



INVESTMENTS

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786 INVESTMENTS LIMITED

**FOR THE
QUARTER ENDED
SEPTEMBER 30, 2021
(UN-AUDITED)**



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CORPORATE INFORMATION

Management Company	786 Investments Limited G-3 B.R.R. Tower, Hassan Ali Street, Off I.I. Chundrigar Road, Karachi - 74000 Pakistan Tel: (92-21) 32603751-54 Email: info@786investments.com Website: www.786investments.com	
Board of Directors	Mr. Ahmed Salman Munir Miss Tara Uzra Dawood Ms. Charmaine Hidayatullah Syed Shabahat Hussain Mr. Naveed Ahmed Syed Musharaf Ali	Chairperson Chief Executive Officer Director (Subject to SECP Approval) Director Director Director (Subject to SECP Approval)
Chief Financial Officer & Company Secretary	Mr. Noman Shakir	
Audit Committee	Syed Shabahat Hussain Mr. Naveed Ahmed Syed Musharaf Ali	Chairman Member Member (Subject to SECP Approval)
Human Resource Committee	Mr. Ahmed Salman Munir Miss Tara Uzra Dawood Mr. Naveed Ahmed	Chairperson Member 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 Al Baraka Bank (Pakistan) Limited	
Rating:	PACRA: AM3	



DIRECTORS' REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2021

The Board of Directors of **786 Investments Limited** "786 or the Company" is pleased to present financial statements of 786 for the quarter ended September 30, 2021.

Economic & Money Market Review:

The revival of economic activities all over the world has increased the prices of commodities unprecedentedly, thus, putting inflationary pressure globally. The revival of economic activities domestically has surged imports bills mainly due to an increase in Raw Materials for Consumer and Capital Goods, especially in the last three months. The substantial rise in international commodity prices is the major reason for an increase in our import bills, which has put pressure on the Pakistani rupee. Further, measures taken by the government to enhance exports and ongoing workers' remittances performance will definitely mitigate associated risks.

Pakistan's economy is currently on a higher growth path. For long-term sustainable economic growth, the expansion of domestic production stands vital, which is being managed by appropriate structural reforms introduced by the Government.

During the month of Sep-21, SBP outstanding stock of 3-month T-bills declined almost to zero because, (1) the participation in the 3-month paper was extremely low due to interest rate decline scenario in which market players went for longer-tenor securities to lock in higher returns, and (2) many auctions for 3-month were scrapped by the SBP due to out of the market.

The share of bids (and acceptance) in the 3-month paper dropped significantly in Q1- FY03, which appears to be consistent with the stronger decline in interest rates in that year, which would have to raise longer-tenor instruments. Correspondingly, the small rise visible in the share of 3-month T-bills during the quarter ended Sep 2021, appears to reflect the expectations of a rise in interest rates.

Stock Market Review:

The Pakistan Stock Exchange (PSX) experienced a bearish session as investors were concerned about the potential removal of PSX from the MSCI's Emerging Markets (EM) Index to the Frontier Market (FM) Index.

Despite a positive open, the benchmark KSE-100 index failed to sustain the momentum as selling pressure pushed the index down by nearly 40 points. Additionally, the lack of any news on progress in talks with the International Monetary Fund regarding the \$6 billion loan program also kept activity subdued. During the session, shares of 382 listed companies were traded. At the end of the session, 164 stocks closed in the green, 203 in the red, and 15 remained unchanged.

Company Performance

The Company recorded a Profit of PKR 2.39 during the quarter ended September 30, 2021, as compared to a profit of PKR 5.44 million during the corresponding period. The Company Income which comprised of Management Fees increased by PKR 0.73 million representing a 31.62% increase in Management Fees. The administrative and operating expenses increased by PKR 0.38 million representing a 7.11% increase in administrative and operating expenses. Further Share of Associates' shows a profit of PKR 5.05 million as compared to the profit of PKR 1.63 million during the corresponding period.

The earnings per share (EPS) of the Company for the Quarter ended September 30, 2021, was PKR 0.16 as compared to PKR 0.36 during the corresponding period.



Acknowledgement

We express our most sincere gratitude to our shareholders and valued customers for their continued trust and patronage and our valuable 786 team for their hard work and dedication, Regulatory authorities particularly the Securities & Exchange Commission of Pakistan, Pakistan Stock Exchange Ltd for their continued professional guidance and support.

