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786 INVESTMENTS LIMITED

**ANNUAL REPORT
2026**



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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: AM+	



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 XXXV)

September 29, 2025

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, 2026, at 08:00 at G-3, BRR Tower, Hasan Ali Street of I.I. Chundrigar Road, Karachi prior to its publication in the newspaper for circulation amongst the Certificate Holders of the Exchange.

Yours sincerely

for 786 Investments Limited

Noman Shakir
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING (AGM XXXIV)

Notice is hereby given that the 35th Annual General Meeting of the shareholders of the Company will be held on Wednesday, October 21, 2026, at 08:00 AM, at Registered Office: G3, BRR tower, Hassan Ali Street, Off Chundrigar Road, Karachi to transact the following business:

Ordinary Business

- 1- To confirm the Minutes of the 34th Annual General Meeting.
- 2- To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2026 together with Directors and Auditors Reports thereon.
- 3- To appoint auditors for year ending June 30, 2027 and fix remuneration.



Special Business:

4. To consider, and if deem fit, to pass with or without any amendment/modification the following resolution as special resolution, to obtain consent from the members for the transmission of annual audited account through QR enabled code and weblink, as allowed under S.R.O. 389 (I)/2023 issued by the Securities and Exchange Commission of Pakistan..
5. To consider and if deemed fit, pass the following resolutions as special resolutions (with or without modification) to increase the Authorized Capital of the Company to PKR 250,000,000 in accordance with the Companies Act, 2017 as recommended by the Board of Directors:

FURTHER RESOLVED THAT in consequence of the aforesaid increase in the authorized capital of the Company, the existing Clause of the Memorandum of Association and Clause of the Articles of Association of the Company be and are hereby amended accordingly,

6. Any other Business with the permission of the Chair.

Statements under Section 134(3) of the Companies Act, 2017 concerning special business are annexed to the notice of meeting circulated to the members of the Company.

By Order of the Board

September 14, 2026
Karachi

Noman Shakir
Company Secretary

1- Book Closure

The share transfer books of 786 Investments Ltd. will remain closed from October 14, 2026, to October 21, 2026 (both days inclusive). The transfers received in order to our share registrar, FD Registrar Services (Pvt) Ltd situated on the 17th floor, Saima Trade Tower A, I.I. Chundrigar Road, Kai'ac1ii by the close of business on October 13, 2026, 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 appeal 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 Intentioned 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- Video Link Facility:

In pursuance of Circular No. 4 of 2021 dated February 15, 2021 issued by the Securities and Exchange Commission of Pakistan, the member shall also be entitled to attend the meeting through video link facility after completing verification and identification requirements. Members interested in attending this meeting through video link facility are requested to register themselves by submitting the following particulars at email address company.secretary@786investments.com before close of business

5- 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.

6- 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 2026 will also be placed on 786 Investments Ltd. website www.786investments.com and is readily accessible to the shareholders through the following weblink QR enabled code.





7- 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 from 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.

8- Postal Ballot/E-Voting

In accordance with the Companies (Postal Ballot) Regulations, 2018, the right of vote through postal ballot shall be provided to the shareholders of every company, subject to the requirements of Sections 143 and 144 of the Companies Act, 2017.

a) E-voting Procedure: Details of the e-voting facility will be shared through an e-mail with those shareholders of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of shareholders of the Company within due course. The web address, login details, will be communicated to shareholders via email. Identity of the shareholders intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login. E-voting lines will be opened from October 18, 2026, 09:00 a.m. and shall close on October 20, 2026 at 5:00 p.m. Shareholders can cast their votes any time during this period. Once the vote is cast by a shareholder, he/she shall not be allowed to change it subsequently.

b) For voting through postal ballot, shareholders may exercise their right to vote as per provisions of the Companies (Postal Ballot) Regulations, 2018. The shareholders shall ensure that duly filled and signed ballot paper along with copy of CNIC should reach the Chairman of the meeting through post on the Company's registered office situated at G3, BRR tower, Hassan Ali Street, Off Chundrigar Road, Karachi or email at company.secretary@786investments.com one day before the AGM, during working hours. The signature on the ballot paper shall match with the signature on CNIC. Ballot paper for voting through post will be published and will also be available on the Company's website www.packages.com.pk.

9- 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.

10- Prohibition of Gifts:

In compliance with Section 185 of the Act read with Circular 2 of 2018, dated February 09, 2018, and S.R.O. 452(1)/2025 dated March 17, 2025 of SECP has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens/coupons/lunches/takeaway/packages) in any form or manner, to the Shareholders at or in connection with General Meetings.



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

This statement set on the material facts pertaining to Special Business Agenda Item No, 4 on the notice to be transacted at the 35th Annual General Meeting.

AGENDA NO. 1:

"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.

AGENDA NO. 2:

Increase in Authorized Capital of the Company and consequent amendments in the Memorandum and Articles of Association of the Company:

The existing authorized capital of the Company is PKR 200,000,000/- (Rupees Two Hundred Million only) divided into 20,000,000 (Twenty Million only) ordinary shares of Rs.10/- each.

In order to provide the Company with adequate leverage to consider future increase in paid- up capital, it is proposed to increase the Authorized Capital of the Company from existing authorized capital of Rs. 50,000,000 (Rupees fifty million only) divided into 5,000,000 (Five million ordinary shares of PKR10/- each which shall rank pari passu in every respect with the existing ordinary shares of the Company.

The proposed increase in the authorized capital of the Company will also necessitate amendments in Clause of Memorandum of Association of the Company and Article of the Articles of Association of the Company. The Board of Directors has also recommended required alterations to the Memorandum and Articles of Association of the Company to reflect the increase in authorized capital of the Company.



BALLOT PAPER

**Annual General Meeting of 786 Investment Limited to be held Wednesday October 21, 2026, at 08:00 AM, at Registered Office:
G3, BRR tower, Hassan Ali Street, Off Chundrigar Road, Karachi**

Name of shareholder/Joint shareholders	
Registered Address	
Folio / CDS Account Number	
Number of shares held	
CNIC/Passport Number (copy to be attached)	
Name of Proxy Holder	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	
Name of Authorized Signatory	
CNIC/Passport Number (copy to be attached)	

1. Please indicate your Vote by ticking (✓), the relevant box.

2. In case both the boxes are marked as (✓), your ballot paper shall be treated as "Rejected".

I/we hereby exercise my/our vote in respect of the following Special Resolution through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓), mark in the appropriate box below:

Description of Special Resolutions	I / We assent to the Resolutions (FOR)	I / We dissent to the Resolutions (AGAINST)
To consider, and if deem fit, to pass with or without any amendment/modification the following resolution as special resolution, to obtain consent from the members for the transmission of annual audited account through QR enabled code and weblink, as allowed under S.R.O. 389 (I)/2023 issued by the Securities and Exchange Commission of Pakistan.		
To consider and if deemed fit, pass the following resolutions as special resolutions (with or without modification) to increase the Authorized Capital of the Company to PKR 250,000,000 in accordance with the Companies Act, 2017 as recommended by the Board of Directors: FURTHER RESOLVED THAT in consequence of the aforesaid increase in the authorized capital of the Company, the existing Clause of the Memorandum of Association and Clause of the Articles of Association of the Company be and are hereby amended accordingly,		

Signature of shareholder(s)/ Proxy Holder/Authorized Signatory

NOTES

1. Copy of CNIC/Passport (in case of foreigner) should be enclosed with the postal ballot form.
2. Signature on postal ballot should match with signature on CNIC/Passport (in case of foreigner).
3. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.



FINANCIAL HIGHLIGHTS

	2026	2025	2024	2023	2022	2021
	Rupees In Million					
Authorized Capital	200.0000	200.0000	200.0000	200.0000	200.0000	200.0000
Paid-Up Capital	199.6450	149.7375	149.7375	149.7375	149.7375	149.7375
Shareholders' Equity	312.5475	271.7596	236.3416	240.6827	230.6069	230.1301
Total Assets	347.7750	299.2635	260.5153	262.8287	255.4305	248.8764
Short-Term Investment in Securities	318.3665	271.0735	245.1858	241.4905	226.5300	215.2467
Income From Investments	34.4947	57.9297	45.1355	32.8254	2.0061	4.6185
Management Fee	23.3398	19.3107	18.8082	13.2533	13.1830	8.8368
Advisory Fee	1.0435	1.1111	1.1111	1.1111	1.1111	1.1111
Dividend Income	0.1119	0.0288	0.2484	0.4416	17.5517	9.5510
Other Income	0.2836	0.8273	1.3405	0.7176	1.1484	3.7407
Net unrealized gain/(loss) on revaluation of investments	6.5406	2.8661	(18.6037)	0.8503	-	-
Profit Before Taxation	11.3776	38.9514	10.9400	13.5368	3.8205	5.1396
Taxation	7.4555	3.5334	5.2811	3.4610	3.0283	1.8708
Profit After Taxation	3.9221	35.4180	5.6588	10.0758	0.7923	3.2688
Book Value Per Share	20.8730	18.1491	15.7837	16.0736	15.4007	15.3689
Earnings Per Share	0.22	2.37	0.38	0.67	0.05	0.22



CHAIRMAN'S REPORT

Throughout the year, the Directors of 786 Investments Limited demonstrated leadership, professionalism, and commitment in guiding the Company through a challenging period of transformation. Their valuable support has been instrumental in our turnaround journey, and I sincerely appreciate their continued guidance.

As part of our strategic growth initiatives, the Company is preparing to launch a pension fund to expand its product offerings and strengthen its position in the market. This initiative will help diversify our business, create new opportunities for growth, and support sustainable profitability. Management is working closely with all relevant stakeholders to ensure a smooth and successful launch in full compliance with regulatory requirements. The initiative reflects our commitment to long-term growth, financial sustainability, and enhanced value creation for our shareholders.

In parallel, the Company is driving a focused cost optimization program to enhance operational efficiency and strengthen financial performance. Expanding Assets Under Management (AUM) remains a key strategic priority for the coming year. As of June 30, 2026, the 786 Smart Fund achieved an AUM of PKR 1.3 billion, while the newly launched 786 Islamic Money Market Fund reached PKR 669 million.

The strong AUM achieved by both funds provides a solid foundation for the Company's next phase of growth. Going forward, we remain focused on disciplined resource management, continued AUM expansion, and operational excellence to strengthen profitability and create sustainable long-term value for our investors and shareholders.

On behalf of the Company, I wish to convey my deepest appreciation to the Securities and Exchange Commission of Pakistan and the management of the Pakistan Stock Exchange Limited for their unwavering support and cooperation. I also extend heartfelt thanks to our valued stakeholders, whose trust and contributions remain at the core of our continued success.

Ahmed Salman Munir
Chairperson

September 14, 2026
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, 2026.

Principle Business:

786 Investments Limited is a public listed company incorporated in Pakistan. The Company is registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003. The Company has obtained a license to undertake Asset Management Services and is in the process of obtaining a license to provide Investment Advisory Services under the NBFC Rules, 2003 and the NBFC Regulations, 2008.

Company Performance Review:

	June 30, 2026	June 30, 2025
	----- Rupees -----	
Management Fees	23,339,796	19,310,743
Advisory fee	1,043,478	1,111,111
Dividend income	111,862	28,793
Net realized gain on investments	31,381,866	39,640,107
Income on debt securities	3,112,813	18,289,552
Net unrealized gain/(loss) of investments	6,540,643	2,866,112
Other Operating Income	283,588	827,254
Operating Profit	13,565,242	38,923,052
Administration and Operating Expenses	(50,503,351)	(40,250,931)
Financial Charges	(1,461,865)	(2,072,436)
Total Expenses	(51,965,216)	(42,323,367)
Other operating charges	(2,471,265)	(798,867)
Profit Before Taxation	10,036,335	38,000,236
Profit After Taxation	3,922,113	35,418,029

Financial and Operational Performance

The Company recorded a Profit After Taxation of PKR 3.922 million during the year ended June 30, 2026, compared to PKR 35.418 million in the corresponding period last year. The decrease in profitability was primarily attributable to income from debt securities (TFCs) received in the previous year.

Management fee income increased to PKR 23.339 million from PKR 19.310 million, reflecting steady growth in the Company's fund management operations. Furthermore, the Company recorded a net unrealized gain on investments of PKR 31.38 million, compared to a net unrealized loss of PKR 39.64 million in the previous year.

On the expenses side, administration and operating expenses increased to PKR 50.503 million from PKR 40.251 million in 2025, representing an increase of 25.47%. The increase was mainly attributable to higher operational, right issue and compliance-related costs. Financial charges, however, decreased to PKR 1.462 million from PKR 2.072 million in the previous year, mainly due to the repayment of the Director's loan during the previous year.



Overall, despite the decline in Profit After Taxation, the Company continued to strengthen its core fund management operations, as reflected by higher management fee income and improved investment valuation compared to the previous year.

The earnings per share (EPS) of the Company for the year ended June 30, 2026, was PKR 0.22, compared to PKR 2.25 per share for the corresponding period last year.

Internal Financial Controls

The Board of Directors is responsible for ensuring that the Company's internal financial control system is adequate and operates effectively. The Board, through its committees and management, continues to monitor the effectiveness of the Company's internal control framework and financial reporting processes.

Assets Under Management

The Company remained focused on growing its Assets Under Management (AUM). During the year, the Company continued to expand its product base and is currently managing two funds:

1. **786 Smart Fund** - Shariah-Compliant Income Scheme
2. **786 Islamic Money Market Fund** - Shariah-Compliant Money Market Scheme

786 Smart Fund reported AUM of PKR 1,378.64 million as of June 30, 2026, with a Net Asset Value (NAV) per unit of PKR 84.22. The Fund generated total income of PKR 167.75 million, primarily from investments and bank balances. Total expenses amounted to PKR 29.87 million, resulting in net income after taxation of PKR 137.88 million. The accounting income available for distribution during the period amounted to PKR 123.66 million.

786 Islamic Money Market Fund reported AUM of PKR 669.80 million as of June 30, 2026, compared to PKR 437.28 million as of June 30, 2025, reflecting significant growth in the Fund's size during the year. The Net Asset Value (NAV) per unit increased to PKR 100.54 as of June 30, 2026, from PKR 100.40 in the previous year.

The continued growth in the Company's fund management operations demonstrates its strategy of diversifying its product offerings, strengthening its investor base and providing Shariah-compliant investment solutions to investors.

