GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2020

	Note	31-Dec-20 Un-Audited Rupees	30-Jun-20 Audited Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss)before taxation		18,597,499	6,635,844
Adjustments:			
Depreciation		214,702	264,753
Realized loss/(gain) on sale of short-term investments		-	(205,130)
Unrealized loss/(gain) on short-term investments		-	440,895
Dividend income		(4,657,279)	(3,096,748)
		(4,442,577)	(2,596,230)
Profit before working capital changes		14,154,922	4,039,614
(Increase)/decrease in current assets			
Trade receivable - net		1,453,441	(3,788,051)
Deposits, prepayments and other receivables		(20,673,000)	5,701,180
		(19,219,559)	1,913,129
Increase/(decrease) in current liabilities			
Trade and other payables		26,913,680	20,654,632
Cash generated from/(used in) operations		21,849,043	26,607,375
Proceeds from sale /(acquisition) of short-term investments -net		316,186	1,524,655
Dividends received		4,657,279	3,096,748
Income tax paid		2,891,680	(526,087)
		7,865,145	4,095,316
Net cash from operating activities		29,714,188	30,702,691
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property and equipment		-	-
Purchase of Investments - net		(5,600,000)	(49,543,210)
Decrease/(increase) in long-term deposits		-	233,000
Net cash generated from/(used in) investing activities		(5,600,000)	(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		(4,100,000)	(12,555,180)
Net cash generated from/(used in) financing activities		(4,100,000)	37,889,820
Net (decrease)/increase in cash and cash equivalents		20,014,188	19,282,301
Cash and cash equivalents at the beginning of the year		48,341,719	29,059,416
Cash and cash equivalents at the end of the year	15	68,355,907	48,341,717

The annexed notes 1 to 40 form an integral part of these financial statements.

Chief Executive Officer

General Investment & Securities (Pvt) Ltd.
TREC
442

Director

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED DECEMBER 31, 2020

	Note	31-Dec-20 Un-Audited Rupees	30-Jun-20 Audited Rupees
Revenue	22	**31,144,285**	22,266,714
Operating and Administrative expenses	23	**(13,280,874)**	(15,595,179)
Operating profit/(loss)		**17,863,411**	6,671,535
Other income / (loss)	24	**734,088**	(35,691)
Profit/ (Loss) before taxation		**18,597,499**	6,635,844
Taxation	25	**(3,099,640)**	(540,288)
Profit/(loss) for the year		**15,497,858**	6,095,556
Earnings/(loss) per share - basic		**41.81**	16.89

The annexed notes 1 to 40 form an integral part of these financial statements.

Chief Executive Officer

Director

General Investment & Securities (Pvt) Ltd.
TREC
442

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

	Note	31-Dec-20 Un-Audited Rupees	30-Jun-20 Audited Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	1,178,592	1,393,294
Intangible assets	6	5,000,000	5,000,000
Long term investments	8	156,455,116	150,855,115
Long term deposits	9	4,250,000	4,250,000
		166,883,708	161,498,409
CURRENT ASSETS			
Trade and other receivable - net	10	6,998,150	8,451,591
Prepayments, deposits and advances	11	35,238,768	14,565,768
Short term investments	12	1,934,179	2,250,365
Cash and bank balances	13	68,355,907	48,341,719
		112,527,004	73,609,443
		279,410,712	235,107,852
EQUITY & LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital	14	79,945,000	79,945,000
Revenue reserve			
Unappropriated profit		39,196,865	23,699,007
Capital Reserve			
Fair value reserve	15	57,386,321	57,386,321
		176,528,186	161,030,328
NON-CURRENT LIABILITIES			
Long-term financing	17	8,543,026	12,643,026
Deferred tax liability - net	18	22,282,351	15,424,960
		30,825,377	28,067,986
CURRENT LIABILITIES			
Trade and other payables	19	72,057,149	45,143,469
Current tax liability	20	-	866,069
		72,057,149	46,009,538
CONTINGENCIES AND COMMITMENTS	21	-	-
		279,410,712	235,107,852

The annexed notes 1 to 40 form an integral part of these financial statements.

