

**GENERAL INVESTMENT & SECURITIES  
(PRIVATE) LIMITED.**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30<sup>th</sup> JUNE 2022**

**MUSHTAQ & CO.  
CHARTERED ACCOUNTANTS**

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407-Commerce Centre,  
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# MUSHTAQ & CO.

## CHARTERED ACCOUNTANTS

Head Office: 407, Commerce Centre, Hasrat Mohani Road, Karachi. Tel: 021-32638521-3  
Email: info@mushtaqandco.com, audit.khi@mushtaqandco.com



### *Independent auditor's report*

### *To the members of General Investment & Securities (Private) Limited*

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the annexed financial statements of **General Investment & Securities (Private) Limited**, which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity 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 and other comprehensive income, the statement of changes in equity 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, 2022 and of the loss and other comprehensive income, 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.

#### *Information Other than the Financial Statements and Auditor's Report Thereon*

Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the annual report, but does not include the financial statements of the company and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion there on.



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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### *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.

Boards 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



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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.

A handwritten signature in blue ink, appearing to be 'mm'.



# MUSHTAQ & CO.

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### *Report on Other Legal and Regulatory Requirements*

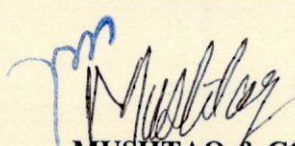
Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss and 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).
- The Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the Financial Statements were prepared.

### *Other Matter Paragraph*

The financial statements of the company for the year ended June 30, 2021 were audited by another firm of Chartered Accountants who expressed unmodified opinion in their report dated October 3, 2021.

The engagement partner on the audit resulting in this independent auditor's report is **Zahid Hussain Zahid, FCA**

  
**MUSHTAQ & CO**  
Chartered accountants



**KARACHI**

**Date: 29 November, 2022**

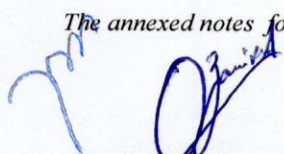
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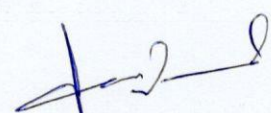
**GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	18,244,852	15,583,755
Intangible assets	5	5,000,000	5,000,000
Long term investments	6	225,192,498	219,371,907
Long term deposits	7	1,800,000	1,800,000
Deferred tax asset net	8	-	606,891
		250,237,350	242,362,554
<b>CURRENT ASSETS</b>			
Trade and other receivable - net	9	8,261,982	9,086,514
Prepayments, deposits and advances	10	19,079,931	27,605,408
Tax Refund due from Government	11	2,120,878	2,297,622
Short term investments	12	1,601,795	2,025,428
Cash and bank balances	13	37,101,784	44,250,958
		68,166,370	85,265,930
		<b>318,403,720</b>	<b>327,628,484</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid-up capital	14	79,945,000	79,945,000
Unrealized surplus on remeasurement of investments measured at FVOCI		128,644,935	122,824,344
Unappropriated profit		41,028,584	46,086,972
Director's Loan	15	20,043,026	-
		<b>269,661,545</b>	<b>248,856,316</b>
<b>NON-CURRENT LIABILITIES</b>			
Other long term payable	16	5,600,000	22,643,026
		<b>5,600,000</b>	<b>22,643,026</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	41,455,852	55,085,876
Provision for taxation	18	1,686,323	1,043,266
		43,142,175	56,129,142
<b>CONTINGENCIES AND COMMITMENTS</b>			
	19	<b>318,403,720</b>	<b>327,628,484</b>

*The annexed notes form an integral part of these financial statements.*

  
**Chief Executive Officer**



  
**Director**



**GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
<b>Revenue</b>	<b>20</b>	<b>36,376,196</b>	<b>47,048,245</b>
Fair value (loss) on equity instruments at FVTPL		(423,633)	(268,105)
Gain on sale of equity instruments at FVTPL - net		-	171,928
		<u>35,952,563</u>	<u>46,952,068</u>
Operating and Administrative expenses	21	(38,546,603)	(41,543,830)
<b>Operating profit / (loss)</b>		<u>(2,594,040)</u>	<u>5,408,238</u>
Other income	22	427,163	1,172,618
<b>(loss) / Profit before taxation</b>		<u>(2,166,877)</u>	<u>6,580,857</u>
Taxation	23	(2,891,511)	(143,723)
<b>(loss)/ Profit after taxation</b>		<u>(5,058,388)</u>	<u>6,437,134</u>
<b>(loss)/ Earning per share - basic and diluted</b>	<b>24</b>	<u>(6.33)</u>	<u>8.05</u>

*The annexed notes form an integral part of these financial statements.*

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*[Signature]*

Chief Executive Officer



*[Signature]*

Director



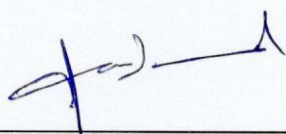
**GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	2022 Rupees	2021 Rupees
(loss)/ Profit after taxation	(5,058,388)	6,437,134
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified subsequently to P/L</b>		
Fair value gain on equity instruments designated at FVTOCI	5,820,591	65,438,023
Reversal of deferred tax liability	-	15,950,831
Deferred tax	-	-
	5,820,591	81,388,854
<b>Total comprehensive income/(loss) for the year</b>	<b>762,202</b>	<b>87,825,988</b>

*The annexed notes form an integral part of these financial statements.*

  
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**Chief Executive Officer**



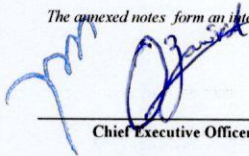
  
\_\_\_\_\_  
**Director**



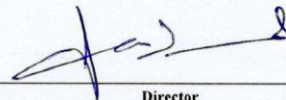
GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2022

	Issued, subscribed and paid-up capital	Revenue reserve	Capital reserve	Director's Loan	Total
		Unappropriated profit/(loss)	Fair value reserve of financial assets at FVOCI		
----- Rupees -----					
Balance as at June 30, 2020	79,945,000	23,699,007	57,386,321	-	161,030,328
Total comprehensive income for the year					
Profit / (Loss) for the year	-	6,437,134	-	-	6,437,134
Other comprehensive income / (loss)	-	15,950,831	65,438,023	-	81,388,854
	-	22,387,965	65,438,023	-	87,825,988
Balance as at June 30, 2021	79,945,000	46,086,972	122,824,344	-	248,856,316
Total comprehensive income for the year					
(Loss) for the year	-	(5,058,388)	-	-	(5,058,388)
Other comprehensive income/(loss)	-	-	5,820,591	-	5,820,591
Director Loan classified under Equity	-	-	-	20,043,026	20,043,026
	-	(5,058,388)	5,820,591	20,043,026	20,805,228
Balance as at June 30, 2022	79,945,000	41,028,584	128,644,935	20,043,026	269,661,545

The annexed notes form an integral part of these financial statements.

