



INVESTMENTS

WE KNOW YOUR VALUE

786 INVESTMENTS LIMITED

FOR THE
QUARTER ENDED
MARCH 31, 2021
(UN-AUDITED)

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CORPORATE INFORMATION

Board of Directors	Ms. Shafqat Sultana	Chairperson
	Miss Tara Uzra Dawood	Chief Executive Officer
	Ms. Charmaine Hidayatullah	Director
	Mr. Ahmed Salman Munir	Director
	Syed Shabahat Hussain	Director
	Mr. Tahir Mehmood	Director
	Syed Farhan Abbas	Director

**Chief Financial Officer &
Company Secretary**

Mr. Noman Shakir

Audit Committee

Syed Shabahat Hussain	Chairman
Mr. Tahir Mehmood	Member
Syed Farhan Abbas	Member

**Human Resource
Committee**

Ms. Shafqat Sultana	Chairperson
Miss Tara Uzra Dawood	Member
Mr. Tahir Mehmood	Member

Legal Advisor

Rauf & Ghaffar Law Associates (Advocates & Consultants)
 Suite # 65, 5th Floor, Fareed Chamber,
 Abdullah Haroon Road,
 Saddar – Karachi, Pakistan.

Registrars

F.D. Registrar Services (SMC-Pvt.) Ltd.
 Office# 1705, 17th Floor Saima Trade Tower. A,
 I.I. Chundrigar Road, Karachi-74000, Pakistan.

Banker:

Habib Metropolitan Bank Limited
 JS Bank Limited

Rating:

PACRA: AM3

DIRECTORS' REPORT FOR THE QUARTER ENDED MARCH 31, 2021

It gives me immense pleasure to present on behalf of the Board of Directors of 786 Investments Limited. ("786" or the "Company") I am pleased to present the unaudited financial statements of 786 Investments Limited for the quarter ended March 31, 2021. Your Company continued its journey of success and composed for growth.

ECONOMY, MARKET & STOCK REVIEW

Economy Review:

Pakistan impacted with two Coronavirus waves and is currently passing through the third wave. The IMF application has additionally resumed with every other disbursement of USD 500 million. The Current Account multiplied significantly throughout the nine months of the fiscal 12 months 2021. The Country reported a surplus of USD 748 million in the duration beneath evaluation in contrast to a USD 2,911 million deficit in the same length last year. The improvement was once on account of a 24% boom in remittances that outweighed the 22% upward jab in the trade deficit. The offerings deficit also declined by using 48%, which in addition aided the current account surplus balance. As a result, overseas reserves continued to toughen and PKR/USD parity additionally improved with the PKR buying and selling at 153 to the dollar in March 2021. SBP reserves elevated by using 22% in the fiscal year to date to USD 13.7 billion and total reserves accelerated with the aid of 6% to USD 20.8 billion. Oil expenses recovered 63% throughout the duration on the back of international vaccine rollout and confident expectations for global demand recovery. Going forward, the costs are anticipated to stay at \$60/bbl. stages for the relaxation of the year as the demand pickup would overcome the modern provide glut in the market.

CPI inflation eased off from 9.3% in July 2020 to 5.7% in January 2021. However, the inflation expanded to 9% ranges from February onwards due to the low base effect. In its current Monetary Policy Meeting, the SBP persisted to keep a dovish policy stance. Furthermore, with the heightened dangers of the third Coronavirus wave, we count on the Committee to keep the cover price at 7% for the rest of the year.

Stock Market Review & Outlook:

The Pakistan Stock Exchange (PSX), a barometer to gauge financial performance, has emerged as the excellent performing regional market. The changes in spending patterns of individuals, coupled with the reduced peacetime rate, excess liquidity in the machine and a great deal extended profits with the aid of the organizations listed at the PSX all inspired traders to guess at the bus and pushed share prices, the extent and fee to multi-year excessive levels.

The elements which would help the stock market's increase include announcement from the central financial institution final week that the pastime price would remain secure at 7% in the close to term (till May), surpassing tax revenue goal for the first seven months (Jul-Mar) of modern fiscal year 2021 and receipt of robust workers' remittances from foreign places Pakistanis at over \$2 billion a month for the previous seven months.

Money Market Review

During the fiscal year to date, State Bank of Pakistan (SBP) kept the Policy Rate unchanged at 7%. The central bank has decreased its supply of Pakistan Investment Bonds and had rejected bids in the new issuance of 5Y instrument until January 2021. However, as demand remained intact particularly from the Insurance and Banking sector, the SBP finally started accepting bids in the 5Y instrument at a cut-off yield of 9.52%. Since then, PIB cut-offs yields have increased across all tenors. Over the period under review, the SBP received PKR 118 billion, PKR 278 billion and PKR 387 billion bids, respectively, for the 3Y, 5Y and 10Y Fixed Rate PIBs. Against this, the SBP accepted bids worth PKR 50 billion, PKR 77 billion and PKR 98 billion in the 3Y, 5Y and 10Y tenors, respectively.

Company Performance Review:

The Company's gross earnings during the period stood at PKR 10.65 million as compared to PKR 14.17 million in the same period last year. Total expenses were PKR 17.21 million as compared to PKR 19.78 million in the same period last year. Share of associates shows a Profit of PKR 5.06 million as compared to PKR 8.15 million the same period last year. Net Profit for the period was PKR 3.94 million as opposed to a profit of PKR 4.22 million in the same period last year.

