



INVESTMENTS

WE KNOW YOUR VALUE

786 INVESTMENTS LIMITED

**FOR THE NINE-MONTH AND
QUARTER ENDED**

**MARCH 31, 2019
(UN-AUDITED)**



CONTENTS

Corporate Information	2
Directors' Report	3
ڈائریکٹرز رپورٹ	5
Condensed Interim Statement of Financial Position	7
Condensed Interim Profit and Loss Account	8
Condensed Interim Statement of Comprehensive Income	9
Condensed Interim Cash Flow Statement	10
Condensed Interim Statement of Changes in Equity	11
Condensed Interim Notes to the Financial Statements	12



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. Talal Ismail Pasha	
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 Al Baraka Bank (Pakistan) Limited	
Rating:	PACRA: AM3	



DIRECTORS' REPORT FOR THE QUARTER ENDED MARCH 31, 2019

The Board of Directors of 786 Investments Ltd "786 or the Company" are pleased to present report on the affairs of the Company for the quarter ended March 31, 2019. Your Company continued its journey of success and is poised for growth.

MARKET & ECONOMY REVIEW

Economic Review

The current account deficit is narrowing. After experiencing large Current Account Deficits (CAD) and foreign exchange reserves reducing over the last couple of years, the financial situation of Pakistan finally appears to be improving. Intractable imports that had become unsustainable have started responding to demand compression policy measures such as hefty PKR devaluation, hike in interest rates, levying/expanding import duties, and deep cut in public spending.

The attraction in exports is also weak. We expect them to show meaningful growth from next year onwards as exporters ramp up their capacities and re-establish relationships with clients. The Government of Pakistan (GoP) also remains focused on boosting exports and incentives have been parceled out such as exemption from gas and electricity tariff hikes. The CAD for February 2019 has clocked in at USD 356 million as compared to USD 1.6 billion per month, on average witnessed in FISCAL YEAR 2018.

Negotiations for a bailout package with the IMF are underway and agreement is expected to be signed in May 2019. The GoP is working with the IMF to devise short to medium term framework for slashing the budget deficit through increasing revenues, rationalizing expenditure, raising utilities tariff, reducing circular debt, making exchange rate more flexible, and monetary tightening to contain underlying inflationary pressures. Entry into the IMF program would ameliorate the credibility of Pakistan in the eyes of global financial community, expecting for inflows of funds from multilateral agencies such as the World Bank & Asian Development Bank, and also facilitate access to international capital markets. Inflows from friendly countries have materialized, which have helped in SBP forex reserves increasing to USD 10.7 billion in Mar-19 from the recent low of USD 7.2 billion seen in Dec-18. Though financial assistance from friendly countries has staved off the immediate crisis situation; the urgency for structural reforms and measures to further narrow the CAD should remain the policy priority given large funding gap in the coming years.

Average CPI inflation for the 3rdQuarter Fiscal Year 2019 increased to 9.41% against 5.60% in 2ndQuarterFiscal Year 2019. We projected it to further rise as government still has to raise utility tariffs (electricity & gas) in the coming months to reduce the subsidy burden, while petroleum products prices may also be augmented to generate additional revenues via GST, and pass-through of expected currency devaluation during the coming months. However, average inflation for Fiscal Year 2021 is projected to drop to 7% after peaking in 1st Half Fiscal Year 2020. The policy interest rate was raised by 75 bps during the period under review.

The economy has averted the immediate severe balance of payments crises and all macro-economic indicators are showing positive trends towards stabilization. The general paradigm of fiscal and monetary policies has been realigned towards exports, investment and productivity growth. In the days to come, bold steps will be put in place to facilitate both foreign and local investment and dramatically improve the ease of doing business climate in the country.

Stock Market Review:

The outgoing third quarter of Fiscal Year 2019 remained a volatile year for the stock market. During the period, the Pakistan Stock markets 100 index outperformed 1.72%. During the period, the market remained volatile; it started from 37995.76 on Jan 1, 2019 and reached the lowest point of 37542.01 points on Jan 3, 2019. It started increasing and reached its highest peak of 41614.39 points on Feb 3, 2018, then continued to go down again and ends at 38649.34 points on March 29, 2019. During the period the local investors offloaded securities worth PKR 4.266 billion. which was absorbed by foreign individuals, corporates and overseas Pakistanis. Entry into an IMF program is expected in May 2018, along with lower CAD which will boost investors' confidence. Led by Index, heavy Oil & Gas Exploration and Banking sectors, we expect corporate earnings to grow at



double-digit rate in the next couple of years, due to eventual pass through of PKR devaluation related costs and focus of GoP towards encouraging local industries versus imports. From the valuation standpoint, dismal performance over the last two years has opened up a valuation gap in the broader part of the market that is trading at an attractive Price-to-Earnings (P/E) multiple of 7.5 times and offers an impressive 5% dividend yield. Furthermore, after three years of unabated foreign portfolio outflows, we expect resumption of net inflows given attractive valuations of the market and subsiding risk of disruptive currency devaluation. Foreign Investors are net buyers of USD 31 million in 1st Quarter Calendar Year 2019. Taken together, as challenges on the economic front are already reflected in the valuations, we hold on to our view that the stock market is well poised to deliver healthy double-digit returns in Calendar Year 2019 and beyond, as optimism pessimism wears off in the next few months.

Money Market Review:

The SBP held seven Treasury bill auctions during 3rd Quarter Fiscal Year 2019. SBP accepted an amount of PKR 5,608 billion during the period under review. against the pre-announced auction target of PKR 13.80billion, acceptance in 3 months tenor represented 99.99% of the total accepted amount while the 6 months were 0.01% while no bids were received in 12 months tenor. Further during this period SBP conducted three Pakistan Investment Bond (PIB) auctions and raised PKR 399 bn the last cut-off yields was 12.23%, 12.64% and 13.15% for 3, 5 and 10 years respectively. Further during this period SBP conducted one Floating Rate Bonds (FRB) auction based on spread over 6 months weighted average cut-off T.Bills plus 70 basis points. The cumulative participation witnessed were PKR 68bn while the SBP accepted 7.4bn. The SBP did not conduct any GOP Ijarah Sukuk auction during the period under review.

