



**INVESTMENTS**

WE KNOW YOUR VALUE

**786 INVESTMENTS LIMITED**

**ANNUAL REPORT  
2017**



## CONTENTS

<b>Corporate Information</b>	<b>02</b>
<b>Mission/Vision Statement</b>	<b>03</b>
<b>Notice of Meeting</b>	<b>04</b>
<b>Financial Highlights</b>	<b>06</b>
<b>Directors' Report</b>	<b>07</b>
<b>مینجمنٹ کمپنی کے ڈائریکٹرز کی کارکردگی پر رپورٹ</b>	<b>13</b>
<b>Review Report to the Unit Holders on Statement of Compliance with the Best Practices of the Code of Corporate Governance</b>	<b>19</b>
<b>Statement of Compliance with the Code of Corporate Governance for the Year Ended June 30, 2017</b>	<b>21</b>
<b>Auditors' Report to the Members</b>	<b>24</b>
<b>Balance Sheet</b>	<b>26</b>
<b>Profit &amp; Loss Account</b>	<b>27</b>
<b>Statement of Comprehensive Income</b>	<b>28</b>
<b>Cash Flow Statement</b>	<b>29</b>
<b>Statement of Changes in Equity</b>	<b>30</b>
<b>Notes to the Financial Statements</b>	<b>31</b>
<b>Pattern of Shareholding</b>	<b>49</b>
<b>Form of Proxy</b>	<b>51</b>



## CORPORATE INFORMATION

<b>Board of Directors</b>	Ms. Shafqat Sultana	Chairperson
	Miss Tara Uzra Dawood	Chief Executive Officer
	Ms. Charmaine Hidayatullah	Director
	Mr. Mohammad Izqar khan	Director
	Mr. Ansar Hussain	Director
	Mr. Tahir Mehmood	Director
	Syed Farhan Abbas	Director
<b>Chief Financial Officer &amp; Company Secretary</b>	Mr. Umair Manzoor	
<b>Audit Committee</b>	Mr. Ansar Hussain	Chairman
	Mr. Tahir Mehmood	Member
	Syed Farhan Abbas	Member
<b>Auditors</b>	Haroon Zakaria & Co. Chartered Accountants	
<b>Human Resource Committee</b>	Mr. Muhammad Izqar Khan	Chairman
	Ms. Shafqat Sultana	Member
	Ms. Tara Uzra Dawood	Member
	Mr. Tahir Mehmood	Member
<b>Legal Advisor</b>	Rauf & Ghaffar Law Associates (Advocates & Consultants) Suite # 65, 5th Floor, Fareed Chamber, Abdullah Haroon Road, Saddar – Karachi, Pakistan.	
<b>Registrars</b>	F.D. Registrar Services (SMC-Pvt.) Ltd. Office# 1705, 17th Floor Saima Trade Tower. A, I.I. Chundrigar Road, Karachi-74000, Pakistan.	
<b>Banker:</b>	Habib Metropolitan Bank Limited JS Bank Limited Al Baraka Bank (Pakistan) Limited	



## ***Mission Statement***

*To offer our unit holders the best possible return by expertly diversifying the Fund's investment portfolio into minimal risk and high yielding instruments and at all time to be a good corporate citizen*



### **NOTICE OF ANNUAL GENERAL METTING (AGMXXVI)**

Notice is hereby given that the AGM XXVI of the shareholders of the Company will be held on Friday, October 27th, 2017 at 2:00 p. m at the registered office at G3, Ground Floor, BRR Tower, Hassan Ali Street Off I.I. Chundrigar Road, Karachi to transact the following business:

#### **Ordinary Business**

1. To confirm the Minutes of the AGM XXV held on November 30, 2016.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2017 together with Directors and Auditors Reports thereon.
3. To appoint the Auditors and fix their remuneration.

#### **Special Business**

4. To consider, approve the re-fixation of Directors Fee and reimbursement of expenses of CEO and if thought fit to pass the following Ordinary Resolution with or without modification.
5. Any other Business with the permission of the Chair

By Order of the Board

October 6, 2017  
Karachi

**Umair Manzoor**  
Company Secretary

#### **Notes:**

1. The share transfer books of the Company will remain closed from October 20, 2017 to October 27, 2017 (both days inclusive). Shareholders are requested to notify to our Share Registrar FD Registrar Services (SMC-Pvt.) Ltd at 1700-A, Saima Trade Towers, I.I. Chundrigar Road, Karachi, if any change of address immediately.
2. A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote on his/her behalf. No person other than a member shall act as proxy. Proxy forms, in order to be effective, must be received at the Registered Office, duly stamped and signed not less than 48 hours before the meeting.
3. The Company will provide the video link facility to those member(s) who hold minimum 10% shareholding of the total paid-up capital and resident of city other than Karachi where Company's Annual General Meeting is to be placed, upon request, such member(s) should submit request in writing to the Company at least seven days before the date of the meeting
4. The CDC account/sub-account holders are requested to bring with them their Computerized National ID Cards (CNIC) along with Participant(s) ID number and their account numbers at the time of attending this meeting in order to facilitate identification of the respective shareholder(s). In respect of a corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signatures be produced at the time of meeting.
5. Members are requested to immediately inform the Company's Share Registrar of any change in their mailing address.
6. Members are requested to provide by mail or fax, photocopy of their CNIC or passport (in case of foreigner), unless it has been provided earlier, enabling the Company to comply with relevant laws.
7. **Unclaimed Dividend and Bonus:** Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact our Share Registrar FD Registrar Services (SMC-Pvt) Ltd to collect enquire about their unclaimed dividend or pending shares, if any.



Please note that in compliance with Section 244 of the Companies Act 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government and in case of shares, shall be delivered to the Securities and Exchange Commission of Pakistan

#### **Statement under Section 134 (3) of the Companies Act, 2017**

This statement sets out the material facts concerning the special business to be transacted at the AGM of the Company to be held on October 27, 2017.

#### **Agenda Item No. 4**

The Board of the Company is comprised of competent, high profile members having diversified experience who are devoting their significant time on oversight of the Company's function and in order to attract and retain competent senior professionals on the Board. The Directors fee is re-fixed as under

Resolved that the Directors be and is hereby entitled for the following fee

Board of Directors meeting Rs. 10,000/- per meeting and for other meetings Rs. 8,000/- (including Audit Committee meeting and HR Committee).

Resolved the following revised reimbursement of expenses for CEO be and is hereby approved:

1. Utilities on actual basis.
2. Fully maintained 1800 CC vehicle together with Driver, petrol, maintenance and comprehensive car insurance.
3. Club fees.
4. Business travel including international business travel.
5. Mobile Phone
6. Mobile bill.
7. Life/Medical Insurance.
8. Medical on Actual Basis
9. Reimbursement of business lunches
10. Other as may be from time to time Board will approve.

Other entitlements as may be decided/granted any time from time to time by the Board of Directors of the Company and/or in accordance with the policy and service rules of the Company in vogue.



## FINANCIAL HIGHLIGHTS

	2017	2016	2015	2014	2013	2012
	Rupees In Million					
Authorized Capital	200.00	200.00	200.00	200.00	200.00	200.00
Paid-Up Capital	149.74	149.74	149.74	149.74	149.74	149.74
Shareholders' Equity	273.98	210.53	237.40	203.33	177.91	150.46
Total Assets	287.20	231.65	254.63	213.84	182.13	154.30
Short-Term Investment in Securities	7.65	2.43	4.29	10.38	4.34	4.97
Income From Investments	-	-	0.50	0.55	0.09	3.19
Management Fee	10.01	14.07	14.91	11.73	15.53	19.72
Other Income	2.47	1.56	0.26	1.44	0.90	3.90
Impairment Loss on Investment	(0.57)	(1.73)	(0.89)	(1.56)	(1.38)	(3.71)
Profit/(Loss) Before Taxation	67.90	(24.86)	33.52	26.32	27.34	1.08
Taxation	9.66	0.16	0.16	0.14	0.08	0.27
Profit/(Loss) After Taxation	58.24	(25.02)	33.36	26.18	27.26	0.81
Book Value Per Share	18.30	14.06	15.86	13.58	11.88	10.05
Earnings Per Share	3.89	(1.67)	2.23	1.75	1.82	0.05



## **REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY**

The Board of Directors of 786 Investments Limited. ("786" or the "Company") is pleased to present the annual report and the audited financial statements of the Company for the year ended June 30, 2017. This Report presents the financial, operating and corporate social responsibility, performance of the Company and highlights the key business challenges faced by us during the year. Despite several challenges, 786 continued its journey of success and has emerged with a more progressive and dynamic outlook.

### **Company Performance**

	<b>June 30, 2017</b>	<b>June 30, 2016</b>
	<b>..... Rupees.....</b>	
Management Fees	10,013,419	14,070,176
Other Operating Income	670,592	1,559,399
Gross Revenue	10,684,011	15,629,515
Other operating charges	(1,296,101)	-
Administration and Operating Expenses	19,675,635	17,561,205
Financial Charges	957	1,183
Total Expenses	19,676,592	17,562,338
Share of Associates' Profit/(Loss)	75,660,180	(21,204,890)
Impairment Loss on Investments	(566,472)	(1,727,035)
Profit Before Taxation	64,805,025	(24,864,738)
Profit After Taxation	55,142,017	(25,019,630)

### **Economic Review**

The country managed to achieve GDP growth rate of 5.28% Unlike the previous year, agriculture sector recorded growth of 3.5% while services sector recorded growth of 5.98%, Government continues to target disciplined progressive recovery with GDP growth target at 6% and fiscal deficit near 4%.

Large scale manufacturing sector has recorded growth of 5.1% for with major contribution coming from automobiles, construction and consumer goods.

On the external front, vulnerabilities have started to materialize in the form of rising current account deficit (USD 12 billion), falling foreign exchange reserves (foreign exchange reserves stood at USD 21.26 billion) and flattish remittances.

Rising pressure on Balance of Payment is expected to weigh down on stability of PKR/USD parity unless foreign inflows are secured either through Foreign Direct Investment or Debt financing.

CPI for FY2017 was recorded at 4.14% with the increase due to food inflation, transportation cost and house rent. We expect inflation to gradually rise but remain well anchored with average of -5% in FY18.

Keeping in view the macroeconomic stability, SBP kept the policy rate at 5.75 percent in May2016 and maintained the same in the subsequent monetary policy decisions, which is the lowest rate since early 1970s.

Commercial banks remained active in overnight market where majority of activity witnessed near policy rate. Participation in recent PIB auction equaled PKR 90 billion out of which 3 years PIB received majority of bids amounting PKR 74 billion whereas 5 years PIB received PKR 7 billion and 10 years PIB received PKR 9 billion.





The target of the said auction was set at PKR 50 billion. SBP accepted PKR 75 billion out of which PKR 68 billion was accepted in 3 years PIB highlighting the fact that market is reluctant going into longer tenor bonds.

In last Treasury bill auction cut off yield for 3 and 6 months paper were maintained at previous level of 5.9910% and 6.0190% respectively, whereas cut off yield for 12 months paper was set at 6.0386%. The target for the auction was PKR 300 billion whereas participation was around PKR 420 billion out of which PKR 361 billion was accepted. Short term liquidity remained comfortable as SBP conducted regular OMOs throughout the year.

Towards the Islamic money market front, Ijarah XV matured on June 25, 2017. To prevent the Islamic market going into excess liquidity crisis, GoP issued a Rs. 71 billion worth of fixed rate Ijara Sukuk at a rate of 5.24% against M1 Motorway as the underlying Asset.

Pace of widening trade deficit remained alarmingly high which kept on diluting forex reserves keeping investors away from longer tenor securities despite attractive premium on offering. Interest in longer tenor bonds is expected to remain subdued with red flags rising relative to PKR/USD parity driven by Balance of Payments position.

Pakistan Stock Exchange (PSX 100 Index) was ranked best market in Asia and fifth best performing stock market in the world in the year 2016 by Bloomberg and was calculated to have provided total return of 46 percent for the year. The PSX return of 46 percent also stood out as the best in MSCI Frontier Markets and compared favorably with the PSX average gains of 20 percent over the past 10 years and average return of 24 percent over the last 20 years.

The PSX gained a lot of momentum in the calendar year 2016. The start of the year was sluggish as the index showed downward trend during first quarter due to low oil prices and heavy weightage of the oil sector in the PSX index. However, the market saw a turnaround in the second quarter and despite tensions on political front and international border with neighbors the investors remained firm and bullish. Major sectors which contributed to the index gain included Banking, E&P, Refinery, Cement, Pharmaceutical, etc. As per requirement of the demutualization law, deal for strategic sale of forty percent of PSX shares was completed in December, 2016 and PSX sold its aforementioned shares to a Chinese Led Consortium against a consideration of US\$ 85.6 million. The Consortium comprises of China Financial Futures Exchange, Shanghai Stock Exchange and Shenzhen Stock Exchange, along-with two Pakistani financial institutions (Habib Bank Limited and Pak China Investment Company Limited). The foreign investors in the consortium are expected to benefit PSX through their diverse product offering, indigenously developed technology, managerial experience and opportunities for outreach and cross listings. The local financial institutions in the Consortium will benefit PSX through their large branch networks, excellence in corporate governance and knowledge of local market and its laws. Also, post divestment, governance at PSX has been strengthened through reconstitution of its Board of Directors through appointment of one-half of the board, as independent directors and induction of representatives of the aforesaid Consortium.

PSX FY17 witnessed wild swings after a wide range of developments including MSCI Inclusion and political uncertainty. Particularly, in the months of May and June, concerns regarding JIT proceedings continued to haunt the market leading to volatile trading sessions. Nonetheless; PSX 100 managed to post a gain of 23.2% for FY17, continuing its streak of positive returns for last 8 years. Foreigners remained net sellers, liquidating a massive USD 652 million worth of equities with majority of the selling absorbed by mutual funds (USD 575 million). Average volumes increased by -64% to 340 million shares and value traded increased by -58% to PKR 15 billion.