Future Plans:

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

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

---SD---

Director

---SD---

Shafqat Sultana
Chairperson

786 انویسٹمنٹ لمیٹڈ (786 یادی کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے، میں 786 گروپ کی 31 مارچ 2021ء کو ختم ہونے والی نوامی کے مالیاتی گوشوارے پیش کرتے ہوئے خوش محسوس کرتا ہوں۔ آپ کمپنی نے کامیابی کا سفر جاری رکھا اور ترقی کے لئے تیار ہے۔

اقتصادی، مارکیٹ اور اسٹاک کا جائزہ

اقتصادی جائزہ:

پاکستان کو روٹا وائرس کی دو لہروں سے متاثر ہوا اور فی الحال تیسری لہر سے گزر رہا ہے۔ آئی ایم ایف اپریل 2021ء میں 500 ملین ڈالر کی دوسری ڈسٹر سمنٹ کے ساتھ دوبارہ شروع ہو چکی ہے۔ مالی سال 2021 کی نوامی میں کرنٹ اکاؤنٹ میں نمایاں اضافہ ہوا۔ ملک نے گزشتہ سال کی اسی مدت میں 2,911 ملین امریکی ڈالر خسارے کے مقابلے میں زیر جائزہ مدت کے دوران 748 ملین امریکی ڈالر کا سرپلس درج کر لیا۔ تجارتی خسارے میں 22 فیصد نمایاں اضافے کے مقابلے میں 24 فیصد اضافے کی وجہ سے بہتری آئی تھی۔ پیش کش کے خسارے میں بھی 48 فیصد کمی آئی، جس سے کرنٹ اکاؤنٹ کو سرپلس بنانے میں تھیل میں تبدیل ہونے میں بھی مدد ملی۔ نتیجے کے طور پر، بیرون ملک مقیم ذخائر میں سختی برقرار رہی اور مارچ 2021ء میں ڈالر کی خرید و فروخت 153 پاکستانی روپے کے ساتھ روپیہ / امریکی ڈالر کی برابری میں مزید بہتری آئی۔

مالی سال میں اسٹیٹ بینک کے ذخائر 22 فیصد کے اضافے سے 13.7 ملین امریکی ڈالر تک پہنچ گئے اور مجموعی ذخائر 6 فیصد کے اضافے سے 20.8 ملین امریکی ڈالر تک پہنچ گئے۔ بین الاقوامی ویکسین رول آؤٹ اور عالمی طلب کی بھالی کی پُر اعتماد توقعات کی بناء پر پتیل کے اخراجات میں 63 فیصد بھالی ہوئی۔ آگے بڑھتے ہوئے، لاگت 60 ڈالر فی لیرل رہنے کی توقع ہے۔ سال کے آسان مراحل کیونکہ طلب میں اضافہ مارکیٹ میں چند فراہمی کے خاتمے پر قابو پائے گا۔

جولائی 2020ء میں سی پی آئی کی افراط زر میں 9.3 فیصد سے کم ہو کر جنوری 2021ء میں 5.7 فیصد ہو گئی۔ تاہم، کم بنیاد اثر کی وجہ سے فروری سے مہنگائی میں 9 فیصد کی حد تک اضافہ ہوا۔ اپنے موجودہ مالیاتی پالیسی اجلاس میں، اسٹیٹ بینک نے پالیسی شرح برقرار رکھنے کی تاکید کی۔ مزید یہ کہ روٹا وائرس کی تیسری لہر کے بڑھتے ہوئے خطرات کے ساتھ، ہم کمپنی پر اعتماد کرتے ہیں کہ وہ باقی سال کے لئے کور قیمت 7 فیصد رکھے گی۔

اسٹاک مارکیٹ کا جائزہ اور مستقبل کا نقطہ نظر:

پاکستان اسٹاک ایکسچینج (پی ایس ایکس)، جو مالی کارکردگی کا اندازہ لگانے کے لئے ایک ہیر میٹر ہے، ایک بہترین کارکردگی کا مظاہرہ کرنے والی علاقائی مارکیٹ کے طور پر ابھری ہے۔ افراد کے اخراجات میں ہونے والی تبدیلیوں کے ساتھ ساتھ، چیئرمین شرح میں کمی، نشین میں اضافی لیکویڈیٹی اور پی ایس ایکس میں مندرجہ تفصیلات کی مدد سے وسیع پیمانے پر منافع میں توسیع ہوئی، جس سے تمام متاثرہ تاجروں نے بس پر اندازہ لگا لیا اور حصص کی قیمتوں، کثیر سالہ حد سے زیادہ سطحوں کی حد اور فیئس کو آگے بڑھا لیا۔

اسٹاک مارکیٹ میں اضافے میں مدد دینے والے عناصر میں مرکزی مالیاتی ادارے کی جانب سے اعلان کیا گیا ہے کہ پاسٹ نانٹرم کی قیمت مدت کے اختتام (مئی) تک 7 فیصد تک محفوظ رہے گی، جو مالی سال 2021 کے پہلے سلسلے ماہ (جولائی تا مارچ) تک ٹیکس محصولات اور بیرون ملک مقیم پاکستانیوں سے مزدوروں کی ترسیلات زر کی وصولی کے اہداف کو پیچھے چھوڑ دے گی۔

