

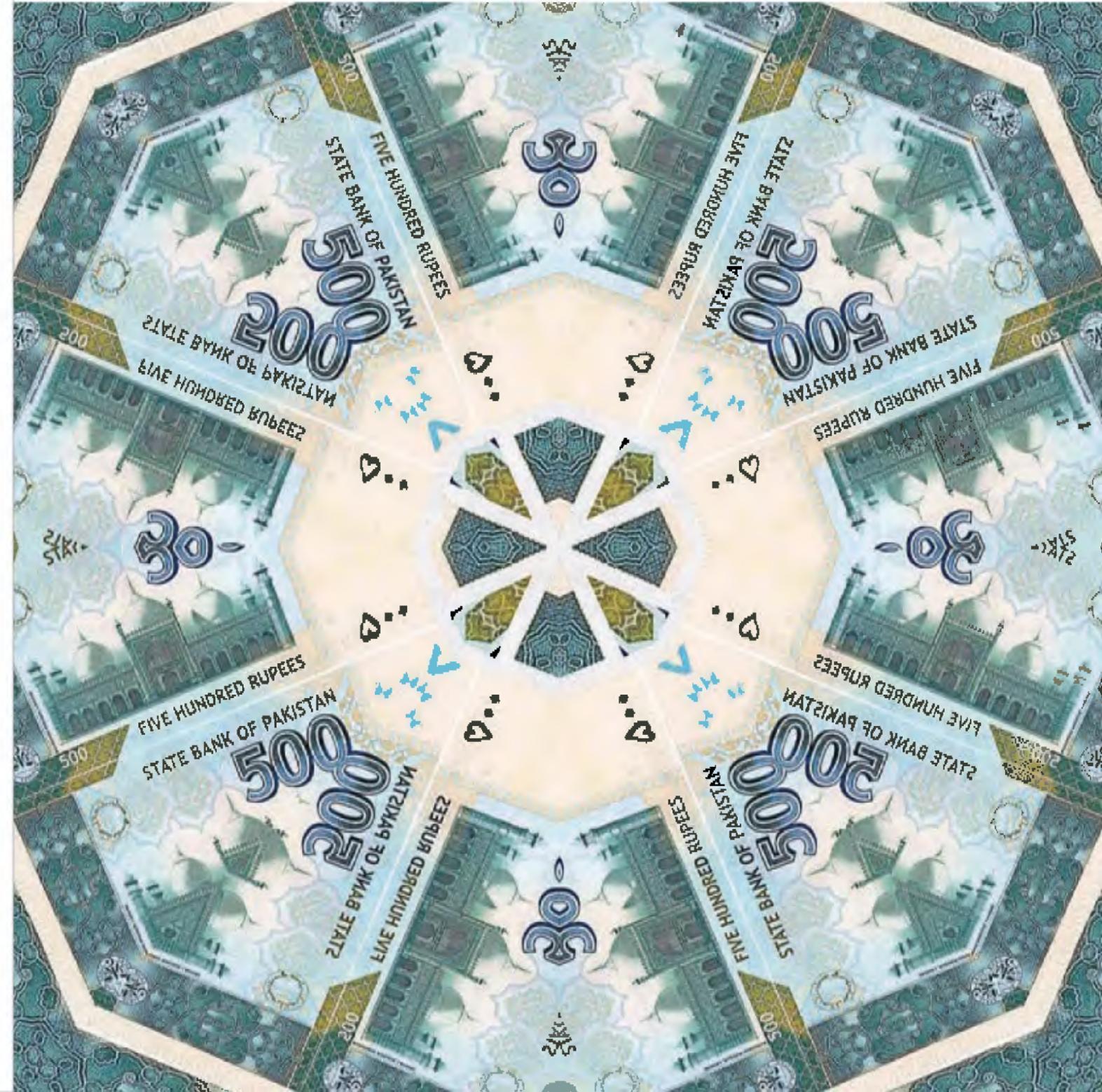


TRADING IN TRANSFORMATION

ANNUAL REPORT 2018

Pakistan Stock Exchange Limited

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DCP/THE D'HAMIDI PARTNERSHIP/DESIGN

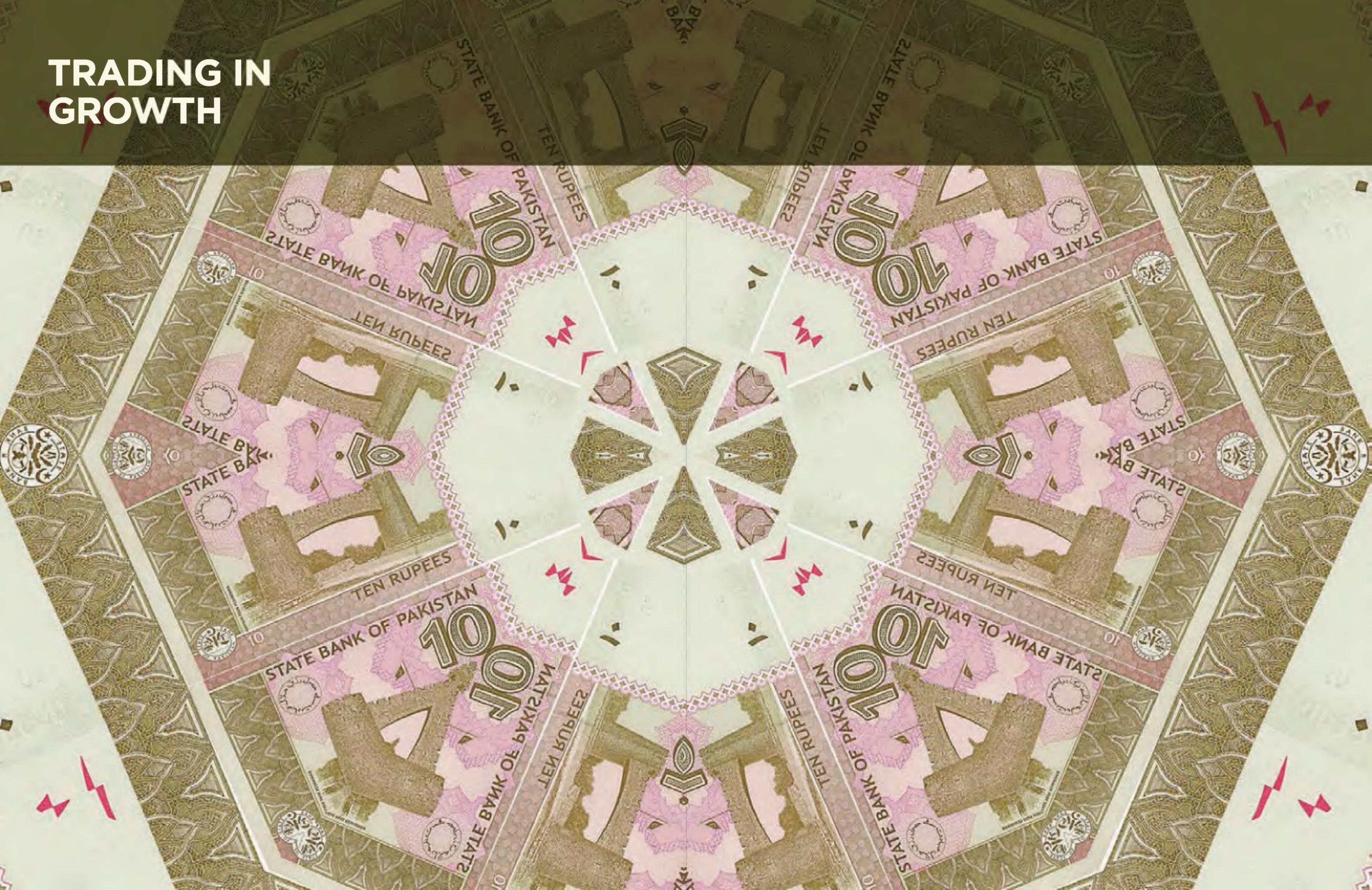
ABOUT THE COVER

By transforming our currency notes into a kaleidoscopic pattern, we not only treat the eyes, but also convey the ever-evolving and transformative nature of the PSX.

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TRADING IN GROWTH



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sulaiman S. Mehdi (Chairman of the Board)	Independent Non-Executive Director
Mr. Richard Morin (Managing Director)	Executive Director
Mr. Muhammad Ashraf Bawany	Non-Executive Director
Mr. QUE Bo	Non-Executive Director
Mr. Shehzad Chamdia	Independent Non-Executive Director
Mr. Ahmed Chinoy	Non-Executive Director
Mr. Moin M. Fudda	Independent Non-Executive Director
Mr. Abid Ali Habib	Non-Executive Director
Ms. Yu Huali	Non-Executive Director
Ms. Naz Khan	Independent Non-Executive Director
Mr. Saad Amanullah Khan	Independent Non-Executive Director
Mr. Shahnawaz Mahmood	Non-Executive Director
Syed Masoud Ali Naqvi	Independent Non-Executive Director
Mr. Amjad Pervez	Independent Non-Executive Director
Mr. Zhiping Rong	Non-Executive Director
Mr. You Hang (Alternate Director for Mr. Zhiping Rong)	Non-Executive Director

NOMINATION COMMITTEE

Mr. Sulaiman S. Mehdi (Chairman)
Mr. Mohammad Ashraf Bawany (Member)
Mr. Moin M. Fudda (Member)
Syed Masoud Ali Naqvi (Member)
Mr. Zhiping Rong (Member)
Mr. You Hang (Alternate Member)

REGULATORY AFFAIRS COMMITTEE

Mr. Moin M. Fudda (Chairman)
Ms. Naz Khan (Member)
Mr. Sulaiman S. Mehdi (Member)
Syed Masoud Ali Naqvi (Member)
Mr. Amjad Pervez (Member)

AUDIT COMMITTEE

Syed Masoud Ali Naqvi (Chairman)
Mr. QUE Bo (Member)
Mr. Shehzad Chamdia (Member)
Mr. Ahmed Chinoy (Member)
Mr. Abid Ali Habib (Member)
Ms. Naz Khan (Member)
Mr. Shahnawaz Mahmood (Member)

HUMAN RESOURCES &

REMUNERATION COMMITTEE

Mr. Sulaiman S. Mehdi (Chairman)
Mr. Mohammad Ashraf Bawany (Member)
Mr. Shehzad Chamdia (Member)
Mr. Ahmed Chinoy (Member)
Mr. Moin M. Fudda (Member)
Mr. Abid Ali Habib (Member)
Mr. Shahnawaz Mahmood (Member)

COMPANY SECRETARY

Mr. Muhammad Rafique Umer

CHIEF FINANCIAL OFFICER

Mr. Ahmed Ali Mitha

HEAD OF INTERNAL AUDIT

Mr. Farhan Ansari

ACTING CHIEF REGULATORY OFFICER

Mr. Abbas Mirza

AUDITORS

EY Ford Rhodes
Chartered Accountants

LEGAL ADVISORS

Ahmed & Qazi
Advocates & Legal Consultants

Ghani Law Associates
Industrial Relations Advisors

Ijaz Ahmed & Associates
Advocates & Legal Consultants

Bawaney & Partners
Advocates & Investment & Corporate Advisers

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China Limited, Karachi Branch
JS Bank Limited
MCB Bank Limited
United Bank Limited

SHARE REGISTRAR

FAMCO Associates (Private) Limited
8-F, Near Hotel Faran, Nursery, Block-6,
P.E.C.H.S, Shara-e-Faisal, Karachi
Phone: (92 21) 34380101-5, 34384621-3
Fax: (92 21) 34380106, 32428310
Email: info@famco.com.pk
Website: www.famco.com.pk

REGISTERED OFFICE

Stock Exchange Building
Stock Exchange Road
Karachi 74000
Phone: (92 21) 35205528-29
UAN: (92 21) 111 00 11 22
Fax: (92 21) 32410825

REGIONAL OFFICES

Lahore Office

LSE Plaza
19-Khayaban-e-Aiwan-e-Iqbal
Lahore 54000
Phone: (92 42) 36316974
Fax: (92 42) 36316973

Islamabad Office

Office # G-13, Ground Floor, ISE Towers
55-B, Jinnah Avenue
Islamabad
Phone: (92 51) 2894500

EMAIL

info@psx.com.pk

WEBSITE

www.psx.com.pk

VISION

A world class exchange for Pakistan.

MISSION

PSX contributes to the economic development of Pakistan by providing a fair, transparent, and efficient marketplace to facilitate capital formation for the benefit of investors, issuers and all stakeholders.

ABOUT PSX

HISTORY

Pakistan Stock Exchange Limited (“PSX” or the “Exchange”) was incorporated in the year 1949 under the name of Karachi Stock Exchange (Guarantee) Limited, as a company limited by guarantee without having share capital.

In the year 2012, in pursuance of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012, the Exchange was corporatized i.e. it was converted into a ‘public company limited by shares’ and accordingly, its name was changed to Karachi Stock Exchange Limited (“KSE”). With the corporatization, the ownership rights in the Exchange were segregated from trading rights.

In the years 2015-16, the Exchange operations, together with related assets and human resources of then existing Lahore Stock Exchange Limited and Islamabad Stock Exchange Limited, were integrated into KSE and the Exchange emerged as a single national stock exchange under its present name, i.e. Pakistan Stock Exchange Limited.

PSX DEVELOPMENTS AND ACTIVITIES

The historical milestones and a variety of achievements characterize Pakistan Stock Exchange journey. PSX offers efficient, fair and transparent securities market in Pakistan and enjoys the full confidence of investors and issuers of listed securities.

Few core achievements by PSX during the year 2017-2018 are given below.

DIVESTMENT

In the last leg of divestment process, the Exchange coordinated with authorized signatories of Chinese Consortium (anchor investor) as well as the Divestment Committee of PSX for signing of necessary documentation for release of ten percent (10%) of the proceeds from sale of forty percent (40%) equity stake of PSX’s paid-up share capital, which was retained in an escrow account for a period of twelve (12) months at the time of relevant transfer of shares to the members of Chinese Consortium.