COMPANY PERFORMANCE

The Company's gross earning during the period was PKR 0.23 million as compared to PKR 7.51 million in the same period last year. Main reason for decline in earnings was due to the loss on redemption and loss on sale of shares during the period. Total expenses were PKR 25.10 million as compared to PKR 23.34 million in the same period last year. Share of associates loss recovered during the quarter and aggregate loss was PKR 8.98 million as compared to profit of PKR 7.35 million in the same period last year. Net loss for period was PKR 35.09 million as opposed to loss of PKR 8.62 million in the same period last year.

---SD---

Chairperson

---SD---

Director

April 22, 2019
Karachi



786 انویسٹمنٹ لمیٹڈ

ڈائریکٹرز کی رپورٹ

برائے 31 مارچ 2019 مختصر نوامی

786 انویسٹمنٹ لمیٹڈ (786 یا دی کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے، میں 786 گروپ کی 31 مارچ 2019ء کو ختم ہونے والی نوامی کے مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ آپ کی کمپنی نے کامیابی کا سفر جاری رکھا اور ترقی کے لئے تیار ہے۔

مارکیٹ اور اقتصادی جائزہ

اقتصادی جائزہ:

کرنٹ اکاؤنٹ خسارہ میں کمی آ رہی ہے۔ گزشتہ کئی سالوں سے کرنٹ اکاؤنٹ خسارہ میں بہت زیادہ اضافہ اور غیر ملکی زرمبادلہ کے ذخائر میں کمی کے بعد، پاکستان کی مالی صورت حال آخر کار بہتر ہوتی دکھائی دیتی ہے۔ انتہائی درآمدات جو تاگزیر ہو چکی تھیں نے کپیریشن پالیسی اقدامات کا مطالبہ شروع کر دیا ہے جیسا کہ پاکستانی روپیہ کی قدر میں بہت زیادہ کمی، سود کی شرحوں میں اضافہ، درآمدات پر عائد / بڑھتی ہوئی ڈیوٹیاں اور پبلک اخراجات میں بہت زیادہ کمی۔

برآمدات میں توجہ بھی بہت کم ہے۔ ہم امید رکھتے ہیں کہ اگلے سال سے معنی خیز نمو دکھائی دے گی کیونکہ برآمد کنندگان کو اپنی اہلیتوں کو بڑھانا اور کلائنٹس کے ساتھ تعلقات کو دوبارہ قائم کرنا ہے۔ حکومت پاکستان (GoP) نے بھی برآمدات کو بڑھانے پر توجہ مرکوز کی ہے اور گیس سے بجلی کی فراہمی اور بجلی کی ٹریف کی کمی جیسی امانتوں کا اعلان کیا گیا ہے۔ فروری 2019ء کے لئے CAD مالی سال 2018 میں درج اوسط پر 1.6 بلین امریکی ڈالر مابانہ کے مقابلے 356 بلین امریکی ڈالر میں محدود رہا ہے۔

آئی ایم ایف کے ساتھ ایک تیل آؤٹ آؤٹ کیلک کے لئے مذاکرات جاری ہیں اور مئی 2019 میں معاہدہ مکمل ہونے کی توقع کی جارہی ہے۔ حکومت پاکستان آمدنی کو بڑھانے، اخراجات کو کم کرنے، پمپنگ ٹریف کو بڑھانے، گردش فرسٹ کو کم کرنے، تبادلی شرح کو مزید یکساں بنانے اور بنیادی افراط زر کے دباؤ کی روک تھام کے لئے مائیکرو پالیسی کو سخت کر کے بجٹ کے خسارہ کو کم کرنے کے لئے دو مہینے درجہ کے فریم ورک کو مستحکم کرنے کے لئے آئی ایم ایف کے ساتھ کام کر رہی ہے۔ آئی ایم ایف کے پروگرام میں داخلہ عالمی مالیاتی برادری کی نظر میں پاکستان کی ساکھ بڑھانے کی، ملٹی لیٹرل ایجنسیوں جیسا کہ عالمی بینک اور ایشیائی ترقیاتی بینک سے فنڈز کے بہاؤ کی آمد متوقع اور بین الاقوامی سرمایہ کاری مارکیٹ میں بھی سہولت فراہم کرے گی۔ دوستانہ ممالک سے مالی امداد حاصل ہو گئی ہے جس نے SBP کے فاریکس ذخائر کو مارچ 2019 میں 10.7 بلین امریکی ڈالر تک بڑھانے میں مدد کی ہے جو دسمبر 2018 میں 7.2 بلین امریکی ڈالر تھے۔ اگرچہ دوستانہ ممالک سے مالی امداد نے فوری طور پر بحران کی صورت حال کو روک دیا ہے۔ CAD کو مزید محدود کرنے کے لئے فوری بنیادی اصلاحات اور اقدامات آنے والے سالوں میں پالیسی کی ترجیحات رہنے چاہئیں۔