Future Plans

The Company is undertaking a comprehensive reassessment of its strategy by carefully evaluating the prevailing economic environment and its internal resources. To strengthen its capital base and align its resources with its long-term growth objectives, the Board has approved a right issue of one right share for every three shares held. The proceeds from the issue will be utilized primarily for the repayment of subordinated loans, enabling the Company to strengthen its balance sheet, reduce its financial liabilities and improve profitability. A portion of the proceeds will also be utilized for the upgradation of technology, which is critical to sustaining business growth and competitiveness.

To accelerate growth in Assets Under Management (AUM), the Company is upgrading its technology infrastructure and enhancing its operational capabilities. Through disciplined resource allocation, strict regulatory compliance and active stakeholder engagement, the Company remains focused on strengthening its financial position, achieving sustainable growth and delivering enhanced long-term value to its shareholders.



In parallel, the Company is implementing a cost optimization program to enhance operational efficiency and is pursuing organizational restructuring by streamlining processes, improving workflows and introducing effective cost-control measures.

Economic Review:

The global economy remained resilient during 2025 despite heightened trade tensions, geopolitical uncertainties, elevated public debt and challenging financial conditions. Global growth is estimated at 2.8% in 2025 and is projected at 2.7% in 2026, with a gradual improvement to 2.9% in 2027, while global inflation is expected to moderate from 3.4% in 2025 to 3.1% in 2026. Although continued disinflation and monetary easing may support economic activity and investment, the outlook remains subject to risks arising from trade policy uncertainty, geopolitical tensions, financial market volatility and limited fiscal space. Global trade growth is also expected to moderate in 2026 following the temporary boost from front-loaded shipments in 2025. Against this backdrop, businesses are expected to remain focused on operational efficiency, prudent financial management, market diversification and effective risk management, while technological developments, particularly in artificial intelligence and digital infrastructure, present opportunities for productivity and long-term growth.

Pakistan's external sector remained broadly stable during FY2025-26, although the current account recorded a modest deficit of USD 139 million, compared with a surplus of USD 1.838 billion in FY2024-25. The deficit represented only 0.03% of GDP, compared with a surplus of 0.45% in the previous year. Towards the close of the fiscal year, the current account recorded a deficit of USD 649 million in June 2026, following a surplus of USD 500 million in May 2026, reflecting some pressure on the external account.

Despite these pressures, Pakistan's external liquidity position strengthened, supported by inflows from multilateral institutions. As of June 24, 2026, SBP-held foreign exchange reserves increased by USD 611 million to USD 16.5 billion, while total liquid foreign exchange reserves reached USD 22.0 billion, including USD 5.5 billion held by commercial banks. The improvement in reserves provided greater resilience to the country's external financing position and supported overall macroeconomic stability.

Money Market Review:

The State Bank of Pakistan maintained the policy rate at 11.50% following its Monetary Policy Committee meeting held on June 15, 2026, amid rising inflationary pressures and a gradual economic recovery. Inflation increased from 7.3% in March to 10.9% in April and 11.7% in May 2026, mainly driven by higher fuel costs, adjustments in the petroleum levy and administered energy prices, along with their pass-through to transportation, food and production costs.

Despite these inflationary pressures, economic activity continued to recover gradually, supported by improving external-sector conditions and overall macroeconomic stabilisation.

Asset Management Industry Overview

Mutual Funds (open-end funds) recorded Assets Under Management (AUM) of PKR 4,040.248 billion as of June 30, 2026, compared to PKR 3,444.733 billion as of June 30, 2025, reflecting an increase of 17.29% during the year.



Corporate Social Responsibility and Impact on Environment

During the year, the Company continued its commitment to social development and women's empowerment through the "Educate a Girl" initiative. In collaboration with Dawood Global Foundation (DGF), the initiative supported the empowerment of young women through education, technical skills development and capacity building.

A key intervention was the five-day Rooftop Solar Installation Training Programme conducted at Mehran University of Engineering & Technology (MUET), Jamshoro. The programme equipped 40 female engineers from Sindh with practical skills in solar photovoltaic installation, system design, safety, maintenance and leadership. The participants also gained hands-on experience through the installation of a 5kW rooftop solar system, while the programme created pathways for internships and future employment opportunities in the renewable energy sector. Through these initiatives, the Company remains committed to promoting education, gender inclusion, employability and sustainable development, particularly among women from underserved communities.

These initiatives reaffirm 786 Investments Limited's commitment to education, women's empowerment, community development and sustainable growth. The Company appreciates the dedication of its team and the valuable support of its partners, including Dawood Global Foundation. Going forward, the Company remains committed to creating lasting value for its stakeholders and contributing positively to the wider community.

Principal Risks and Uncertainties

The Company currently manages two Shariah-compliant funds, namely the 786 Smart Fund and the 786 Islamic Money Market Fund, which primarily invest in Shariah-compliant income and money market instruments, including Sukuk. Changes in interest rate benchmarks and market conditions may affect the valuation, pricing and returns of such investments. The Company continues to evaluate investment opportunities in highly rated Sukuk, including securities rated A+/A1+ or above, with the objective of enhancing portfolio returns while maintaining an appropriate level of risk.

The Company's risk management policies and procedures are designed to ensure that risks are appropriately identified, assessed, monitored and managed. Risk management is a dynamic and ongoing process, and management continuously reviews and strengthens its risk management framework, internal controls and investment practices to mitigate potential risks and minimize volatility in earnings.

Board Evaluation

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, an evaluation of the performance of the Board of Directors and its Committees was carried out during the year. A comprehensive self-evaluation survey was conducted to assess the effectiveness and performance of the Board and its Committees. Feedback was obtained from all Board members on various aspects, including strategic clarity, business direction, effectiveness of the business plan, and adequacy of the Board's functional 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 GOVERNANCE) REGULATIONS, 2019 in the following manner.

The total number of directors is seven (7), as follows:

- Male: 6
- Female: 1

The Composition of board is as follows:

Category	Names	Designation
Independent Directors	Mr. Ahmed Salman Munir Mr. Nadeem Akhtar Mr. Ahmer Zia Sarwa	Chairperson Director Director
Executive Director	Ms. Tara Uzra Dawood	Chief Executive Officer
Non-Executive Directors	Syed Musharaf Ali Mr. Naveed Ahmed Mr. Iqbal Shafiq	Director Director 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:

Name	No of Meetings held	No of Meetings attended	Leave granted
Ms. Tara Uzra Dawood	4	4	-
Mr. Iqbal Shafiq	4	2	2
Syed Musharaf Ali	4	4	-
Mr. Nadeem Akhtar	4	3	1
Mr. Ahmed Salman Munir	4	2	1
Mr. Naveed Ahmed	4	4	-
Mr. Ahmer Zia Sarwar	4	3	-

Audit Committee Meeting

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

Name	No of Meetings held	No of Meetings attended	Leave granted
Ahmer Zia Sarwar	4	3	-
Syed Musharaf Ali	4	4	-
Mr. Naveed Ahmed	4	4	-

Directors Remuneration

The remuneration of the Non-Executive Directors, Independent Directors, and the Chief Executive Officer for attending meetings of the Board and its Committees is approved by the Company in the General Meeting. The remuneration is determined considering prevailing industry trends and best business practices. Detailed disclosures of remuneration paid to the Chief Executive Officer and Directors are provided in Note 33 to the financial statements.

Auditors' Appointment

The Auditors, M/s Riaz Ahmed & Co., Chartered Accountants, have given their consent to continue as auditors of the Company. The Board Audit Committee has recommended their re-appointment for the year ending June 30, 2027, for 786 Investments Limited, which has been duly approved by the Board along with a 10% increase in their audit fee.

Auditors' Report

The Auditors have given their unmodified opinion on the financial statements of the Company for the year ended June 30, 2026.

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

No transactions were recorded during the year 2025-26.

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, 2026

The pattern of shareholding holding as on June 30, 2026 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 other 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 of the employees of the Company for their commitment and dedication and thank the shareholders for their continued confidence in the Company.

Ahmed Salman Munir
Chairperson

Director

September 14, 2026
Karachi.



محاسب کا تقرر

"آڈیٹرز میسرز ریاض احمد اینڈ کو، چارٹرڈ اکاؤنٹنٹس نے کمپنی کے آڈیٹر کے طور پر کام کرنے پر رضامندی ظاہر کی ہے۔ بورڈ آڈٹ کمیٹی نے 30 جون 2027 کو ختم ہونے والے سال کے لیے 786 انویسٹمنٹ لمیٹڈ کے لیے ان کی دوبارہ تقرری کی سفارش کی اور بورڈ نے اگلی آڈٹ فیس میں 10% اضافہ کے ساتھ اس کمیونیکیشن کی توثیق کی ہے۔

آڈیٹرز کی رپورٹ

آڈیٹر نے 30 جون 2026 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 فیچر ریٹنگ تفویض کی ہے۔

کمپنی کے حصص میں تجارت

سال 2025-26 کے دوران حصص کی کوئی تجارت نہیں کی گئی ہے۔

منسلک افراد / متعلقہ پارٹیوں کے ساتھ لین دین

فٹڈ اور اس سے متعلقہ افراد کے درمیان لین دین جیسا کہ مالی گوشواروں میں انکشاف کیا گیا، قابل رسائی بنیاد پر کیا جاتا ہے۔

30 جون 2026 کو شیئرز ہولڈنگ کا نمونہ

30 جون 2026 کو شیئرز 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 پراویڈنٹ فنڈ اسکیم چلا رہی ہے جس کی تفصیلات ان مالیاتی گوشواروں میں شامل ہے۔

بعد از تیلنس شیٹ واقعات

تیلنس شیٹ کی تاریخ کے بعد کوئی دیگر واقعہ نہیں ہوا۔

اظہار تشکر

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ کے مسلسل تعاون اور معاونت پر ان کے تہہ دل سے شکر گزار ہیں۔ ڈائریکٹرز کمپنی کے ملازمین کی محنت، عزم اور لگن کو بھی سراہتے ہیں اور شیئرز ہولڈرز کا کمپنی پر مسلسل اعتماد برقرار رکھنے پر شکر یہ ادا کرتے ہیں۔

ڈائریکٹر

احمد سلمان میمن
چیئر پرسن

14 ستمبر 2026ء
کراچی



کمپنی نے درج ذیل انداز میں لیکچریز (کوڈ آف کارپوریٹ گورنس) ریگولیشنز 2019 اور ریگولیشن کے تقاضوں کی تعمیل کی ہے۔
ڈائریکٹرز کی کل تعداد سات (7) درج ذیل کے مطابق ہے:

- (a) - مرد 6
(b) - خاتون 1

بورڈ کی ترتیب درج ذیل ہے:

کلیگری	نام	عہدہ
آزاد ڈائریکٹر	جناب احمد سلمان منیر جناب ندیم اختر جناب احمد ضیاء سرور	چیئر پرسن ڈائریکٹر ڈائریکٹر
ایگزیکٹو ڈائریکٹر	محترمہ تاراعز راداد	چیف ایگزیکٹو آفیسر
نان ایگزیکٹو ڈائریکٹر	سید مشرف علی جناب نوید احمد جناب اقبال شفیق	ڈائریکٹر ڈائریکٹر ڈائریکٹر
خاتون ڈائریکٹر	محترمہ تاراعز راداد	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 تاراعز راداد	4	4	-
جناب اقبال شفیق	4	2	2
سید مشرف علی	4	4	-
جناب ندیم اختر	4	3	1
جناب احمد سلمان منیر	4	2	1
جناب نوید احمد	4	4	-
جناب احمد ضیاء سرور	4	4	-

آڈٹ کمیٹی کا 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
جناب احمد ضیاء سرور	4	4	-
سید مشرف علی	4	4	-
جناب نوید احمد	4	4	-

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 پیکسز کی بنیاد پر معین کیا جاتا ہے۔ چیف ایگزیکٹو آفیسر اور ڈائریکٹرز کو ادا کئے جانے والے مشاہرہ کی تفصیلات مالی حسابات کے نوٹ 33 میں دستیاب ہیں۔

ان اقدامات کے ذریعے کمپنی بالخصوص پسماندہ اور کم سہولیات یافتہ معاشروں سے تعلق رکھنے والی خواتین میں تعلیم کے فروغ، صنفی شمولیت، روزگار کے حصول کی صلاحیت اور پائیدار نمو کو فروغ دینے کے لیے پُر عزم ہے۔

یہ اقدامات 786 انویسٹمنٹس لمیٹڈ کے تعلیم، خواتین کو باختیار بنانے، کمیونٹی کی ترقی اور پائیدار نمو کے عزم کی مزید توثیق کرتے ہیں۔ کمپنی اپنی ٹیم کی محنت اور اپنے شراکت داروں، بالخصوص داؤد گلوبل فاؤنڈیشن، کے قابل قدر تعاون کو سراہتی ہے۔ مستقبل میں بھی کمپنی اپنے اسٹیک ہولڈرز کے لیے دیر پا قدر پیدا کرنے اور وسیع تر معاشرے کی بہتری میں مثبت کردار ادا کرنے کے لیے پُر عزم ہے۔

بنیادی خطرات اور غیر یقینی صورتحال

کمپنی اس وقت دو شرعیہ کمپلائنس فنڈز، یعنی 786 سمارٹ فنڈ اور 786 اسلامک منی مارکیٹ فنڈ کا انتظام کر رہی ہے، جو بنیادی طور پر شرعی اصولوں سے ہم آہنگ انکم اور منی مارکیٹ کے مالیاتی ذرائع، بشمول سکوک، میں سرمایہ کاری کرتے ہیں۔ شرح سود کے بیچ مارکس اور مارکیٹ کے حالات میں تبدیلیاں ایسی سرمایہ کاری کی قدر، قیمت اور منافع پر اثر انداز ہو سکتی ہیں۔ کمپنی پورٹ فولیو کے منافع میں اضافے کے ساتھ ساتھ خطرے کی مناسب سطح برقرار رکھنے کے مقصد سے اعلیٰ ریٹنگ کے حامل سکوک، بشمول A+ / A1 یا اس سے زیادہ ریٹنگ رکھنے والی سیکیورٹیز، میں سرمایہ کاری کے مواقع کا مسلسل جائزہ لیتی ہے۔

