



INVESTMENTS

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786 INVESTMENTS LIMITED

**ANNUAL REPORT
2018**



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CORPORATE INFORMATION

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



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 XXVII of the shareholders of the Company will be held on Monday, October 15, 2018 at 9:00 am 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 EOGM held on July 30, 2018.
- 2- To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2018 together with Directors and Auditors Reports thereon.
- 3- To appoint the Auditors and fix their remuneration.
- 4- Any other Business with the permission of the Chair

By Order of the Board

September 24, 2018
Karachi

Talal Ismail Pasha
Company Secretary

Notes:

1. BOOK CLOSURE

The share transfer books of 786 Investments Ltd will remain closed from October 8, 2018 to October 15, 2018 (both days inclusive). The transfers received in order by our share registrar, FD Registrar Services (SMC-Pvt) Ltd situated at 17th floor, Saima Trade Tower A, I.I. Chundrigar Road, Karachi by the close of business on October 7, 2018 will be considered in time to attend and vote at the meeting.

2. APPOINTMENT OF PROXY

A member entitled to attend and vote at Annual General Meeting shall be entitled to appoint another member, as a proxy to attend and vote on his/her behalf. The proxies in order to be effective must be received at the registered office or share registrar of the Company not less than forty-eight (48) hours before the meeting.

3. CDC ACCOUNT HOLDERS

Any individual beneficial owner of CDC entitled to attend and vote at this Annual General Meeting must bring the CNIC or Passport along with his/her CDC account number to prove his/her identity and in case of Proxy, must enclose an attested copy of the CNIC or Passport. The representatives of Corporate members should bring the Board of Directors or Trustees resolution or power of attorney with specimen signature of the nominee at the time of the meeting. The CDC account holders will further have to follow the guidelines as laid down in Circular no. 1 dated January 26, 2000 issued by the SECP.

4. REQUEST FOR VIDEO CONFERENCE FACILITY

In pursuance to Companies Act, 2017 and Circular no. 10 of 2014 dated May 21, 2014 issued by SECP, if the Company receives request from members holding in aggregate ten (10%) or more shareholding residing at geographical location, to participate in the meeting through video conference at least seven (7) days prior to the date of meeting, the Company will arrange video conference facility in that city



subject to availability of such facility in that city. The Company will intimate members regarding venue of video conference facility at least five (5) days before the meeting along with complete information necessary to enable them to access such facility. In order to avail this facility, please submit the following information at the registered office of the Company at least seven (7) days before the date of meeting.

I/We, _____ of _____ being a member of 786 Investments Ltd, holder of _____ Ordinary Share(s) as per Register Folio no/CDC Account no. _____ hereby opt for video conference facility at _____

Signature of member

5. UNCLAIMED DIVIDEND

Shareholders, who by any reason, could not claim their dividend or bonus share or did not collect their physical shares, are advised to contact our Share Registrar F.D. 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.



FINANCIAL HIGHLIGHTS

	2018	2017	2016	2015	2014	2013
	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	245.45	270.89	210.53	237.40	203.33	177.91
Total Assets	264.07	287.20	231.65	254.63	213.84	182.13
Short-Term Investment in Securities	8.63	7.65	2.43	4.29	10.38	4.34
Income From Investments	0.04	-	-	0.50	0.55	0.09
Management Fee	11.50	10.01	14.07	14.91	11.73	15.53
Other Income	0.56	0.67	1.56	0.26	1.44	0.90
Impairment Loss on Investment	(0.15)	(0.57)	(1.73)	(0.89)	(1.56)	(1.38)
Profit/(Loss) Before Taxation	(24.84)	64.81	(24.86)	33.52	26.32	27.34
Taxation	1.58	9.66	0.16	0.16	0.14	0.08
Profit/(Loss) After Taxation	(26.42)	55.14	(25.02)	33.36	26.18	27.26
Book Value Per Share	16.39	18.09	14.06	15.86	13.58	11.88
Earnings Per Share	(1.76)	3.68	(1.67)	2.23	1.75	1.82



CHAIRMAN'S REPORT

During the year, all Directors of 786 Investments Ltd performed their due role with professionalism and determination to support management in turning around the company. I wish to record my appreciation to the Board Members.

As Chairperson, I'm delighted that the Company obtained a fair AMC Rating of AM3, and two funds Dawood Income Fund and First Dawood Mutual Fund obtained the top ratings in their categories of AA-(f) and 5 stars respectively, and Dawood Islamic Fund increased its rating to 3 stars. Further Dawood Income Fund and First Dawood Mutual Fund were the best fund in their respective category. Development in Financial Reporting System has also been observed and subsequent to the year, the PSX issued a notice stating that the name of 786 Investments Ltd shall be shifted to the "Normal Counter" of the Exchange and trading in its shares shall be restored with effect from Monday, September 3, 2018.

Through Board implemented strategies, the Company is now in growth mode and as Chairperson, I will lead in helping the company grow in size, as benefitting its strong returns and ratings.

I expect that the management of the Company will put all of his efforts in bringing, new funds, increase in AUMs, new client and making a place where employees, shareholders and stakeholders can feel proud to be associated with the Company.

On behalf of the Company, I would like to express my gratitude to the Securities and Exchange Commission of Pakistan, the management of the Pakistan Stock Exchange Limited for their continued support and cooperation and all other stakeholders who are contributing in our success.

Shafqat Sultana
Chairperson

Date: September 17, 2018



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, 2018.

Principal Business

786 Investments Ltd is a public listed company incorporated in Pakistan. The Company is registered as NBFC under the NBFC Rules, 2003. The Company has obtained the license to carry out Investment Advisory Services and Asset Management Services under the NBFC Rules, 2003 and NBFC Regulation, 2008.

Company Performance Review

	June 30, 2018	June 30, 2017
 Rupees.....	
Management Fees	11,501,109	10,013,419
Other Operating Income	599,485	670,592
Gross Revenue	12,100,594	10,684,011
Other operating charges	-	(1,296,101)
Administration and Operating Expenses	32,457,415	19,675,635
Financial Charges	1,749	957
Total Expenses	32,459,164	19,676,592
Share of Associates' Profit/(Loss)	(4,326,414)	75,660,180
Impairment Loss on Investments	(154,233)	(566,473)
Profit/(Loss) Before Taxation	(24,839,217)	64,805,025
Profit/(Loss) After Taxation	(26,416,159)	55,142,017

The Company recorded a Loss of PKR(26.39) million (PKR 55.14 million FY17) during the period ended June 30, 2018. The Company Income which mainly comprised of Management Fees increased by PKR 1.49 million representing 15% increase in Management Fees. Administrative and operating expenses increased by PKR 12.76 million representing 65% increase in administrative and operating expenses. Further Share of Associates' loss was PKR (4.32) million (PKR 75.66 million FY 17) due to investments in units having equity exposure and the capital market.

The earnings per share (EPS) of the Company for the period ended June 30, 2018 was PKR (1.76) as compared to PKR 3.68 per share as on June 30, 2017.

The Board of Directors of the Company has a responsibility to ensure that internal financial controls system of the company is adequate and is operating effectively.

The Company is focusing to increase its Asset Under Management (AUM). The Company is maintaining three open end funds having cumulative AUM of PKR 683.99 million. During the year the AUM, increased by 6.80%. Increase in AUM would generate higher management fee and provide reasonable support to operating expenses. The Company is also focusing to increase its market share in the mutual fund industry through a phased strategy of increasing its retail footprint throughout Pakistan. In addition, 786 Investments Ltd intends enhancing its reach through the use of technology.



Future Plans

The Company plans to launch new funds as per the need of market and investor, establishing offices in major cities of Pakistan that will allow company to achieve increase sales, attracting high net-worth individuals and Institutional investors and focusing on untapped retail market particularly young professionals and promote the culture of saving and investments, provide virtual platform to investors for their ease of investment/redemption, hiring of sales professional that will penetrate in market and increase sale, partnership with distributors will help in maximizing our reach.

The Management believes implementing future plans will have visible impact on the profitability building up gradually over the next couple of years.

Economic Review

Pakistan's economic performance in FY18 continued to post an improvement with real GDP growth accelerating to 5.79% compared to 5.37% in the year before. FY18's GDP growth rate was the highest in the past 10 years Key factors behind the higher GDP growth rate were increase in growth rate of agricultural sector, which posted 3.81% growth vs 2.07% growth, the growth in production of three important crops namely rice, sugarcane and cotton is estimated at 8.7%, 7.4%, and 11.8% respectively. Meanwhile, industrial growth came in at 5.80% and service sector posted 6.43% growth. CPI inflation comes out to be 3.9%. The increase in CPI inflation is being majorly attributed due to the base effect kicking because of contained food prices and budgetary measures adopted last year. Pakistan's fiscal deficit as % of GDP reduced to 4.3% from previous year's 5.8%. During second half of FY18 State Bank of Pakistan increased Discount Rate twice, first in January'18 and then in May'18 by 25 bps and 50 bps respectively to 7%. The reasons were (i) the multiplier-effect of a strong fiscal expansion during second half of FY18 is likely to offset the contractionary impact of monetary tightening in the recent months on domestic demand; (ii) higher international oil prices have continued to inflate the import bill; (iii) rising inflation projections and the ensuing fall in real interest rates; and (iv) a notable reduction in PKR and US interest rate differential.

Money Market Review:

The SBP held twenty-six Treasury bill auctions during FY18. The cumulative participation witnessed were PKR 21,100bn against the pre-announced auction target of PKR 16,925bn while the SBP accepted an amount of PKR 16,052bn during the period under review. That being said, acceptance in 3 months tenor represented 92.11% of the total accepted amount while the 6 months and 12 months were 7.64% and 0.26% respectively. Further, during this period, SBP conducted twelve Pakistan Investment Bond (PIB) auctions and raised PKR 94.9bn the last cut-off yields were 7.5%, 8.48% and 8.70 % for 3, 5 and 10 years respectively. State Bank of Pakistan also revised coupons rates and increased it by 25bps for 3 and 5 year tenor for Jul'18 auction while keeping the rates constant for 10 and 20 years.

Towards the end of second half of FY18, SBP introduced Floating Rate Bonds (FRB) based on spread over 6 months weighted average cut-off T.Bills and conducted two auctions. The cumulative participation witnessed were PKR 296.13bn against the auction target of PKR 100bn while the SBP accepted an amount of PKR 34.65bn with spread over 50 bps on 6 months T.Bills.

The SBP did not conduct any GOP Ijarah Sukuk auction during the period under review.

