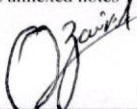


GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

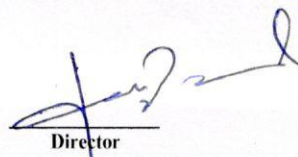
GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	Note	March 31, 2021 Rupees	June 30, 2020 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	1,232,268	1,393,294
Intangible assets	6	5,000,000	5,000,000
Long term investments	8	150,855,116	150,855,115
Long term deposits	9	3,150,000	4,250,000
		160,237,384	161,498,409
CURRENT ASSETS			
Trade and other receivable - net	10	9,805,490	8,451,591
Prepayments, deposits and advances	11	46,247,133	14,565,768
Short term investments	12	2,024,235	2,250,365
Cash and bank balances	13	46,015,483	48,341,719
		104,092,341	73,609,443
		<u>264,329,725</u>	<u>235,107,852</u>
EQUITY & LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital	14	79,945,000	79,945,000
Revenue reserve			
Unappropriated profit		41,807,998	17,785,568
Capital Reserve			
Fair value reserve	15	57,386,321	57,386,321
		<u>179,139,319</u>	<u>155,116,889</u>
NON-CURRENT LIABILITIES			
Long-term financing	17	12,643,026	12,643,026
Deferred tax liability - net	18	15,424,960	15,424,960
		28,067,986	28,067,986
CURRENT LIABILITIES			
Trade and other payables	19	44,391,729	45,143,469
Current tax liability	20	12,730,691	6,779,508
		57,122,420	51,922,977
CONTINGENCIES AND COMMITMENTS			
	21	-	-
		<u>264,329,725</u>	<u>235,107,852</u>

The annexed notes 1 to 26 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 MARCH 31, 2021

	Note	March 31, 2021 Rupees	June 30, 2020 Rupees
Revenue	22	43,468,195	22,266,714
Operating and Administrative expenses	23	(19,982,677)	(15,595,179)
Operating profit/(loss)		23,485,517	6,671,535
Other income / (loss)	24	574,658	(35,691)
Profit/ (Loss) before taxation		24,060,175	6,635,844
Taxation	25	(5,951,184)	(6,453,727)
Profit/(loss) for the year		18,108,991	182,117
Earnings/(loss) per share - basic		50.19	0.50

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

Chief Executive Officer

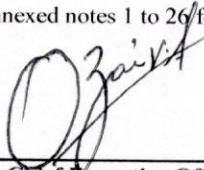


Director

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2021

	March 31, 2021	June 30, 2020
	Rupees	Rupees
Profit/(loss) for the year	18,108,991	182,117
Other comprehensive income		
Items that will not be reclassified subsequently to P/L		
Fair value gain on equity instruments designated at FVTOCI	40,533,915	40,533,915
Deferred tax	(15,950,831)	(15,950,831)
	24,583,084	24,583,084
Total comprehensive income/(loss) for the year	42,692,075	24,765,201

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



Chief Executive Officer

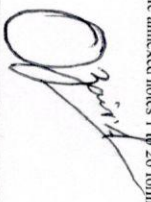



Director

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2021

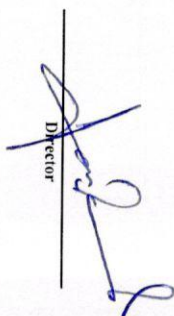
	Issued, subscribed and paid-up capital	Revenue reserve	Capital reserve	Fair value reserve of financial assets at FVOCI	Total
Ruppes					
Balance as at July 1, 2018	35,100,000	23,060,046	12,411,526	-	70,571,572
Total comprehensive income for the year	-	(3,085,318)	-	-	(3,085,318)
Loss for the year	-	(2,371,277)	-	-	(2,371,277)
Correction of prior period error (Note: 4.6)	-	-	20,391,711	-	20,391,711
Other comprehensive income/(loss)	-	(5,456,595)	20,391,711	-	17,306,393
Balance as at June 30, 2019 - Restated	35,100,000	17,603,451	32,803,237	-	87,877,965
Transactions during the year					
Issuance of new shares	44,845,000	-	-	-	44,845,000
Total comprehensive income for the year	-	182,117	-	-	182,117
Profit for the year	-	-	40,533,915	-	40,533,915
Other comprehensive income/(loss)	-	-	(15,950,831)	-	-
Deferred tax	-	182,117	24,583,084	-	40,716,032
Balance as at June 30, 2020	79,945,000	17,785,568	57,386,321	-	173,438,997
The annexed notes 1 to 26 form an integral part of these financial statements.					
Balance as at July 1, 2020	79,945,000	23,699,007	57,386,321	-	179,352,436
Transactions during the year					
Total comprehensive income for the year	-	18,108,991	-	-	18,108,991
Profit for the year	-	-	-	-	-
Other comprehensive income/(loss)	-	-	-	-	-
Deferred tax	-	18,108,991	-	-	18,108,991
Balance as at March 31, 2021	79,945,000	41,807,998	57,386,321	-	181,089,991