Chief Executive Officer

Director

General Investment & Securities (Pvt) Ltd.
TREC
442

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2020

	Issued, subscribed and paid-up capital	Revenue reserve	Capital reserve	Total
		Unappropriated profit/(loss)	Fair value reserve of financial assets at FVOCI	
	----------------------	Rupees	----------------------	
Balance as at July 1, 2019	35,100,000	17,603,451	32,803,237	69,555,857
Issuance of new shares	44,845,000	-	-	44,845,000
Total comprehensive income for the year				
Loss for the year	-	6,095,556	-	6,095,556
Correction of prior period error (Note: 4.6)	-	-	40,533,915	40,533,915
Other comprehensive income/(loss)	-	-	(15,950,831)	-
	-	6,095,556	24,583,084	46,629,471
Balance as at June 30, 2020	79,945,000	23,699,007	57,386,321	161,030,328
Transactions during the year				
Issuance of new shares	-	-	-	-
Total comprehensive income for the year				
Profit for the year	-	15,497,858	-	15,497,858
Other comprehensive income/(loss)	-	-	-	-
Deferred tax	-	-	-	-
	-	15,497,858	-	15,497,858
Balance as at December 31, 2020	**79,945,000**	**39,196,865**	**57,386,321**	**176,528,186**

The annexed notes 1 to 40 form an integral part of these financial statements.

General Investment & Securities (Pvt) Ltd.
TREC
442

Chief Executive Officer

Director

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2020

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.

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 the 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

Judgments and estimates

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

3.3 Financial Instruments

Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

fair value through other comprehensive income (FVTOCI);

fair value through profit or loss (FVTPL); and

measured at amortized cost.

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

Subsequent measurement

Debt Investments

at FVOCI

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

at Amortized cost

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

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

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

Offsetting of financial assets and financial liabilities

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

Financial liabilities

Initial recognition and measurement

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

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

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

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

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.
Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.
Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

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

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 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.

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.

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

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:

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2020

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:

4.6 Correction of prior period error

4.6.1 The company conducted a detailed review of transactions with related parties carried out in 2019 and discovered error in relation to purchase and transfer of shares of REIT. During 2019, the Company purchased 2,280,952 shares of ISE Towers REIT Management Company Limited for Rs 11,746,903. Out of Rs. 11,746,903, Rs. 2,533,206 was paid by the director of the company which was wrongly adjusted against short term advances to suppliers. As a consequence, Director loan payable was understated by Rs. 2,533,206, short term advances was understated by Rs. 2,533,206.

During 2019, the Company transferred 1,002,000 shares (valuing Rs. 14,118,180) to a Director. However, the company erroneously recorded transfer of 1,278,952 shares (Rs 18,020,433) in the financial statements and recorded the corresponding amount as administrative expense instead of long term loan to director. As a result, long term investment in REIT was understated by Rs 3,902,253; administrative expenses were overstated by Rs. 18,020,433 and director loan receivable understated by Rs. 14,118,180. The correction of the error is accounted for retrospectively, and the comparative information for 2019 have been restated.

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2020

4.6.2 During the year, the company identified error in relation to the classification of equity investments. The company erroneously recorded investment in ISE REIT Management Company Limited both in short term at FVTPL and long term investments at FVTOCI in 2019. Fair value gain on portion of the investment classified at FVTPL was recorded in P&L. As per IFRS-9, investment in same scrip should either be classified in FVTPL or FVTOCI. The business model of the company for these shares was FVTOCI. Consequently, short term investments were overstated by Rs. 18,020,434, long term investments were understated by Rs. 18,020,434. At the same time gain of Rs. 20,391,711 was routed through statement of profit or loss instead of statement of other comprehensive income. The correction of the error is accounted for retrospectively, and the comparative information for 2019 have been restated.

The above errors has been corrected by restating each of the effected financial statement line items for the prior periods, as follows:

Statement of profit or loss

	For the year ended 30 June 2019		
	2019	**Profit Increase/ (Decrease)**	**2019 (Restated)**
	---------- Rupees ----------		
Operating and Administrative Expenses (Note: 4.6.1)	33,615,613	18,020,434	15,595,179
Other Income (Note: 4.6.2)	20,356,020	(20,391,711)	(35,691)
Net impact		(2,371,277)	