RECONSTITUTION OF THE BOARD

PSX judiciously concluded the process of election of shareholder directors as per the directive of Securities and Exchange Commission of Pakistan [SECP] dated December 29, 2017, followed by nomination of independent directors to SECP in accordance with the requirements of Securities Exchanges (Licensing and Operations) Regulations, 2016 [the Licensing Regulations].

The Extraordinary General Meeting for conducting the election was convened on April 19, 2018; however, the requirement for balloting did not arise since the candidates were elected un-opposed for a term of 3 years. Thereafter, the nominations of potential candidates with necessary details and information were compiled and forwarded to SECP for selection and appointment of independent directors.

For this purpose, PSX finalized the formation of ‘Panel of Experts’ required to be maintained for selection of proposed independent directors and carried out the evaluation of candidates for election/appointment as director on the Board, as per the ‘Fit & Proper Criteria’ specified under the Licensing Regulations.

INVESTOR AWARENESS & EDUCATION

PSX engaged university students with an interactive virtual trading application called Stock Challenge. It signed 08 MOUs with various universities across Pakistan and held Stock Challenge virtual trading competition. Stock Challenge is a flagship competition for young college & university students, aimed at triggering the interest of participants for the stock market and honing their skills as future investors. This year, a series of competitions were organized which brought in approximately 5000 participants from top business institutes across the country.

Further, PSX on its mission to increase the financial literacy & attract middle class Pakistanis, has opened its doors for learning. During the year, PSX organized more than 50 informational sessions about capital market and facilitated study visits of school and university students, delegates from National Accountability Bureau (NAB), international delegates from National Institute of Banking & Finance (NIBAF), listed/non-listed companies and other Government/Private entities to the Exchange.

PRODUCT DEVELOPMENT

PSX is committed to add new products to its suite while also reviewing and improving the current product offerings.

PSX introduced Market Depth (of upto top 10 order book records) in real time data products with transitioning the data feed services from in-house KATS based feed to FIX based data feed.

For the development of Exchange Traded Funds (ETF), PSX had meaningful engagements with potential market participants i.e., ETF Issuer (Asset Management Companies) and Market Makers.

Furthermore, efforts were made to provide transparency and complete financial data of listed companies to investors by facilitating necessary amendments in PSX Listing Regulations wherein, all listed companies were required to electronically submit financial reports to the Exchange.

MEASURES FOR ENCOURAGING NEW LISTING

A total of 6 equity issues with paid-up capital of PKR 6.719 billion, 12 open-end mutual funds of PKR 8.035 billion and 1 debt security amounting to PKR 7 billion were listed during the period July 01, 2017 to June 30, 2018. Out of 6 equity issues, 3 companies offered shares through Book Building.

During FY2018, PSX identified and approached potential non-listed companies in different regions of Pakistan. An encouraging response was received from such companies. These companies are being followed up with to ensure listing readiness.

PSX also conducted the following events during the year 2017-18 focused on listing:

- IPO Summit 2017
- Pre-IPO session of AGP Ltd
- Pre-IPO session of Matco Foods Ltd.
- PSX presentation in PITB (Punjab Information Technology Board) Round Table conference

HUMAN RESOURCE DEVELOPMENT

To strengthen the skillsets and knowledge of the respective domain, PSX staff are nominated for different training programs (domestically and internationally) in which 65 staff members were trained during the year. Our learning and development strategy aims to develop capabilities, skills and competencies of the workforce to create a sustainable, successful organization, and it is an important part of PSX's overall business strategy.

PSX also conducted a Training Need Analysis (TNA) survey where a training calendar has been prepared for the year to accommodate the staff for various training opportunities in line with the departmental needs.

PSX signed an MoU with CFA Global Institute to avail scholarship opportunities under Regulators Program for the deserving staff and PSX has been placed in the pool/list of globally recognized institutions. As such, PSX's staff is eligible to avail scholarships at this global institute.

INITIATIVES BY REGULATORY DIVISION OF PSX

Inclusion of Privately Placed Debt Securities' Listing Regulations in PSX Regulations:

The Regulations governing Over the Counter (OTC) Market of PSX ("OTC Regulations") were earlier applicable on both the equity securities to be issued/offered to the general public and debt securities to be issued to Qualified Institutional Buyers (QIBs) through private placement. Since the equity portion of OTC Regulations has been replaced with Chapter 5A [Regulations Governing Listing and Trading of Equity Securities of Small and Medium Enterprises (SMEs)] of PSX Regulations, all the remaining provisions pertaining to debt securities were consolidated in a new Chapter 5C named as "Privately Placed Debt Securities Listing Regulations" in PSX Regulations. Consequently, existing OTC Regulations have been repealed.

Synchronization of PSX Rule Book with the Securities Act, 2015 and relevant sections of Companies Act, 2017:

Pursuant to promulgation of Securities Act, 2015 and Companies Act, 2017, PSX has amended and updated its entire Regulations to ensure synchronization with the above Acts. Besides this, various provisions of PSX's Regulations have been re-phrased to add clarity and to facilitate better understanding. The amended Rule Book has been submitted to SECP for approval.

Exclusion of open-end mutual funds at PSX from the requirement of closed period and book closure applicable on listed companies

Considering that the Open-End Mutual Funds are not traded at PSX and such units are issued and redeemed on NAV basis by the AMCs, which is disclosed to the public on a daily basis, PSX exempted these funds from the requirements of Closure of Share Transfer Books and Closed Period applicable on listed companies under the PSX Regulations.

Streamlining of framework for companies in violation/non-compliance of PSX Regulations:

A general framework has been prescribed in PSX Regulations for listed companies that are placed in Defaulters' segment due to regulatory non-compliance. According to the framework, a non-compliant listed company shall be given a prescribed time to rectify the cause of non-compliance. In case of failure of the company to comply, a higher degree of disciplinary action shall be taken after a predetermined time. This way, continuous efforts shall be made to ensure compliance of companies failing which, PSX may proceed to stringent measures, which may include de-listing.

Incorporation of additional areas in the description of price sensitive information disseminated to PSX:

To ensure adequate disclosures to the investing public by the listed companies, PSX has laid down various descriptions of price-sensitive information in light of international practices. This clarity will facilitate the companies in disseminating their material information to PSX and SECP immediately.

Submission of financial accounts and other periodic information by the TRE Certificate Holders:

In order to ensure effective compliance with various reporting requirements applicable on TRE Certificate Holders such as filing of financial statements, reporting through online financial reporting system and any other periodic information, PSX has consolidated all such reporting requirements in PSX Regulations.

PSX – FY 2018 AT A GLANCE

INFORMATION TECHNOLOGY AND SECURITY

Information Technology and Security has been a focal point at PSX with the following developments taking place for FY2018.

New Technology Infrastructure:

To upgrade the technology infrastructure a new state of the art data center compliant to international standards (TIA942 & Tier III) for servers and systems infrastructure was built and migrated without any downtime. The earlier Storage Area Network (SAN) was replaced with the latest technology based All flash disk SAN.

Assessment and redesigning of entire PSX network along with disaster recovery have been completed. Further, execution of new design with replacement of old network equipment will be completed by end of 2018. This will ensure that technology infrastructure is ready for implementation of an international trading and surveillance system planned for early 2019. The procurement process has been initiated and the implementation project is expected to start in 2018.

Upgrade in Existing Trading System:

Several enhancements were made in the current trading system, a few of which are as follows:

- To improve market liquidity, on the recommendation of the task force constituted by SECP, eligible securities for trading in DFC market were increased. This was achieved by introducing categorization in trading eligible securities, with new margin requirements in Trading and Risk Management Systems.
- In order to control acquisition of shares in a listed bank as per the directive of SECP & SBP, a centralized portal was developed. This portal is connected with CDC system to control acquisition before the start of trading session while imposing restriction as per business and compliance requirements.

As at June 30, 2018, there were 558 companies listed at Pakistan Stock Exchange (PSX) with a market capitalization of PKR 8,655 billion (around USD. 70 billion). Listed companies at PSX have, over a course of last twelve years i.e., from January 2006 to December 2017, raised capital of over PKR 1,021 billion through debt, rights and Initial Public Offerings (IPO), out of which PKR 260 billion was raised through Government of Pakistan's privatization initiatives that includes induction of foreign capital.

KSE 100 Index closed at level of 41,911 witnessing a decline of approximately 10% on a year-over-year (YOY) basis whereas KSE 30 Index recorded at 20,569 posted a YOY decline of 15%, as of June 30, 2018.

On a macro level, as per State Bank of Pakistan (SBP), Pakistan's economy achieved a growth rate of 5.8% - highest in thirteen years - primarily driven by improved performance of Agriculture, Industry and Services sectors. Other macroeconomic indicators, except Balance of Payment (BOP), also remained positive primarily owing to benefits derived from a notable 6% growth in Manufacturing sector, improved energy supplies and positive performance of China Pakistan Economic Corridor (CPEC).

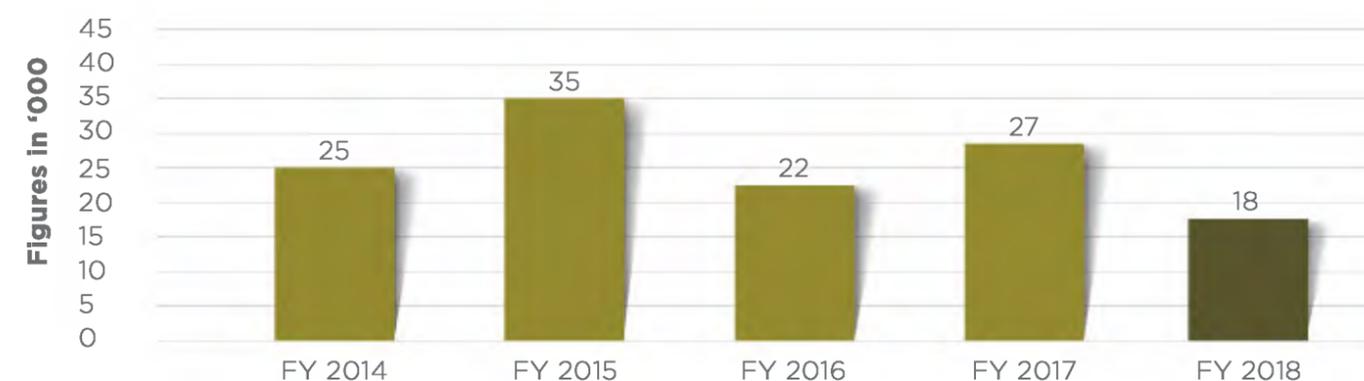
	June 30, 2018	June 30, 2017	% Change
No. of Listed Companies	558	560	-0.20%
Listed Capital (PKR Mn)	1,297,375	1,317,220	-1.5%
Trading Volume - T+2 & DFM (Mn) Shares	61,419	103,544	-40.7%
Trading Value T+2 & DFM (PKR Mn)	2,874,055	4,774,570	-39.8%
Market Capitalization (PKR Mn)	8,665,045	9,522,358	-9%
KSE 100 Index	41,911	46,565	-10%
KSE 30 Index	20,569	24,251	-15%

HIGHLIGHTS

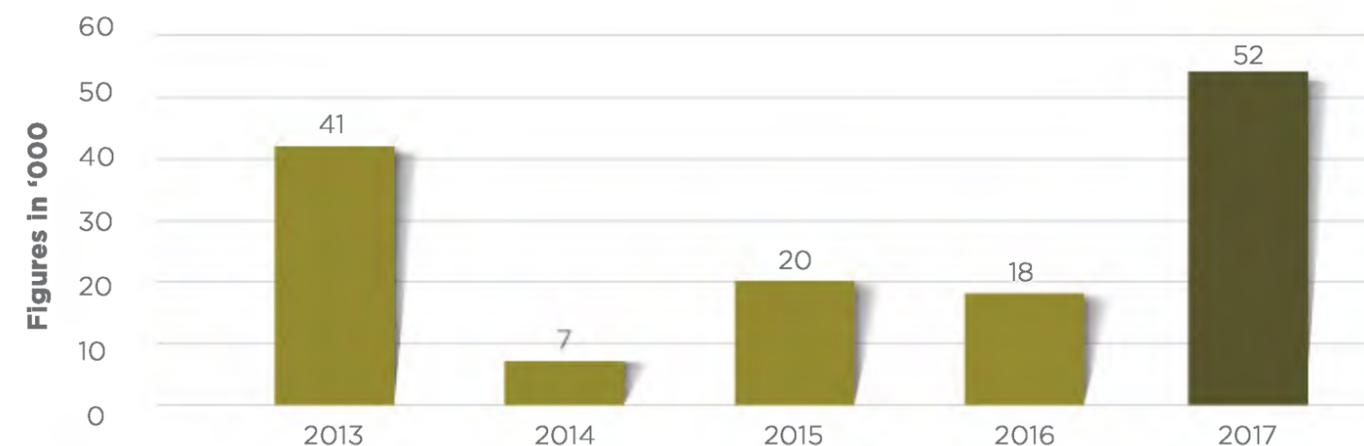
KEY FINANCIAL HIGHLIGHTS (SIX YEARS AT A GLANCE)

	2013	2014	2015	2016	2017	2018
----- (Rupees in millions) -----						
Share Capital	8,015	8,015	8,015	8,015	8,015	8,015
Reserves	42	61	134	174	420	280
Surplus on Revaluation of Assets						
- Net of Tax	-	-	-	-	744	713
Total Equity	8,057	8,076	8,149	8,189	9,179	9,007
Long Term Liabilities	56	42	53	147	1,823	426
Current Liabilities	2,823	4,018	5,903	554	1,251	1,042
Total Liabilities	2,879	4,060	5,956	701	3,074	1,468
Fixed Asset	4,339	4,246	4,169	4,104	4,891	4,897
Other Long Term Assets	1,220	3,118	3,463	3,574	2,397	2,795
Current Assets	5,377	4,772	6,473	1,211	4,966	2,783
Total Assets	10,936	12,136	14,105	8,890	12,253	10,475
Operational Results						
Total Income	878	1,183	1,469	1,450	1,477	1,236
Total Expenses	809	959	1,107	1,193	1,158	1,118
Profit Before Tax	69	224	362	257	319	118
Profit After Tax	121	180	317	132	277	64
Ratios						
Current Ratio	1.90	1.19	1.10	2.19	3.97	2.67
Quick Ratio	1.07	1.04	1.00	1.02	2.17	0.60
Net Profit Margin	14%	15%	22%	9%	19%	5%
Expenses as a percentage of Revenue	92%	81%	75%	82%	78%	90%
Profit Before Tax as a percentage of Revenue	8%	19%	25%	18%	22%	10%