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



Chief Executive Officer





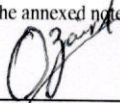
Director

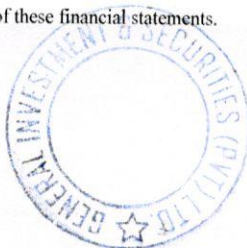
GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021

	Note	March 31, 2021 Rupees	June 30, 2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss) before taxation		24,060,175	6,635,844
Adjustments:			
Depreciation		161,026	264,753
Realized loss/(gain) on sale of short-term investments		-	(205,130)
Unrealized loss/(gain) on short-term investments		226,120	440,895
Dividend income		(4,697,279)	(3,096,748)
		(4,310,133)	(2,596,230)
Profit before working capital changes		19,750,042	4,039,614
(Increase)/decrease in current assets			
Trade receivable - net		(1,353,899)	(3,788,051)
Deposits, prepayments and other receivables		(31,719,100)	5,701,180
		(33,072,999)	1,913,129
Increase/(decrease) in current liabilities			
Trade and other payables		5,199,444	20,654,632
Cash generated from/(used in) operations		(8,123,513)	26,607,375
Proceeds from sale/(acquisition) of short-term investments - net		-	1,524,655
Dividends received		4,697,279	3,096,748
Income tax paid		-	(526,087)
		4,697,279	4,095,316
Net cash from operating activities		(3,426,234)	30,702,691
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property and equipment		-	-
Purchase of Investments - net		-	(49,543,210)
Decrease/(increase) in long-term deposits		1,100,000	233,000
Net cash generated from/(used in) investing activities		1,100,000	(49,310,210)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease payments		-	-
Proceeds from issue of shares		-	44,845,000
Increase in payable to supplier		-	5,600,000
Loan from Directors (repaid/converted) / received - net		-	(12,555,180)
Net cash generated from/(used in) financing activities		-	37,889,820
Net (decrease)/increase in cash and cash equivalents		(2,326,234)	19,282,301
Cash and cash equivalents at the beginning of the year		48,341,717	29,059,416
Cash and cash equivalents at the end of the year		46,015,483	48,341,717

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


Chief Executive Officer




Director

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GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

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

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 Junhah Avenue, Blue Area, Islamabad

Branch Office Office # 6, Block 1, Mall Business Center, The Mall Road, Rawalpindi

1.2 Summary of Significant events and transactions in the current year

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting year:

- Company invested Rs. 49,543,210 in shares of ISE REIT Management Company Limited during the year
- The company obtained loan of Rs. 16,128,000 from directors.
- During the year, the company issued 448,450 shares at Rs.100.
- There was no significant impact of COVID-19 pandemic on the carrying amounts of assets and income during the

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards ("IFRS") 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").

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS standards, the provision of and directives issued under the Companies Act, 2017 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below

2.3 Functional & Presentation Currency

These financial statements are presented in Pakistan Rupee (Rs./Rupees) which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs./Rupees, unless

2.4 Use of Judgment and Estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and amortization method of intangible assets – Note: 3.2 & 6;
- Impairment loss of non-financial assets other than inventories – Note: 3.4;
- Provision for expected credit losses – Note: 3.4;
- Estimation of provisions - Note: 3.11;
- Fair value of unquoted equity investments Note: 8;
- Classification, recognition, measurement / valuation of financial instruments Note: 3.3 and
- provision for taxation - Note 3.6.

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

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 5 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 of.

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

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.

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

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.

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

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

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

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

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

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.

