

6 INTANGIBLE ASSETS

	Note	2021 Rupees	2020 Rupees
Trading Rights Entitlement Certificate ("TREC")	6.1	1,920,000	1,920,000
Rooms - PSX		3,100,000	3,100,000
PMEX Membership Card		1,000,000	1,000,000
		<u>6,020,000</u>	<u>6,020,000</u>
Impairment	6.2	-	-
		<u>6,020,000</u>	<u>6,020,000</u>

6.1 Pursuant to the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012, stock exchanges operating as guarantee limited companies were converted to public limited companies. Ownership rights in exchanges were segregated from the right to trade on an exchange. As a result of such demutualization and corporatization, the Company received shares of the relevant exchange and a Trading Rights Entitlement Certificate ("TREC") against its membership card.

6.2 The TREC has been recorded as an indefinite-life intangible asset pursuant to the provisions and requirements of IAS 38. As the TREC is not a commonly tradable instrument, the value approved by the Board of Directors of the Pakistan Stock Exchange Limited ("PSX") post-mutualization was used as the initial value of the intangible. The TREC, which has been pledged with the PSX to meet Base Minimum Capital ("BMC") requirements, is assessed for impairment in accordance with relevant approved accounting standards.

7 LONG-TERM INVESTMENTS

Investments at fair value through OCI

LSE Financial Services Limited (unquoted) - at fair value	7.1	19,605,539	19,158,233
Adjustment for remeasurement to fair value		928,373	447,306
		<u>20,533,912</u>	<u>19,605,539</u>

7.1 As a result of the demutualization and corporatization of stock exchanges as detailed in note 6.1, the Company received 843,975 shares of LSE Financial Services Limited. Of these, 60% (506,385 shares) were held in a separate Central Depository Company Limited ("CDC") sub-account, blocked until they are sold to strategic investors, financial institutions and/or the general public. The remaining shares (40% of total, or 337,590 shares) were allotted to the Company.

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 or net asset value per share of these shares notified by LSE Financial Services Limited (PKR 24.33/ per share, compared to PKR 23.23 / per share as at June 30, 2020). Remeasurement to fair value resulted in a gain of PKR 928,373 (2020: PKR 447,306).

8 LONG-TERM DEPOSITS

Trading floors		1,156,024	1,156,024
Building deposits with PMEX		2,500,000	2,500,000
Deposit With NCCPL		400,000	400,000
		<u>4,056,024</u>	<u>4,056,024</u>

9 TRADE DEBTS

Considered good	9.1	1,667,181	457,046
Considered doubtful		77,170	124,398
		<u>1,744,351</u>	<u>581,444</u>
Less: Provision for doubtful debts	9.2	(77,170)	(124,398)
		<u>1,667,181</u>	<u>457,046</u>