Stock Market Review:

During the financial year 2017-18, the Pakistan Stock Market 100 Index under performed -5.97%. During the period under review, the market remained volatile, it reached the peak of 47,084 points on August 03, 2017, then continued to go down, reaching its lowest level point of 37,919 on December 19, 2017. The fiscal year 2018



started well with significant positive economic indicators, notably, a promising GDP growth, improved country perception, recognition of SMEs as the prime mover of country's economy and the continuity of the inflow of remittances by the Overseas Pakistanis. At the start of new calendar year 2018, the market gained momentum. On June 29th, PSX 100 index closed at 41,910.90 points whereas market capitalization was PKR 8.66 trillions. The foreign investors off loaded securities worth PKR 32.33 billion during July 2017 - June 2018, which was absorbed by domestic individual investors, companies and insurance companies. This strong buying by local investors has shown the confidence of the investors in Pakistan's equity market.

Future Outlook:

Pakistan's economy received multiple jolts during the fiscal year 2018 and almost all economic indicators worsened. The economy is faced with new and bigger challenges in fiscal year 2019. The economy took off with Gross Domestic Product (GDP) being declared at a decade high level of 5.3% in fiscal 2017. It achieved a 13-year high growth of around 5.8% in FY18. However, now it is estimated to recede to 4.7-4.8% in FY19. Economic fundamentals have deteriorated over the previous year and are set to mess up the economy down the road. The water crisis may further hamper economic growth in fiscal year 2019. As per international organizations, Pakistan is likely to face a major water crisis by 2025. The crisis may slow down agriculture growth this fiscal year. Its share in the economy stands at around one-fifth.

Given the bleak economic scenario, where the country's foreign currency reserves have dropped to a critical level of less than two months import cover at \$9.66 billion on June 22, 2018; Pakistan is expected to enter into the International Monetary Fund's (IMF) program sometime late first quarter or early second quarter 2018. We expect more currency devaluation in FY19 and hike in key interest rate by December 2018.

Asset Management Industry Overview

The Company's Asset Under Management (AUM) as at June 30, 2018 was 683.99 million which was increased by 6.80% as compared to June 30, 2017.

AUMs of the mutual fund industry reached at PKR 564 billion showing decrease by 2.15% in comparison with June 30, 2017 (PKR 576 billion).

AUMs of Shariah Compliant funds has been decreased by 10.77%, Shariah Complaint Money Market Funds only contributed positive AUMs in Shariah Category.

However, Conventional funds AUMs has been increased by 4%, Major contributory was Money Market Funds in Conventional funds Category.

Corporate Social Responsibility and Impact on Environment:

During the year 786, Investments Ltd managed CSR activities to share shariah product knowledge with the professionals, promote community values and awareness on education of girls. The Company's business has no adverse impact on the environment and with the increased use of technology, the Company shall reduce the use of paper.

Principle Risk & Uncertainties

The Asset Management industry is in growing phase and competition in the market is expected that can increase the industry AUM and on other side shrink the existing size of the companies.



The Company managed open ended funds, invested in the capital markets which are influenced by the macro economic, and political factors which may impact the Company's performance. Increase political turmoil in the country will remain a risk because of this, Foreign and local investor may take out from the market resulting in down prices and return. Exchange rates may also impact the performance of the capital market and hence the profitability of the Company.

The Company's 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.

Board Evaluation

Listed Companies (Code of Corporate Governance) Regulation, 2017 require evaluation of the Board of Directors as a whole and its committees. In this regard, a comprehensive range of self-evaluation surveys were conducted in the Company with respect to the performance of its Board of Directors and Board Committee. Feedback from all the Board members was solicited on areas of strategic clarity & beliefs, direction of business plan and functional adequacy of its role.

Corporate Governance and Financial Reporting Framework

The Directors are pleased to state as follows:

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



Board of Directors Meetings

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

Names	No of Meetings held	No of Meetings attended	Leave granted
Ms. Shafqat Sultana	4	4	-
Ms. Tara Uzra Dawood	4	4	-
Mr. Ansar Hussain*	4	-	1 ***
Mr. Muhammad Izqar Khan	4	-	4***
Ms. Charmaine Hidayatullah	4	3	1 ***
Mr. Tahir Mehmood	4	4	-
Syed Farhan Abbas	4	4	-
Syed Shabaha Hussain**	4	-	-

*Ansar Hussain resigned as Director on October 30, 2017.

**Syed Shabaha Hussain appointed as Director on casual vacancy on April 16, 2018.

***Leave of absence was granted

Audit Committee Meeting

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

Names	No of Meetings held	No of Meetings attended	Leave granted
Mr. Ansar Hussain*	4	-	1 **
Mr. Tahir Mehmood	4	4	-
Syed Farhan Abbas	4	4	-
Ms. Charmaine Hidayatullah *	4	2	1 **

*Ansar Hussain resigned as Director on October 30, 2017.

*Charmaine Hidayatullah joined Audit committee on October 30, 2017.

**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, 2019 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, 2018, wherein they have given emphasis on certain matters.

- Our response to note 21.1.2 to the financial statements is that the management of company is of the view that tax under section 5A of the Income tax ordinance, 2001 is not chargeable as profits during the year 2017 were derived from share of profits from associate which is not real income as per judgement of Supreme Court of Pakistan.



- Our response to note 11 to the financial statements is that subsequent to the year SECP approval has been obtained and the disposal of securities will be made accordingly.

Statement of Ethics and Business Practices

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

Dividend

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

Credit Rating

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of "AM3", to the Company.

Trading in shares of the Company

Summary of shares acquired/transferred or disposed during the year by the Directors, Chief Executive Officer, Chief Financial Officer & Company Secretary and their spouses of minor children is provided below:

	Purchase	Sales
Syed Shabahat Hussain	2,500	-
Ansar Hussain	-	2,500

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, 2018

The pattern of shareholding holding as on June 30, 2018 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

Subsequent to the date of the Balance Sheet, the PSX issued a notice on August 30, 2018 stating to shift name of 786 Investments Ltd to "Normal Counter" of the Exchange and trading in its shares shall be restored with effect from Monday, September 3, 2018.



Acknowledgement

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

Tara Uzra Dawood
Chief Executive Officer

Shafqat Sultana
Chairperson

September 17 , 2018

Karachi.



مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

786 انویسٹمنٹ لمیٹڈ (786 یاد کی کمپنی) کے بورڈ آف ڈائریکٹرز 30 جون 2018 کو ختم ہونے والے سال کی سالانہ رپورٹ اور نظر ثانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

اصل کاروبار

786 انویسٹمنٹ لمیٹڈ ایک پبلک لمیٹڈ کمپنی جو پاکستان میں قائم ہے۔ کمپنی این بی ایف سی قواعد 2003 کے تحت این بی سی ایف کے طور پر رجسٹرڈ ہے۔ کمپنی نے این بی ایف سی قواعد 2003 اور این بی ایف سی ریگولیشن 2008 کے تحت سرمایہ کاری مشاورتی خدمات اور ایسٹ مینجمنٹ سروسز سرانجام دینے کا لائسنس حاصل کر رکھا ہے۔

کمپنی کی کارکردگی کا جائزہ

مینجمنٹ فیس	30 جون 2018 (روپے)	30 جون 2017 (روپے)
دگریز پر بینک آمدنی	11,501,109	10,013,419
مجموعی آمدنی	599,485	670,592
دگریز پر بینک چارجز	12,100,594	10,684,011
انتظامی اور آپریٹنگ اخراجات	-	(1,296,101)
مالی چارجز	32,457,415	19,675,635
کل اخراجات	1,749	957
شیر آف ایسوی ایٹس نفع/(تقصان)	32,459,164	19,676,592
سرمایہ کاری پرامپر منٹ نقصان	(4,326,414)	75,660,180
ٹیکس سے قبل نفع/(تقصان)	(154,233)	(566,473)
ٹیکس کے بعد نفع/(تقصان)	(24,839,217)	64,805,025
ٹیکس کے بعد نفع/(تقصان)	(26,416,159)	55,142,017

کمپنی نے 30 جون 2018 کو ختم ہونے والی مدت کے دوران (26.39) ملین روپے (55.14 ملین روپے FY17) کا نقصان درج کرایا ہے۔ کمپنی کی آمدنی جو بنیادی طور پر مینجمنٹ فیس پر مشتمل ہے 1.49 ملین روپے تک بڑھ گئی مینجمنٹ فیس میں 15 فیصد اضافہ ظاہر کر رہی ہے۔ انتظامی اور آپریٹنگ اخراجات 12.76 ملین روپے تک بڑھ گئے انتظامی اور آپریٹنگ اخراجات میں 65 فیصد اضافہ ظاہر کر رہی ہے۔ ایکویٹی ایکسچینج اور ریپنڈیشن مارکیٹ کے ٹریڈس میں سرمایہ کاری کی بدولت ایسوی ایٹس کے نقصان کا حصہ (4.32) ملین روپے (75.66 ملین روپے) تھا۔

30 جون 2018 کو ختم ہونے والی مدت کے لئے کمپنی کی فی شیر آمدنی (ای پی ایس) (1.76) روپے فی شیر تھی 30 جون 2017 کو 3.68 روپے فی شیر تھی۔ کمپنی کے ڈائریکٹرز کی یہ ذمہ داری ہے کہ اس بات کو یقینی بنائیں کہ کمپنی کا داخلی مالی کنٹرول سسٹم کافی اور موثر طریقے سے کام کر رہا ہے۔

کمپنی اپنے ایسٹ انڈر مینجمنٹ (AUM) بڑھانے پر توجہ مرکوز کر رہی ہے۔ کمپنی 683.99 ملین روپے کی مجموعی AUM تین اوپن انڈنڈ زیر قیام رکھے ہوئے ہے۔ سال کے دوران AUM میں 6.80 فیصد اضافہ ہوا۔ AUM میں اضافہ اعلیٰ مینجمنٹ فیس جزیٹ کرے گا اور آپریٹنگ اخراجات کو مناسب مدد فراہم کرے گا۔ کمپنی پاکستان بھر میں اپنے خوردہ فٹ پرنٹ میں اضافہ کرنے کے ایک مرحلے کی حکمت عملی کے ذریعہ میوبیل فنڈ انڈسٹری میں اپنا مارکیٹ کا حصہ بڑھانے پر توجہ مرکوز کر رہی ہے۔ اس کے علاوہ 786 انویسٹمنٹ لمیٹڈ ٹیکنالوجی کے استعمال کے ذریعہ اپنی رسائی کو بڑھانے کا ارادہ رکھتی ہے۔