مالی سال 2019 کی تیسری سہ ماہی کے لئے اوسط سی پی آئی افراط زر 9.41 فی صد تک بڑھ گیا جو مالیاتی سال 2019 کی دوسری سہ ماہی میں 5.60 فیصد تھا۔ ہمیں اس کے مزید بڑھنے کی توقع ہے کیونکہ حکومت نے سہ ماہی بوجھ کو کم کرنے کے لئے آنے والے مہینوں میں پمپنگ ٹریف (بجلی اور گیس) بڑھا دیا ہے، جبکہ آنے والے مہینوں کے دوران جی ایس ٹی کے ذریعے اضافی ریونیوز پیدا کرنے اور کرنسی کی قدر میں متوقع کمی کو پورا کرنے کے لئے پٹرولیم مصنوعات کی قیمتیں بھی بڑھانی جاسکتی ہیں۔ تاہم، مالی سال 2021 کے لئے اوسط افراط زر مالی سال 2020 کی پہلی ششماہی کے بعد 7 فیصد تک ہونے کا امکان ہے۔ زبردہ جائزہ مدت کے دوران پالیسی انٹریسٹ ریٹ 75 بی پی ایس تک زیادہ ہو گئی۔

مجموعی طور پر، معیشت نے ادائیگی کے بحرانوں کے فوری شدید توازن کو خراب کر دیا ہے اور تمام بڑے معاشی اشارے استحکام کی طرف مثبت رجحانات ظاہر کرتے ہیں۔ مالی اور مالیاتی پالیسیوں کا عام انداز برآمدات، سرمایہ کاری اور پیداواری نمو کی طرف اشارہ کرتا ہے۔ آنے والے دنوں میں، غیر ملکی اور مقامی سرمایہ کاروں کو سہولت دینے کے لئے جرات مندانہ اقدامات کیے جائیں گے اور ملک میں کاروباری آب و ہوا ڈرامائی طور پر آسانی سے بہتر بنائی جائے گی۔

شاگ مارکیٹ کا جائزہ:

مالی سال 2019 کی اختتام پزیر ہونے والی تیسری سہ ماہی اشاک مارکیٹ کے لئے غیر مستحکم رہی۔ زبردہ جائزہ مدت کے دوران، پاکستان اشاک مارکیٹس 100 انڈیکس نے 1.72 فیصد بہتر کارکردگی کا مظاہرہ کیا، اس مدت کے دوران مارکیٹ عدم استحکام کا شکار رہی، یہ یکم جنوری 2019 کو 37995.76 پوائنٹس سے شروع ہوئی اور 3 جنوری 2019 کو 37542.01 پوائنٹس کی سب سے نچلی سطح پر پہنچ گئی۔ اس میں اضافہ ہونا شروع ہوا اور 3 فروری 2019 کو 41614.39 پوائنٹس کی بلند ترین سطح پر پہنچ گئی، پھر مسلسل دوبارہ کم ہونا شروع ہوئی اور 29 مارچ 2019 کو 38649.34 پوائنٹس پر بند ہوئی۔ زبردہ جائزہ مدت کے دوران مقامی سرمایہ کاروں نے 4.266 بلین روپے مالیت کی سیکیورٹیز کی سرمایہ کاری کی، جو غیر ملکی انفرادی سرمایہ کاروں، کمپنیوں اور انشورنس کمپنیوں کے ذریعے کی گئی۔

مئی 2019 میں CAD کے ساتھ آئی ایم ایف پروگرام میں داخلہ کی توقع ہے جو سرمایہ کاروں کے اعتماد میں اضافہ کرے گا۔ انڈیکس، بھاری آئل انڈیکس ریسرچ اور بینکنگ شعبوں کی قیادت میں، ہم اگلے چند برسوں میں شرح میں دوہندہ اضافہ ہونے کی توقع رکھتے ہیں، پاکستانی روپیہ کی قدر میں کمی واقع ہونے کے باعث اخراجات میں اضافہ ہوا ہے اور حکومت پاکستان نے درآمدات کے مقابلے مقامی صنعتوں کو فروغ دینے پر توجہ مرکوز کی ہے۔ ویلیو ایڈیشن اسٹینڈ پوائنٹ سے، گزشتہ دو سالوں سے ماپیں کن کارکردگی نے مارکیٹ کے بڑے حصہ میں ویلیو ایڈیشن خلاء پیدا کر دیا ہے۔ 7.5 گنا سے زیادہ قیمت پر متاثر کن آمدنی (E/P) کی تجارت اور ایک شاندار 5% ییلڈ Yield کی پیشکش کرتا ہے۔ اس کے علاوہ، بلا روک ٹوک غیر ملکی پورٹ فولیو آؤٹ فلو کے تین سالوں کے بعد، ہم مارکیٹ کی پُرکشش ویلیو ایڈیشن کے خالص بہاؤ کی بحالی اور ماپیں کن کرنسی کی تقیص کے خطرے کی کمی کی توقع رکھتے ہیں۔ غیر ملکی سرمایہ کار کیلنڈر سال 2019 کی پہلی سہ ماہی میں 31 ملین ڈالر کے خالص خرید رہے۔ اس کے

ساتھ، اقتصادی محاذ پر مشکلات کے اثرات پہلے ہی قیمتوں پر عیاں ہیں، ہم امید کرتے ہیں کہ اسٹاک مارکیٹ کیلنڈر سال 2019 میں اور اس کے بعد صحت مند و ہندسی منافع فراہم کرنے کے لئے اچھی طرح سے تیار ہے، کیونکہ اگلے چند مہینوں میں مشکلات ختم ہونے کی امید ہے۔

مٹی مارکیٹ کا جائزہ:

ایس بی پی نے مئی سال 19 کی تیسری سہ ماہی کے دوران سات (7) ٹریڈری بل آکشن منعقد کرائیں۔ مجموعی شرکت کا مشاہدہ پہلے اعلان کردہ بنیادی ہدف 13.80 بلین پاکستانی روپے کے برخلاف، ایس بی پی نے زیر جائزہ مدت کے دوران 5,608 بلین پاکستانی روپے کی رقم کی منظوری دی، 3 ماہ کی مدت میں قبولیت کل قابل قبول رقم کی 99.99 فیصد کی نمائندگی کرتی ہے، جبکہ 6 ماہ کی 0.01 فیصد تھی اور 12 ماہ کی مدت کی کوئی بذ وصول نہیں ہوئیں۔

