

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)



September 16, 2019

Asghar Abbas Naqvi,
Regional Incharge – Islamabad,
Pakistan Stock Exchange Limited,
Islamabad.

Subject: **Submission of Certificate of Net Capital Balance – Capital Adequacy Requirement**

Dear Sir,

Please refer to your notice no. **PSX/N-3202** to above mentioned subject we (General Investment & Securities Private Limited) have attached herewith Net Capital Balance (“NCB”) Statement as on June 30, 2019.

Thanks & Regards,



Authorized Signatories



“Subject to rules of the Exchange”

Head Office

Office No. 1214, 12th Floor, ISE Towers 55-B, Jinnah Avenue, Blue Area, Islamabad Tel: 051-2894946-9 Fax: 051-2894950

Branch Office

Office No. 6, Block No. 1, Mall Business Centre, The Mall Road, Rawalpindi. Tel: 051-5566971-2



INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE

To the Chief Executive Officer of General Investment and Securities (Private) Limited

Opinion

We have audited the Statement of Net Capital Balance of **General Investment and Securities (Private) Limited** (the "Securities Broker") and notes to the Statement of Net Capital Balance as at June 30, 2019 (hereinafter collectively referred to as "the statement").

In our opinion, the financial information in the statement of the Securities Broker as at June 30, 2019 is prepared, in all material respects, in accordance with the requirements of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 ("the Regulations") read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 ("SEC Rules 1971") issued by the Securities & Exchange Commission of Pakistan ("SECP").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the statement* section of our report. We are independent of the Securities Broker in accordance with the ethical requirements that are relevant to our audit of the statement in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

The statement is prepared to assist the Securities Broker to meet the requirements of the SECP, Pakistan Stock Exchange ("PSX") and National Clearing Company of Pakistan Limited ("NCCPL"). As a result, the statement may not be suitable for any other purpose. Our report is intended solely for the Securities Broker, SECP, PSX and NCCPL, and should not be distributed to parties other than the Securities Broker, SECP, PSX or NCCPL. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the statement

Management is responsible for the preparation of the statement in accordance with the Regulations and SEC Rules 1971, and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Securities Broker's financial reporting process.



Auditor's Responsibilities for the Audit of the statement

Our objectives are to obtain reasonable assurance about whether the statement is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Securities Broker's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


**IECnet S.K.S.S.S.,
Chartered Accountants**

Engagement partner: **Mr. Muhammad Aslam Khan.**
Lahore.

Date: September 14, 2019

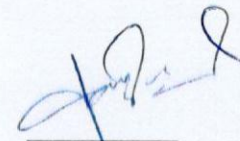
GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
CORPORATE TREC HOLDER OF PAKISTAN STOCK EXCHANGE LIMITED
STATEMENT OF NET CAPITAL BALANCE
(In accordance with Regulation 6(3)(4) of the Securities Brokers' (Licensing & Operations) Regulations, 2016)
AS AT JUNE 30, 2019

A Description of Current Assets	Basis of Accounting	Notes	Amount (Rupees)
1 Cash in hand & Cash in bank	As per book value.	2	
Cash in hand			16,304
Cash at bank-House account			5,338,392
Cash at bank-Client account			23,704,720
			<u>29,059,416</u>
2 Margin Deposits			<u>1,800,000</u>
3 Trade receivables	Book value less those over due for more than 14 days.		7,223,773
Less: Out standing for more than 14 days			(6,069,202)
			<u>1,154,570</u>
4 Investment in listed securities in the name of company	Securities on the Exposure list to Market less 15 % discount.	3	<u>3,408,844</u>
5 Securities purchased for client			<u>3,494,643</u>
			<u>38,917,474</u>
B Description of Current Liabilities			
1 Trade Payables	Book value less those overdue for more than 30 days.		18,077,606
Less: Overdue more than 30 days			(12,097,829)
			<u>5,979,777</u>
2 Other liabilities	As classified under the Generally Accepted Accounting Principles.	4	<u>18,945,421</u>
			<u>24,925,198</u>
NET CAPITAL BALANCE			<u><u>13,992,276</u></u>



Chief Executive





Director

GENERAL INVESTMENT & SECURITIES (PRIVATE) LIMITED
 CORPORATE TREC HOLDER OF PAKISTAN STOCK EXCHANGE LIMITED
 EXPLANATORY NOTES TO THE NET CAPITAL BALANCE AS AT JUNE 30, 2019

1 BASIS OF ACCOUNTING

This statement of Net Capital Balance has been prepared in accordance with the requirements of the Third Schedule read with rule 2(d) of the Securities and Exchange Commission (SEC) Rules 1971, clauses 6(3) and 6(4) of the Securities Brokers (Licensing and Operations) Regulations 2016, and related clarifications / guidelines issued by the Securities and Exchange Commission of Pakistan.

2 CASH IN HAND AND AT BANK

Cash in hand
 Bank balance(s) pertaining to Brokerage House
 Bank balance(s) pertaining to Clients

TOTAL (Rupees)	
	16,304
	5,338,392
	23,704,720
	<u>29,059,416</u>

Investment in Listed Securities in the name of Company				Holding as per CDC	Market Rate as at June 30, 2019	TOTAL
Security Symbol	Security Name	Position Owned	Rupees	Rupees	Rupees	
BEEM	Beema-Pakistan Company Limited - Freeze	16,000	-	-	-	
ISETRMCL	Isr Towers Reit Management Company Limited - Freeze	2,492,793	-	-	-	
NORT	Norric Textile Mills Limited (Revoked W.E.F. 01-09-08)	85,500	-	-	-	
NRL	National Refinery Limited	500	113.47	56,735		
OGDC	Oil & Gas Development Company Limited	30,000	131.49	3,944,700		
PIM	Popular Islamic Modaraba	3,000	2.99	8,970		
ZELP	Zeal Pak Cement Factory Limited - Freeze	146,821	-	-	-	
Total Value					4,010,405	
Less: 15 % Discount					(601,561)	
					<u>3,408,844</u>	

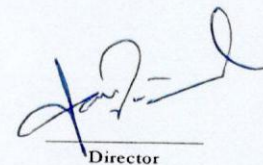
4 OTHER LIABILITIES

Trade payable overdue more than 30 days
 Payable to NCCPL
 Provision for Taxation
 Short Term Borrowing
 Current portion of finance lease liability
 Accrued Charges and Other payables

12,097,829
3,117,980
298,442
2,500,000
43,017
888,153
<u>18,945,421</u>



Chief Executive

Director