----SD----

Director

----SD----

Chairperson



786 انویسٹمنٹ لمیٹڈ
ڈائریکٹرز کی رپورٹ

786 انویسٹمنٹ لمیٹڈ (786 ایڈی کمپنی) کے بورڈ آف ڈائریکٹرز 30 ستمبر 2021 کو ختم ہونے والی سرمایہ کے مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

اقتصادی جائزہ

پوری دنیا میں معاشی سرگرمیوں کی بحالی نے ایشیا کی قیمتوں میں غیر معمولی اضافہ ہوا ہے، چونکہ عالمی سطح پر افراط زر کا دباؤ ہے۔ ملکی سطح پر اقتصادی سرگرمیوں کی بحالی نے درآمدی بلوں میں اضافہ کیا ہے جس کی بنیادی وجہ خاص طور پر پچھلے تین مہینوں میں صارفین اور کینٹنل گڈز کے خام مال میں اضافہ ہے۔ بین الاقوامی ایشیا کی قیمتوں میں خاطر خواہ اضافہ ہمارے درآمدی بلوں میں اضافے کی بڑی وجہ ہے جس نے پاکستانی روپے پر دباؤ ڈالا ہے۔ مزید برآں، برآمدات کو بڑھانے کے لیے حکومت کی جانب سے کئے گئے اقدامات اور ورکرز کی تربیلات زر کی جاری کارکردگی یقینی طور پر متعلقہ خطرات کو کم کرے گی۔

پاکستان کی معیشت اس وقت ترقی کی راہ پر گامزن ہے۔ طویل مدتی پائیدار اقتصادی ترقی کے لیے، مقامی پیداوار کی توسیع بہت ضروری ہے، جس کا حکومت کی جانب سے متعارف کرائی گئی موزوں ساختی اصلاحات کے ذریعے انتظام کیا جا رہا ہے۔

ستمبر 21 کے مہینے کے دوران، 3 ماہ کے ٹی بڑکا اسٹیٹ بینک پاکستان کا بنیاد اسٹاک تقریباً نصف تک کم ہو گیا کیونکہ (1) شرح سود میں کمی کے منظر نامے کی وجہ سے 3 ماہ کے ہجیرے میں شرکت انتہائی کم تھی جس میں مارکیٹ پلیٹرز زیادہ ریٹرن حاصل کرنے کے لیے طویل مدتی سیکوریٹیز کی طرف چلے گئے، اور (2) مارکیٹ سے باہر ہونے کی وجہ سے اسٹیٹ بینک پاکستان نے 3 ماہ کے لیے بہت سی ٹیلا میوں کو کم پریپ کر دیا تھا۔

3 ماہ کے ہجیرے میں بولیوں کا حصہ (اور قبولیت) مالی سال 22 کی پہلی سرمایہ میں نمایاں کم ہو گیا، جو اس سال سود کی شرح میں مضبوطی کے ساتھ مطابقت رکھتا ہے، جس کے لیے طویل مدتی آلات کو بڑھانا پڑے گا۔ اسی طرح، ستمبر 2021 کو ختم ہونے والی سرمایہ کے دوران 3 ماہ کے ٹی بولوں کے حصہ میں نظر آنے والا معمولی اضافہ شرح سود میں اضافے کی توقعات کی عکاسی کرتا ہے۔

اسٹاک مارکیٹ کا جائزہ:

پاکستان اسٹاک ایکسچینج (PSX) میں مندی کا رجحان رہا کیونکہ سرمایہ کار MSCI کی ایبرجنگ مارکیٹس (EM) انڈیکس سے فرینکس مارکیٹ (FM) انڈیکس میں PSX کو بنانے کے بارے میں نگر مند تھے۔

ثابت اوپن کے باوجود، شیئنگ مارک KSE-100 انڈیکس اپنی رفتار کو برقرار رکھنے میں ناکام رہا کیونکہ فروخت کے دباؤ نے انڈیکس کو تقریباً 40 پوائنٹس تک نیچے دھکیل دیا۔ مزید برآں، 6 بلین ڈالر کے قرض کے پروگرام کے حوالے سے بین الاقوامی مالیاتی فنڈ کے ساتھ بات چیت میں پیش رفت کے بارے میں کوئی خبر نہ ہونے کی وجہ سے بھی سرگرمیاں معطل رہیں۔ سیشن کے دوران 382 لاکھ کمپنیوں کے حصص کا کاروبار ہوا۔ سیشن کے اختتام پر 164 حصص بڑ، 203 سرخ میں بند اور 15 میں کوئی تبدیلی نہیں ہوئی۔