مزید، اس عرصے کے دوران، ایس بی پی نے تین (3) پاکستان انویسٹمنٹ بانڈ (پی آئی بی) بنیادیوں کا انعقاد کیا اور 399 بلین پاکستانی روپے اکٹھے کئے، 3، 5 اور 10 سالوں کی پیدوار با ترتیب 12.23 فیصد، 12.64 فیصد اور 13.15 فیصد تھی۔ اس کے علاوہ موجودہ مدت کے دوران، ایس بی پی نے 6 ماہ کی اوسط گٹ آف ٹی بلز پلس 70 بیسیس پوائنٹس پر مینڈیٹنگ ریٹ بانڈز (FRB) کی ایک بنیادی منعقد کی۔ مجموعی شرکت کا مشاہدہ 68 بلین پاکستانی روپے کیا گیا تھا جبکہ ایس بی پی نے 7.4 بلین کی منظوری دی ہے۔ زیر جائزہ مدت کے دوران ایس بی پی نے کسی GOP جاریہ ملک آکشن کا انعقاد نہیں کیا۔

کمپنی کی کارکردگی

گزشتہ سال کی اسی مدت میں 7.51 بلین روپے کے مقابلے موجودہ مدت میں کمپنی کی مجموعی آمدنی 0.23 بلین روپے رہی۔ آمدنی میں کمی زیر جائزہ مدت کے دوران ریڈیویشن پر خسارہ اور حصص کی فروخت پر نقصان کے وجہ سے ہوئی ہے۔ گزشتہ سال کی اسی مدت میں 23.34 بلین روپے کے مقابلے کل اخراجات 25.10 بلین روپے ہوئے۔ گزشتہ سال کی اسی مدت میں 7.35 بلین روپے منافع کے مقابلے موجودہ مدت میں الیوسی ایٹس نقصان کا حصہ اور مجموعی نقصان 8.98 بلین روپے ہے۔

گزشتہ سال اسی عرصہ میں 8.62 بلین روپے نقصان کے خلاف موجودہ مدت کے لئے خالص نقصان 35.09 بلین روپے ہوا۔

---SD---

ڈائریکٹر

---SD---

چیف ایگزیکٹو آفیسر

کراچی: 22 اپریل 2019ء



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2019**

		<i>(Un-Audited)</i> March 31, 2019 Rupees	<i>(Audited)</i> June 30, 2018 Rupees
	Note		
<u>ASSETS</u>			
Non-Current Assets			
Property and Equipment	6	7,963,490	8,620,715
Intangible Assets	7	1,281,218	-
Long-Term Investments	8	188,333,540	227,845,347
Long-Term Loans & Advances	9	-	668,352
Long-Term Deposits		36,300	36,300
Deferred Tax Asset	10	-	-
		197,614,548	237,170,714
Current Assets			
Short-Term Investments	11	10,563,626	8,625,160
Loans and Advances		80,167	524,350
Prepayments and Other Receivable		8,111,886	7,339,647
Trade Receivable	12	2,427,068	2,404,804
Accrued Markup		174,057	24,999
Taxation - Net		5,005,539	4,662,894
Cash and Bank Balances	13	5,427,682	3,313,649
		31,790,025	26,895,503
Total Assets		229,404,573	264,066,217
<u>EQUITY AND LIABILITIES</u>			
Share Capital and Reserves			
Authorized Capital			
20,000,000 Ordinary Shares of Rs. 10 Each		200,000,000	200,000,000
Issued, Subscribed and Paid - Up Capital			
		149,737,500	149,737,500
General Reserves		33,630,264	33,630,264
Accumulated Profit		24,790,227	56,933,542
Surplus on Revaluation of Investments - At Fair Value through Other Comprehensive Income		283,535	5,075,025
Share of Unrealised Gain on Remeasurement of Investments in Associates		85,646	70,843
		208,527,172	245,447,174
Current Liabilities			
Trade and Other Payables	14	19,878,659	17,620,301
Unclaimed Dividend	15	998,742	998,742
		20,877,401	18,619,043
Contingencies and Commitments	16	-	-
Total Equities and Liabilities		229,404,573	264,066,217

The annexed notes from 1 to 24 form an integral part of these Condensed 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, 2019**

		<div> <div>Nine Month Ended</div> <div>Quarter Ended</div> </div>		<div> <div>Quarter Ended</div> </div>	
		<div> <div>March 31,</div> </div>		<div> <div>March 31,</div> </div>	
		2019	2018	2019	2018
Note		-----Rupees-----			
Income					
Remuneration from Funds under Management	17	9,228,359	8,301,654	3,032,540	2,772,023
Income on TFC's		274,393	-	274,393	-
Capital (Loss)/Gain on Sale of Shares		(1,237,175)	42,699	(1,273,354)	-
Loss on Redemption of Units of Associates' Investment		(8,225,334)	(1,312,269)	(6,376,602)	-
Impairment Against Investments		-	(1,351)	-	399
		40,243	7,030,733	(4,343,023)	2,772,422
Expenses					
Administrative and Operating Expenses	18	25,098,835	23,341,882	8,181,319	7,664,186
Financial Charges		3,136	1,026	2,684	256
		25,101,971	23,342,908	8,184,003	7,664,442
Operating Loss		(25,061,728)	(16,312,175)	(12,527,026)	(4,892,020)
Other Operating Income		193,408	479,203	61,299	130,929
Share of Associates' (Loss)/Profit	19	(8,979,028)	7,353,391	10,800,611	17,769,163
(Loss)/Profit Before Taxation		(33,847,348)	(8,479,581)	(1,665,116)	13,008,072
Taxation	20	(1,240,690)	(141,340)	(310,751)	(36,286)
Net (Loss)/Profit for the Period		(35,088,038)	(8,620,921)	(1,975,867)	12,971,786
(Loss)/Earning Per Share - Basic and Diluted		(2.34)	(0.58)	(0.13)	0.87