مستقبل کے منصوبے

کمپنی مارکیٹ اور سرمایہ کاری کی ضروریات کے مطابق نئے فنڈز کا انفاذ کرنے اور پاکستان کے بڑے شہروں میں دفاتر قائم کرنے کا ارادہ رکھتی ہے، جس سے کمپنی کو زیادہ فروخت حاصل کرنے، اعلیٰ خالص قابل افراد اور ادارتی سرمایہ کاروں کی توجہ حاصل کرنے اور غیر روایتی ریٹیل مارکیٹ خاص طور پر نوجوان پیشہ ور افراد پر توجہ مرکوز کرنے کی اجازت ملے گی، بچت اور سرمایہ کاری کی ثقافت کو فروغ دینے اور سرمایہ کاری/ریڈمپشن کو آسان بنانے کے لئے سرمایہ کاروں کو روپوں کی پیمائش فارم مہیا کرنے میں مدد ملے گی، ہیلز پروڈکشن کی ہائزنگ جو مارکیٹ میں داخل اور فروخت کو بڑھائیں گے، تقسیم کنندگان کے ساتھ شراکت داری ہماری رسائی کو زیادہ سے زیادہ بنانے میں مدد کرے گی۔ مینجمنٹ کا خیال ہے کہ مستقبل کے منصوبوں کا انفاذ اگلے سالوں میں بتدریج منافع دہانی کی تعمیر پر نمایاں اثر انداز ہوگا۔

اقتصادی جائزہ:

FY18 میں پاکستان کی اقتصادی کارکردگی کی رفتار گزشتہ سال میں 5.37 فیصد کے مقابلے میں 5.79 فیصد اصل جی ڈی پی نمو کے ساتھ مسلسل بہتر ہوئی ہے۔ FY18 کی جی ڈی پی نمو کی شرح گزشتہ 10 سالوں میں کی شرح سب سے زیادہ تھی زری شعبے کی ترقی کی شرح عموماً جی ڈی پی کی شرح نمو کے پیچھے اہم عوامل ہیں، جس نے 2.07 فیصد نمو کے مقابلے میں 3.81 فیصد نمو درج کرائی ہے، تین اہم فصلوں چاول، گنا اور کپاس کی پیداوار میں نمو کا اندازہ بالترتیب 8.7 فیصد، 7.4 فیصد اور 11.8 فیصد لگایا گیا ہے۔ دریں اثنا، صنعتی ترقی 5.80 فیصد اور خدمات کے شعبے میں 6.43 فیصد نمو درج کرائی گئی۔ سی پی آئی افراط زر 3.9 فیصد رہا۔ سی پی آئی افراط زر میں اضافہ گزشتہ سال خوراک کی قیمتوں اور بجٹ کے اقدامات کی وجہ سے بنیادی اثرات کو ختم کرنے سے منسوب کیا جا رہا ہے۔ پاکستان کا مالی خسارہ پچھلے سال کے 5.80 فیصد سے کم ہو کر جی ڈی پی کے 4.33 فیصد ہو گیا۔ FY18 کی دوسری ششماہی میں اسٹیٹ بینک آف پاکستان نے ڈسکاؤنٹ کی شرح میں دو گنا اضافہ ہوا، سب سے پہلے جنوری 18 میں اور پھر مئی 18 میں بالترتیب 25 پی پی ایس اور 50 پی پی ایس 7 فیصد تک اضافہ ہوا۔ جس کی وجوہات تھیں FY18(i) کی دوسری ششماہی کے دوران منسب و مالیاتی توسیع کے ضوابط کا اثر مقامی طلب پر حالیہ مہینوں میں غیر معمولی ترقی کے خاتمہ پر اثر انداز ہو سکتا ہے (ii) بین الاقوامی تیل کی قیمتوں میں اضافہ نے درآمدی بل کو بڑھا دیا ہے (iii) افراط زر میں مسلسل اضافہ اور اصل شرح سود میں کمی اور (iv) پاکستانی روپیہ کی قدر میں قابل ذکر کمی اور امریکی ڈالر کی شرح سود میں فرق۔

مٹی مارکیٹ کا جائزہ:

ایس بی پی نے مالی سال 18 کے دوران چھپس ٹریڈری مل آکشن منعقد کرائیں۔ مجموعی شرکت کا مشاہدہ پہلے اعلان کردہ نیلامی بدف 16,925bn روپے کے برخلاف 21,100bn روپے تھا جبکہ ایس بی پی نے زیر جائزہ مدت کے دوران 16,052bn روپے کی رقم کی منظوری دی۔ یہ کہا جا رہا ہے کہ 3 ماہ کی مدت میں قبولیت کل قابل قبول رقم 92.11 فیصد کی نمائندگی کرتی ہے۔ جبکہ 6 ماہ اور 12 ماہ کی بالترتیب 7.64 فیصد اور 0.26 فیصد تھی۔ مزید، اس عرصے کے دوران، ایس بی پی نے بار (12) پاکستان انویسٹمنٹ بانڈ (پی آئی بی) نیلامیوں کا انعقاد کیا اور 94.9bn روپے اکٹھے کئے 5.3 اور 10 سالوں کی پیداوار بالترتیب 7.5 فیصد، 8.48 فیصد اور 8.70 فیصد تھی۔ اسٹیٹ بینک آف پاکستان نے کوپن کی شرحوں میں بھی نظر ثانی کی اور اسے جولائی 18 کی آکشن میں 3 اور 5 سال کے لئے 25 پی پی ایس تک بڑھا دیا، جبکہ 10 اور 20 سالوں کے لئے ریش مستقل رکھے۔ FY18 کی دوسری ششماہی کے اختتام کے لئے، ایس بی پی نے 6 ماہ کی اوسط کٹ آف ٹی بلز پر محیط فلوئنگ ریٹ بانڈز (FRB) متعارف کرائے اور دو نیلامیاں منعقد کیں۔ مجموعی شمولیت کا مشاہدہ 100bn روپے کے نیلامی بدف کے خلاف 296.13bn روپے کیا گیا تھا جبکہ ایس بی پی نے 6 ماہ ٹی بلز پر 50 پی پی ایس پر محیط 34.65bn روپے کی رقم کی منظوری دی ہے۔

زیر جائزہ مدت کے دوران ایس بی پی نے کوئی جی او پی اجارہ سبک آکشن کا انعقاد نہیں کیا۔

اشاک مارکیٹ کا جائزہ:

مالی سال 2017-18 کے دوران، پاکستان اشاک مارکیٹس 100 انڈیکس 5.97 فیصد خراب کارکردگی کا مظاہرہ کیا۔ زیر جائزہ مدت کے دوران، مارکیٹ غیر مستحکم رہی ہے، یہ 3 اگست 2017 کو 47,084 پوائنٹس کی بلند ترین سطح تک پہنچنے کے بعد، مسلسل کم ہوتی چلی گئی اور 19 دسمبر 2017 کو 37,919 پوائنٹس کی اپنی سب سے کم سطح پر پہنچ گئی۔ مالی سال 2018 کا نمایاں مثبت اقتصادی اشاروں، قابل قدر جی ڈی پی نمو، بہتر ملک کے تصور SME کی پہچان کے ساتھ آغاز ہوا کیونکہ ملک کی معیشت کا اہم افتتاح اور اور سبز پاکستانیوں کی طرف سے ترسیل زر جاری ہو گیا۔ نئے کیلنڈر سال 2018 کے شروع میں ہی، مارکیٹ نے رفتار پکڑ لی۔ 29 جون کو 100PSX انڈیکس 41,910.90 پوائنٹس پر ختم ہوا جبکہ مارکیٹ کی سرمایہ کاری 8.66 ٹریلین روپے تھی۔ جولائی 2017-2018 کے دوران غیر ملکی سرمایہ کاروں نے 32.33 بلین روپے مالیت کی سیکورٹیز کی سرمایہ کاری کی، جو مقامی انفرادی سرمایہ کاروں، کمپنیوں اور انشورنس کمپنیوں کے ذریعے کی گئی۔ مقامی سرمایہ کاروں کی طرف سے یہ بھاری خریداری پاکستان کی ایکویٹی مارکیٹ میں سرمایہ کاروں کے اعتماد کو ظاہر کرتی ہے۔

مستقبل کا نقطہ نظر:

مالیاتی سال 2018 کے دوران پاکستانی معیشت کو بہت سی مشکلات پیش آئیں اور تقریباً تمام معاشی اشارے بدترین تھے۔ مالیاتی سال 2019 میں معیشت کو نئے اور بڑے چیلنجوں کا سامنا ہے۔ مالی سال 2017 میں معیشت وہابی کی بلند ترین سطح پر 5.3 فیصد مجموعی مقامی مصنوعات (جی ڈی پی) کا اعلان کیا گیا۔ مالی سال 2018 میں اس نے تقریباً 5.8 فیصد نمو گزشتہ 13 سالوں میں سب سے زیادہ حاصل کی ہے۔ تاہم، اب مالی سال 2019 میں اس کا تخمینہ 4.7-4.8 فی صد تک لگایا گیا ہے۔ پچھلے سال کے دوران اقتصادی بنیادیں بہت شدید ہو گئیں اور جنہوں نے معیشت کو مزید کم نیچے اتار دیا۔

پانی کا بحران مالی سال 2019 میں معاشی ترقی کو مزید نقصان پہنچا سکتا ہے۔ بین الاقوامی تنظیموں کے مطابق پاکستان کو 2025 تک پانی کے بحران کا سامنا کرنا پڑ سکتا ہے۔ بحران اس مالی سال میں زراعت کی ترقی کو سست کر سکتا ہے۔ معیشت میں اس کا تقریباً پانچواں حصہ ہے۔

غیر معمولی اقتصادی صورتحال کو دیکھتے ہوئے، جہاں 22 جون 2018 کو ملک کے غیر ملکی زرمبادلہ کے ذخائر دو ماہ سے کم عرصہ میں درآد کے لحاظ سے 9.66 بلین ڈالر کی کم سے کم سطح پر پہنچ گئے، یہ ایک واضح منظر ہے کہ پاکستان 2018 کی پہلی سہ ماہی کے فوراً بعد یا دوسری سہ ماہی کے آغاز میں بین الاقوامی مانیٹری فنڈ (آئی ایم ایف) کے پروگرام میں داخل ہو جائے گا۔ ہمیں مالی سال 2019 میں کرنسی کی قدر مزید کم اور دسمبر 2018 تک گلیڈی شرح سود میں تیزی سے اضافہ ہونے کی توقع ہے۔

ایسٹ پیمنٹ انڈسٹری کا جائزہ:

30 جون 2018 کو کمپنی کا ایسٹ انڈسٹریٹمنٹ (AUM) کی مالیت 683.99 بلین تھی جو 30 جون 2017 کے مقابلے میں 6.80 فیصد بڑھ گئی۔

میو جیل فنڈ انڈسٹری کا AUMs 30 جون 2017 (576 بلین روپے) کے مقابلے میں 564 بلین روپے تک پہنچ گیا تھا۔ 2.15 فیصد کی کمی ظاہر کر رہا ہے۔

شرعیہ کمپلائٹ فنڈز کا AUMs 10.77 فی صد تک کم ہو گیا بشرطیکہ کمپلائٹ منی مارکیٹ فنڈز نے شرعیہ لیگلری میں صرف مثبت AUMs حصہ ڈالا۔