معی مارکیٹ کا جائزہ

آج تک مالی سال کے دوران، اسٹیٹ بینک آف پاکستان (ایس بی پی) نے پالیسی شرح کو 7 فیصد پر برقرار رکھا۔ مرکزی بینک نے پاکستان انویسٹمنٹ بانڈز کی فراہمی میں کمی کر دی ہے اور 5 سالہ انسٹرمنٹ کے سنے اجراء میں پیشکشوں کو جنوری 2021ء تک سست کر دیا تھا۔ تاہم، کیونکہ انشورنس اور بینکنگ کے شعبے کی طلب برقرار ہے، اسٹیٹ بینک نے بالآخر 9.52 فیصد کی کٹ آف پیداوار پر 5 سالہ پیشکش کو قبول کرنا شروع کر دیا۔ اس کے بعد سے PIB کٹ آف پیداوار تمام نمبر ز میں بڑھ گئیے۔ زیر جائزہ مدت کے دوران، اسٹیٹ بینک نے بالترتیب 3 سالہ، 5 سالہ اور 10 سالہ مقررہ شرح PIBs کے لئے بالترتیب 118 ملین روپے، 278 ملین روپے اور 387 ملین روپے وصول کئے۔ اس کے برعکس، اسٹیٹ بینک نے بالترتیب 3 سالہ، 5 سالہ اور 10 سالہ 50 ملین روپے، 77 ملین روپے اور 98 ملین روپے کی پیشکش قبول کی۔

کمپنی کی کارکردگی کا جائزہ:

گزشتہ سال کی اسی مدت میں 14.17 ملین روپے کے مقابلے موجودہ مدت میں کمپنی کی مجموعی آمدنی 10.65 ملین روپے رہی۔ گزشتہ سال کی اسی مدت میں 19.78 ملین روپے کے مقابلے کل اخراجات 17.21 ملین روپے ہوئے۔ گزشتہ سال کی اسی مدت میں 8.15 ملین روپے کے مقابلے ایسوی ایٹس کے حصہ نے 5.06 ملین روپے کا منافع دکھایا ہے۔ گزشتہ سال اسی عرصہ میں 4.22 ملین روپے منافع کے مقابلے موجودہ مدت کے لئے خالص منافع 3.94 ملین روپے ہوا۔

مستقبل کے منصوبے:

786IL کوئیڈ 19 کے ادوار پر مرکوز ایک حکمت عملی تیار کر رہی ہے، اور کوئیڈ 19 کے بعد کی توقعات میں، لاک ڈاؤن کے دوران، معلومات اور ہماری ٹیم اور صارف تک رسائی آسان بنانے اور ورچوئل پر زور دینے کے ساتھ، صحت اور حفاظت کی بناء پر محفوظ مواصلات اور کاغذ کے خاتمہ اور انٹائیٹھمنٹ کمپنیوں کے مابین زیادہ پائیدار، باقتصاد، ماحول دوست رول ماڈل بنانا ہے۔ سال کے لئے ہمارا مقصد ایک موثر ورچوئل، موثر میڈیا کی وساطت سے فروخت کی موثر حکمت عملی کے ذریعہ ایسٹ انڈر ٹھمنٹ (اے یو ایم) کو بڑھانا ہے۔

---SD---

ڈائریکٹر

---SD---

شفقت سلطانہ
جیئیر پرسن

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2021**

		<i>Un-Audited</i> March 31 2021 Rupees	<i>Audited</i> June 30 2020 Rupees (Restated)	<i>Audited</i> June 30 2019 Rupees (Restated)
<u>ASSETS</u>	Note			
Non-Current Assets				
Property and Equipment	6	2,205,779	3,621,242	5,569,923
Intangible Asset	7	1,004,197	1,108,080	1,246,590
Long-Term Investments	8	172,644,498	169,578,338	181,475,932
Long-Term Deposits and Prepayments		161,300	536,300	1,036,300
		176,015,774	174,843,960	189,328,745
Current Assets				
Short-Term Investments	9	21,856,115	22,428,330	10,071,630
Loans and Advances		-	22,003	39,667
Prepayments and Other Receivable		8,325,157	7,609,372	7,401,153
Trade Receivable - <i>Restated</i>	10	2,940,895	4,108,583	3,087,149
Accrued Markup	11	846,541	2,804,667	153,119
Tax Refund Due from Government		6,537,708	5,819,256	5,046,837
Cash at Bank	12	33,427,605	12,042,370	4,539,920
		73,934,021	54,834,581	30,339,475
Total Assets		249,949,795	229,678,541	219,668,220
<u>EQUITY and LIABILITIES</u>				
Share Capital and Reserves				
Authorised Capital				
20,000,000 Ordinary Shares of Rs. 10 Each		200,000,000	200,000,000	200,000,000
Issued, Subscribed and Paid Up Capital				
14,973,750 Ordinary Shares of Rs. 10 Each		149,737,500	149,737,500	149,737,500
General Reserves		33,630,264	33,630,264	33,630,264
Surplus on Revaluation of Investments - At FVTOCI	17	-	5,454,357	(13,777)
Share of Unrealised Gain on Remeasurement of Investments in Associates		236,114	236,114	210,748
Director Loan		22,000,000	-	-
Unappropriated Profit		25,252,949	21,311,258	17,375,418
		230,856,827	210,369,493	200,940,153
Current Liabilities				
Trade and Other Payables	13	18,094,226	18,310,306	17,729,325
Unclaimed Dividend	14	998,742	998,742	998,742
		19,092,968	19,309,048	18,728,067
Contingencies and Commitments	15			
Total Equities and Liabilities		249,949,795	229,678,541	219,668,220