The annexed notes from 1 to 24 form an integral part of these Condensed 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 PERIOD ENDED MARCH 31, 2019**

	<i>Nine Month Ended</i> <i>March 31,</i>		<i>Quarter Ended</i> <i>March 31,</i>	
	2019	2018	2019	2018
	-----Rupees-----			
Net (Loss)/Profit for the Period	(35,088,038)	(8,620,921)	(1,975,867)	12,971,786
Other Comprehensive (Loss)/Income				
(Deficit)/Surplus on Revaluation of Investments - At				
Fair Value through Other Comprehensive Income	(1,846,767)	(3,597,788)	1,781,483	47,653
Share of Unrealised Gain/(Loss) from Associates on				
Remeasurement of Investments	14,803	38,216	(20,869)	-
Total Comprehensive (Loss)/Profit for the Period	<u>(36,920,002)</u>	<u>(12,180,493)</u>	<u>(215,253)</u>	<u>13,019,439</u>

The annexed notes from 1 to 24 form an integral part of these Condensed 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 PERIOD ENDED MARCH 31, 2019**

	Nine Month Ended March 31,	
	2019	2018
	Rupees	Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss Before Taxation	(33,847,348)	(8,620,921)
Adjustments for Items Not Involving Movement of Funds:		
Depreciation on Property and Equipment	1,724,396	1,076,076
Amortization	103,882	-
Loss on Sale of Investment	1,237,175	(42,699)
Financial Charges	3,136	1,026
Gain on Disposal of Property and Equipment	(5,395)	(12,416)
Markup Earned on Saving Account	(188,012)	(479,203)
Provision for Impairment	-	1,351
Loss on Redemption of Units	8,225,334	1,312,269
Share of Associates' Loss	8,979,028	(7,353,391)
	<u>20,079,544</u>	<u>(5,496,987)</u>
Operating Cash Flows Before Working Capital Changes	(13,767,804)	(14,117,908)
Decrease/(Increase) in Current Assets		
Loans and Advances	1,112,535	(10,000)
Prepayments and Other Receivables	(772,239)	(383,568)
Trade Receivable	(22,264)	771,241
	<u>318,032</u>	<u>377,673</u>
(Increase)/Decrease in Current Liabilities		
Trade and Other Payables	2,258,358	2,234,945
	<u>(11,191,414)</u>	<u>(11,505,290)</u>
Income Taxes Paid - Net	(1,583,335)	(954,672)
Financial Charges Paid	(3,136)	(1,026)
Net Cash Used in Operating Activities	(12,777,885)	(12,460,988)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Investments Long and Short - Net	17,299,840	15,004,484
Proceeds from Disposal of Property and Equipment	33,200	50,000
Receipt of Mark-Up on Saving Accounts	38,954	557,137
Capital Expenditure Incurred	(2,480,076)	(6,965,486)
Net Cash Generated From Investing Activities	14,891,918	8,646,135
Net Increase/(Decrease) in Cash and Cash Equivalents	2,114,033	(3,635,298)
Cash and Cash Equivalents At Beginning of the Period	3,313,649	12,335,666
Cash and Cash Equivalents At End of the Period	5,427,682	8,700,368

The annexed notes from 1 to 24 form an integral part of these Condensed 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 PERIOD ENDED MARCH 31, 2019

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. Chandigarh Road, Karachi 74000. The Company is listed on the Pakistan Stock Exchange Limited. During the last period, the Company has changed its name to 786 Investments 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 Company has floated the following open end funds;

- Dawood Income Fund
- Dawood Islamic Fund
- First Dawood Mutual Fund

The Company has successfully renewed its license to carry out "Asset Management Service" and "Investment Advisory Service " dated October 19 ,2017 under rule 5 of the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 and under 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 In accordance with regulation 4 - Part I of Non Banking Finance Companies and Notified Entities Regulations, 2008 an NBFC licensed by the Commission to undertake Asset Management Services and Investment Advisory Services is required to maintain equity amounting to Rs. 230 Million. As at the period end the Company's equity amounts to Rs. 208.527 Million (June 30, 2018 Rs. 245.45 Million).

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 for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified Under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017; and
- 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).
- Directives issued by the SECP

Where the provisions of and directives issued under Companies Act, 2017 The NBFC Rules, The NBFC Regulations and by the SECP differ with the requirements of IAS 34, the provisions of and the directives issued under the Companies Act, 2017, The NBFC Rules, The NBFC Regulations and by the SECP prevail.

- 2.2 This condensed interim financial information is un-audited are being circulated to the shareholders as per the requirement of the NBFC regulations. The Board of Directors declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Company.

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 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 June 30, 2018 Except financial instruments which are being measured in accordance with IFRS 9.

Certain standards, amendments and interpretations to the approved accounting standards are effective for accounting periods beginning on or after July 1, 2018 but are considered not to be relevant or have any significant effect on the Company's operation and are therefore not detailed in this condensed interim financial statements except for IFRS 9 whose adoption is summarised below.

3.1 Change in Accounting Policy

Effective 01 July, 2018, the company adopted IFRS 9 "Financial Instruments", which has replaced IAS 39 "Financial Instruments: Recognition and Measurement".