کمپنی کی رسک مینجمنٹ پالیسیاں اور طریقہ کار اس امر کو یقینی بنانے کے لیے وضع کیے گئے ہیں کہ خطرات کی بروقت نشاندہی، ان کا مناسب جائزہ، نگرانی اور مؤثر انتظام کیا جاسکے۔ رسک مینجمنٹ ایک مسلسل اور متحرک عمل ہے، چنانچہ انتظامیہ ممکنہ خطرات کو کم کرنے اور آمدنی میں اتار چڑھاؤ کو محدود رکھنے کے لیے اپنے رسک مینجمنٹ فریم ورک، اندرونی کنٹرولز اور سرمایہ کاری کے طریقہ کار کا مسلسل جائزہ لیتی اور انہیں مزید مؤثر بناتی رہتی ہے۔

بورڈ کی تفصیل

لنڈیکمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی تقبیل میں، بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کا جائزہ لیا گیا۔ بورڈ اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لینے کے لیے ایک جامع خود تشخیصی سروے کیا گیا۔

سٹرٹجک وضاحت، کاروباری سمت، کاروباری منصوبے کی تاثیر، اور بورڈ کے فعال کردار کی مناسبت جیسے شعبوں کا احاطہ کرنے والے بورڈ کے تمام اراکین سے تاثرات حاصل کیے گئے۔

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 ایکویٹی 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 مؤثر 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 تبدیلی بیان میں انکشاف کیا گیا۔
- فنڈ کے پونٹ میں کسی ڈائریکٹر، چیف ایگزیکٹو آفیسر، مینیجنگ ڈائریکٹر 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، ڈیوٹیز، لیویز اور بقایا چارجز کی مد میں کوئی قانونی ادائیگی نہیں ہے۔

اقتصادی جائزہ:

عالمی معیشت نے 2025 کے دوران بڑھتی ہوئی تجارتی کشیدگی، جغرافیائی سیاسی غیر یقینی صورتحال، زیادہ سرکاری قرضوں اور مشکل مالیاتی حالات کے باوجود چمک کا مظاہرہ کیا۔ 2025 میں عالمی اقتصادی نمو کا تخمینہ 2.8 فیصد ہے، جبکہ 2026 میں اس کے 2.7 فیصد رہنے اور 2027 میں بتدریج بہتر ہو کر 2.9 فیصد تک پہنچنے کی توقع ہے۔ اسی دوران عالمی افراط زر 2025 میں 3.4 فیصد سے کم ہو کر 2026 میں 3.1 فیصد رہنے کی توقع ہے۔ اگرچہ افراط زر میں مسلسل کمی اور مانیٹری پالیسی میں نرمی سے اقتصادی سرگرمیوں اور سرمایہ کاری کو سہارا مل سکتا ہے، تاہم تجارتی پالیسی سے متعلق غیر یقینی صورتحال، جغرافیائی سیاسی کشیدگی، مالیاتی منڈیوں میں اتار چڑھاؤ اور محدود مالیاتی گنجائش کے باعث معاشی منظر نامے کو بدستور مختلف خطرات لاحق ہیں۔ 2025 میں پیشگی طور پر بڑی مقدار میں ترسیلات مال کی وجہ سے عالمی تجارت کو ملنے والی عارضی رفتار کے بعد 2026 میں عالمی تجارتی نمو میں بھی کمی آنے کی توقع ہے۔ اس پس منظر میں کاروباری اداروں کی توجہ آپریشنل کارکردگی میں بہتری بخٹنا مالیاتی انتظام، منڈیوں میں تنوع اور نوٹرکسک میجمنٹ پر مرکوز رہنے کی توقع ہے، جبکہ تکنیکی ترقی، بالخصوص مصنوعی ذہانت اور ڈیجیٹل انفراسٹرکچر کے شعبوں میں پیش رفت، پیداواری صلاحیت میں اضافے اور طویل مدتی اقتصادی نمو کے لیے نئے مواقع فراہم کر رہی ہے۔

پاکستان کا بیرونی شعبہ مالی سال 2025-26 کے دوران مجموعی طور پر مستحکم رہا، تاہم کرنٹ اکاؤنٹ میں 139 ملین امریکی ڈالر کا معمولی خسارہ ریکارڈ کیا گیا، جبکہ مالی سال 2024-25 میں 1.838 بلین امریکی ڈالر کا سرپلس حاصل ہوا تھا۔ یہ خسارہ جی ڈی پی کے صرف 0.03 فیصد کے برابر رہا، جبکہ گزشتہ مالی سال میں جی ڈی پی کے 0.45 فیصد کے مساوی سرپلس ریکارڈ کیا گیا تھا۔ مالی سال کے اختتام کے قریب جون 2026 میں کرنٹ اکاؤنٹ 649 ملین امریکی ڈالر کے خسارے میں رہا، جبکہ مئی 2026 میں 500 ملین امریکی ڈالر کا سرپلس ریکارڈ کیا گیا تھا، جس سے بیرونی کھاتے پر پیدا ہونے والے کچھ دباؤ کی عکاسی ہوتی ہے۔

ان دباؤ کے باوجود پاکستان کی بیرونی لیکویڈیٹی کی صورتحال میں بہتری آئی، جسے کثیرالچہتی مالیاتی اداروں سے حاصل ہونے والی رقم نے سہارا دیا۔ 24 جون 2026 تک اسٹیٹ بینک کے پاس موجود زرمبادلہ کے ذخائر میں 611 بلین امریکی ڈالر کا اضافہ ہوا اور یہ 16.5 بلین امریکی ڈالر تک پہنچ گئے، جبکہ مجموعی لیکویڈ زرمبادلہ کے ذخائر 22.0 بلین امریکی ڈالر تک پہنچ گئے، جن میں 5.5 بلین امریکی ڈالر کرنل بینکوں کے پاس موجود تھے۔ زرمبادلہ کے ذخائر میں اس بہتری سے ملک کی بیرونی مالیاتی ضروریات پوری کرنے کی صلاحیت کو مزید استحکام ملا اور مجموعی معاشی استحکام کو تقویت حاصل ہوئی۔

معیاری مارکیٹ کا جائزہ:

اسٹیٹ بینک آف پاکستان نے 15 جون 2026 کو منعقد ہونے والے مانیٹری پالیسی کمیٹی کے اجلاس کے بعد پالیسی ریٹ 11.50 فیصد پر برقرار رکھا۔ یہ فیصلہ بڑھتے ہوئے افراط زر کے دباؤ اور معیشت کی بتدریج بحالی کے تناظر میں کیا گیا۔ افراط زر کی شرح مارچ میں 7.3 فیصد سے بڑھ کر اپریل میں 10.9 فیصد اور مئی 2026 میں 11.7 فیصد ہو گئی۔ اس اضافے کی بنیادی وجوہات میں ایندھن کی قیمتوں میں اضافہ، پیٹرولیم یومی میں ردوبدل اور توانائی کی انتظامی قیمتوں میں اضافہ شامل رہے، جبکہ ان عوامل کے اثرات نقل و حمل، خوراک اور پیداواری لاگت تک بھی منتقل ہوئے۔

ان افراط زر کے دباؤ کے باوجود معاشی سرگرمیوں میں بتدریج بحالی کا سلسلہ جاری رہا، جسے بیرونی شعبے کی بہتر ہوتی ہوئی صورتحال اور مجموعی معاشی استحکام کی کوششوں سے تقویت ملی۔

اقتصادی منیجمنٹ صنعت کا جائزہ

30 جون 2026 کو میوچل فنڈز (اوپن اینڈ فنڈز) کے ایسٹ انڈی منیجمنٹ (AUM) کی مالیت 30 جون 2025 کو 3,444.733 بلین روپے کے مقابلے 30 جون 2026 کو 4,040.248 بلین روپے ہو گئی یعنی 17.29 فیصد کا اضافہ ہوا۔

کارپوریٹ سماجی ذمہ داری اور ماحول پر اثرات

سال کے دوران کمپنی نے "سچی کو تعلیم دیں" کے اقدام کے ذریعے سماجی ترقی اور خواتین کو بااختیار بنانے کے عزم کو جاری رکھا۔ ڈاؤنگلوبل فاؤنڈیشن (DGF) کے اشتراک سے اس اقدام کے تحت نو جوان خواتین کو تعلیم، فنی مہارتوں کی ترقی اور استعداد کار میں اضافے کے ذریعے بااختیار بنانے کے لیے معاونت فراہم کی گئی۔

اس سلسلے میں ایک اہم اقدام مہران یونیورسٹی آف انجینئرنگ اینڈ ٹیکنالوجی (MUET)، جامشورو میں منعقد کیا جانے والا پانچ روزہ "روف ٹاپ سولر انشالیشن ٹریینگ پروگرام" تھا۔ اس پروگرام کے ذریعے سندھ سے تعلق رکھنے والی 40 خواتین انجینئرز کو سولر فوٹو وولٹک تنصیب، سٹم ڈیزائن، حفاظتی اقدامات، دیکھ بھال اور قیادت کے شعبوں میں عملی مہارتیں فراہم کی گئیں۔ شرکاء نے 5 کلو واٹ کے روف ٹاپ سولر سسٹم کی تنصیب کے ذریعے عملی تجربہ بھی حاصل کیا، جبکہ اس پروگرام کے نتیجے میں قابل تجدید توانائی کے شعبے میں انٹرن شپ اور مستقبل میں روزگار کے مواقع کے لیے بھی راہیں ہموار ہوئیں۔



30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کی فی شیئر آمدنی (EPS) 0.22 روپے رہی، جبکہ گزشتہ سال کی اسی مدت میں یہ 2.25 روپے فی شیئر تھی۔

داخلی مالیاتی کنٹرولز

بورڈ آف ڈائریکٹرز اس امر کو یقینی بنانے کا ذمہ دار ہے کہ کمپنی کا داخلی مالیاتی کنٹرول کا نظام مناسب اور مؤثر طور پر فعال ہو۔ بورڈ، اپنی کمیٹیوں اور انتظامیہ کے ذریعے، کمپنی کے داخلی کنٹرول کے نظام اور مالیاتی رپورٹنگ کے عمل کی مؤثریت کی مسلسل نگرانی کرتا ہے۔

زیر انتظام اثاثے

کمپنی نے اپنے زیر انتظام اثاثوں (AUM) میں اضافے پر توجہ مرکوز رکھی۔ سال کے دوران کمپنی نے اپنی مصنوعات کی بنیاد کو وسعت دینے کا سلسلہ جاری رکھا اور اس وقت دو فنڈز کا انتظام کر رہی ہے:

- 1- 786 سمارٹ فنڈ- شریعہ کیپٹال سٹاکس اسکیم
- 2- 786 سلاک منی مارکیٹ فنڈ- شریعہ کیپٹال سٹاک منی مارکیٹ اسکیم

786 سمارٹ فنڈ کے زیر انتظام اثاثے (AUM) 30 جون 2026 کو 1,378.64 ملین روپے رہے، جبکہ فی یونٹ خالص اثاثہ قدر (NAV) 84.22 روپے تھی۔ فنڈ نے 167.75 ملین روپے کی مجموعی آمدنی حاصل کی، جو بنیادی طور پر سرمایہ کاری اور بینک بیلنسز سے حاصل ہوئی۔ مجموعی اخراجات 29.87 ملین روپے رہے، جس کے نتیجے میں نیٹس کے بعد خالص آمدنی 137.88 ملین روپے رہی۔ مذکورہ مدت کے دوران تقسیم کے لیے دستیاب اکاؤنٹنگ آمدنی 123.66 ملین روپے رہی۔

786 سلاک منی مارکیٹ فنڈ کے زیر انتظام اثاثے (AUM) 30 جون 2026 کو 669.80 ملین روپے رہے، جبکہ 30 جون 2025 کو یہ 437.28 ملین روپے تھے، جو سال کے دوران فنڈ کے حجم میں نمایاں اضافے کی عکاسی کرتا ہے۔ فی یونٹ خالص اثاثہ قدر (NAV) بھی گزشتہ سال کے 100.40 روپے سے بڑھ کر 100.54 روپے ہو گئی۔

کمپنی کی فنڈ مینجمنٹ سرگرمیوں میں مسلسل اضافہ اس کی مصنوعات کی پیشکش میں تنوع پیدا کرنے، سرمایہ کاروں کی بنیاد کو مضبوط بنانے اور سرمایہ کاروں کو شرعی اصولوں کے مطابق سرمایہ کاری کے حل فراہم کرنے کی حکمت عملی کا مظہر ہے۔

مستقبل کے منصوبے

کمپنی موجودہ معاشی صورتحال اور اپنے اندرونی وسائل کا محتاط جائزہ لیتے ہوئے اپنی حکمت عملی پر جامع نظر ثانی کر رہی ہے۔ اپنے سرمائے کی بنیاد کو مضبوط بنانے اور وسائل کو طویل مدتی نمو کے اہداف سے ہم آہنگ کرنے کے لیے بورڈ نے ہر تین موجودہ حصص کے بدلے ایک نئے رائٹ شیئر کے اجراء کی منظوری دی ہے۔ اس اجراء سے حاصل ہونے والی رقم بنیادی طور پر ماتحت قرضوں کی ادائیگی کے لیے استعمال کی جائے گی، جس سے کمپنی اپنی بیلنس شیٹ کو مضبوط بنانے، مالیاتی واجبات میں کمی اور منافع میں بہتری لانے کے قابل ہوگی۔ حاصل شدہ رقم کا ایک حصہ ٹیکنالوجی کو جدید بنانے کے لیے بھی استعمال کیا جائے گا، جو کاروباری نمو اور مسابقتی حیثیت کو برقرار رکھنے کے لیے انتہائی اہم ہے۔

زیر انتظام اثاثوں (AUM) میں اضافے کی رفتار تیز کرنے کے لیے کمپنی اپنے ٹیکنالوجی کے بنیادی ڈھانچے کو اپ گریڈ کرنے اور اپنی آپریشنل صلاحیتوں کو بہتر بنانے میں مصروف ہے۔ وسائل کی منظم تقسیم، ضوابط کی سختی سے پابندی اور اسٹیک ہولڈرز کے ساتھ فعال رابطے کے ذریعے کمپنی اپنی مالیاتی پوزیشن مضبوط بنانے، پائیدار نمو حاصل کرنے اور اپنے شیئر ہولڈرز کے لیے طویل مدتی قدر میں اضافے پر توجہ مرکوز کیے ہوئے ہے۔