تاہم، رواں جی فنڈز AUMs میں 4 فیصد کا اضافہ ہوا ہے، رواں جی فنڈز لیگلری میں اہم حصہ مٹی مارکیٹ فنڈز کا تھا۔

کارپوریٹ سماجی ذمہ داری اور ماحول پر اثرات:

سال کے دوران، 786 انویسٹمنٹ لمیٹڈ نے پیشہ ور افراد کے ساتھ شرعی مصنوعات کی معلومات پہنچانے، کمیونٹی کی اقدار اور اذکیوں کی تعلیم پر آگاہی کو فروغ دینے کیلئے CSR سرگرمیاں منظم کیں۔ کمپنی کے کاروبار کا ماحول پر کوئی منفی اثر نہیں ہے اور تکنیکالوجی کے زیادہ سے زیادہ استعمال کے ساتھ، کمپنی کاغذ کے استعمال کو کم کرے گی۔

اصل خطرہ اور غیر یقینی:

ایسٹ منجمنٹ انڈسٹری ترقی کے مراحل میں ہے اور مارکیٹ میں مقابلہ متوقع ہے جو ایک طرف انڈسٹری AUM بڑھا سکتا ہے اور دوسری طرف کمپنیوں کے موجودہ سائز کو کم کر سکتا ہے۔ کمپنی نے کیپٹل مارکیٹوں میں اوپن انڈیڈنڈز کی سرمایہ کاری کا انتظام کیا ہے جو مائیکرو انکناک سے متاثر ہوئے ہیں اور سیاسی عناصر جو کمپنی کی کارکردگی کو متاثر کر سکتے ہیں۔ ملک میں سیاسی کشمکش میں اضافہ ایک خطرہ رہے گا اس کی وجہ سے غیر ملکی اور مقامی سرمایہ کار مارکیٹ سے باہر جاسکتے ہیں جس کے نتیجے میں قیمتوں اور منافع میں کمی آسکتی ہے۔ زرمبادلہ کی شرحیں بھی کیپٹل مارکیٹ کی کارکردگی اور کمپنی کی منافع یا پائی کو متاثر کر سکتی ہیں۔ کمپنی کی رسک منجمنٹ پالیسیاں اور پروسیجرز یقینی بناتے ہیں کہ رسک کی مؤثر طریقہ سے شناخت، تشخیص، نگرانی اور انتظام کیا گیا ہے۔ رسک منجمنٹ ایک متحرک فنکشن ہے اور منجمنٹ آمدنی میں تغیر کو کم کرنے کے لئے اپنے داخلی رسک پروسیجرز اور عوامل کی مسلسل نگرانی لازمی بناتی ہے۔

بورڈ کی تفصیل:

لنڈیکپٹیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشن، 2017 کے تحت تمام بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی تفصیل ضروری ہوتی ہے۔ اس سلسلے میں، کمپنی کے بورڈ آف ڈائریکٹرز اور بورڈ کمیٹی کی کارکردگی کا جائزہ لینے کے لئے کمپنی میں اویلیو ایڈیشن سروے کی ایک وسیع رینج منعقد کی گئی تھی۔ بورڈ کے تمام ارکان کے تاثرات اسٹرٹجک وضاحت اور عقائد، کاروباری منصوبہ کی سمت اور اس کے کردار کی فعال کفایت کے شعبوں پر تسلی بخش تھے۔

کارپوریٹ گورننس اور مالیاتی رپورٹنگ کا دائرہ کار:

ڈائریکٹرز بخوشی بیان کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، فنانسی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے اور کسی انحراف کا واضح انکشاف اور وضاحت کی گئی ہے۔
- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے گورننگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- کارپوریٹ گورننس کے بہترین عمل سے کوئی مادی انحراف نہیں کیا گیا ہے سوائے جن کا مالی گوشواروں کے ساتھ منسلک تبدیلی بیان میں انکشاف کیا گیا۔
- فنڈ کے یونٹ میں کسی ڈائریکٹر، چیف ایگزیکٹو آفیسر، کمپنی سیکرٹری اور ان کے زوج اور ان کے نابالغ بچوں کی طرف سے سال کے دوران کوئی تجارت نہیں کی گئی سوائے جن کا مالی گوشواروں سے متعلقہ نوٹس میں انکشاف کیا گیا۔
- ٹیکسز، ڈیویڈنڈ، لیویز اور بقایا چارجز کی مد میں کوئی قانونی ادائیگی نہیں ہے۔
- ایک ڈائریکٹر نے ڈائریکٹر ٹینگ پروگرام مکمل کر لیا ہے، باقی ڈائریکٹرز ڈائریکٹر ٹینگ پروگرام میں شرکت کریں گے یا کمیشن سے ایگزیکٹیشن حاصل کر لیں گے۔
- سال کے دوران، محضر حسین ڈائریکٹر شپ سے مستعفی ہو گئے اور ان کی جگہ سید شاہت حسین کو مقرر کیا گیا۔

بورڈ آف ڈائریکٹرز کے اجلاس :

سال کے دوران، چار اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے:

نام	منعقدہ اجلاسوں کی تعداد	تعداد حاضری اجلاس	تغییل
محترمہ شفقت سلطانہ	4	4	-
محترمہ متارہ عمر راداد	4	4	-
جناب عنصر حسین *	4	-	1***
جناب محمد اذکار خان	4	-	4***
محترمہ شرمین ہدایت اللہ	4	3	1***
جناب طاہر محمود	4	4	-
سید فرحان عباس	4	4	-
سید شہباز حسین **	4	-	-

* عنصر حسین بحیثیت ڈائریکٹر 30 اکتوبر 2017 کو مستعفی ہو گئے۔

** سید شہباز حسین 16 اپریل 2018 کو خالی آسامی پر بحیثیت ڈائریکٹر مقرر ہوئے۔

*** غیر حاضری کی چھٹی دی گئی۔

آڈٹ کمیٹی کا اجلاس :

سال کے دوران، چار اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے:

نام	منعقدہ اجلاسوں کی تعداد	تعداد حاضری اجلاس	تغییل
جناب عنصر حسین *	4	-	1**
جناب طاہر محمود	4	4	-
سید فرحان عباس	4	4	-
محترمہ شرمین ہدایت اللہ *	4	2	1**

* عنصر حسین بحیثیت ڈائریکٹر 30 اکتوبر 2017 کو مستعفی ہو گئے۔

* شرمین ہدایت اللہ 30 اکتوبر 2017 کو آڈٹ کمیٹی میں شامل ہوئیں۔

** غیر حاضری کی چھٹی دی گئی۔

آڈیٹرز :

ریٹائر ہونے والے موجودہ آڈیٹر، ہارون ذکریا اینڈ کمپنی المیت کی بنیاد پر خود کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔ بورڈ کی آڈٹ کمیٹی نے ہارون ذکریا اینڈ کمپنی کی 30 جون 2019 کو ختم ہونے والے سال کے لئے آڈیٹر کی حیثیت سے تقرری کی سفارش کی ہے اور بورڈ نے اس کی منظوری دے دی ہے۔

آڈیٹرز کی رپورٹ :

آڈیٹرز نے 30 جون 2018 کو ختم ہونے والے سال کے لئے کمپنی کے مالی گوشواروں پر اپنی رائے دی ہے، جس میں انہوں نے کچھ نقطوں پر زور دیا ہے۔

• مالیاتی گوشواروں کے نوٹ 21.1.2 پر ہمارا جواب یہ ہے کہ کمپنی کی انتظامیہ کی رائے ہے کہ انکم ٹیکس آرڈیننس 2001 کے سیکشن 8A کے تحت ٹیکس قابل وصول نہیں ہے کیونکہ سال 2017 کے دوران منافع الیوسی ایٹ کے منافع کے حصہ سے حاصل کیا گیا ہے جو پیریم کورٹ آف پاکستان کے فیصلے کے مطابق حقیقی آمدنی نہیں ہے۔



• مالیاتی حسابات کے نوٹ 11 پر ہمارا جواب یہ ہے کہ سال کے بعد SECP کی منظوری حاصل کر لی گئی ہے اور اس کے مطابق سیکورٹیز کا ڈیپوٹل کیا جائے گا۔

اخلاقیات اور کاروباری طریقوں کا بیان :

کمپنی کے بورڈ آف ڈائریکٹرز نے اخلاقیات اور کاروباری طریقوں پر عمل کیا ہے۔ تمام ملازمین کو اس بیان بارے میں مطلع کیا گیا ہے اور کاروباری قواعد و ضوابط کے سلسلے میں ان اصولوں پر عمل کرنا ضروری قرار دیا گیا ہے۔

ڈیویڈنڈ :

مذکورہ بالا کی بنیاد پر، کمپنی کے بورڈ آف ڈائریکٹرز نے سال کے لئے شیئرز ہولڈرز کو کوئی ڈیویڈنڈ تقسیم نہ کرنے کا فیصلہ کیا ہے۔

کریڈٹ ریٹنگ :

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے کمپنی کو AM3 " کی ایٹ نیچر ریٹنگ تفویض کی ہے۔

کمپنی کے حصص میں تجارت :

سال کے دوران ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانس آفیسر اور کمپنی سیکرٹری، ان کے زوج اور نابالغ بچوں کی طرف سے حاصل / منتقلی یا ڈیپوزٹ کے لئے حصص کا خلاصہ مندرجہ ذیل ہے۔

نام	خریداری	فروخت
سید شاہت حسین	2,500	-
عنصر حسین	-	2,500

مسلک افراد / متعلقہ پارٹیوں کے ساتھ لین دین :

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

30 جون 2018 کو پونٹ ہولڈنگ کا نمونہ :

30 جون 2018 کو پونٹ ہولڈرز کا نمونہ مالی گوشواروں سے مسلک کر دیا گیا ہے۔

اہم مالیاتی جھلکیاں :

کلیدی مالیاتی جھلکیوں کا خلاصہ ان مالیاتی گوشواروں کے ساتھ مسلک کر دیا گیا ہے۔

اسٹاف کوریٹرمینٹ کے فوائد :

786 تمام مستقل ملازمین کے لئے ایک پراویڈنٹ فنڈ اسکیم چلا رہی ہے جس کی تفصیلات ان مالیاتی گوشواروں میں شامل ہے۔

بعد از بیلنس شیٹ واقعات :

بیلنس شیٹ کی تاریخ کے بعد، PSX نے 30 اگست 2018 کو ایک نوٹس جاری کیا جس میں یہ بیان تھا کہ 786 انویسٹمنٹ لمیٹڈ کا نام تبدیل کر کے "مارل کاؤنٹر" آف ایکسچینج رکھنا ہے اور اس کے حصص میں ٹریڈنگ پیر، 3 ستمبر 2018 سے مؤثر دوبارہ بحال کی جائے گی۔

اظہار تشکر :

میںجنت کمپنی کے بورڈ آف ڈائریکٹرز قابل قدر معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ کے شکر گزار ہیں۔ ڈائریکٹرز عزم، لگن اور محنت پر کمپنی کے ملازمین اور انتظامیہ کا اور کمپنی میں اعتماد پر شیئرز ہولڈرز کا بھی شکریہ ادا کرتے ہیں۔

شفقت سلطانہ
چیئر پرسن

تارہ عزرا داؤد
چیف ایگزیکٹو آفیسر

کراچی: 17 ستمبر 2018

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of 786 Investments Limited

Review Report on the Statement of Compliance contained in listed companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **786 Investments Limited** for the year ended June 30, 2018 in accordance with the requirement of regulation 40 of the Regulation.