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

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. 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

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

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

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).

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

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

**3.5 Trade Receivable
Measurement**

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

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

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.

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

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

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.

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.

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.

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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

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 INITIAL APPLICATION OF STANDARDS, AMENDMENTS OR AN INTERPRETATION TO EXISTING STANDARDS

4.1 Standards, amendments and interpretations to accounting and reporting standards that became effective during the year

The following standard and interpretation to accounting and reporting standards as applicable in Pakistan became effective for the first time and are relevant to the Company.

a) IFRS 16 - 'Leases'

b) IFRIC - 23 'Uncertainty over Income Tax Treatments'

The adoption of the above standard and interpretation to accounting standards did not have any material effect on the financial statements, details are as follows:

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4.2 IFRS 16 - 'Leases'

IFRS 16 supersedes IAS 17 'Leases', 'IFRIC 4' Determining whether an Arrangement contains a Lease, 'SIC-15' Operating Leases Incentives and 'SIC-27' Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS-16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. Under IFRS 16, distinction for lessees between operating and finance leases has been removed and all lease contracts, with limited exceptions will be recognized in statement of financial position by way of right-of-use assets. In applying the standard, the Company adopted IFRS 16 with effect from July 1, 2019 using the modified retrospective method. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application with no restatement of comparative

The right-of-use assets were recognized based on the amount equal to lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Company does not have any sub-lease as on July 1, 2019.

Lease term is the non-cancelable period for which the Company has right to use the underlying asset in line with the lease contract together with the periods covered by an option to extend which the Company is reasonably certain to exercise and option to terminate which the Company is not reasonably certain to exercise.

4.3 Standards, amendments and interpretations to accounting and reporting standards that are not yet effective

The following amendments to the accounting and reporting standards as applicable in Pakistan are relevant to the Company and would be effective from the dates mentioned below against the respective standard or interpretation:

		Effective date (reporting periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	1-Jan-20
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	1-Jan-20
IAS 16	Property, Plant and Equipment (Amendments)	1-Jan-22
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	1-Jan-22
IAS 39	Financial Instruments: Recognition and Measurement (Amendments)	1-Jan-20
IAS 41	Agriculture (Amendments)	1-Jan-20
IFRS 3	Business combinations (Amendments)	1-Jan-20
IFRS 17	Insurance contracts (Amendments)	1-Jan-23
IFRS 7	Financial instruments: disclosures (Amendments)	1-Jan-20
IFRS 9	Financial instruments (Amendments)	1-Jan-20

The management anticipates that adoption of above amendments in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

- 4.4** Further, the following new standards 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
- IFRS 1 First-time Adoption of IFRS and IFRS 17 Insurance contracts
- 4.5** IFRIC 12 Service concession arrangement interpretation issued by the IASB has been waived off by SECP:

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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5 PROPERTY AND EQUIPMENT

	Owned				Total
	Computer equipment	Furniture and fixtures	Office equipment	Vehicles	
Cost					
Balance as at July 01, 2018	1,278,101	711,970	1,225,358	-	3,215,429
Additions	253,500	129,088	192,000	-	574,588
Transferred from leased to owned	-	-	-	2,481,984	2,481,984
Balance as at June 30, 2019	1,531,601	841,058	1,417,358	2,481,984	6,272,001
Balance as at July 01, 2019	1,531,601	841,058	1,417,358	2,481,984	6,272,001
Additions	-	-	-	-	-
Balance as at June 30, 2020	1,531,601	841,058	1,417,358	2,481,984	6,272,001
Balance as at July 01, 2020	1,531,601	841,058	1,417,358	2,481,984	6,272,001
Additions	-	-	-	-	-
Balance as at March 31, 2020	1,531,601	841,058	1,417,358	2,481,984	6,272,001
Depreciation					
Balance as at July 01, 2018	1,169,213	682,171	974,034	-	2,825,418
For the period	71,254	7,001	42,732	143,724	264,711
Transferred from leased to owned	-	-	-	1,523,825	1,523,825
Balance as at June 30, 2019	1,240,467	689,172	1,016,766	1,667,549	4,613,954
Balance as at July 01, 2019	1,240,467	689,172	1,016,766	1,667,549	4,613,954
For the period	87,340	15,189	40,059	122,165	264,753
Balance as at June 30, 2020	1,327,807	704,361	1,056,825	1,789,714	4,878,707
Carrying amount as at June 30, 2020	203,794	136,697	360,533	692,270	1,393,294
Carrying amount as at June 30, 2019	291,134	151,886	400,592	814,435	1,658,047
Balance as at July 01, 2020	1,327,807	704,361	1,056,825	1,789,714	4,878,707
For the period	45,854	10,252	27,040	77,880	161,026
Balance as at March 31, 2021	1,373,661	714,613	1,083,865	1,867,595	5,039,733
Carrying amount as at June 30, 2020	157,940	126,445	333,493	614,389	1,232,268
Carrying amount as at June 30, 2019	203,794	136,697	360,533	692,270	1,393,294
Rate of Depreciation	30%	10%	10%	15%	

