

**4 SURPLUS / GAIN ON REVALUATION OF SHARES / TREC ON DEMUTUALIZATION AND CORPORATIZATION OF STOCK EXCHANGE**

Pursuant to the promulgation of the Stock Exchange (Corporation, Demutualization and Integration) Act, 2012 (The Act) the ownership in a stock Exchange has been segregated from the right to trade on the Exchange. Accordingly, the company has received equity shares of ISE and trading Right Entitlement (TREC) in lieu of its membership card of ISE on August 26, 2014. The company's entitlement in respect of ISE's shares is determined on the basis of valuation of assets and liabilities of ISE as approved by SECP and company has been allotted 3,034,603 shares of the face value of Rs 10/- each, out of which 1,020,761 shares are kept in the blocked account and the divestment of the same will be made in accordance with the requirement of the Act within two years from the date of demutualization.

In the absence of an active market of the shares of ISE and TREC, the company has taken the cost of the shares (at issued price of Rs 10 each) and TREC at 5.00 million which is the value approved by the Board of Directors of ISE and endorsed by the SECP. Consequently the company has recorded surplus of RS 34.346 million on conversion of membership card of ISE to shares and TREC in The equity as effect of Corporatization Demutualization Act, and this surplus on revaluation is approved by SECP.

	31ST DEC, 2018	2017
	RUPEES	RUPEES
Shares	30,346,030	30,346,030
TREC PSX/PMEX	5,000,000	5,000,000
	<u>35,346,030</u>	<u>35,346,030</u>

5 LOAN FROM DIRECTORS

The fair value adjustment in accordance with the requirements of IAS 39 'Financial Instruments: Recognition and Measurement' arising in respect of loan from directors is not considered as no documentation and payment terms were provided.

6 ACCRUED EXPENSES

Audit Fee	-	15,000
Accrued expenses	189,794	-
	<u>189,794</u>	<u>15,000</u>

8 CASH AND BANK BALANCE