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

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

The Regulation require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the Related party transaction by the board of directors upon recommendations of the Audit committee. We have not carried out procedures to assess and determine the company's process for identification of the related party and that whether the related party transactions were undertaken at arm's length price 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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

Further, we highlight below instance of non-compliance with the requirements of the Regulations as reflected in the note reference where it is stated in the Statement of Compliance:

Note Reference	Description
4	Management Company could not comply with all the corporate and financial reporting requirements of the regulation 37(7(k) of NBFC & NE Regulations, 2008.

Reanda Haroon Zakaria D.O.
Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Date: September 17, 2018

**STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR
THE YEAR ENDED JUNE 30, 2018.**

This Statement is being presented to comply with the Regulation no. 40 of Listed Companies (Code of Corporate Governance) Regulation, 2017 ("CCG") 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.

786 Investments Ltd has applied the principles contained in the CCG in the following manner:

1. The total number of directors are seven (7) as per the following:
 - a) Male: 04
 - b) Female: 03
2. The Composition of board is as follows:

a) Independent Directors	-	04
b) Other Non-executive Directors	-	02
c) Executive Directors	-	01
3. The Directors have confirmed that none of them is serving as a director in more than five listed companies, including 786 Investments Ltd (excluding the listed subsidiaries of listed holding companies where applicable).
4. The Management Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures. Certain Non-Compliance of the NBFC regulation are identified by the SECP which are either addressed appropriately by the company or otherwise appropriate course of action is communicated to the SECP.
5. The board has developed a Vision/Mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirement of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The Board of Directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. The Board has arranged Director's Training Program for the following:
Ms. Tara Uzra Dawood, Chief Executive
The Company ensure that at least half of the Board of Directors comply the requirement of Directors Training Program by June 30, 2019 through exemption or certification.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirement of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed following committees comprising of members given below:

Category	Names	Committees	Designation
Independent Directors Non-Executive Director Non-Executive Director	Syed Shabahat Hussain Syed Farhan Abbas Mr. Tahir Mehmood	Audit Committee	Chairman Audit Committee Member Member
Independent Directors Executive Director Non-Executive Director	Ms. Shafqat Sultana Ms. Tara Uzra Dawood Mr. Tahir Mehmood	Human Resource & Remuneration Committee	Chairperson HR&RC Member Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committee were as per following:
 - a) Audit Committee 04 meeting were held during FY 2017-18
 - b) HR & Remuneration Committee 01 meeting were held during FY 2017-18
15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountant (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulation have been complied with.

Shafqat Sultana
Chairperson

September 17 , 2018

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF 786 INVESTMENTS LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the annexed financial statements of **786 Investments Limited** which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss, other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2018 and of the loss, other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter(s)

- (i) We draw attention to **note 21.1.2** explaining the not charging of taxation under section 5A of the Income Tax Ordinance, 2001.
- (ii) We further draw attention to **note 11** to the financial statements which provide 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. Subsequent to the year-end permission from SECP for disposal of such shares has been obtained.

Our opinion is not qualified in respect of above matters.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matter(s):

S. No.	Key audit matter(s)	How the matter was addressed in our audit
	<p>1) Preparation of financial statement under Companies Act, 2017</p> <p>The Companies Act 2017 (the Act) became applicable from financial year ended 30 June 2018 and affects the presentation of disclosures in the financial statements – Refer Note 2(i).</p>	<p>1) We obtained necessary information from management for completeness of disclosures and evaluate the appropriateness of such information by cross checking it with relevant audit evidences.</p> <p>2) Evaluating the results of management's analysis and key decisions taken in respect of the transition, using our knowledge of the relevant requirements of the fourth schedules to the companies Act, 2017 and our understanding of the Company's operations and business.</p> <p>3) Assessing the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures made in the annexed financial statements based on the new requirements.</p>
	<p>2) Transaction with the related party</p> <p>Refer to Note (8) and (32), 786 Investment Limited is a major Unit holder (74.28%) of the first Dawood Mutual Fund and also a Fund manager of that funds.</p> <p>While with the above related party transactions are undertaken in the normal course of business, the fee charged mechanism adopted which involves the determination of profit margins to be included in the management fee on a daily basis, may</p>	<p>Our key audit procedures with respect to related party sales transactions with First Dawood Mutual Fund included:</p> <p>1) Examination of the service agreement which sets out the terms and conditions of such transactions and also fee mechanism to be followed for the same</p> <p>2) Obtaining confirmation from FDMF for transactions and balance, approval of the said agreement and pricing policies by the Board of Directors of the respective Funds</p>

S. No.	Key audit matter(s)	How the matter was addressed in our audit
	<p>potentially impact the operating results of the Company in a significant manner.</p> <p>Accordingly due to the significant impact and volume of sale transactions to Rs.186.262 million, we have considered it to be a key audit matter.</p>	<p>and compliance with the relevant requirements of the companies Act 2017 and Code of Corporate Governance with respect to such related party transactions.</p> <p>3) We also evaluated the appropriateness of the disclosures of such related party transactions in accordance with the requirements of the applicable financial reporting standards. In doing so, we considered the adequacy and relevance of the information disclosed in the financial statements to comply with the requirements of "IAS 24 – Related Party Disclosure.</p>
	<p>3) Valuation of Investments</p> <p>The value of investment is Rs.227.84 million as at June 30, 2018 (2017: Rs.247.325 million) held by the company is the quantitatively significant financial statement line item on the statement of Financial Position.</p> <p>Refer to note 5.3 for the accounting policy on investments and details of the investments are disclosed in note 8.</p>	<p>Test of detail are performed on investments held by the company including inspecting source documents and evaluating quoted market rates and fair values where applicable.</p>

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

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



Place: Karachi

Dated: **17 SEP 2018**



STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2018

	<i>Note</i>	<i>2018 Rupees</i>	<i>2017 Rupees</i>
<u>ASSETS</u>			
Non-Current Assets			
Property and Equipment	7	8,620,715	2,975,753
Long-Term Investments	8	227,845,347	247,325,994
Long-Term Advances	9	668,352	834,500
Long-Term Deposits		36,300	36,300
Deferred Tax Assets	10	-	-
		237,170,714	251,172,547
Current Assets			
Short-Term Investments	11	8,625,160	7,648,278
Loans and Advances	12	524,350	-
Short-Term Prepayments	13	825,967	1,066,865
Trade Receivable	14	8,918,484	9,962,272
Accrued Markup	15	24,999	77,934
Taxation - Net	16	4,662,894	4,935,220
Cash at Bank	17	3,313,649	12,335,666
		26,895,503	36,026,235
Total Assets		264,066,217	287,198,782
<u>EQUITY AND LIABILITIES</u>			
Share Capital and Reserves			
Authorised Capital			
20,000,000 Ordinary Shares of Rs. 10 Each		200,000,000	200,000,000
Issued, Subscribed and Paid-Up Capital			
General Reserves	18	149,737,500	149,737,500
Surplus on Revaluation of Available for Sale Investments		33,630,264	33,630,264
Unappropriated Profit		5,075,025	4,098,143
		57,004,385	83,420,544
		245,447,174	270,886,451
Current Liabilities			
Trade and Other Payables	19	17,620,301	15,313,589
Unclaimed Dividend	20	998,742	998,742
Total Equities and Liabilities		264,066,217	287,198,782
Contingencies and Commitments	21		

The annexed notes from 1 to 38 form an integral part of these financial statements.

786 Investments Limited
(Management Company)

Chief Financial Officer

Director

Chief Executive Officer



**STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2018**

	<i>Note</i>	<i>2018 Rupees</i>	<i>2017 Rupees</i>
Income			
Remuneration from Funds under Management	22	11,501,109	10,013,419
Impairment against Investments	23	(154,233)	(566,473)
		<u>11,346,876</u>	<u>9,446,946</u>
Expenses			
Administrative and Operating Expenses	24	32,457,415	19,675,635
Financial Charges		1,749	957
		<u>32,459,164</u>	<u>19,676,592</u>
Operating Loss		<u>(21,112,288)</u>	<u>(10,229,646)</u>
Other Operating Income	26	599,485	670,592
Other Operating Charges	27	-	(1,296,101)
Share of Associates' (Loss)/Profit	28	(4,326,414)	75,660,180
(Loss)/Profit Before Taxation		<u>(24,839,217)</u>	<u>64,805,025</u>
Taxation	29	1,576,942	9,663,008
Net (Loss)/Profit for the Year		<u><u>(26,416,159)</u></u>	<u><u>55,142,017</u></u>
(Loss)/Earnings per Share - Basic and Diluted	30	<u><u>(1.76)</u></u>	<u><u>3.68</u></u>

The annexed notes from 1 to 38 form an integral part of these financial statements.

786 Investments Limited
(Management Company)

Chief Financial Officer

Director

Chief Executive Officer



**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018**

	<i>2018</i> <i>Rupees</i>	<i>2017</i> <i>Rupees</i>
Net (Loss)/Profit for the Year	(26,416,159)	55,142,017
Other Comprehensive Income		
Surplus on Revaluation of Available for Sale Investments	976,882	5,217,984
Total Comprehensive (Loss)/Income for the Year	<u>(25,439,277)</u>	<u>60,360,001</u>

The annexed notes from 1 to 38 form an integral part of these financial statements.