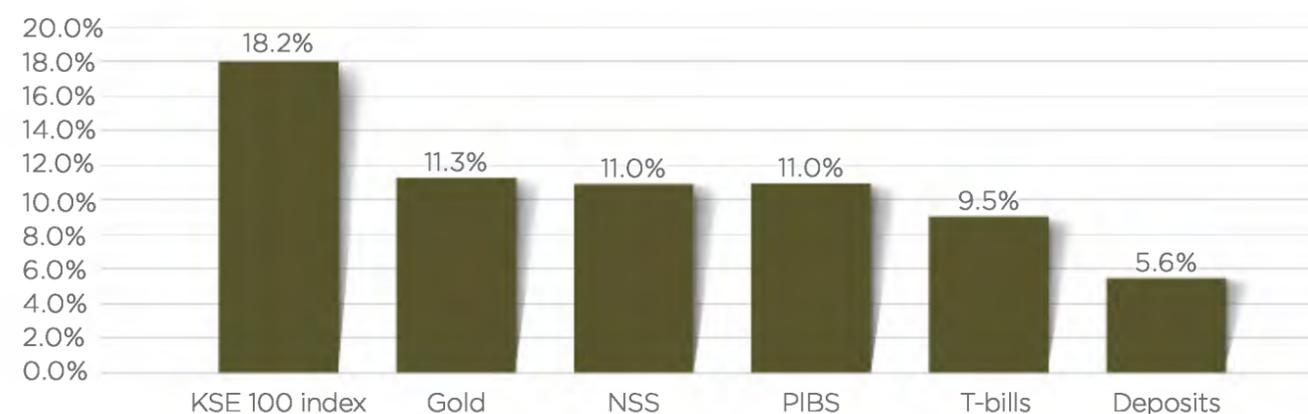
NEW DIRECT INVESTORS UIN'S



INCREASE IN OPEN END AND MUTUAL FUND UNIT HOLDERS



HISTORICAL ASSET CLASSES RETURNS IN PAKISTAN - CY 2008-2017



SUMMARY OF NUMBER OF TRADING RIGHT ENTITLEMENT (TRE) CERTIFICATE HOLDERS

Deletion of TRE Certificate during the period from July 01, 2017 to June 30, 2018

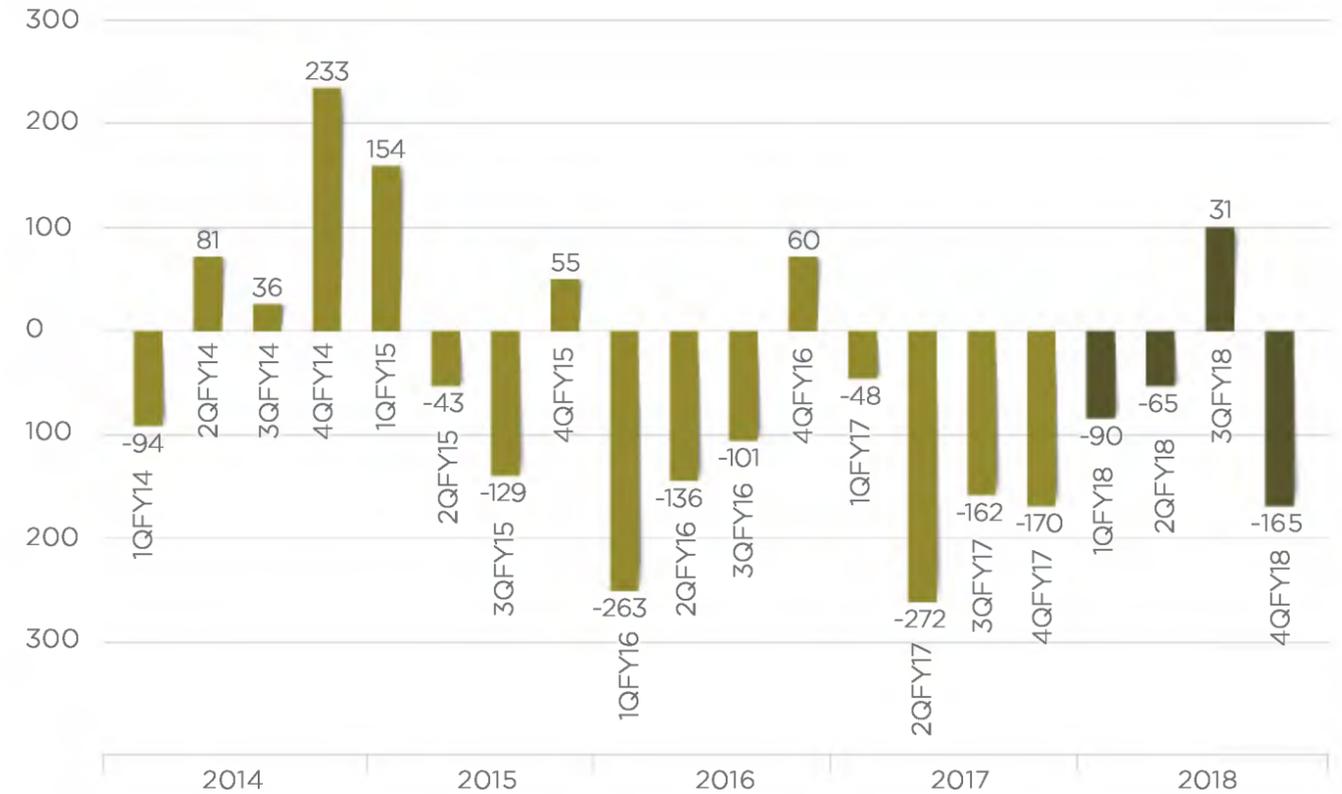
LOCATION	TREC AS ON JULY 1, 2017	FORFEITED /EXPELLED	LAPSED	RELINQUISHMENT /SURRENDER	TREC AS ON JUNE 30, 2018
Karachi	178	--	1	5	172
Lahore	118	1	1	9	107
Islamabad	76	--		10	66
Total	372	1	2	24	345

MONTH-WISE TRADE VOLUMES & VALUE IN EACH MARKET SEGMENT

	MONTH	REGULAR		DELIVERABLE FUTURE	
		TRADE VOLUME (No. of Shares)	TRADE VALUE PKR	TRADE VOLUME (No. of Shares)	TRADE VALUE PKR
READY	JUL-2017	3,683,710,830.00	202,690,739,835.90	1,200,503,500.00	83,127,291,245.00
READY	AUG-2017	4,443,673,810.00	224,722,375,817.70	1,443,373,500.00	100,508,670,540.00
READY	SEP-2017	2,914,275,580.00	151,584,036,833.10	1,090,547,000.00	81,446,405,935.00
READY	OCT-2017	3,263,086,560.00	165,754,014,005.80	1,260,223,000.00	88,305,753,515.00
READY	NOV-2017	2,528,882,060.00	135,903,528,315.00	1,148,639,000.00	71,448,661,815.00
READY	DEC-2017	2,930,613,610.00	124,864,135,022.70	1,076,925,500.00	58,222,740,660.00
READY	JAN-2018	5,507,367,130.00	240,794,104,576.70	1,554,296,000.00	85,718,661,705.00
READY	FEB-2018	3,869,630,930.00	157,414,982,211.00	1,251,031,500.00	62,268,749,595.00
READY	MAR-2018	4,046,379,830.00	167,894,985,003.80	1,267,788,500.00	59,429,910,925.00
READY	APR-2018	4,401,115,000.00	199,344,523,656.70	1,319,076,000.00	61,131,682,235.00
READY	MAY-2018	3,016,897,190.00	127,520,532,595.90	1,168,518,500.00	48,634,932,290.00
READY	JUN-2018	2,909,887,140.00	131,299,716,136.50	1,106,516,000.00	47,479,283,395.00
	TOTAL	43,515,519,670.00	2,029,787,674,010.80	14,887,438,000.00	847,722,743,855.00

FOREIGN INVESTORS NET INFLOWS / OUTFLOWS

USD (in million)



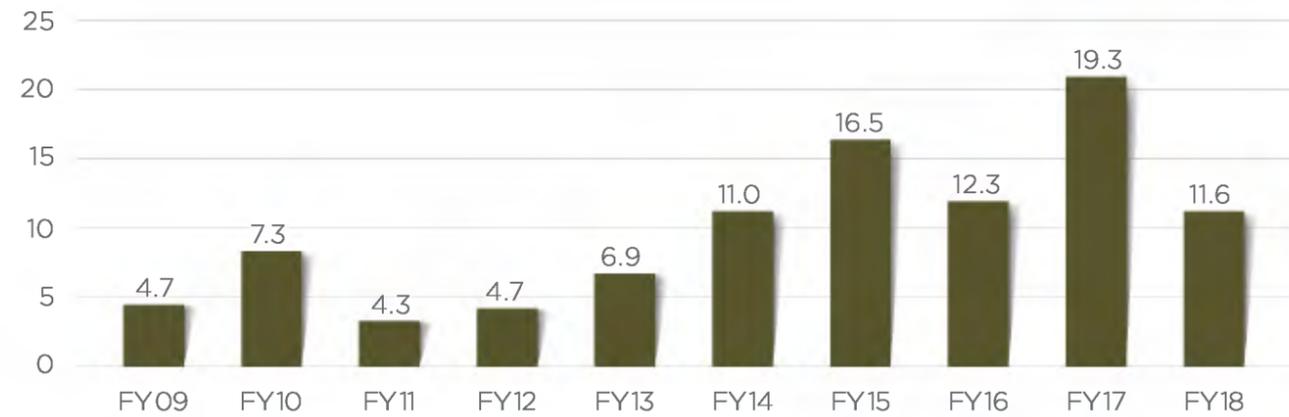
AVERAGE DAILY VOLUME TRADED T+2 & DFM

NO OF SHARES (in million)



AVERAGE DAILY VALUE TRADED T+2 & DFM

(in billion)



MARKET CAPITALIZATION TO GDP RATIO



SUMMARY OF CUSTOMER COMPENSATION FUND

Summary of Centralized Customers Protection Compensation Fund (PSX Investors Protection Fund) As at June 30, 2018 (unaudited)	
Particulars	Amount (Rupees)
Opening Balance July , 2017	2,909,976,827
Contribution during the year	351,275,158
Amounts Utilized during the year	-
Audit Fee	(150,000)
Others	(501,880)
Fund position as at June 30, 2018	3,260,600,105

ENFORCEMENT ACTIONS AGAINST NON-COMPLIANT SECURITIES BROKERS

During FY2017-18, the Market Surveillance Department (MSD) of RAD investigated total 1,200 cases consisting of the following:

(i) Total 280 cases were investigated in relation to the following:

- Blank Sale under Ready Delivery Contract Market;
- Blank Sale under Deliverable Futures Contract Market,
- Delivery defaults due to Blank Sale;
- Suspicious Trade Rectifications;
- Exceptional/Suspicious deals recorded under NDM etc.

Out of 280 cases, in 85 cases the brokers were identified as non-compliant resulting in the following enforcement actions:

Summary of Enforcement Actions during the Year 2017-18			
Description	Enforcement Actions		
	Advised	Warned	Penalty Imposed
Clause 10.15 of PSX Regulations [Blank Sale under Ready Delivery Contract Market]	09	34	13
Clause 13.5 of PSX Regulations [Blank Sale under DFC Market]	17	01	11
Total	26	35	24

Summary of Penalties Imposed and Recovered during the Year 2017-18			
Penalty Imposed	Penalty Recovered	Penalty Waived by the Sub-Committee of the RAC	Penalty Due [Appeal filed]
(Amount in PKR)			
2,031,413	927,867	653,546	450,000

- (ii) Further, around 920 cases were highlighted through Price/Volume Alert Report Mechanism to identify the unusual trade patterns or abnormality in share prices and volume variation in different securities, against which initial preliminary scrutiny was conducted. However, 23 cases were investigated. Out of 23 cases, 12 preliminary investigation reports were forwarded to SECP for necessary action at their end.

In addition to the above, the RAD in Audit and Inspection activities took the following actions:

- (i) A total of 242 reports were received and reviewed and 133 enforcement actions were taken against 109 securities brokers which were identified non-compliant with the PSX Regulations through the following mechanisms:
- System Audit.
 - Joint Inspection.
 - Internet Based Trading System Audit.
 - Client Asset Segregation related inspections.
 - Other regulatory monitoring procedures including the following:
 - Net Capital Balance Statements.
 - Liquid Capital Statements.
 - Trading by employees of the brokers.
 - Non-registration of branch offices.
 - KYC and CDD Policies and Procedures.
 - Excess reporting of cash receipts by the brokers etc.

Summary of Enforcement Actions during the Year 2017-18								
Nature of Activities	No. of Actions	No. of Warning / Advise	No. of Penalties	Restriction/ Condition Imposed*	Trading Terminals Suspended	Amount of Penalty Imposed	Amount of Penalty Recovered	Amount of Penalty Unrecovered
(Amount in PKR)								
System Audits	41	40	1	-	-	30,000	30,000	-
Internet Based Trading								
System Audits	18	18	-	-	-	-	-	-
Joint Inspections	23	14	9	5	1	5,455,000	2,830,000	2,625,000
Unregistered Branch	1	-	1	1	-	300,000	300,000	-
Trading by Employees	21	18	3	-	-	65,000	65,000	-
CASS	2	-	2	-	-	1,355,000	1,355,000	-
Other Regulatory								
Enforcements	27	-	-	1	26	-	-	-
Total	133	90	16	7	27	7,205,000	4,580,000	2,625,000

*It may be noted that multiple actions were taken on seven (07) Brokerage Houses that include imposition of penalties and restrictions.

