


**GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED**  
**BALANCE SHEET**  
**AS AT DECEMBER 2019**

	Note	31-Dec-19 Un-Audited Rupees	30-Jun-19 Audited Rupees
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS</b>			
Property and Equipment	4	1,525,671	1,658,048
Intangible Assets	5	5,700,000	5,700,000
Long Term Deposits	6	3,783,000	3,783,000
Long Term Investment	7	72,794,028	42,757,556
		<b>83,802,700</b>	<b>53,898,604</b>
<b>CURRENT ASSETS</b>			
Trade Debits	8	7,396,317	4,396,276
Advances	9	10,294,203	815,562
Deposits Prepayments and other receivable	10	6,829,149	3,224,792
Short term investment	11	4,357,125	18,128,966
Cash and bank balances	12	37,832,620	29,059,416
		<b>66,709,414</b>	<b>55,625,012</b>
		<b>150,512,114</b>	<b>109,523,616</b>
<b><u>SHARE CAPITAL AND RESERVES</u></b>			
Issued, subscribed and paid-up share capital	13	35,100,000	35,100,000
351,000(2019: 351,000) Ordinary Shares of Rs 100/- each		12,411,526	12,411,526
Unrealized Surplus on re-measurement		31,495,000	-
Deposit for shares		20,758,330	19,974,728
Accumulated Loss		<b>99,764,856</b>	<b>67,486,255</b>
<b>NON CURRENT LIABILITIES</b>			
Long term financing	14	13,350,000	17,065,000
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	36,790,444	24,488,837
Provision for taxation	16	606,814	483,525
		<b>37,397,258</b>	<b>24,972,362</b>
<b>CONTINGENCIES &amp; COMMITMENTS</b>			
	17	-	-
		<b>150,512,114</b>	<b>109,523,616</b>

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

  
**CHIEF EXECUTIVE**



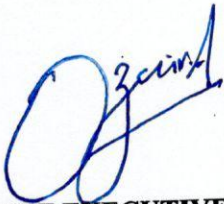
  
**DIRECTOR**



**GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED DECEMBER 31, 2019**

	Note	31-Dec-19 Un-Audited Rupees	30-Jun-19 Audited Rupees
Income from Brokerage	18	9,863,085	12,978,867
Gain / Loss on short term investment		-	51,614
Un-realized Gain / Loss on remeasurement on investment		-	19,141,774
		<u>9,863,085</u>	<u>32,172,255</u>
Operating and administrative expenses	19	(9,234,059)	(35,452,227)
<b>(Loss) from operations</b>		<b>629,026</b>	<b>(3,279,972)</b>
Finance cost	20	(649)	(3,696)
Other income / (loss)	21	278,513	489,400
<b>Profit / (loss) before taxation</b>		<b>906,890</b>	<b>(2,786,876)</b>
Taxation	22	123,289	298,442
<b>Profit / (loss) after taxation</b>		<b><u>783,602</u></b>	<b><u>(3,085,318)</u></b>

