General Investment & Securities (Pvt) Limited

Universal Member: Pakistan Mercantile Exchange

TREC Holder Pakistan Stock Exchange Limited (PSX)

Registered Broker Securities & Exchange Commission of Pakistan (SECP)

GENERAL
INVESTMENT & SECURITIES

February 28, 2023

Regional Incharge – Islamabad,
Pakistan Stock Exchange Limited,
Islamabad.

Subject: **SUBMISSION OF HALF YEARLY UN-AUDITED FINANCIAL ACCOUNTS FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

Dear Sir,

Please refer to subject regarding Submission of half yearly un-audited Financial Statements, we (General Investment & Securities Private Limited) hereby submit half yearly un-audited Financial Statements for the half year ended December 31, 2022.

Thanks & Regards,

Ozair Aslam Chaudhry
CEO / Director

General Investment & Securities (Pvt) Ltd
TREC 442

Company Seal

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 2022

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	Note	Dec-22 Rupees	Jun-22 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	15,534,198	18,244,852
Intangible assets	5	5,000,000	5,000,000
Long term investments	6	225,192,498	225,192,498
Long term deposits	7	1,800,000	1,800,000
Deferred tax asset net	8	-	-
		247,526,696	250,237,350
CURRENT ASSETS			
Trade and other receivable - net	9	7,167,871	8,261,982
Prepayments, deposits and advances	10	18,593,509	19,079,931
Tax Refund due from Government	11	2,120,878	2,120,878
Short term investments	12	1,618,655	1,601,795
Cash and bank balances	13	41,535,024	37,101,784
		71,035,937	68,166,370
		318,562,633	318,403,720
EQUITY & LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital	14	79945000	79,945,000
Unrealized surplus on remeasurement of investments measured at FVOCI		128,644,935	128,644,935
Unappropriated profit		42,380,215	41,028,584
Director's Loan	15	20,043,026	20,043,026
		271,013,176	269,661,545
NON-CURRENT LIABILITIES			
Other long term payable	16	5,600,000	5,600,000
		5,600,000	5,600,000
CURRENT LIABILITIES			
Trade and other payables	17	40,263,134	41,455,852
Provision for taxation	18	1,686,323	1,686,323
		41,949,457	43,142,175
CONTINGENCIES AND COMMITMENTS	19		
		318,562,633	318,403,720

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

General Investment & Securities (Pvt) Ltd
TREC
442

Chief Executive Officer **Director**

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED DECEMBER 31, 2022

	Note	Dec-23 Rupees	Jun-22 Rupees
Revenue	20	14,506,719	36,376,196
Fair value (loss) on equity instruments at FVTPL		16,860	(423,633)
Gain on sale of equity instruments at FVTPL - net		-	-
		14,523,579	35,952,563
Operating and Administrative expenses	21	(13,171,948)	(38,546,603)
Operating profit / (loss)		1,351,631	(2,594,040)
Other income	22	-	427,163
(loss) / Profit before taxation		1,351,631	(2,166,877)
Taxation	23	-	(2,891,511)
(loss)/ Profit after taxation		1,351,631	(5,058,388)
(loss)/ Earning per share - basic and diluted	24	1.69	(6.33)

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

Chief Executive Officer

Director

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2022

	Dec-23 Rupees	Jun-22 Rupees
(loss)/ Profit after taxation	1,351,631	(5,058,388)
Other comprel PERIOD		
Items that will not be reclassified subsequently to P/L		
Fair value gain on equity instruments designated at FVTOCI	-	5,820,591
Reversal of deferred tax liability	-	-
Deferred tax	-	-
	-	5,820,591
Total comprehensive income/(loss) for the year	1,351,631	762,202