  
Chief Executive Officer



  
Director



**GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) / Profit before taxation		(2,166,877)	6,580,857
<b>Adjustments:</b>			
Depreciation		2,893,809	2,762,409
Loss on Disposal		180,794	-
Realized loss / (gain) on sale of short-term investments		-	(171,928)
Unrealized loss / (gain) on short-term investments		423,633	268,105
Dividend income		(8,957,241)	(4,765,279)
		(5,459,005)	(1,906,693)
<b>Profit before working capital changes</b>		(7,625,882)	4,674,164
<b>(Increase) / decrease in current assets</b>			
Trade receivable - net		824,532	(634,923)
Deposits, prepayments and other receivables		8,525,477	(15,337,262)
		9,350,009	(15,972,185)
<b>Increase/(decrease) in current liabilities</b>			
Trade and other payables		(13,630,024)	9,942,407
<b>Cash generated from / (used in) operations</b>		(11,905,897)	(1,355,614)
Proceeds from sale /(acquisition) of short-term investments -net		-	224,938
Dividends received		8,957,241	4,765,279
Income tax paid		(1,464,817)	(143,723)
		7,492,424	4,846,494
<b>Net cash generated from / (used in) operating activities</b>		(4,413,473)	3,490,880
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for acquisition of property and equipment		(5,735,701)	(16,952,870)
Purchase of Investments - net		-	(3,078,768)
Decrease/(increase) in long-term deposits		-	2,450,000
<b>Net cash generated from / (used in) investing activities</b>		(5,735,701)	(17,581,638)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loan from Directors (repaid / converted) / received - net		3,000,000	10,000,000
<b>Net cash generated from/(used in) financing activities</b>		3,000,000	10,000,000
<b>Net (decrease) / increase in cash and cash equivalents</b>		(7,149,174)	(4,090,759)
<b>Cash and cash equivalents at the beginning of the year</b>		44,250,958	48,341,717
<b>Cash and cash equivalents at the end of the year</b>	13	37,101,784	44,250,958

The annexed notes form an integral part of these financial statements.

Chief Executive Officer



Director



**GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**1 CORPORATE AND GENERAL INFORMATION**

**1.1 Legal status and operations**

General Investment Securities (Private) Limited (the "Company") is a private limited company incorporated in Pakistan on November 11, 1997 under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017). The Company is a holder of Trading Rights Entitlement Certificate ("TREC") of Pakistan Stock Exchange Limited.

The Company is principally engaged in the business of investment advisory, purchase and sale of securities, financial consultancy, brokerage, underwriting, portfolio management and securities research.

The geographical location and address of Company and its branch office is as follows:

**Business Units      Geographical Location**

**Registered offices** Office #1209, 12th Floor, ISE Tower, 55-B Jinnah Avenue, Blue Area, Islamabad.

**Branch Office** Office # 6, Block I, Mall Business Center, The Mall Road, Rawalpindi.

**2 ACCOUNTING CONVENTION AND BASIS FOR PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRS" or "IFRSs") issued by the International Accounting Standards Board ("IASB") as are notified under the Companies Act, 2017, provisions of or directives issued under the Companies Act, 2017, and relevant provisions of the Securities Brokers (Licensing and Operations) Regulations 2016 (the "Regulations"). In case requirements differ, the provisions or directives of the Companies Act, 2017 and/or the Regulations shall prevail.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention, except:

- Investments in quoted equity securities (whether classified as assets at fair value through profit or loss, or at fair value through other comprehensive income), which are carried at fair value;
- Investments in unquoted equities, measured at fair value through other comprehensive income;
- Investments in associates, which are recorded in accordance with the equity method of accounting for such investments; and
- Derivative financial instruments, which are marked-to-market as appropriate under relevant accounting and reporting standards.

**2.3 Standards, interpretations and amendments to published approved accounting standards**

**2.3.1 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the company:**

IAS 1	Presentation of financial statements (Amendments)	January 1, 2023
IAS 8	Accounting policies, change in accounting estimates and errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	January 1, 2022
IFRS 3	Business Combinations (Amendments)	January 1, 2022
IFRS 9	Financial Instruments (Amendments)	January 1, 2022
IFRS	Leases (Amendments)	January 1, 2022

The management anticipates that adoption of above standards, amendments and interpretations in future

periods, will have no material impact on the financial statements other than in presentation / disclosures.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:



**GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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IFRS 1 First-time Adoption of International Financial Reporting Standards

IFRS Insurance contracts

**2.4 Accounting estimates and judgments**

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are continually evaluated and are based on historical experience as well as expectations of future events and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's financial statements, are as follows:

- (i) Estimates of useful lives and residual values of items of property, plant and equipment;
- (ii) Estimates of useful lives of intangible assets;
- (iii) Allowance for credit losses;
- (iv) Fair values of unquoted equity investments;
- (v) Classification, recognition, measurement / valuation of financial instruments; and
- (vi) Provision for taxation

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented.

**3.1 Property and equipment**

**Initial Recognition**

Items of property and equipment are stated at cost less accumulated depreciation (if any) and impairment losses (if any). Cost includes expenditure that is direct attributable to the acquisition of the items.

**Subsequent measurement**

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Where such subsequent costs are incurred to replace parts and are capitalized, the carrying amount of replaced parts is derecognized. All other repair and maintenance expenditures are charged to profit or loss during the year in which they are incurred.

**Depreciation**

Depreciation on all items of property and equipment is calculated using the reducing balance method, in accordance with the rates specified in note 4 to these financial statements and after taking into account residual value, if material. Residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Depreciation is charged on an asset from the date when the asset is available for use until the asset is disposed off.

**Disposal**

An item of property and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on asset derecognition (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year in which the asset is derecognized.

**Judgments and estimates**

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.



**GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**Impairment**

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**Change in estimate**

The Company reviews useful lives of property and equipment on a regular basis. Any change in estimates in future years which might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment loss. Further, management also on a year basis reviews the carrying amounts of certain classes of property and equipment which are carried at revalued amounts. Any change in estimate in future years which might affect the carrying amount of these classes with a corresponding effect on the surplus on revaluation of property and equipment, related deferred tax liability and related charge of incremental depreciation.

**3.2 Intangible Asset - Acquired**

**TREC Certificates and PMEX Certificate**

These are stated at cost less impairment losses (if any). Cost includes expenditure that is directly attributable to the acquisition of the items. Trading Right Entitlement Certificates and Membership Card have indefinite useful life and accordingly are not amortized however, these are tested for impairment only. Impairment loss is recognized in profit and loss account.