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 DECEMBER 31, 2019**

**CASH FLOW FROM OPERATING ACTIVITIES**

	31-Dec-19 Un-Audited Rupees	30-Jun-19 Audited Rupees
	906,890	(2,786,876)
Profit/(Loss) for the period / year before taxation		
Adjustment for:		
Depreciation	132,377	264,711
Provision for Doubt full debt	1,318,656	1,255,903
Finance cost on lease obligation		-
Dividend income	(30,931)	(950,014)
Realized gain on short term investment		(51,614)
Unrealized gain on short term investment	649	(19,141,774)
Interest Income		(32,957)
	1,420,751	(18,655,745)
	2,327,641	(21,442,621)
<b>Cash used in operating activities before working capital changes</b>		
<b>(Increase)/decrease in current assets</b>		
Accounts Receivables	(3,000,041)	(2,267,575)
Advances, Deposits & Pre-payments	(3,604,357)	12,602,860
Deposits	3,489,000	9,292,641
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	12,301,607	(790,571)
Other Payable	-	-
	9,186,209	18,837,355
	11,513,850	(2,605,266)
<b>Cash utilized in operations</b>		
Financial charges paid	(649)	32,957
Proceed from net sale of short term investment	13,771,841	10,114,011
Dividend received		950,014
Income tax paid	(483,525)	(157,528)
	11,029,676	8,334,188
<b>Net cash utilized in operating activities</b>		
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	-	(574,588)
Proceed from net sale of long term investment		(3,120,000)
Increase in long term deposit	(30,036,472)	-
<b>Net cash inflow / (outflow) from Investing activities</b>	(30,036,472)	(3,694,588)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan from director receipts	(3,715,000)	3,715,000
Advance against issuance of shares	31,495,000	-
Settlement of finance lease obligation		(341,825)
<b>Net cash inflow / (outflow) from financing activities</b>	27,780,000	3,373,175
	8,773,204	8,012,777
<b>Net Increase /(decrease) in cash and cash equivalents</b>	29,059,416	21,046,639
<b>Cash and cash equivalents at the beginning of the year</b>	12 37,832,620	29,059,416
<b>Cash and cash equivalents at the end of the year</b>		

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

CHIEF EXECUTIVE



DIRECTOR



## GENERAL INVESTMENT &amp; SECURITIES (PRIVATE) LIMITED

PARTICULARS	COST			DEPRECIATION			Book value as at 31 December 2019	Depreciation rate %
	As at 01 July 2019	Additions during the year	As at 31 December 2019	As at 01 July 2019	For the year	Deletions		
<b>OWNED</b>								
Computer accessories	1,531,601	-	1,531,601	1,240,467	43,670	-	1,284,137	30
Furniture and fixtures	841,058	-	841,058	689,172	7,594	-	696,766	10
Office equipments	1,417,358	-	1,417,358	1,016,766	20,030	-	1,036,796	10
Vehicle	2,481,984	1	2,481,985	1,667,549	61,083	-	1,728,632	15
	<u>6,272,001</u>	<u>1</u>	<u>6,272,002</u>	<u>4,613,953</u>	<u>132,377</u>	<u>-</u>	<u>4,746,331</u>	
<b>LEASED</b>								
Vehicles	-	-	-	-	-	-	-	15
<i>Rupees</i>	<i>Dec-19</i>	<i>1</i>	<i>6,272,002</i>	<i>4,613,953</i>	<i>132,377</i>	<i>-</i>	<i>4,746,331</i>	
<i>Rupees</i>	<i>Jun-19</i>	<i>-</i>	<i>6,272,001</i>	<i>4,349,242</i>	<i>264,711</i>	<i>-</i>	<i>4,613,953</i>	



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

## **Notes to the Financial Statements**

**FOR THE PERIOD ENDED DECEMBER 31, 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 carries at amortised cost using the 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 no provided if it can be established with reasonable accuracy that these differences will not reserve 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	31-Dec-19 Un-Audited Rupees	30-Jun-19 Audited Rupees
<b>5</b>	<b><u>Intangible Assets</u></b>		
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>
<b>6</b>	<b><u>Long Term Deposits</u></b>		
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>
<b>7</b>	<b><u>Long Term Investment</u></b>		
Available for sale			
Investment in Shares of Islamabad Stock Exchange Towers Reit Management company limited ( Available for Sale)	7.1	<u>72,794,028</u>	<u>42,757,556</u>

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.

<b>8</b>	<b><u>Trade Debits</u></b>		
considered good		7,396,317	4,396,276
Accounts receivable - Considered doubtful		<u>1,318,656</u>	<u>2,574,559</u>
		<u>8,714,973</u>	<u>6,970,835</u>
Less: Provison for doubtfull debts		<u>1,318,656</u>	<u>2,574,559</u>
		<u>7,396,317</u>	<u>4,396,276</u>



