at a rate of 1.5% of the average annual net assets under management on daily basis according to provisions of the Trust Deed of the Fund.

18. ADVISORY FEE - NET

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

		31 December 2024	31 December 2023
	Note	Rupees	Rupees
19. FINANCIAL CHARGES			
Mark-up on director loan	19.1	1,214,058	2,248,034
Financial charges on lease liabilities		-	118,194
Bank charges		14,090	8,249
		<u>1,228,148</u>	<u>2,374,477</u>
19.1	This director loan carries interest at the rate of 3 month Kibor +2% (30 June 2024: 3 month Kibor +2%).		
20. TAXATION			
Current tax		1,016,434	176,701
Prior year tax		-	104,718
		<u>1,016,434</u>	<u>281,419</u>
21. LEVY			
Minimum tax		451,379	-
Final tax		-	-
		<u>451,379</u>	<u>-</u>

	31 December 2024	31 December 2023
	Rupees	Rupees
22. EARNINGS PER SHARE FOR THE PERIOD - BASIC AND DILUTED		
Net profit for the period - Rupees	<u>8,283,626</u>	<u>6,802,969</u>
Weighted average number of ordinary shares- Number	<u>14,973,750</u>	<u>14,973,750</u>
Earnings per share- Rupees	<u>0.55</u>	<u>0.45</u>

22.1 There are no dilutive potential shares as at the period end .

23. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of related group companies, directors, their close family members, senior executives, retirement benefit plans, major shareholders of the Company and funds under management. Transactions with the related parties other than those disclosed elsewhere in these financial statements during the period are as follows:

	<u>SIX-MONTHS PERIOD ENDED</u>		<u>THREE-MONTHS PERIOD ENDED</u>	
	<u>31 December 2024</u>	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
23.1 Transactions during the period				
Subordinated loan form director				
Repayment of loan	-	10,000,000	-	10,000,000
Interest expense charged for subordinated loan	1,214,058	2,248,034	557,878	894,763
786 Smart Fund - Fund under Management				
Remuneration from fund under management - net	9,142,381	8,825,086	4,558,510	4,558,510
Accounting and operational charges	609,491	588,097	609,491	303,671
Investment of 11,436 (2023: 32,848) units	1,000,000	3,000,000	-	3,000,000
Redemption of 1,426,635 (2023: 237,122) units	126,000,000	21,000,000	108,500,000	-
786 Islamic Money Market Fund - Fund under Management				
Remuneration from fund under management - net	288,320	-	288,320	-
Accounting and operational charges	19,221	-	19,221	-
Investment of 1,000,000 (2023: Nil) units	100,000,000	-	100,000,000	-
Other Related Parties				
First Dawood Investment Bank Limited & Others Employees' Provident Fund				
Provident fund contribution	492,988	413,202	274,756	206,601
B.R.R. Guardian Limited				
Lease rentals paid	-	730,894	-	356,308
Key Management Personnel				
Rumuneration and director fee	4,459,900	4,672,802	2,419,900	1,051,403
Dawood Family Takaful Limited				
Insurance expense during the period	42,038	35,822	21,019	26,793
Advisory fee - net	555,556	555,556	277,778	277,778

	31 December 2024	31 December 2023
	Rupees	Rupees
23.2 Balance outstanding with related parties		
Receivable balances		
Receivable against management fees	8,744,719	2,353,266
Dawood Family Takaful Limited		
Advisory fee receivable	1,200,000	1,500,000
B.R.R. Guardian Limited		
Prepaid rent	-	848,575
Key Management Personnel		
Chief Executive Officer		
Subordinated loan:		
Principal	12,000,000	12,000,000
Accrued Mark-up	13,347,277	10,739,112

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

Name of related party	Basis of relationship	Percentage of shareholding (%)
786 Smart Fund	Fund under Management	26%
786 Islamic Money Market Fund	Fund under Management	0%
B.R.R. Guardian Limited	Shareholding	12.93%
Dawood Family Takaful Limited	Common directorship	N/A

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

24. FINANCIAL RISK MANAGEMENT

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

These condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended 30 June 2024.

25. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorised for issue on **February 27, 2025** by the Board of Directors of the Company.

26. GENERAL

26.1 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.

26.2 Figures have been rounded off to the nearest rupee.

For 786 Investments Limited
(Management Company)

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

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

----SD----
Director



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If undelivered, please return to:

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