

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED

BALANCE SHEET
AS AT SEPTEMBER 2019

ASSETS
30-Sep-19 30-Jun-19
Un-Audited Audited
Rupees Rupees
Note

NON-CURRENT ASSETS
Property and Equipment
Intangible Assets
Long Term Deposits
Long Term Investment

CURRENT ASSETS
Trade Debits
Advances
Deposits Prepayments and other receivable
Short term investment
Cash and bank balances

SHARE CAPITAL AND RESERVES

Issued, subscribed and paid-up share capital
351,000(2019: 351,000) Ordinary Shares of Rs 100/- each
Unrealized Surplus on re-measurement
Deposit for shares
Accumulated Loss

NON CURRENT LIABILITIES
Long term financing

CURRENT LIABILITIES

Trade and other payables

Provision for taxation

CONTINGENCIES & COMMITMENTS

The annexed notes from 1 to 26 form an integral part of these financial statements.

CHIEF EXECUTIVE



DIRECTOR

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	Note	30-Sep-19 Un-Audited Rupees	30-Jun-19 Audited Rupees
Income from Brokerage	18	1,795,873	12,978,867
Gain / Loss on short term investment		-	51,614
Un-realized Gain / Loss on remeasurement on investment		-	19,141,774
		<u>1,795,873</u>	<u>32,172,255</u>
Operating and administrative expenses	19	(3,678,878)	(35,452,227)
(Loss) from operations		(1,883,005)	(3,279,972)
Finance cost	20	(894)	(3,696)
Other income / (loss)	21	237,888	489,400
Profit / (loss) before taxation		(1,646,011)	(2,786,876)
Taxation	22	22,448	298,442
Profit / (loss) after taxation		(1,668,460)	(3,085,318)

The annexed notes from 1 to 26 form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	30-Sep-19 Un-Audited Rupees	30-Jun-19 Audited Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period / year before taxation	(1,646,011)	(2,786,876)
Adjustment for:		
Depreciation	88,251	264,711
Provision for Doubt full debt	1,318,656	1,255,903
Finance cost on lease obligation		-
Dividend income		(950,014)
Realized gain on short term investment	(9,298)	(51,614)
Unrealized gain on short term investment		(19,141,774)
Interest Income	894	(32,957)
	<u>1,398,503</u>	<u>(18,655,745)</u>
Cash used in operating activities before working capital changes	(247,508)	(21,442,621)
(Increase)/decrease in current assets		
Accounts Receivables	(3,151,632)	(2,267,575)
Advances, Deposits & Pre-payments	(4,666,191)	12,602,860
Deposits	4,064,042	9,292,641
Increase/(decrease) in current liabilities		
Trade and other payables	(3,193,087)	(790,571)
Other Payable	-	-
	<u>(6,946,868)</u>	<u>18,837,355</u>
Cash utilized in operations	(7,194,376)	(2,605,266)
Financial charges paid	(894)	32,957
Proceed from net sale of short term investment	14,368,516	10,114,011
Dividend received		950,014
Income tax paid	(483,525)	(157,528)
Net cash utilized in operating activities	(7,678,795)	8,334,188
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	-	(574,588)
Proceed from net sale of long term investment		(3,120,000)
increase in long term deposit		-
Net cash inflow / (outflow) from Investing activities	-	(3,694,588)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from director receipts	(3,715,000)	3,715,000
Advance against issuance of shares	4,495,000	-
Settlement of fiance lease obligation		(341,825)
Net cash inflow / (outflow) from financing activities	780,000	3,373,175
Net Increase /(decrease) in cash and cash equivalents	(6,898,795)	8,012,777
Cash and cash equivalents at the beginning of the year	29,059,416	21,046,639
Cash and cash equivalents at the end of the year	12 22,160,621	29,059,416

The annexed notes from 1 to 26 form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

Property and Equipments

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED

Tangible

PARTICULARS	COST			DEPRECIATION				
	As at 01 July 2019	Additions during the year	As at 30 September 2019	As at 01 July 2019	For the year	Deletions	As at 30 September 2019	Book value as at 30 September 2019
								Depreciation rate %
OWNED								
Computer accessories	1,531,601	-	1,531,601	1,240,467	29,113	-	1,269,580	262,021
Furniture and fixtures	841,058	-	841,058	689,172	5,063	-	694,235	146,823
Office equipments	1,417,358	-	1,417,358	1,016,766	13,353	-	1,030,119	387,239
Vehicle	2,481,984	1	2,481,985	1,667,549	40,722	-	1,708,271	773,714
	6,272,001	1	6,272,002	4,613,953	88,251	-	4,702,205	1,569,797
LEASED								
Vehicles	-	-	-	-	-	-	-	-
								15
Rupees	Sep-19	1	6,272,002	4,613,953	88,251	-	4,702,205	1,569,797
Rupees	Jun-19	-	6,272,001	4,349,242	264,711	-	4,613,953	1,658,048