IFRS 9 prescribes the rules for the classification and measurement of financial instruments, measuring impairment allowances for financial assets, and hedge accounting. Unlike IAS 39 where multiple classification categories were permitted, this standard has simplified the classification of a financial asset either "At Amortised Cost" or "At Fair Value (Through Profit or Loss OR Through Other Comprehensive Income)" based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

As permitted by IFRS 9, the company has not restated comparatives on initial application of IFRS 9. Certain key transitional provisions used to calculate the transitional impact, are summarised below:

- IFRS 9 is not applied to financial instruments that have been derecognised as of 01 July, 2018; and
- The classification and measurement requirements are applied considering facts and circumstances in existence as of 01 July, 2018 for the business model and fair value option elections, and facts and circumstances at the date of initial recognition for the contractual cash flow characteristics of financial assets.
- The change of classification of financial instruments are categorised below:

Financial Assets	Category as per		Effect on opening Equity Rupees
	IAS 39	IFRS 9	
Long-Term Investments	Available for sale	At fair value through other comprehensive income	-
Long-Term Deposits	Loans & receivables	Amortized cost	-
Short-Term Investments	Available for sale	At fair value through other comprehensive income	-
Loans and Advances	Loans & receivables	Amortized cost	-
Trade Receivable	Loans & receivables	Amortized cost	-
Accrued Markup	Loans & receivables	Amortized cost	-
Cash and Bank Balances	Loans & receivables	Amortized cost	-
Financial Liabilities			
Accrued Expenses	Other financial liabilities	Amortized cost	-
Unclaimed Dividend	Other financial liabilities	Amortized cost	-

Key Accounting Policies as revised under IFRS 9

Following the application of IFRS 9, the Company's policy for financial instruments stands amended as follows:

3.1.1 Financial Assets

The Company classifies its financial assets at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.



b) Financial Assets - At Amortised Cost

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial Assets - At Fair Value through Other Comprehensive Income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

d) Financial Assets - At Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognised at trade date i.e. the date on which the Company commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Gains and losses arising on financial assets at amortised cost and financial assets at fair value through profit or loss are recognised in profit or loss. Interest calculated under effective interest method, dividend, impairment (on debt instrument) and foreign exchange gains and losses on financial assets at fair value through other comprehensive income are also recognised in profit or loss. Gains and losses from changes in fair value of financial assets at fair value through other comprehensive income are recognised in other comprehensive income and, in case of debt instruments, are reclassified to profit or loss on derecognition or reclassification. Gains and losses from changes in fair value of equity securities designated at fair value through other comprehensive income are not subsequently transferred to profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

3.1.2 Financial Liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

4 ESTIMATES

The preparation of this condensed interim financial report in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

In preparing this condensed interim financial report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June, 2018. Except financial instruments which are being measured in accordance with IFRS 9.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

5 CORRECTION OF ERROR

During the year error is corrected prospectively in the statement of changes in equity owing to the trivial nature of amount.

5.1 The detail of reclassification is as follows

As at July 01, 2017

	Debit	Credit
Share of unrealised gain on remeasurement of associates' investments	-	21,403
Accumulated profit/(loss)	21,403	-

As at July 01, 2018

Share of unrealised gain on remeasurement of associates' investments	-	70,843
Accumulated profit/(loss)	70,843	-

	<i>(Un-Audited)</i>	<i>(Audited)</i>
	<i>March 31,</i>	<i>June 30,</i>
	<i>2019</i>	<i>2018</i>
Note	Rupees	Rupees

6 PROPERTY AND EQUIPMENT

Opening Net Book Value (NBV)	8,620,715	2,975,753
Additions During the Period	6.1 1,094,976	7,306,934
	9,715,691	10,282,687
Disposal (NBV) during the Period	6.2 (27,805)	(37,584)
Depreciation Charged during the Period	(1,724,396)	(1,624,388)
Closing Net Book Value (NBV)	7,963,490	8,620,715

6.1 Following additions were made to Property and equipment during the period :

Office Equipment	-	9,000
Vehicles	-	2,686,070
Computers	1,094,976	248,359
	1,094,976	2,943,429

6.2 Following is the net book value of Property and equipment disposed off during the period:

Office Equipment	-	37,584
Computers	27,805	-

7 INTANGIBLE ASSET

Computer Software		
- Cost	1,385,100	-
- Accumulated Amortization	(103,882)	-
	1,281,218	-
Amortization Rate	10%	-



8 LONG TERM INVESTMENTS

Investments in Associates - Quoted

First Dawood Mutual Fund (Open-End-Fund) - An Associate (Using Equity Method)

4,259,184 (June 30, 2018: 8,069,728) Fully Paid Ordinary Certificates of Rs. 10/- Each Representing 60.87% (June 30, 2018: 74.28%) Holding

(Un-Audited) (Audited)
March 31, June 30,
2019 2018
Rupees Rupees

82,567,685 180,584,362

Dawood Income Fund (Open-End-Fund) - An Associate (Using Equity Method)

1,091,564 (June 30, 2018: 348,387) Units of Rs. 100/- Each Representing 22.39% (June 30, 2018: 9.19%) Holding

93,951,589 30,765,592

Dawood Islamic Fund (Open-End-Fund) - An Associate (Using Equity Method)

109,323 (30 June 2018: 40,680) Units of Rs.100/- Each Representing 11.19% (30 June 2018: 4.49%) Holding

11,814,266 4,762,552

188,333,540 216,112,506

Al Baraka Bank (Pakistan) Limited - At Fair Value through Other Comprehensive Income

2,961 (June 30, 2018: 2,961) Fully Paid Ordinary Shares of Rs. 10/- Each

Less: Impairment on Investment

Less: Sale of 2,961 Shares

22,655	24,545
-	(1,890)
(22,655)	-
-	22,655

Dawood Family Takaful Limited - A Related Party - At Fair Value through Other Comprehensive Income

Nil (June 30, 2018: 2,372,500) Fully Paid Ordinary Shares of Rs. 10/- Each

Less: Impairment on Investment

Less: Sale of 2,372,500 Shares

11,710,186	11,862,529
-	(152,343)
(11,710,186)	-
-	11,710,186
188,333,540	227,845,347

9 LONG TERM LOANS AND ADVANCES

Advance against Intangible - Software

- 668,352

10 DEFERRED TAX ASSET

(Taxable)/Deductible Temporary Differences due to:

Relating to Taxable Temporary Differences

Carried Forward Assessed Tax Losses

Accelerated Tax Depreciation

Unrecognized Deferred Tax Asset

10.1

13,438,579	12,846,696
37,829	(49,547)
13,476,407	12,797,149
(13,476,407)	(12,797,149)
-	-

10.1 Deferred tax asset has not been recognized on the ground that sufficient taxable profits are not expected in foreseeable future against which the asset could be utilized.