Statement of financial position

	30-Jun-19	**Increase/ (decrease)**	**Transfer**	**30-June-2019 (Restated)**
	---------------- Rupees ----------------			
Directors Loan payable (Note: 4.6.1)	17,065,000	2,533,206	-	**19,598,206**
Advances to supplier (Note: 4.6.1)	545,562	2,533,206	-	**3,078,768**
Short term investment (Note: 4.6.1)	18,128,966	3,902,254	(18,020,434)	**4,010,786**
Long term investment (Note: 4.6.2)	60,777,990	18,020,434	-	**78,798,424**
Capital reserve (Note: 4.6.2)	32,803,237	20,391,711		**53,194,948**
Loan to director (Note: 4.6.1)	-	-	14,118,180	**14,118,180**

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2020

5 PROPERTY AND EQUIPMENT

	Owned				Total
	Computer equipment	Furniture and fixtures	Office equipment	Vehicles	
	Rupees				
Cost					
Balance as at July 01, 2019	1,531,601	841,058	1,417,358	2,481,984	6,272,001
Additions	-	-	-	-	-
Transferred from leased to owned	-	-	-	-	-
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 December 31, 2020	**1,531,601**	**841,058**	**1,417,358**	**2,481,984**	**6,272,001**
Depreciation					
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
Transferred from leased to owned	-	-	-	-	-
Balance as at June 30, 2020	1,327,807	704,361	1,056,825	1,789,714	4,878,707
Balance as at July 01, 2019	1,327,807	704,361	1,056,825	1,789,714	4,878,707
For the period	61,138	13,670	36,053	103,840	214,702
Balance as at December 31, 2020	**1,388,945**	**718,030**	**1,092,878**	**1,893,555**	**5,093,409**
Carrying amount as at December 31, 2020	**142,656**	**123,028**	**324,480**	**588,429**	**1,178,592**
Carrying amount as at June 30, 2020	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.

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2020

	Note	December 31, 2020 Rupees	June 30, 2020 Rupees
6 INTANGIBLE ASSETS			
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
		5,000,000	5,000,000

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

	Note	December 31, 2020 Rupees	June 30, 2020 Rupees
7 FINANCIAL ASSETS OTHER THAN CASH AND BANK			
Financial Assets designated at FVTOCI	8	**156,455,116**	150,855,115
Equity instruments designated at FVTPL	12	**1,934,179**	2,250,365
Debt instruments at amortised cost			
- Long term deposits	9	**4,250,000**	4,250,000
- Trade debts - net	10	**6,998,150**	8,451,591
- Loans and advances	11	**4,078,768**	3,105,768
- Short term deposits	11	**31,160,000**	11,460,000
		46,486,918	27,267,359
		204,876,214	180,372,841

	Note	December 31, 2020 Rupees	June 30, 2020 Rupees
8 LONG TERM INVESTMENTS - FVTOCI			
Non- listed Equity Securites			
Opening Balance	8.1	**150,855,115**	60,777,990
Additions during the year	8.2	**5,600,000**	49,543,210
Adjustment for remeasurement to fair value		-	40,533,915
Shares transferred to director	8.3	-	-
		156,455,116	150,855,115

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.

	December 31, 2020 Rupees	June 30, 2020 Rupees
9 LONG TERM DEPOSITS		
Central Depository Company Limited	**100,000**	100,000
National Clearing Company of Pakistan Limited	**1,200,000**	1,200,000
Pakistan Stock Exchange Limited	**200,000**	200,000
PMEX Deposit	**1,250,000**	1,250,000
	2,750,000	2,750,000
Other security deposits	**1,500,000**	1,500,000
	4,250,000	4,250,000

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2020

	Note	December 31, 2020 Un-Audited Rupees	June 30, 2020 Audited Rupees
10 TRADE AND OTHER RECEIVABLE			
Other parties		6,998,150	6,079,411
Related parties		-	97,506
		6,998,150	6,176,917
Other Receivable			5,301,138
		6,998,150	11,478,055
11 PREPAYMENTS, DEPOSITS AND ADVANCES			
Short-term loans and advances			
Advances to employees		-	27,000
Loan to director		-	-
Advance to suppliers		4,078,768	3,078,768
		4,078,768	3,105,768
Short-term deposits			
NCCPL exposure Margin - House		31,160,000	9,160,000
NCCPL exposure Margin - Clients		-	2,300,000
		31,160,000	11,460,000
		35,238,768	14,565,768
12 SHORT TERM INVESTMENTS - FVTPL	12.1		
Listed equity Securities		1,934.179	2,250,365
		1,934,179	2,250,365