Steel sector lead the charts posting a massive return of 198%, outperforming the benchmark by 9x during the year. Robust demand supported by infrastructural activities, along with imposition of regulatory and anti-dumping duties on various steel products also provided boost to the sector. Furthermore, project announcements to boost production capacities further fueled a rally in the sector. Similarly, Auto sector also posted an astounding return of 98% during the year. The outperformance came in due to a flurry of new model launches, impressive sales volumes and announcement of taxi scheme in budget.



On the flip side, Fertilized sector remained a major laggard losing -11% due to prevalence of negative sector dynamics including inventory overhang and depressed international prices. Similarly, Cement sector also underperformed the benchmark by 7%, as international coal prices surged by 30% YoY reaching a peak of \$100 in November 2016. Also, the economics of cartel were challenged after Cherat Cement's capacity of Northern region came online in May 2017. As a result, cement prices were reduced by 4-5% in the region causing the stock prices to remain under pressure.

Going forward we remain positive with regard to MSCI upgrade as our market is trading at a 25% discount to the general value of an Emerging Market country. We expect active foreign investors to take interest in PSX with Pakistan being continually highlighted in foreign markets because of CPEC and other infrastructure project.

#### Compliance with the Best Practices of the Code of Corporate Governance

The Company complies with the "Code of Corporate Governance" (Code) contained in the listing regulations of the Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed Fund is managed in compliance with the best practices of Code. The directors of the Company hereby confirm the following as required by clause (xvi) of the Code:

- The financial statements, prepared by the of the listed company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity;
- Proper books of account of the listed company have been maintained;  
Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained;
- The system of internal control is sound in design and has been effectively implemented and monitored with ongoing efforts to improve it further.
- There are no significant doubts upon the listed company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations except as disclosed in the statement of compliance annexed with these financial statements.
- There has been no trading during the year in the units of the Fund carried out by the Directors, Chief Executive Officer, Company Secretary and their spouses and their minor children except as disclosed in the relevant notes to the financial statement.
- There is no statutory payment on account of taxes, duties, levies and charges outstanding.

#### Board of Directors Meetings

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

Names	Designation	No of Meetings attended
Ms. Shafqat Sultana	Chairman	5
Ms. Tara Uzra Dawood	Chief Executive Officer	5
Mr. Ansar Hussain	Director	4*
Mr. Muhammad Izqar Khan	Director	1*
Ms. Charmine Hidayullah Khan	Director	3*
Mr. Tahir Mehmood	Director	5
Syed Farhan Abbas	Director	5

\*Leave of absence was granted.



### Audit Committee Meeting

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

Names	Designation	No of Meetings attended
Mr. Ansar Hussain	Chairperson	4*
Mr. Tahir Mehmood	Member	4
Syed Farhan Abbas	Member	4

\*Leave of absence was granted.

### Auditors

The present Auditor, Haroon Zakaria & Co. Chartered Accountants retire and being eligible, have offered themselves for re-appointment. The Board Audit Committee have recommended their re-appointment as statutory auditors for the year ending June 30, 2018 and the Board have endorsed the communication.

### Auditors' Report

The Auditors have given their opinion on the financial statements of the Company for the year ended June 30, 2017, wherein they have given emphasis on certain matters.

- Our response to note 1.2 to the financial statements is that the management has complied with all the requirements for renewal of license except for removal of suspension of trading in shares of the Management Company and the management is in process of rectifying the matter. Nonetheless; the management considers that in terms of proviso to sub rule 9 of Rule 5 of The Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 the existing license is valid till such time that the license is renewed by the Commission.
- Our response to note 1.3 to the financial statements is that the management was able to ensure compliance with the regulation 4 of part I of Non-Banking Finance Companies and Notified Entities Regulations, 2008 and was able to meet minimum equity requirement.
- Our response to note 2 to the financial statements is that the company filed an appeal in appellate tribunal of SECP against the order of Executive Director SECP dated March 22, 2013 under section 33 of the Securities and Exchange Commission of Pakistan Act, 1997, the appellate tribunal of SECP vide Order dated 22 January 2015 set aside the initial order in its entirety on the grounds stated therein. The appellate tribunal's decision was not appealed in terms of section 34 of the SECP Act and a review application was filed in appellate tribunal against appellate tribunal decision by Executive Director SECP that was rejected by registrar appellant tribunal SECP and has therefore attained finality.
- Our response to note 8 and 9 to the financial statements is that management is in the process to ensure compliance of Regulation 37(7)(k) of Non-Banking Finance Companies and Notified Entities Regulations, 2008.
- Our response to note 15 to the financial statements of FDMF is that in the given circumstances and to the best of managements judgement not recording the provision, at the time, would have been against the interest of unit holders however on receipt of amended assessment orders as well as exemption certificates as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001, the provision was reversed.



## **Risk Management**

Risk taking is an integral part of any business and is rooted in the philosophy of risk versus reward, that is, higher the risk, greater the reward. Our fundamental objective is to maximize certificate holder's value, but this must be carried out in a clearly articulated risk tolerance framework.

786 and its Funds are exposed to a variety of risks including credit, liquidity, interest rate, market risk and operational risk. Our risk management policies and procedures ensure that risks are effectively identified, evaluated, monitored and managed. Risk management is a dynamic function and management must continuously monitor its internal risk procedures and practices in order to reduce earnings variability.

The Board has formed the following committees to manage the various types of risks the Bank is exposed to:

- Board's Audit Committee
- Investment Committee

## **Statement of Ethics and Business Practices**

The Board of Directors of Company has adopted a statement of ethics and business practices. All employees are informed of this statement and are required to observe these rules of conduct in relation to business and regulations.

## **Dividend**

Based on the above, the Board of Directors of the Company has decided not to distribute any dividend to the shareholders for the year.

## **Credit Rating**

Asset Manager Rating (AMR) of Management Company is 'AM3-' (2012: AM3) before suspension of operations.

## **Trading in shares of the Company**

During the year, no trading in the shares of the Company was carried out by the Directors, CEO, CFO, Company Secretary and their spouses of minor children.

## **Transaction with Connected Persons/Related Parties**

Transactions between the Fund and its connected persons as disclosed in notes to the financial statements are carried out on an arm's length basis.

## **Pattern of Share Holding as on June 30, 2017**

The pattern of shareholding holding as on June 30, 2017 along with disclosure as required under the Code of Corporate Governance is annexed to these financial statements.

## **Key Financial Highlights**

Key financial highlights are summarized and annexed to these financial statements.

**Staff Retirement Benefits**

786 operates a provident fund scheme for all permanent employees' details are included in these financial statements.

**Events after the Balance Sheet Date**

Material events that occurred subsequent to the date of the Balance Sheet that require adjustments / disclosure to the enclosed financial statements are disclosed in these financial statements.

**Acknowledgement**

The Board of Directors of the Management Company is thankful to the Securities and Exchange Commission of Pakistan, the management of the Pakistan Stock Exchange Limited for their continued support and cooperation. The Directors also appreciate the efforts put in by the employees of the Company for their commitment and dedication and shareholders for their confidence in the Company.

For and on behalf of the  
Board of Directors,

18 September, 2017  
Karachi.

Chairperson



### مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

786 سرمایہ کاری لمیٹڈ کے ڈائریکٹر بورڈ لمیٹڈ ("786" یا "کمپنی") 30 جون، 2017 کو کل سالانہ رپورٹ اور کمپنی کے آڈٹ کردہ مالی بیانات کو خوش کرنے کے لئے خوش ہیں۔ یہ رپورٹ مالی، آپریٹنگ اور کارپوریٹ سماجی ذمہ داری، کمپنی کی کارکردگی پیش کرتی ہے۔ اور سال کے دوران ہمارا سامنا کرنا پڑا اہم کاروباری چیلنجز پر روشنی ڈالتا ہے۔ کئی چیلنجز کے باوجود، 786 کامیابی کا سفر جاری رکھے اور زیادہ ترقی پسند اور متحرک نقطہ نظر کے ساتھ ابھر کر سامنے آئے۔

### کمپنی کی کارکردگی

	June 30, 2017	June 30, 2016
	..... Rupees.....	
Management Fees	10,013,419	14,070,176
Other Operating Income	2,471,335	1,559,399
Gross Revenue	12,484,754	15,630,084
Administration and Operating Expenses	19,675,635	17,561,205
Financial Charges	957	1,183
Total Expenses	19,676,592	17,562,338
Share of Associates' Profit/(Loss)	75,660,180	(21,204,890)
Impairment Loss on Investments	(566,472)	(1,727,035)
Profit Before Taxation	67,901,869	(24,864,738)
Profit After Taxation	58,238,008	(25,019,630)

اس مدت کے دوران کمپنی کے نیٹ منافع پر رو. 58.24 ملین روپے کے نقصان کے مقابلے میں۔ گزشتہ سال اسی مدت میں 25.02 ملین ایسوسی ایٹ کے نقصان کے حصول کی وجہ سے۔ مجموعی اخراجات میں اضافہ ہوا تھا۔ 19.68 ملین روپے انتظامی اور آپریٹنگ اخراجات میں 12.04 فیصد اضافہ کی 12.56 ملین کی نمائندگی۔ ایسوسی ایٹس کے منافع کا حصہ منافع تھا۔ 75.66 ملین روپے کے مقابلے میں۔ گزشتہ سال اسی مدت میں 21.21 ملین۔

### اقتصادی جائزہ

ملک میں 5.28% کی جی ڈی پی کی ترقی کی شرح کو حاصل کرنے میں کامیاب رہا۔ گزشتہ سال کے مقابلے میں، زراعت کے شعبے میں 3.5 فیصد اضافہ ہوا جبکہ سروس سیکٹر 5.98 فیصد کی ریکارڈ ریکارڈ کی گئی، حکومت نے جی ڈی پی کی نشاندہی کا ہدف 6 فیصد اور مالیاتی خسارے کے قریب ڈسپوزل پسند ترقی پسندانہ بحالی کا نشانہ بنایا ہے۔ 4%۔ بڑے پیمانے پر مینوفیکچرنگ سیکٹر نے آٹوموبائل، تعمیر اور صارفین کے سامان سے آنے والی اہم شراکت کے لئے 5.1 فیصد کی ترقی ریکارڈ کی ہے۔

بیرونی محاذ پر، موجودہ اکاؤنٹ کے خسارہ بڑھتے ہوئے (12 بلین امریکی ڈالر)، غیر ملکی کرنسی کے ذخائر (غیر ملکی کرنسی کے ذخائر 21.26 بلین ڈالر پر کھڑے ہو گئے) کی شکل میں خرابی کو ختم کرنے اور اخراجات کو چھٹکارا کرنے میں کمزوریاں شروع کردیے ہیں۔

کی برابری کی استحکام پر وزن کم ہونے کی توقع ہے جب تک غیر USD ادائیگی کی بیلنس پر بڑھتی ہوئی دباؤ پی ایچ آر / ملکی آمدنی غیر ملکی براہ راست سرمایہ کاری یا قرض فنانس کے ذریعہ محفوظ نہ ہو۔

مالیاتی افادیت، ٹرانسپورٹ کی قیمت اور گھر کی کرایہ پر ہونے والی وجہ سے مالی سال 2013 کے لئے سی پی آئی 4.14 میں اوسط 5% کے ساتھ اچھی طرح FY18 فیصد ریکارڈ کیا گیا تھا۔ ہم امید کرتے ہیں کہ افراط زر آہستہ آہستہ بڑھ جائے لیکن سے لنگر رہتا ہے۔

بڑے اقتصادی استحکام کو دیکھتے ہوئے، ایس بی پی نے مئی 2016 میں 5.75 فیصد کی پالیسی کی شرح کو برقرار رکھا اور 1970ء کے دہائی کے بعد سے اس کی پیسے کی پالیسی کے فیصلے میں بھی برقرار رکھا۔

کمرشل بینکوں رات رات کے بازار میں سرگرم رہے ہیں جہاں اکثریت کی سرگرمی پالیسی کی شرح کے قریب ہے۔ حال ہی میں سی پی آئی کی نیلامی میں حصہ لینے والی سی آر 90 ارب کے برابر تھا جس میں سے 3 سال سی پی آئی نے 74 ارب روپے کی ادائیگی کی ہے جبکہ سی پی آئی 5 سال اور 10 سال سی آر آئی سی پی آئی 9 ارب روپے وصول کر دیے۔ کہا گیا ہے کہ نیلامی بلین 3 سالوں میں منظور کیا گیا تھا۔ پی 68 PKR تھا۔ ایس بی پی نے 75 ارب کو منظور کیا جس میں PKR کا ہدف 50 ارب آئی بی نے اس حقیقت پر زور دیا کہ مارکیٹ طویل عرصے سے باہمی پابندیوں میں جا رہا ہے۔

آخری خزانہ بل میں نیلامی نے 3 اور 6 ماہ کے کاغذات کو گزشتہ سال 5.9910% اور 6.0190 فی صد میں برقرار رکھا، تھا جبکہ اس میں PKR جبکہ 12 مہینے کے کاغذات 6.0386% پر مقرر کیے گئے تھے۔ نیلامی کے لئے ہدف 300 ارب بلین کو قبول کیا گیا تھا۔ ایس بی پی نے سال بھر میں باقاعدگی سے اوم اوڑ PKR 361 بلین تھی جس میں PKR 420 شرکت کو منعقد کیا۔