اسی دوران، کمپنی آپریشنل کارکردگی کو بہتر بنانے کے لیے اخراجات کو بہتر بنانے کے پروگرام پر بھی عمل درآمد کر رہی ہے، جبکہ عمل کو مزید مؤثر بنانے، ورک فلو کو بہتر کرنے اور اخراجات پر مؤثر کنٹرول کے اقدامات متعارف کرانے کے ذریعے تنظیم نو بھی کی جا رہی ہے۔



مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

786 انویسٹمنٹ لمیٹڈ (786 پادی کمپنی) کے بورڈ آف ڈائریکٹرز 30 جون 2026 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 لسٹڈ 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 2025	30 جون 2026	
19,310,743	23,339,796	مینجمنٹ فیس
1,111,111	1,043,478	ایڈوائزری فیس
28,793	111,862	ڈیویڈنڈ آمدنی
39,640,107	31,381,866	سرمایہ کاری کی فروخت پر خالص منافع حاصل ہوا۔
18,289,552	3,112,813	ڈیٹ سیکورٹیز پر آمدنی
2,866,112	6,540,643	سرمایہ کاری کی فروخت پر غیر حاصل خالص منافع / (نقصان)۔
827,254	283,588	دیگر آپریٹنگ آمدنی
38,923,052	13,565,242	آپریٹنگ منافع
(40,250,931)	(50,503,351)	انتظامی اور آپریٹنگ اخراجات
(2,072,436)	(1,461,865)	مالیاتی چارجز
(42,323,367)	(51,965,216)	کل اخراجات
(798,867)	(2,471,265)	دیگر آپریٹنگ چارجز
38,000,236	10,036,335	ٹیکس سے قبل نفع
35,418,029	3,922,113	ٹیکس کے بعد نفع

مالیاتی اور آپریٹنگ کارکردگی

30 جون 2026 کو ختم ہونے والے سال کے دوران کمپنی نے ٹیکس کے بعد 3.922 ملین روپے کا منافع حاصل کیا، جبکہ گزشتہ سال کی اسی مدت میں یہ منافع 35.418 ملین روپے تھا۔ منافع میں کمی کی بنیادی وجہ گزشتہ سال ڈیٹ سیکورٹیز (TFCs) سے حاصل ہونے والی آمدنی تھی۔

مینجمنٹ فیس سے حاصل ہونے والی آمدنی 19.310 ملین روپے سے بڑھ کر 23.339 ملین روپے ہو گئی، جو کمپنی کی فنڈ مینجمنٹ کی سرگرمیوں میں مسلسل بہتری کی عکاسی کرتی ہے۔ مزید برآں، کمپنی نے سرمایہ کاری پر 31.38 ملین روپے کا خالص غیر محسوس منافع ریکارڈ کیا، جبکہ گزشتہ سال 39.64 ملین روپے کا خالص غیر محسوس نقصان ہوا تھا۔

اخراجات کی مد میں، انتظامی اور آپریٹنگ اخراجات 2025 میں 40.251 ملین روپے کے مقابلے میں بڑھ کر 50.503 ملین روپے ہو گئے، جو 25.47 فیصد اضافے کو ظاہر کرتے ہیں۔ اس اضافے کی بنیادی وجہ آپریٹنگ، رائٹ ایڈوائز اور تعمیلی امور سے متعلق اخراجات میں اضافہ تھا۔ تاہم، مالیاتی اخراجات گزشتہ سال کے 2.072 ملین روپے سے کم ہو کر 1.462 ملین روپے رہ گئے، جس کی بنیادی وجہ گزشتہ سال ڈائریکٹرز کے قرضے کی ادائیگی تھی۔

مجموعی طور پر، ٹیکس کے بعد منافع میں کمی کے باوجود کمپنی نے اپنی بنیادی فنڈ مینجمنٹ سرگرمیوں کو مزید مستحکم کرنے کا سلسلہ جاری رکھا، جس کی عکاسی مینجمنٹ فیس سے حاصل ہونے والی زیادہ آمدنی اور گزشتہ سال کے مقابلے میں سرمایہ کاری کی قدر میں بہتری سے ہوتی ہے۔

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

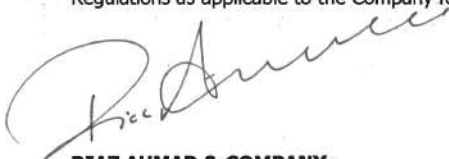
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of 786 Investments Limited (the Company) for the year ended 30 June 2026 in accordance with the requirements of regulation 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 a part of our audit of the 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's corporate governance procedures and risks.

The Regulations require the Company to place before the 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 Regulations as applicable to the Company for the year ended 30 June 2026.



RIAZ AHMAD & COMPANY
Chartered Accountants

KARACHI

DATE: 21 SEPTEMBER 2026
UDIN: CR202610045urBijZEAL



**SATATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF
CORPORATE GOVERNANANCE) REGULATIONS, 2019
FOR THE YEAR ENDED JUNE 30, 2026**

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: 6
- b) Female: 1

2. The Composition of board is as follows:

Category	Names	Designation
Independent Directors	Mr. Ahmed Salman Munir Syed Shabahat Hussain Mr. Ahmer Zia Sarwar	Chairperson Director Director
Executive Director	Ms. Tara Uzra Dawood	Chief Executive Officer
Non-Executive Directors	Syed Musharaf Ali Mr. Naveed Ahmed Mr. Iqbal Shafiq	Director 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 Management 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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.



8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. The directors of the Company are experienced and seasoned corporate professionals and are well-conversant with the relevant laws applicable to the Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities. The Chief Executive Officer as a Director in the Board is exempted from the Directors Training Program in accordance with the criteria specified in Clause (xi) of the Code, The remaining directors will acquire the required director's training certification subsequent to renewal of business license.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
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:

Category	Names	Committees	Designation
Independent Directors Non-Executive Director Non-Executive Director	Ahmer Zia Sarwar Syed Musharaf Ali Mr. Naveed Ahmed	Audit Committee	Chairman Audit Committee Member Member
Independent Directors Executive Director Non-Executive Director	Mr. Ahmed Salman Munir Ms. Tara Uzra Dawood Mr. Naveed Ahmed	Human Resource & Remuneration Committee	Chairperson HR&RC Member Member
Independent Directors Executive Director Non-Executive Director	Mr. Ahmer Zia Sarwar Ms. Tara Uzra Dawood Syed Musharaf Ali	Risk Management Committee	Chairperson Risk Management Committee Member Member
Independent Directors Executive Director Non-Executive Director	Mr. Ahmed Salman Munir Ms. Tara Uzra Dawood Syed Musharaf Ali	Nomination Committee	Nomination Committee Member Member

13. The terms of reference of the aforesaid committees have committee 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 : 04 meeting were held during the FY 2025-2026
 - b) Human Resource & Remuneration Committee 01 meeting was held during the FY 2025- 2026
15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.



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.
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation No.
1	Audio and visual recordings The chairman of the Board is encouraged to take necessary steps for recording the entire proceedings of the general meeting(s) by audio and visual which shall be archived and made available to the Commission and PSX when required.	The management is taking the necessary measures and will comply with this requirement in the next financial year	10(7)
2	Role of the Board and its members to address Sustainability Risks and Opportunities The board is responsible for governance and oversight of sustainability risks and opportunities within the Company by setting the Company's sustainability strategies, priorities and targets to create long term corporate value.	During the year, Securities and Exchange Commission of Pakistan (SECP) amended regulation 10 of the Regulations on 12 June 2024. Currently, the management is assessing this amendment and compliance thereof, as applicable, will be performed in due course of time.	10A
3	Directors' Training: (1) It is encouraged that: (a) by June 30, 2020 at least half of the directors on their Boards; (b) by June 30, 2021 at least 75% of the directors on their boards; (c) by June 30, 2022 all the directors on their Boards have acquired the	Ms. Tara Uzra Dawood, CEO & Director, has already completed the Director Training Program. The all remaining directors will obtain their training certifications from ICMAP an SECP-approved institute by September 30, 2026.	19(1)

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation No.
4	prescribed certification under any director training program offered by the institutions, local or foreign, that meet the criteria specified by the Commission and approved by it. Directors' Training: Companies are also encouraged to arrange training for at least one head of department every year under the Directors' Training Program from July 2022.	The Company has planned to arrange Directors' Training Program certification for head of department in the next few years.	19(3)(ii)
5	Qualification Of Company Secretary: No person shall be appointed as the company secretary unless he holds the qualification as specified under the relevant Regulations by the Commission: Provided, the same person shall not simultaneously hold the office of Chief Financial Officer and the Company Secretary of a listed company.	The same individual holds the positions of Chief Financial Officer and Company Secretary of the Company, primarily due to the Company's status as a small Asset Management Company (AMC) managing two mutual funds. The individual has over seven years of relevant experience and possesses the requisite knowledge, skills and qualifications prescribed under the applicable regulations of the Commission. Considering the size and scale of the Company and the individual's relevant experience and competence, the Company has considered the existing arrangement appropriate.	24
6	Disclosure of significant policies on website The company may post key elements of its significant policies, brief synopsis of terms of reference of the board's committees on its website and key elements of the director's remuneration policy.	Yes, the company will post key elements of its significant policies on its website in near future.	35

Ahmed Salman Munir
 Chairperson

Karachi.

INDEPENDENT AUDITOR'S 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 ("the Company"), which comprise the statement of financial position as at 30 June 2026 and the statement of profit or loss, the statement of 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 material accounting policy information 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 purposes 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, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and statement of cash flows together with the notes forming part thereof conform with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affairs as at 30 June 2026 and of the profit, the other comprehensive income, 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.

Key Audit Matter

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:

Sr. No.	Key audit matter	How the matter was addressed in our audit
1.	Investments: Refer to Notes 2.8 and 9 of the financial statements.	Our audit procedures included the following: Reviewing the Company's accounting policies and procedures related to the valuation of equity and debt instruments to ensure these are appropriate and consistently applied.

Sr. No.	Key audit matter	How the matter was addressed in our audit
	As of 30 June 2026, the Company's investment portfolio includes equity and debt instruments carried at 'fair value through profit or loss', with an aggregate fair value of Rupees 318.367 million. These investments represent approximately 92% of the Company's total assets. Due to the significance of these investments to the financial statements and the inherent complexity in determining their fair value at year-end, we have identified this matter to be communicated as a key audit matter.	- Assessing the design and operating effectiveness of the controls established over valuation process by the Company. - Analyzing the Fund's statement and Investor Portfolio Securities (IPS) to confirm the existence of the investment portfolio as of 30 June 2026 and reconciling these with the Company's accounting records. - Comparing and recalculating the fair value of the investments by referencing externally quoted market prices (MUFAP), and credit ratings to ensure the accuracy of the carrying amounts. - Assessing the appropriateness and adequacy of the disclosures as required by approved accounting and reporting standards.

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 accounting and reporting 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.

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 are 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 scepticism 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 in 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.

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.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, the statement of 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 the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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



RIAZ AHMAD & COMPANY
Chartered Accountants

KARACHI

DATE: 21 SEPTEMBER 2026
UDIN: AR202610045FDTdv4BcR



STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2026

	Notes	2026 Rupees	2025 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	10,975,907	13,439,638
Right-of-use asset	5	5,114,148	102,662
Intangible asset	6	277,020	415,530
Long-term security deposits and receivable	7	386,300	586,325
		<u>16,753,375</u>	<u>14,544,155</u>
CURRENT ASSETS			
Trade receivables	8	9,188,419	10,472,584
Investments	9	318,366,525	271,073,496
Loans and advances	10	1,291,000	636,750
Prepayments	11	397,990	332,122
Accrued markup	12	757,858	719,128
Bank balances	14	1,019,799	1,485,277
		<u>331,021,591</u>	<u>284,719,357</u>
TOTAL ASSETS		<u>347,774,966</u>	<u>299,263,512</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
20,000,000 (2025: 20,000,000) Ordinary shares of Rupees 10 each		<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid-up share capital			
Ordinary shares 19,964,501 (30 June 2025: 14,973,750) of Rupees 10 each	15	199,645,010	149,737,500
General reserve		33,630,264	33,630,264
Subordinated loan from director	16	-	12,000,000
Un-appropriated profit		79,272,216	76,391,831
TOTAL EQUITY		<u>312,547,490</u>	<u>271,759,595</u>
LIABILITIES			
NON CURRENT LIABILITIES			
Deferred taxation	17	1,896,756	-
Lease liability	18	4,244,245	-
		<u>6,141,001</u>	<u>-</u>
CURRENT LIABILITIES			
Accrued and other liabilities	19	22,836,475	25,556,822
Current portion of lease liability	18	1,112,264	-
Provision for taxation and levy payable- net	13	4,138,994	948,353
Unclaimed dividend		998,742	998,742
		<u>29,086,475</u>	<u>27,503,917</u>
TOTAL LIABILITIES		<u>35,227,476</u>	<u>27,503,917</u>
CONTINGENCIES AND COMMITMENTS	20		
TOTAL EQUITIES AND LIABILITIES		<u>347,774,966</u>	<u>299,263,512</u>

The annexed notes from 1 to 41 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 PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
Income			
Remuneration from funds under management - net	21	23,339,796	19,310,743
Advisory fee - net	22	1,043,478	1,111,112
Dividend income		111,862	28,793
Net realized gain on investments	23	31,381,866	39,640,107
Income on debt securities	24	3,112,813	18,289,552
		<u>58,989,815</u>	<u>78,380,307</u>
Net unrealized gain on revaluation of investments at fair value through profit or loss	25	6,540,643	2,866,112
		<u>65,530,458</u>	<u>81,246,419</u>
Expenses			
Administrative and operating expenses	26	(50,503,351)	(40,250,931)
Financial charges	27	(1,461,865)	(2,072,436)
		<u>(51,965,216)</u>	<u>(42,323,367)</u>
Operating profit		<u>13,565,242</u>	<u>38,923,052</u>
Other operating income	28	283,588	827,254
Other operating charges	29	(2,471,265)	(798,867)
Profit before levy and income tax		<u>11,377,565</u>	<u>38,951,439</u>
Levy	30	(1,341,230)	(951,203)
Profit before income tax		<u>10,036,335</u>	<u>38,000,236</u>
Income tax expense	31	(6,114,222)	(2,582,207)
Profit for the year		<u><u>3,922,113</u></u>	<u><u>35,418,029</u></u>
		Restated	
Earnings per share - basic and diluted	32	<u><u>0.22</u></u>	<u><u>2.25</u></u>

The annexed notes from 1 to 41 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 FOR THE YEAR ENDED JUNE 30, 2026

	2026 Rupees	2025 Rupees
Profit for the year	3,922,113	35,418,029
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 year	<u><u>3,922,113</u></u>	<u><u>35,418,029</u></u>

The annexed notes from 1 to 41 form an integral part of these financial statements.