(ii) Fully settled (100%) over 40 investors' claims registered with PSX against former TRE Certificate Holder by disbursing an amount of Rs17.46 million.

(iii) In addition to above, 99 investors' complaints/claims against the existing TRE Certificate Holders were settled inclusive of 05 arbitration awards.

The efforts of RAD towards protection of investors' interest and restoration of investor confidence have resulted in overall efficient regulatory compliance by the regulated entities.

During the year, the PSX exercised maximum enforcement powers against non-compliant TRE Certificate Holders and forfeited TRE Certificate of following broker in the best interest of the investors and capital market:

Name of TREC Holder	Date of Forfeiture	Cause of Action	Claim Amount (Verified) (PKR in Million)
S.Z. Securities (Pvt.) Limited	18-Jul-2017	Non-resolution of investors' complaints	109.73

ENFORCEMENT ACTIONS AGAINST NON-COMPLIANT LISTED COMPANIES FY2017-18:

A total number of over 800 investigations were conducted and explanations were sought from the Listed Companies in respect of following non-compliances:

- (a) Non/late submission of annual or quarterly financial accounts.
- (b) Non-holding of Annual General Meeting.
- (c) Non/late submission of details of Free Float shares.
- (d) Late intimation of holding of Board meetings.
- (e) Non/late payment of Annual Listing Fee.
- (f) Late disclosure of interest by the directors and other persons;
- (g) Late/incomplete disclosure of price-sensitive/material information.

As a result, RAD issued warnings in 408 cases and imposed penalties in 119 cases.

Further, total 36 companies were placed in the Defaulters' Segment of which trading in the shares of 16 companies were suspended whereas 10 companies were shifted to Normal Counter upon rectification of default(s) and 5 companies were shifted to Normal Counter pursuant to Stay Order of the Honorable High Court. During the year, 2 companies were delisted from PSX.

The details of penalties imposed and recovered during the year are provided hereunder:

Summary of Penalties Imposed and Recovered during the year 2017-18 (Amount in PKR)	
Penalties Imposed	Penalties Recovered
16,856,000	5,855,100

Special emphasis was given to monitoring of the Code of Corporate Governance and 246 non-compliances were highlighted, for which companies were advised to rectify/clarify the same.

JOINT INSPECTION REGIME:

During the FY 2017-18, the Joint Inspection Team (JIT) inspected 66 Brokers of Karachi, Lahore and Islamabad. During the course of inspection, the JIT detected various regulatory non-compliances including non-segregation of clients' assets, incorrect calculation of net capital balance, unregistered branches of the Brokers etc. JIT has reported the non-compliances to the relevant Self-Regulatory Organizations for taking necessary enforcement actions against the non-compliant Brokers in accordance with their respective regulatory frameworks.

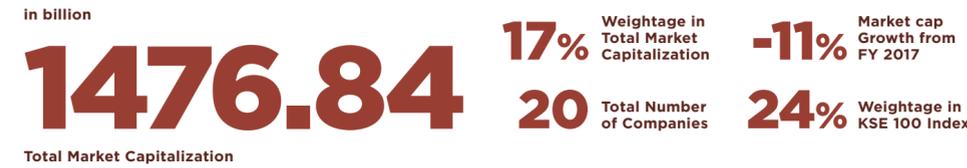
During the FY 2017-18, the JIT performed Limited Scope Inspections of 13 Brokers wherein JIT has observed that the brokers have significantly rectified their non-compliances reported in their initial inspection. Such significant improvement indicates that the inspections are considerably contributing in improving compliance culture among brokers.

TRADING IN SUCCESS



MARKET PERFORMANCE

COMMERCIAL BANKS



OIL & GAS EXPLORATION



FOOD & PERSONAL CARE



TOBACCO



FERTILIZER



CEMENT



POWER GENERATION



AUTOMOBILE ASSEMBLER



CHEMICALS

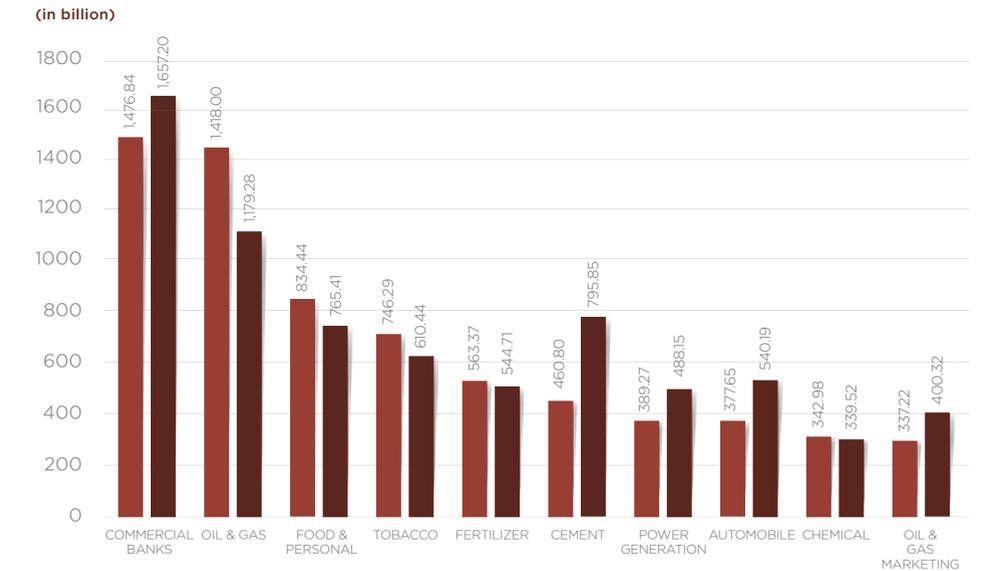


OIL & GAS MARKETING



PERFORMANCE OF KEY SECTORS

Top Ten Sectors at PSX Constituting around 80% of Total Market Capitalization as at June 30, 2018 Vs June 30, 2017 in Rs. Billion



■ FY2018 ■ FY2017

MARKET HIGHLIGHTS

DESCRIPTION	2014	2015	2016	2017	2018
Total Listed Companies	557	560	559	560	558
Total Listed Capital (Rs. in million)	1,160,341	1,189,519	1,289,081	1,317,220	1,297,375
Total Market Capitalization (Rs. in million)	7,022,692	7,421,032	7,588,472	9,522,358	8,665,045
New Companies Listed	5	9	4	5	6
Listed Capital of New Companies (Rs. in million)	19,235	38,140	6,046	13,376	6,719
New Debt Instruments Listed	5	4	2	1	1
Total Issue Size of New Debt Instruments (Rs. in million)	8,779	31,000	13,000	10,500	7,000
Total Shares Volume (million)	56,581	57,204	55,430	88,599	46,532
Average Daily Share Volume (million)	229	233	221	363	187
Average Daily Trade Value (Rs. in million)	8,730	11,102	9,505	15,337	8,141
KSE INDICES					
KSE - 100 Index					
Year End	29652.53	34398.86	37783.54	46565.29	41910.90
High	29789.85	34826.51	38776.94	52876.46	47,084.34
Low	21363.16	27774.43	30564.50	37966.76	37,919.42
KSE - All Share Index					
Year End	21973.16	24036.72	25313.12	32494.30	30582.91
High	22064.49	25031.12	25632.17	36234.20	33,313.23
Low	15150.36	20417.53	21268.58	25451.59	28,210.60
KSE - 30 Index					
Year End	20415.95	21573.42	21653.02	24250.84	20568.57
High	20570.64	22614.13	22506.60	28173.24	24,510.20
Low	16290.83	18371.59	17807.82	21807.08	18,875.48
KMI - 30 Index					
Year End	47686.55	57271.34	66162.77	78598.22	71060.34
High	48065.30	58730.32	67519.80	91145.45	81,259.68
Low	36759.88	45236.12	51626.03	66544.32	64,491.29

NOTES:

(i) The figures are from July to June.

(ii) The total number of listed companies have been stated after 15 companies De-listed in 2014, 4 companies delisted in 2015, 9 companies delisted in 2016, 2 companies delisted in 2017 and 5 companies delisted in 2018 and 2 companies Merged in 2014, 2 companies merged in 2015, 1 company merged in 2016, 2 companies merged in 2017 and 3 companies merged in 2018.

(iii) The total listed capital has been stated after adjustment of capital of companies by way of merger, bifurcation and de-listing, etc.

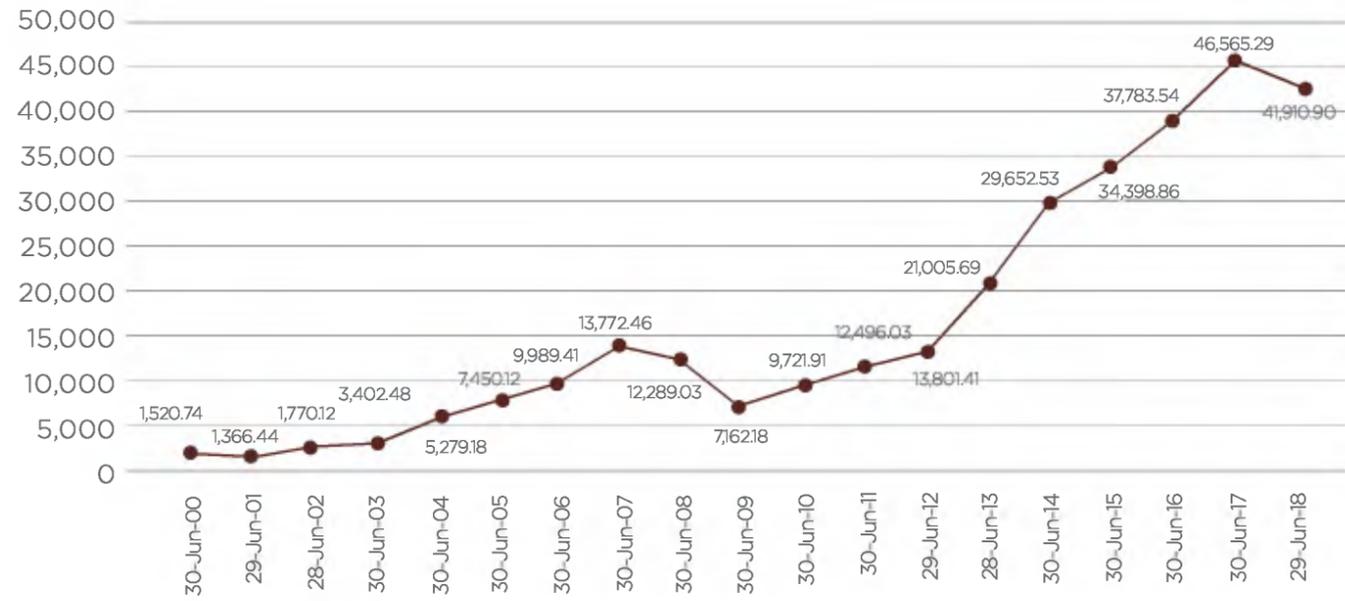
(iv) The KSE 100 Index was started in November 1991 with a base of 1000 points and it is recomposed semi-annually and was last re-composed on February 28, 2018 closing statistics.

(v) The KSE All Share Index based on the prices of August 29, 1995 = 1000, commenced w.e.f. September 18, 1995.

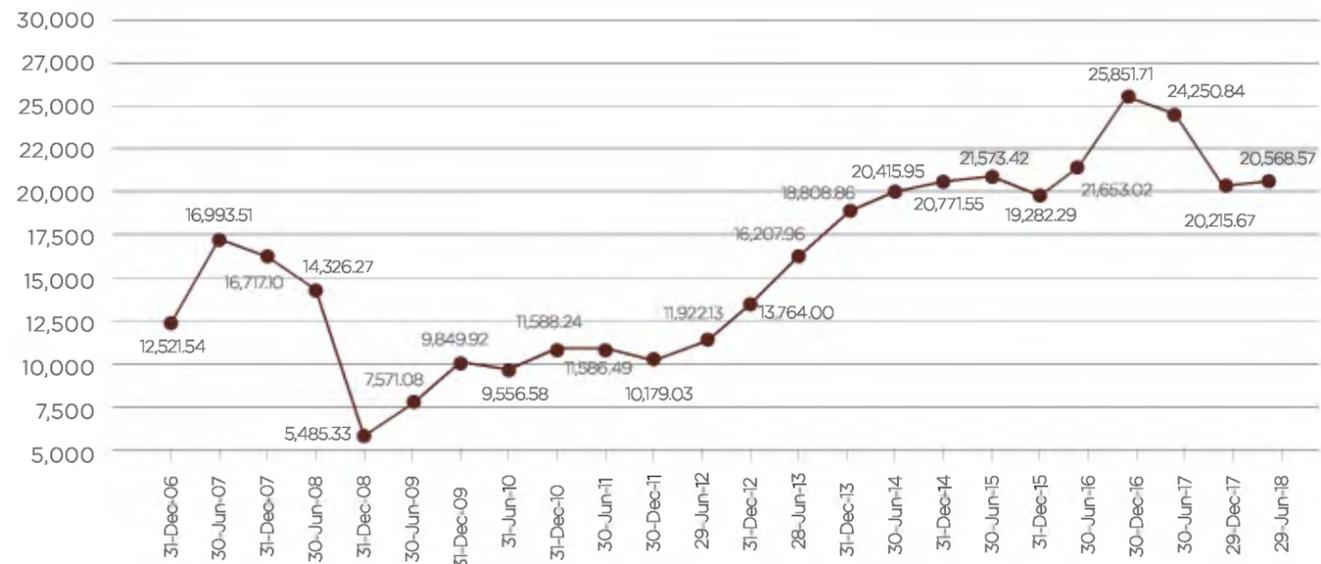
(vi) The KSE - 30 Index based on the prices of June 30, 2005 = 10000, introduced w.e.f. September 01, 2006.

(vii) The KMI - 30 Index introduced w.e.f. September 01, 2008.