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

	December 31, 2020	June 30, 2020
13 CASH AND BANK BALANCES		
Cash in hand	-	-
Cash at bank - Local currency		
Current accounts	67,318,335	47,627,984
Savings accounts	1,037,572	713,735
	68,355,907	48,341,719
14 SHARE CAPITAL		
14.1 Authorized capital 1,800,000 (2019: 1,800,000) ordinary shares of PKR 100 each, fully paid in cash	180,000,000	180,000,000

14.2 Issued, subscribed and paid-up share capital

2020	2019		December 31, 2020	June 30, 2020
799,450	351,000	Ordinary shares of Rs.100 each, issued for cash	79,945,000	79,945,000

		31-Dec-20	30-Jun-20
		No.	No.
14.3 Reconciliation of number of shares outstanding			
Ordinary shares			
Number of shares outstanding at the beginning of the year		351,000	351,000
Issued for cash	14.4	277,800	277,800.00
Issued for cash (against long term director's loan)	14.5	170,650	170,650.00
Number of shares outstanding at the end of the year		799,450	799,450

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.

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2020

	Note	December 31, 2020 Un-Audited Rupees	June 30, 2020 Audited Rupees
15 CAPITAL RESERVE			
Fair value reserve		57,386,321	82,057,163

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

	Note	December 31, 2020	June 30, 2020
16 FINANCIAL LIABILITIES			
Non-Current			
Financial liabilities at amortised cost			
Loan from director	17	2,943,026	7,043,026
Other payables		5,600,000	5,600,000
		8,543,026	12,643,026
Current			
Financial liabilities at amortised cost			
Trade payable	19	72,057,149	45,143,469
		80,600,175	57,786,495
17 LONG TERM FINANCING			
Loan from director - unsecured	17.1	2,943,026	7,043,026
Other payables	17.2	5,600,000	5,600,000
		8,543,026	12,643,026
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		4,100,000	14,118,180
Conversion into share capital	17.1.2	-	17,065,000.00
Closing Balance		2,943,026	7,043,026

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.

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 LIBILITY

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	December 31, 2020 Un-Audited Rupees	June 30, 2020 Audited Rupees
Deferred tax liability		22,282,351	23,160,024
Deferred tax asset		-	877,674
		22,282,351	22,282,351
19 TRADE AND OTHER PAYABLES			
Trade creditors	19.1	69,926,014	43,860,665
Accrued & Other payables		2,131,135	1,282,804

	72,057,149	45,143,469

19.1 Trade payables include balances amounting to Rs. 7,592 (2019: Rs. 1,202,437) due to related parties.

20 CURRENT TAX LIABILITY

Balance at the beginning of the year	**942,892**	325,997
Add: Current year provision	**3,099,640**	1,142,982
	4,042,532	1,468,979
Less: Adjustment against advance tax	**(1,190,526)**	(526,087)
Balance Payable / (Receivable)	**2,852,006**	942,892

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	**26,487,006**	21,897,861
Commission Income Commodity trading	**-**	292,500
	26,487,006	22,190,361
Less: Federal Excise Duty	**-**	(3,020,395)
	26,487,006	19,169,966
Dividend income from equity instruments at FVTOCI	**4,657,279**	2,910,704
Dividend income from equity instruments at FVTPL	**-**	186,044
	4,657,279	3,096,748
	31,144,285	22,266,714

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2020

	Note	December 31, 2020 Un-Audited Rupees	June 30, 2020 Audited Rupees
23 OPERATING AND ADMINISTRATIVE EXPENSES			
Staff salaries, allowances and other benefits		7,711,147	7,067,738
Directors' remuneration		-	-
Depreciation		214,702	264,753
Traveling and conveyance		122,340	32,870
Telephone		157,850	303,162
Entertainment		130,584	177,708
Advertisement		16,950	-
Auditors' remuneration	23.1	29,000	174,000
PSX and CDC charges		1,317,892	642,116
ISE charges		500,625	210,474
Newspapers and periodicals		5,590	9,788
Internet charges		2,240	10,100
Printing and stationery		17,040	10,272
Postage and courier charges		15,507	17,246
Fee and subscription		233,972	302,012
Legal and Professional charges		210,725	187,650
Provision for doubtful debts		-	-
Repair and maintenance		179,047	77,060
Vehicle Running and Maintenance		64,100	77,335
Rent, rate and taxes		2,059,915	5,025,591
Software charges		52,990	96,320
Office expenses		101,381	101,635
Bank and other charges		4,797	1,017
Utilities		28,270	116,436
Miscellaneous		104,210	237,991
		13,280,874	15,143,274