For 786 Investments Limited
(Management Company)

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

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

----SD-----
Director



CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2026

	Issued, subscribed and paid-up share capital	General reserve	Subordinated loan from director	Un- appropriated profit	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2024	149,737,500	33,630,264	12,000,000	40,973,802	236,341,566
Total comprehensive income for the year ended 30 June 2025					
Profit for the year	-	-	-	35,418,029	35,418,029
Other comprehensive income for the year	-	-	-	-	-
	-	-	-	35,418,029	35,418,029
Balance as at 30 June 2025	149,737,500	33,630,264	12,000,000	76,391,831	271,759,595
Total comprehensive income for the year ended 30 June 2026					
Profit for the year	-	-	-	3,922,113	3,922,113
Other comprehensive income for the year	-	-	-	-	-
	-	-	-	3,922,113	3,922,113
Transactions with owners of the Company					
Issue of right shares	49,907,510	-	-	-	49,907,510
Transaction cost on issue of right shares	-	-	-	(1,041,728)	(1,041,728)
Repayment of subordinated loan from director	-	-	(12,000,000)	-	(12,000,000)
	49,907,510	-	(12,000,000)	(1,041,728)	36,865,782
Balance as at 30 June 2026	199,645,010	33,630,264	-	79,272,216	312,547,490

The annexed notes from 1 to 41 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 CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
Profit before levy and income tax		11,377,565	38,951,439
Adjustments for non-cash items:			
Depreciation on property and equipment	4	3,597,787	2,837,713
Depreciation on right-of-use asset	5	1,250,736	1,231,943
Amortization on intangible asset	6	138,510	138,510
Financial charges	27	1,461,865	2,072,436
Advance tax written off	29	2,239,070	-
Revaluation gain on investments at fair value through profit or loss	25	(6,540,643)	(2,866,112)
Mark-up earned on savings accounts	28	(278,588)	(350,013)
Bad debt expense	26	300,000	-
Income on debt securities	24	(3,112,813)	(18,289,552)
Gain on disposal of property and equipment	28	(5,000)	(432,797)
Dividend income		(111,862)	(28,793)
Net realized gain on investments	23	(31,381,866)	(39,640,107)
Net cash used in operating activities before working capital changes		(21,065,239)	(16,375,333)
WORKING CAPITAL CHANGES			
Decrease / (increase) in current assets:			
Loans and advances		(654,250)	(356,750)
Prepayments		(65,868)	298,383
Trade receivable		984,165	(457,919)
		264,047	(516,286)
(Decrease) / increase in current liabilities:			
Accrued and other liabilities		(109,106)	529,013
Net cash used in operations		(20,910,298)	(16,362,606)
Taxes paid		(4,607,125)	(2,781,967)
Finance cost paid		(3,524,119)	(23,809)
Net cash used in operating activities		(29,041,542)	(19,168,382)
CASH FLOWS FROM INVESTING ACTIVITIES			
Units of mutual fund redeemed		321,221,801	382,056,465
Units of mutual fund purchased		(342,805,698)	(377,666,452)
Dividend received		111,862	-
Receipt of principal amount of TFCs		12,482,500	12,497,500
Receipt of mark-up on savings accounts		239,858	432,760
Receipt of mark-up on debt securities		2,843,690	18,049,535
Long term deposit and other receivable		200,025	-
Proceeds from disposal of fixed assets		5,000	432,797
Purchase of property and equipment	4	(1,134,056)	(15,638,161)
Net cash (used in) / generated from investing activities		(6,835,018)	20,164,444
CASH FLOWS FROM FINANCING ACTIVITIES			
Subordinated loan from director repaid	16	(12,000,000)	-
Proceeds from issuance of shares	15	49,907,510	-
Transaction cost paid for right issue		(1,041,728)	-
Lease rental paid	18	(1,454,700)	-
Net cash generated from financing activities		35,411,082	-
Net (decrease) / increase in cash and cash equivalents		(465,478)	996,062
Cash and cash equivalents at beginning of the year		1,485,277	489,215
Cash and cash equivalents at end of the year	14	1,019,799	1,485,277

The annexed notes from 1 to 41 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

1. THE COMPANY AND ITS OPERATIONS

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

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

- 1.2 The license to carry out "Asset Management Service" has been successfully renewed vide its letter No. SECP/LRD/LD/17/AMCW/786IL/2022 dated 3 July 2025 with effect from 26 May 2025 to 25 May 2028 under Rule 5 of the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 amended through S.R.O 1131(1) 2007, S.R.O 271(1) 2010, S.R.O 570(1)/2012 and S.R.O 1002(1)/2015 respectively. License shall be renewable by the Commission for next three years, subject to the compliance with NBFC Rules and NBFC Regulations.
- 1.3 The license to carry out "Investment Advisory Services" has been successfully renewed vide its letter No. SECP/LRD/LD/17/AMCW/786IL/2022 dated 3 July 2025 with effect from 26 May 2025 and valid till 25 May 2028. License shall further be renewable by the Commission for next three years, subject to the compliance of the NBFC Rules and the NBFC Regulations.
- 1.4 The Pakistan Credit Agency (PACRA) has assigned Asset Manager rating of "AM3" to the Management Company dated 20 December 2024.
- 1.5 In compliance of the NBFC Rules read with SRO 1002(1)/2015 dated October 15, 2015 of SECP, the management would like to report that the Company has sufficient insurance coverage from an insurance company, rated AA++ by the Pakistan Credit Rating Agency limited (PACRA), against financial losses that may be caused as a result of gross negligence of its employees.
- 1.6 The Company currently manages the following collective investment schemes:

Open - end Collective Investment Schemes (CISs)

786 Smart Fund

786 Islamic Money Market Fund

Net asset value as at	
30 June 2026	30 June 2025
-----Rupees-----	
1,378,640,000	1,513,991,384
699,800,000	437,276,897
2,078,440,000	1,951,268,281

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

- a) 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:

- IFRS Accounting Standards issued by the international Accounting Standard Boards (IASB) as notified under the Companies Act, 2017;
- Provision of, directives and notifications 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 Securities and Exchange Commission of Pakistan (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.



b) Consolidation of mutual fund by the asset management company

The Securities and Exchange Commission of Pakistan (SECP) vide SRO 2016/(1) 56 dated 28 January 2016 has notified that the requirements of IFRS 10 (Consolidated Financial Statements) and Section 237 of the repealed Companies Ordinance, 1984 (Section 228 of Companies Act, 2017) are not applicable in case of investments made by companies in mutual funds established under Trust structure. Accordingly, the Company has not consolidated the financial position and result of operations of mutual funds managed by it in their financial statements.

c) Accounting convention

These financial statements have been prepared under historical cost convention except for certain investments which are stated at fair value and right of use asset and its related lease liability which are carried at present value of future lease rentals adjusted for any lease payments made at or before the commencement date of the lease.

d) Critical accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

i) Useful lives, residual values and depreciation method of property and equipment	Note 2.2 and 4
ii) Useful lives, residual values and amortization method of intangible assets	Note 2.4 and 6
iii) Classification and valuation of investments	Note 2.8 and 9
iv) Impairment of financial assets	Note 2.12 and 9.3
v) Recognition of deferred tax and estimation of income tax provisions	Note 2.18, 13, and 17
vi) Provisions	Note 2.21
vii) Contingencies	Note 2.24

e) Amendments to published approved accounting standards that are effective in current year

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2025 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Amendments to published approved accounting standards that are not yet effective but relevant to the Company.

Following standards, amendments and improvements to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2025 or later periods:

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.



IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The implementation of IFRS S1 and IFRS S2 will be phased as per the SECP's order dated 31 December 2024, with different effective dates based on annual turnover, number of employees, and total assets (Criteria). Phase I will apply to listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2025. Phase II will apply to other listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2026. Phase III will cover non-listed public interest companies and remaining listed companies for annual reporting periods beginning on or after 1 July 2027. Following the given criteria, the Company falls in phase III of the implementation of IFRS S1 and IFRS S2.

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' - Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after 01 January 2026). These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the SPPI criterion; add new disclosures for certain instruments with contractual terms that can change cash flows; and make updates to the disclosures for equity instruments designated at FVTOCI.

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' - Contracts Referencing Nature-dependent Electricity (effective for annual reporting periods beginning on or after 01 January 2026). These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7.

On 13 November 2025, the International Accounting Standards Board (IASB) issued Translation to a Hyperinflationary Presentation Currency (effective for annual reporting periods beginning on or after 1 January 2027), which amended IAS 21, The Effects of Changes in Foreign Exchange Rates. The amendments specify the translation procedures to be applied by an entity whose presentation currency is the currency of a hyperinflationary economy. The amendments also introduce additional disclosure requirements to enable users of financial statements to understand the effects of translating financial information into a hyperinflationary presentation currency.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards - Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following five standards as result of the IASB's annual improvements project.

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows.

The above standards, amendments and improvements are likely to have no significant impact on the financial statements.



g) Amendments to published approved accounting standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2026 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Property and equipment

Initial recognition and measurement

The cost of an asset is recognized as an asset if and only if the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

De-recognition

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

Depreciation

Depreciation on property and equipment is charged on the straight-line method so as to write off the depreciable amount of an asset over its estimated useful life at the rates specified in Note 4. Depreciation on additions is charged from the month in which the asset is available for use up to the month preceding the disposal.

Useful lives are determined by the management based on expected usage of asset, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of assets and other similar factors. The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each reporting date.

2.3 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

2.4 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life at the rate specified in Note 6. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

2.5 Trade receivables

Trade debts are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

Deposits, prepayments and other receivables are recognized at amortized cost, less any allowance for expected credit losses.



2.6 Loans and advances

Loans to employees have been granted for personal use under mutually agreed terms. These interest-free loans are repayable in monthly installments over a period of 1 to 12 months. Advances are recognized at nominal amount which is the fair value of considerations to be received in future.

2.7 Prepayments

Prepayments represent amounts paid in advance for goods and services to be received in future periods and are recognized as assets, expensed systematically over the period to which they relate in accordance with the matching principle.

2.8 Investments and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), if any, and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments, if any:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.



Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments, if any, at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments, if any, in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss (FVTPL)

Changes in the fair value of equity investments, if any, at fair value through profit or loss are recognized in other income/ (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments will continue to be recognized in statement of profit or loss as other income when the Company's right to receive payments is established.

2.9 Regular way contracts

All regular way purchases and sales of financial assets are recognized on the trade date i.e. the date on which the Company commits to purchase or sell the asset. Regular way purchases/sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

2.10 Financial liabilities - classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in statement of profit or loss.

2.11 De-recognition of financial assets and financial liabilities

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.12 Impairment of financial assets

The Company recognizes Expected Credit Losses (ECLs) on financial assets measured at amortized cost. Generally, ECLs are measured at lifetime ECLs, except for:



- Debt securities with low credit risk at the reporting date.
- Debt securities and bank balances where credit risk has not significantly increased since initial recognition.

Trade receivables always carry a lifetime ECL.

In assessing significant increases in credit risk and estimating ECLs, the Company uses both quantitative and qualitative data, including historical experience and forward-looking information. Credit risk is presumed to have increased significantly if a financial asset is past due for a reasonable period.

Lifetime ECLs cover all possible defaults over the asset's expected life, while 12-month ECLs consider defaults possible within the next 12 months. Loss allowances are deducted from the asset's gross carrying amount.

A financial asset is written off when recovery is no longer expected. This assessment is made individually, and although recoveries are unlikely, written-off assets may still undergo recovery efforts.

Based on management's assessment, no ECL was recognized, as the Company's financial assets are with low-risk related parties or counterparties. Additionally, the ECL on trade receivables was deemed immaterial to these financial statements.

2.13 Impairment of 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 recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.15 Subordinated loan from director

Subordinated loans are classified based on the terms and conditions outlined in the loan agreements, in alignment with the classification criteria established under the NBFC Rules and TR-32 issued by the Institute of Chartered Accountants of Pakistan (ICAP).

2.16 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

2.17 Staff retirement benefits - defined contribution plan

The Company operates recognized 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.

2.18 Taxation and levy

a) Current

Provision for current tax and levy is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates. Final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in statement of profit or loss and other comprehensive income. The charge for current tax also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years.



b) Deferred

Deferred tax is recognized using the balance sheet liability method on all major temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the tax base used in computation of the taxable profit.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in statement of the profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

c) Levy

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

2.19 Leases

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.20 Unclaimed dividend

The Company recognizes unclaimed dividend which was declared and remained unclaimed by the shareholder from the date it was due and payable.

2.21 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions is reviewed at each reporting date and adjusted to reflect current best estimate.

2.22 Revenue recognition

- Remuneration for fund management services and investment advisory services are recognized on an accrual basis by applying pre-defined remuneration percentage on daily net asset value of the fund and as per the agreements respectively.
- Realized gains / losses on sale of investments is recognized in the statement of profit or loss at the time of sale.
- Dividend income is recorded when the right to receive the dividend is established.
- Return on bank deposits, mark-up on term finance certificate, income on investments are recognized on time proportionate basis by using effective rate of interest.

2.23 Segment reporting

An operating segment is a component of the Company that engages in business activities, generating revenues and incurring expenses. The Board of Directors, identified as the chief operating decision-maker, is responsible for evaluating performance, allocating resources, and assessing results.



2.24 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

3. SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Figures are rounded off to the nearest thousand of Pak Rupees.

3.2 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.3 Related party transactions

All related party transactions are made on terms equivalent to those that prevail in arm's length transactions.

3.4 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

3.5 Share capital

Ordinary shares are classified as equity and are recognized at the face value. Incremental costs directly attributable to the issue of new shares or options, net of any tax effects, are recognized as a deduction from equity.

3.6 Earnings per share - basic and diluted

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

3.7 Dividend distribution and other appropriation to reserves

Dividends declared and transfers between reserves subsequent to the reporting date, except for those mandated by law, are considered non-adjusting events and are recognized in the financial statements in the year they are declared or made.