اسلامی پیسے کے بازار کے سامنے اسلامی جمہوریہ نے 25 جون، 2017 کو پندرہ سالہ 2017 کو فائز کیا۔ اسلامی مارکیٹ کو روکنے کے لئے اضافی خرابی کے بحران میں، جی پی پی نے ایک روپے جاری کیا۔ بنیادی اثاثہ کے طور پر ایم 1 موثر وے کے خلاف 5.24% کی شرح پر 71 ارب روپے مقررہ شرح اعجاز سکک۔

تجارتی خسارے کو وسیع کرنے کی رفتار خطرناک حد تک بڑھ رہی تھی جس میں سرمایہ کاروں کو پیشکش پر پرکٹش پریمیم کے باوجود طویل عرصے سے مستحکم افواج سے دور رکھنے والے غیر ملکی ذخائر کو کمزور رکھا گیا۔ طویل عرصے سے ٹور بینڈ میں دلچسپی کی توقع ہے کہ پی آئی آر / امریکی ڈالر کی ادائیگی سے متعلق ادائیگیوں کی توازن کی طرف اشارہ کرنے والے ریڈ جھنڈوں کے ساتھ بڑھتے رہیں۔

پاکستان اسٹاک ایکسچینج (پی ایس ایکس 100 انڈیکس) ایشیا میں سب سے بہترین مارکیٹ کی درجہ بندی اور 2016 میں بلومبرگ کی طرف سے دنیا بھر میں سب سے بہترین کارکردگی کا مظاہرہ اسٹاک مارکیٹ تھا اور اس کا شمار اس سال کے لئے 46 فیصد کی کل واپسی کی ہے۔ ایس ایس سی آئی فرنٹینر مارکیٹس میں 46 فیصد کی پی ایس ایکس کی واپسی بھی گزشتہ 20 سالوں میں 20 فیصد کی اوسط آمدنی اور گزشتہ 20 سالوں میں 24 فیصد کی اوسط واپسی کے ساتھ منصفانہ طور پر کھڑا ہوا۔

پی ایس ایکس نے کیلنڈر سال 2016 میں بہت تیز رفتار حاصل کی۔ سال کے آغاز میں سست ہو گیا تھا کیونکہ پی ایس ایکس انڈیکس میں تیل کی قیمتوں میں کمی اور تیل کے شعبے میں بھاری وزن کی وجہ سے انڈیکس پہلی سہ ماہی کے دوران نیچے رجحان دکھاتا تھا۔ تاہم، مارکیٹ نے دوسری سہ ماہی میں ایک بار پھر تبدیلی کا مظاہرہ کیا اور پڑوسیوں کے ساتھ سیاسی محاذ اور بین الاقوامی سرحد پر کشیدگی کے باوجود سرمایہ کاروں کو برقرار رکھا اور تیز رہے۔ انڈیکس میں فائدہ اٹھانے والے بڑے شعبوں میں بینکنگ، ای اینڈ پی، ریفائنری، سیمنٹ، دواسازی، وغیرہ شامل تھے۔ ڈیمٹیولائزیشن قانون کے مطابق، پی ایس ایکس حصص کے چالیس فیصد حصص کے اسٹریٹجک فروخت کے معاہدے کو دسمبر، 2016 میں مکمل کیا گیا تھا اور پی ایس ایکس نے اس کی پیشکش کی۔ 85.6 ملین امریکی ڈالر کے بارے میں ایک چینی لیڈ کنسورشیم کے حصص میں شریک ہیں۔ کنسورشیم میں دو پاکستانی مالیاتی اداروں (حبیب بینک لمیٹڈ اور پاک چین انوسٹمنٹ کمپنی لمیٹڈ) کے ساتھ ساتھ، چین فینٹ فیوچرس ایکسچینج، شنگھائی سٹاک ایکسچینج اور شینزین اسٹاک ایکسچینج شامل ہیں۔ کنسورشیم میں غیر ملکی سرمایہ کاروں کو ان کی متنوع مصنوعات کی پیشکش کے ذریعہ پی ایس ایکس سے فائدہ اٹھانا پڑتا ہے، بیرونی طور پر ترقی پذیر ٹیکنالوجی، انتظامی تجربے اور آؤٹ لک اور کراس لسٹنگ کے مواقع۔ کنسورشیم میں مقامی مالیاتی ادارے پی ایس ایکس کو اپنے بڑے برانچ کے نیٹ ورک، کارپوریٹ گورنمنٹ میں عمدہ اور مقامی مارکیٹ کے بارے میں علم اور اس کے قوانین سے فائدہ اٹھانے گئے۔ اس کے علاوہ، پی ایس ایکس پر گورنمنٹ پی ایس ایکس میں حکومتی اداروں کو بورڈ کے ڈائریکٹروں کی تعمیر کے ذریعہ مضبوط کیا گیا ہے، نصف بورڈ کی تقرری کے ذریعہ، خود مختار ڈائریکٹر اور مختص کنسورشیم کے نمائندوں کا تعین

نے ایم ایس سی آئی شامل اور سیاسی غیر یقینی صورتحال سمیت وسیع پیمانے پر ترقیوں کے بعد جنگلی FY17 پی ایس ایکس جھولوں کا مشاہدہ کیا۔ خاص طور پر، منی اور جون کے مہینوں میں، جیٹ کی کارروائیوں کے سلسلے میں خدشات مارکیٹ میں غیر معمولی تجارتی سیشن کا باعث بن رہا ہے۔ پھر بھی پی ایس ایکس 100 مالی سال 17 کے لئے 23.2% کا فائدہ اٹھانے میں کامیاب رہا، گزشتہ 8 سالوں میں مثبت واپسیوں کا اسکرین جاری رہا۔ غیر ملکی سرمایہ کاروں نے خالص بیچنے والے، 652 ملین امریکی ڈالر کی مساوات کو ضائع کرنے کے ساتھ ساتھ ملحقہ فنڈز (575 ملین امریکی ڈالر) کی اکثریت سے فروخت کی۔ اوسط حجم 64% سے 340 ملین حصص میں اضافہ ہوا اور قیمت میں 58% کی قیمت 15 ارب روپے ہو گئی۔

اسٹیل سیکنڈ نے چوتھائیوں کو 198% کی بڑی واپسی کی اشاعت کی، جس میں سال کے دوران 9 ایکس کی طرف سے معیار کو بڑھا دیا گیا۔ مختلف تعمیراتی مصنوعات پر ریگولٹری اور اینٹی ڈمپنگ کے فرائض کو نافذ کرنے کے ساتھ ساتھ بنیادی سرگرمیوں کی طرف سے حمایت کی مضبوط مانگ نے بھی شعبے کو فروغ دیا ہے۔ مزید برآں، پیداوار کی اہلیتوں کو بڑھانے کے منصوبے کی اعلانات نے علاقے میں ایک ریلی کو مزید فروغ دیا۔ اسی طرح، آٹو سیکنڈ نے سال کے دوران 98 فیصد کی حیرت انگیز واپسی بھی کی۔ نئے ماڈل لانچوں، متاثرہ فروخت کے حجموں اور بجٹ میں ٹیکسی اسکیم کی اعلان کی وجہ سے آؤٹ ڈرامیشن میں آیا۔

فلپ کی طرف، منجمد شعبے میں منفی شعبے کی متحرکات اور انویسٹری سمیت بین الاقوامی قیمتوں میں اضافہ کی وجہ سے کھیتوں میں کمی کی وجہ سے 11 فیصد کمی ہوئی۔ اسی طرح، سیمنٹ سیکنڈ نے معیار کو 7% سے بھی کم کیا ہے، کیونکہ کونلے کی قیمتوں میں 30 فیصد اضافہ ہوا جس میں نومبر 2016 میں \$ 100 کی چوٹی تک پہنچ گئی۔ اس کے علاوہ، کارٹیل کی معیشتوں نے چرائٹ سیمنٹ کی صلاحیت کو منی 2017 میں آن لائن آنے کے بعد چیلنج کیا۔ اس کے نتیجے میں، سیمنٹ کی قیمتوں میں اس علاقے میں 4-5 فیصد کمی آئی ہے کیونکہ اسٹاک کی قیمت دباؤ میں رہتی ہے۔

کے اپ گریڈ کے بارے میں مثبت رہیں گے کیونکہ ہمارے بازار میں ایک ایمرجنسی مارکیٹ ملک MSCI آگے بڑھنے میں ہم کی عام قیمت پر 25 فیصد رعایت ہے۔ ہم غیر ملکی سرمایہ کاروں کو قمع ہے کہ پی ایس ایکس میں دلچسپی لانے کے لئے سی سی ای ای اور دیگر بنیادی ڈھانچے کے منصوبے کی وجہ سے غیر ملکی مارکیٹوں میں پاکستان کو نمایاں طور پر نمایاں کیا جائے۔

## کارپوریٹ گورننس کے کوڈ کے بہترین طریقوں سے تعميل

کمپنی کو "گورننس گورننس" (کوڈ) کے ساتھ مطابقت رکھتا ہے جس میں پاکستان اسٹاک ایکسچینج کی لسٹنگ کے قواعد و ضوابط میں شامل ہے جس کے تحت اچھے گورنمنٹ کے فریم ورک قائم کرنے کے لئے، جس میں درج شدہ فاؤنڈ کوڈ کے بہترین (کی ضرورت XVI طریقوں کے مطابق ہے۔ کمپنی کے ڈائریکٹر اس طرح مندرجہ ذیل کی تصدیق کرتے ہیں جو کوڈ کے شق ) ہوتی ہے:

- درج کردہ کمپنی کے ذریعہ تیار کردہ مالی بیانات، اس کے معاملات کو منصفانہ طور پر پیش کرتے ہیں، اس کے نتائج کا نتیجہ، نقد بہاؤ اور مساوات میں تبدیلی؛
- درج کردہ کمپنی کے اکاؤنٹ کی مناسب کتابوں کو برقرار رکھا گیا ہے؛
- مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ کی پالیسیوں کو مسلسل لاگو کیا گیا ہے اور اکاؤنٹنگ کا اندازہ مناسب اور پرکشش فیصلے پر مبنی ہے؛
- بین الاقوامی مالیاتی رپورٹنگ معیار، جیسے پاکستان میں قابل اطلاق، مالی بیانات کی تیاری میں اور وہاں سے کسی بھی رخصت کو مناسب طور پر ظاہر کیا گیا ہے، اور وضاحت کی۔
- اندرونی کنٹرول کا نظام ڈیزائن میں آواز ہے اور اس کو بہتر بنانے کے لئے جاری کوششوں کے ساتھ مؤثر طریقے سے عملدرآمد اور نگرانی کی گئی ہے۔
- جانے والی تشویش کے طور پر جاری رکھنے کے لئے درج کردہ کمپنی کی صلاحیت پر کوئی اہم شک نہیں ہے۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی روانگی نہیں ہے، جیسا کہ ان لسٹنگ کے قوانین میں درج ذیل کے علاوہ ان مالی بیانات کے مطابق مل کر تعميل کے بیان میں ظاہر ہوا ہے۔
- سال کے دوران ڈائریکٹرز کی طرف سے کئے جانے والے فاؤنڈیشن میں کوئی ٹریڈنگ نہیں رہا ہے، چیف ایگزیکٹو آفیسر، کمپنی سیکرٹری اور ان کے شوہر اور ان کے چھوٹے بچوں کے علاوہ متعلقہ نوٹوں میں مالی بیان کے مطابق۔
- ٹیکس، فرائض، اجرت اور الزامات سے متعلق اکاؤنٹ پر کوئی قانونی ادائیگی نہیں ہے۔



### بورڈ آف ڈائریکٹرز اجلاس

سال کے دوران پانچ اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری مندرجہ ذیل ہے:

Names	Designation	No of Meetings attended
Ms. Shafqat Sultana	Chairman	5
Ms. Tara Uzra Dawood	Chief Executive Officer	5
Mr. Ansar Hussain	Director	4*
Mr. Muhammad Izqar Khan	Director	1*
Ms. CharmineHidayullah Khan	Director	3*
Mr. Tahir Mehmood	Director	5
Syed Farhan Abbas	Director	5

\* غیر موجودگی کی اجازت دی گئی تھی۔

### آڈٹ کمیشن اجلاس

سال کے دوران، 5 اجلاس منعقد ہوئے۔ ہر رکن کی حاضری مندرجہ ذیل ہے:

Names	Designation	No of Meetings attended
Mr. Ansar Hussain	Chairman	4*
Mr. Tahir Mehmood	Member	5
Syed Farhan Abbas	Member	5

\* غیر موجودگی کی اجازت دی گئی تھی۔

### آڈیٹر

موجودہ آڈیٹر، ہارون ذاکر اور کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائرڈ اور اہل ہونے کے لئے، خود دوبارہ دوبارہ ملاقات کے لئے پیش کی ہیں۔ بورڈ کی آڈٹ کمیشن نے 30 جون 2018 تک ختم ہونے والی سال کے لئے قانونی امتحان کے طور پر ان کی دوبارہ ملاقات کی سفارش کی ہے اور بورڈ نے مواصلات کی توثیق کی ہے۔

### آڈیٹروں کی رپورٹ

آڈیٹر نے 30 جون، 2017 کو ختم ہونے والے سال کے لئے کمپنی کے مالی بیانات پر اپنی رائے دی ہے، جس میں انہوں نے

بعض معاملات پر زور دیا ہے۔

• مالی بیانات میں 1.2 نوٹ کرنے کا ہمارے جواب یہ ہے کہ مینجمنٹ نے مینجمنٹ کمپنی کے حصص میں ٹریڈنگ کی معطلی کو ہٹانے کے علاوہ لائسنس کی تجدید کے لئے تمام ضروریات کے مطابق عمل کیا ہے اور مینجمنٹ معاملے کو درست کرنے کے عمل میں ہے۔ پھر بھی انتظامیہ کو یہ سمجھا جاتا ہے کہ پروسیس غیر بینکنگ فنانس کمپنیوں (قیام و ضوابط) کے قوانین (قانون سازی اور ضابطے) کے قوانین کے قانون 5 کے ذیلی حکمرانی 9 میں موجود ہے، موجودہ لائسنس اس وقت تک درست ہے جب کمیشن نے لائسنس کی تجدید کی ہے۔