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

For 786 Investments Limited
(Management Company)

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

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

----SD-----
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE NINE MONTH AND QUARTER ENDED MARCH 31, 2021**

	Note	<u>Nine Month Ended</u>		<u>Quarter Ended</u>	
		<u>March 31,</u>		<u>March 31,</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		<u>----- Rupees -----</u>			
		<u>(Restated)</u>			
Income					
Remuneration from Funds Under Management	16	6,543,462	7,185,639	2,003,902	2,287,165
Advisory fee		833,334	833,334	277,778	277,778
Capital Gain on Sale of Investment		-	269,631	-	-
Income on TFC's		1,881,639	2,680,871	566,852	960,171
Gain on Redemption of Units of Associates' Investment		-	2,068,124	-	-
Income on Pakistan Investment Bond		1,400,597	1,139,070	501,370	531,566
		<u>10,659,032</u>	<u>14,176,669</u>	<u>3,349,902</u>	<u>4,056,680</u>
Reclassification of Surplus on Investments	17	5,454,357	-	-	-
Deficit on Revaluation of Investments - At FVP&L		<u>(2,577,508)</u>	<u>-</u>	<u>(696,579)</u>	<u>-</u>
		<u>2,876,849</u>	<u>14,176,669</u>	<u>(696,579)</u>	<u>-</u>
Expenses					
Administrative and Operating Expenses	18	(16,098,414)	(19,784,625)	(5,232,804)	(6,043,268)
Financial Charges		(1,114,510)	(5,291)	(503,726)	(1,333)
		<u>(17,212,924)</u>	<u>(19,789,916)</u>	<u>(5,736,530)</u>	<u>(6,044,601)</u>
Operating Loss		<u>(3,677,043)</u>	<u>(5,613,247)</u>	<u>(3,083,207)</u>	<u>(1,987,921)</u>
Other Operating Income	19	3,257,768	2,586,410	452,718	425,413
Share of Associates' Profit	20	5,076,453	8,157,087	1,706,937	3,330,487
Profit/(Loss) before taxation		<u>4,657,178</u>	<u>5,130,250</u>	<u>(923,552)</u>	<u>1,767,979</u>
Taxation	21	(715,487)	(909,595)	(86,189)	(377,011)
Profit/(Loss) for the Period		<u>3,941,691</u>	<u>4,220,655</u>	<u>(1,009,741)</u>	<u>1,390,968</u>
Earning/(Loss) Per Share - Basic and Diluted		<u>0.26</u>	<u>0.28</u>	<u>(0.07)</u>	<u>0.09</u>

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

For 786 Investments Limited
(Management Company)

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

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

----SD-----
Director

**STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTH AND QUARTER ENDED MARCH 31, 2021**

	<u>Nine Month Ended</u>		<u>Quarter Ended</u>	
	March 31,		March 31,	
	2021	2020	2021	2020
Note	----- Rupees -----			
	(Restated)			
Profit/(Loss) for the Period	3,941,691	4,220,655	(1,009,741)	1,390,968
Other Comprehensive Income/(Loss)				
Surplus on Revaluation of Investments - At Fair Value Through Other Comprehensive Income	-	5,293,780	-	3,731,897
Reclassification of Surplus on Investments	17	(5,454,357)	-	-
Total Comprehensive (Loss)/Income for the Period	(1,512,666)	<u>9,514,435</u>	(1,009,741)	<u>5,122,865</u>

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

For 786 Investments Limited
(Management Company)

---SD---
 Chief Executive Officer

---SD---
 Chief Financial Officer

---SD---
 Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTH AND QUARTER ENDED MARCH 31, 2021**

	Share Capital		Reserves				Total
	Capital		Revenue				
	Issued, Subscribed and Paid-Up Capital	General Reserve	Sub Ordinated Loan From Director Reserve	Surplus on Measurement of Investment through OCI	Share of Unrealised Gain on Remeasurement of Associates' Investments	Unappropriated Profit	
----- Rupees -----							
Balance as at July 1, 2019 as previously reported	149,737,500	33,630,264	-	(13,777)	210,748	16,819,862	200,384,597
Adjustment of advisory fees	-	-	-	-	-	555,556	555,556
Balance as at July 1, 2019 - Restated	149,737,500	33,630,264	-	(13,777)	210,748	17,375,418	200,940,153
Profit for the Period- Restated	-	-	-	-	-	4,220,655	4,220,655
Other Comprehensive Income/(Loss)							
Deficit on Revaluation of Investments				-			
- At Fair Value Through Other Comprehensive Income	-	-	-	5,293,780	(210,748)	-	5,083,032
Total Comprehensive Income for the Period- Restated	-	-	-	5,293,780	(210,748)	4,220,655	9,303,687
Balance as at March 31, 2020-Restated	149,737,500	33,630,264	-	5,280,003	-	21,596,073	209,688,284
Balance as at June 30, 2020 as reported in audited financial statement	149,737,500	33,630,264	-	5,454,357	236,114	19,644,591	208,702,826
Impact of Investment Advisory fees	-	-	-	-	-	1,666,667	1,666,667
Balance at June 30, 2020- as Restated	149,737,500	33,630,264	-	5,454,357	236,114	21,311,258	210,369,493
Profit for the Period	-	-	-	-	-	3,941,691	3,941,691
Other Comprehensive Loss							
Recalssification of Surplus on Investments				(5,454,357)		-	(5,454,357)
Sub Ordinated Loan From Director	-	-	22,000,000	-	-	-	22,000,000
Total Comprehensive Loss for the Period	-	-	22,000,000	(5,454,357)	-	3,941,691	20,487,334
Balance as at March 31, 2021	149,737,500	33,630,264	22,000,000	-	236,114	25,252,949	230,856,827