		<div>(Un-Audited)</div> <div>31 March 2019</div>		<div>(Audited)</div> <div>30 June 2018</div>		
		Book Value	Fair Value	Book Value	Fair Value	
11	SHORT TERM INVESTMENTS	Note ----- Rupees -----				
At Fair Value through Other Comprehensive Income						
	Listed Shares - Related Party	11.1	1,490,210	2,010,283	3,550,135	8,625,160
	Term Finance Certificate - Unlisted	11.2	8,789,881	8,553,343		
			10,280,091	10,563,626	3,550,135	8,625,160
	Surplus on Revaluation of Investment		283,535	-	5,075,025	-
			10,563,626	10,563,626	8,625,160	8,625,160

11.1 Listed Shares - Related Party

Number of Shares			(Un-Audited) 31 March 2019		(Audited) 30 June 2018	
March 31, 2019	June 30, 2018	Name of Company	Book Value	Fair Value	Book Value	Fair Value
----- Rupees -----						
		Financial Services				
1,000,141	2,382,641	First Dawood Investment Bank Limited - Related Party	1,490,210	2,010,283	3,550,135	8,625,160
			1,490,210	2,010,283	3,550,135	8,625,160

11.1.1 SECP has granted permission for unfreezing the shares of First Dawood Investment Bank Limited. Vide letter SC/NBFC-5/FDIBL-CDC/2018 dated July 31, 2018.

11.2 Term finance certificates - Unlisted

No. of Certificates			(Un-Audited) 31 March 2019		(Audited) 30 June 2018	
March 31, 2019	June 30, 2018	Name of Company	Carrying Value	Fair Value	Carrying Value	Fair Value
----- Rupees -----						
		Commercial Bank				
2,000	-	Silk Bank Limited	8,789,881	8,553,343	-	-
			8,789,881	8,553,343	-	-

11.2.1 These 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.

	Note	(Un-Audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
12	TRADE RECEIVABLE		
Remuneration due From Fund under Management			
	Dawood Income Fund - An Associate	1,105,100	744,033
	Dawood Islamic Fund - An Associate	302,854	325,476
	First Dawood Mutual Fund - An Associate	1,019,114	1,335,295
		2,427,068	2,404,804



	Note	(Un-Audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
13 CASH AND BANK BALANCES			
Cash in Hand		25,000	-
Cash at Bank			
- In Current Accounts		101,609	101,609
- In Savings Account	13.1	5,301,072	3,212,040
		5,402,681	3,313,649
		5,427,681	3,313,649
13.1 The balance in savings account carry mark up at rates ranging from 4% to 8.25% per annum (June 30, 2018: 4% to 5.75% per annum).			
14 TRADE AND OTHER PAYABLES			
Accrued Expenses		9,259,750	7,206,007
Workers' Welfare Fund Payable		2,596,844	2,596,844
FED Payable	14.1	6,513,677	6,513,677
Sales Tax Payable		1,195,383	1,202,633
WHT Payable		99,045	101,140
Provident Fund Payable		213,960	-
		19,878,659	17,620,301
14.1 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 Management 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 remuneration of Management Company 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 Million (June 30, 2018: Rupees 6.51 Million) is being retained with a corresponding receivable of the same amount in financial statements as the matter is pending before the Supreme Court of Pakistan.			
15 UNCLAIMED DIVIDEND			
15.1 According to Section 244 of Companies Act, 2017 all unclaimed dividend for a period of three year shall be credited to Federal Government account after serving 90 days' notice to Shareholders'. No such notice is served by the company as company is in process of identifying the shareholders' and after the identification required procedure will be adopted.			
16 CONTINGENCIES AND COMMITMENTS			
16.1 Contingencies			
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.			

16.2 Commitments

There was no commitments during the period. (June 30, 2018: Nil).

	(Un-Audited) March 31, 2019 Rupees	(Un-Audited) March 31, 2018 Rupees
17 MANAGEMENT FEE		
Open-End Funds		
Dawood Income Fund - An Associate	5,261,838	3,208,732
Dawood Islamic Fund - An Associate	1,213,820	1,152,829
First Dawood Mutual Fund - An Associate	2,752,701	3,940,093
	<u>9,228,359</u>	<u>8,301,654</u>
	March 31, 2019	March 31, 2018
17.1 During the period the company has charged Management fee as under:	Remuneration for Services Rendered as an Asset Management Company	
	----- Percentage -----	
Open-End Funds		
Dawood Income Fund - An Associate	1.5	1.5
Dawood Islamic Fund - An Associate	1.5	1.5
First Dawood Mutual Fund - An Associate	2	2

	(Un-Audited) March 31, 2019 Rupees	(Un-Audited) March 31, 2018 Rupees
18 ADMINISTRATIVE AND OPERATING EXPENSES		
Salaries and Allowances	16,273,239	12,468,445
Rent, Rates and Taxes	1,153,982	1,098,444
Postage and Telephones	236,459	496,299
Legal and Professional	1,198,350	4,485,538
Printing and Stationery	153,905	291,312
Travelling and Conveyance	110,813	95,386
Vehicles Running	1,536,186	1,019,192
Advertisement	124,200	84,400
Electricity	333,616	336,372
Repairs and Maintenance	87,206	190,416
Auditors' Remuneration	176,040	201,096
Entertainment	265,466	218,490
Insurance	372,405	195,920
Depreciation	6 1,724,396	1,076,076
Amortization	7 103,882	-
Fees & Subscriptions	1,389,559	781,075
Newspaper and Magazines	329	-