5.1 Depreciation has been allocated to administrative expenses.

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6 INTANGIBLE ASSETS

		Un-Audited 2021	Audited 2020
	Note	Rupees	Rupees
Trading Right Entitlement Certificate ("TREC")	6.1&6.2	2,500,000	2,500,000
Pakistan Mercantile Exchange Membership Card	6.3	2,500,000	2,500,000
		<u>5,000,000</u>	<u>5,000,000</u>

6.1 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.

6.2 These are carried at notional value of Rs. 2.5 million (2019: Rs. 2.5 million) as published by PSX.

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

7 FINANCIAL ASSETS OTHER THAN CASH AND BANK

<i>Financial Assets designated at FVTOCI</i>	8	150,855,116	150,855,115
<i>Equity instruments designated at FVTPL</i>	12		2,250,365
<i>Debt instruments at amortised cost</i>			
- Long term deposits	9	3,150,000	4,250,000
- Trade debts - net	10	9,805,490	8,451,591
- Loans and advances	11	19,287,133	3,105,768
- Short term deposits	11	26,960,000	11,460,000
		59,202,623	27,267,359
		<u>210,057,740</u>	<u>180,372,841</u>

8 LONG TERM INVESTMENTS - FVTOCI

Non-listed Equity Securities

Opening Balance	8.1	150,855,115	60,777,990
Additions during the year	8.2	-	49,543,210
Adjustment for remeasurement to fair value		-	40,533,915
Shares transferred to director			-
	8.3	<u>150,855,116</u>	<u>150,855,115</u>

8.1 Opening balance include 42% (1,820,762 shares) which are held in a separate Central Depository Company Limited ("CDC") blocked sub-account.

8.2 Additions during the year include an amount of Rs. 16.128 million for which payment was made by the director of the company. Refer to Note:17.

8.3 This represents investment in the shares of ISE REIT Management Company Limited. The shares are non-listed and there is no evidence of existence of an active market or transactions amongst the participants at an arms length basis. As an alternative approach, the break-up value of shares (calculated as per TR-22 issued by ICAP) of ISE REIT Management Company Limited as per their latest audited financial statements has been taken with adjustment for unobservable inputs related to percentage of assets of REIT stated at fair value and risk factors related to marketability of shares.

9 LONG TERM DEPOSITS

Central Depository Company Limited	100,000	100,000
National Clearing Company of Pakistan Limited	200,000	1,200,000
Pakistan Stock Exchange Limited	200,000	200,000
PMEX Deposit	1,250,000	1,250,000
	<u>1,750,000</u>	<u>2,750,000</u>
Other security deposits	<u>1,400,000</u>	<u>1,500,000</u>
	<u>3,150,000</u>	<u>4,250,000</u>

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10 TRADE AND OTHER RECEIVABLE

	Note	2020 Rupees
Other parties	10.1	11,074,434
Related parties	10.2	-
		11,074,434
Other Receivable	10.4	1,757,520
		12,831,954
Less allowance for expected losses		
Customer	10.3	3,026,464
		9,805,490

10.3 Allowance for expected credit losses

	Note	2021	2020 Rupees
Balance as at July 1		3,026,464	2,574,559
Charged during the year		-	451,905
Closing balance (as at June 30)		3,026,464	3,026,464

10.4 Other Receivables

Receivable from NCCPL	10.4.1	-	3,849,253
DFC profits held		723,063	417,428
CDC and UIN charges recoverable	10.4.2	1,034,457	1,034,457
		1,757,520	5,301,138

10.4.1 This represents amount receivable against trading of securities in all markets which will be settled on 2-July-2020

10.4.2 This represents CDC and NCCPL annual charges paid by the company on behalf of clients which will be subsequently charged to respective clients.