4. PROPERTY AND EQUIPMENT

	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
As at 01 July 2025					
Cost	1,587,514	20,321,870	1,797,652	7,056,426	30,763,462
Accumulated depreciation	(1,375,091)	(7,893,432)	(1,741,369)	(6,313,932)	(17,323,824)
Net book value	212,423	12,428,438	56,283	742,494	13,439,638
Year ended 30 June 2026					
Opening net book value	212,423	12,428,438	56,283	742,494	13,439,638
Additions - at cost	-	847,600	286,456	-	1,134,056
Disposal:					
Cost	-	47,500	-	-	47,500
Accumulated depreciation	-	(47,500)	-	-	(47,500)



	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Depreciation charged	(62,505)	(3,058,716)	(107,731)	(368,835)	(3,597,787)
Closing net book value	149,918	10,217,322	235,008	373,659	10,975,907
As at 30 June 2026					
Cost	1,587,514	16,794,000	2,084,108	7,056,426	27,522,048
Accumulated depreciation	(1,437,596)	(6,576,678)	(1,849,100)	(6,682,767)	(16,546,141)
Net book value	149,918	10,217,322	235,008	373,659	10,975,907
As at 01 July 2024					
Cost	1,487,514	5,593,370	1,797,652	6,246,765	15,125,301
Accumulated depreciation	(1,314,970)	(5,593,365)	(1,652,323)	(5,925,453)	(14,486,111)
Net book value	172,544	5	145,329	321,312	639,190
Year ended 30 June 2025					
Opening net book value	172,544	5	145,329	321,312	639,190
Additions - at cost	100,000	14,728,500	-	809,661	15,638,161
Disposal:					
Cost	-	4,327,970	-	-	4,327,970
Accumulated depreciation	-	(4,327,970)	-	-	(4,327,970)
Depreciation charged	(60,121)	(2,300,067)	(89,046)	(388,479)	(2,837,713)
Closing net book value	212,423	12,428,438	56,283	742,494	13,439,638
As at 30 June 2025					
Cost	1,587,514	20,321,870	1,797,652	7,056,426	30,763,462
Accumulated depreciation	(1,375,091)	(7,893,432)	(1,741,369)	(6,313,932)	(17,323,824)
Net book value	212,423	12,428,438	56,283	742,494	13,439,638
Depreciation rate (%)	10%	20%	20%	33%	

4.1 The cost of fully depreciated assets as at 30 June 2026 is Rupees 10.128 million (2025: 9.441 million) and are still in active use of the Company.

5. RIGHT-OF-USE ASSET	Note	2026 Rupees	2025 Rupees
Opening net book value		102,662	1,334,605
Addition during the year		6,262,222	-
Disposal of lease during the year:			
Cost		(5,856,089)	-
Accumulated depreciation		5,856,089	-
Depreciation charged		(1,250,736)	(1,231,943)
Closing net book value		5,114,148	102,662
Cost		6,262,222	5,856,089
Accumulated depreciation		(1,148,074)	(5,753,427)
Closing net book value		5,114,148	102,662
Annual rate of depreciation (%)		20%	20%



- 6.2 Intangible asset relates to software developed for business operations having remaining useful life of 2 years (2025: 3 years).

Office Premises		Lessor Name	Lease start date	Lease tenure
1 G3 BRR Tower Hassan Ali Street Off I.I. Chundrigar Road, Karachi		BRR Guardian Limited	1-Aug-25	5 Years
			2026	2025
		Note	Rupees	Rupees
6. INTANGIBLE ASSET	Computer software	6.1 & 6.2	277,020	415,530
6.1 Computer software				
At 01 July				
Cost			1,385,100	1,385,100
Accumulated amortization			(969,570)	(831,060)
Net book value			415,530	554,040
Year ended 30 June				
Opening net book value			415,530	554,040
Amortization charged during the year			(138,510)	(138,510)
Closing net book value			277,020	415,530
At 30 June				
Cost			1,385,100	1,385,100
Accumulated amortization			(1,108,080)	(969,570)
Net book value			277,020	415,530
Amortization rate			10%	10%
7. LONG-TERM SECURITY DEPOSITS AND RECEIVABLE		Note	2026 Rupees	2025 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	350,000	550,025
			386,300	586,325
7.1	These long-term security deposits are non-interest bearing.			
7.2	This represents the preliminary and floatation expenses incurred in connection with the establishment and authorization of the 786 Islamic Money Market Fund (the Fund), which, as per the provisions of the Fund's offering document, are reimbursable by the Fund over a period of five years from the date it became operational. During the year, the Company has received Rupees 200,025 (2025: Nil) as reimbursement from the Fund.			
7.2.1	The maximum aggregate amount receivable under this head at the end of any month during the year was as follows:			
786 Islamic Money Market Fund - Fund Under Management			550,025	550,025
8. TRADE RECEIVABLES		Note	2026 Rupees	2025 Rupees
Considered good - unsecured				
Balances due from funds under management:				
-786 Smart Fund		8.1	8,469,075	9,774,347
-786 Islamic Money Market Fund		8.1	119,344	98,237
Balance due against advisory services:				
-Dawood Family Takaful Limited		8.2	600,000	600,000
		8.3	9,188,419	10,472,584



8.1 Balances due from funds under management primarily represent receivable on account of management fee and Sindh Sales Tax on management fee. This also includes Federal Excise Duty receivable from the fund under management as more fully disclosed in Note 19.3 to these financial statements.

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

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

Funds under management:		
-786 Smart Fund	3,518,207	9,526,064
-786 Islamic Money Market Fund	233,499	98,237
	<u>3,751,706</u>	<u>9,624,301</u>
Dawood Family Takaful Limited - Common Directorship	<u>900,000</u>	<u>1,200,000</u>
		21

8.4 As at the reporting date, the aging analysis of these trade debts is as follows:

	Note	2026 Rupees	2025 Rupees
Not yet due		2,374,740	1,724,043
Upto 2 months		-	1,634,864
Upto 3 months		300,000	600,000
Upto 6 months		-	-
6 months to 1 year		-	-
More than 1 year		6,513,679	6,513,677
		<u>9,188,419</u>	<u>10,472,584</u>

9. INVESTMENTS

At fair value through profit or loss

Pakistan investment bond	9.1	19,099,004	19,090,145
Units of mutual funds- related party	9.2	299,267,521	251,983,351
Term finance certificates - unlisted	9.3	-	-
		<u>318,366,525</u>	<u>271,073,496</u>

9.1 This Government security - Pakistan Investment Bond having a face value of Rupees 20 million (2025: Rupees 20 million) carries a coupon rate of 10% per annum and will mature on 19 September 2029. The effective yield on this security is 11.71% per annum (2025: 12.15% per annum).

9.2 Units of mutual funds- related party

2026 Units	2025 Units	Fund under management	2026 Carrying value Rupees	2026 Fair value Rupees	2025 Fair value Rupees
1,862,336	1,451,985	786 Smart Fund	150,491,993	156,837,342	122,060,693
1,416,645	1,294,047	786 Money Market Fund	141,974,727	142,430,179	129,922,658
<u>3,278,981</u>	<u>2,746,032</u>		<u>292,466,720</u>	<u>299,267,521</u>	<u>251,983,351</u>

Term Finance Certificates - Unlisted

Silk Bank Limited - cost	9.3.1	9,959,595	22,457,095
Fair value gain during the year	9.3.2	2,522,905	-
Fair value loss against investment	9.3.2	-	(9,959,595)
Redemption during the year	9.3.1	(12,482,500)	(12,497,500)
		<u>-</u>	<u>-</u>

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



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

During the prior year, subsequent to the amalgamation of Silk Bank Limited with United Bank Limited (UBL), UBL settled part of the outstanding interest and principal due as per the schedule. Accordingly, the Company had recognized the receipt of interest as income in these financial statements and had recorded a fair value gain to the extent of the principal amount recovered.

During the current year, UBL settled the entire remaining outstanding principal and mark-up in accordance with the redemption schedule, and the TFCs matured in August 2025. Accordingly, the Company has recognized the receipt of interest as income in these financial statements and has reversed the opening fair value loss of Rupees 9,959,595 in full, representing a fair value gain of Rupees 2,522,905 on account of recovery of the principal amount previously written off and reversal of the remaining fair value loss of Rupees 7,436,690 on account of the final settlement received during the year, as referred to in note 9.3.2.

		2026 Rupees	2025 Rupees
9.3.2 Movement in fair value loss against investment	Note		
Balance at the beginning of the year		9,959,595	22,457,095
Gain recognized during the year		(2,522,905)	-
Reversal of loss during the year		(7,436,690)	(12,497,500)
Balance at the end of the year		-	9,959,595

10. LOANS AND ADVANCES

Secured - considered good

Advance to employees	10.1 & 10.2	1,291,000	636,750
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10.1 This represents advance salary provided to the Company's staff, which is adjusted against the employees' monthly salary.

10.2 The maximum aggregate amount receivable at the end of any month during the year was Rupees 1.487 million (2025: 0.756 million).

11. PREPAYMENTS

Insurance	397,990	332,122
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12. ACCRUED MARKUP

On savings accounts	192,641	153,911
On Pakistan investment bond	565,217	565,217
	757,858	719,128

13. PROVISION FOR TAXATION AND LEVY PAYABLE - NET

Advance income tax - net

Advance income tax	585,847	9,066,841
Less: Provision for taxation	(4,724,841)	(9,027,830)
	(4,138,994)	39,011

Prepaid levy - net

Prepaid levy	1,341,230	985,260
Less: Levy payable	(1,341,230)	(1,972,624)
	-	(987,364)
	(4,138,994)	(948,353)

		2026 Rupees	2025 Rupees
14. BANK BALANCES	Note		
Cash at bank- savings accounts	14.1	1,019,799	1,485,277



14.1 These represent savings accounts that carry profit at the rate of 10% per annum (2025: at rates ranging between 9.5% and 19% per annum).

15. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2026 Number of shares	2025 Number of shares		2026 Rupees	2025 Rupees
14,990,751	10,000,000	Issued for cash		
		Ordinary shares of Rupees 10 each fully paid in cash	149,907,510	100,000,000
4,973,750	4,973,750	Ordinary shares of Rupees 10 each fully paid as bonus shares	49,737,500	49,737,500
19,964,501	14,973,750		199,645,010	149,737,500

15.1 During the year ended 30 June 2026, the Company allotted 4,990,751 ordinary shares through a right issue on 22 January 2026, at a par value of Rupees 10 per share, amounting to Rupees 49,907,510.

All ordinary shares rank equally with regards 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.

15.2 Reconciliation of number of ordinary shares outstanding

Balance at the beginning of the year	14,973,750	14,973,750
Right shares issued during the year	4,990,751	-
Balance at the end of the year	19,964,501	14,973,750

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

Name of related parties	2026 -----Number of shares-----	2025 -----Number of shares-----
First Dawood Properties Limited	-	2,246,070
BRR Guardian Limited	3,992,317	1,935,505
Tara Uzra Dawood - Chief Executive Officer	5,988,701	2,769,485

16. SUBORDINATED LOAN FROM DIRECTOR

The subordinated loan carried mark-up at the rate of 3-Month KIBOR plus 2% (2025: 3-Month KIBOR plus 2%). The principal amount of this loan was fully repaid during the year following prior approval from the Securities and Exchange Commission of Pakistan (SECP).

Prior to its repayment, in accordance with the NBFC Rules and ATR-32 issued by the Institute of Chartered Accountants of Pakistan (ICAP), this loan was treated as part of equity for the purpose of regulatory capital adequacy.

17. DEFERRED TAXATION	Note	2026 Rupees	2025 Rupees
Deferred tax asset comprises of:			
(Deductible) temporary differences on:			
Property and equipment		(603,908)	(974,047)
Right-of-use asset - net		(70,285)	-
Investments - Funds under management		-	(1,199,158)
Investments - Others		(75,477)	(5,436,712)
Unused tax losses		(6,897,716)	(2,780,079)
		(7,647,386)	(10,389,995)



	Note	2026 Rupees	2025 Rupees
Deferred tax liability comprises of:			
Taxable temporary differences on:			
Right-of-use asset		-	25,401
Intangible asset		-	102,813
Investments - Funds under management		1,972,233	-
		1,972,233	128,214
		(5,675,153)	(10,261,781)
Unrecognized deferred tax asset		7,571,909	10,261,781
		1,896,756	-

17.1 Deferred tax asset as at 30 June 2026 of Rupees 7.57 million (2025: Rupees 10.26 million) has not been recognized as the Company is uncertain about the timing and extent of future taxable profits against which such benefits can be utilized.

18. LEASE LIABILITY

	Note	2026 Rupees	2025 Rupees
Balance at the beginning of the year		-	-
Addition during the year		6,262,222	-
Rentals paid during the year		(1,454,700)	-
Accretion of interest	27	548,987	-
Balance at the end of the year		5,356,509	-
Current portion of lease liability		(1,112,264)	-
		4,244,245	-

2026		
Minimum lease commitments	Financial charges for future periods	Present value of minimum lease commitments
Not later than one year	1,600,170	487,906
Later than one year but not more than five years	4,800,510	556,265
	6,400,680	1,044,171
		5,356,509

18.1 The Company has entered into lease agreement with B.R.R. Guardian Limited, a related party, in respect of its rented office. It was initially measured at the present value of remaining lease payments, discounted using the Company’s incremental borrowing rate of 12.52% per annum. The lease liability is subsequently measured at amortised cost using the effective interest rate method.

19. ACCRUED AND OTHER LIABILITIES

	Note	2026 Rupees	2025 Rupees
Accrued expenses		2,498,174	2,645,234
Accrued mark-up on director loan	16	11,570,605	14,181,846
Payable to fund under management	19.2	-	701,689
FED payable	19.3	6,513,677	6,513,677
Workers' Welfare Fund payable	19.1	1,526,568	1,294,373
Sales tax payable		698,448	-
Withholding tax payable		29,003	220,003
		22,836,475	25,556,822

19.1 Workers' Welfare Fund

Balance at the beginning of the year		1,294,373	495,506
Allocation during the year	29	232,195	798,867
Balance at the end of the year		1,526,568	1,294,373



19.2 This represented the amount received from NCCPL, being a refund of tax with respect to funds under management, which was disbursable to unit holders of the funds under management. The amount outstanding as at the beginning of the year was fully disbursed to the unit holders during the current year, and accordingly no balance remains payable as at 30 June 2026.

19.3 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.

