

Statutory Notification

SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Islamabad, February 13, 2009

S.R.O./50 (I)/2009.-- In exercise of powers conferred by sub-section (5) of section 234 of the Companies Ordinance, 1984 (the "Ordinance") , read with clause (c) of section 43 of the Securities and Exchange Commission of Pakistan Act, 1997 and S.R.O. 665(I)/2005 dated 28th June, 2005, Securities and Exchange Commission of Pakistan (the "Commission") hereby directs all companies that the impairment, if any, resulting from valuation of listed equity securities held as "Available for Sale" in terms of International Accounting Standard "Financial Instrument: Recognition and Measurement" (IAS-39) to market price as quoted on the stock exchange on 31-12-2008 be treated as under:

- i. The impairment loss, if any recognized as on 31.12.2008 due to valuation of listed equity investments held as "Available for Sale" to quoted market prices of 31-12-2008 may be shown under the "Equity".
- ii. The amount taken to equity as per Para-i above, including any adjustment/effect for price movements during the quarter of calendar year 2009 shall be taken to Profit and Loss Account on

quarterly basis during the calendar year ending on 31-12-2009.

- iii. The amount taken to equity as per Para-i above, shall be treated as a charge to Profit and Loss Account for the purposes of distribution as dividend.
- iv. The above dispensation shall be available to all companies and mutual funds.
- v. Companies to which section 16 of the Accounting and Financial Reporting Standards for Medium and Small Sized Entities applies may also opt for the above treatment.

2. Companies and mutual funds willing to follow the full requirements of IAS-39 are encouraged to do so.

3. All companies and mutual funds opting for the treatment in Para-i above, shall disclose prominently on the face of their Balance Sheet, Profit and Loss Account and Directors' Report the parameters used by them in determination of the value of their investments and the figures arrived at under both the regular and especially opted accounting treatment, that is to say, the requirements of International Accounting and Reporting Standards regarding disclosure of such departure have been complied with.


Abdul Rehman Qureshi
Advisor/Secretary