• مالیاتی بیانات میں 1.3 نوٹ کرنے کا ہمارے جواب یہ ہے کہ مینجمنٹ غیر بینکنگ فنانس کمپنیوں اور مطلع شدہ اداروں کے قوانین، 2008 کے سیکشن 4 کے قواعد و ضوابط کو یقینی بنانے کے قابل تھا اور 2008ء میں کم از کم ایونٹی کی ضروریات کو پورا کرنے میں کامیاب تھا۔

• مالی بیانات میں نوٹ 2 کے ہمارا جواب یہ ہے کہ کمپنی نے سیکریٹریٹ اور ایکسچینج کمیشن آف پاکستان ایکٹ، 1997، سیکشن سیکشن سیکشن 33 کے تحت 22 مارچ، 2013 کو ایگزیکٹو ڈائریکٹر سیکریٹری کے آرڈر کے خلاف اپیلیٹ ٹریبونل میں اپیل کی ہے۔ ایس سی پی وائٹ آف آرڈر کے اپیلیٹ ٹریبونل نے 22 جنوری 2015 کو حکم دیا ہے کہ اس میں بیان کردہ بنیادوں پر ابتداء میں ابتدائی آرڈر کریں۔ اپیلیٹ ٹریبونل کے فیصلے کو ایس سی پی کے سیکشن کے سیکشن 34 کے سلسلے میں اپیل نہیں کی گئی تھی اور اپیلیٹ ٹریبونل میں اپیلیٹ ٹریبونل میں ایگزیکٹو ڈائریکٹر ایس سی پی نے رجسٹرار اپیلیٹ ٹریبونل سیکریٹری کے ذریعہ مسترد کر دیا تھا اور اس کے نتیجے میں عدم اعتماد حاصل کی۔

• مالی بیانات کو نوٹ 8 اور 9 کے جواب دینے کا ہمارے جواب یہ ہے کہ مینجمنٹ کے عمل میں یہ ہے کہ غیر بینکنگ فنانس (کا اطلاق یقینی بنایا جائے) کمپنیوں اور مطلع شدہ اداروں کو مطابقت، 2008 کے ضابطے 37 (7) کے مطابق

کے مالی بیانات میں نوٹ 15 کے جواب میں ہمارے جواب میں یہ ہے کہ دیئے گئے حالات اور انتظامیہ کے فیصلے FDMF میں سب سے بہترین فیصلے کو ریکارڈ نہیں کرنا، وقت کے ساتھ، یونین ہولڈرز کے مفادات کے خلاف ہو گا تاہم ترمیم شدہ آرڈر کے احکامات کی وصولی پر ساتھ ساتھ انکم ٹیک آرڈیننس، 2001 میں دوسرا شیڈول میں حصہ لینے کے شق (99) کے مطابق چھوٹ کے سرٹیفکیٹ، 2001 کو پیش کیا گیا تھا۔

## رسک مینجمنٹ

خطرہ کسی بھی کاروبار کا ایک لازمی حصہ ہے اور خطرے کے مقابلے میں خطرے کے فلسفہ میں جڑ جاتا ہے، یہ خطرہ زیادہ ہے، انعام سے زیادہ، ہمارا بنیادی مقصد سرٹیفکیٹ ہولڈر کی قیمت کو زیادہ سے زیادہ کرنے کے لئے ہے، لیکن یہ ایک واضح طور پر واضح خطرہ برداشت کرنے میں کیا جانا چاہئے

786 اور اس کے فنڈز مختلف قسم کے خطرے سے متعلق ہیں جن میں کریڈٹ، مکلفیت، سود کی شرح، مارکیٹ کے خطرے اور آپریشنل خطرے شامل ہیں۔ ہمارے خطرے کے انتظام کی پالیسیوں اور طریقہ کار کو یقینی بنانا ہے کہ خطرات کو مؤثر طریقے سے شناخت، جانچ، نگرانی اور منظم کیا جاسکتا ہے۔ خطرہ مینجمنٹ ایک متحرک فنکشن ہے اور آمدنی میں متغیرات کو کم کرنے کے لئے انتظامیہ کو اپنے داخلی خطرے کے طریقہ کار اور طریقوں کو مسلسل نگرانی کرنا چاہئے۔

بورڈ نے مندرجہ ذیل کمیٹیاں بنائے ہیں جو بینکوں سے متعلق ہے  
کرنے کے لئے:

- بورڈ کی آڈٹ کمیٹی
- سرمایہ کاری کمیٹی

## اخلاقیات اور کاروباری طریقوں کا بیان

کمپنی کے ڈائریکٹر بورڈ نے اخلاقیات اور کاروباری طریقوں کا ایک بیان اپنایا ہے۔ تمام ملازمین اس بیان کے بارے میں مطلع کر رہے ہیں اور کاروبار اور قواعد و ضوابط کے سلسلے میں ان اصولوں کا مشاہدہ کرنے کی ضرورت ہے۔

## ڈائمنڈ

اوپر کی بنیاد پر، کمپنی کے ڈائریکٹر بورڈ نے فیصلہ کیا ہے کہ اس سال کے حصول داروں کو کسی بھی لواحقین کو تقسیم نہیں کیا جائے۔

## کریڈٹ ریٹنگ

بے (2012: AM3) 'AM3' Rating (AMR) آپریشن کے معطلی سے پہلے مینجمنٹ کمپنی کے اثاثہ منیجر

## کمپنی کے حصص میں ٹریڈنگ

سال کے دوران، کمپنی کے حصص میں کوئی ٹریڈنگ ڈائریکٹر، سی ای او، کمپنی سیکریٹری اور چھوٹے بچوں کے ان کے شوہروں کی طرف سے کئے گئے تھے۔

## منسلک افراد / متعلقہ جماعتوں کے ساتھ ٹرانزیکشن

فاؤنڈیشن اور مالیاتی بیانات کے نوٹوں میں انکشاف کے طور پر اس کے منسلک افراد کے درمیان ٹرانسمیشن ایک بازو کی لمبائی پر کئے جاتے ہیں۔

## 30 جون، 2017 کو شیئرنگ ہولڈنگ کا نمونہ

30 جون، 2017 کو شیئر ہولڈنگ کا نمونہ، کارپوریٹ گورننس کے تحت ضروری افادیت کے ساتھ ساتھ ان مالی بیانات کے مطابق شامل ہے۔

## اہم مالیاتی اشارے

کلیدی مالیاتی نمائشیں خلاصہ کی جاتی ہیں اور ان مالی بیانات میں شامل ہیں۔

اسٹاف ریٹائرمنٹ فوائد

786 ان مالیاتی ملازمین کے تمام مستقل ملازمین کی تفصیلات کے لئے ایک صوبائی فنڈ اسکیم چل رہا ہے۔

## بیلنس شیٹ کی تاریخ کے بعد واقعات

بیلنس شیٹ کی تاریخ کے بعد واقعہ ہونے والی مواد کے واقعات جن کے مطابق مالی مالی بیانات میں ایڈجسٹمنٹ / افشاء کرنے کی ضرورت ہوتی ہے ان مالی بیانات میں انکشاف کیا جاتا ہے۔

## اعتراف

مینجمنٹ کمپنی کے ڈائریکٹر بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان، ان کے مسلسل تعاون اور تعاون کے لئے پاکستان اسٹاک ایکسچینج لمیٹڈ کے انتظام کے لئے منفی ہے۔ کمپنیوں نے کمپنی کے ملازمین کو ان کی عزم اور اعتقاد اور حصول داروں کے لئے کمپنی میں اعتماد کے لئے کی جانے والی کوششوں کی بھی تعریف کی ہے۔

کے لئے اور کی طرف سے

بورڈ آف ڈائریکٹرز،

18 September, 2017

کراچی

چیرمین



**786 INVESTMENTS LIMITED**  
*(FORMERLY DAWOOD CAPITAL MANAGEMENT LIMITED)*  
**REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE  
WITH BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE**

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of 786 Investments Limited (formerly Dawood Capital Management Limited) for the year ended June 30, 2017 to comply with the requirements of Rule Book of Pakistan Stock Exchange Limited Chapter 5, Clause 5.19.24(b) of the code, where the company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, the Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its related party transaction distinguishing between transaction carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length prices or not.



Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.

We draw attention to below instances of non-compliance with the requirements of the Code as are reflected in the Statement of Compliance.

S. No.	Paragraph Reference	Description
1	5.19.13	Management company could not comply with all the corporate and financial reporting requirements of the Code
2	5.19.21(a)	The internal audit function has been outsourced to a professional firm on April 22, 2016. However, no full time Head of internal audit has been designated during the year.
3	5.19.23	Management started to comply with the requirements of maintaining a register of persons having access to inside information from 15 February 2017 and onwards.

*Reanda Haroon Zakaria*  
Reanda Haroon Zakaria & Company  
Chartered Accountants

Place: Karachi

Dated: 10 SEP 2017

**STATEMENT OF COMPLIANCE WITH THE CODE  
OF CORPORATE GOVERNANCE FOR  
THE YEAR ENDED JUNE 30, 2016.**

This Statement is being presented to comply with the Code of Corporate Governance ("CCG") contained in Regulation No. 5.19.24 of listing regulations of the Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

The Management Company has applied the principles contained in the CCG in the following manner:

1. The Management Company encourages representation of independent non-executive directors and directors representing minority interest on its board of directors. At present the Board includes:

Category	Names	Designation
Independent Directors	Ms. Shafqat Sultana Mr. Ansar Hussain Mr. Muhammad Izqar Khan Ms. Charmine Hidayullah Khan	Chairman Director Director Director
Executive Director	Ms. Tara Uzra Dawood	Chief Executive Officer
Non - Executive Director	Syed Farhan Abbas Mr. Tahir Mehmood	Director Director

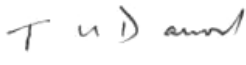
The independent directors meet the criteria of independence under clause 5.19.1(b) of CCG.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including Management Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancies occurred on the board of directors during the period.
5. The Management Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
6. The board has developed a vision / mission statement, overall corporate strategy and significant policies for the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been exercised and decisions on material transactions have been taken by the board. During the year, the board approved the change in terms and conditions of employment of the CEO.

8. All the meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with the agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. One of the directors attended the directors' training course conducted by the Pakistan Institute of Corporate Governance (PICG) this year. One of the director is exempted from taking the directors training course and the rest of the directors will attend this course in the future.
10. During the year, the Board approved appointment of Chief Financial Officer and Company Secretary, including the remuneration and conditions of employment.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed and signed by the Chief Executive Officer and Chief Financial Officer before the approval of the Board.
13. The directors, Chief Executive Officer and executives do not hold any interest in the units of the Fund other than that disclosed in the pattern of unit holding.
14. The Management Company did not file the annual audited accounts of the Fund for the year ended 30 June 2016 in a timely manner and hence could not comply with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee on September 7, 2015. Audit Committee comprised 3 members, of whom all were non-executive directors and the chairman of the Committee is an independent director.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Fund and as required by the CCG. The terms of reference of the committee have been formed and advised to the Committee for compliance.
17. The Board has formed an HR and Remuneration Committee. HR and Remuneration Committee comprises four members, of whom the majority are non-executive directors and the chairman of the Committee is an independent director.
18. The internal audit function was outsourced to a professional firm on April 22, 2016. However, no full time Head of Internal Audit was designated during the year. Subsequent to year end, a Head of Internal Audit was appointed.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Management Company/units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period' prior to the announcement of the financial results, and business decisions, which may materially affect the market price/net assets value of the Management Company/Funds, was determined and intimated to directors, employees and the stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through the Stock Exchange.

23. The Management Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer. The compliance of such Regulation was made from 15 February 2017 onwards and proper records are being maintained since then including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles contained in the Code have been complied with except for the matters mentioned in notes 14, 18 and 23.

Date: 18 September, 2017

  
On Behalf of the Board of Directors  
**786 Investments Limited (formerly known as**  
**"Dawood Capital Management Limited")**  
**Tara Uzra Dawood**  
Chief Executive Officer



## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **786 INVESTMENT LIMITED** (formerly Dawood Capital Management Limited (DCML)) as at June 30, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Repealed Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conduct our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of accounts have been kept by the Company as required by the Repealed Companies Ordinance, 1984;
- b) in our opinion:
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Repealed Companies Ordinance, 1984 and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Repealed Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2017 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and



- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

***Emphasis of Matter Paragraph:***

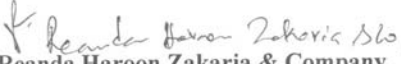
We draw attention to,

- i. note 1.2 to the financial statements which provides details regarding application for renewal of license which is in process with the Securities and Exchange Commission of Pakistan.
- ii. note 1.3 to the financial statements which details the deficiency in meeting the minimum capital requirement as prescribed by regulation 4 of part I of Non-Banking Finance Companies and Notified Entities Regulations, 2008.
- iii. note 8 and 9 to the financial statements which provided details regarding the equity portfolio maintained by the Company which is in non-compliance of Regulation 37(7)(k) of Non-Banking Finance Companies and Notified Entities Regulations 2008. Currently correspondence is in process with SECP for grant of approval to un block the shares of one such investee as well as it is also communicated that un listed investment will be sold on identification of buyer.
- iv. Financial statements of First Dawood Mutual Fund include provision for taxation of Rs.63.6 million for reason explained in the financial statements of fund and such provision has consequential impact on equity accounting used in the accompanying financial statements.