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

Chief Executive Officer

Director

TREC 442

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2022

FOR THE PERIOD ENDED DE	Issued, subscribed and paid-up capital	Revenue reserve: Unappropriated profit/(loss)	Capital reserve: Fair value reserve of financial assets at FVOCI	Director's Loan	Total
		Rupees			
Balance as at June 30, 2020	79,945,000	23,699,007	57,386,321	-	161,030,328
Total comprehensive income for the year					
Profit / (Loss) for the year	-	6,437,134	-	-	6,437,134
Other comprehensive income / (loss)	-	15,950,831	65,438,023	-	81,388,854
	-	22,387,965	65,438,023	-	87,825,988
Balance as at June 30, 2021	79,945,000	46,086,972	122,824,344	-	248,856,316
Total comprehensive income for the year					
(Loss) for the year	-	(5,058,388)	-	-	(5,058,388)
Other comprehensive income/(loss)	-	-	5,820,591	-	5,820,591
Director Loan classified under Equity	-	-	-	20,043,026	20,043,026
	-	(5,058,388)	5,820,591	20,043,026	20,805,228
Balance as at June 30, 2022	79,945,000	41,028,584	128,644,935	20,043,026	269,661,545
Total comprehensive income for the year					
(Loss) for the year	-	1,351,631	-	-	1,351,631
Other comprehensive income/(loss)	-	-	-	-	-
Director Loan classified under Equity	-	-	-	-	-
	-	1,351,631	-	-	1,351,631
Balance as at December 31, 2022	79,945,000	42,380,215	128,644,935	20,043,026	22,156,860

Chief Executive Officer

Director

TREC 442

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2022

	Note	Dec '2022 Rupees	June '2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / Profi FOR THE PERIOD ENDED DECEMBER 2022		**1,351,631**	(2,166,877)
Adjustments:			
Depreciation		2,710,654	2,893,809
Loss on Disposal		-	180,794
Realized loss / (gain) on sale of short-term investments		-	-
Unrealized loss / (gain) on short-term investments		(16,860.00)	423,633
Dividend income		9,651,950	(8,957,241)
		12,345,744	(5,459,005)
Profit before working capital changes		**13,697,375**	(7,625,882)
(Increase) / decrease in current assets			
Trade receivable - net		(1,094,111.27)	824,532
Deposits, prepayments and other receivables		(486,422)	8,525,477
		(1,580,533)	9,350,009
Increase/(decrease) in current liabilities			
Trade and other payables		**(1,192,718)**	(13,630,024)
Cash generated from / (used in) operations		**10,924,124**	(11,905,897)
Proceeds from sale /(acquisition) of short-term investmen s -net		-	-
Dividends received		9,691,950	8,957,241
Income tax paid		-	(1,464,817)
		9,691,950	7,492,424
Net cash generated from / (used in) operating activi ies		20,616,074	(4,413,473)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property and equipment		(16,182,834)	(5,735,701)
Purchase of Investments - net		-	-
Decrease/(increase) in long-term deposits		-	-
Net cash generated from / (used in) investing activities		**(16,182,834)**	(5,735,701)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from Directors (repaid / converted) / received - net		-	3,000,000
Net cash generated from/(used in) financing activities		-	3,000,000
Net (decrease) / increase in cash and cash equivalents		**4,433,240**	(7,149,174)
Cash and cash equivalents at the beginning of the year		**37,101,784**	44,250,958
Cash and cash equivalents at the end of the year	13	**41,535,024**	37,101,784

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

Chief Executive Officer

Director

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2022

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

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

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

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

Business Units	Geographical Location
Registered offices	Office #1209,12th Floor, ISE Towe..55-B Jinah Avenue, Blue Area, Islamabad.
Branch Office	Office # 6, Block 1, Mall Business C nter, The Mall Road, Rawalpindi.

2 ACCOUNTING CONVENTION AND BASIS FOR PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

These

2.3 Standards, interpretations and amendments to published approved accounting standards

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

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

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

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

IFRS 1 First-time Adoption of International Financial Reporting Standards

IFRS Insurance contracts

2.4 Accounting estimates and judgments

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

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

(i) Estimates of useful lives and residual values of items of property, plant and equipment;

(ii) Estimates of useful lives of intangible assets;

(iii) Allowance for credit losses;

(iv) Fair values of unquoted equity investments;

(v) Classification, recognition, measurement / valuation of financial instruments; and

(vi) Provision for taxation

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property and equipment

Initial Recognition

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

Subsequent measurement

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Where such subsequent costs are incurred to replace parts and are capitalized, the carrying amount of replaced parts is derecognized. All other repair and maintenance expenditures are charged to profit or loss during the year in which 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 4 to these financial statements and after taking into account residual value, if material. Residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Depreciation is charged on an asset from the date when the asset is available for use until the asset is disposed off.