	Note	31-Dec-19 Un-Audited Rupees	30-Jun-19 Audited Rupees
<b>9</b>	<b><u>Loan and Advances</u></b>		
	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>
<b>10</b>	<b><u>Deposits Prepayments and other receivable</u></b>		
	Advance Income Tax	157,528	157,528
	PSX Exposure	6,300,000	2,800,000
	NCSS Receivables	-	267,264
	Other receivables	371,621	-
	Advances	-	-
		<u>6,829,149</u>	<u>3,224,792</u>
<b>11</b>	<b><u>Short term investment</u></b>		
	Investment in listed securities	<u>4,357,125</u>	<u>18,128,966</u>
<b>12</b>	<b><u>Cash and bank balances</u></b>		
	Cash in hand	2,286,443	16,304
	Current account	30,254,408	28,996,490
	Saving account	-	46,621
		30,254,408	29,043,111
	Bank balance relating to PMEX	5,291,769	-
		<u>35,546,177</u>	<u>-</u>
		<u>37,832,620</u>	<u>29,059,416</u>
<b>13</b>	<b><u>Share capital</u></b>		
	<b>Authorized</b>		
	1,800,000 (2019: 1,800,000) Ordinary Shares of Rs 100/- each	180,000,000	180,000,000
	<b>Issued, subscribed and paid up</b>		
	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>
<b>14</b>	<b><u>Long term financing</u></b>		
	Loan from director	<u>13,350,000</u>	<u>17,065,000</u>
<b>15</b>	<b><u>Trade and other payables</u></b>		
	Creditors	36,164,543	18,077,606
	Accrued and others		6,244,981
	Auditor remuneration	625,901	166,250
		<u>36,790,444</u>	<u>24,488,837</u>



	Note	31-Dec-19 Un-Audited Rupees	30-Jun-19 Audited Rupees
<b>16 Provision for taxation</b>			
Balance at the beginning of year		483,525	185,083
Add: Current Year Provision		123,289	298,442
		<u>606,814</u>	<u>483,525</u>
Adjusted against Advance Tax		-	-
Balance at the end of year		<u>606,814</u>	<u>483,525</u>
<b>17 CONTINGENCIES &amp; COMMITMENTS</b>			
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.			
<b>18 Revenue</b>			
Income from Brokerage		6,801,337	12,028,853
Dividend Income		3,061,748	950,014
		<u>9,863,085</u>	<u>12,978,867</u>
<b>19 Operating Expenses</b>			
Salary allowances and other benefits		3,671,272	7,002,168
Gifts to Directors		-	18,020,434
Computer Expense		-	82,440
Traveling and conveyance		80,850	480,291
Commission Paid		-	-
Telephone		166,328	335,170
Entertainment		91,971	159,330
Advertisement		28,000	56,100
CDC Charges		230,327	37,374
PSX Charges		507,498	1,352,909
ISE charges		166,896	730,107
Newspaper		5,359	10,954
Internet		12,450	97,164
Water		83,410	-
Printing and stationery		7,952	22,990
Postage and Courier charges		10,723	38,713
Fee and subscription		103,475	258,581
Legal and Professional charges		60,000	116,200
Provision for doubtful debts		1,255,903	1,255,903
Repair and maintenance		52,840	435,781
Vehicle Running and Maintenance		31,835	134,338
Rent, rate and taxes		2,270,105	3,939,225
Software charges		35,000	91,000
Office expenses		38,345	70,442
Auditor Remuneration		110,250	150,000
Utilities		55,490	51,490
Misc. expenses		25,403	258,413
Depreciation	4	132,377	264,711
		<u>9,234,059</u>	<u>35,452,227</u>



	Note	31-Dec-19 Un-Audited Rupees	30-Jun-19 Audited Rupees
<b>19.1 Auditors' Remuneration</b>			
Audit Fee		110,250	150,000
Out of Pocket Expenses		110,250	150,000
<b>20 Financial Charges</b>			
Bank and other charges		649	3,696
		649	3,696
<b>21 Other income / (loss)</b>			
Bank Profit		30,931	32,957
Other income		247,582	456,443
		278,513	489,400
<b>22 Taxation</b>			
Current for the year		123,289	298,442
		123,289	298,442

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

31-Dec-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.

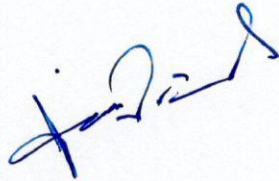
### 26 General

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