کمپنی کی کارکردگی:

کمپنی نے 30 ستمبر 2021 کو ختم ہونے والی سرمایہ کے دوران 2.39 بلین روپے، جبکہ گزشتہ اسی سرمایہ کے دوران 5.44 کا منافع درج کیا۔ کمپنی کی آمدنی جو پیچھنٹ فیس پر مشتمل ہے 0.73 بلین روپے تک بڑھ گئی جو پیچھنٹ فیسوں میں 31.62% اضافہ ظاہر کر رہی ہے۔ انتظامی اور آپریشنل اخراجات میں 0.38 بلین روپے کا اضافہ واقع ہوا جو انتظامی اور آپریشنل اخراجات میں 7.11 فیصد اضافہ ظاہر کر رہا ہے۔ اس کے علاوہ اسی عرصے کے دوران 1.63 بلین روپے منافع کے مقابلے ایسوی ایس کا شیئر 5.05 بلین روپے کا منافع ظاہر کرتا ہے۔

کمپنی کی فی حصص آمدنی (EPS) اسی مدت کے دوران 0.36 روپے کے مقابلے میں 30 ستمبر 2021 کو ختم ہونے والی سرمایہ میں 0.16 روپے رہی۔

اظہارِ نظر

میتھنٹ کمپنی کے بورڈ آف ڈائریکٹرز قابل قدر محاذت، مدد اور رہنمائی پر سکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ کے شکر گزار ہیں۔ ڈائریکٹرز مزید مہنگن اور محنت پر کمپنی کے ملازمین اور انتظامیہ کا اور کمپنی میں اعتماد پر شیئر ہولڈرز کا بھی شکریہ ادا کرتے ہیں۔

---SD---
ڈائریکٹر

---SD---
چیئر پرسن



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2021**

		<i>Un-Audited 30 September 2021 Rupees</i>	<i>Audited 30 June 2021 Rupees</i>
<u>ASSETS</u>			
Non-Current Assets			
Property and Equipment	5	1,684,061	2,052,245
Intangible Asset	6	934,942	969,570
Long-Term Investments	7	197,619,827	193,108,093
Long-Term Deposits and Prepayments		36,300	36,300
		200,275,130	196,166,208
Current Assets			
Short-Term Investments	8	22,285,682	22,138,642
Prepayments and Other Receivable	9	7,941,932	7,579,509
Trade Receivable	10	2,322,000	1,938,496
Accrued Markup	11	1,816,766	2,431,517
Tax Refund due from Government		6,765,205	6,664,825
Cash at Bank	12	10,733,722	11,957,163
		51,865,306	52,710,153
Total Assets		252,140,436	248,876,361
<u>EQUITY AND LIABILITIES</u>			
Share Capital and Reserves			
Authorised Capital			
20,000,000 (June 2021: 20,000,000)			
Ordinary Shares of Rs. 10 Each		200,000,000	200,000,000
Issued, Subscribed and Paid Up Capital			
14,973,750 (2020: 14,973,750)			
Ordinary Shares of Rs. 10 Each		149,737,500	149,737,500
General Reserves		33,630,264	33,630,264
Share of Unrealised Gain on Remeasurement of Investments in Associates)		182,232	182,232
Director Loan	13	22,000,000	22,000,000
Unappropriated Profit		26,972,400	24,580,088
		232,522,396	230,130,084
Current Liabilities			
Trade and Other Payables	14	18,619,299	17,747,535
Unclaimed Dividend	15	998,742	998,742
		19,618,041	18,746,277
Contingencies and Commitments			
	16		
Total Equities and Liabilities		252,140,436	248,876,361

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 QUARTER ENDED SEPTEMBER 30, 2021**