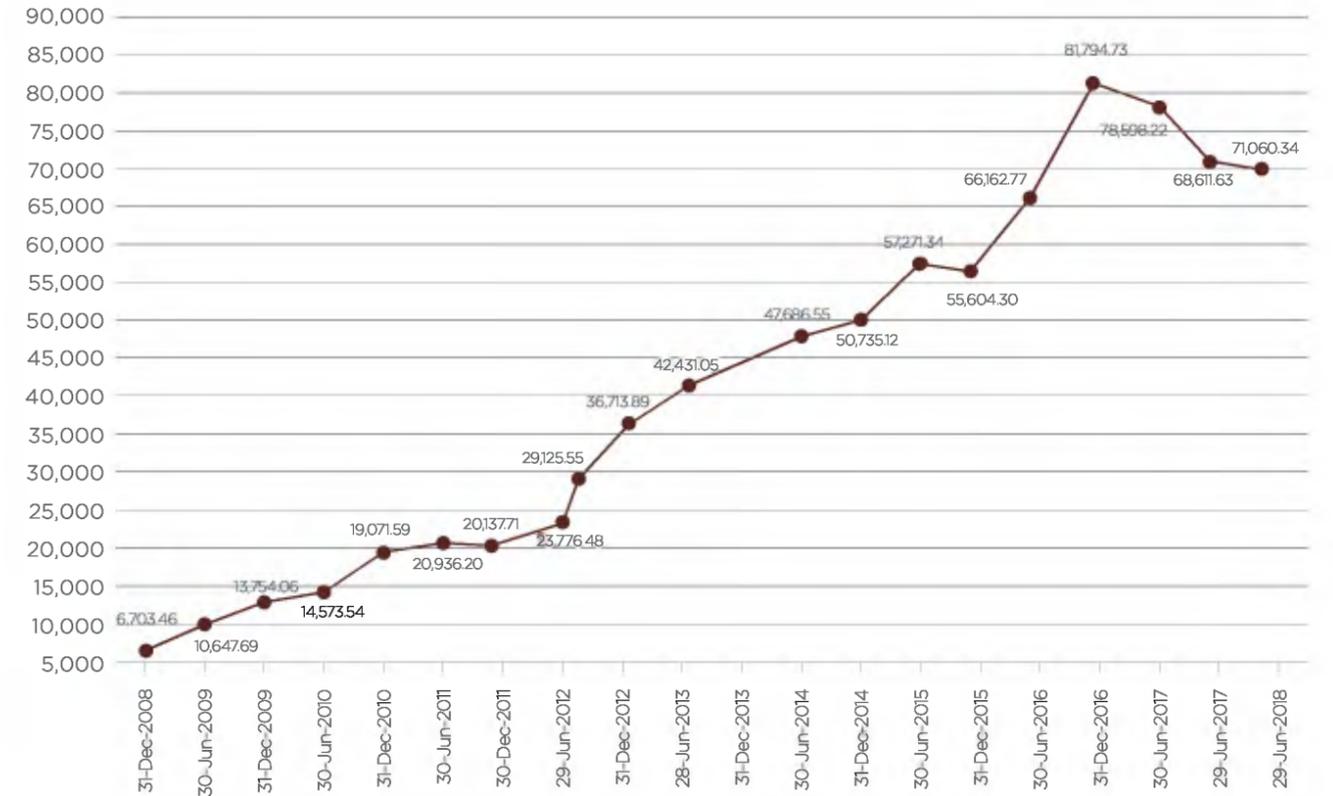
KSE - 100 INDEX



KSE - 30 INDEX



KMI - 30 INDEX



STATISTICS

LISTING OF NEW COMPANIES - EQUITY (Since July 2017 to June 2018)

Name of Company	Date of Listing	Paid up Capital	in million			
			Present Issue offered to		Subscription Received	
			General Public/ Employees	Premium	General Public/ Employees	Premium
Ittefaq Iron Industries Limited (i) (At a premium of Rs.20.20 per share)	03-Jul-2017	1,312	104	211	65	132
Macter International Limited (ii)	01-AUG-2017	391	-	-	-	-
Habib Metro Modaraba	06-Oct-2017	300	90	-	169	-
Orient Rental Modaraba (iii)	17-Nov-2017	750	150	-	560	-
Matco Foods Limited (iv) (At a premium of Rs.16 per share)	13-Feb-2018	1,166	73	117	30	48
AGP Limited (v) (Offer for Sale) (At a premium of Rs.70 per share)	05-Mar-2018	2,800	88	613	98	686
TOTAL		6,719	505	941	922	866

(i) Book Building Portion of the issue comprised of 31,312,500 Ordinary Shares (75% of the Total Issue Size) at a floor price of PKR 12 per share.

(ii) The Company is being listed on the Exchange without public offer as a result of Merger / Amalgamation of Associated Services Limited.

(iii) The Modaraba has exercised the Green Shoe Option, and offer up to an additional 25,000,000 Modaraba Certificates (PKR 250 million).

(iv) Book Building Portion of the offer comprised of 21,857,000 Ordinary Shares (75% of the Total Issue) at a floor price of PKR 26 per share.

(iv) Book Building Portion of the offer comprised of 26,250,000 Ordinary Shares (75% of the Total Issue) at a floor price of PKR 80 per share.

LISTING OF NEW DEBT INSTRUMENTS

NAME	Date of Listing	Amount Offered			Subscription Received			Amount Listed
		General Public	Others	Total Issue	General Public	Others	Total	
		Bank Alfalah Limited	28-Mar-2018	700	6,300	7,000	843	

LISTING OF OPEN-END MUTUAL FUND

Sr.	Name of Fund	Date of Listing	in million
			Total Issue Size
1	HBL Islamic Financial Planning Fund	29-Sep-2017	4,167
2	UBL Financial Planning Fund	27-Oct-2017	100
3	HBL Financial Planning Fund	15-Dec-2017	465
4	Meezan Dedicated Equity Fund	05-Jan-2018	250
5	JS Islamic Hybrid Fund of Funds	16-Mar-2018	484
6	Alfalah GHP Islamic Value Fund	22-Mar-2018	203
7	JS Islamic Hybrid Fund of Funds – 2	06-Apr-2018	712
8	NAFA Financial Sector Fund	29-May-2018	408
9	Allied Capital Protected Fund	07-Jun-2018	648
10	AKD Islamic Income Fund	21-Jun-2018	147
11	AKD Islamic Stock Fund	21-Jun-2018	199
12	UBL Financial Sector Fund	21-Jun-2018	121
13	Al-Ameen Islamic Financial Planning Fund – III	22-Jun-2018	778

APPLIED FOR LISTING

Sr.	Name of Company
1	UBL Dedicated Equity Fund (Open-end Mutual Fund)
2	NAFA Islamic Money Market Fund (Open-end Mutual Fund)
3	Jahangir Siddiqui & Co. Limited (Privately Placed TFC)
4	Soneri Bank Limited (Privately Placed TFC)
5	First Habib Asset Allocation Fund (Open-end Mutual Fund)
6	Alfalah Capital Preservation Fund – II (Open-end Mutual Fund)
7	Dawood Hercules Corporation Limited (Privately Placed Sukuk Issue)
8	Renacon Pharma Limited
9	Byco Petroleum Pakistan Limited (Sukuk Issue)

PROSPECTUS CLEARED BY THE EXCHANGE

Sr.	Name of Company
1	Master Wind Energy Limited
2	Hira Terry Mills Limited
3	Dalda Foods Limited
4	Liberty Power Tech Limited
5	Unicol Limited
6	TPL Life Insurance Limited
7	Inbox Business Technologies Limited

DELISTING OF COMPANIES / SECURITIES

(in millions)			
Sr.	Name of Companies	Date of De-Listing	Paid up Capital
1	Al-Qadir Textile Mills Limited	13-Nov-2017	76
2	Pakistan Guarantee Insurance Company Limited	29-Nov-2017	25
3	Ayaz Textile Mills Limited	15-Dec-2017	85
4	Punjab Cotton Mills Limited	19-Feb-2018	115
5	Glamour Textile Mills Limited	21-May-2018	266

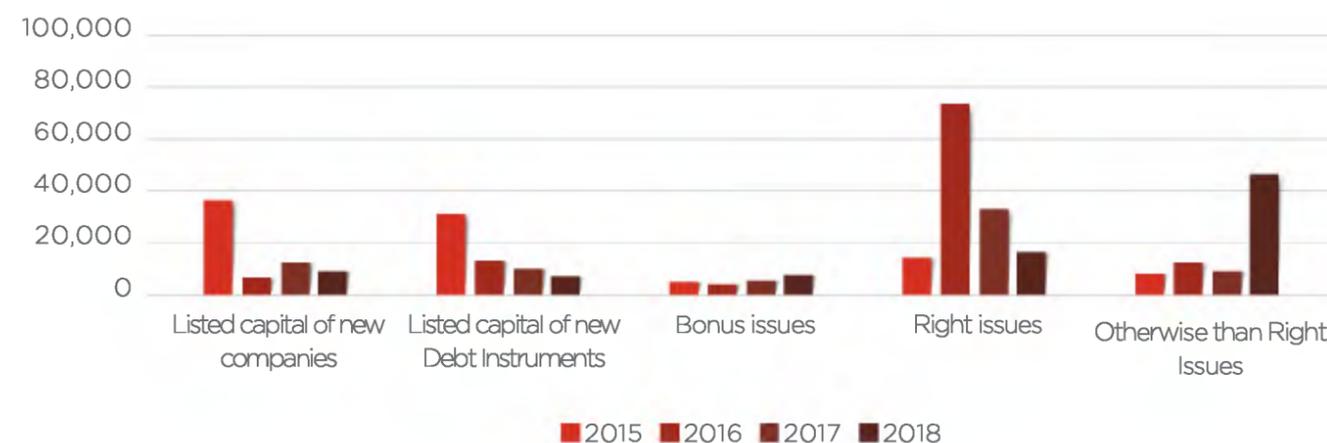
MERGER OF COMPANIES / SECURITIES

Sr.	Name of Companies	Date of Merger	Merged With
1	Associated Services Limited	31-Jul-2017	Macter International Limited
2	NIB Bank Limited	01-Aug-2017	MCB Bank Limited
3	IGI Investment Bank Limited	26-Mar-2018	IGI Insurance Limited

BREAK-UP OF LISTED CAPITAL

(in millions)				
	2015	2016	2017	2018
Listed Capital of New Companies	38,140	6,046	13,376	6,719
Listed Capital of New Debt Instruments	31,000	13,000	10,500	7,000
Bonus Issues	3,413	3,212	3,627	4,215
Right Issues	15,916	77,013	29,109	15,660
Otherwise than Right	6,170	11,961	5,583	63,184
Increase in Capital due to Integration	-	4,050	-	-
Additional Issues / Adjustments	(13,589)	(455)	(2,078)	(725)

AVERAGE MONTHLY TURNOVER OF SHARES

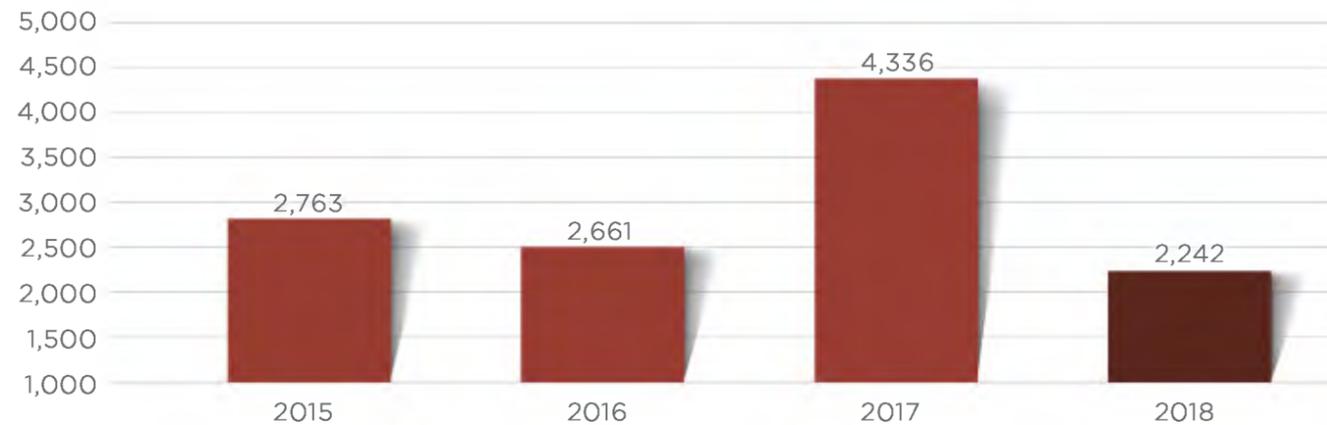


AVERAGE MONTHLY TURNOVER OF SHARES (READY)

(in millions)

	2015	2016	2017	2018
July	120.926	454.586	196.855	185.524
August	141.662	312.395	265.620	207.098
September	157.747	187.336	573.887	165.938
October	184.554	180.219	456.631	158.862
November	261.217	174.769	497.857	122.987
December	255.510	161.679	373.163	172.244
January	309.530	151.470	451.668	251.611
February	287.383	144.682	363.966	216.731
March	173.265	160.238	257.936	209.103
April	289.590	242.686	246.056	221.188
May	177.539	286.505	354.598	140.998
June	404.548	204.307	297.683	189.454
Total	2,763.471	2,660.872	4,335.919	2,241.739