Our conclusion is not qualified in respect of the above stated matters.

**Other Matter**

The condensed interim financial information of the company for the six months period ended December 31, 2015 and financial statements of the company for the year ended June 30, 2016 have been reviewed by another firm of Chartered Accountants. Both reports are dated October 28, 2016 expressed an unmodified opinion / conclusion with emphasis of matter paragraphs on the matters as described in the preceding paragraph.

  
**Reanda Haroon Zakaria & Company**  
Chartered Accountants

**Place:** Karachi

**Dated:** 18 SEP 2017

**Engagement Partner:**  
**Farhan Ahmed Memon**



## BALANCE SHEET AS AT JUNE 30, 2017

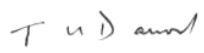
	2017	2016
<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b><u>ASSETS</u></b>		
<b>Non-Current Assets</b>		
Property and Equipment	7 2,975,753	235,622
Long-Term Investments	8 247,325,994	173,704,540
Loans and Advances	9 834,500	-
Long-Term Deposits	36,300	36,300
	<u>251,172,547</u>	<u>173,976,462</u>
<b>Current Assets</b>		
Short-Term Investments	10 7,648,278	2,430,294
Loans and Advances	11 -	52,000
Short-Term Prepayments	12 1,066,865	15,650
Other Receivables	13 10,040,206	47,309,363
Taxation - Net	4,935,220	6,128,966
Cash at Bank	14 12,335,666	1,740,633
	<u>36,026,235</u>	<u>57,676,906</u>
<b>Total Assets</b>	<u><b>287,198,782</b></u>	<u><b>231,653,368</b></u>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Share Capital And Reserves</b>		
<b>Authorised Capital</b>		
20,000,000 Ordinary Shares Of Rs. 10 Each	<u>200,000,000</u>	<u>200,000,000</u>
Issued, Subscribed and Paid-Up Capital	15 149,737,500	149,737,500
General Reserves	33,630,264	33,630,264
Surplus/(Deficit) on Revaluation of Available for Sale Investments	4,098,143	(1,119,841)
Unappropriated Profit	<u>83,420,544</u>	<u>28,278,527</u>
	<u>270,886,451</u>	<u>210,526,450</u>
<b>Current Liabilities</b>		
Trade and Other Payables	16 16,312,331	21,126,918
<b>Contingencies and Commitments</b>		
<b>Total Equities and Liabilities</b>	17 <u><b>287,198,782</b></u>	<u><b>231,653,368</b></u>

The annexed notes from 1 to 34 form an integral part of these financial statements

  
\_\_\_\_\_  
Chief Financial Officer

786 Investments Limited  
(Management Company)

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chief Executive Officer



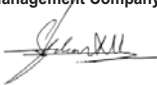
## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2017


	<i>Note</i>	<i>2017 Rupees</i>	<i>2016 Rupees</i>
<b>Income</b>			
Remuneration from Funds Under Management	18	10,013,419	14,070,176
Impairment against Investments	19	(566,473)	(1,727,035)
		<u>9,446,946</u>	<u>12,343,141</u>
<b>Expenses</b>			
Administrative and Operating Expenses	20	19,675,635	17,561,205
Financial Charges		957	1,183
		<u>19,676,592</u>	<u>17,562,388</u>
<b>Operating Loss</b>		<u>(10,229,646)</u>	<u>(5,219,247)</u>
Other Operating Income	22	670,592	1,559,908
Other Operating Charges	23	(1,296,101)	-
Share of Associates' Profit/(Loss)	24	75,660,180	(21,204,890)
<b>Profit/(Loss) Before Taxation</b>		<u>64,805,025</u>	<u>(24,864,229)</u>
Taxation	25	9,663,008	155,401
<b>Net Profit/(Loss) for the Year</b>		<u><u>55,142,017</u></u>	<u><u>(25,019,630)</u></u>
<b>Earnings/(Loss) per Share - Basic And Diluted</b>	26	<u><u>3.68</u></u>	<u><u>(1.67)</u></u>

The annexed notes from 1 to 34 form an integral part of these financial statements

  
 \_\_\_\_\_  
 Chief Financial Officer

786 Investments Limited  
(Management Company)

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Chief Executive Officer




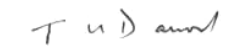
**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2017**

	<i>2017</i> <i>Rupees</i>	<i>2016</i> <i>Rupees</i>
Net Profit/(Loss) for the Year	55,142,017	(25,019,630)
<b>Comprehen</b>		
Surplus/(Deficit) on Revaluation of Available for Sale	5,217,984	(1,858,460)
<b>Total Comprehensive Income/(Loss) for the Year</b>	<b>60,360,001</b>	<b>(26,878,090)</b>

The annexed notes from 1 to 34 form an integral part of these financial statements

  
\_\_\_\_\_  
Chief Financial Officer

786 Investments Limited  
(Management Company)

  
\_\_\_\_\_  
Director  
\_\_\_\_\_  
Chief Executive Officer




## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2017

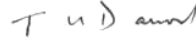
	2017 Rupees	2016 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) Before Taxation	64,805,025	(24,864,229)
<b>Adjustments for Items Not Involving Movement of Funds:</b>		
Depreciation on Property and Equipment	203,298	285,632
Impairment against Investments	566,473	1,727,035
Financial Charges	957	1,183
Gain on Disposal of Property and Equipment	-	(934,998)
Mark-Up Earned on Saving Account	(670,592)	(89,910)
Share of Associates' Profit	(75,660,180)	21,204,890
	(75,560,044)	22,193,832
<b>Operating Cash Flows Before Working Capital Changes</b>	10,755,019	(2,670,397)
<b>(Increase)/Decrease in Current Assets</b>		
Loans and Advances	52,000	(52,000)
	37,321,154	(6,287,041)
<b>Increase in Current Liabilities</b>		
Trade and Other Payables	(4,814,588)	3,904,982
	21,751,547	(5,052,456)
Income Taxes Paid/Refund - Net	(8,469,258)	(1,426,941)
Financial Charges Paid	(957)	(1,183)
<b>Net Cash Generated From/(Used In) Operating Activities</b>	13,281,332	(6,480,580)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Disposal of Property and Equipment	-	934,998
Advance against Vehicle	(834,500)	-
Purchase of Property and Equipment	(2,943,429)	(52,284)
<b>Net Cash (Used In)/Generated from Investing Activities</b>	(2,686,299)	6,291,714
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	10,595,033	(188,866)
<b>Cash and Cash Equivalents at Beginning of The Year</b>	1,740,633	1,929,499
<b>Cash and Cash Equivalents at End of The Year</b>	12,335,666	1,740,633

The annexed notes from 1 to 34 form an integral part of these financial statements

  
Chief Financial Officer

786 Investments Limited  
(Management Company)

  
Director

  
Chief Executive Officer




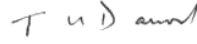
## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2017

	<i>Issued, Subscribed and Paid-Up Capital</i>	<i>General Reserve</i>	<i>Surplus on Revaluation of Available for Sale Investments</i>	<i>Unappropriated Profit</i>	<i>Total</i>
	----- Rupees -----				
<b>Balance as at July 1, 2015</b>	149,737,500	33,630,264	738,619	53,298,157	237,404,540
Profit for the Year	-	-	-	(25,019,630)	(25,019,630)
Other Comprehensive Income	-	-	(1,858,460)	-	(1,858,460)
<b>Total Comprehensive Income for the Year</b>	-	-	(1,858,460)	(25,019,630)	(26,878,090)
<b>Balance as at June 30, 2016</b>	149,737,500	33,630,264	(1,119,841)	28,278,527	210,526,450
Profit for the Year	-	-	-	55,142,017	55,142,017
Other Comprehensive Income	-	-	5,217,984	-	5,217,984
<b>Total Comprehensive Income for the Year</b>	-	-	5,217,984	55,142,017	60,360,001
<b>Balance as at June 30, 2017</b>	<b>149,737,500</b>	<b>33,630,264</b>	<b>4,098,143</b>	<b>83,420,544</b>	<b>270,886,451</b>

The annexed notes from 1 to 34 form an integral part of these financial statements

  
 \_\_\_\_\_  
**Chief Financial Officer**

**786 Investments Limited  
(Management Company)**  
  
 \_\_\_\_\_  
**Director**

  
 \_\_\_\_\_  
**Chief Executive Officer**



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### 1. STATUS AND NATURE OF BUSINESS

- 1.1 786 Investments Limited (formerly Dawood Capital Management 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. During the 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

According to Non Banking Finance Companies and Notified Entities Regulations 2008, a Non Banking Finance Company (NBFC) or a Notified Entity (NE) is required to pay to SECP all fees prescribed under Schedule II and the license granted to the NBFC shall be valid for three years from the date of its issuance and shall be renewable upon expiry of the said period by making an application at least one month prior to the expiry. The Management Company with reference to the letter of application dated August 5, 2016, has applied for renewal of license which is in process with SECP.

- 1.3 In accordance with regulation 4 of 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 by June 30, 2013. As at the year end the Company's equity amounted to Rs. 279.63 (2016: 206.844) million. The Company's financial statements for the year ended June 30, 2017 are being prepared on a going concern basis as the management has complied with the minimum equity requirements and application for renewal of license is expected to be approved soon.

Further, the management vide its letter dated November 13, 2015 has conveyed its commitment to SECP to ensure the compliance with all the laws applicable to Company including Repealed Companies Ordinance 1984, Listing rules and regulations, Non Banking Finance Companies and Notified Entities Regulations, 2008 and Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.

### 2. SUSPENSION OF FUNDS UNDER MANAGEMENT

During prior years, the operations of the Funds under management were suspended from March 22, 2013 by SECP vide order number SCD-SD (Enf.)/KHI/DCML/2013/61 in pursuance to a show cause notice issued on November 8, 2012 for violation of Regulation 38(a) and Regulation 38(n) of the Non-Banking Finance Companies and Notified Entities Regulation 2008 (NBFC Regulations). Further SECP cancelled the license of the Company to undertake the business of Asset Management Services and Investment Advisory Services and trustees were directed to extinguish/revoke the fund in the interest of unit/certificate holders.

The Management Company filed an appeal before the Appellate Bench of the SECP against the above suspension of the Funds and the cancellation of the license to undertake the business of Asset Management Services and Investment Advisory Services on the grounds that the above actions of the SECP were taken without lawful authority and jurisdiction. During prior year, on January 22, 2015, the appeal was decided in favour of the Management Company by the Appellate Bench.

An application for review/recall of above order of the Appellate Bench No II was filed by the Executive Director (Specialized Company Division) with Appellate Bench, SECP. However, Appellate Bench vide letter dated November 25, 2015 did not accept the application on the grounds that there is no provision in the law which gives the Appellate Bench powers to review its own order and thus the matter has attained finality.

Based on the above, Management Company is authorized and licensed to undertake Asset Management Services and Investment Advisory Services. Board of Directors of the Company has approved all the due accounts of Dawood Income Fund (DIF), Dawood Islamic Fund (DIF-S) and First Dawood Mutual Fund on January 29, 2016, March 11, 2016 and July 27, 2016 respectively. The operations of DIF, DIF-S and FDMF has been restored with effect from February 10, 2016, March 20, 2016 and August 1, 2016 respectively.

### 3. BASIS OF PREPARATION

#### 3.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Repealed Companies Ordinance, 1984, the provisions of and directives issued under the Repealed Companies Ordinance, 1984, 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). Wherever the requirements of Repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the Repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.





### 3.2 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

### 3.3 Functional and Presentation Currency

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

## 4. NEW/REVISED ACCOUNTING STANDARDS, AMENDMENTS TO PUBLISHED ACCOUNTING STANDARDS, AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE

### 4.1 Standards or Interpretations that are Effective in Current Year but not Relevant to the Company

The following standards, amendments and interpretations of approved accounting standards are only effective for annual periods beginning from the dates specified below. These standards are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements, other than increased disclosures in certain cases:

	<i>Standards or Interpretation</i>	<i>Effective Date (Annual Periods Beginning on or After)</i>
IFRS 2	Share-Based Payments- Classification And Measurement of Share based Transactions (Amendments)	January 01, 2018
IFRS 10	Consolidated Financial Statements, IFRS 12 Disclosure of interests in other Entities And IAS 28 Investment in Associates-Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10	Consolidated Financial Statements, IAS 28 Investments in Associates and Joint Ventures-Sale or Contribution of Assets Between an investor and its associates or Joint venture (Amendment)	Not yet Finalized
IFRS 11	Joint Arrangements - Accounting for acquisition of interest in Joint operation (Amendment)	January 01, 2016
IAS 1	Presentation of Financial Statements-Disclosure Initiative (Amendment)	January 01, 2016
IAS 7	Financial instruments: Disclosures-Disclosure Initiative- (Amendment)	January 01, 2017
IAS 12	Income Taxes- Recognition of Deferred Tax Assets for Unrealized Losses (Amendments)	January 01, 2017
IAS 16	Property, Plant and Equipment and IAS 38 Intangible Assets- Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 01, 2016
IAS 16	Property, Plant and Equipment and IAS 41 Agriculture : Bearer Plants (Amendment)	January 01, 2016
IAS 27	Separate Financial Statements-Equity Method in Separate Financial Statements	January 01, 2016



The Company expects that the adoption of the above standards and interpretation will not have any material impact on its financial statements in the period of initial application.