		30 September 2021	30 September 2020
	Note	Rupees	Rupees
Income			
Remuneration from Funds under Management	17	3,030,239	2,302,325
Income on TFC's		581,478	746,115
Income on Pakistan Investment Bond		504,110	533,065
		4,115,827	3,581,505
Reclassification of Surplus on Investments		-	5,454,357
Surplus/(Deficit) on Revaluation of Investments - At FVP&L		(390,882)	(1,957,430)
		(390,882)	3,496,927
Expenses			
Administrative and Operating Expenses	18	(5,745,775)	(5,364,125)
Financial Charges	19	(528,154)	(96,710)
		(6,273,929)	(5,460,835)
Operating Loss		(2,548,984)	1,617,597
Other Operating Income		168,100	2,353,697
Share of Associates' Profit	20	5,052,156	1,632,460
Profit Before Taxation		2,671,272	5,603,754
Taxation	21	(278,960)	(155,896)
Net Profit for the Period		2,392,312	5,447,858
Earnings per Share - Basic and Diluted		0.16	0.36

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 QUARTER ENDED SEPTEMBER 30, 2021**

	30 September 2021 Rupees	<i>30 September 2020 Rupees</i>
Net Profit for the Period	2,392,312	5,447,858
Other Comprehensive Income/(Loss)		
Surplus on Revaluation of Investments - At Fair Value through Other Comprehensive Income	-	(5,454,357)
Share of Unrealised (Loss)/Gain from Associates on Remeasurement of Investments	-	-
Total Comprehensive Income/(Loss) for the Period	<u>2,392,312</u>	<u>(6,499)</u>

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

____SD____ Chief Executive Officer	For 786 Investments Limited (Management Company) ____SD____ Chief Financial Officer	____SD____ Director
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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	Share capital		Reserves				Total
	Capital	Capital	Capital	Revenue	Revenue	Revenue	
	Issued, Subscribed and Paid-Up Capital	General Reserve	Sub Ordinated Loan from Director reserve	Surplus on Measurement of Available for Sale Investments	Share of Unrealised Gain on Remeasurement of Associates' Investments	Unappropriated Profit	
Note	----- Rupees -----						
Balance as at July 1, 2020	149,737,500	33,630,264	-	5,454,357	236,114	19,644,591	208,702,826
Profit for the Period	-	-	-	-	-	5,447,858	5,447,858
Other Comprehensive Income/(Loss)							
Surplus on Revaluation of Investments - At FV through OCI	-	-	-	(5,454,357)	-	-	(5,454,357)
Subordinated Loan From Director	13		22,000,000				22,000,000
Share of Unrealised Gain on Remeasurement of Associates' Investments	-	-	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	22,000,000	(5,454,357)	-	5,447,858	21,993,501
Balance as at September 30, 2020	149,737,500	33,630,264	22,000,000	-	236,114	25,092,449	230,696,327
Balance at June 30, 2021	149,737,500	33,630,264	22,000,000	-	182,232	24,580,088	230,130,084
Profit for the Period	-	-	-	-	-	2,392,312	2,392,312
Other Comprehensive Income/(Loss)							
Share of Unrealised Gain on Remeasurement of Associates' Investments	-	-	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	-	-	-	2,392,312	2,392,312
Balance as at September 30, 2021	149,737,500	33,630,264	22,000,000	-	182,232	26,972,400	232,522,396

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 QUARTER ENDED SEPTEMBER 30, 2021**

	30 September 2021	30 September 2020
	Rupees	Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Taxation	2,671,272	5,603,754
Adjustments for Items Not Involving Movement of Funds:		
Depreciation on Property and Equipment	414,461	500,026
Amortization	34,628	34,628
Financial Charges	528,154	96,710
Mark Up Earned on Saving Account	(168,100)	(2,353,697)
Income on Pakistan Investment Bond	(504,110)	-
Income on TFC's	(581,478)	-
Revaluation Gain on Investment FVTPL	390,882	-
Share of Profit from Associates'	(5,052,156)	(1,632,460)
	(4,937,719)	(3,354,793)
Operating Cash Out Flows before Working Capital Changes	(2,266,447)	2,248,961
(Increase) in Current Assets		
Trade Receivable	(383,504)	(137,204)
Prepayments and Other Receivable	(362,423)	(872,052)
	(745,927)	(1,009,256)
Increase/(Decrease) in Current Liabilities		
Trade and Other Payables	346,241	(928,806)
	(2,666,133)	310,899
Income Taxes Paid - Net	(379,339)	(661,612)
Financial Charges Paid	(2,631)	(96,710)
Net Cash Used in Operating Activities	(3,048,104)	(447,423)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - Net	-	(3,494,427)
TFC Redeemed	2,500	-
Long-Term Deposits and Prepayments	-	125,000
Receipt of Mark Up on Savings Account	1,868,440	4,401,582
Capital Expenditure Incurred	(46,277)	-
Net Cash Generated From Investing Activities	1,824,663	1,032,155
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Sub Ordinated Loan From Director	-	22,000,000
Net Cash Generated From Financing Activities	-	22,000,000
Net (Decrease)/Increase in Cash and Cash Equivalents	(1,223,441)	22,584,732
Cash and Cash Equivalents at Beginning of the Year	11,957,163	12,042,370
Cash and Cash Equivalents at End of the Period	10,733,722	34,627,102