**Judgments and estimates**

The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

**3.3 Financial Instruments**

**Initial measurement of financial asset**

The Company classifies its financial assets into following three categories:

fair value through other comprehensive income (FVTOCI);

fair value through profit or loss (FVTPL); and

measured at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

**Subsequent measurement**

**Debt Investments**

**at FVOCI**

These assets are subsequently measured at fair value. Interest/markup income calculated using the effective interest method, and impairment are recognised in the statement of profit or loss account. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit and loss account.

**at Amortized cost**

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest/markup income, and impairment are recognised in the statement of profit and loss account.

**at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest /markup of dividend income, are recognised in the statement of profit and loss account.

**Equity Investments**

**at FVTOCI**

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains



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and losses are recognised in other comprehensive Income and are never reclassified to the statement of profit and loss account.

**at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest /markup of dividend income, are recognised in the statement of profit and loss account.

**Non-derivative financial assets**

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets. The Company derecognizes the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

**Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to offset and the Company intends to either settle on a net basis, or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the financial statements only when permitted by the accounting and reporting standards as applicable in Pakistan.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and financial liabilities at amortized cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

**Financial liabilities at amortized cost (loans and borrowings)**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.





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Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**3.4 Impairment**

**Financial Assets**

The Company applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9, for financial assets measured at amortised cost. The Company's expected credit loss impairment model reflects the present value of all cash shortfalls related to default events, either over the following twelve months, or over the expected life of a financial instrument, depending on credit deterioration from inception. The allowance/provision for credit losses reflects an unbiased, probability-weighted outcomes which considers multiple scenarios based on reasonable and supportable forecasts.

Where there has not been a significant decrease in credit risk since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to the remaining term to maturity is used.

When a financial instrument experiences a significant increase in credit risk subsequent to origination but is not considered to be in default, or when a financial instrument is considered to be in default, expected credit loss is computed based on lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue effort or cost. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessments, including forward-looking information.

Forward-looking information includes reasonable and supportable forecasts of future events and economic conditions. These include macro-economic information, which may be reflected through qualitative adjustments or overlays. The estimation and application of forward- looking information may require significant judgment.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. The Company makes this assessment on an individual asset basis, after consideration of multiple historical and forward- looking factors. Financial assets that are written off may still be subject to enforcement activities in order to comply with the Company's processes and procedures for recovery of amounts due.

**Non-financial assets**

At each reporting date, the company reviews the carrying amounts of its non-financial assets to determine whether

there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from

continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).





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The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of impairment loss for a cash generating unit is allocated to the assets of the unit, except for goodwill, pro rata with the carrying amounts of those assets. The increase in the carrying amounts shall be treated as reversals of impairment losses for individual assets and recognised in profit or loss unless the asset is measured at revalued amount. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

**3.5 Trade Receivable  
Measurement**

Trade receivable are recognised initially at fair value and subsequently measured at cost less provision for doubtful debts.

**Impairment**

A provision for impairment of trade debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the debts. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification.

**Judgments and estimates**

Management reviews its trade debtors on a continuous basis to identify receivables where collection of the amount is no longer probable. These estimates are based on historical experience and are subject to change in condition at the time of actual recovery.

**3.6 Taxation**

Income tax expense comprises current and deferred tax.

**Current**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management yearly evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**Deferred**

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income.

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

Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse, based on tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is charged or credited in the statement of profit or loss account, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in comprehensive income or equity.

**Judgment and estimates**





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Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

**Off-setting**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**3.7 Cash and cash equivalents**

These are measured at cost which is the fair value. For the purposes of cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, balances with banks on current and savings accounts and short term investment and running finance.

**3.8 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved by the company's shareholders.

**3.9 Share capital**

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**3.10 Trade and other payables**

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method. They are classified as current if payment is due within twelve months of the reporting date, and as non-current otherwise.


**3.11 Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount could be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**Judgement and estimates**

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.





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**Contingent liabilities**

A contingent liability is disclosed when the company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the company or the company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

**3.12 Revenue recognition**

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses. Revenue is recognized on the following basis:

**Brokerage Commission**

Brokerage, consultation and advisory fee and commission on securities and commodities is recognized as and when related services are rendered.

**Income on bank deposits**

Mark-up / interest on bank deposits and return on investments is recognized on accrual basis.

**Profit on exposure deposits**

profit on exposure deposits is recognized using the effective interest rate.

**Dividend income**

Dividend income is recognised in profit or loss as other income when:

- the Company's right to receive payment have been established;
- it is probable that the economic benefits associated with the dividend will flow to the company; and
- the amount of the dividend can be measured reliably.

**Others**

Gain / loss on sale of investment is recognized in the year in which they arise.

**3.13 Borrowings**

These are recorded at the proceeds received. Finance costs are accounted for on accrual basis and are disclosed as accrued interest / mark-up to the extent of the amount unpaid at the reporting date.

**3.14 Fiduciary assets**

Assets held in trust or in a fiduciary capacity by the Company are not treated as assets of the Company.

**3.15 Earnings per share**

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by using profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

**3.16 Related party transactions**

All transactions involving related parties arising in the normal course of business are conducted and recorded at rates that are not less than market.





#### 4 PROPERTY AND EQUIPMENT

#### 4 PROPERTY AND EQUIPMENT

[illegible]

Particulars	2021										Rate of Depreciation %age
	Cost			Accumulated Depreciation				Net Book Value as at 30 June 2021			
	As at 1 July 2020	Additions	Disposals	As at 30 June 2021	As at 1 July 2020	Disposals	For the year		As at 30 June 2021		
Rupees											
Computer Equipment	1,531,601	80,700	-	1,612,301	1,327,807	-	85,348	1,413,155	199,146	30	
Fixture and Furniture	841,058	-	-	841,058	704,361	-	13,670	718,031	123,027	10	
Office Equipment	1,417,358	146,570	-	1,563,928	1,056,825	-	50,710	1,107,535	456,393	10	
Vehicles	2,481,984	16,725,600	-	19,207,584	1,789,714	-	2,612,681	4,402,395	14,805,189	15	
	6,272,001	16,952,870	-	23,224,871	4,878,707	-	2,762,409	7,641,116	15,583,755		



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**5 INTANGIBLE ASSETS**

	Note	2022 Rupees	2021 Rupees
Trading Right Entitlement Certificate ("TREC")	5.1&5.2	2,500,000	2,500,000
Pakistan Mercantile Exchange Membership Card	5.3	2,500,000	2,500,000
		<u>5,000,000</u>	<u>5,000,000</u>

5.1 The Company has pledged/hypothecated Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited (PSX) at a notional value of Rs. 2.5 million to meet Base Minimum Capital (BMC) requirement.