In addition to the above, amendments to various accounting standards have also been issued by the IASB (International Accounting Standards Board) in September 2014. Such improvements are generally effective for accounting periods beginning on or after January 01, 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standards		(Effective for annual periods beginning on or after)
IFRS 9	Financial Instruments- Classification and Measurement	January 01, 2018
IFRS 14	Regulatory Deferral Accounts	January 01, 2016
IFRS 15	Revenue from Contracts with Customers	January 01, 2018
IFRS 16	Leases	January 01, 2019

## 5. SIGNIFICANT ACCOUNTING POLICIES

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

### 5.1 Property and equipment

#### 5.1.1 Owned

These are stated at cost less accumulated depreciation and impairment, if any. Such costs include the cost of replacing parts of fixed assets when that cost is incurred. Maintenance and normal repairs are charged to profit and loss account as and when incurred. Depreciation is charged to profit and loss account over the useful life of the asset on a systematic basis applying the straight line method at the rates specified in note 7 to the financial statements.

Depreciation on additions is charged from the month in which the assets are put to use while no depreciation is charged in the month in which the assets are disposed off.

The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed estimated recoverable amount, assets are written down to their estimated recoverable amount.

An item of fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The residual values and useful lives of assets are reviewed at each financial year end and adjusted, if appropriate.

Gains and losses on disposals, if any, are included in the profit and loss account.

#### 5.1.2 Lease Assets

Asset subject to finance lease is accounted for by recording the asset at the lower of present value of minimum lease payments under the lease agreement and the fair value of asset acquired. The related obligation under the lease is accounted for as a liability. Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

### 5.2 Impairment

The carrying amounts of the Company's assets, for which policy is given separately, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists the assets' recoverable amount is estimated. An impairment loss is recognised wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are charged to profit and loss account.

### 5.3 Investments

All investments are initially measured at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs that are directly attributable to acquisition.



The management of the Company determines the appropriate classification of its investments for the purpose of subsequent measurement in accordance with the requirements of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement', at the time of purchase.

The Company classifies investments in the following categories:

**Investments at fair value through profit or loss**

These include held for trading investments and such other investments that, upon initial recognition, are designated under this category. Investments are classified as held for trading if they are acquired for the purpose of selling in the near term. All derivatives are classified as held-for-trading. These are initially recorded at cost. Derivatives with positive fair values (unrealised gains) are included in assets and derivatives with negative fair values (unrealised losses) are included in liabilities in the statement of assets and liabilities. After initial measurement, such investments are carried at fair value and the gains or losses on revaluation are recognised in the profit and loss account in the period in which they arise.

**Held to Maturity**

Investment with fixed maturities and fixed or determinable payments are classified as held to maturity investments when management has both the intent and ability to hold to maturity. After initial measurement, such investments are carried at amortised cost less any provision for impairment. Premiums and discounts on investments are amortised using the effective interest rate method and taken to profit and loss account from investments.

**Available for Sale**

These are non-derivative financial assets that are not classified as (a) loans and receivables (b) held to maturity investments or (c) financial assets at fair value through profit or loss. After initial measurement, such investments are measured at fair value with unrealised gains or losses recognised in the equity through other comprehensive income until the investment is derecognised or determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is taken to the income statement. However, unquoted equity investments are carried at the lower of cost or break up value.

**Fair values of investments are determined as follows:**

**Listed Shares**

These are valued on the basis of closing market prices quoted on the respective stock exchange.

**Mutual Funds Units**

These are valued by reference to the net asset values declared by the respective fund.

**Debt Securities**

Fair value of debt securities, other than government securities, are valued on the basis of prices announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with Regulation 66(b) of the NBFC Regulations.

**Government Securities**

Fair value of Government securities is determined by reference to the quotations obtained from the PKRV rate sheet on the Reuters page.

**5.4 Investments in Associates - Equity Method**

Entities in which the Company has significant influence but not control and which are neither its subsidiaries nor joint ventures are associates and are accounted for by using the equity method of accounting.

These investments are initially recognized at cost and thereafter, the carrying amount is increased or decreased to recognize the Company's share of profit and loss of associates. Share of post acquisition profit and loss of associates is accounted for in the Company's profit and loss account. Distribution received from investee reduces the carrying amount of investment.

The changes in the associate's equity which have not been recognized in the associates' profit and loss account, are recognised directly in the equity of the Company.

**5.5 Settlement Date Accounting**

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchases and sales are recognized at the settlement date. Trade date is the date on which the Company commits to purchase or sale an asset.



## **5.6 Securities Under Repurchase/Resale agreements Investment in Associates**

Securities purchased under a corresponding commitment to resell at a specified future date (reverse-repo) are recorded as receivables against carry-over transactions at fair value of the consideration given. Securities sold under a simultaneous commitment to repurchase at a specified future date (repo) are recognised in the balance sheet as investments and the counterpart liability is shown as payable against carry-over transactions. All carry-over transactions are accounted for on settlement date basis.

## **5.7 Financial Instruments**

### **5.7.1 Financial Assets and Liabilities**

Financial assets include investments, deposits, loans, advances, other receivables, receivable from funds and cash and bank balances.

Financial liabilities include accrued expenses and other liabilities and liabilities against assets subject to finance lease. Financial liabilities are classified according to the substance of the contractual agreement entered into.

At the time of initial recognition, all the financial assets and liabilities are measured at cost, which is the fair value of the consideration given or received for it. Transaction costs are included in the initial measurement of all financial assets and liabilities except for transaction costs that may be incurred on disposal. The particular recognition method adopted for recognition of financial assets and liabilities subsequent to initial recognition is disclosed in the policy statement associated with each item.

### **5.7.2 Offsetting of Financial Assets and Financial Liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Corresponding income on the asset and charge on the liability is also off-set.

### **5.7.3 Related Party Transactions and Transfer Pricing**

Transactions and contracts with the related parties are based on the policy that all transactions between the Company and related parties are carried out at arm's length prices which are determined in accordance with the methods prescribed in the Repealed Companies Ordinance 1984.

## **5.8 Employee Retirement Benefits-Defined Contribution Plan**

The Company operates recognised provident fund scheme for all its eligible employees. Equal monthly contributions are made, both by the Company and its employees, to the fund at the rate of 10 percent of basic salary.

## **5.9 Cash and cash Equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalent consist of bank balances and running finances under mark-up arrangements.

## **5.10 Trade Debts and Other Receivables**

Trade debts and other receivables are recognized and carried at original invoiced amount. When a trade debt is uncollectible, it is written off and charge to profit and loss account. Subsequent recoveries of amounts previously written off are credited to the profit and loss account.

## **5.11 Borrowing/Debt**

Borrowings/debt is recognized initially at fair value, net of transaction costs incurred. These are subsequently measured at amortized cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of borrowings/debt under the effective interest method. Markup/profit on borrowings/debt is calculated using the effective interest method and is recognized in the profit and loss account.

## **5.12 Trade and Other Payables**

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.



#### **5.13 Proposed Dividend and Transfer Between Reserves**

Dividends declared and transfer between reserves, except appropriations which are required by the law, made subsequent to the balance sheet date are considered as non adjusting events and are recognized in the financial statements in the year in which such dividends are declared or transfers between reserves are made.

#### **5.14 Foreign Currency Transactions**

Transactions denominated in foreign currencies are accounted for in Pakistani Rupee (rupee) at the foreign exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Rupees at the foreign exchange rates approximating those prevailing at the balance sheet date. Exchange differences are taken to the profit and loss account.

#### **5.15 Revenue Recognition**

Remuneration for investment advisory and asset management services are recognised on accrual basis.  
Commission income is recognised on accrual basis.  
Gains and losses on sale of marketable securities are recognised on the date of sale.  
Dividend income is recorded when the right to receive the dividend is established.  
Return on securities other than shares is recognised on accrual basis.  
Return on bank deposits are recognised on accrual basis. Other income is recognised as and when earned.

#### **5.16 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, if it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

#### **5.17 Segment Reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. The Company has only one reportable segment.

#### **5.18 Taxation**

##### **Current**

The charge for current taxation is based on taxable income at current rates of taxation after taking into consideration available tax credits, rebates and tax losses, if any. However, for income covered under final tax regime, taxation is based on applicable tax rules under such regime. The charge for current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed/finalised during the year.

##### **Deferred**

Deferred tax is accounted for using the statement of financial position liability method in respect of all temporary timing differences arising from difference between the carrying amount of the assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

#### **6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

- a) **Recognition of Taxation and Deferred Taxation;**
- b) **Determining the Useful Lives of Operating Fixed Assets;**
- c) **Classification of Investments; and**
- d) **Impairment of Financial Assets.**

## 7 PROPERTY AND EQUIPMENT

7.1 The following is the statement of property and equipment:

Description	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
	----- Rupees -----				
<b>Year Ended June 30, 2017</b>					
Opening Net Book Value (NBV)	93,619	-	87,456	54,547	235,622
Additions (at Cost)	-	2,686,070	9,000	248,359	2,943,429
<b>Disposals</b>					
Cost	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Net Book Value</b>	-	-	-	-	-
Depreciation Charge	(20,129)	(110,655)	(25,857)	(46,657)	(203,298)
Closing Net Book Value	73,490	2,575,415	70,599	256,249	2,975,753
<b>Gross Carrying Value Basis</b>					
Cost	962,472	2,686,070	914,628	3,480,507	8,043,677
Accumulated Depreciation/Impairment	(888,982)	(110,655)	(844,029)	(3,224,258)	(5,067,924)
Net Book Value	73,490	2,575,415	70,599	256,249	2,975,753
<b>Year Ended June 30, 2016</b>					
<b>Net Carrying Value Basis</b>					
Opening Net Book Value (NBV)	113,748	2	179,306	175,916	468,972
Additions (at cost)	-	-	52,284	-	52,284
Depreciation Charge	(20,129)	-	(144,134)	(121,369)	(285,632)
<b>Closing Net Book Value (Refer note 5.1)</b>	93,619	-	87,456	54,547	235,622
<b>Gross Carrying Value Basis</b>					
Cost	962,472	-	905,628	3,232,148	5,100,248
Accumulated Depreciation/Impairment	(868,853)	-	(818,172)	(3,177,601)	(4,864,626)
Net Book Value	93,619	-	87,456	54,547	235,622
<b>Depreciation Rate % per Annum</b>	10	20	20	33	

## 8 LONG-TERM INVESTMENTS

### Investments in Associates - Quoted

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

9,307,825 (June 30, 2016: 8,804,471) Fully Paid  
 Ordinary Certificates of Rs. 10 Each  
 Representing 73.81% (June 30, 2016: 34.05%)  
 Holding

Note	2017 Rupees	2016 Rupees
8.1	214,839,615	145,476,857



**Dawood Income Fund (Open-End- Fund) - an associate (using equity method)**

260,994 (June 30, 2016: 207,601) Units of Rs.100/- Each Representing 8.32% (June 30, 2016: 10.11%) Holding

	<i>2017 Rupees</i>	<i>2016 Rupees</i>
8.2	<b>20,599,305</b>	15,774,136
	<b>235,438,920</b>	161,250,993

**Available for Sale Investment - Unquoted**

**Al Baraka Bank (Pakistan) Limited  
(formerly Burj Bank Limited)**

2,961 (June 30, 2016: 5,034) Fully Paid Ordinary Shares of Rs. 10/- Each  
Less: Impairment on Available for Sale Investments

<b>27,051</b>	29,608
<b>(2,506)</b>	(2,557)
<b>24,545</b>	27,051

**Dawood Family Takaful Limited - A Related Party**

2,372,500 (June 30, 2016: 2,372,500) Fully Paid Ordinary Shares of Rs. 10/- Each  
Disposal on Investment During the Year  
Less: Impairment on Available for Sale Investments

<b>12,426,496</b>	16,236,974
-	(2,086,000)
<b>(563,967)</b>	(1,724,478)
<b>11,862,529</b>	12,426,496
<b>247,325,994</b>	173,704,540

- 8.1 The abridged financial information of First Dawood Mutual Fund (the Fund) based on the audited financial statements as at June 30, 2017 is as follows:

	<i>2017 Rupees</i>	<i>2016 Rupees</i>
<b>Associate's Statement of Assets and Liabilities</b>		
Total Assets	<b>307,523,891</b>	481,954,263
Total Liabilities	<b>16,472,274</b>	54,664,913
<b>Net Assets</b>	<b>291,051,617</b>	427,289,350
Share of Company's Net Assets as at	<b>214,839,615</b>	145,476,857
<b>Associate's Income Statement</b>		
Total Income/(Loss)	<b>110,639,751</b>	(53,394,413)
Net Income/(Loss)	<b>103,721,258</b>	(72,248,452)

The market value of investment in First Dawood Mutual Fund as at June 30, 2017 is Rs. 214,839,615 (2016: Rs. 145,476,857).

- 8.2 The abridged financial information of Dawood Income Fund (the Fund) based on audited financial statements as at June 30, 2017 is as follows:

	<i>2017 Rupees</i>	<i>2016 Rupees</i>
<b>Associate's Statement of Assets and Liabilities</b>		
Total Assets	<b>258,322,926</b>	197,610,836
Total Liabilities	<b>10,585,599</b>	41,627,348
<b>Net Assets</b>	<b>247,737,327</b>	155,983,488
Share of Company's Net Assets	<b>20,599,305</b>	15,774,136
<b>Associate's Income Statement</b>		
Total Income	<b>36,855,244</b>	44,273,612
Net Income	<b>34,998,133</b>	38,203,169



The Dawood Income Fund has been classified as an associate in spite of the fact that the Company holds less than twenty percent in the Fund for the reason that the Company is also an investment advisor of the fund by virtue of which it participates in the financial and operating policies of the Fund and hence has significant influence over its investee. The market value of investment in Dawood Income Fund as at June 30, 2017 amounts to Rs. 20,599,305 (2016: Rs. 15,774,136).