Disposal

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

Judgments and estimates

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

Impairment

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

Change in estimate

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

3.2 Intangible Asset - Acquired

TREC Certificates and PMEX Certificate

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

Judgments and estimates

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

3.3 Financial Instruments

Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

fair value through other comprehensive income (FVTOCI);

fair value through profit or loss (FVTPL); and

measured at amortized cost.

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

Subsequent measurement

Debt Investments

at FVOCI

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

at Amortized cost

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

at FVTPL

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

Equity Investments

at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive Income and are never reclassified to the statement of profit and loss account.

at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest /markup of dividend income, are recognised in the statement of prof t 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 the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.4 Impairment

Financial Assets
The Company applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9, for financial assets measured at amortised cost. The Company's expected credit loss impairment model reflects the present value of all cash shortfalls related to default events, either over the following twelve months, or over the expected life of a financial instrument, depending on credit deterioration from inception. The allowance/provision for credit losses reflects an unbiased, probability-weighted outcomes which considers multiple scenarios based on reasonable and supportable forecasts.
Where there has not been a significant decrease in credit risk since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to the remaining term to maturity is used.
When a financial instrument experiences a significant increase in credit risk subsequent to origination but is not considered to be in default, or when a financial instrument is considered to be in default, expected credit loss is computed based on lifetime expected credit losses.

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

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

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

Non-financial assets
At each reporting date, the company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

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

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

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

3.5 Trade Receivable

Measurement

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

Impairment

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

Judgments and estimates

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

3.6 Taxation

Income tax expense comprises current and deferred tax.

Current

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

Deferred

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

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

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

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

Judgment and estimates

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 Compan recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

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

Off-setting

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

3.7 Cash and cash equivalents

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

3.8 Dividend distribution

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

3.9 Share capital

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

3.10 Trade and other payables

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

3.11 Provisions

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

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

Judgement and estimates

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

Contingent liabilities

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

3.12 Revenue recognition

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

Brokerage Commission

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

Income on bank deposits

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

Profit on exposure deposits

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

Dividend income

Dividend income is recognised in profit or loss as other income when:
- the Company's right to receive payment have been established;
- it is probable that the economic benefits associated with the dividend will flow to the company; and
- the amount of the dividend can be measured reliably.

Others

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

3.13 Borrowings

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

3.14 Fiduciary assets

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

3.15 Earnings per share

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

3.16 Related party transactions

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

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

4 PROPERTY AND EQUIPMENT

Particulars	2022 Cost				Accumulated Depreciation				Net Book Value as at 31 December 2022	Rate of Depreciation
	As at 1 July 2022	Additions	Disposals	As at 30 December 2022	As at 1 July 2022	Disposals	For the year	As at 30 December 2022		%age
					Rupees					
FOR THE PERIOD ENDED DECEMBER 2022						16860				
Computer Equipment	2,244,001		-	2,244,001	1,644,997	-	89,851	1,734,847	509,154	30
Fixture and Furniture	841,058		-	841,058	730,334	-	11,072	741,406	99,652	10
Office Equipment	1,563,928		-	1,563,928	1,153,174	-	41,075	1,194,250	369,678	10
Vehicles	23,686,584		-	23,686,584	6,562,214	-	2,568,655	9,130,870	14,555,714	15
	28,335,571	-	-	28,335,571	10,090,719	-	2,710,654	12,801,373	15,534,198	

Particulars	2022 Cost				Accumulated Depreciation				Net Book Value as at 30 June 2022	Rate of Depreciation
	As at 1 July 2021	Additions	Disposals	As at 30 June 2022	As at 1 July 2021	Disposals	For the year	As at 30 June 2022		%age
					Rupees					
Computer Equipment	1,612,301	631,700	-	2,244,001	1,413,155		231,842	1,644,997	599,004	30
Fixture and Furniture	841,058		-	841,058	718,031	-	12,303	730,334	110,724	10
Office Equipment	1,563,928	-		1,563,928	1,107,535	-	45,639	[illegible]	410,754	10
Vehicles	19,207,584	5,104,000	(625,000)	23,686,584	4,402,395	(444,206)	2,604,025	6,562,214	17,124,370	15
		5,735,700	(625,000)	28,335,571	7,641,116	(444,206)	2,893,809	10,090,719	18,244,852	