786 Investments Limited
(Management Company)

Chief Financial Officer

Director

Chief Executive Officer



CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2018

	2018 Rupees	2017 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit Before Taxation	(24,839,217)	64,805,025
Adjustments for Items Not Involving Movement of Funds:		
Depreciation on Property and Equipment	1,624,388	203,298
Impairment Against Long-Term Investments	154,233	566,473
Financial Charges	1,749	957
Gain on Disposal of Property and Equipment	(12,416)	-
Mark-Up Earned on Saving Account	(544,371)	(670,592)
Gain on Sale of TFC's	(42,699)	-
Share of Loss from Associates'	4,326,414	(75,660,180)
	5,507,298	(75,560,044)
Operating Cash Flows Before Working Capital Changes	(19,331,919)	(10,755,019)
(Increase)/Decrease In Current Assets		
Loans and Advances	(524,350)	52,000
Trade Receivable	1,043,788	37,269,154
Short-Term Prepayments	240,898	-
	760,336	37,321,154
Increase/(Decrease) In Current Liabilities		
Trade and Other Payables	2,306,712	(4,814,588)
	(16,264,871)	21,751,547
Income Taxes Paid/Refund - Net	(1,304,616)	(8,469,258)
Financial Charges Paid	(1,749)	(957)
Net Cash (Used In)/Generated From Operating Activities	(17,571,236)	13,281,332
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Long-Term Investments - Net	15,000,000	1,472,253
Long-Term Advances	166,148	(834,500)
Proceeds from Disposal of TFC'S	42,699	-
Proceeds from Disposal of PPE	50,000	-
Receipt of Mark-Up on Saving Account	597,306	(380,623)
Purchase of Property and Equipment	(7,306,934)	(2,943,429)
Net Cash Generated/(Used in) from investing Activities	8,549,219	(2,686,299)
Net (Decrease)/Increase in Cash and Cash Equivalents	(9,022,017)	10,595,033
Cash and Cash Equivalents at Beginning of the Year	12,335,666	1,740,633
Cash and Cash Equivalents at End of the Year	3,313,649	12,335,666

The annexed notes from 1 to 38 form an integral part of these financial statements.

786 Investments Limited
(Management Company)

Chief Financial Officer

Director

Chief Executive Officer



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2018

	<i>Issued, Subscribed and Paid-Up Capital</i>	<i>General Reserve</i>	<i>Surplus on Measurement of Available for Sale Investments</i>	<i>Unappropriated Profit</i>	<i>Total</i>
	----- Rupees -----				
Balance as at July 1, 2016	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
Total Comprehensive Income for the Year	-	-	5,217,984	55,142,017	60,360,001
Balance as at June 30, 2017	149,737,500	33,630,264	4,098,143	83,420,544	270,886,451
Loss for the Year	-	-	-	(26,416,159)	(26,416,159)
Other Comprehensive Income	-	-	976,882	-	976,882
Total Comprehensive Income for the Year	-	-	976,882	(26,416,159)	(25,439,277)
Balance as at June 30, 2018	149,737,500	33,630,264	5,075,025	57,004,385	245,447,174

The annexed notes from 1 to 38 form an integral part of these financial statements.

786 Investments Limited
(Management Company)

Chief Financial Officer

Director

Chief Executive Officer



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

1 STATUS AND NATURE OF BUSINESS

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

During the year the company has successfully renewed his license to carry out "Asset Management Service" and "Investment Advisory Service " dated on October 19, 2017 under rule 5 of the Non-Banking Finance companies (establishment and regulation) Rules, 2003 and under Rules, 2003 amended through S.R.O 1131(1) 2007, S.R.O 271(1) 2010, S.R.O 570(1)/2012 and S.R.O 1002(1)/2015 respectively. renewed.

- 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. 245.45 (2017: 270.866) million. The Company's financial statements for the year ended June 30, 2018 are being prepared on a going concern basis as the management has complied with the minimum equity requirements and has successfully renewed his license on dated on October 19, 2017 under rule 5 of the Non-Banking Finance companies (establishment and regulation) Rules, 2003 and under Rules, 2003 amended through S.R.O 1131(1) 2007, S.R.O 271(1) 2010, S.R.O 570(1)/2012 and S.R.O 1002(1)/2015 respectively.

2 SIGNIFICANT TRANSACTIONS AND EVENT THAT AFFECTED THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

- (i) Due to the applicability of Companies Act, 2017 certain disclosures of the financial have been presented in accordance with the fourth schedule notified by the Securities and Exchange Commission of Pakistan vide S.R.O. 1169 dated November 7, 2017.
- (ii) Long-term investment of the company has decreased by 13.30 % approximately ,primarily because of redemption of units of First Dawood Mutual Fund amounting to Rs.27.5 Million.
- (iii) Management fees has been increased by 14.85 % owing to better performance by Fund under management.
- (iv) Admin Expense are increased mainly because of increase in Salaries and number of staff because of operations are expending as well as as legal and professional charges are increased due to renewal of license.
- (v) Share of associate's profit is reduces significantly which are funds managed by the company which is evident from current year's performance of Pakistan Stock Exchange shares.
- (vi) During the period Companies has issued letter of interest to act as Asset Management Company of First Capital Mutual Fund, presently managed by First investment Limited, which approval is pending by Securities and Exchange Commision of Pakistan.
- (vii) During the year and subsequent to the year end, active steps have been taken by company to remove its name from defaulter's segment mainly including the following:
 - a. Payment of penalty of Rs. 11,000.
 - b. Holding session at PSX for presentation to shareholders and market participants.

3 BASIS OF PREPARATION

3.1 Statement of Compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the international Accounting Standard Boards (IASB) as notified under the Companies Act , 2017.
- Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.



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.

3.4 Standards, Interpretations and Amendments Applicable to the Financial Statements

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as describe below :

3.5 New Standards, Interpretations and Amendments

The company has adopted the following accounting standards, interpretations and the amendments of IFRSs which became effective for the current year:

- IAS 7 – Statement of Cash flow - Disclosure Initiative - (Amendments).
- IAS 12 – Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments).

The adoption of the above amendments to accounting standards did not have any effect on the financial statements.

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

4.1 Standards, Interpretations and Improvements to Approved Accounting Standards that are Not Yet Effective

The following standards, amendments and improvements with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations :

<i>Standard or Interpretation</i>	<i>Effective Date (Annual Periods Beginning on or After)</i>
IFRS 2 – Share Based Payments - Classification and Measurement of Share Based Payment Transactions (Amendments).	01 January 2018
IFRS 9 – Financial Instruments.	01 July 2018
IFRS 9 – Payment Features With Negative Compensation - (Amendments).	01 January 2018
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments).	Not yet finalized
IFRS 15 – Revenue from Contracts With Customers.	01 July 2018
IFRS 16 – Leases.	01 January 2019
IFRS 4 – Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - (Amendments).	01 January 2018
IAS 40– Investment Property: Transfers of Investment Property (Amendments).	01 January 2018
IAS 19 – Plan Amendment, Curtailment or Settlement (Amendments).	01 January 2019
IAS 28 – Long-term interests in Associates and Joint Ventures - (Amendments).	01 January 2019
IFRIC 22 – Foreign Currency Transactions and Advance Consideration.	01 January 2018
IFRIC 23 – Uncertainty Over Income tax Treatments.	01 January 2019



The above standards and amendments are not expected to have any material impact on the company's financial statements in the period of initial application except for IFRS 15 - Revenue from Contracts with Customers. The company is currently evaluating the impact of the said standard.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual period beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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

<i>Standard or Interpretation</i>	<i>Effective Date (Annual Periods Beginning on or After)</i>
IFRS 14 - Regulatory Deferral Accounts.	01 January 2016
IFRS 17 - Insurance Contracts.	01 January 2021

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.

5.2 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 MUFAP 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:

<i>Description</i>	<i>Furniture and Fixtures</i>	<i>Vehicles</i>	<i>Office Equipment</i>	<i>Computers</i>	<i>Total</i>
----- Rupees -----					
Year Ended June 30, 2018					
Opening Net Book Value (NBV)	73,490	2,575,415	70,599	256,249	2,975,753
Additions (at Cost)	525,042	5,331,300	542,005	908,587	7,306,934
Disposals					
Cost	-	-	(182,435)	-	(182,435)
Depreciation	-	-	144,851	-	144,851
Net Book Value	-	-	(37,584)	-	(37,584)
Depreciation Charge	(57,610)	(1,203,299)	(51,453)	(312,026)	(1,624,388)
Closing Net Book Value	540,922	6,703,416	523,567	852,810	8,620,715
Gross Carrying Value Basis					
Cost	1,487,514	8,017,370	1,274,198	4,389,094	15,168,176
Accumulated Depreciation/Impairment	(946,592)	(1,313,954)	(750,631)	(3,536,284)	(6,547,461)
Net Book Value	540,922	6,703,416	523,567	852,810	8,620,715
Year Ended June 30, 2017					
Net Carrying Value Basis					
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
Depreciation Charge	(20,129)	(110,655)	(25,857)	(46,657)	(203,298)
Closing Net Book Value (Refer Note 5.1)	73,490	2,575,415	70,599	256,249	2,975,753
Gross Carrying Value Basis					
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
Depreciation Rate % per Annum	10	20	20	33	

8 LONG-TERM INVESTMENTS

Investments in Associates - Quoted

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

8,069,728 (June 30, 2017: 9,307,825) Fully Paid Ordinary Certificates of Rs. 10 each Representing 74.28% (June 30, 2017: 73.81%) Holding.

	2018 Rupees	2017 Rupees
8.1	180,584,362	214,839,615

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

348,387 (June 30, 2017: 260,994) Units of Rs.100/- each Representing 9.19% (June 30, 2017: 8.32%) Holding.

8.2	30,765,592	20,599,305
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	Note	2018 Rupees	2017 Rupees
Dawood Islamic Fund (Open-End- Fund) - An Associate (Using Equity Method)			
40,680 (June 30, 2017: Nil) Units of Rs.100/- each Representing 4.49% (June 30, 2017: Nil) Holding.	8.3	<u>4,762,552</u> <u>216,112,506</u>	<u>-</u> <u>235,438,920</u>
Available for Sale Investment - Unquoted			
Al Baraka Bank (Pakistan) Limited			
2,961 (June 30, 2017: 2,961) Fully Paid Ordinary Shares of Rs. 10/- Each	8.4	<u>24,545</u> <u>(1,890)</u> <u>22,655</u>	<u>27,051</u> <u>(2,506)</u> <u>24,545</u>
Less: Impairment on Available for Sale Investments			
Dawood Family Takaful Limited - A Related Party			
2,372,500 (June 30, 2017: 2,372,500) Fully Paid Ordinary Shares of Rs. 10/- Each	8.5	<u>11,862,529</u> <u>(152,343)</u> <u>11,710,186</u> <u>227,845,347</u>	<u>12,426,496</u> <u>(563,967)</u> <u>11,862,529</u> <u>247,325,994</u>
Less: Impairment on Available for Sale Investments			
8.1 The abridged audited financial information of First Dawood Mutual Fund (the Fund) based on the audited financial statements as at June 30, 2018 is as follows:			
		2018 Rupees	2017 Rupees
Associate's Statement of Assets and Liabilities			
Total Assets		253,136,872	307,523,891
Total Liabilities		10,020,187	16,472,274
Net Assets		<u>243,116,685</u>	<u>291,051,617</u>
Share of Company's Net Assets as at		<u>180,584,362</u>	<u>214,839,615</u>
Associate's Income Statement			
Total Income		2,046,419	110,639,751
Net (Loss)/Income		(8,842,581)	103,721,258
The market value of investment in First Dawood Mutual Fund as at June 30, 2018 is Rs.180,548,362 (2017: Rs. 214,839,615).			
8.2 The abridged audited financial information of Dawood Income Fund (the Fund) based on audited financial statements as at June 30, 2018 is as follows:			
		2018 Rupees	2017 Rupees
Associate's Statement of Assets and Liabilities			
Total Assets		341,652,743	258,322,926
Total Liabilities		6,928,447	10,585,599
Net Assets		<u>334,724,296</u>	<u>247,737,327</u>
Share of Company's Net Assets		<u>30,765,592</u>	<u>20,599,305</u>
Associate's Income Statement			
Total Income		47,010,220	36,855,244
Net Income		35,110,703	34,998,133
The Dawood Income Fund has been classified as an associate Despite the fact that the Company holds less than twenty percent holding 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, 2018 amounts to Rs. 30,765,592 (2017: Rs. 20,599,305).			