11 PREPAYMENTS, DEPOSITS AND ADVANCES

Short-term loans and advances

Advances to employees	13,500	27,000
Loan to director	350,000	-
Advance to suppliers	18,923,633	3,078,768
	19,287,133	3,105,768

Short-term deposits

NCCPL exposure Margin - House	17,460,000	9,160,000
NCCPL exposure Margin - Clients	9,500,000	2,300,000
	26,960,000	11,460,000
	46,247,133	14,565,768

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12 SHORT TERM INVESTMENTS - FVTPL

Listed equity Securities

12.1	2,250,365
	<u>2,250,365</u>

- 12.1 Fair values of these equity shares are determined by reference to published price quotations in an active market.
12.2 Shares with fair value of PKR 2,180,000 (2019: PKR. 3,944,700) have been pledged with NCCPL against margin deposit requirements.

13 CASH AND BANK BALANCES

Cash in hand	326,659	-
Cash at bank - Local currency		
Current accounts	13.1 45,552,018	47,627,984
Savings accounts	136,806	713,735
	<u>46,015,483</u>	<u>48,341,719</u>

- 13.1 Cash at bank includes customers' assets amounting to PKR 42,305,952 (2019:23,704,720) held in designated bank account and PMEX House account balance amounting to Rs. 5,322,031.

14 SHARE CAPITAL

- 14.1 **Authorized capital**
1,800,000 (2019: 1,800,000) ordinary shares of PKR 100 each, fully paid in cash
- | | | |
|--|--------------------|--------------------|
| | <u>180,000,000</u> | <u>180,000,000</u> |
|--|--------------------|--------------------|

14.2 Issued, subscribed and paid-up share capital

2020	2019	
<u>799,450</u>	<u>351,000</u>	Ordinary shares of Rs.100 each, issued for cash
		<u>79,945,000</u> <u>79,945,000</u>

14.3 Reconciliation of number of shares outstanding

	2021	2020
Ordinary shares	No.	No.
Number of shares outstanding at the beginning of the year	351,000	351,000
Issued for cash	277,800	277,800
Issued for cash (against long term director's loan)	170,650	170,650
Number of shares outstanding at the end of the year	<u>799,450</u>	<u>799,450</u>

- 14.4 This represents shares issued at par value of Rs.100 each against consideration of cash.
14.5 This represents shares issued at par value of Rs.100 each against conversion of long term director's loan.

15 CAPITAL RESERVE

Note	2021 Rupees	2020 Rupees
Fair value reserve	<u>57,386,321</u>	<u>57,386,321</u>

15.1 The fair value reserve comprises the cumulative net change in the fair value of financial assets designated at fair value through OCI.

16 FINANCIAL LIABILITIES

Non-Current

Financial liabilities at amortised cost

Loan from director	17	7,043,026	7,043,026
Other payables		5,600,000	5,600,000
		<u>12,643,026</u>	<u>12,643,026</u>

Current

Financial liabilities at amortised cost

Trade payable	19	43,592,448	45,143,469
		<u>56,235,474</u>	<u>57,786,495</u>

17 LONG TERM FINANCING

- Loan from director - unsecured
Other payables

17.1	7,043,026	7,043,026
17.2	5,600,000	5,600,000
	<u>12,643,026</u>	<u>12,643,026</u>

17.1 Loan from director

Opening Balance		7,043,026	19,598,206
Addition	17.1.1	-	16,128,000
Director loan wrongly classified as PMEX payable	37	-	2,500,000
Adjustment against loan receivable from director	9	-	(14,118,180)
Conversion into share capital	17.1.2	-	(17,065,000)
Closing Balance		<u>7,043,026</u>	<u>7,043,026</u>

- 17.1.1 This represents interest-free loan received from director of the company for purchase of 4,032,603 shares of ISE REIT. The loan bears no interest. The loan is not discounted as it has no terms and can be demanded at any time. It is recognised at the full amount received.