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

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

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

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

----SD-----
Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTH AND QUARTER ENDED MARCH 31, 2021**

	<i>Nine Month Ended March 31,</i>	
	2021	2020
	Rupees	Rupees
		<i>(Restated)</i>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Taxation	4,657,178	5,130,250
Adjustments for Items not Involving Movement of Funds:		
Depreciation on Property and Equipment	1,415,463	1,514,231
Amortization	103,883	103,883
Financial Charges	1,114,510	5,291
Capital Gain on Sale of Investment	-	(269,631)
Mark-Up Earned on Saving Account	(1,182,032)	(1,069,847)
Gain on Redemption of Units of Associates' Investment	-	(2,068,124)
Share of Profit From Associates'	(5,076,453)	(8,157,087)
	(3,624,629)	(9,941,284)
Operating Cash in Flows/(Out Flows Before)		
Working Capital Changes	1,032,549	(4,811,034)
Decrease/(Increase) in Current Assets		
Loans and Advances	22,003	17,664
Trade Receivable - Restated	1,167,688	(600,989)
Prepayments and Other Receivable	(715,785)	(959,046)
	473,906	(1,542,371)
(Decrease)/Increase in Current Liabilities		
Trade and Other Payables	(216,080)	213,620
	1,290,375	(6,139,785)
Income Taxes Paid - Net	(1,433,939)	(627,717)
Financial Charges Paid	(1,114,510)	(5,291)
Net Cash Used in Operating Activities	(1,258,074)	(6,772,793)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - Net	(2,871,849)	15,946,902
Long-Term Deposits and Prepayments	375,000	375,000
Receipt of Mark Up on Savings Account	3,140,158	123,777
Capital Expenditure Incurred	-	(58,209)
Net Cash Generated /(Used in) from Investing Activities	643,309	16,387,470
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Sub Ordinated Loan From Director	22,000,000	-
Net Cash Generated from Financing Activities	22,000,000	-
Net Increase in Cash and Cash Equivalents	21,385,235	9,614,677
Cash and Cash Equivalents at Beginning of the Year	12,042,370	4,539,920
Cash and Cash Equivalents at End of the Period	33,427,605	14,154,597

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

For 786 Investments Limited
(Management Company)

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

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

----SD-----
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTH AND QUARTER ENDED MARCH 31, 2021

1 STATUS AND NATURE OF BUSINESS

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

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

- 1.2 Company has successfully renewed his license to carry out "Asset Management Service" dated May 28, 2019 under Rule 5 of the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 amended through S.R.O 1131(1) 2007, S.R.O 271(1) 2010, S.R.O 570(1)/2012 and S.R.O 1002(1)/2015 respectively.
- 1.3 During the year the Commission (SECP) has renewed the License for "Investment Advisory Services" vide its letter No.SCD/AMCW/786IL/2020-109 dated November 12, 2020 with effect from May 26, 2019 and valid till May 25, 2022. Licence shall further be renewable by the Commission for next three years, subject to the compliance of the NBFC Rules and the NBFC Regulations.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the international Accounting Standard Boards (IASB) as notified under the Companies Act, 2017.
- Provision of and directives issued under the Companies Act, 2017.
- The Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (The NBFC Rules), and the Non Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations); and
- Directives issued by the SECP

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

2.2 Basis of Measurement

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

These condensed interim financial statements have been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and Presentation Currency

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the method of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the company for the year ended 30 June 2020. Except the Investments are reclassified from fair value through other comprehensive income to fair value through profit and loss. (refer Note: 17)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended 30 June 2020.