8.3 The abridged audited financial information of Dawood Islamic Fund (the Fund) based on audited financial statements as at June 30, 2018 is as follows:

	2018 Rupees	2017 Rupees
Associate's Statement of Assets and Liabilities		
Total Assets	109,611,116	107,862,535
Total Liabilities	3,457,932	4,831,572
Net Assets	106,153,184	103,030,963
Share of Company's Net Assets	4,762,552	-
Associate's Income Statement		
Total (Loss)/Income	(7,091,191)	12,462,115
Net Loss/Income	(11,818,370)	9,495,715

The Dawood Islamic Fund has been classified as an associate Despite the fact that the Company holds less than twenty percent Holding 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 Islamic Fund as at June 30, 2018 amounts to Rs. 4,762,552 (2017: Nil).

8.4 These figures are based on the basis of March 31, 2018 un-audited financial statements.

8.5 These figures are based on the basis of December 31, 2017 audited financial statements.

	Note	2018 Rupees	2017 Rupees
9 LONG-TERM ADVANCES			
Long-Term Advances against Software		668,352	-
Long-Term Advances against Vehicle		-	834,500
		668,352	834,500
10 DEFERRED TAX ASSET			
<i>(Taxable)/Deductible Temporary Differences Due to:</i>			
Relating to Taxable Temporary Differences			
Carried Forward Assessed Tax Losses		(12,846,696)	(8,177,051)
Accelerated Tax Depreciation		49,547	79,386
		(12,797,149)	(8,097,665)
Unrecognized Deferred Tax Asset	10.1	12,797,149	8,097,665
		-	-

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

11 SHORT-TERM INVESTMENTS

		June 30, 2018		June 30, 2017	
	Note	Book Value	Fair Value	Book Value	Fair Value
Available For Sale					
Listed Shares-Related Party	11.1	3,550,135	3,550,135	3,550,135	3,550,135
Term Finance Certificate	11.2	-	-	-	-
		3,550,135	3,550,135	3,550,135	3,550,135
Cummulative Gain on Revaluation of Investment		-	5,075,025	-	4,098,143
		3,550,135	8,625,160	3,550,135	7,648,278



11.1 Listed Shares - Related Party

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

<i>Number of Shares</i>		<i>Name of Companies</i>	<i>Note</i>	June 30, 2018		June 30, 2017	
June 30, 2018	June 30, 2017			Book Value	Fair Value	Book Value	Fair Value
				----- Rupees-----			
Financial services							
2,382,641	2,382,641	First Dawood Investment Bank Limited - related party	11.1.1	3,550,135	8,625,160	3,550,135	7,648,278
				3,550,135	8,625,160	3,550,135	7,648,278

11.1.1 Subsequent to the year SECP has granted permission for unfreezing the shares of First Dawood Investment Bank Limited.

11.2 Term Finance Certificates - Listed

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

Number of Shares		Redemption Period	Term of Redemption	Rate	June 30,	June 30,	
June 30, 2018	June 30, 2017				2018	2017	
					----Book Value----		
-	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)
						-	-

11.2.1 Pace Pakistan Limited defaulted on its payment of principal and mark-up due on 21 August 2011. Consequently, the security was classified as non-performing by MUFAP on 5 September 2011 and accrual on the same was suspended. This security has been fully provided in accordance with provisioning circulars issued by the SECP and the Board's approved provisioning policy. During the period the Company has sold entire certificates for Rs. 42,699/- and recognized gain in income statement. Accordingly the provision has been adjusted against the carrying amount of the investment.

12 LOANS AND ADVANCES	Note	2018 Rupees	2017 Rupees
Unsecured - Considered Good			
Advance against Salary	12.1	524,350	-
		524,350	-
12.1 Name of employees		Maximum aggregate amount outstanding with reference to Month end Balance	
1 Talal Ismail Pasha		35,000	-
2 Tauqir Shamshad		344,750	-
3 Kamran Rafique		76,000	-
4 Muhammad Abbas		68,600	-
		524,350	-

13 SHORT-TERM PREPAYMENTS

Prepayments	13.1	701,105	1,066,865
Prepaid Rent		124,862	-
		825,967	1,066,865

13.1 This includes Rs. 500,000/- (2017: Rs. 1,000,000/-) prepaid as license fee of AMC and IAS for the year 2019.



14	TRADE RECEIVABLE	Note	2018	2017
			Rupees	Rupees
	Dawood Income Fund - An Associate		2,541,141	2,978,217
	Dawood Islamic Fund - An Associate		801,199	976,113
	First Dawood Mutual Fund - An Associate		5,576,144	6,007,942
			8,918,484	9,962,272
15	ACCRUED MARKUP			
	Accrued Mark-Up on Saving Accounts		24,999	77,934
16	TAXATION-NET			
	Opening		4,935,220	6,128,966
	Tax Paid During the Year		1,304,616	8,469,262
	Prior Year Tax Adjustment		(501,746)	(4,857,423)
	Provision for the Year		(1,075,196)	(4,805,585)
	Closing		4,662,894	4,935,220
17	CASH AT BANK			
	Current Accounts		107,551	101,609
	Saving Accounts	17.1	3,206,098	12,234,057
			3,313,649	12,335,666
17.1	The balance in saving accounts carry profit at rates ranging from 4% to 5.75% per annum (2017: 4% to 5.25% per annum).			
18	ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
	2018	2017	2018	2017
	No. of Shares		Rupees	Rupees
	10,000,000	10,000,000		
		Ordinary Shares of Rs. 10/- Each		
		Issued as Fully Paid in Cash	100,000,000	100,000,000
	4,973,750	4,973,750		
		Ordinary Shares of Rs. 10/- Each		
		Issued as Fully Paid Bonus Shares	49,737,500	49,737,500
	14,973,750	14,973,750	149,737,500	149,737,500
18.1	The following shares are held by the related parties of the Company as at 30 June 2018:			
	Name of related party		2018	2017
			---- No. of Shares ----	
	First Dawood Investment Bank Limited		2,246,070	2,246,070
	BRR Guardian Modaraba		1,935,505	1,935,505
19	TRADE AND OTHER PAYABLES			
	Accrued Expenses			
	Worker Welfare Fund payable		15,023,457	12,216,745
			2,596,844	3,096,844
			17,620,301	15,313,589
20	UNCLAIMED DIVIDEND	20.1	998,742	998,742
20.1	According to section 244 of Companies Act, 2017 all unclaimed dividend for a period of three year shall be credit to Federal Government account after serving 90 days' notice to shareholders. No such notice is serve by the company as company is in process of identifying the shareholder and then accordingly procedure will be adopted.			



21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

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

21.1.2 The Company's tax advisor is of the view that tax under section 5A of the Income tax ordinance, 2001 is not chargeable as profits during 2017 were derived from share of profits from associate which is not real income as per judgement of Supreme Court of Pakistan.

21.1.3 The company has unpaid dividend amounting to Rs.0.9987 million since 1998 for which identification of registered shareholder is in process owing to the fact the amount is old and at here were no share registrar at that time.

21.2 Commitments

There was no commitment during the year (2017: Nil)

22 REMUNERATION FROM FUNDS UNDER MANAGEMENT

Open-End Funds

	2018 Rupees	2017 Rupees
Dawood Income Fund - An Associate	5,366,088	2,929,277
Dawood Islamic Fund - An Associate	1,771,720	1,808,231
First Dawood Mutual Fund - An Associate	5,858,445	6,577,655
	<u>12,996,253</u>	<u>11,315,163</u>
Less: Sales Tax On Remuneration	(1,495,144)	(1,301,744)
	<u>11,501,109</u>	<u>10,013,419</u>

22.1 During the year the company has charged Management fee as under;

Open-End Funds

	2018 Percentage	2017 Percentage
Dawood Income Fund - An Associate	1.5	1.5
Dawood Islamic Fund - An Associate	1.5	1.5
First Dawood Mutual Fund - An Associate	2	2

23 IMPAIRMENT AGAINST INVESTMENTS

Unquoted shares

	Note	2018 Rupees	2017 Rupees
Al-Baraka Bank (Pakistan) Limited		1,890	2,506
Dawood Family Takaful Limited		152,343	563,967
		<u>154,233</u>	<u>566,473</u>



24 ADMINISTRATIVE AND OPERATING EXPENSES

	Note	2018 Rupees	2017 Rupees
Salaries and Allowances	24.1	17,973,481	10,246,896
Rent, Rates and Taxes		1,538,929	1,269,600
Postage and Telephones		577,299	434,457
Legal and Professional Charges		4,141,614	2,883,050
Printing and Stationery		464,895	183,540
Travelling and Conveyance		240,994	305,256
Vehicles Running		1,492,622	698,484
Advertisement Expense		84,400	205,249
Electricity		505,582	535,378
Repairs and Maintenance		220,206	782,627
Auditors' Remuneration	24.2	612,698	529,451
Entertainment		264,398	359,009
Insurance		300,104	60,943
Depreciation	7	1,624,388	203,298
Fee and Subscriptions		1,957,396	991,035
Newspapers and Periodicals		100	3,440
Directors' Fee		191,600	158,000
Commission		74,567	137,990
Marketing Expenses		561,937	-
Others		125,845	207,025
		<u>32,953,055</u>	<u>20,194,728</u>
Less: Reimbursement of Fees and Expenses	24.3	(495,640)	(519,093)
		<u>32,457,415</u>	<u>19,675,635</u>

24.1 This includes an amount of Rs. 1 million (2017: Rs. 0.51) relating to staff retirement benefits.

24.2 Auditors' remuneration

	2018 Rupees	2017 Rupees
Annual Audit	280,000	260,000
Certification Fee	95,000	90,000
Half Yearly Review	145,000	132,000
Sales Tax	53,712	38,560
Out of Pocket Expenses	38,986	8,891
	<u>612,698</u>	<u>529,451</u>

24.3 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. 0.4956 (2017 : Rs.0.519) million to the respective funds under its management.