	2017 Rupees	2016 Rupees
<b>9 LOANS AND ADVANCES</b>		
Unsecured - Considered Good		
Advance against Vehicle	834,500	-

			June 30, 2017		June 30, 2016	
			Book Value	Fair Value	Book Value	Fair Value
<b>10 SHORT TERM INVESTMENTS</b>						
Available for Sale						
Listed Shares-Related Party	10.1		3,550,135	7,648,278	3,573,962	2,430,294
Term Finance Certificate	10.2		-	-	-	-
			3,550,135	7,648,278	3,573,962	2,430,294
Surplus/(Deficit) on Revaluation of Investment			4,098,143	-	(1,143,668)	-
			7,648,278	7,648,278	2,430,294	2,430,294

#### 10.1 Listed Shares - Related Party

All shares represent fully paid ordinary shares of Rs. 10/- each, unless otherwise stated.

					June 30, 2017		June 30, 2016	
					Book Value	Fair Value	Book Value	Fair Value
<b>Number of Shares</b>	<b>June 30, 2017</b>	<b>June 30, 2016</b>	<b>Name of Companies</b>	<b>Note</b>				
			<b>Financial services</b>					
2,382,641	2,382,641		First Dawood Investment Bank Limited - related party	9.1.1	3,550,135	7,648,278	3,573,962	2,430,294
					3,550,135	7,648,278	3,573,962	2,430,294

10.1.1 As per SECP Circular 09 of 2006, 2,382,641 (June 30, 2015: 2,382,641) shares of First Dawood Investment Bank Limited are held in a blocked account with CDC. The Company can only dispose these shares with prior approval from the SECP.

#### 10.2 Term Finance Certificates - Listed

Having face value of Rs 5,000 each, unless stated otherwise

						June 30, 2017	June 30, 2016
						Book Value	
<b>Number of Shares</b>	<b>June 30, 2017</b>	<b>June 30, 2016</b>	<b>Name of Companies</b>	<b>Redemption Period</b>	<b>Term of Redemption</b>	<b>Rate</b>	
57	57		Pace Pakistan Limited	2008-2017	Semi Annually	6 Months KIBOR + 2%	191,436
			Less: Impairment in value of investment available for sale				(191,436)
							-





10.2.1 Pace Pakistan Limited defaulted on its payment of principal and markup due on August 21, 2011. Consequently, security was classified as non-performing by MUFAP on September 05, 2011 and accrual on the same was suspended.

	2017 Rupees	2016 Rupees
<b>11 LOANS AND ADVANCES</b>		
Unsecured - Considered Good		
Advance against Salary	-	52,000
<b>12 SHORT TERM PREPAYMENTS</b>		
Prepayments	1,066,865	15,650

12.1 This includes Rs. 1,000,000/- prepaid as license fee of AMC and IAS for the year 2018 and 2019.

	2017 Rupees	2016 Rupees
<b>13 OTHER RECEIVABLES</b>		
<b>Remuneration due from funds under management</b>		
Dawood Income Fund - An Associate	2,978,217	2,843,292
Dawood Islamic Fund - An Associate	976,113	1,507,614
First Dawood Mutual Fund - An Associate	6,007,942	39,651,386
Dividend Receivable from Funds	-	3,233,090
Accrued Mark-Up on Saving Accounts	77,934	73,981
	<b>10,040,206</b>	<b>47,309,363</b>
<b>14 CASH AT BANK</b>		
Current Accounts	101,609	101,609
Saving Accounts	12,234,057	1,639,024
	<b>12,335,666</b>	<b>1,740,633</b>

14.1 The balance in saving accounts carry profit at rates ranging from 4% to 5.25% per annum (2016: 5% to 6% per annum).

**15. ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

2017 No. of Shares	2016 No. of Shares		2017 Rupees	2016 Rupees
10,000,000	10,000,000	Ordinary Shares of Rs. 10/- Each		
4,973,750	4,973,750	Issued as Fully Paid in Cash	100,000,000	100,000,000
		Ordinary Shares of Rs. 10/- Each		
		Issued as Fully Paid Bonus Shares	49,737,500	49,737,500
<b>14,973,750</b>	<b>14,973,750</b>		<b>149,737,500</b>	<b>149,737,500</b>
			2017	2016
			--- No. of Shares ---	

15.1 The shares held by related parties are as follows:

First Dawood Investment Bank Limited	2,246,070	2,246,070
The Bank of Khyber	2,246,055	2,246,055
BRR Guardian Modaraba	1,935,505	1,935,505
	<b>6,427,630</b>	<b>6,427,630</b>



	2017 Rupees	2016 Rupees
<b>16 TRADE AND OTHER PAYABLES</b>		
Accrued Expenses	12,216,745	18,327,433
Unclaimed Dividend	998,742	998,742
Worker Welfare Fund Payable	3,096,844	1,800,743
	<b>16,312,331</b>	<b>21,126,918</b>

## 17. CONTINGENCIES AND COMMITMENTS

### 17.1 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.

### 17.2 Commitments

There was no commitment during the year (2016: Nil)

## 18 REMUNERATION FROM FUNDS UNDER MANAGEMENT

### Open-End Funds

Dawood Income Fund - An Associate	2,592,281	3,138,471
Dawood Islamic Fund - An Associate	1,600,204	1,190,572
First Dawood Mutual Fund - An Associate	5,820,934	9,741,133
	<b>10,013,419</b>	<b>14,070,176</b>

- 18.1** Under the provisions of the NBFC Rules and Regulations, the management company/investment advisor of the fund is entitled to a remuneration at specified rates of the net assets value/income of the funds at the closure of business. During the year ended June 30, 2016, an amendment has been introduced in Regulation 61 of the NBFC Regulations, 2008, relating to the chargeability of remuneration of asset management companies. As per this amendment, an Asset Management Company shall be entitled to an accrued remuneration equal to an amount not exceeding two percent of average annual net assets in case of equity, balanced, asset allocation and capital protected (dynamic asset allocation-direct exposure schemes, one and a half percent of average annual net assets in case of income, aggressive income, index, fund of funds, commodity schemes(cash settled), one percent of average annual net assets in case of money market, commodity schemes (deliverable) and capital protected schemes, that has been verified by the trustee and is paid in arrears on a monthly basis. The rates charged to each fund during the period ended June 30, 2017 and 2016 are as under:

		2017 Remuneration for Services Rendered as an Asset Management Company	2016 Percentage
	Note	Percentage	
<b>Open-End Funds</b>			
Dawood Income Fund - An Associate	18.3	1.5*	1
Dawood Islamic Fund - An Associate		1.5	1.5
First Dawood Mutual Fund - An Associate		2	2

- 18.2** SECP has approved the payment of the Management fee to 786 Investments Limited upon resuming of the operations of the Funds vide letters No. SCD/AMCW/DCML/369/2016 and SCD/AMCW/DCML/25/2016 dated March 25, 2016, July 25, 2016 and August 1, 2016.

- 18.3** The management company has charged 1% remuneration till March 31, 2017 whereas, 1.5% remuneration has been charged with effect from April 1, 2017 to Dawood Income Fund.



		2017 Rupees	2016 Rupees	
19	IMPAIRMENT AGAINST INVESTMENTS			
	Unquoted Shares			
	Burj Bank Limited	2,506	2,557	
	Dawood Family Takaful Limited	563,967	1,724,478	
		566,473	1,727,035	
20	ADMINISTRATIVE AND OPERATING EXPENSES			
		Note	2017 Rupees	2016 Rupees
	Salaries and Allowances	20.1	10,246,896	8,165,426
	Rent, Rates and Taxes		1,269,600	1,269,600
	Postage and Telephones		434,457	418,081
	Legal and Professional Charges		2,883,050	4,426,751
			183,540	439,134
	Travelling and Conveyance		305,256	287,341
	Vehicles Running		698,484	420,508
	Advertisement Expense		205,249	20,480
	Electricity		535,378	486,063
	Repairs and Maintenance		782,627	527,805
	Auditors' Remuneration	20.2	529,451	518,651
	Entertainment		359,009	113,146
	Insurance		60,943	64,494
	Depreciation	7	203,298	285,632
	Subscriptions		991,035	358,475
	Newspapers and Magazines		3,440	2,150
	Directors' Fee		158,000	211,000
	Commission		137,990	22,518
	Others		207,025	47,509
			20,194,728	18,084,764
	Less: Reimbursement of Fees and Expenses	21.1	(519,093)	(523,559)
			19,675,635	17,561,205
20.1	This includes an amount of Rs. 0.511 million (2016: Rs. 0.384) relating to staff retirement benefits.			
20.2	Auditors' Remuneration		2017 Rupees	2016 Rupees
	Annual Audit		260,000	250,000
	Certification Fee		90,000	90,000
	Half Yearly Review		132,000	120,000
	Sales Tax		38,560	36,800
	Out of Pocket Expenses		8,891	21,851
			529,451	518,651
21	DISCLOSURES RELATING TO PROVIDENT FUND			
	Size of the Fund		124,684,909	110,024,193
	Cost of Investments made		100,475,972	74,462,389
	Percentage of Investments made		81%	68%
	Fair Value of Investments		100,449,246	78,676,424



	2017 Rupees	2016 Rupees
<b>Break-Up of Investments</b>		
Government Securities	25,000,000	25,000,000
Term Finance Certificates	11,837,056	1,837,792
Investment in Sukuk	18,265,243	18,815,539
Listed Securities	12,790,568	4,584,082
Unlisted Securities	750,000	28,439,011
Mutual Funds	31,806,379	-

	% age of size of the fund	
<b>Break-Up of Investments</b>		
Government Securities	24.89%	-
Term Finance Certificates	11.78%	31.78%
Investment in Sukuk	18.18%	2.34%
Listed Securities	12.73%	23.92%
Unlisted Securities	0.75%	5.83%
Mutual Funds	31.66%	36.15%

The Provident Fund (the Fund) is maintained for its permanent employees and the employees of its associated companies/undertakings. Accordingly, the information is based upon the latest unaudited financial statements of the Fund as at June 30, 2017 and audited financial statements as at June 30, 2016. As per Trustees, investments out of Provident Fund have been made in accordance with the provisions of section 227 of the Repealed Companies Ordinance 1984 and the rules formulated for this purpose.

- 21.1 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 amounting to Rs. 0.519 (2016 : Rs.0.523) million to the respective funds under its management.

	2017 Rupees	2016 Rupees
<b>22 OTHER OPERATING INCOME</b>		
Gain on Disposal of Property and Equipment	-	934,998
Mark-Up Earned on Saving Accounts	670,592	89,910
Others	-	535,000
	<b>670,592</b>	<b>1,559,908</b>

	2017 Rupees	2016 Rupees
<b>23 Other Operation Charges</b>		
Worker Welfare Fund	1,296,101	-
	<b>1,296,101</b>	<b>-</b>

	2017 Rupees	2016 Rupees
<b>24 SHARE OF ASSOCIATES' PROFIT/(LOSS)</b>		
Dawood Income Fund	2,965,433	3,393,139
First Dawood Mutual Fund	72,694,747	(24,598,029)
	<b>75,660,180</b>	<b>(21,204,890)</b>



	<i>Note</i>	<b>2017</b> <i>Rupees</i>	<i>2016</i> <i>Rupees</i>
<b>25 TAXATION</b>			
Current Year Tax	25.1	<b>4,805,585</b>	155,401
Prior Year Charge		<b>4,857,423</b>	-
		<b>9,663,008</b>	<b>155,401</b>

**25.1** It includes the tax charged in expense which have earlier been recorded as advance tax on dividend in current year and prior years by the management.

Numerical reconciliation between the average effective tax rate and the applicable tax rate has not been presented in these financial statements due to available tax losses brought forward from tax years 2008, 2009, 2010 and 2011. The provision for current year income tax has been made under section 113 of the Income Tax Ordinance, 2001.

Deferred tax asset amounting to Rs.8,097,665 (2016: Rs. 5,469,013) has not been recognised in these financial statements as the Company is of the view that it is not probable that sufficient taxable profit will be available in the foreseeable future against which deductible temporary differences, unused tax losses and unused tax credits can be utilised. The accumulated tax losses as at June 30, 2017 amount to Rs.27,256,837 (2016: Rs. 17,809,771).

	<b>2017</b>	<i>2016</i>
<b>26 EARNINGS/(LOSS) PER SHARE</b>		
- <i>Basic and diluted</i>		
Net Profit/(Loss) for the Year	<b>55,142,017</b>	(25,019,630)
Weighted Average Number of Ordinary Shares	<b>14,973,750</b>	14,973,750
Earnings/(Loss) Per Share - Basic and Diluted	<b>3.68</b>	(1.67)

**27. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

	<b>2017</b>			<i>2016</i>		
	<i>Chief Executive</i>	<i>Directors</i>	<i>Executives</i>	<i>Chief Executive</i>	<i>Directors</i>	<i>Executives</i>
	<i>Rupees</i>					
Managerial Remuneration	<b>3,808,000</b>	-	<b>563,333</b>	3,200,000	-	1,230,000
House Rent	<b>1,523,200</b>	-	<b>225,333</b>	1,280,000	-	96,000
Bonus	<b>400,000</b>	-	<b>65,000</b>	-	-	-
Medical	<b>24,000</b>	-	<b>18,000</b>	39,031	-	6,000
Utilities	<b>380,800</b>	-	<b>56,333</b>	320,000	-	24,000
Provident Fund	<b>380,802</b>	-	<b>56,331</b>	320,004	-	24,000
E.O.B.I	<b>4,800</b>	-	<b>4,800</b>	4,800	-	1,200
Meeting Fee	-	<b>158,000</b>	-	-	211,000	-
	<b>6,521,602</b>	<b>158,000</b>	<b>989,131</b>	<b>5,163,835</b>	<b>211,000</b>	<b>1,381,200</b>
Number of Persons	<b>1</b>	<b>6</b>	<b>1</b>	<b>1</b>	<b>7</b>	<b>1</b>

The Chief Executive and Executives have been provided with company maintained cars.