5.2 These are carried at notional value of Rs. 2.5 million (2021: Rs. 2.5 million) as published by PSX.

5.3 These are carried at below notional value which is Rs. 3.5 million as published by the PMEX.

**6 LONG TERM INVESTMENTS - FVTOCI**

**Non-listed Equity Securities**

Opening Balance	6.1	219,371,907	150,855,115
Additions during the year		-	3,078,768
Adjustment for remeasurement to fair value		5,820,591	65,438,023
	6.2	<u>225,192,498</u>	<u>219,371,907</u>

6.1 As a result of the demutualization and corporatization of stock exchanges, the Company received 3,034,603 shares at Rs.10 each share, of ISE Towers REIT Management Limited. Of these, (1,820,762 shares) were held in a separate Central Depository Company Limited ("CDC") sub-account, blocked until they are sold to strategic investors, financial institutions and/or the general public. The remaining shares 1,213,841 shares were allotted to the Company.

The Company acquired further shares from other companies and pledged the 1,679,238 to Pakistan Stock Exchange (PSX) to meet the Base Minimum Capital requirement of the company.

6.2 These shares are neither listed on any exchange nor are they actively traded. As a result, fair value has been estimated by reference to the latest break-up value of Rs. 17.46 according to audited financial statements of ISE REIT Management Company Limited for the year ended June 30, 2022 (2021: Rs. 16.77) or net asset value per share of these shares notified by ISE Towers REIT Management Limited.

**7 LONG TERM DEPOSITS**

Central Depository Company Limited  
National Clearing Company of Pakistan Limited  
Pakistan Stock Exchange Limited  
PMEX Deposit

100,000	100,000
200,000	200,000
-	-
1,250,000	1,250,000
<u>1,550,000</u>	<u>1,550,000</u>

Other security deposits

250,000	250,000
<u>1,800,000</u>	<u>1,800,000</u>

**8 DEFERRED TAX ASSET / LIABILITY NET**

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax Asset / (Liability)	-	606,891
	<u>-</u>	<u>606,891</u>

**8.1 Analysis of change in deferred tax**

Property, Plant & Equipment	(52,843)	(352,746)
Provision for Expected credit loss	851,009	959,637
Revaluations of equity instruments to FVTPL	105,350	-
Unused Tax losses	4,041,247	-
Minimum Tax credit carried forward	2,412,220	-
8.1.1	<u>7,356,982</u>	<u>606,891</u>

8.1.1 As at June 30, 2022, deferred tax asset amounting to Rs.7,356,982 (June 30, 2021: Rs.606,891) has not been recognized in these financial statements as the Company does not foresee sufficient taxable profits in future.



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		2022 Rupees	2021 Rupees
<b>9 TRADE AND OTHER RECEIVABLE</b>	<b>Note</b>		
Other parties		7,641,229	7,617,602
Related parties	9.1	1,261,849	8,198
		8,903,078	7,625,800
Other Receivable	9.2	2,293,417	4,769,807
		11,196,495	12,395,607
<b>Less: Allowance for ECL on trade receivable</b>			
Customer	9.3	(2,934,513)	(3,309,093)
		<u>8,261,982</u>	<u>9,086,514</u>

9.1 The aging of receivable from related party as at the reporting date is as follows:

Not past due	-	-
Past due 0 - 30 days	3,118	-
Past due 31 - 90 days	549,935	-
Past due 91 - 1 year	700,598	-
Past due more than 1 year	8,198	8,198
	<u>1,261,849</u>	<u>8,198</u>

**9.2 Other Receivables**

Receivable from NCCPL	9.2.1	1,258,960	3,735,350
Other receivables		1,034,457	1,034,457
		<u>2,293,417</u>	<u>4,769,807</u>

9.2.1 This represents amount receivable against trading of securities in all markets which will be settled on 4-July-2022

**9.3 Allowance for ECL on trade receivable**

Balance as at July 1	3,309,093	3,026,464
Charged during the year	(374,580)	282,629
Closing balance (as at June 30)	<u>2,934,513</u>	<u>3,309,093</u>

This represents amount receivable against trading of securities in all markets which will be settled on 4-July-2022

**10 PREPAYMENTS, DEPOSITS AND ADVANCES**

**Short-term loans and advances**

Advances to employees	50,000	-
Loan to director	350,000	350,000
Advance to suppliers	3,822,500	-
	<u>4,222,500</u>	<u>350,000</u>

**Short-term deposits**

NCCPL exposure Margin - House	7,160,000	16,660,000
NCCPL exposure Margin - Clients	7,697,431	10,595,408
	<u>14,857,431</u>	<u>27,255,408</u>
	<u>19,079,931</u>	<u>27,605,408</u>



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**11 TAX REFUND DUE FROM GOVERNMENT**

Opening balance (as at July 1)	2,297,622	-
Add: Current year additions	1,427,289	2,297,622
Less: Adjustment against provision for taxation	(1,604,033)	-
Balance at the end of the year	<u>2,120,878</u>	<u>2,297,622</u>

**12 SHORT TERM INVESTMENTS - FVTPL**

Cost	2,293,533	2,293,533
Fair value adjustment	(691,738)	(268,105)
	<u>1,601,795</u>	<u>2,025,428</u>

**Market value**

Beema Pakistan company limited - Freeze - 16,000 (2021: 16,000) Shares	-	-
Business & Industrial Insurance co ltd - Freeze - 459 (2021: 459) Shares	-	-
Fauji Foods limited - 500 (2021: 500) Shares	3,315	9,030
Norrie Textile Mills limited - 85,500 (2021: 85,500) Shares	-	-
Oil & Gas Development company limited - 20,000 (2021: 20,000) Shares	1,573,400	1,900,600
Popular Islamic Modarba - 3,000 (2021: 3,000) Shares	25,080	18,600
Zeal Pak Cement Factory ltd - Freeze - 146,821 (2021: 146,821) Shares	-	-
	<u>1,601,795</u>	<u>1,928,230</u>

12.1 Fair values of these equity shares are determined by reference to published price quotations in an active market.



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	Note	2022 Rupees	2021 Rupees
<b>13 CASH AND BANK BALANCES</b>			
Cash in hand		513	120
<b>Cash at bank - Local currency</b>			
Current accounts	13.1	36,397,595	42,993,054
Savings accounts	13.2	703,676	1,257,784
		<u>37,101,784</u>	<u>44,250,958</u>

13.1 Cash at bank includes customers' assets amounting to PKR 31,228,099 (2021: 37,683,322) held in designated bank.

13.2 Average rate of markup for the year ended 2022 is 10.58% (2021: 8.75%)

**14 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

<b>14.1 Authorized capital</b>				
1,800,000 (2021: 1,800,000) ordinary shares of PKR 100 each, fully paid in cash			<u><b>180,000,000</b></u>	<u><b>180,000,000</b></u>
<b>14.2 Issued, subscribed and paid-up share capital</b>				
<b>2022</b>	<b>2021</b>			
<b>799,450</b>	<b>799,450</b>	Ordinary shares of Rs.100 each, issued for cash	<u><b>79,945,000</b></u>	<u><b>79,945,000</b></u>