5 RECITIFICATION OF ERROR

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

<i>The effects of adjustments are summarized below:</i>	<i>Previously Reported</i>	<i>Adjustment</i>	<i>Re-Styled</i>
	<i>----- Rupees -----</i>		
<i>Effect of Error on Financial Statements for Year Ended June 30, 2019 (Audited)</i>			
<i>Statement of Financial Position</i>			
<i>Current - Assets</i>			
Trade receivables on account of advisory service	2,487,149	600,000	3,087,149
Trade and other payables	17,684,881	44,444	17,729,325
<i>Statement of Changes in Equity</i>			
Unappropriated Profit	16,819,862	555,556	17,375,418
<i>Statement of Profit or Loss</i>			
Income on Advisory Services	-	833,334	833,334
<i>Effect of Error on Financial Statements for the Half Year Ended March 31, 2020 (Un-Audited)</i>			
<i>Statement of Profit or Loss</i>			
Income on Advisory Services	-	833,334	833,334
<i>Effect of Error on Financial Statements for the Quarter Ended March 31, 2020 (Un-Audited)</i>			
<i>Statement of Profit or Loss</i>			
Income on Advisory Services	-	277,778	277,778
<i>Effect of Error on Financial Statements for Year Ended June 30, 2020 (Audited)</i>			
<i>Statement of Financial Position</i>			
<i>Current - Assets</i>			
Trade receivables on account of advisory service	2,308,583	1,800,000	4,108,583
<i>Trade and Other Payables</i>			
- Sales Tax Payable 13	863,347	133,333	996,680
<i>Statement of Changes in Equity</i>			
Unappropriated Profit	19,644,591	1,666,667	21,311,258
<i>Statement of Profit or Loss</i>			
Income on Advisory Services	-	1,111,111	1,111,111

6 PROPERTY AND EQUIPMENT

6.1 The following is the statement of property and equipment:

Description	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total
-----Rupees-----					
Period Ended March 31, 2021					
Opening Net Book Value (NBV)	395,656	2,324,868	453,327	447,391	3,621,242
Additions (at cost)	-	-	-	-	-
Disposals					
Cost	-	-	-	-	-
Depreciation	-	-	-	-	-
Net Book Value	-	-	-	-	-
Depreciation Charge	(52,474)	(839,006)	(194,115)	(329,868)	(1,415,463)
Closing Net Book Value	343,182	1,485,862	259,212	117,523	2,205,779
Gross Carrying Value Basis					
Cost	1,487,514	5,593,370	1,494,502	5,280,475	13,855,861
Accumulated Depreciation/Impairment	(1,144,332)	(4,107,508)	(1,235,290)	(5,162,952)	(11,650,082)
Net Book Value	343,182	1,485,862	259,212	117,523	2,205,779
Year Ended June 30, 2020					
Opening Net Book Value (NBV)	468,289	3,443,542	611,449	1,046,643	5,569,923
Additions (at Cost)	-	-	-	58,209	58,209
	468,289	3,443,542	611,449	1,104,852	5,628,132
Disposals					
Cost	-	-	-	-	-
Depreciation	-	-	-	-	-
Net Book Value	-	-	-	-	-
Depreciation Charge	(72,633)	(1,118,674)	(158,122)	(657,461)	(2,006,890)
Closing Net Book Value	395,656	2,324,868	453,327	447,391	3,621,242
Gross Carrying Value Basis					
Cost	1,487,514	5,593,370	1,494,502	5,280,475	13,855,861
Accumulated Depreciation/Impairment	(1,091,858)	(3,268,502)	(1,041,175)	(4,833,084)	(10,234,619)
Net Book Value	395,656	2,324,868	453,327	447,391	3,621,242
Depreciation Rate % per Annum	10	20	20	33	

		Un-Audited	Audited
		March 31	June 30
		2021	2020
7 INTANGIBLE ASSET	Note	Rupees	Rupees
Computer Software		<u>1,004,197</u>	<u>1,108,080</u>
7.1 Computer Software			
Opening Net Book Value		1,108,080	1,246,590
Addition		-	-
Amortization Charge		(103,883)	(138,510)
Closing Net Book Value		<u>1,004,197</u>	<u>1,108,080</u>
Cost		1,385,100	1,385,100
Accumulated Amortization		(380,903)	(277,020)
Closing Net Book Value		<u>1,004,197</u>	<u>1,108,080</u>
Amortization Rate		<u>10%</u>	<u>10%</u>

		Un-Audited	Audited
		March 31	June 30
		2021	2020
8 LONG-TERM INVESTMENTS	Note	Rupees	Rupees
Investments in Associates - Units of Mutual Funds - Equity Method			
786 Smart Fund			
(Open - End - Fund) - an associate (Using Equity			
1,825,406 (June 30, 2020: 1,825,406) Units,			
Representing 28.39% (June 30, 2020: 23.60%) Holding.		152,935,246	147,858,793
Investment in PIB's- At Fair Value through Profit & Loss			
Government Securities - Pakistan Investment			
Bonds having Face Value of 20 Million	8.1	<u>19,709,252</u>	<u>21,719,545</u>
		<u>172,644,498</u>	<u>169,578,338</u>

8.1 This Government securities - Pakistan Investment Bonds will mature latest by September 19, 2029 and carry interest at the rate of 12.14821%

		March 31, 2021		June 30, 2020	
		Face Value	Fair Value	Face Value	Fair Value
9 SHORT TERM INVESTMENTS	Note	----- Rupees -----			
At Fair Value through OCI					
Term Finance Certificate	9.2	21,128,786	21,856,115	21,133,786	22,428,330
		21,128,786	21,856,115	21,133,786	22,428,330
Cumulative Gain on					
Revaluation of Investment		727,329	-	1,294,544	-
		<u>21,856,115</u>	<u>21,856,115</u>	<u>22,428,330</u>	<u>22,428,330</u>

		March 31, 2021		June 30, 2020		
		Face Value	Fair Value	Face Value	Fair Value	
9	SHORT TERM INVESTMENTS	Note	----- Rupees -----			
At Fair Value through OCI						
	Term Finance Certificate	9.2	21,128,786	21,856,115	21,133,786	22,428,330
			21,128,786	21,856,115	21,133,786	22,428,330
	Cumulative Gain on					
	Revaluation of Investment		727,329	-	1,294,544	-
			21,856,115	21,856,115	22,428,330	22,428,330

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

9.1.2 Term finance certificates carry profit equal to 6 month KIBOR plus 1.85% receivable half yearly in arrears and will mature in August 2025. The Instrument is structured to redeem 0.14% of the Issue Amount during the first 7 years and remaining 99.86% in last two (2) equal semi annual installments of 49.93% each. The instrument is unsecured and subordinated as to payment of Principal and Profit to all other indebtedness of the bank, including deposits.