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
Notes to the Financial Statements
FOR THE PERIOD ENDED SEPTEMBER 30, 2019

1 STATUS AND NATURE OF BUSINESS

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED was incorporated as a private limited company at Islamabad on November 11, 1997 under the companies ordinance 1984 and is primarily engaged in the business of stock, brokerage, investment advisory-consultancy, portfolio management and in secondary capital market operations. It is also actively taking part in Initial Public Offerings (IPO's) and providing all relative services to the general public to promote investment and company does not hold assets in fiduciary capacity. Company head office is situated at Stock Exchange Building Islamabad.

2 Statement of compliance

These accounts have been prepared in accordance with the approved International Accounting Standards (IAS) issued by the International Accounting Standards Committee (IASC) and interpretations issued by the Standards Interpretations Committee of the IASC, as applicable in Pakistan. Approved Accounting Standards comprise of Accounting and Financial Reporting Standard for Medium Sized Entities (MSEs) issued by The Institute of Chartered Accountants of Pakistan and the requirements of the Companies Ordinance, 1984, along with the requirements of the Securities and Exchange Commission of Pakistan (SECP). Wherever, the requirements of the Companies Ordinance, 1984, the Rules, the Regulations or the directives issued by the SECP differ with the requirements of these IAS, the requirements of the Ordinance, the Rules, the Regulations or the requirements of the said directives take precedence.

3 Significant accounting policies

3.1 Accounting Convention

The financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at their fair value or amortized cost as applicable.

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

3.2 Property and equipment

These are stated at historical cost less accumulated depreciation and impairment losses, if any, except freehold land and capital work in progress are stated at Cost.

Depreciation is calculated using the reducing balance method, at the rates specified in the fixed assets schedule, which are considered appropriate to write off the cost of the assets over their estimated useful lives. The Depreciation on property and equipment is charged on monthly basis.

3.3 Intangible assets

This is stated at cost less impairment losses, if any. The carrying amounts are reviewed at each balance sheet date to assess whether these are recorded in excess of their recoverable amounts, and where carrying value is in excess of recoverable amount, these are written down to their estimated recoverable amount.

3.4 Long Term Deposits and Loans

Long term deposits and Loans are stated at Cost.

3.5 Loans and Receivables

These are non derivative financial Assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income when the loans and receivables are de-recognised or impaired as well as through the amortization process.

3.6 Taxation

Current

The charge for current taxation is based on taxable income at current rate of taxation of the Income Tax Ordinance, 2001 after taking into account applicable tax credits and rebates, if any. On Income subject to Normal Taxation and no presumptive basis on Income subject to Final Taxation.

Deferred Taxation

The company accounts for deferred taxation, using the liability method on all temporary timing differences. However, deferred tax is not provided if it can be established with reasonable accuracy that these differences will not reverse in the foreseeable future.

3.7 Trade and settlement date accounting

All "regular way" purchases and sales of listed securities are recognized on the trade date, i.e. the date that the Company commits to purchase/ sell the asset. Regular way purchase or sale of financial assets are those, the contract for which requires delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

3.8 Securities under repurchase/reverse repurchase agreements

Transactions of repurchase/ reverse repurchase of investment securities are entered into at contracted rate for specified periods of time and are accounted for as follows.

3.9 Revenue recognition

- a) Brokerage, advisory fees, commission and other income are accrued as and when due.
- b) Dividend income on equity investments is recognized, when the right to receive the same is established.
- c) Gains or losses on sale of investments are recognized in the period in which they arise.
- d) Underwriting commission is recognized when the agreement is executed. Take-up commission is recognized at the time commitment is fulfilled.
- e) Consultancy, advisory fee and service charges are recognized as and when earned.
- f) Unrealized capital gains/(losses) arising from marking to market of investments classified as 'financial assets at fair value through profit or loss - held for trading are included in profit and loss account in the period in which they arise.