**14.3 Shareholders holding 5% or more of total shareholding**

	Number of Shares		Percentage	
	2022	2021	2022	2021
Ch. Muhammad Aslam	740,845	740,845	92.67%	92.67%

**15 DIRECTOR'S LOAN**

Director's Loan	15.1	<u>20,043,026</u>	-
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15.1 During the year June 30, 2022, the management revised the terms of the agreement with the director whereby the loan is repayable on the discretion of the company and it is unsecured and interest free loan. This loan is accounted for in accordance with the technical Release - 32 issued by ICAP

**15.2 Director's Loan movement during the year**

Opening Balance	-	-
Addition/Transfer	20,043,026	-
Repayment	-	-
Closing Balance	<u>20,043,026</u>	<u>-</u>

**16 OTHER LONG TERM PAYABLE**

Long term Financing	-	17,043,026
Other payables	5,600,000	5,600,000
	<u>5,600,000</u>	<u>22,643,026</u>

**17 TRADE AND OTHER PAYABLES**

Trade creditors	17.1	39,196,107	49,192,412
Accrued & Other payables		2,259,745	5,893,464
		<u>41,455,852</u>	<u>55,085,876</u>

17.1 Trade payables include balances amounting to Rs. 134,201 (2021: Rs. 4,852,894) due to related parties.

**18 PROVISION FOR TAXATION**

Balance at the beginning of the year	1,043,266	866,069
Add: Current year provision	1,686,323	1,043,266
	2,729,589	1,909,335
Less: Adjustment against advance tax	(1,043,266)	(866,069)
Balance Payable / (Receivable)	<u>1,686,323</u>	<u>1,043,266</u>

**19 CONTINGENCIES AND COMMITMENTS**

19.1 There are no contingencies or commitments of the Company as at June 30, 2022 (2021: Nil).



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	Note	2022 Rupees	2021 Rupees
<b>20 REVENUE</b>			
Commission Income Equity Trading		31,556,573	50,039,248
Commission Income Commodity trading		215,000	250,000
		31,771,573	50,289,248
Less: Federal Excise Duty		(4,352,618)	(8,006,282)
		27,418,955	42,282,966
Dividend income from equity instruments at FVTOCI		8,957,241	4,765,279
		8,957,241	4,765,279
		<u>36,376,196</u>	<u>47,048,245</u>
<b>21 OPERATING AND ADMINISTRATIVE EXPENSES</b>			
Staff salaries, allowances and other benefits		23,123,227	27,381,831
Depreciation		2,893,809	2,762,409
Traveling and conveyance		82,203	170,610
Telephone		269,900	321,020
Entertainment		198,009	217,489
Advertisement		174,650	18,250
Auditors' remuneration	21.1	175,000	234,000
PSX and CDC charges		1,013,268	1,589,035
PMEX charges		101,518	111,687
ISE charges		715,412	686,081
NCCPL charges		149,982	89,969
Newspapers and periodicals		12,765	11,854
Internet charges		16,420	2,240
Printing and stationery		50,355	29,960
Postage and courier charges		45,110	27,959
Fee and subscription		578,868	347,701
Legal and Professional charges		590,949	349,353
Repair and maintenance		34,020	2,111,457
Vehicle Running and Maintenance		921,728	248,530
Rent, rate and taxes		6,151,818	3,893,658
Software charges		156,081	97,090
Office expenses		257,410	198,582
Bank and other charges		3,263	20,667
Utilities		829,837	576,299
Miscellaneous		1,001	46,098
		<u>38,546,603</u>	<u>41,543,830</u>
<b>21.1 Auditor's remuneration</b>			
<b>Audit Services</b>			
Annual Audit fee		145,000	145,000
<b>Non-audit services</b>			
Certifications for regulatory purposes		30,000	30,000
		<u>175,000</u>	<u>175,000</u>
<b>22 OTHER INCOME / (LOSS)</b>			
Profit on savings account		171,071	164,681
Profit on NCCPL deposit		-	1,202,574
Bad debts Gain / (Loss)		374,580	(282,628)
Miscellaneous income		62,306	87,991
Loss on disposal of Fixed assets		(180,794)	-
		<u>427,163</u>	<u>1,172,618</u>

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**GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED**  
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	Note	2022 Rupees	2021 Rupees
23 TAXATION			
Current tax		1,686,323	1,043,266
Prior year		598,297	
Deferred tax		606,891	(899,543)
		<u>2,891,511</u>	<u>143,723</u>

**24 EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED**

Basic earnings per share is calculated by dividing profit after tax for the year by the weighted average number of shares outstanding during the period, as follows:

Profit / (loss) after taxation, attributable to ordinary shareholders	(5,058,388)	6,437,134
Weighted average number of ordinary shares in issue during the year	799,450	799,450
(Loss) / Earning per share	<u>(6.33)</u>	<u>8.05</u>

**24.1 Weighted average number of ordinary shares (basic)**

Issued ordinary shares at 1 January	799,450	799,450
Effect of shares issued at the end of the year	-	-
	<u>799,450</u>	<u>799,450</u>

**24.2** No figure for diluted earnings per share has been presented as the Company has not issued any dilutive instruments which would have an impact on earnings per share when exercised.

**25 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

The aggregate amounts charged in the financial statements for remuneration to the chief executive, directors and executives of the Company as per the terms of their employment are set out in the table below:

2022		2021	
Remuneration	No of Person	Remuneration	No of Person
Rupees		Rupees	
10,925,905	2	10,681,463	2
10,925,905	2	10,681,463	2

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**GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
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**26 FAIR VALUE OF FINANCIAL INSTRUMENTS BY CATEGORY**

**ASSETS**

**Non-current assets**

Long term deposits

Long term investments

**Current assets**

Short term investments

Trade and other receivable - net

Prepayments, deposits and advances

Cash and bank balances

**LIABILITIES**

**Current liabilities**

Trade and other payables

2022			
Amortized cost	FVOCI	FVTPL	Total
Rupees			

1,800,000	-	-	1,800,000
-	225,192,498	-	225,192,498

-	-	1,601,795	1,601,795
8,261,982	-	-	8,261,982
19,079,931	-	-	19,079,931
37,101,784	-	-	37,101,784

41,455,852	-	-	41,455,852
------------	---	---	------------

2021			
Amortized cost	FVOCI	FVTPL	Total
Rupees			

**ASSETS**

**Non-current assets**

Long term deposits

Long term investments

**Current assets**

Short term investments

Trade and other receivable - net

Prepayments, deposits and advances

Cash and bank balances

**LIABILITIES**

**Current liabilities**

Trade and other payables

1,800,000	-	-	1,800,000
-	219,371,907	-	219,371,907

-	-	2,025,428	2,025,428
9,086,514	-	-	9,086,514
27,605,408	-	-	27,605,408
44,250,958	-	-	44,250,958

55,085,876	-	-	55,085,876
------------	---	---	------------

The basis for determining fair values is as follows:

**Interest rates used for determining fair value**

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. Since the majority of the financial assets are fixed rate instruments, there is no significant difference in market rate and the rate of instrument, fair value significantly approximates to carrying value.



**GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED**  
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**26.1 Fair value hierarchy**

The table below analyzes financial assets that are measured at fair value, by valuation method. The different levels have been defined as follows

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs.

The Company held the following financial assets at fair value:

		Level 1	Level 2	Level 3	Total
		Rupees-----			
<b>June 30, 2022</b>	<b>Note</b>				
<b>At fair value through other comprehensive income</b>					
Long Term Investments	26.3.1	-	225,192,498	-	225,192,498
<b>At fair value through profit or loss</b>					
Short Term Investments	26.3.2	1,601,795	-	-	1,601,795
<b>June 30, 2021</b>					
<b>At fair value through other comprehensive income</b>					
Long Term Investments		-	219,371,907	-	219,371,907
<b>At fair value through profit or loss</b>					
Short Term Investments		2,025,428	-	-	2,025,428

**26.2 Sensitivity Analysis**

The table below summarizes Company's equity price risk as of June 30, 2022 and 2021 and shows the effects of a hypothetical 10% increase and a 10% decrease in market price of non-listed equity securities as at the year end reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of equity markets and the aforementioned concentrations existing in Company's equity investment portfolio.

	Fair Value	Hypothetical Change	Estimated fair value after hypothetical change	Hypothetical change in shareholder equity	Hypothetical change in Profit / (Loss) after tax
	Rupees-----				
<b>June 30, 2022</b>					
Non-listed equity securities	225,192,498	10% increase	247,711,747	22,519,250	-
		10% decrease	202,673,248	(22,519,250)	-
<b>June 30, 2021</b>					
Non-listed equity securities	219,371,907	10% increase	241,309,097	21,937,191	-
		10% decrease	197,434,716	(21,937,191)	-

**26.3 Determination of fair values**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

**26.3.1 Long Term Investments**

These shares are neither listed on any exchange nor are they actively traded. As a result, fair value has been estimated by reference to the latest break-up value

according to audited financial statements of ISE REIT Management Company Limited for the year ended June 30, 2022.

**26.3.2 Short Term Investments**

The fair value of held for trading investment is determined by reference to their quoted closing value at the reporting date.



**GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED**  
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**27 FINANCIAL RISK MANAGEMENT**

**27.1 Risk management framework**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance and provide maximum return to shareholders.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors.

**27.2 (a) Market risk**

**(i) 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. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company do not have any financial instruments in foreign currencies and accordingly is not exposed to such risk.

**(ii) Interest rate risk**

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant long-term interest-bearing assets. Financial instruments at variable rates expose the Company to cash flow interest rate risk. At the reporting date, there were no variable rate interest - bearing financial instruments.

**(iii) Other price risk**

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The maximum exposure to price risk at the reporting date was as follows:

The Company's investment in listed shares amounting to Rupees 1.601 million (2021: Rupees 2.025 million) is exposed to price risk due to change in fair value.

**(b) Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

**Trade Receivable**

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses.

The aging analysis of trade receivable as at reporting is as follows:

	<b>2022</b> <b>Rupees</b>	<b>2021</b> <b>Rupees</b>
Not overdue		
Past due less than 30 days	2,376,808	610,064
Past due less than 60 days	625,985	762,580
Past due less than 90 days	567,657	915,096
Past due less than 365 days	1,944,379	1,525,160
Past due over 365 days	3,388,249	3,812,900
<b>Gross Trade Receivable</b>	<b>8,903,078</b>	<b>7,625,800</b>
Impairment provision	(2,934,513)	(2,934,513)
<b>Net Trade Receivable</b>	<b>5,968,565</b>	<b>4,691,287</b>



**Other financial assets at amortised cost**

Other financial assets at amortised cost include deposits, short term loans and advances, and other receivables.

**(c) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations, settled by delivering cash or another financial asset, as they fall due. Prudent liquidity risk management requires the maintenance of sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to the dynamic nature of the business and the industry it operates in. The Company finances its operations through equity and, as and when necessary, borrowings, with a view to maintaining an appropriate mix between various sources of financing.

The table below classifies the Company's financial liabilities into relevant maturity groupings based on the time to contractual maturity date, as at the balance sheet date. The amounts in the table are contractual undiscounted cash flows.

	Carrying amount	Contractual cash flows	Less than one year	More than one year
	Rupees			
<b>Contractual maturities of financial liabilities as at June 30, 2022</b>				
<b>Financial liabilities :</b>				
Other long term payable	5,600,000	5,600,000	-	5,600,000
Trade and other payables	41,455,852	41,455,852	41,455,852	-
	<u>47,055,852</u>	<u>47,055,852</u>	<u>41,455,852</u>	<u>5,600,000</u>

**Contractual maturities of financial liabilities as at June 30, 2021**

<b>Financial liabilities :</b>				
Other long term payable	22,643,026	22,643,026	-	22,643,026
Trade and other payables	55,085,876	55,085,876	55,085,876	-
	<u>77,728,902</u>	<u>77,728,902</u>	<u>55,085,876</u>	<u>22,643,026</u>

**28 CAPITAL RISK MANAGEMENT**

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stake holders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The total long term borrowings to equity ratio as at year end are as follows:

	Note	2022 Rupees	2021 Rupees
Debt	16	5,600,000	22,643,026
Equity		269,661,545	248,856,316
		<u>275,261,545</u>	<u>271,499,342</u>
		<u>2%</u>	<u>8%</u>

**Debt / Equity ratio**

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

**29 CAPITAL ADEQUACY LEVEL AND CAPITAL RISK MANAGEMENT**



The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

Net capital requirements of the Company are set and regulated by Pakistan Stock Exchange Limited. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities.

The Capital adequacy level as required by CDC is calculated as follows;

	2022	2021
	Rupees	
Total assets	318,403,720	327,628,484
Less: Total liabilities	(48,742,175)	33,486,116
Less: Revaluation Reserves (created upon revaluation of fixed assets)	-	-
Capital adequacy level	269,661,545	361,114,600

While determining the value of the total assets of the TREC holder, notional value of the TRE certificate as at year ended as determined by Pakistan Stock Exchange has been considered.