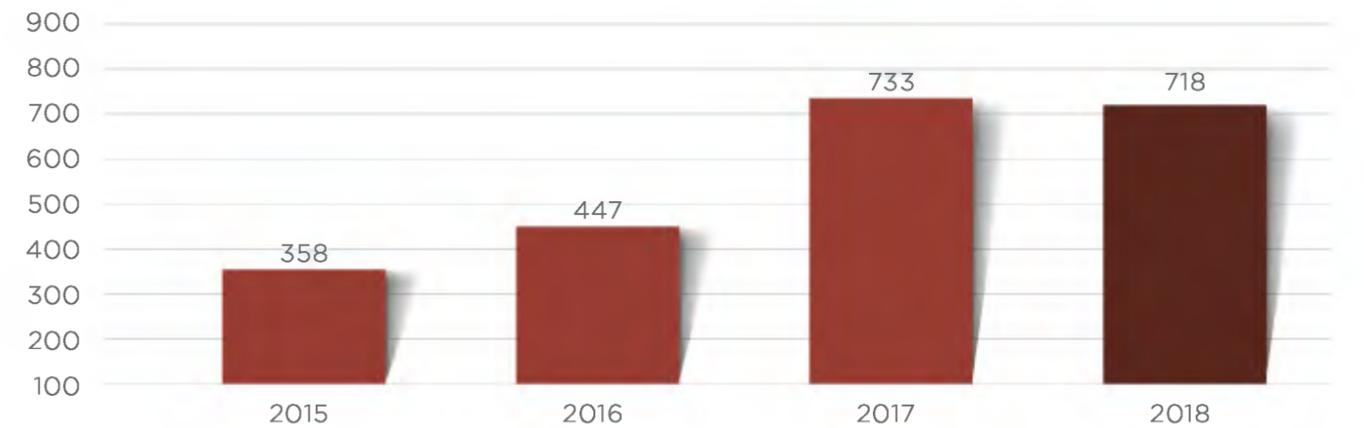
AVERAGE MONTHLY TURNOVER OF SHARES (READY)



AVERAGE MONTHLY TURNOVER OF SHARES (FUTURES COUNTER)

(in millions)

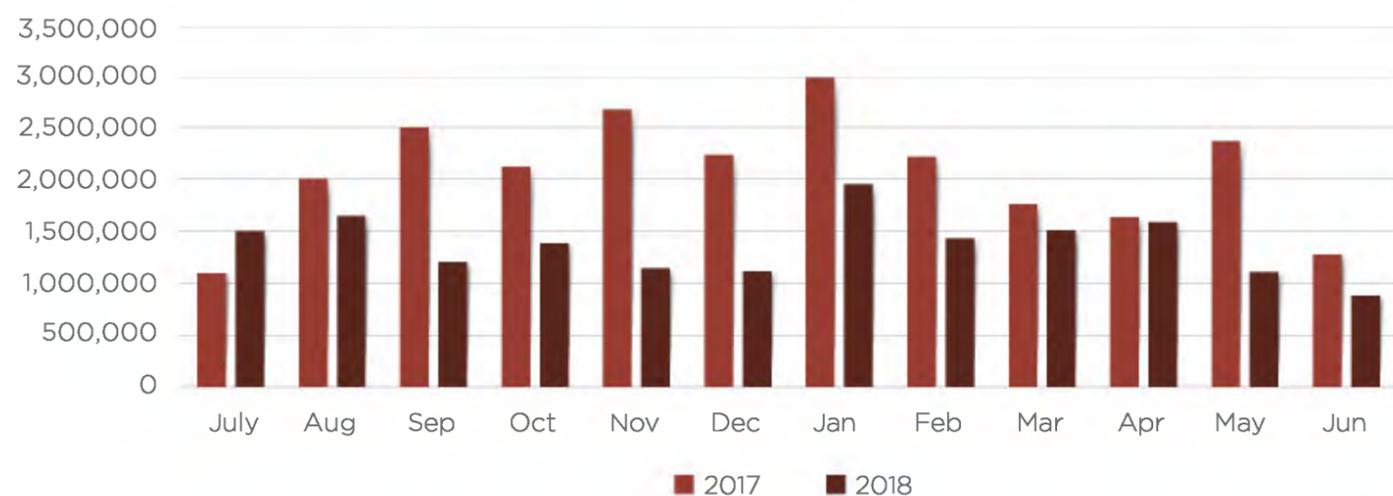
	2015	2016	2017	2018
July	15.362	38.909	50.936	57.167
August	19.178	42.255	44.179	65.609
September	23.121	38.275	58.325	57.402
October	18.962	34.492	74.526	57.286
November	26.462	28.294	76.049	52.213
December	32.210	30.571	59.005	56.684
January	37.250	27.583	73.869	67.589
February	38.801	27.800	73.628	65.850
March	30.801	31.384	59.604	60.375
April	44.465	47.825	56.099	62.822
May	31.368	54.002	56.397	53.116
June	39.768	45.449	50.345	61.478
Total	357.748	446.839	732.960	717.592



TRADES ON KARACHI AUTOMATED TRADING SYSTEM (KATS)

	2017		2018	
	No. of Trades	Daily Average	No. of Trades	Daily Average
July	1,208,624	75,539	1,478,345	70,397
August	1,965,362	85,451	1,654,171	75,190
September	2,400,140	126,323	1,148,390	60,442
October	2,091,624	110,085	1,316,563	59,844
November	2,672,852	121,493	1,085,996	49,363
December	2,268,226	108,011	1,061,502	55,869
January	2,992,420	136,019	1,932,598	84,026
February	2,162,022	108,101	1,431,593	75,347
March	1,760,041	80,002	1,473,885	70,185
April	1,654,841	82,742	1,595,811	75,991
May	2,341,008	106,409	1,091,335	49,606
June	1,265,712	70,317	889,543	49,419
TOTAL	24,782,872		16,159,732	
Average Daily		100,874		64,640

TRADES ON KARACHI AUTOMATED TRADING SYSTEM (KATS)

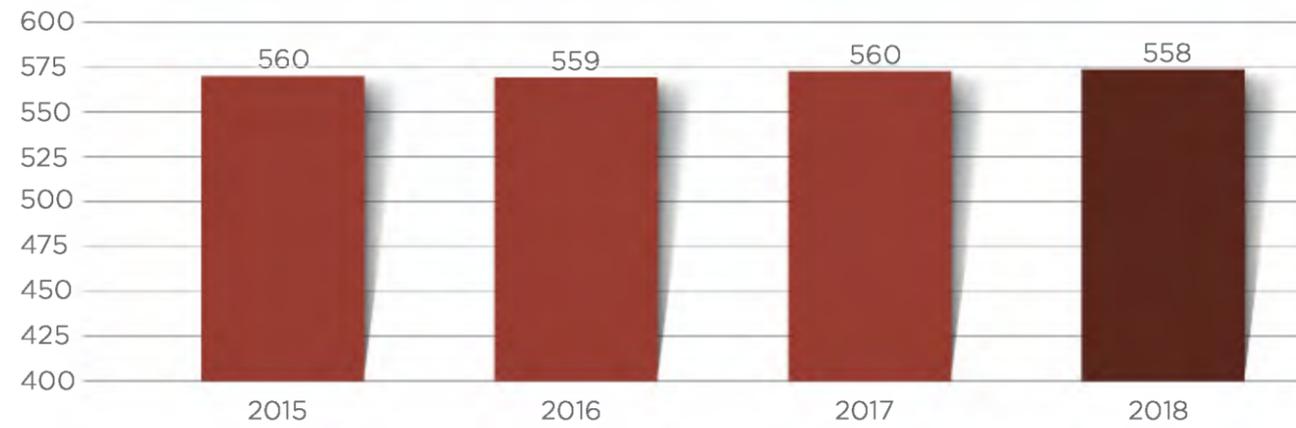


SECTOR-WISE CAPITAL LISTED ON THE EXCHANGE

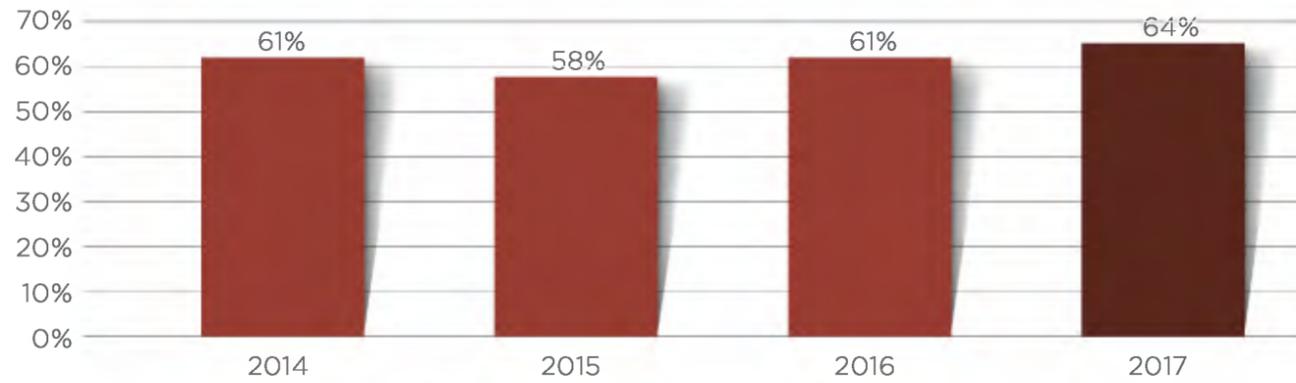
(in millions)

Sector Name	No. of Companies	Paid up Capital
Closed-End Mutual Fund	8	7,277.492
Modarabas	31	13,927.349
Leasing Companies	9	3,689.360
Inv. Banks / Inv. Cos / Securities Cos	29	40,983.675
Commercial Banks	20	384,135.906
Insurance	30	26,363.760
Real Estate Investment Trust	1	22,237.000
Textile Spinning	81	22,121.600
Textile Weaving	13	6,893.152
Textile Composite	52	31,176.655
Woollen	2	116.658
Synthetic & Rayon	11	9,795.197
Jute	2	275.085
Sugar & Allied Industries	32	11,211.965
Cement	20	72,568.932
Tobacco	3	3,218.813
Refinery	4	58,101.443
Power Generation & Distribution	19	148,042.300
Oil & Gas Marketing Companies	8	23,144.203
Oil & Gas Exploration Companies	4	66,194.543
Engineering	17	26,535.056
Automobile Assembler	12	7,813.906
Automobile Parts & Accessories	10	3,433.388
Cable & Electrical Goods	7	6,756.315
Transport	4	46,051.800
Technology & Communication	11	79,856.446
Fertilizer	7	71,004.693
Pharmaceuticals	12	11,646.221
Chemical	27	40,867.896
Paper & Board	10	5,442.343
Vanaspati & Allied Industries	6	1,826.254
Leather & Tanneries	5	309.888
Food & Personal Care Products	20	21,190.224
Glass & Ceramics	9	10,223.775
Miscellaneous	22	12,941.765
TOTAL	558	1,297,375.058