		(Un-Audited) March 31, 2019	(Un-Audited) March 31, 2018
	Note	Rupees	Rupees
Directors' Fee		264,000	145,600
Commission		41,475	69,214
Marketing		39,000	245,100
Others		63,676	117,360
		<u>25,648,184</u>	<u>23,615,735</u>
Less: Reimbursement of Expenses from Funds	18.1	<u>(549,349)</u>	<u>(273,853)</u>
		<u>25,098,835</u>	<u>23,341,882</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 is entitled from the funds for reimbursement of fees and expenses incurred by the Management Company in relation to Registrar, Accounting, Operation and Valuation services related to Funds maximum up to 0.1% per annum of Average Annual Net Assets of the Scheme or actual whichever is less. Accordingly, Company has charged said charges from the Fund at the rate of 0.1% per annum of the Average Annual Net Assets of the Fund amounting to Rs. 0.549 (March 31, 2018 : Rs.0.273) Million.

19 SHARE OF ASSOCIATES' (LOSS)/PROFIT

Dawood Income Fund	4,602,307	2,062,857
Dawood Islamic Fund	(933,949)	102,324
First Dawood Mutual Fund	<u>(12,647,386)</u>	<u>5,188,210</u>
	<u>(8,979,028)</u>	<u>7,353,391</u>

20 TAXATION

Current	1,395,797	110,294
Prior	<u>(155,107)</u>	<u>31,046</u>
	<u>1,240,690</u>	<u>141,340</u>

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The provision for current period income tax has been made under section 113 of the Income Tax Ordinance, 2001.

21 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of related group companies, directors and 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 were as follows:

Relationship with the Company	Nature of Transactions	(Un-Audited) March 31, 2019 Rupees	(Un-Audited) March 31, 2018 Rupees
Mutual Funds Managed by the Company	Transactions During the Period		
	Management Fee Charged	9,228,359	8,301,654
	Sales Tax on Management Fee Charged	1,199,687	1,079,211
	Accounting and operational Charges	549,349	273,853
	Dawood Income Fund Issue of 987,385 Units (March 31, 2018: Nil Units)	80,505,723	-
	Dawood Income Fund Redemption of 244,208 Units (March 31, 2018: Nil Units)	20,000,000	-
	Dawood Income Fund - Gain on Redemption of Units	426,892	-



<i>Relationship with the Company</i>	<i>Nature of Transactions</i>	<i>(Un-Audited) March 31, 2019 Rupees</i>	<i>(Un-Audited) March 31, 2018 Rupees</i>
	Dawood Income Fund - Dividend Received (March 31, 2018: Nil)	2,359,674	-
	Dawood Islamic Fund Issue of 68,643 Units (March 31, 2018: 40,679 Units)	7,997,225	5,000,000
	Dawood Islamic Fund - Dividend Received (March 31, 2018: Nil)	15,597	-
	First Dawood Mutual Fund Issue of 447,033 Units (March 31, 2018: Nil Units)	10,142,221	-
	First Dawood Mutual Fund Redemption of 4,257,577 Units (March 31, 2018: 923,344 Units)	86,500,000	20,000,000
	First Dawood Mutual Fund loss on Redemption of Units	(8,652,226)	-
	First Dawood Mutual Fund Dividend Received (March 31, 2018: Nil)	359,277	-
	Management Fee Received	9,206,095	9,072,895
Other Related Party			
B.R.R Guardian Modaraba	Provident Fund Contribution	960,588	635,655
	Rent Charge during the Period - New office	1,123,756	998,894
Key Management Personnel	Remuneration	10,750,500	9,879,297
	Sale of 2,372,500 Shares of Dawood Family Takaful Limited	12,313,275	-
	Sale of 2,961 Shares of Al Baraka Bank (Pakistan) Limited	23,777	-
	Gain on Disposal of Shares	604,211	-
First Dawood Investment	Rent Expense Charge during the Period - Old Office	-	99,550
Dawood Family Takaful	Insurance Expense Charge during the Period	45,720	18,715
Dawood Equities Limited	Brokerage Commission Paid on Disposal of Shares	41,475	-
Associated Companies/Other Related Parties	Balances as at Period End	<i>(Un-Audited)</i>	<i>(Audited)</i>
	Units Held:	March 31, 2019	June 30, 2018
Mutual Funds Managed by the Company	Dawood Income Fund 1,091,564 (June 30, 2018: 348,387) Units	93,951,589	30,765,592
	First Dawood Mutual Fund 4,259,184 (June 30, 2018: 8,069,728) Units	82,567,685	180,584,362
	Dawood Islamic Fund 109,323 (June 30, 2018: 40,680) Units	11,814,266	4,762,552
First Dawood Investment Bank Limited	1,000,141 (June 30, 2018: 2,382,641) Fully Paid Ordinary Shares of Rs. 10/- Each	2,010,283	8,625,160
	Payable in Respect of Rent - Old Office	2,687,850	2,687,850
Dawood Family Takaful Limited	Nil (June 30, 2018: 2,372,500) Fully Paid Ordinary Shares of Rs. 10/- Each	-	11,710,186
	Prepaid Life Insurance	40,653	42,024
B.R.R Guardian Modaraba	Prepaid Rent - New office	499,447	124,862
First Dawood Investment Bank Limited & Others Employees Provident Fund	Provident Fund Payable	213,960	-

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

22 RECALSSIFICATION

Following figures of prior year have been reclassified for better understanding : -

From	To	Rupees
Trade receivable	Other receivable	6,513,679



23 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue in Board of Directors of the management company on **April 22, 2019**.

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

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Managed By:
786 Investments Limited

G-3 Ground Floor, 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