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

5 INTANGIBLE ASSETS

	Note	Dec 2022 Rupees	June 2022 Rupees
Trading Right Entitlement Certificate ("TREC")	5.1&5.2	2,500,000	2,500,000
FOR THE PERIOD ENDED DECEMBER 2022	5.3	2,500,000	2,500,000
16860		5,000,000	5,000,000

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

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

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

6 LONG TERM INVESTMENTS - FVTOCI

Non- listed Equity Securites

	Note	Dec 2022	June 2022
Opening Balance	6.1	225,192,498	219,371,907
Additions during the year		-	5,820,591
Adjustment for remeasurement to fair value	6.2	225,192,498	225,192,498

6.1 As a

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

7 LONG TERM DEPOSITS

	Dec 2022	June 2022
Central Depository Company Limited	100,000	100,000
National Clearing Company of Pakistan Limited	200,000	200,000
Pakistan Stock Exchange Limited	-	-
PMEX Deposit	1,250,000	1,250,000
	1,550,000	1,550,000
Other security deposits	250,000	250,000
	1,800,000	1,800,000

8 DEFERRED TAX ASSET / LIABILITY NET

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

	Dec 2022	June 2022
Deferred tax Asset / (Liability)	-	-

		Note	Dec 2022 Rupees	June 2022 Rupees
9	**TRADE AND OTHER RECEIVABLE**			
	Other parties		7,484,100	7,641,229
	Related parties		3,890,568	1,261,849
			11,374,668	8,903,078
			-	2,293,417
	Other Receivable		11,374,668	11,196,495
	Less: Allowance for ECL on trade receivable	9.1	(4,206,797)	(2,934,513)
	Customer		7,167,871	8,261,982
9.1	**Allowance for ECL on trade receivable**			
	Balance as at July 1		2,934,513	3,309,093
	Charged during the year		1,272,284	(374,580)
	Closing balance (as at June 30)		4,206,797	2,934,513

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

		Dec 2022	June 2022
10	**PREPAYMENTS, DEPOSITS AND ADVANCES**		
	Short-term loans and advances		
	Advances to employees	50,000	50,000
	Loan to director	350,000	350,000
	Advance to suppliers	3,533,509	3,822,500
		3,933,509	4,222,500
	Short-term deposits		
	NCCPL exposure Margin - House	6,960,000	7,160,000
	NCCPL exposure Margin - Clients	7,700,000	7,697,431
		14,660,000	14,857,431
		18,593,509	19,079,931

11 TAX REFUND DUE FROM GOVERNMENT

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

12 SHORT TERM INVESTMENTS - FVTPL

Cost	1,601,795	2,293,533
Fair value adjustment	16,860	(691,738)
	1,618,655	1,601,795

	Market value	
Beema Pakistan company limited - Freeze - 16,000 (2021: 16,000) Shares	-	-
Business & Industrial Insurance co ltd - Freeze - 459 (2021: 459) Shares	-	-
Fauji Foods limited - 500 (2021: 500) Shares	2,355	3,315
Norrie Textile Mills limited - 85,500 (2021: 85,500) Shares	-	-
Oil & Gas Development company limited - 20,000 (2021: 20,000) Shares	1,593,200	1,573,400
Popular Islamic Modarba - 3,000 (2021: 3,000) Shares	23,100	25,080
Zeal Pak Cement Factory ltd - Freeze - 146,821 (2021: 146,821) Shares	-	-
	1,618,655	1,601,795

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

		Note	Dec 2023 Rupees	June 2022 Rupees
13	**CASH AND BANK BALANCES**			
	Cash in hand		18,692	513
	Cash at bank - Local currency			
	Current accounts	13.1	38,908,910	36,397,595
	Savings accounts	13.2	2,607,422	703,676
			41,535,024	37,101,784