20. CONTINGENCIES AND COMMITMENTS

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

21. REMUNERATION FROM FUNDS UNDER MANAGEMENT - NET

Management fee from collective investments schemes - related parties

786 Smart Fund	21.1	25,341,795	22,207,354
786 Islamic Money Market Fund	21.1	1,498,970	-
Less: Sindh sales tax	21.2	(3,500,969)	(2,896,611)
		<u>23,339,796</u>	<u>19,310,743</u>

21.1 Under the provisions of the NBFC Regulations and the NBFC Rules, the management company of the Fund is entitled to an accrued remuneration at the maximum rate of management fee chargeable to Collective Investment Scheme within allowed expense ratio limit. An Asset Management Company shall be entitled to an accrued remuneration that has been verified by the trustee and is paid in arrears. During the year ended 30 June 2026 the Company has charged management fee at the rate of 1.5% (2025: 1.5%) per annum for 786 Smart Fund and 0.3% (2025: Nil) per annum for 786 Money Market Fund.

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

22. ADVISORY FEE - NET	Note	2026 Rupees	2025 Rupees
Advisory fee		1,200,000	1,307,191
Less: Sindh sales tax		(156,522)	(196,079)
	22.1	<u>1,043,478</u>	<u>1,111,112</u>

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

23. NET REALIZED GAIN ON INVESTMENTS	Note	2026 Rupees	2025 Rupees
Gain on redemption of units of mutual funds		18,899,366	27,142,607
Fair value gain on Term Finance Certificate -unlisted	9.3.1	12,482,500	12,497,500
		<u>31,381,866</u>	<u>39,640,107</u>

24. INCOME ON DEBT SECURITIES

-TFCs	24.1	843,690	16,049,535
-PIBs		2,269,123	2,240,017
		<u>3,112,813</u>	<u>18,289,552</u>



24.1 This represents mark-up recovered during the year from Term Finance Certificates (TFCs) of Silkbank Limited, as more fully disclosed in Note 9.3.1 to these financial statements.

25. NET UNREALIZED GAIN ON REVALUATION OF INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Debt investment

-PIBs (260,264) 2,579,063

Equity investment

-Units of mutual funds 6,800,907 287,049

6,540,643 2,866,112

26. ADMINISTRATIVE AND OPERATING EXPENSES	Note	2026 Rupees	2025 Rupees
Salaries and allowances	26.1	23,714,179	19,923,503
Rent, rates and taxes		22,222	63,000
Postage and telephones		407,537	248,143
Legal and professional charges		632,000	455,500
Printing and stationery		935,935	319,684
Travelling and conveyance		383,670	73,850
Vehicles running		4,881,111	3,828,312
Advertisement expense		52,000	132,000
Electricity		6,567,200	5,060,880
Repairs and maintenance		301,909	492,841
Auditors' remuneration	26.3	703,956	639,960
Entertainment		521,645	371,834
Insurance		1,153,504	1,359,671
Depreciation		4,848,523	4,069,656
Amortization		138,510	138,510
Fee and subscriptions		4,099,468	3,955,043
Directors' meeting fee		246,020	300,700
Bad debt expense		300,000	-
Others expenses		593,962	203,456
		50,503,351	41,636,543
Less: Reimbursement of fees and expenses	26.2	-	(1,385,612)
		50,503,351	40,250,931

26.1 This includes an amount of Rupees 1.083 million (2025: Rupees 0.994 million) in respect of the Company's contribution to employees provident fund trust.

26.2 Previously, in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to seek reimbursement from the Collective Investment Schemes (CISs) under management in respect of expenses relating to registrar services, accounting, operations and valuation services. The Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 600(I)/2025 dated 10 April 2025, amended Schedule XX of the NBFC Regulations, whereby the reimbursement of expenses relating to such services has been withdrawn with immediate effect. Accordingly, no such expenses have been reimbursed to the Management Company during the current and prior year subsequent to 10 April 2025.

26.3 Auditors' remuneration	Note	2026 Rupees	2025 Rupees
Annual audit fee		369,600	336,000
Certification fee		61,600	56,000
Half yearly review		159,500	145,000
Out of pocket expenses		66,000	60,000
		656,700	597,000
Sindh sales tax		47,256	42,960
		703,956	639,960



27. FINANCIAL CHARGES	Note	2026	2025
		Rupees	Rupees
Mark-up on director loan	16	888,759	2,048,627
Interest on lease liability	18	548,987	-
Bank charges		24,119	23,809
		<u>1,461,865</u>	<u>2,072,436</u>
28. OTHER OPERATING INCOME			
Income from financial assets			
Mark-up earned on savings accounts		278,588	350,013
Participation fee		-	44,444
Income from non-financial assets		<u>278,588</u>	<u>394,457</u>
Gain on disposal of property and equipment		5,000	432,797
		<u>283,588</u>	<u>827,254</u>
29. OTHER OPERATING CHARGES			
Workers' Welfare Fund	19.1	232,195	798,867
Advance tax written off		2,239,070	-
		<u>2,471,265</u>	<u>798,867</u>
30. LEVY			
Minimum tax		1,313,264	944,005
Final tax	30.1	27,966	7,198
		<u>1,341,230</u>	<u>951,203</u>
30.1 This represents minimum and final taxes paid under section 150 & 153 of the Income Tax Ordinance 2001, representing levies in terms of requirements of IFRIC 21 / IAS 37.			
31. INCOME TAX EXPENSE	Note	2026	2025
		Rupees	Rupees
Current tax		4,724,842	6,785,652
Prior year tax		(507,376)	(4,203,445)
Deferred tax		1,896,756	-
		<u>6,114,222</u>	<u>2,582,207</u>
31.1 Relationship between tax expense and accounting profit			
Profit before levy and income tax		11,377,565	38,951,439
Applicable tax rate		29%	29%
Tax at the applicable rate		<u>3,299,494</u>	<u>11,295,917</u>
Tax effect of:			
Prior year tax		(507,376)	(4,203,445)
Final tax regime income assessed under reduced rate		(4,474)	(1,152)
Separate block of income assessed under reduced rate		(755,975)	(1,085,704)
Minimum tax		1,313,264	944,005
Unrecognized deferred tax asset		7,571,909	10,261,781
Permanent differences		(3,619,925)	(10,604,384)
Others		158,535	450,674
Current tax liability and levy as per applicable law		7,455,452	3,533,410
Minimum / final taxes		(1,341,230)	(951,203)
Deferred income tax		(1,896,756)	-
Prior year tax		507,376	4,203,445
Current income tax		<u>(4,724,842)</u>	<u>(6,785,652)</u>
		<u>-</u>	<u>-</u>



31.2 The Company computes tax provisions based on the generally accepted interpretations of the tax laws to ensure that sufficient provisions for the purpose of taxation is available. Accordingly, the management of the Company has assessed the sufficiency of the tax provisions and believes that the tax provisions are sufficient to reflect the actual tax liability of the Company.

	2026	2025
32. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit for the year (Rupees)	3,922,113	35,418,029
		Restated
Weighted average number of ordinary shares at year end (Number)	17,611,499	15,775,010
Earnings per share - basic and diluted (Rupees)	0.22	2.25

32.1 During the year, the Company issued ordinary shares through a rights issue at par. As the issue price was below the fair value of the Company's shares immediately before the rights issue, it contained a bonus element. In accordance with IAS 33 "Earnings per Share", this bonus element has been accounted for in the same manner as a bonus issue, and the earnings per share for the comparative year ended 30 June 2025 has accordingly been restated from Rupees 2.37 to Rupees 2.25 per share. This restatement arises solely from the application of IAS 33 and does not constitute a correction of a prior period error under IAS 8.

32.2 There is no dilutive effect on the basic earnings per share of the Company as it does not have any convertible instruments, share options, warrants or other potential ordinary shares in issue. Accordingly, basic and diluted earnings per share are the same.

33. SHARIAH COMPLIANCE DISCLOSURES

These Shariah compliance disclosures have been presented in accordance with the requirements of Part I of Schedule IV to the Companies Act, 2017, as applicable to listed companies whose nature of business has been identified as Shariah-compliant. The Company, being a Shariah-compliant listed entity, has disclosed the applicable statutory and regulatory requirements as follows:

	2026	2025
Mark-up accrued on conventional Bank	283,588	827,254
Revenue earned from a Shariah-compliant Investments	31,381,866	39,640,107
Remuneration earned from Shariah-compliant Funds under Management	23,339,796	19,310,743
Dividend Income earned form Shariah-compliant Investment	111,862	28,793
Advisory Fee from Shariah Compliant company (Dawood Family Takaful Limited)	1,043,478	1,111,112

34. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements for remuneration including all benefits to Chief Executive Officer, Directors and Executives of the Company is as follows:

	2026		2025	
	Chief Executive Officer	Executives	Chief Executive Officer	Executives
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	6,259,200	1,520,000	6,259,200	-
House rent	2,503,680	608,000	2,503,680	-
Medical	1,424,908	60,000	932,672	-
Utilities	625,920	152,000	625,920	-
Provident fund contribution	625,921	152,000	625,921	-
Bonus	782,400	190,000	782,400	-
Total	12,222,029	2,682,000	11,729,793	-
No. of persons	1	1	1	-

34.1 These represent executives as prescribed under the Companies Act, 2017.

34.2 The Chief Executive Officer of the Company is also provided with Company maintained vehicle in accordance with the Company's policy, having insured value of Rupees 4.8 million.

34.1 In addition, meeting fees amounting to Rupees 246,020 (2025: Rupees 300,700) was paid to six non-executive directors for meetings attended during the year (2025: six non-executive directors). The non-executive directors are not entitled to any remuneration except meeting fees.

35. PROVIDENT FUND RELATED DISCLOSURES

The Company operates recognized contributory provident fund in the name of First Dawood Investment Bank Limited and Others - Employees Provident Fund Trust which is continued for the benefits of the permanent employees of the Company and the employees of its associated



companies / undertakings at group level. Based upon the audited financial statements of the Fund as at 30 June 2026 and 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. The details of the Fund are as below:

	Note	2026 Rupees	2025 Rupees
Size of the Fund - Rupees		636,708,299	497,160,645
Cost of investments made - Rupees		347,944,121	352,119,381
Percentage of investments made - (%)		54.65%	70.83%
Fair value of investments - Rupees		347,944,121	352,119,381
Breakup of Investments			
Defence saving certificates		18,000,000	18,000,000
Term finance certificates - listed		8,660,000	8,660,000
Sukuks - listed		31,743,546	26,048,370
T-bills / Commercial papers		-	9,961,623
Pakistan investment bonds		4,857,986	4,791,247
Listed securities		233,582,117	187,631,144
Mutual funds		28,851,033	95,237,044
Bank balances		22,249,439	1,789,953
		347,944,121	352,119,381
Breakup of Investments (Percentage as size of the Fund)			
		2026 %	2025 %
Defence saving certificates		5.17%	5.11%
Term finance certificates - listed		2.49%	2.46%
Sukuks - listed		9.12%	7.40%
T-bills / Commercial papers		0.00%	2.83%
Pakistan investment bonds		1.40%	1.36%
Listed securities		67.13%	53.29%
Mutual funds		8.29%	27.05%
Bank balances		6.39%	0.51%
		100%	100%

36. TRANSACTIONS AND OUTSTANDING BALANCES 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 year are as follows:

36.1	Transactions during the year	Note	2026 Rupees	2025 Rupees
	Subordinated loan from director			
	Repayment of loan and interest		15,500,000	-
	Interest expense charged for subordinated loan		888,759	2,048,627
	786 Smart Fund - fund under management			
	Remuneration from funds under management - net		21,540,526	19,310,743
	Accounting and operational charges		-	1,287,375
	Investment of 2,369,762 (2025: 1,463,422) Units		200,831,054	123,000,000
	Redemption of 1,959,411 (2025: 2,750,627) Units		179,275,206	252,390,021
	Re-invest of 665 (2025: Nil) Units		55,849	-
	Dividend income		55,849	-



	Note	2026 Rupees	2025 Rupees
786 Islamic Money Market Fund - Fund under Management			
Accounting and operational charges		-	98,237
Investment of 1,416,644 Units (2025: 2,485,050) Units		141,974,727	254,666,452
Redemption of 1,294,046 Units (2025: 1,242,525) Units		141,946,595	129,666,444
Re-invest of 215 Units (2025: 215) Units		28,048	21,595
Refund of capital of Nil (2025: 51,306) Units		-	5,141,826
Dividend income		28,048	28,793
Other Related Parties			
First Dawood Investment Bank Limited & Others Employees' Provident Fund			
Provident fund contribution		1,083,453	993,675
B.R.R. Guardian Limited			
Lease rentals paid		1,454,700	-
Dawood Family Takaful Limited			
Bad debt expense		300,000	-
Insurance expense		159,086	91,796
Advisory fee - net		1,043,478	1,111,112
36.2 Balances outstanding with related parties			
786 Smart Fund - Fund under Management			
Units Held: 786 Smart Fund 1,862,336 (2025: 1,451,985) Units		156,837,342	122,060,693
786 Islamic Money Market Fund - Fund under Management			
Units Held: 786 Islamic Money Market Fund 1,416,645 Units (2025: 1,294,047) Units		142,430,179	129,922,658
Receivable balances			
Balance due from fund under management - 786 Smart Fund		8,469,075	9,774,347
Balance due from fund under management - 786 Islamic Money Market Fund		119,344	98,237
Receivable against preliminary expenses - 786 Islamic Money Market Fund		350,000	550,025
Balance due against advisory services - Dawood Family Takaful		600,000	600,000
Payable balances:	Note	2026 Rupees	2025 Rupees
Chief Executive Officer			
Subordinated loan:			
Principal		-	12,000,000
Accrued Mark-up		11,570,605	14,181,846



36.3 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	N/A
786 Islamic Money Market Fund	Fund under Management	N/A
B.R.R. Guardian Limited	Shareholding	20%
Dawood Family Takaful Limited	Common directorship	N/A
Pakistan Refinery Limited	Common directorship	N/A
Flow Petroleum (Private) Limited	Common directorship	N/A
Paysys Labs Private Limited	Common directorship	N/A
Ladies Fund Energy (Private) Ltd	Common directorship	N/A
Ladies Fund Solar (Private) 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.

37. 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.

Income derived from the management fee of open end collective investment scheme and that derived from investment advisory fee represents 40% and 2% (2025: 25% and 1%) of the total income of the Company respectively."

38. FINANCIAL RISK MANAGEMENT

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

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. Risks of the Company are being managed by the Company's management in accordance with the approved policies approved by the Board.