9.1 Term Finance Certificates - Unlisted

Number of Certificates		Name of Company	Note	March 31, 2021		June 30, 2020	
Mar., 31, 2021	June 30, 2020			Cost	Fair Value	Cost	Fair Value
----- Rupees -----							
Financial services							
5,000	5,000	Silk Bank Limited	9.1.1	21,128,786	21,856,115	21,133,786	22,428,330

		Note	Un-Audited	Audited
			March 31, 2021	June 30, 2020
			Rupees	Rupees
10	TRADE RECEIVABLE			
	786 Smart Fund - An Associate		2,663,117	2,308,583
	Receivable on Account of Advisory Fees	5	277,778	1,800,000
			2,940,895	4,108,583

11	ACCRUED MARKUP			
	On Saving Accounts		453,273	644,940
	On Term Finance Certificate (TFCs)		322,035	1,489,091
	On Pakistan Investment Bond (PIBs)		71,233	670,636
			846,541	2,804,667

12	CASH AT BANK			
	Cash in Hand		15,420	1,005
	Cash at Bank			
	Current Accounts		-	101,609
	Saving Accounts	12.1	33,412,185	11,939,756
			33,412,185	12,041,365
			33,427,605	12,042,370

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

		<i>Un-Audited</i>	<i>Audited</i>
		<i>31 March</i>	<i>30 June</i>
		<i>2021</i>	<i>2020</i>
13 TRADE AND OTHER PAYABLES	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
Accrued Expenses	13.1	10,943,351	9,668,859
Sindh Workers' Welfare Fund Payable		-	1,130,400
FED Payable	15.1.2	6,513,677	6,513,677
Sales Tax Payable		323,936	996,680
Wht Payable		313,262	690
		<u>18,094,226</u>	<u>18,310,306</u>

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

		<i>Un-Audited</i>	<i>Audited</i>
		<i>31 March</i>	<i>30 June</i>
		<i>2021</i>	<i>2020</i>
14 UNCLAIMED DIVIDEND	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
	14.1	<u>998,742</u>	<u>998,742</u>

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

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 The Additional Commissioner of Income Tax (ACIT) has amended the assessment order under section 122(5A) of the Income Tax Ordinance, 2001, resulting in an additional tax of Rs. 1.005 million and Rs. 0.820 million for Tax Years 2003 and 2004 respectively. The Company has filed appeals with the Commissioner of Income Tax Appeals-II (CIT-A). The said appeals are pending for hearing. The management is confident that the appeal will be decided in favour of the Company and therefore no provision in this respect has been made in these financial statements. Appeals have been filed before Income Tax Appellate Tribunal (ITAT) for the Tax Year 2003 and 2004 against the order of CIT-A. Hearing has been fixed and ITAT has finalized the order for the Tax Year 2004, which partially allowed and partially remanded back the order to the CIT-A for passing an order. The case has been decided in favour of the Company by the Appellate Tribunal in Tax Year 2017.

15.1.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the Asset Management Services rendered by the Management Company of the Fund were already subject to provincial sales tax levied by Sindh Revenue Board, which is being charged to the Fund, the Company was of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honorable Sindh High Court (SHC) jointly by various Asset Management Companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

The matter is still pending. With effect from 1 July 2016, FED on services provided or rendered on Non Banking Financial Institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Company has discontinued making further provision in respect of FED on Management Services with effect from 1 July 2016. However, as a matter of abundant caution the provision made for FED for the period from 13 June 2013 till 30 June 2016 aggregating to Rupees 6.51 (June 30, 2020: Rs. 6.51) Million is being retained with a corresponding receivable from the funds of the same amount in financial statements as the matter is pending before the Supreme Court of Pakistan.

15.2 Commitments

There was no commitment during the nine months ended March 31, 2021 (June 30, 2020: Nil)

	March 31	
	2021	2020
	Rupees	Rupees
16 REMUNERATION FROM FUNDS UNDER MANAGEMENT		
Open-End Funds		
786 Smart Fund	6,543,462	5,466,849
786 Rising Star Fund	-	727,929
First Dawood Mutual Fund - An Associate	-	990,861
	6,543,462	7,185,639
	2021	2020
	Remuneration for services rendered as an asset management company	
16.1 During the period the company has charged Management fee as under;	----- Percentage -----	
Associates - Open - End Funds		
786 Smart Fund - An Associate	1.5	1.5
786 Rising Star Fund - An Associate	-	1.5
First Dawood Mutual Fund - An Associate	-	2