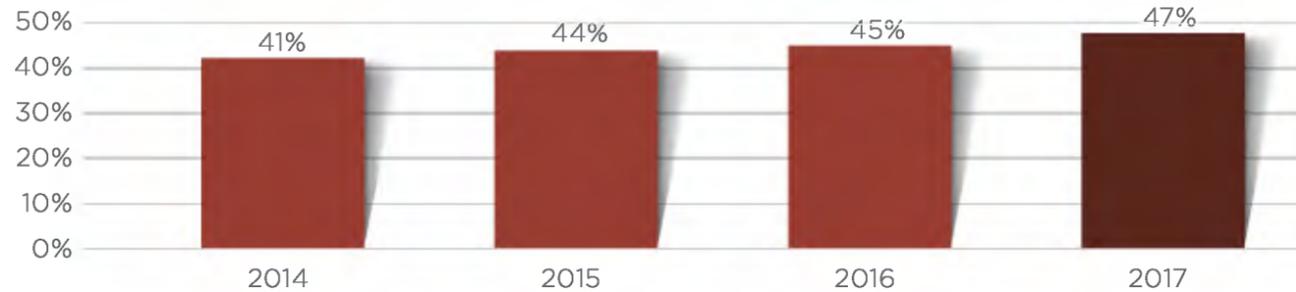
NUMBER OF LISTED COMPANIES



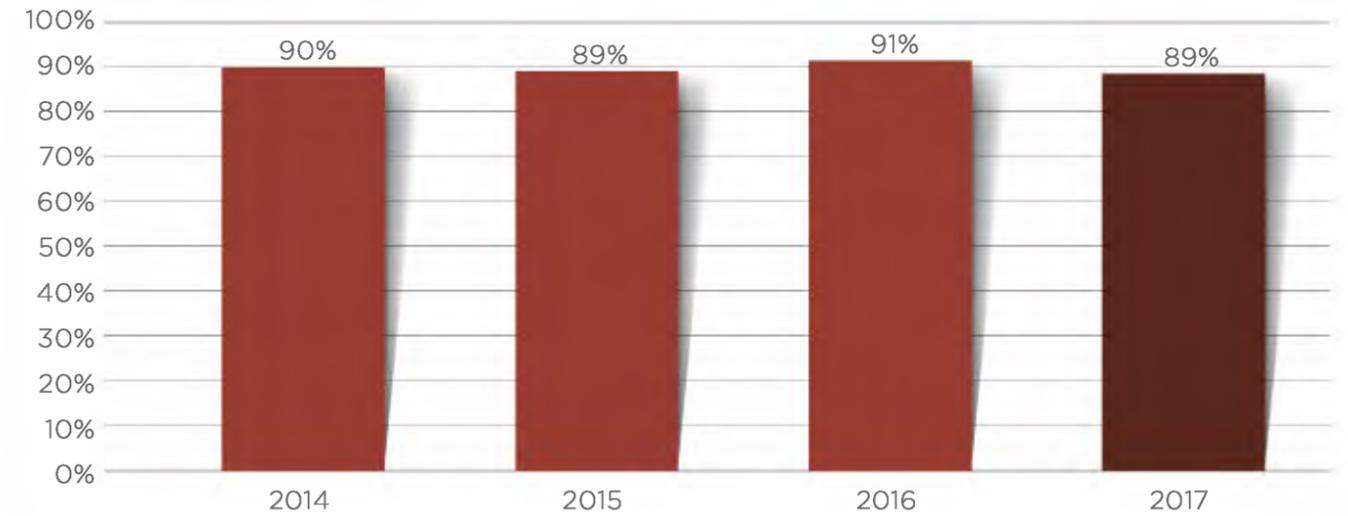
PERCENTAGE OF COMPANIES MAKING PROFIT



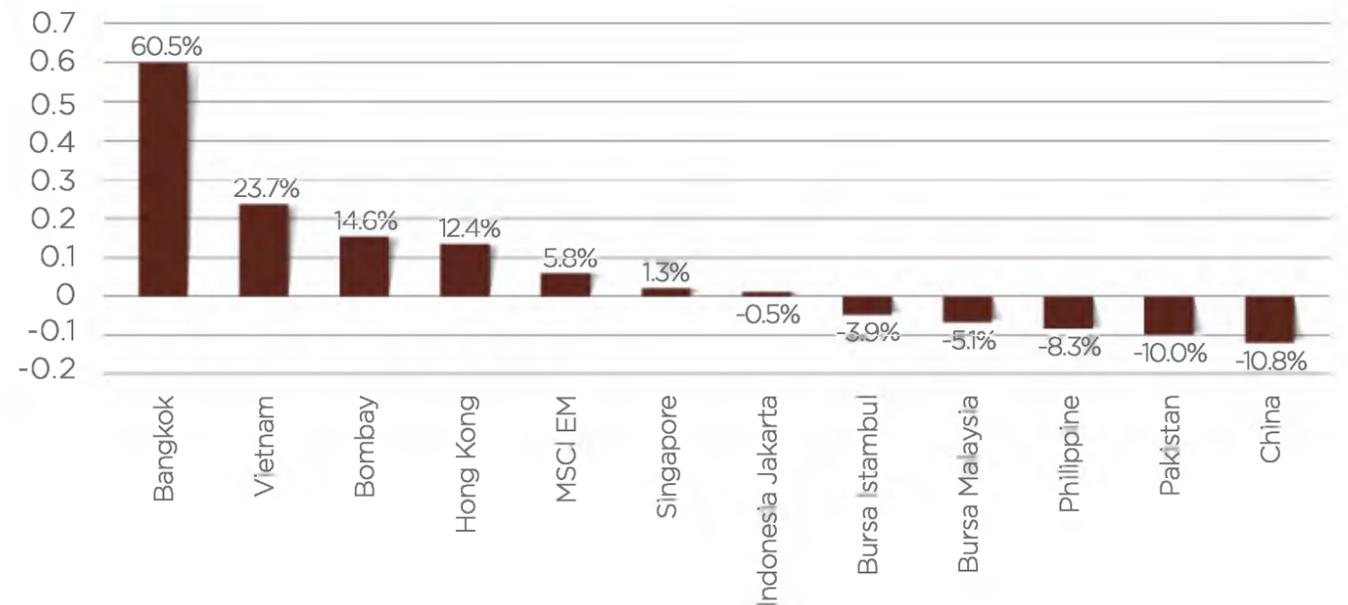
PERCENTAGE OF COMPANIES PAYING DIVIDENDS



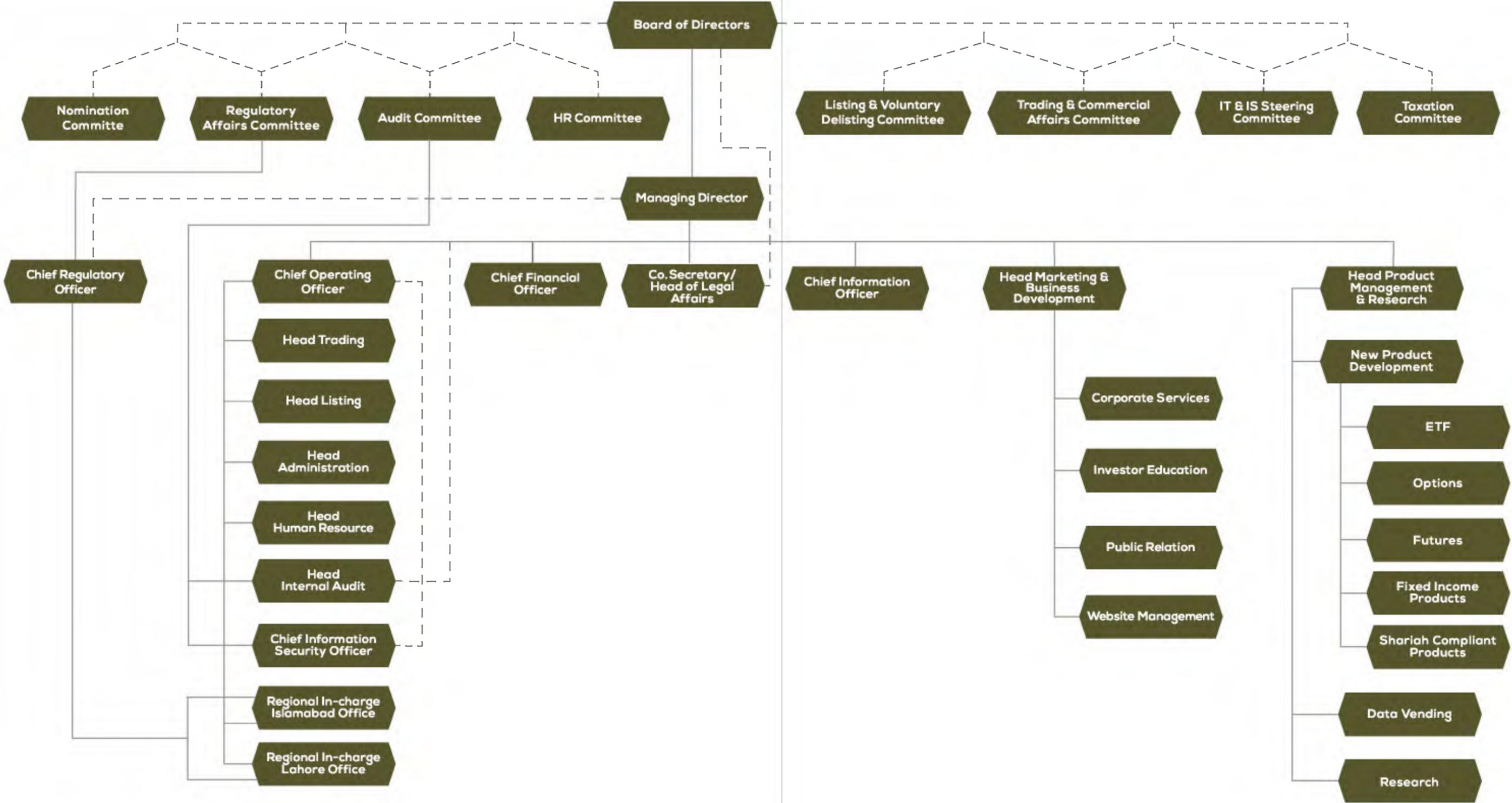
PERCENTAGE OF COMPANIES THAT ANNOUNCED ANNUAL RESULTS



GLOBAL STOCK INDICES DURING JULY-JUNE 2017-18



ORGANISATIONAL STRUCTURE



TRADING IN DIVERSITY



BOARD OF DIRECTORS



FROM LEFT TO RIGHT

MUHAMMAD RAFIQUE UMER
SYED MASOUD ALI NAQVI
AHMED CHINOY

QUE BO
SHAHNAWAZ MAHMOOD
NAZ KHAN

ABID ALI HABIB
RICHARD MORIN

FROM LEFT TO RIGHT

SULAIMAN S. MEHDI
ZHIPING RONG
MOIN M. FUDDA

AMJAD PERVEZ
SHEHZAD CHAMDIA
MUHAMMAD ASHRAF BAWANY

SAAD AMANULLAH KHAN
YU HUALI
YOU HANG

BOARD OF DIRECTORS - PROFILES



SULAIMAN S. MEHDI
Chairman & Independent Director

Mr. Sulaiman S. Mehdi, the Chairman of Pakistan Stock Exchange Limited (PSX), holds a Master's degree and is an FCIS. He is a Certified Director from the Pakistan Institute of Corporate Governance (PICG).

He has 17 years of experience working with leading Financial Services Groups in senior positions in the areas of investments, operations, marketing, legal and corporate affairs.

Mr. Mehdi is the CEO of Cyan Limited (formerly Central Insurance Company Limited - CICL). He joined CICL as the COO and Company Secretary (CS) on October 01, 2010 and led the insurance license revocation of CICL. The revocation of insurance license and its business restructuring from CICL to Cyan is a landmark transaction, and the first of its kind in Pakistan.

Cyan is a public listed Investment Company with focus on public and private equity investments and is a DH Group company. Cyan commenced its formal investment journey in 2012 with investable capital of PKR 3bn and has paid cash dividends of PKR 5.28bn in 5 years from 2012 to 2016. Cyan's equity portfolio has been consistently outperforming the benchmark KSE-100 Index since 2012 to date.

Amongst his prominent achievements is the acquisition of HUBCO from National Power on June 13, 2012. The acquisition value was PKR 6bn and was sold in March 2018 for PKR 22bn resulting in gains of app. PKR 14bn (excluding dividends) in less than 6 years. He also had the privilege of leading the election process of HUBCO for DH Group twice in 2012 and 2015 and managed 8 out of 11 seats with just 17.5% shareholding while managing the rest through proxies.

Mr. Mehdi has served on the Board of Dawood Lawrencepur Limited from 2011 to 2014. Moreover he was a Director for FOCUS Pakistan from 2008 to 2011 (an Aga Khan Foundation backed NGO) and also served as director for 3 years at Sach International (Pvt.) Ltd. Also he has been a director of Inbox Business Technologies (Pvt.) Ltd., Inbox Consulting (Pvt.) Ltd. and Inbox Corporation (Pvt.) Ltd. from June 15, 2015 to August 23, 2016.

Before Cyan, he served as the COO and CS of ABL AMCL from January 01, 2008 to September 30, 2010 and during his tenure the assets under management grew from a start-up fund of PKR 1.8bn to 13bn with four funds. Before ABL AMCL he was also associated with Allied Bank Limited - Corporate and Investment Banking Group as Senior Vice President (SVP) from June 2007 till December 31, 2007, and was primarily responsible for the formation of ABL AMCL. Before joining ABL, he served as the COO and CS of PICIC Asset Management Company Ltd. - one of the leading AMCs of Pakistan from July 2004 to June 2007 and was primarily responsible for the formation of PICIC AMC. During his tenure the assets under management in the form of closed end funds grew from PKR 4.5bn to 19bn. He started his career with Pakistan Industrial Credit and Investment Corporation Limited (PICIC-DFI) in July 2001 as a Management Trainee (OG-II] and was there till June 30, 2004 in the capacity of Manager Corporate Affairs.

He is a member of The Sind Club, The Karachi Boat Club (KBC), DHA Golf Club and Aga Khan Gymkhana and is socially active. He is a known figure amongst the business and corporate world.

At PSX, besides being the Chairman of the Board, Mr. Mehdi is also serving as the Chairman of Nomination Committee and Human Resources and Remuneration Committee and as the member of Regulatory Affairs Committee. He is also trustee for the Centralized Customers Protection Compensation Fund.

Other Directorships:

Chief Executive Officer, Cyan Limited
Chairman, Pebbles (Private) Limited



RICHARD MORIN
Managing Director

Mr. Richard Morin joined Pakistan Stock Exchange Limited (PSX) as CEO from January 11, 2018. He is an experienced financial markets professional with 30 years of experience spreading across various emerging markets and in Canada.

Throughout his professional career, Mr. Morin has contributed in various segments of financial markets including but not limited to formulation of securities markets regulation and supervision mechanisms, derivative markets, central depositories, clearing systems, government securities markets and investment advisory.

During his term at the Montreal Exchange from 1984 to 1995, he held various key positions such as Vice-President (Operations – Derivative Products), Director (Market Quality), Director (Market Development) and as a Listing Officer. For two years, he also headed the Stock Exchange of Mauritius bringing in line Mauritian capital market up to international standards. For over a year, from 1998 to 1999 he was appointed as the Chief of Mission of Regional Stock Exchange of West Africa to devise a strategic plan and advise the Regional Stock Exchange of West Africa on issues related to market development, operations, regulation and risk management.

From 1999-2001, Mr. Morin served as Vice-president of National Bank Securities, the mutual funds and discount brokerage subsidiary of the National Bank of Canada, where he managed client assets of \$5 billion. In 2002, He Co-founded Landry Morin inc offering investment management services to private and institutional clients.

Mr. Morin was also appointed as the Managing Director of Investment Industry Association of Canada (IIAC) from 2013 to 2015 where he led the investment industry's advocacy and lobby efforts in the areas of listed and OTC derivatives and online brokerage. In 2015, He established Archer Wealth Management inc. serving as a CEO and CCO offering wealth management services to private clients.

As a consultant in 2001, Mr. Morin advised the Québec Securities Commission (Canada) and the financial market regulator of West Africa. As part of a World Bank funded initiative, Mr. Morin also conducted a feasibility study for the establishment of a stock exchange and a central depository and settlement company in Yemen.

With the aim to share his vast experience and to guide young professionals, Mr. Morin has served as a lecturer at Université de Sherbrooke where he taught capital market structure as part of 'Graduate Finance Program'. As a volunteer, he acts as a mentor to assist young entrepreneurs in their early stage tech startups.

Mr. Morin earned Bachelors in Economics in 1982 from University of Montreal and Masters in Business Administration in 1988 from McGill University. He also passed 'Canadian Securities Course' in 1984 and 'Partners, Directors and Officers Examination' in 2000 from Canadian Securities Institute. Recently, he has also passed 'Chief Compliance Officer Examination'.

Besides being the Managing Director of PSX, Mr. Morin is also appointed by the Board as Chairman of Listing & Voluntary De-Listing Committee and as a member of IT & IS Steering Committee.



MUHAMMAD ASHRAF BAWANY
Director

Mr. Muhammad Ashraf Bawany remained Chief Executive and Managing Director of Linde Pakistan Limited – a Member of Linde AG, Germany from 2nd August 2013 to 7th January 2018. He was then appointed as Advisor to Chairman & Board of Directors from 8th January 2018 to 31st March 2018. He served Linde Pakistan Limited for more than 30 years in various leadership roles and was responsible for successfully executing several local and regional initiatives and strategies. Prior to his appointment as CEO & MD, he held a number of key positions within the company.