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
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17.1.2 This represents opening balance of long term loan from director which has been converted into share capital of Rs.100

17.1.3 The maximum amount outstanding at any time during the year is Rs. 19,598,206.

17.2 This represent amount payable to third party for purchase of shares, payable after 1 year as per agreement.

18 DEFERRED TAX LIABILITY

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:

	Note	2021 Rupees	2020 Rupees
Deferred tax liability		15,424,960	16,302,634
Deferred tax asset		-	(877,674)
		<u>15,424,960</u>	<u>15,424,960</u>

19 TRADE AND OTHER PAYABLES

Trade creditors	43,592,448	43,860,665
Accrued & Other payables	799,280	1,282,804
	<u>44,391,729</u>	<u>45,143,469</u>

20 CURRENT TAX LIABILITY

Balance at the beginning of the year	6,779,508	325,997
Add: Current year provision	5,951,184	6,979,598
	<u>12,730,691</u>	<u>7,305,595</u>
Less: Adjustment against advance tax	-	(526,087)
Balance Payable / (Receivable)	<u>12,730,691</u>	<u>6,779,508</u>

21 CONTINGENCIES AND COMMITMENTS

21.1 There are no contingencies or commitments of the Company as at June 30, 2020 (2019: Nil)

22 REVENUE

Commission Income Equity Trading	<u>38,770,916</u>	<u>21,897,861</u>
Commission Income Commodity trading	-	292,500
	<u>38,770,916</u>	<u>22,190,361</u>
Less: Federal Excise Duty	-	(3,020,395)
	<u>38,770,916</u>	<u>19,169,966</u>
Dividend income from equity instruments at FVTOCI	<u>4,697,279</u>	<u>2,910,704</u>
Dividend income from equity instruments at FVTPL	-	186,044
	<u>4,697,279</u>	<u>3,096,748</u>
	<u>43,468,195</u>	<u>22,266,714</u>

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23 OPERATING AND ADMINISTRATIVE EXPENSES	Note	2020	
			Rupees
Staff salaries, allowances and other benefits		12,171,987	7,067,738
Directors' remuneration		-	-
Depreciation		-	264,753
Traveling and conveyance		156,740	32,870
Telephone		167,090	303,162
Entertainment		191,204	177,708
Advertisement		18,250	-
Auditors' remuneration	23.1	59,000	174,000
PSX and CDC charges		1,564,723	642,116
ISE charges		496,388	210,474
NCCPL Charges		674,101	-
Newspapers and periodicals		8,263	9,788
Internet charges		2,240	10,100
Printing and stationery		25,900	10,272
Postage and courier charges		20,195	17,246
Fee and subscription		312,092	302,012
Legal and Professional charges		247,653	187,650
Provision for doubtful debts		-	451,905
Repair and maintenance		230,867	77,060
Vehicle Running and Maintenance		173,980	77,335
Rent, rate and taxes		2,864,045	5,025,591
Software charges		75,040	96,320
Office expenses		86,648	101,635
Bank and other charges		5,376	1,017
Utilities		374,058	116,436
Miscellaneous		56,838	237,991
		<u>19,982,677</u>	<u>15,595,179</u>

24 OTHER INCOME / (LOSS)			
Profit on savings account		134,051	153,171
Fair value gain / (loss) on equity instruments at FVTPL		(226,120)	(440,895)
Gain (loss) on sale of equity instruments at FVTPL - net		-	205,130
Miscellaneous income		666,728	46,903
		<u>574,658</u>	<u>(35,691)</u>

25 INCOME TAX EXPENSE			
Current tax		5,951,184	6,979,598
Deferred tax		-	(525,871)
		<u>5,951,184</u>	<u>6,453,727</u>

25.1 Major components of current tax expense			
Charge for current year		5,951,184	6,979,598
		<u>5,951,184</u>	<u>6,979,598</u>

26 EARNINGS PER SHARE			
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	18,108,991	182,117
Weighted average number of ordinary shares in issue during the year	360,829	360,829
Earnings per share	<u>50.19</u>	<u>0.50</u>

26.1 Weighted average number of ordinary shares (basic)			
Issued ordinary shares at 1 January		351,000	
Effect of shares issued at the end of the year		<u>9,829</u>	
		<u>360,829</u>	

26.2 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.


CHIEF EXECUTIVE