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 QUARTER ENDED SEPTEMBER 30, 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 The license to carry out "Asset Management Service" has been successfully renewed 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 The license to carry out "Investment Advisory Services" has been successfully renewed 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 financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

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

2.2 Basis of measurement

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

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

2.3 Functional and Presentation Currency

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

3 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 2021.



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 2021.

5 PROPERTY AND EQUIPMENT

5.1 The following is the statement of property and equipment:

<i>Description</i>	<i>Furniture and fixtures</i>	<i>Vehicles</i>	<i>Office equipment</i>	<i>Computers</i>	<i>Total</i>
	----- Rupees -----				
Period ended September 30, 2021					
Opening net book value (NBV)	330,056	1,206,194	195,579	320,416	2,052,245
Additions (at cost)	-	-		46,277	46,277
Disposals					
Cost	-	-	-	-	-
Depreciation	-	-	-	-	-
Net Book value	-	-	-	-	-
Depreciation charge	(13,126)	(279,669)	(63,069)	(58,597)	(414,461)
Closing net book value	316,930	926,525	132,510	308,096	1,684,061
Gross carrying value basis					
Cost	1,487,514	5,593,370	1,494,502	5,584,702	14,160,088
Accumulated depreciation / impairment	(1,170,584)	(4,666,845)	(1,361,992)	(5,276,606)	(12,476,027)
Net book value	316,930	926,525	132,510	308,096	1,684,061
Year ended June 30, 2021					
Opening net book value (NBV)	395,656	2,324,868	453,327	447,391	3,621,242
Additions (at cost)	-	-	-	257,950	257,950
	395,656	2,324,868	453,327	705,341	3,879,192
Disposals					
Cost	-	-	-	-	-
Depreciation	-	-	-	-	-
Net Book value	-	-	-	-	-
Depreciation charge	(65,600)	(1,118,674)	(257,748)	(384,925)	(1,826,947)
Closing net book value	330,056	1,206,194	195,579	320,416	2,052,245
Gross carrying value basis					
Cost	1,487,514	5,593,370	1,494,502	5,538,425	14,113,811
Accumulated depreciation / impairment	(1,157,458)	(4,387,176)	(1,298,923)	(5,218,009)	(12,061,566)
Net book value	330,056	1,206,194	195,579	320,416	2,052,245
Depreciation rate % per annum	10	20	20	33	



		<i>Un-Audited</i> 30 September 2021	<i>Audited</i> 30 June 2021
	Note	Rupees	Rupees
6 INTANGIBLE ASSET			
Computer software		934,942	969,570
6.1 Computer software			
Opening Net Book Value		969,570	1,108,080
Addition		-	-
Amortization Charge		(34,628)	(138,510)
Closing Net Book Value		934,942	969,570
Cost		1,385,100	1,385,100
Accumulated Amortization		(450,158)	(415,530)
Closing Net Book Value		934,942	969,570
Amortization rate		10%	10%

7 LONG-TERM INVESTMENTS

Investments in Associates - Units of Mutual Funds - Equity Method **786 Smart Fund (Open - End - Fund) - an associate** *(Using Equity Method)*

2,130,273 (June 30, 2021: 2,130,273) Units,
Representing 20.44% (June 30, 2021: 23.18%) Holding.