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

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

14 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

14.1 Authorized capital

1,800,000 (2021: 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

2022	2021			
799,450	799,450	Ordinary shares of Rs.100 each, issued for cash	79,945,000	79,945,000

14.3 Shareholders holding 5% or more of total shareholding

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

15 DIRECTOR'S LOAN

	Note		
Director's Loan	15.1	20,043,026	20,043,026

15.1 During the year June 30, 2022, the management revised the terms of the agreement with the director whereby the loan is repayable on the discretion of the company and it is unsecured and interest free loan. This loan is accounted for in accordance with the technical Release - 32 issued by ICAP

15.2 Director's Loan movement during the year

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

16 OTHER LONG TERM PAYABLE

Long term Financing		
Other payables	5,600,000	5,600,000
	5,600,000	5,600,000

17 TRADE AND OTHER PAYABLES

	Note		
Trade creditors	17.1	38,937,753	39,196,107
Accrued & Other payables		1,325,381	2,259,745
		40,263,134	41,455,852

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

18 PROVISION FOR TAXATION

Balance at the beginning of the year	1,686,323	1,043,266
Add: Current year provision	-	1,686,323
	1,686,323	2,729,589
Less: Adjustment against advance tax	-	(1,043,266)
Balance Payable / (Receivable)	1,686,323	1,686,323

19 CONTINGENCIES AND COMMITMENTS

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

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2022

	Note	Dec 2023 *Rupees*	June 2022 Rupees
20 REVENUE			
Commission Income Equity Trading		6,781,078	31,556,573
Commission Income Commodity trading		250,000	215,000
		7,031,078	31,771,573
Less: Federal Excise Duty		(2,176,309)	(4,352,618)
		4,854,769	27,418,955
Dividend income from equity instruments at FVTOCI		9,651,950	8,957,241
		9,651,950	8,957,241
		14,506,719	36,376,196

	Note	Dec 2023	June 2022
21 OPERATING AND ADMINISTRATIVE EXPENSES			
Staff salaries, allowances and other benefits		6,928,002	23,123,227
Depreciation		183,155	2,893,809
Traveling and conveyance		52,480	82,203
Telephone		228,397	269,900
Entertainment		266,112	198,009
Advertisement		-	174,650
Auditors' remuneration	21.1	175,000	175,000
PSX and CDC charges		71,402	1,013,268
PMEX charges		101,518	101,518
ISE charges		123,044	715,412
NCCPL charges		309,634	149,982
Newspapers and periodicals		2,320	12,765
Internet charges		12,072	16,420
Printing and stationery		23,018	50,355
Postage and courier charges		7,807	45,110
Fee and subscription		267,037	578,868
Legal and Professional charges		83,636	590,949
Repair and maintenance		3,700	34,020
Vehicle Running and Maintenance		372,002	921,728
Rent, rate and taxes		3,332,760	6,151,818
Software charges		52,920	156,081
Office expenses		60,041	257,410
Bank and other charges		-	3,263
Utilities		717,427	829,837
Miscellaneous		1,500	1,001
		13,171,948	38,546,603

	Dec 2023	June 2022
21.1 Auditor's remuneration		
Audit Services		
Annual Audit fee	145,000	145,000
Non-audit services		
Certifications for regulatory purposes	30,000	30,000
	175,000	175,000

	Dec 2023	June 2022
22 OTHER INCOME / (LOSS)		
Profit on savings account	42,720	171,071
Profit on NCCPL deposit	-	-
Bad debts Gain / (Loss)	-	374,580
Miscellaneous income	-	62,306
Loss on disposal of Fixed assets	-	(180,794)
	42,720	427,163

	Note	Dec 2023 *Rupees*	June 2022 *Rupees*
23 TAXATION			
Current tax		-	1,686,323
Prior year		-	598,297
Deferred tax		-	606,891
		-	2,891,511

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

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

Profit / (loss) after taxation, attributable to ordinary shareholders	1,351,631	(5,058,388)
Weighted average number of ordinary shares in issue during the year	799,450	799,450
(Loss) / Earning per share	1.69	(6.33)

24.1 Weighted average number of ordinary shares (basic)		
Issued ordinary shares at 1 January	799,450	799,450
Effect of shares issued at the end of the year	-	-
	799,450	799,450

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