3.10 Return on financing and borrowings

Return on financing and borrowings is recognized on a time proportionate basis taking into account the relevant issue date and final maturity date.

3.11 Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.12 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, balance with banks on current and deposit accounts and short term running finance account.

3.13 Contingencies and Commitments

Capital commitments and Contingences, unless those are actual liabilities, are not incorporated in the accounts.

	Note	30-Sep-19 Un-Audited Rupees	30-Jun-19 Audited Rupees
5	<u>Intangible Assets</u>		
Trading Rights Entitlement Certificate (TREC)		2,500,000	2,500,000
Room Rights	5.1	3,200,000	3,200,000
		<u>5,700,000</u>	<u>5,700,000</u>

6	<u>Long Term Deposits</u>		
CDC deposits		100,000	100,000
NCSS deposits		50,000	50,000
Other security deposit		3,383,000	3,383,000
ISE Tower REIT Management Limited		50,000	50,000
PSX deposit		200,000	200,000
		<u>3,783,000</u>	<u>3,783,000</u>

7 **Long Term Investment**

Available for sale

Investment in Shares of Islamabad Stock Exchange Towers Reit Management company limited (Available for Sale)	7.1	<u>42,757,556</u>	<u>42,757,556</u>
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7.1 These represent the shares received from Islamabad Stock Exchange Towers Reit Management company limited (ISETRMCL) in pursuance of corporatization and demutualization of ISETRMCL as public company limited by shares in accordance with the requirement of the Stock Exchanges (Coproration, Demutualization and Integration Act, 2012 (the Act)). In addition, the company has also received Trading Right Entitlement Certificate (TREC) from PSX.

Accordingly, the company has been allotted 3,034,603 shares of ISE of Rs. 10/- each based on the valuation of their assets and liabilities as approved by the SECP. The company has received 40% equity shares i.e. 1,213,841 shares of ISETRMCL. The remaining 60% shares are transferred to CDC sub-account in company's name under ISE's participant IDs with the CDC which will remain blocked until these are divested to strategic investor's), general public and financial institutions.. As the fair value of both the asset transfer and assets obtain can not be determined with reasonable accuracy, the investment in shares has been recorded at the face value of Rs. 10/- each in the Company's book.

No tax provision has been made on Gain on exchange of membership card with TREC, as such gain is exempted from tax under clause 110B of Second Schedule of Income Tax Ordinance , 2001.

8 **Trade Debits**

considered good	7,547,908	4,396,276
Accounts receivable - Considered doubtful	1,318,656	2,574,559
	<u>8,866,564</u>	<u>6,970,835</u>
Less: Provison for doubtfull debts	<u>1,318,656</u>	<u>2,574,559</u>
	<u>7,547,908</u>	<u>4,396,276</u>

	Note	30-Sep-19 Un-Audited Rupees	30-Jun-19 Audited Rupees
9	<u>Loan and Advances</u>		
Staff advance		223,000	270,000
Advance for purchase of ISE REIT Shares		10,071,203	545,562
		<u>10,294,203</u>	<u>815,562</u>
10	<u>Deposits Prepayments and other receivable</u>		
Advance Income Tax		157,528	157,528
PSX Exposure		1,900,000	2,800,000
NCSS Receivables		5,449,636	267,264
Other receivables		383,819	-
Advances		-	-
		<u>7,890,983</u>	<u>3,224,792</u>
11	<u>Short term investment</u>		
Investment in listed securities		<u>3,760,450</u>	<u>18,128,966</u>
12	<u>Cash and bank balances</u>		
Cash in hand		41,053	16,304
Current account		16,827,799	28,996,490
Saving account		-	46,621
		16,827,799	29,043,111
Bank balance relating to PMEX		5,291,769	-
		<u>22,119,568</u>	<u>-</u>
		<u>22,160,621</u>	<u>29,059,416</u>
13	<u>Share capital</u>		
Authorized			
1,800,000 (2019: 1,800,000) Ordinary Shares of Rs 100/- each		180,000,000	180,000,000
Issued, subscribed and paid up			
351,000 (2019: 351,000) Ordinary Shares of Rs 100/- each fully paid in cash		35,100,000	35,100,000
		<u>35,100,000</u>	<u>35,100,000</u>
14	<u>Long term financing</u>		
Loan from director		<u>13,350,000</u>	<u>17,065,000</u>
15	<u>Trade and other payables</u>		
Creditors		20,669,849	18,077,606
Accrued and others			6,244,981
Auditor remuneration		625,901	166,250
		<u>21,295,750</u>	<u>24,488,837</u>