177,993,717 172,941,561

Government Securities - Pakistan Investment Bonds *having Face Value of 20 Million*

8.1 **19,626,110** 20,166,532
197,619,827 193,108,093

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

		September 30, 2021		June 30, 2021	
		<i>Face Value</i>	<i>Fair Value</i>	<i>Face Value</i>	<i>Fair Value</i>
8 SHORT TERM INVESTMENTS	Note	----- Rupees -----			
At fair value through Profit and Loss					
Term finance certificate	8.1	21,128,786	22,285,682	21,133,786	22,138,642
Redeemed		(2,500)	-	(5,000)	
Cumulative gain on revaluation of investment		1,159,396	-	1,009,856	-
		22,285,682	22,285,682	22,138,642	22,138,642

8.1 Term Finance Certificates - Unlisted

Number of Certificates		Name of Company	Note	September 30, 2021		June 30, 2021	
<i>September 30, 2021</i>	<i>June 30, 2021</i>			<i>Cost</i>	<i>Fair Value</i>	<i>Cost</i>	<i>Fair Value</i>
				----- Rupees -----			
		Financial services					
5,000	5,000	Silk Bank Limited	8.1.1	21,123,786	22,285,682	21,128,786	22,138,642



8.1.1 Term Finance Certificates are valued using rate prevailing on MUFAP (Mutual Fund Association of Pakistan) which is 88.62% of face value at the statement of financial position date.

8.1.2 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.

		<i>Un-Audited</i> 30 September 2021	<i>Audited</i> 30 June 2021
	Note	Rupees	Rupees
9 PREPAYMENTS AND OTHER RECEIVABLE			
Prepayments			
Insurance		1,428,253	449,709
Rent		-	116,121
Current portion of License Renewal Fee		-	500,000
		<u>1,428,253</u>	<u>1,065,830</u>
Other receivable			
Federal excise duty	9.1	<u>6,513,679</u>	<u>6,513,679</u>
		<u>7,941,932</u>	<u>7,579,509</u>

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

		<i>Un-Audited</i> 30 September 2021	<i>Audited</i> 30 June 2021
	Note	Rupees	Rupees
Associates			
786 Smart Fund	1.4	<u>6,513,679</u>	<u>6,513,679</u>
	16.1.2	<u>6,513,679</u>	<u>6,513,679</u>

9.1.1 The Maximum amount outstanding at any time during the year with reference to month end balances from the funds is Rs. 6.51 (June 30, 2021: Rs. 6.51) Million.

		<i>Un-Audited</i> 30 September 2021	<i>Audited</i> 30 June 2021
		Rupees	Rupees
10 TRADE RECEIVABLE			
786 Smart Fund - an associate		2,022,000	1,638,496
Receivable on Account of Advisory Fees		300,000	300,000
		<u>2,322,000</u>	<u>1,938,496</u>
11 ACCRUED MARKUP			
On saving accounts		167,400	701,973
On TFCs		323,850	908,138
On PIBs		1,325,516	821,406
		<u>1,816,766</u>	<u>2,431,517</u>
12 CASH AT BANK			
Cash in hand		25,000	1,315
Cash at bank			
Current accounts		-	-
Saving accounts	12.1	<u>10,708,722</u>	<u>11,955,848</u>
		<u>10,708,722</u>	<u>11,955,848</u>
		<u>10,733,722</u>	<u>11,957,163</u>



12.1 The balance in savings accounts carry profit at rates ranging from 5.5% to 5.5% per annum (June 30, 2021: 5.5% to 5.5% per annum).

13 SUBORDINATED LOAN FROM DIRECTOR

This loan is interest bearing (3 Months KIBOR + 2 %) and repayable at the discretion of the Company. As per NBFC Rules "Equity" includes the interest bearing subordinated loans, accordingly subordinated loan is classified as part of the equity.

		<i>Un-Audited</i> 30 September 2021	<i>Audited</i> 30 June 2021
	Note	Rupees	Rupees
14 TRADE AND OTHER PAYABLES			
Accrued expenses	14.1	9,717,926	9,422,153
Accrued Mark-up on Director loan		2,167,320	1,641,797
Sindh Workers' Welfare Fund Payable		-	-
FED payable	16.1.2	6,513,677	6,513,677
Sales tax payable		189,616	165,570
WHT payable		30,760	4,338
		<u>18,619,299</u>	<u>17,747,535</u>

14.1 This includes an amount of Rs. 7.895 (June 30, 2021: Rs. 7.895) Million received from NCCPL being refund of tax amount with respect to funds under management. This amount will be disbursed to unit holders.