### 30 BASE MINIMUM CAPITAL

In compliance with the Regulation 19.2 of the Rule Book of Pakistan Stock Exchange Limited, every Trading Right Entitlement Certificate (TREC) holder registered as a broker, is required to maintain a Base Minimum Capital (BMC) in the amount and form as prescribed in the Rule on the basis of Assets Under Custody (AUC). As per the said regulation, the Company is required to maintain BMC of Rs. 23 million as at June 30, 2022. The Company has pledged TRE Certificate and a portion of shares of ISE REIT to meet this requirement.

	2022	2021
	Rupees	
Trading Right Entitlement Certificates	2,500,000	2,500,000
ISE REIT Management Company Limited	61,110,000	65,426,041
	63,610,000	67,926,041



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**31 NET CAPITAL BALANCE**

Description	Note	30-Jun-22 Rupees
<b><u>Current Assets</u></b>		
Cash and bank balances	13	31,228,099
Trade receivable	31.2	2,142,626
Investment in Listed Securities	31.3	1,361,527
Receivable from National Clearing Company of Pakistan Limited	9.2.1	1,258,960
Cash Exposure With NCCPL	10	14,857,431
Securities Purchased for Customers		4,167,076
<b>Total Current Assets</b>		<b>55,015,719</b>
<b><u>Current Liabilities</u></b>		
Trade payables	31.4	16,104,711
Other liabilities	31.5	25,351,141
<b>Total Current Liabilities</b>		<b>41,455,852</b>
<b>Net Capital Balance as at June 30, 2022</b>		<b>13,559,867</b>

**31.1 STATEMENT OF COMPLIANCE**

This Net Capital Balance Statement is prepared in accordance with the requirements of the Regulation 6 and the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 read with Rule 2(d) of the Securities and Exchange Commission Rules, 1971 and SECP guidelines.

The accounting principles and methods of computation used in the preparation of this Statement of Net Capital Balance are the prevailing accounting policies of General Investment and Securities (Pvt) Limited.

The valuation of current assets and current liabilities for the purposes of net capital balance has been determined on the basis of the following:

Description	Valuation Basis
Cash in hand or in bank	As per Book value
Cash margin with NCCPL	As per Book value
Trade Receivables	Book value less those overdue for more than 14 days
Investment in the listed securities	Securities on the exposure list marked to market less 15% discount
Securities Purchased for Clients	Securities purchased for the customer and held by the broker where the payment has not been received within fourteen days
Trade Payables	Book value less overdue for more than 30 days
Other liabilities	As classified under generally accepted accounting principles

**31.2 Trade Receivable**

These are stated at cost less bad and doubtful debts (if any) and debts outstanding for more than 14 days.

	Note	30-Jun-22 Rupees
Book Value	9	8,903,078
Less: overdue for more than 14 days		(6,760,452)
		<b>2,142,626</b>



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	Note	30-Jun-22 Rupees
<b>31.3 Investment in Listed Securities</b>		
Investment in Listed Securities	12	1,601,796
Less 15% Discount		(240,269)
		<b>1,361,527</b>

As per the guidelines issued by the SECP, only available for sale and shares pledged with KSE or NCCPL has been taken in calculation of Net Capital Balance. Investment in unlisted Securites and shares in freeze status has not been taken in the calculation of net capital balance.

**31.4 Trade payable**

This Represent balance payable against trading of shares less trade payables overdue for more than 30 days which has been included in other liabilities.

Customers	17	39,196,107
Over due more than 30 days		(23,091,396)
		<b>16,104,711</b>

**31.5 Other Liabilities**

This represent current liabilities and trade payable which are overdue for more than 30 days. Other liabilities are stated as book value.

Trade payables overdue for more than 30 days		23,091,396
Accrued and other payable	17	2,259,745
		<b>25,351,141</b>



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32 LIQUID CAPITAL BALANCE

**Basis of Preparation**

The liquid capital balance has been prepared under regulation 6(4) of Third Schedule of Securities Brokers (Licensing and operations) Regulations, 2016 (The Regulations) issued by Securities and Exchange Commission of Pakistan

Sr. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
		----- Rupees -----		
<b>I. Assets</b>				
1.1	Property & Equipment	18,244,852	100%	-
1.2	Intangible Assets	5,000,000	100%	-
1.3	<b>Investment in Govt. Securities:</b>			
	Difference between book value and sale value on the date on the basis of PKRV published by NIFT		-	-
	- Sale value on the date on the basis of PKRV published by NIFT			
1.4	<b>Investment in Debt. Securities:</b>			
	<b>If listed than:</b>			
	i. 5% of the balance sheet value in the case of tenure up to 1 year.		5%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.		7.5%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.		10%	-
	<b>If unlisted than:</b>			
	i. 10% of the balance sheet value in the case of tenure up to 1 year.		10%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.		12.5%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.		15%	-
1.5	<b>Investment in Equity Securities:</b>			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	1,601,795	240,269	1,361,526
	ii. If unlisted, 100% of carrying value.	225,192,498	100%	-
1.6	<b>Investment in subsidiaries:</b>			
	- 100% of net value		-	-
1.7	<b>Investment in associated companies/undertaking:</b>			
	i. If listed 15% or VaR of each securities as computed by the Securitas Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity	1,800,000	100%	-
	- 100% of net value			
1.9	Margin deposits with exchange and clearing house - Nil Haircut	14,857,431	-	14,857,431
1.10	Deposit with authorized intermediary against borrowed securities under SLB		-	-
	- nil			
1.11	Other deposits and prepayments		-	-
	- 100% haircut of carrying value			
1.12	<b>Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc:</b>			
	- nil		-	-
	- 100% in respect of markup accrued on loans to directors, subsidiaries and other related parties		-	-
1.13	Dividends receivables: - Nil		-	-
1.14	<b>Amounts receivable against Repo financing:</b>			
	- Amount paid as purchaser under the REPO agreement.			
	- Securities purchased under repo arrangement shall not be included in the investments.			
1.15	<b>Advances and Receivables other than trade receivables:</b>			
	i. No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months	50,000	-	50,000
	ii. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation	434,555	-	434,555
	iii. In all other cases. - 100% of net value	5,206,957	5,206,957	-