23.1 Auditor's remuneration		
Audit Services		
Annual Audit fee	-	145,000
Non-audit services		
Certifications for regulatory purposes	29,000	29,000
	29,000	174,000

24 OTHER INCOME / (LOSS)		
Profit on savings account	95,495	153,171
Fair value gain / (loss) on equity instruments at FVTPL	-	(440,895)
Gain (loss) on sale of equity instruments at FVTPL - net	-	205,130
Miscellaneous income	638,593	46,903
	734,088	(35,691)

25 INCOME TAX EXPENSE		
Current tax	3,099,640	1,142,982
Deferred tax	-	(525,871)
	3,099,640	617,111

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:

	2020	2019
Profit / (loss) after taxation, attributable to ordinary shareholders	**15,497,858**	6,470,638
Weighted average number of ordinary shares in issue during the year	**370,658**	360,829
Earnings per share	**41.81**	17.93

26.1 Weighted average number of ordinary shares (basic)

	2020	2019
Issued ordinary shares at 1 January	**360,829**	351,000
Effect of shares issued at the end of the year	**9,829**	9,829
	370,658	360,829

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.

27 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2020		2019	
	CEO	**Director**	CEO	Director
	------ Rupees ------		------- Rupees -------	
Short term employee benefits				
Managerial Remuneration	-	-	160,850	50,000
	-	-	160,850	50,000
No. of persons	1	3	1	3

28 FINANCIAL RISK MANAGEMENT

28.1 Risk management framework

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

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

28.2 (a) Market risk

(i) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company do not have any financial instruments in foreign currencies and accordingly is not exposed to such risk.

(ii) Interest rate risk

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

(iii) Other price risk

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

The Company's investment in listed shares amounting to Rupees 2.02 million (2019: Rupees 4.01 million) is exposed to price risk due to change in fair value.

(b) Credit risk

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

Trade Receivable

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

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and bank balances. At 30 June, 2020, the Company had Rupees 48,341,719 (2019: Rupees 29,059,416) bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

29 FAIR VALUE MEASUREMNT OF FINANCIAL INSTRUMENTS

Set out below is a comparison, by class, of the carrying amounts and fair values of the company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

29.1 Fair value of financial instruments

	2020		2019	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	------ **Rupees** ------			
Financial Assets				
Non-listed equity investments	**156,455,116**	**156,455,116**	150,855,115	150,855,115
Short term advances	**-**	**-**	27,000	27,000
Listed equity investments	**1,934,179**	**1,934,179**	2,250,365	2,250,365
Total	**158,389,295**	**158,389,295**	153,132,480	153,132,480

The management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, short term finances and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

Non-listed equity investments

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.

Listed equity investments

There is an active market for the Company's listed equity investments and quoted debt instruments.

29.2 Measurement hierarchy of financial instruments

29.3 Sensitivity Analysis

The table below summarizes Company's equity price risk as of June 30, 2020 and 2019and shows the effects of a hypothetical 10% increase and a 10% decrease in market price of non-listed equity securities as at the year end reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of equity markets and the aforementioned concentrations existing in Company's equity investment portfolio.

30 CAPITAL MANAGEMENT

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

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

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

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

	Note	2020 Rupees	Restated 2019 Rupees
Debt	17	**8,543,026**	12,643,026
Equity		**176,528,186**	161,030,328
		185,071,212	173,673,354
Debt/equity ratio		**5%**	8%

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

31 CAPITAL ADEQUACY LEVEL AND CAPITAL RISK MANAGEMENT

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

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

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

32 BASE MINIMUM CAPITAL

In compliance with the Regulation 19.2 of the Rule Book of Pakistan Stock Exchange Limited, every Trading Right Entitlement Certificate (TREC) holder registered as a broker, is required to maintain a Base Minimum Capital (BMC) in the amount and form as prescribed in the Rule on the basis of Assets Under Custody (AUC). As per the said regulation, the Company is required to maintain BMC of Rs. 23 million as at June 30, 2020. The Company has pledged TRE Certificate and a portion of shares of ISE REIT to meet this requirement.

33 GENERAL

	2020	2019
33.1 Number of persons employed	16	12
Average number employees during the year	14	12

General Investment & Securities (Pvt) Ltd. TREC 442

Chief Executive Officer

Director