	Note	30-Sep-19 Un-Audited Rupees	30-Jun-19 Audited Rupees
16 Provision for taxation			
Balance at the beginning of year		483,525	185,083
Add: Current Year Provision		22,448	298,442
		<u>505,973</u>	<u>483,525</u>
Adjusted against Advance Tax		-	-
Balance at the end of year		<u>505,973</u>	<u>483,525</u>
17 CONTINGENCIES & COMMITMENTS			
The Company has pledged/hypothecated TRE Certificate of Pakistan Stock Exchange Limited (PSX) and 3,034,603 ordinary shares of Islamabad Stock Exchange Towers Reit Management company limited (ISETRMCL) with PSX in compliance with Base Minimum Capital (BMC) requirement under Regulation 2.1 of the Regulations Governing Risk Management of the PSX.			
18 Revenue			
Income from Brokerage		1,795,873	12,028,853
Dividend Income		-	950,014
		<u>1,795,873</u>	<u>12,978,867</u>
19 Operating Expenses			
Salary allowances and other benefits		1,411,800	7,002,168
Gifts to Directors		-	18,020,434
Computer Expense		-	82,440
Traveling and conveyance		49,312	480,291
Commission Paid		-	-
Telephone		76,918	335,170
Entertainment		34,700	159,330
Advertisement		-	56,100
CDC Charges		105,145	37,374
PSX Charges		222,321	1,352,909
ISE charges		166,896	730,107
Newspaper		-	10,954
Internet		2,135	97,164
Water		51,490	-
Printing and stationery		-	22,990
Postage and Courier charges		2,405	38,713
Fee and subscription		75,500	258,581
Legal and Professional charges		55,000	116,200
Provision for doubtful debts		-	1,255,903
Repair and maintenance		-	435,781
Vehicle Running and Maintenance		296,641	134,338
Rent, rate and taxes		1,005,778	3,939,225
Software charges		7,000	91,000
Office expenses		-	70,442
Auditor Remuneration		-	150,000
Utilities		2,580	51,490
Misc. expenses		25,006	258,413
Depreciation	4	88,251	264,711
		<u>3,678,878</u>	<u>35,452,227</u>

	Note	30-Sep-19 Un-Audited Rupees	30-Jun-19 Audited Rupees
19.1 Auditors' Remuneration			
Audit Fee		-	150,000
Out of Pocket Expenses		-	-
		<u>-</u>	<u>150,000</u>
20 Financial Charges			
Bank and other charges		894	3,696
		<u>894</u>	<u>3,696</u>
21 Other income / (loss)			
Bank Profit		9,298	32,957
Other income		228,590	456,443
		<u>237,888</u>	<u>489,400</u>
22 Taxation			
Current for the year		22,448	298,442
		<u>22,448</u>	<u>298,442</u>

This represent Current Taxation which has been provided Under Section 233A of Income Tax Ordinance, 2001 and Normal Taxation on other Income.

Deferred Taxation has not been provided as the Company is subject to Presumptive Taxation.

23 Accounting Estimates And Judgments

23.1 Property, Plant and Equipment

The Company reviews the rate of depreciation/useful life, residual values and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

Note

30-Sep-19
Un-Audited
Rupees

30-Jun-19
Audited
Rupees

23.2 Intangible Assets

The Company reviews the rate of amortization and value of intangible assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of respective items of intangible asset with a corresponding affect on the amortization charge and impairment.

23.3 Investment Stated at Fair Value

The Company has determined fair value of certain investments by using quotations from active market. Fair value estimates are made at a specific point in time based on market conditions and information about financial instruments. These estimates are subjective in nature and involve uncertainties and matter of judgments (e.g. valuation, interest rates, etc.) and therefore cannot be determined with precision.

23.4 Trade Debts

The Company reviews its debts portfolio regularly to assess amount of any provision required against such debtors.

24 Number of employees

Total number of employees at the end of year was 6 (2016: 6). Average number of employees was 5 (2015:)

25 Date of Authorization

These financial statements were authorized for issue on _____ by the Board of Directors of the Company.

26 General

Figures have been rounded off to the nearest rupee.

Corresponding figures have been rearranged, wherever necessary for the purposes of comparison. However, no significant rearrangement / reclassification have been made in these financial statements.


CHIEF EXECUTIVE




DIRECTOR