Sr. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
		Rupees		
1.16	<b>Receivables from clearing house or securities exchange(s):</b>			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MTM gains.	1,258,960	-	1,258,960
1.17	<b>Receivables from customers</b>			
	i. In case receivables are against margin financing, the aggregate if		-	-
	a. value of securities held in the blocked account after applying VAR based Haircut,			
	b. cash deposited as collateral by the Finanee and			
	c. market value of any securities deposited as collateral after applying VaR based haircut.			
	- Lower of net balance sheet value or value determined through adjustments.			
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. (Net amount after deducting haircut)		-	-
	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract - Net amount after deducting haircut		-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. - Balance sheet value	800,599	-	800,599
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of	4,167,076	1,439,556	2,727,520
	a. the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts,			
	b. cash deposited as collateral by the respective customer and			
	c. the market value of securities held as collateral after applying VaR based haircuts.			
	- Lower of net balance sheet value or value determined through adjustments.			
	vi. 100% haircut in the case of amount receivable from related parties.	-	-	-
1.18	<b>Cash and Bank balances:</b>			
	i. Bank Balance-proprietary accounts	-	-	-
	ii. Bank balance-customer accounts	31,931,775	-	31,931,775
	iii. Cash in hand	513	-	513
1.19	<b>Subscription money against investment in IPO/offer for sale (asset):</b>			
	No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.			
	- Net amount after deducting haircuts			
1.20	<b>Total Assets</b>	<b>310,547,010</b>	<b>6,886,787</b>	<b>53,422,878</b>
<b>2. Liabilities</b>				
2.1	<b>Trade Payables:</b>			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	39,196,107	-	39,196,107
2.2	<b>Current Liabilities:</b>			
	i. Statutory and regulatory dues		-	-
	ii. Accruals and other payables	2,259,745	-	2,259,745
	iii. Short-term borrowings		-	-
	iv. Current portion of subordinated loans		-	-
	v. Current portion of long term liabilities		-	-
	vi. Deferred Liabilities		-	-
	viii. Provision for taxation		-	-
	ix. Other liabilities as per accounting principles and included in the financial statements		-	-



Sr. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
		----- Rupees -----		
2.3	<b>Non-Current Liabilities:</b>			
	i. Long-Term financing		-	-
	ii. Staff retirement benefits		-	-
	iii. other liabilities as per accounting principles and included in the financial statements		-	-
	- 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases.	-	-	-
	- Nil in all other cases.			
2.4	<b>Subordinated Loans:</b>			
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted. In this regard, following <b>conditions</b> are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.	5,600,000	100%	-
2.5	<b>Advance against shares for Increase in Capital of Securities broker:</b> 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Board of Directors of the company has approved the increase in capital relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.			
2.6	<b>Total Liabilities</b>	<b>47,055,852</b>		<b>41,455,852</b>

### 3. Ranking Liabilities Relating to:

3.1	<b>Concentration in Margin Financing:</b> The amount calculated client-to-client basis by which any amount receivable from any of the finances exceed 10% of the aggregate of amounts receivable from total finances.	-	-	-
3.2	<b>Concentration in securities lending and borrowing:</b> The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed - Amount as determined through adjustment	-	-	-
3.3	<b>Net underwriting Commitments:</b> (a) - in the case of right issue: if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. - In the case of rights issue: where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment. (b) in any other case : 12.5% of the net underwriting commitments - Amount as determined through adjustment	-	-	-
3.4	<b>Negative equity of subsidiary</b> The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary - Amount as determined through adjustment	-	-	-
3.5	<b>Foreign exchange agreements and foreign currency positions:</b> 5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency - Amount as determined through adjustment	-	-	-
3.6	<b>Amount Payable under REPO:</b> - Carrying Value	-	-	-

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Sr. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
		Rupees		
3.7	<b>Repo adjustment:</b>			
	In the case of financier/purchaser, the total amount receivable under Repo less the 110% of the market value of underlying securities.	-	-	-
	In the case of finance/seller, the market value of underlying securities after applying haircut less the total amount received less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.			
	- Amount as determined through adjustment			
3.8	<b>Concentrated proprietary positions:</b>			
	- If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security	-	-	-
	- If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	-	-
	- Amount as determined through adjustment			
3.9	<b>Opening Positions in futures and options:</b>			
	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/pledged with securities exchange after applying VaR haircuts	-	-	-
	ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	<b>Short sell positions:</b>			
	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	<b>Total Ranking Liabilities</b>	-	-	-
<b>Total Liquid Capital As At June 30, 2022 (1.20-2.5-3.11)</b>		<b>263,491,158</b>	<b>6,886,787</b>	<b>11,967,026</b>

**Calculations Summary of Liquid Capital**

- (i) Adjusted value of Assets (serial number 1.20)  
(ii) Less: Adjusted value of liabilities (serial number 2.6)  
(iii) Less: Total ranking liabilities (serial number 3.11)

53,422,878  
41,455,852  
-  
11,967,026



**GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**33 SHARES HELD IN CUSTOMERS SUB ACCOUNTS IN CENTRAL DEPOSITORY SYSTEM**

Aggregate value of customer shares held in their sub accounts in Central depository system (Assets under custody) was Rs. 698,614,842 as at June 30, 2022 against assigned maximum custody limit of Rs. 3,732,844,740 as at June 30, 2022.

**34 TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

The related parties include directors, major shareholders, key management personnel, senior executives and entities over which the directors are able to exercise influence. Transaction with related parties are on arm's length basis (except for where stated else wise). Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Name of the related party	Nature of relationship	Transactions during the year	2022	2021
			----- Rupees -----	
Ch. Muhammad Aslam	Director	Loan received	3,000,000	10,000,000
		Transfer of shares of REIT	-	-
		Loan converted into share capital	-	-
			3,000,000	10,000,000
ISE Towers REIT Managemnt Company Limited	Associated comp by virtue of common directorship	Purchase of shares	-	3,078,768

Other Transactions are disclosed in below note

	2022			
	Chief Executive	Director	Others	Total
Purchase of marketable securities for and on behalf	-	651,181,445	-	651,181,445
Sale of marketable securities for and on behalf	-	584,510,698	-	584,510,698
Brokerage Income	-	1,173,142	-	1,173,142
	-	1,236,865,285	-	1,236,865,285

	2021			
	Chief Executive	Director	Others	Total
Purchase of marketable securities for and on behalf	-	117,385,787	-	117,385,787
Sale of marketable securities for and on behalf	-	127,605,255	-	127,605,255
Brokerage Income	-	394,718	-	394,718
	-	245,385,760	-	245,385,760

**35 EVENTS AFTER REPORTING DATE**

There were no subsequent events that may require adjustment or disclosure in the financial statements as at reporting date.

**36 GENERAL**

The figures have been rounded off to the nearest Rupee

**37 CORRESPONDING FIGURES**

Corresponding figures have been re-arranged where necessary to facilitate comparison. Following major reclassification has been made during the year

Description	Reclassified from	Reclassified to
Tax expenses reclassified to operating expensses	Operating expenses	Current tax expense
Advance Income tax reclassified to Tax refund due from Government	Prepayments, deposits and advances	Tax refund due from Government

**38 NUMBER OF EMPLOYEE**


Number of persons employed  
Average number of employees during the year

2022	2021
19	17
19	14

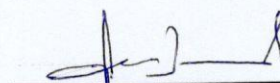
**39 DATE OF AUTHORIZATION**

These financial statements have been authorized by the Board of Directors of the Company on

**29 NOV 2022**

  
**CHIEF EXECUTIVE**



  
**DIRECTOR**