25 DISCLOSURES RELATING TO PROVIDENT FUND

	2018	2017
Size of the Fund	139,674,961	124,684,909
Cost of Investments Made	124,666,088	100,475,972
Percentage of Investments Made	90%	81%
Fair Value of Investments	125,996,322	100,449,246
Break-Up of Investments	2018 Rupees	2017 Rupees
Government Securities	25,000,000	25,000,000
Term Finance Certificates	32,300,911	11,837,056
Investment In Sukuk	-	18,265,243
Listed Securities	20,908,765	12,790,568
Unlisted Securities	741,000	750,000
Mutual Funds	47,045,646	31,806,379
	<u>125,996,322</u>	<u>100,449,246</u>



Break-Up of Investments

	% age of size of the fund	
Government Securities	19.84%	24.89%
Term Finance Certificates	25.64%	11.78%
Investment in Sukuk	0.00%	18.18%
Listed Securities	16.59%	12.73%
Unlisted Securities	0.59%	0.75%
Mutual Funds	37.34%	31.66%
	100%	100%

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, 2018 and audited financial statements as at June 30, 2017. As per Trustees, investments out of Provident Fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

		2018 Rupees	2017 Rupees
26 OTHER OPERATING INCOME			
Gain on Disposal of Property and Equipment		12,416	-
Gain on Sale of TFCs		42,699	-
Mark-Up Earned on Saving Accounts		544,371	670,592
		599,485	670,592
27 OTHER OPERATING CHARGES			
Workers Welfare Fund		-	1,296,101
		-	1,296,101
28 SHARE OF ASSOCIATES' (LOSS)/PROFIT	Note	2018 Rupees	2017 Rupees
Dawood Income Fund		2,666,287	2,965,433
First Dawood Mutual Fund		(6,755,253)	72,694,747
Dawood Islamic Fund		(237,448)	-
		(4,326,414)	75,660,180
29 TAXATION			
Current Year Tax	29.1	1,075,196	4,805,585
Prior Year Charge		501,746	4,857,423
		1,576,942	9,663,008

29.1 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 Minimum Tax section 153(1)(b) of the Income Tax Ordinance, 2001.

Deferred tax asset amounting to Rs.12,797,149 (2017: Rs. 8,097,665) 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, 2018 amount to Rs.42,822,320 (2017: Rs. 28,596,401).

30 EARNINGS/(LOSS) PER SHARE - Basic and diluted

Net (Loss)/Profit for the Year	(26,416,159)	55,132,017
Weighted Average Number of Ordinary Shares	14,973,750	14,973,750
(Loss)/Earnings per Share - Basic and Diluted	(1.76)	3.68



31. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2018			2017		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	----- Rupees -----			----- Rupees -----		
Managerial Remuneration	4,416,000	-	2,213,602	3,808,000	-	563,333
House Rent	1,766,400	-	885,441	1,523,200	-	225,333
Bonus	552,000	-	-	400,000	-	65,000
Medical	19,700	-	14,309	24,000	-	18,000
Utilities	441,600	-	221,360	380,800	-	56,333
Provident Fund	441,600	-	221,358	380,802	-	56,331
E.O.B.I	5,760	-	5,760	4,800	-	4,800
Meeting Fee	-	191,600	-	-	158,000	-
	7,643,060	191,600	3,561,830	6,521,602	158,000	989,131
Number of persons	1	6	1	1	6	1

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

Executive means an employee other than Director and Chief Executive Officer, whose basic salary exceeds Rs. 1,200,000 in a financial year.

32. 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:

Relationship with the Company	Nature of Transactions	2018 Rupees	2017 Rupees
Mutual Funds managed by the Company	Management Fee Charged	11,501,109	10,013,420
	Sales Tax on Management Fee Charged	1,495,146	1,301,744
	Dawood Income Fund - Issue of 86,590 Units (2017: 53,393 Units)	7,500,000	4,120,060
	Dawood Islamic Fund - Issue of 40,680 Units (2017: Nil Units)	5,000,000	-
	First Dawood Mutual Fund - Issue of Nil Units (2017: 503,354 Units)	-	9,995,968
	First Dawood Mutual Fund - Redemption of 1,238,098 Units (2017: Nil Units)	27,500,000	-
	Accounting and Operational Charges	495,640	620,621
B.R.R Guardian Modaraba	Rent Paid During Period - New Office	1,498,341	-
	Amount Charge During the Period	1,373,479	-
First Dawood Investment Bank Limited	Rent Expense Charge During the Period - Old Office	99,550	1,194,600
Dawood Family Takaful Limited	Insurance Expense Charge During the Period	34,504	2,925
Provident Fund	Contribution	937,786	510,540
Key Management personnel	Remuneration	11,204,890	7,510,733



Balances at Year End		2018	2017
Associated Companies/Other Related Parties		Rupees	Rupees
Units Held:			
First Dawood Mutual Fund 8,069,728 Units (June 30, 2017 : 9,307,825 Units)		180,584,362	214,839,615
Dawood Income Fund 348,387 Units (June 30, 2017: 260,994 Units)		30,765,592	20,599,305
Dawood Islamic Fund 40,680 Units (June 30, 2017: Nil Units)		4,762,552	-
Shares Held:			
First Dawood Investment Bank Limited			
2,382,641 Units (June 30, 2017 : 2,382,641 Units) Fully Paid Ordinary Shares of Rs. 10/- Each		8,625,160	7,648,278
Payable in Respect of Rent - <i>Old Office</i>		2,687,850	2,588,300
Dawood Family Takaful Limited			
2,372,500 Units (June 30, 2017 : 2,372,500 Units) Fully Paid Ordinary Shares of Rs. 10/- Each		11,710,186	11,862,529
Prepaid Life Insurance		42,024	-
B.R.R Guardian Modaraba			
Prepaid Rent - <i>New Office</i>		124,862	-

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

33 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.

33.1 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.

33.1.1 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.

33.1.2 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.



33.1.3 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, 2018, the fair values of marketable securities exposed to price risk are as follows:

	2018 Rupees	2017 Rupees
Exposure classified as 'available for sale'	8,625,160	7,648,278

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

33.2 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.

The maximum exposure to credit risk as at June 30, 2017 is as follows: -

Description	June 30, 2018		June 30, 2017	
	Statement of Assets and Liabilities	Maximum Exposure	Statement of Assets and Liabilities	Maximum Exposure
	----- Rupees -----			
Long-Term Investments	227,845,347	227,845,347	247,325,994	247,325,994
Long-Term Deposits	36,300	36,300	36,300	36,300
Short-Term Investments	8,625,160	8,625,160	7,648,278	7,648,278
Loans and Advances	524,350	524,350	-	-
Short-Term Prepayments	825,967	825,967	1,066,865	1,066,865
Accrued Markup	24,999	24,999	77,934	77,934
Cash at Bank	3,313,649	3,313,649	12,335,666	12,335,666
	241,195,772	241,195,772	268,491,037	268,491,037

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

33.2.1 Financial Instruments by Category

	2018 Rupees	2017 Rupees
Financial Assets		
Loans and receivables at amortised cost		
Long-Term Deposits	36,300	36,300
Loans and Advances	524,350	-
Accrued Markup	24,999	77,934
Cash at Bank	3,313,649	12,335,666
Held for trading		
Listed Companies	216,112,506	235,438,920
Available-for-Sale		
Listed Companies	8,625,160	7,648,278
Unlisted Companies	11,732,841	11,887,074
	240,369,805	267,424,172
Financial Liabilities		
Financial Liabilities at Amortised Cost		
Trade and Other Payables	17,620,301	15,313,589
Unclaimed Dividend	998,742	998,742



33.3 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.

	<i>On Demand</i>	<i>Not Later than One Month</i>	<i>Upto Three Months</i>	<i>More than Three Months and Upto One</i>	<i>More than One Year</i>	<i>Total</i>
	<i>----- Rupees -----</i>					
As at June 30, 2018						
Trade and Other Payable	17,620,301	-	-	-	-	17,620,301
As at June 30, 2017						
Trade and Other Payable	15,313,589	-	-	-	-	15,313,589

33.4 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 245.447 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, 2018.

34 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, 2018			June 30, 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	<i>----- Rupees -----</i>					
Available-for-Sale Investments	8,625,160	-	-	7,648,278	-	-
Investments in Associates - Quoted	216,112,506	-	-	235,438,920	-	-
Fair Value through Profit and Loss-Held for Trading	-	-	-	-	-	-
Available-for-Sale Investments - Unquoted	-	11,732,841	-	-	11,887,074	-
	224,737,666	11,732,841	-	243,087,198	11,887,074	-



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, 2018, there were no transfers into or out of Level 3 fair value measurements .

35 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.

36 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue in Board of Directors of the management company on September 17, 2018.

37 NUMBER OF EMPLOYEES

The number of employees as at year end was 14 (2017: 11) and average number of employees during the year was 12 (2017: 9).

38 GENERAL

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

38.2 Figures have been rounded off to the nearest rupee.

**786 Investments Limited
(Management Company)**

Chief Financial Officer

Director

Chief Executive Officer



Details of Pattern of Holdings (Units)
As at June 30, 2018

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
619				14,973,750

Categories of Share Holders As on June 30, 2018

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
619		14,973,750	100.00



Additional Information as at June 30, 2018

S. No.	Categories of Share holders	Numbers	Shares Held	% Age
1	Associated Companies	2	4,181,575	27.93
	B.R.R. Guardian Modaraba		1,935,505	
	First Dawood Investment Bank Limited		2,246,070	
2	NIT & ICP	3	664,911	4.44
	National Bank of Pakistan-Trustee Department Ni(U)T Fund		663,832	
	Investment Corporation of Pakistan		500	
	IDBP (ICP UNIT)		579	
3	Directors, CEO their Spouses and Minor Children	7	1,778,774	11.88
	Miss Tara Uzra Dawood		1,768,458	
	Mrs. Shafqat Sultana		2,816	
	Ms. Charmaine Hidayat Ullah		2,500	
	Mr. Muhammad Izqar Khan		2,500	
	Syed Shabahat Hussain		2,500	
	Mr. Tahir Mehmood		2,500	
	Mr. Farhan Abbas		2,500	
4	Banks, DFIs, NBFIs, Insurance Companies, Takaful, Modarabas and Pension Funds	18	3,862,851	25.80
5	General Public	589	4,485,639	29.96
	Total	619	14,973,750	100.00

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
27th Annual GENERAL MEETING

I/We _____ of _____
(full address)

being a member of 786 Investments Limited Folio # _____ do hereby appoint

Mr./Ms _____ Folio # _____

of _____ (full address) (or failing him)

Mr./Ms _____ Folio# _____

of _____ (full address)

being another member of the Company as my/our proxy to attend and vote for me/us on my/our behalf, at the Annual General Meeting of the Company to be held on October 15, 2018 at 9:00 hours and to every adjournment thereof.

And witness my/our hand/seal this _____ day of _____ 2018, 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 8, 2018 to October 15, 2018 (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

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