The Company's financial assets primarily comprise of investments, trade receivables and bank balances. The Company also has long-security deposits, loans and advances, other receivables and accrued markup. The Company's principal financial liabilities primarily comprise of lease liability, accrued and other liabilities and unclaimed dividend.

38.1 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 (SECP), the NBFC Regulations and the NBFC Rules.

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

a) Currency risk

Foreign 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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities which mainly include payables to foreign suppliers of goods in foreign currency. 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.

b) 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. The Company's exposure to the risk of changes in market interest rates relates primarily to the following:



	2026 Rupees	2025 Rupees
Fixed rate instruments		
Financial assets		
Pakistan investment bond	<u>19,099,004</u>	<u>19,090,145</u>
Floating rate instruments		
Financial assets		
Bank balances	<u>1,019,799</u>	<u>1,485,277</u>

Fair value sensitivity analysis for fixed rate instruments:

The Company does not account for any fixed rate financial assets and liabilities at fair values through profit and loss except for investment in Pakistan investment bonds. A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below. The following information summarizes the estimated effects of hypothetical increases and decreases in interest rates on fair values from financial assets and liabilities that are subject to interest rate risk:

	2026		2025	
	Increase Rupees	Decrease Rupees	Increase Rupees	Decrease Rupees
Fair value sensitivity:				
- fixed rate financial assets	<u>190,990</u>	<u>(190,990)</u>	<u>190,901</u>	<u>(190,901)</u>
	<u>190,990</u>	<u>(190,990)</u>	<u>190,901</u>	<u>(190,901)</u>

Cash flow sensitivity analysis for floating rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables remain constant. The following information summarizes the estimated effects of hypothetical increases and decreases in interest rates on cash flows from financial assets and liabilities that are subject to interest rate risk.

	2026		2025	
	Increase Rupees	Decrease Rupees	Increase Rupees	Decrease Rupees
Cash flows sensitivity:				
- floating rate financial assets	<u>10,198</u>	<u>(10,198)</u>	<u>14,853</u>	<u>(14,853)</u>
	<u>10,198</u>	<u>(10,198)</u>	<u>14,853</u>	<u>(14,853)</u>

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.

Profit rate risk	Yield / effective interest rate	2026				
		Exposed to yield / interest rate risk			Not exposed to yield/ profit rate risk	Total
		Upto three month	More than three months and upto one year	More than one year		
	%	Rupees	Rupees	Rupees	Rupees	Rupees
On-balance sheet financial instruments						
Financial assets						
Bank balances	10	1,019,799	-	-	-	1,019,799
Investments	11.71	-	-	19,099,004	299,267,521	318,366,525
Long-term security deposits and receivable		-	-	-	386,300	386,300
Loans and advances		-	-	-	1,291,000	1,291,000
Accrued markup		-	-	-	757,858	757,858
Trade receivables		-	-	-	9,188,419	9,188,419
Total financial assets		<u>1,019,799</u>	<u>-</u>	<u>19,099,004</u>	<u>310,891,098</u>	<u>331,009,901</u>
Financial liabilities						
Accrued and other liabilities		-	-	-	14,068,779	14,068,779
Unclaimed dividend		-	-	-	998,742	998,742
Lease liability		<u>1,112,264</u>	<u>-</u>	<u>4,244,245</u>	<u>-</u>	<u>5,356,509</u>
Total financial liabilities		<u>1,112,264</u>	<u>-</u>	<u>4,244,245</u>	<u>15,067,521</u>	<u>20,424,030</u>
On balance sheet gap		<u>(92,465)</u>	<u>-</u>	<u>14,854,759</u>	<u>295,823,577</u>	<u>310,585,871</u>



Profit rate risk	2025					
	Yield / effective interest rate	Exposed to yield / interest rate risk			Not exposed to yield/ profit rate risk	Total
		More than three		More than one year		
		Upto three month	months and upto one year			
On-balance sheet financial instruments	%	Rupees	Rupees	Rupees	Rupees	Rupees
Financial assets						
Bank balances	9.5 to 19	1,485,277	-	-	-	1,485,277
Investments	12.15	-	-	19,090,145	251,983,351	271,073,496
Long-term security deposits and receivable		-	-	-	586,325	586,325
Loans and advances		-	-	-	636,750	636,750
Accrued markup		-	-	-	719,128	719,128
Trade receivables		-	-	-	10,472,584	10,472,584
Total financial assets		1,485,277	-	19,090,145	264,398,138	284,973,560
Financial liabilities						
Accrued and other liabilities		-	-	-	17,528,769	17,528,769
Unclaimed dividend		-	-	-	998,742	998,742
Total financial liabilities		-	-	-	18,527,511	18,527,511
On balance sheet gap		1,485,277	-	19,090,145	245,870,627	266,446,049

c) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. As at 30 June 2026, the Company is exposed to the other price risk of changes in the fair value of investment in mutual funds as a result of changes in the levels of net asset value of units held by the Company.

Sensitivity analysis

The analysis below summarizes the impact of increase / (decrease) in the rates determined by the Mutual Funds Association of Pakistan (MUFAP) on the Company's equity. The analysis is based on the assumption that the rates on the MUFAP had increased / (decreased) by 5% with all other variables held constant and the Company's equity instrument moved according to the historical correlation with the MUFAP:

	2026		2025	
	Increase Rupees	Decrease Rupees	Increase Rupees	Decrease Rupees
Other price sensitivity				
- Units of mutual funds- related party	14,963,376	(14,963,376)	12,599,168	(12,599,168)
	14,963,376	(14,963,376)	12,599,168	(12,599,168)

38.2 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 risk management 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).

Credit risk and concentration of credit risk



	2026		2025	
	Financial Assets	Maximum Exposure	Financial Assets	Maximum Exposure
	Rupees	Rupees	Rupees	Rupees
Long-term security deposits and receivable	386,300	386,300	586,325	586,325
Trade receivables	9,188,419	9,188,419	10,472,584	10,472,584
Investments	328,326,120	318,366,525	293,530,591	271,073,496
Loans and advances	1,291,000	1,291,000	636,750	636,750
Accrued markup	757,858	757,858	719,128	719,128
Bank balances	1,019,799	1,019,799	1,485,277	1,485,277
	340,969,496	331,009,901	307,430,655	284,973,560

To minimize its exposure to credit risk, the Company maintains its bank balances only with banks with high quality credit worthiness. As of the reporting date, the external credit ratings of the Company's major bankers were as follows:

Bank Name	Rating Agency	Credit rating		2026	2025
		Short-term	Long-term	Rupees	Rupees
Habib Metropolitan Bank	PACRA	A1+	AAA	998,404	1,465,075
JS Bank Limited	PACRA	A1+	AA	21,395	20,202
				1,019,799	1,485,277

38.3 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 reporting date to the contractual maturity date.

30 June 2026	Carrying value	Contractual cashflows	6-12 months	1 - 5 years	More than 5 years
Accrued and other liabilities	14,068,779	14,068,779	14,068,779	-	-
Lease liability	5,356,509	5,356,509	1,112,264	4,244,245	-
Unclaimed dividend	998,742	998,742	998,742	-	-
	20,424,030	20,424,030	16,179,785	4,244,245	-
30 June 2025	Carrying value	Contractual cashflows	6-12 months	1 - 5 years	More than 5 years
Accrued and other liabilities	17,528,769	17,528,769	17,528,769	-	-
Unclaimed dividend	998,742	998,742	998,742	-	-
	18,527,511	18,527,511	18,527,511	-	-



38.4 Determination of fair values

38.4.1 Fair value of financial instruments

Fair value is 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.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

i) Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

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:

	2026			2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Financial assets fair value through profit or loss						
Pakistan investments bonds	-	19,099,004	-	-	19,090,145	-
Units of mutual funds	299,267,521	-	-	251,983,351	-	-
Terms finance certificate	-	-	-	-	-	-
	299,267,521	19,099,004	-	251,983,351	19,090,145	-

ii) Valuation techniques

For Level 1

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.

For Level 2

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

iii) Transfers during the year

During the year ended 30 June 2026, there were no transfers between Level 1 and Level 2 fair value measurements.

38.4.2 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.



38.5 Financial instruments by category

Financial assets

At fair value through profit or loss

Investments

At Amortized cost

Long-term security deposits and receivable

Trade receivables

Loans and advances

Accrued markup

Bank balances

2026
Rupees

2025
Rupees

318,366,525	271,073,496
386,300	586,325
9,188,419	10,472,584
1,291,000	636,750
757,858	719,128
1,019,799	1,485,277
12,643,376	13,900,064
331,009,901	284,973,560

Financial liabilities

At Amortized cost

Accrued and other liabilities

Lease liability

Unclaimed dividend

2026
Rupees

2025
Rupees

14,068,779	16,827,080
5,356,509	-
998,742	998,742
20,424,030	17,825,822

38.5.1 Reconciliation to the line items presented in the statement of financial position is as follows:

Assets

Property and equipment

Right-of-use asset

Intangible asset

Long-term security deposits and receivable

Trade receivables

Investments

Loans and advances

Prepayments

Accrued markup

Bank balances

2026		
Financial assets	Non-financial assets	Assets as per statement of financial position

-	10,975,907	10,975,907
-	5,114,148	5,114,148
-	277,020	277,020
386,300	-	386,300
9,188,419	-	9,188,419
318,366,525	-	318,366,525
1,291,000	-	1,291,000
-	397,990	397,990
757,858	-	757,858
1,019,799	-	1,019,799
331,009,901	16,765,065	347,774,966

Liabilities

Deferred taxation

Accrued and other liabilities

Provision for taxation and levy payable- net

Lease liability

Unclaimed dividend

Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
-	1,896,756	1,896,756
14,068,779	8,767,696	22,836,475
-	4,138,994	4,138,994
5,356,509	-	5,356,509
998,742	-	998,742
20,424,030	14,803,446	35,227,476



Assets

	2025		
	Financial assets	Non-financial assets	Assets as per statement of financial position
Property and equipment	-	13,439,638	13,439,638
Right-of-use asset	-	102,662	102,662
Intangible asset	-	415,530	415,530
Long-term security deposits and receivable	586,325	-	586,325
Trade receivables	10,472,584	-	10,472,584
Investments	271,073,496	-	271,073,496
Loans and advances	636,750	-	636,750
Prepayments	-	332,122	332,122
Accrued markup	719,128	-	719,128
Bank balances	1,485,277	-	1,485,277
	<u>284,973,560</u>	<u>14,289,952</u>	<u>299,263,512</u>

Liabilities

	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
Accrued and other liabilities	17,528,769	8,028,053	25,556,822
Provision for taxation and levy payable- net	-	948,353	948,353
Unclaimed dividend	998,742	-	998,742
	<u>18,527,511</u>	<u>8,976,406</u>	<u>27,503,917</u>

38.6 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 behavior. 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.



38.7 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 Rupees 312.547 million (30 June 2025: Rupees 271.760 million) against the minimum equity requirement of Rupees 230 Million set by the Securities and Exchange Commission of Pakistan for the Non Banking Finance Company providing Asset Management Services and Advisory Services.

	2026	2025
	Numbers	
39. NUMBER OF EMPLOYEES		
Total number of employees as at the reporting date	10	10
Average number of employees during the year	10	10

40. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorised for issue on **14 September, 2026** by the Board of Directors of the Company.

41. GENERAL

41.1 No significant reclassification and rearrangement of the corresponding figures have been made during the year in these financial statements.

41.2 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



**Pattern of Shareholding
As on June 30, 2026**

Number of Share Holders	From	Share Holding	To	Total Shares Held
748	1	-	100	21,176
447	101	-	500	121,269
335	501	-	1000	265,144
483	1001	-	5000	1,187,057
100	5001	-	10000	765,386
46	10001	-	15000	559,091
25	15001	-	20000	443,679
10	20001	-	25000	222,402
17	25001	-	30000	474,647
6	30001	-	35000	197,226
9	35001	-	40000	339,583
1	40001	-	45000	42,912
4	45001	-	50000	188,317
5	50001	-	55000	266,640
1	55001	-	60000	56,000
1	60001	-	65000	60,690
3	95001	-	100000	295,400
3	100001	-	105000	305,774
3	115001	-	120000	352,779
2	120001	-	125000	242,002
1	145001	-	150000	150,000
1	250001	-	255000	253,753
1	275001	-	280000	277,656
1	645001	-	650000	648,845
1	1515001	-	1520000	1,517,755
1	2245001	-	2250000	2,246,055
1	2470001	-	2475000	2,474,562
1	2885001	-	2890000	2,888,209
1	3100001	-	3105000	3,100,492
2258				19,964,501



**Additional Information
as at June 30, 2026**

S. No.	Categories of Share holders	Numbers	Shares Held	% Age
1	NIT & ICP Investment Corporation of Pakistan	1	500 500	0.00
2	Directors, CEO their Spouses and Minor Children Miss Tara Uzra Dawood Mr. Iqbal Shafiq Mr. Ahmer Zia Sarwar Mr. Ahmed Salman Munir Mr. Nadeem Akhter Syed Musharaf Ali Mr. Naveed Ahmed	7	6,008,699 5,988,701 3,333 3,333 3,333 3,333 3,333	30.10
3	Banks, DFIs, NBFIs, Insurance Companies, Takaful, Modarabas, Pension Funds and Others	18	6,418,498	32.15
4	General Public	2,232	7,536,804	37.75
	Total	2,258	19,964,501	100.00

Shareholders holding ten percent or more shares in the Company

14,973,750

Miss Tara Uzra Dawood	5,988,701	29.99
The Bank of Khyber	2,246,055	11.25
B.R.R. Guardian Modaraba	3,992,317	19.99



FORM OF PROXY
35th Annual GENERAL MEETING

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, 2026 at 08:00 hours and to every adjournment thereof.

And witness my/our hand/seal this _____ day of _____ 2026, 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, 2026 to October 21, 2026 (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.



Gender Pay Gap Statement
Under SECP's Circular 10 Of 2024

Following is gender pay gap calculated for the year ended June 30, 2026:

1. Mean Gender Pay Gap: -831%
2. Median Gender Pay Gap: -1,085%

The above percentages reflect the gender pay gap of relevant male versus female employees across the organization.

Tara Uzra Dawood
Chief Executive Officer

Date: September 14, 2026



BOOK POST



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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Email: info@786investments.com
Website: www.786investments.com