		<i>Un-Audited</i> 30 September 2021	<i>Audited</i> 30 June 2021
	Note	Rupees	Rupees
15 UNCLAIMED DIVIDEND			
	15.1	<u>998,742</u>	<u>998,742</u>

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

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

16.1.1 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.

16.1.2 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.

16.2 Commitments

There was no commitment during the period (June 30, 2021: Nil)

	30 September 2021	30 September 2020
	Rupees	Rupees
17 REMUNERATION FROM FUNDS UNDER MANAGEMENT		
Open-end funds		
786 Smart Fund	<u>3,424,169</u>	2,601,627
	3,424,169	2,601,627
Less: Sales tax on remuneration	<u>(393,930)</u>	(299,302)
	<u>3,030,239</u>	<u>2,302,325</u>

	2021	2020
	Remuneration for services rendered as an asset management company	
	----- Percentage -----	
17.1 During the period the company has charged Management fee as under;		
Associates - Open - End Funds		
786 Smart Fund - An Associate	1.5	1.5

		30 September 2021	30 September 2020
	Note	Rupees	Rupees
18 ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries and allowances		2,998,444	3,017,997
Rent, rates and taxes		356,019	374,586
Postage and telephones		70,201	62,050
Legal and professional charges		219,000	248,018
Printing and stationery		40,858	38,179
Vehicles running		338,809	13,560
Advertisement expense		72,000	-
Electricity		216,352	108,048
Repairs and maintenance		133,536	68,574
Auditors' remuneration		195,000	195,000
Entertainment		19,993	7,805
Insurance		81,609	98,789
Depreciation	5	414,461	500,026
Amortization	6.1	34,628	34,628
Fee and Subscriptions		678,950	610,072
Directors' fee		38,000	84,000
Others		<u>39,931</u>	56,282
		5,947,791	5,517,614
Less: Reimbursement of fees and expenses	18.1	<u>(202,016)</u>	(153,489)
		<u>5,745,775</u>	<u>5,364,125</u>



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

		30 September 2021	30 September 2020
	Note	Rupees	Rupees
19 FINANCIAL CHARGES			
Mark-up On Director loan		525,523	94,678
Bank charges		2,631	2,032
		<u>528,154</u>	<u>96,710</u>

19.1 This Director loan carry interest at the rate of 3 month Kibor +2% .

		30 September 2021	30 September 2020
	Note	Rupees	Rupees
20 SHARE OF ASSOCIATES' PROFIT			
786 Smart Fund		<u>5,052,156</u>	<u>1,632,460</u>

21 TAXATION

Current peirod tax	21.1	<u>278,960</u>	<u>155,896</u>
		<u>278,960</u>	<u>155,896</u>

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 year are as follows:

Relationship with the Company	Nature of Transactions During the Period	Sept., 30 2021 Rupees	Sept., 30 2020 Rupees
Loan from Director	Interest bearing subordinated loan	525,523	94,678
Mutual Funds managed by the Company	Management Fee Charged - Net of Tax	3,030,239	2,302,325
	Sales Tax on Management Fee	393,930	299,302
	Accounting and Operational Charges	202,016	153,489
Other Related Party			
First Dawood Investment Bank Limited & Others Employees' Provident Fund	Provident Fund Contribution	343,202	155,997
B.R.R Guardian Modaraba	Rent Charge During the Period	348,363	374,586
Key Management Personnel	Remuneration	1,766,400	1,766,400
Dawood Family Takaful Limited	Insurance Expense Charge During the Period	20,550	12,926
	Advisory Fee	-	-
		Un-Audited 30 September 2021 Rupees	Audited 30 June 2021 Rupees
	Balances at Period End		
Associated companies/other related parties	Units Held:		
Mutual Funds Managed by the Company	786 Smart Fund 2,130,273 (June 30, 2021: 2,130,273) Units	177,993,717	172,941,561
	Trade Receivable	2,322,000	1,938,496
	Prepaid Life Insurance	20,550	12,135
B.R.R Guardian Modaraba	Prepaid Rent	-	116,121
	Rent Payable	232,242	-



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 29 October, 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:

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