17 RECLASSIFICATION

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

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

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

		March 31	
		2021	2020
		Rupees	Rupees
18 ADMINISTRATIVE AND OPERATING EXPENSES	Note		
Salaries and Allowances		9,064,427	10,231,540
Rent, Rates and Taxes		1,067,614	1,139,506
Postage and Telephones		166,774	280,847
Legal and Professional Charges		651,018	1,409,965
Printing and Stationery		107,590	165,316
Vehicles Running		156,009	1,338,251
Advertisement Expense		47,500	308,700
Electricity		478,035	655,528
Repairs and Maintenance		189,965	146,094
Auditors' Remuneration		510,000	508,480
Entertainment		64,867	71,513
Insurance		241,576	318,863
Depreciation	6	1,415,463	1,514,231
Amortization	7.1	103,883	103,883
Fee and Subscriptions		1,838,434	1,793,389
Newspapers and Periodicals		100	570
Directors' Fee		232,000	232,000
Commission		-	27,904
Others		75,652	104,940
Bank Balances written off		123,737	-
		16,534,644	20,367,615
Less: Reimbursement of Fees and Expenses		(436,230)	(582,990)
		16,098,414	19,784,625
19 OTHER OPERATING INCOME			
Income from Financial Assets			
Mark-Up Earned on Saving Accounts		1,182,032	1,069,847
Income from non - financial assets			
Gain on Disposal of Property and Equipment		-	-
Liabilities Written Back		2,075,736	1,516,563
		2,075,736	1,516,563
		3,257,768	2,586,410
20 SHARE OF ASSOCIATES' (LOSS)/PROFIT			
786 Smart Fund		5,076,453	8,157,087
21 TAXATION			
Current Period Tax		715,487	909,595

22 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of related group companies, directors, their close family members, senior executives, retirement benefit plans, major shareholders of the Company and funds under management. Transactions with the related parties during the period are as follows:

<i>Relationship with the Company</i>	<i>Nature of Transactions</i>	<i>Mar., 31, 2021 Rupees</i>	<i>Mar. 31, 2020 Rupees</i>
Mutual Funds Managed by the Company	Transactions During the Period		
	Management Fee Charged	6,543,462	7,185,639
	Sales Tax on Management Fee Charged	850,650	934,133
	Accounting and operational Charges	436,230	582,990
	786 Smart Fund Issue of Nil Units (March 31, 2020: 849,869 Units)	-	72,825,422
	786 Smart Fund Redemption of Nil Units (March 31, 2020: 548,779 Units)	-	45,000,000
	786 Smart Fund - Gain on Redemption of Units	-	859,566
	786 Rising Star Fund - Conversion of 109,323 Unit due to Merger	-	11,779,074
	786 Rising Star Fund - Gain on Conversion of Units due to Merger	-	368,100
	First Dawood Mutual Fund - Gain on Conversion of Units due to Merger / Loss on Redemption of Units	-	629,710
	First Dawood Mutual Fund - Conversion of 3,442,963 Unit due to Merger	-	60,331,730
	First Dawood Mutual Fund - Purchase of Nil TFCs' (March 31, 2020: 3,000 Units Silk Bank Limited)	-	12,937,584
	Management Fee Received	5,375,774	7,417,984
Other Related Party			
First Dawood Investment Bank Limited & Others			
Employees' Provident Fund	Provident Fund Contribution	468,576	570,283
Key Management Personnel	Remuneration	5,315,259	5,309,730
	Sale of 930,141 Shares of First Dawood Investment Bank Limited	-	1,655,541
	Gain on Disposal of Shares	-	269,631
BRR Guardian Modaraba	Rent Charge during the Period - office	1,053,833	1,123,756
Dawood Family Takaful Limited	Insurance Expense Charge during the Period	50,817	35,321
Dawood Equities Limited	Brokerage Commission Paid on Disposal of Shares	-	27,904
	Balances at Period End	31-Mar-21	30-Jun-20
Associated companies/other related parties	Units Held:		
Mutual Funds Managed by the Company	786 Smart Fund 1,825,406 (June 30, 2020: 1,825,406) Units	152,935,246	147,858,793
	Trade Receivable	2,663,117	2,308,583
Dawood Family Takaful Limited	Prepaid Life Insurance	12,102	12,996
B.R.R Guardian Modaraba	Prepaid Rent	464,486	124,862

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

23 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue in Board of Directors of the management company on **23-Apr-2021**.

24 GENERAL

24.1 In accordance with the requirement of Rule 9, of the Non-Banking Finance Companies (Establishment and regulation) Rules, 2003, the company has obtained sufficient insurance coverage from Jubilee General insurance Company Limited against any loss that against financial losses that may be incurred as a result of employee's fraud or gross negligence. The insurance company has been assigned a credit rating of AA+ by the Pakistan Credit Rating Agency limited (PACRA).

24.2 Figures have been rounded off to the nearest rupee.

For 786 Investments Limited
(Management Company)

____SD____
Chief Executive Officer

____SD____
Chief Financial Officer

____SD____
Director



BOOK POST



If undelivered, please return to:

786 Investments Limited

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Hassan Ali Street,

Off I.I. Chundrigar Road,

Karachi - 74000 Pakistan



Managed By:
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**G-3, B.R.R. Tower, Hassan Ali Street,
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