Executive means an employee other than Director and Chief Executive, whose basic salary exceeds Rs. 500,000 in a financial year.



## 28. 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 year were as follows:

<i>Relationship with the Company</i>	<i>Nature of Transactions</i>	<i>2017 Rupees</i>	<i>2016 Rupees</i>
<b>Transactions with</b>			
Mutual Funds Managed by the Company	Management Fee Charged	10,013,419	14,070,176
	FED on Management Fee Charged	-	2,251,227
	Sales Tax on Management Fee Charged	1,301,744	2,284,997
	Reimbursement of Expenses - Dawood Income Fund	222,930	168,549
	Reimbursement of Expenses - First Dawood Mutual Fund	291,011	298,497
	Reimbursement of Expenses - Dawood Islamic Fund	106,680	56,513
B.R.R Guardian Modaraba	Staff Cost Received	-	1,052,998
Provident Fund	Contribution	510,540	384,269
Key Management Personnel	Remuneration	7,510,733	6,584,998
<b>Balances at Year End</b>			
Associated Companies/Other Related Parties	<b>Units held:</b>		
	Dawood Income Fund 260,994 Units (June 30, 2016: 207,601 Units)	20,599,305	15,774,136
	First Dawood Mutual Fund 9,307,825 Units (June 30, 2016 : 8,804,471 Units)	214,839,615	145,476,857
	<b>Shares held:</b>		
	<b>First Dawood Investment Bank Limited</b>		
	2,382,641 units (June 30, 2016 : 2,382,641 units) Fully Paid Ordinary Shares of Rs. 10/- Each	7,648,278	2,430,294
	<b>Dawood Family Takaful Limited</b>		
	2,372,500 Units (June 30, 2016 : 2,372,500 Units) Fully paid Ordinary Shares of Rs. 10/- Each	11,862,529	12,426,496
	<b>B.R.R Guardian Modaraba</b>		
	Payable against Staff cost Received	-	1,052,998

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.

## 29. FINANCIAL RISK MANAGEMENT POLICIES

The Company is exposed to a variety of financial risks: market risk (comprising currency risk, interest rate risk, and other price risk), liquidity risk and credit risk that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends.

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

### 29.1 Market Risk

Market risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and regulations laid down by the Securities and Exchange Commission of Pakistan.

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

#### 29.1.1 Foreign Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.



### 29.1.2 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The Company has diversified its investments and has major portion of its investments based on floating interest rate for which the finance function is responsible to manage the risk by measuring the mismatch of interest rate sensitivity gap of financial assets and liabilities.

Interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of the contractual repricing or maturity date.

### 29.1.3 Price Risk

The risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

As at June 30, 2017, the fair values of marketable securities exposed to price risk are as follows:

	<b>2017</b>	<b>2016</b>
	<b>Rupees</b>	<b>Rupees</b>
Exposure lassified as 'Available for Sale'	<b>7,648,278</b>	<b>2,430,294</b>

The Management Company manages the above market risks through diversification of investment portfolio in accordance with the internal risk management policies.

### 29.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company attempts to control credit risk by entering into transactions with diverse credit worthy counter parties by monitoring credit exposure.

<b>Description</b>	<b>June 30, 2017</b>		<b>June 30, 2016</b>	
	<b>Statement of Assets and Liabilities</b>	<b>Maximum Exposure</b>	<b>Statement of Assets and Liabilities</b>	<b>Maximum Exposure</b>
	<b>&lt;----- Rupees -----&gt;</b>			
Long-Term Investments	247,325,994	247,325,994	173,704,540	173,704,540
Long-Term Deposits	36,300	36,300	36,300	36,300
Investments - Available for Sale	7,648,278	7,648,278	2,430,294	2,430,294
Loans and Advances	834,500	834,500	52,000	52,000
Interest Accrued and Other Receivables	1,066,865	1,066,865	15,650	15,650
Remuneration Due from Funds Under Management	10,040,206	10,040,206	47,309,363	47,309,363
Bank Balances	12,335,666	12,335,666	1,740,633	1,740,633
	<b>279,287,809</b>	<b>279,287,809</b>	<b>225,288,780</b>	<b>225,288,780</b>

The Company kept its funds with banks having strong credit ratings. Currently the funds are kept with banks having rating of A1+ to AA+.



### 29.2.1 Financial instruments by category

	2017 Rupees	2016 Rupees
<b>Financial Assets</b>		
<b>Loans and Receivables at Amortised Cost</b>		
Long-Term Loans and Deposits	36,300	36,300
Loans and Advances	834,500	52,000
Other Receivables	10,040,206	47,309,363
Cash and Bank Balances	12,335,666	1,740,633
<b>Available-for-Sale</b>		
Listed Companies	243,087,198	163,681,287
Unlisted Companies	11,887,074	12,453,547
	<b>278,220,944</b>	<b>225,273,130</b>
<b>Financial Liabilities</b>		
<b>Financial Liabilities at Amortised Cost</b>		
Trade and Other Payables	16,312,331	21,126,918

### 29.3 Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in raising funds to meet its obligations and commitments associated with financial instruments. The Company is not materially exposed to the liquidity risk as all obligations/commitments of the Company are short-term in nature and restricted to the extent of available liquidity and all assets of the Company are readily disposable in the market.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	On demand	Not later than one month	Upto three months	More than three months and upto one year	More than one year	Total
	----- Rupees -----					
<b>As at June 30, 2017</b>						
Trade and other payable	16,312,331	-	-	-	-	16,312,331
<b>As at June 30, 2016</b>						
Trade and other payable	21,126,918	-	-	-	-	21,126,918

### 29.4 Capital Risk Management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholder value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. Currently the Company has an equity of Rs. 279.63 million against the minimum required equity of Rs. 230 million set by the Securities and Exchange Commission of Pakistan for the Non Banking Finance Company providing Asset Management Services and Investment Advisory Services for the year ended June 30, 2017.

### 30. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.





The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

**Level 1:** Quoted prices in active markets for identical assets or liabilities.

**Level 2:** Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

**Level 3:** Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	June 30, 2017			June 30, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	----- Rupees -----					
Available-for-sale investments	7,648,278	-	-	2,430,294	-	-
Investments in associates - quoted	247,325,994	-	-	185,688,973	-	-
Fair value through profit and loss-held for	-	-	-	-	-	-
Available-for-sale investments - unquoted	-	11,887,074	-	-	12,453,547	-
	<b>254,974,272</b>	<b>11,887,074</b>	-	188,119,267	12,453,547	-

#### Valuation Techniques

For Level 2 available-for-sale investments the Company values the investment at breakup value which approximates the fair value of the investment.

#### Transfers during the Period

During the year ended June 30, 2017, there were no transfers into or out of Level 3 fair value measurements .

#### 31. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. However, no significant reclassification has been made during the year.

#### 32. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue in Board of Directors of the management company on **September 18, 2017**.

#### 33. NUMBER OF EMPLOYEES

The number of employees as at year end was 11 (2016: 7) and average number of employees during the year was 9 (2016: 5).

#### 34. GENERAL

Figures have been rounded off to the nearest rupee.

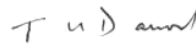


**Chief Financial Officer**

786 Investments Limited  
(Management Company)



**Director**



**Chief Executive Officer**



**Details of Pattern of Holdings (Units)**  
**As at June 30, 2017**

Number Of Shareholders	Shareholding			Total Shares Held
	From		To	
146	1	-	100	3,756
146	101	-	500	30,329
157	501	-	1,000	116,267
91	1,001	-	5,000	217,053
24	5,001	-	10,000	167,820
8	10,001	-	15,000	93,179
7	15,001	-	20,000	123,516
3	20,001	-	25,000	69,021
5	25,001	-	30,000	145,257
2	30,001	-	35,000	69,000
5	35,001	-	40,000	187,338
2	45,001	-	50,000	98,502
2	55,001	-	60,000	117,039
1	60,001	-	65,000	60,690
2	70,001	-	75,000	142,525
1	100,001	-	105,000	104,500
3	115,001	-	120,000	352,779
2	325,001	-	330,000	655,785
1	345,001	-	350,000	350,000
1	385,001	-	390,000	389,317
1	390,001	-	395,000	392,452
1	565,001	-	570,000	567,613
1	650,001	-	655,000	651,345
1	655,001	-	660,000	660,000
1	660,001	-	665,000	663,832
1	740,001	-	745,000	741,199
1	1,375,001	-	1,380,000	1,376,006
1	1,935,001	-	1,940,000	1,935,505
2	2,245,001	-	2,250,000	4,492,125
<b>619</b>				<b>14,973,750</b>

**Categories of Share Holders As on June 30, 2017**

Categories Of Shareholders	Number Of Shareholders	Total Shares Held	Percentage %
Individuals	597	6,264,413	41.84
Joint Stock Companies	10	1,223,541	8.17
Financial Institutions	6	4,823,090	32.21
Investment Companies	2	549	0.00
Modarabas	1	1,935,505	12.93
Mutual Fund	1	663,832	4.43
Others	2	62,820	0.42
	<b>619</b>	<b>14,973,750</b>	<b>100.00</b>



**Additional Information as at June 30, 2017**

S. No.	Categories of Share holders	Numbers	Shares Held	% Age
<b>1</b>	<b>Associated Companies</b>	<b>3</b>	<b>6,427,630</b>	<b>42.93</b>
	B.R.R. Guardian Modaraba		1,935,505	
	First Dawood Investment Bank Limited		2,246,070	
	The Bank of Khyber		2,246,055	
<b>2</b>	<b>NIT &amp; ICP</b>	<b>3</b>	<b>664,911</b>	<b>4.44</b>
	National Bank of Pakistan-Trustee Department Ni(U)T Fund		663,832	
	Investment Corporation of Pakistan		500	
	IDBP (ICP UNIT)		579	
<b>3</b>	<b>Directors, CEO their Spouses and Minor Children</b>		<b>1,778,774</b>	<b>11.88</b>
	Miss Tara Uzra Dawood		1,768,458	
	Mrs. Shafqat Sultana		2,816	
	Ms. Charmaine Hidayat Ullah		2,500	
	Mr. Muhammad Izqar Khan		2,500	
	Mr. Ansar Hussain		2,500	
	Mr. Tahir Mehmood		2,500	
	Mr. Farhan Abbas		2,500	
<b>4</b>	<b>Banks, DFIs, NBFIs, Insurance Companies, Takaful, Modarabas and Pension Funds</b>	<b>17</b>	<b>1,616,792</b>	<b>10.80</b>

**Shareholders holding five percent or more shares in the Company**

First Dawood Investment Bank Limited	2,246,070	15.00
The Bank of Khyber	2,246,055	15.00
B.R.R. Guardian Modaraba	1,935,505	12.93
Miss Tara Uzra Dawood	1,768,458	11.81
Ayaz Dawood	781,262	5.20



**FORM OF PROXY**  
**26th Annual GENERAL MEETING**

I/We \_\_\_\_\_ of \_\_\_\_\_ (full address)

being a member of Dawood Capital Management Limited Folio # \_\_\_\_\_ do hereby appoint

Mr./Ms \_\_\_\_\_ Folio # \_\_\_\_\_

of \_\_\_\_\_ (full address) (or failing him)

Mr./Ms \_\_\_\_\_ Folio# \_\_\_\_\_

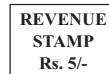
of \_\_\_\_\_ (full address)

being another member of the Company as my/our proxy to attend and vote for me/us on my/our behalf, at the Annual General Meeting of the Company to be held on October 27, 2017 at 2:00 hours and to every adjournment thereof.

And witness my/our hand/seal this \_\_\_\_\_ day of \_\_\_\_\_ 2017, signed by the said \_\_\_\_\_ in the presence of

Mr./Ms. \_\_\_\_\_

of \_\_\_\_\_ (full address)



\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Signature(s) and or Seal

**Important Notes :**

1. The share transfer books of the Company will remain closed from October 20, 2017 to October 27, 2017(both days inclusive).
2. A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote instead of him/her.
3. An instrument appointing a proxy and the power of attorney or other Authority (if any) under which it is signed or a notarially certified copy of the Power or Authority, in order to be valid, must be deposited at the Registered office of the Company, 48 hours before the meeting and must be duly stamped, signed and witnessed.
4. If more than one instrument of proxy appointing more than one person is deposited with the Company, all such instruments of proxy shall be rendered invalid.
5. This signature on the Instrument of Proxy must conform to the specimen signature recorded with the Company.
6. CDC account holders will in addition have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 of the Securities & Exchange Commission of Pakistan for attending the meeting



www.jamapunji.pk



**Be aware, Be alert,  
Be safe**

**Learn about investing at  
www.jamapunji.pk**

**Key features:**

- Licensed Entities Verification
- Scam meter\*
- Jamapunji games\*
- Tax credit calculator\*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered

- Stock trading simulator  
(based on live feed from KSE)
- Knowledge center
- Risk profiler\*
- Financial calculator
- Subscription to Alerts (event  
notifications, corporate and  
regulatory actions)
- Jamapunji application for  
mobile device
- Online Quizzes



Jama Punji is an Investor  
Education Initiative of  
Securities and Exchange  
Commission of Pakistan

[jamapunji.pk](https://www.facebook.com/jamapunji.pk)

[@jamapunji\\_pk](https://twitter.com/jamapunji_pk)

\*Mobile apps are also available for download for android and ios devices

BOOK POST



If undelivered, please return to:  
786 Investment Limited  
G-3 Ground Floor, B.R.R. Tower,  
Hassan Ali Street,  
Off I.I. Chundrigar Road,  
Karachi - 74000 Pakistan



**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: [dcn@edawood.com](mailto:dcn@edawood.com)  
Website: [www.786investments.com](http://www.786investments.com)