He takes keen interest in the promotion of education, trade and industry and strongly advocates these causes through various professional, corporate and trade platforms and also supports various social and welfare activities. In this regard he is associated with the Welfare Committees of Tabba Heart Institute (THI), Tabba Kidney Institute under Aziz Tabba Foundation (ATF).

Mr. Bawany is Chairman Pakistan German Business Forum (PGBF) and a Director on the Board of

German Pakistan Chamber of Commerce & Industry (GPCCI), Trustee - Help International Welfare Trust (HIWT) and Member Supreme Council, Jetpur Memon Association. Mr. Bawany is also a Certified Director from the Pakistan Institute of Corporate Governance (PICG), and a Director on PICG board and Chairman of the Board Audit Committee. In addition, he has also served as nominee Director of Pakistan Stock Exchange Limited (PSX) on the Board of National Clearing Company of Pakistan Limited (NCCPL) and Chairman Board Audit Committee of NCCPL, Vice President of Bin Qasim Association of Trade & Industry (BQATI) and Vice-President Jetpur Memon Association (JMA) and Chairman, Strategic Advisory Board (SAB) of Memon Professional Forum.

He is the former President of Institute of Cost and Management Accountants of Pakistan (ICMAP) and Pakistan Institute of Public Finance Accountants (PIPFA).

Mr. Bawany is a fellow member of ICMAP and ICSP. He is also a Law graduate and has done various advanced management courses from local and foreign institutions.

At PSX, Mr. Bawany is also serving as member of Nomination Committee, Human Resources & Remuneration Committee, IT Procurement Committee and Listing & Voluntary De-Listing Committee. Moreover, he has been nominated by PSX to serve as Director on the Boards of National Clearing Company of Pakistan Limited and Central Depository Company of Pakistan Limited.

Other Directorships:

Director, Pakistan Institute of Corporate Governance
Director, Pak German Business Forum
Director, German Pakistan Chamber of Commerce and Industry
Director, Emerging Indus Partners Limited
Nominee Director of PSX, National Clearing Company of Pakistan Limited
Nominee Director of PSX, Central Depository Company of Pakistan Limited



QUE BO
Director

Mr. Que Bo is serving as Non-Executive Director on the Board of Pakistan Stock Exchange Limited (PSX), being a nominee of Shanghai Stock Exchange (SSE). Mr. Que is Executive Vice President of the SSE. Since 1994, Mr. Que has worked in different divisions in the SSE, including Supervision of Listed Company, Stock and Bond Trading Management, Legal Affairs, Global Business and Market Surveillance Department etc. Currently he oversees Global Business Development Department and Hong Kong Representative Office of SSE. He serves as Chairman of China Investment Information Services Ltd. (CIIS), Shanghai Financial Administrative Service Co. Ltd. and Shanghai Zhuyuan Project Management Co. Ltd., which are all subsidiaries of SSE.

Mr. Que has been involved in a wide range of business of SSE, including trading management, bond business, surveillance system building, pre-listing consultation and information disclosure supervision. He has rich experience in capital market development, listed company management and exchange self-discipline.

In the preparation of Shanghai-Hong Kong Stock Connect (SHKSC) in 2014, Mr. Que has been engaged in coordination across various departments within SSE and communicating with SFC and CSRC, HKeX, China Clear and international participants. He also leads a team that designs the business model of the SHKSC and drafts business rules and agreements. Mr. Que initiated the formation of China Europe International Exchange AG (CEINEX), a joint venture established by Shanghai Stock Exchange, Deutsche Börse Group and China Futures Exchange. CEINEX provides the first dedicated trading venue for offshore RMB denominated securities products.

Mr. Que Bo graduated from the Law Department of East China University of Politics and Law with an L.L.M. in 1994. In 2002, he was awarded a Doctorate in International Law.

Mr. Que Bo is also serving as member of Audit Committee and Listing & Voluntary Delisting Committee of PSX.



SHEHZAD CHAMDIA
Director

Mr. Shehzad Chamdia is a fellow member of the Institute of Chartered Accountants of Pakistan and a renowned educationist. He also holds a bachelor's degree in Commerce from University of Karachi.

Mr. Chamdia has been associated with PSX since 1988. He was a corporate trading right holder by the name of Shehzad Chamdia Securities (Private) Limited where he acted as CEO and then as Chairman. With effect from October 2016, the said company surrendered its trading right entitlement certificate. Since 1992, he has served PSX in various capacities, being on the Board for a number of terms, participating and heading various committees of the Board and SECP, mainly focusing on corporatization, demutualization and integration of PSX for the past few years which has now been successfully accomplished. He had also served as a Director on the Boards of Central Depository Company of Pakistan Limited and National Clearing Company of Pakistan Limited, being the nominee Director of PSX.

Mr. Chamdia is the Founder President of College of Accounting & Management Sciences (CAMS) as well as Director of the Avicenna School (Private) Limited.

At PSX, he led the Divestment Committee formed by SECP in 2016 which had successfully achieved the tasks of divesting 40% of PSX's strategic shares, followed by offer for sale of 20% of PSX's equity shares to general public.

Besides being a director on the Board of PSX, Mr. Chamdia is also the Chairman of IT Procurement Committee and the member of Audit Committee, Human Resources & Remuneration Committee and Listing & Voluntary De-Listing Committee.

Other Directorships and offices:

President, College of Accounting & Management Sciences (CAMS)
Director, Avicenna School (Private) Limited
Director, Shehzad Chamdia Securities (Private) Limited



AHMED CHINOY
Director

Mr. Ahmed Chinoy is an elected Director on the Board of Pakistan Stock Exchange Limited. He is the Managing Partner of Arch Sons Group of Companies and is engaged in overseeing various businesses such as security investments, textiles, real estate and poultry farming.

Mr. Chinoy is qualified from Institute of Cost & Management Accountants of Pakistan (ICMAP) and holds a graduate degree in Commerce from University of Karachi. He is also a certified director from Pakistan Institute of Corporate Governance.

Mr. Chinoy is a prominent business and social figure in Pakistan. He has served the society in different capacities in the areas of business, education, health, crime prevention and other social services and has rendered invaluable services to the nation in these fields. He has successfully served as Chief of Citizen Police Liaison Committee, Sindh (a citizens' body for prevention of crimes) from the year 2010 to 2015. He has also been actively serving on the Boards of various hospitals and educational institutions and has been heading

the Memon Community as the President of All Pakistan Memon Federation. Previously, he has served on the Managing Committee of Federation of Pakistan Chamber of Commerce & Industry for many years and has also remained as Chairman of Pakistan Cloth Merchants' Association (the apex body of textile exporters). For his services to the people of Pakistan, he has been awarded prestigious national awards of Hilal-e-Imtiaz (H.I.) and Sitara-e-Imtiaz (S.I.).

Mr. Chinoy is nominated by PSX to serve as Director on the Boards of Central Depository Company of Pakistan Limited, National Clearing Company of Pakistan Limited and Pakistan Mercantile Exchange Limited. He has also been appointed as the member of Audit Committee, Human Resources & Remuneration Committee and Listing & Voluntary De-Listing Committee.

Other Directorships and Offices:

Managing Partner, Arch Sons
Managing Partner, Arch Industries
Director, AKD REIT Management Company Limited
Director, Creek Developers (Private) Limited
Managing Partner, Lotus Properties
Partner, Golden Livestocks
Partner, Al-Karam Builders & Developers
Partner, Al-Karam Lagoon
Nominee Director of PSX, Central Depository Company of Pakistan Limited
Nominee Director of PSX, National Clearing Company of Pakistan Limited
Nominee Director of PSX, Pakistan Mercantile Exchange Limited



MOIN M. FUDDA
Director

Mr. Moin M. Fudda has over 40 years of rich and unique blend of professional experience which encompasses working for the corporate sector and performing diplomatic duties. He holds MBA (Insurance & Risk Management) from St. Jones University, New York, and B.S. (Insurance & Economics) from R.C.D. College of Insurance, Tehran. In his former role as Managing Director of Karachi Stock Exchange or "KSE" (now Pakistan Stock Exchange Limited or "PSX") from 2002 to 2005, he was nominated and elected as the Chairman of the Board of National Clearing Company of Pakistan Limited, Chairman of the Audit Committee of the Board of Central Depository Company of Pakistan and a founding Managing Director of the National Commodity Exchange (now Pakistan Mercantile Exchange Limited). He represented KSE at South Asian Federation of Exchanges (SAFE), and Chaired the Corporate Governance Task Force of the Federation of European & Asian Stock Exchanges (FEAS).

On behalf of KSE, he has helped in creation of Pakistan Institute of Corporate Governance (PICG). He is a Certified Corporate Governance Trainer by International Finance Corporation (IFC) since 2010 and is a Member of Faculty and has also served on the Board of PICG. He has contributed significantly for publishing a Corporate Governance Guide for Family Owned Businesses. He was a Member of the Task Force formed in 2012 and subsequently in 2016 to review the Code of Corporate Governance. He advocated for development of Rules of Corporate Governance for Public Sector Enterprises (PSEs) and worked closely with the Ministry of Finance for enactment of these rules.

Since 1990, he has been serving as the Honorary Consul General of New Zealand for Pakistan and being its sole representative, his responsibilities include, consular affairs, trade, education & facilitations of visas. He is a Member of Board of Directors of Karachi Council on Foreign Relations and a Member, Executive Committee of English Speaking Union of Pakistan. Besides, he is a Country Representative for SCOR – A Global Tier-1 Reinsurer. Prior to joining KSE, he was Country Chief of New Zealand Insurance and Commercial Union (CU now AVIVA), founder MD of CU Life (now Jubilee Life) and Executive Director – Reinsurance, Pakistan Insurance Corporation. He worked for American Internationals Group (AIG) in its Head Office at New York and as an Adjunct Assistant Professor at The College of Insurance in New York. He has served on Technical Committees of Economic Cooperation Organization (ECO) Reinsurance Pool and Federation of Afro Asian Insurers and Reinsurers Pool (FAIR).

He also held positions such as Presidents of Overseas Investors Chamber of Commerce & Industry and Management Association of Pakistan wherein later nominated him on the Board of the then KSE for the period 1999-2000. Later, Mr. Fudda also served as Chairman of the Board of former Islamabad Stock Exchange Limited and

helped in integration of the three Stock Exchanges. He was appointed as Member of the Committees on Anti-Money Laundering and Transfer Pricing by SECP and a member of National Policy Platform for Competitiveness & Economic Growth by Ministry of Economic Affairs.

Mr. Fudda also remained an Independent Director & Chairman of the Audit Committee at Wyeth Pakistan Limited and Gadoon Textile Mills Limited as well as a Member, Board of Governors and Chairman of the Finance Committee of the Indus Valley School of Arts & Architecture. He has also served on the Boards of Investment & Privatization Commission, Pakistan Institute of Management and Federation of Pakistan Chamber of Commerce & Industry, Pakistan Britain Business Advisory Group, National Center for Dispute Resolution and Chairman and/or Member of various Alternate Dispute Resolution Committees (ADRC) formed by the Federal Board of Revenue.

Mr. Fudda's achievements have been recognized through various accolades bestowed upon him. In 2006, Mr. Fudda was conferred Sitara-e-Imtiaz (S.I.) by the President of Pakistan. In 2002, he was recognized as the Honorary Officer of the New Zealand Order of Merit (ONZM) and in 1990, NZ Commemoration Medal was conferred by the Queen of New Zealand. In the year 1989, Mr. Fudda was awarded the Best Managers Award by Institute of Business Administration (IBA), Karachi. He has traveled to 120 countries in six continents.

Besides being an independent director on the Board of PSX, Mr. Fudda has been nominated as the Chairman of Regulatory Affairs Committee and as member of Nomination Committee, Human Resources & Remuneration Committee and IT Procurement Committee.

Other Directorships:

Chairman & Independent Director, Central Depository Company of Pakistan Limited
Independent Director, Al-Meezan Investment Management Limited
Independent Director, Pak Suzuki Motor Company Limited
Independent Director, Merit Packaging Limited



ABID ALI HABIB
Director

Mr. Abid Ali Habib was a prominent member of brokers' community at Pakistan Stock Exchange Limited (PSX) and had always rendered valuable contribution towards the betterment and growth of the Exchange. In the past, he has been elected as Director of former Karachi Stock Exchange [now PSX] (KSE) for various terms between the years 1995 and 2012. During these terms, he has served on various Committees constituted by the Board, as Chairman or member.

He played the central role in conceptualization, planning and design of internet-based order routing system and also supervised, implemented and tested Karachi Automated Trading System.

As member of Demutualization Committee of KSE during the years 2005, 2006 and 2010, Mr. Habib was the key figure in preparation of Preliminary Report on proposed demutualization of KSE, identifying various issues and recommendations thereon, in line with existing models and

international practices. Ultimately, the objectives of corporatization and demutualization were achieved in 2012.

Mr. Habib held the position of Chairman, Companies Affairs/Corporate Governance Committee of KSE for the years 2010 and 2011. During this term, a number of tasks were initiated and successfully completed, having positive impact on overall regulatory environment of the Exchange. Some of the major achievements included (i) various amendments in Listing Regulations; (ii) action against delinquent/non-performing companies in violation of Listing Regulations; (iii) revision of annual listing fee; (iv) mechanism for verification of rumor mongering in the market pertaining to listed companies/securities; (v) implementation of revised Code of Corporate Governance; (vi) measures for disclosure of information to market participants/investors pertaining to sale/purchase of securities by any director, CEO or executive or their spouses; and (vii) revision of criteria for selection of Top Companies.

At PSX, Mr. Habib is serving as the Chairman of Trading & Commercial Affairs Committee and as member of Audit Committee, Human Resources & Remuneration Committee and Listing & Voluntary De-Listing Committee. At Central Depository Company of Pakistan Limited (CDC) where he is nominated as Director by PSX's Board, Mr. Habib is appointed by the Board of CDC as the Vice-President of Disciplinary Tribunal and member of Investment Committee.

Other Directorships:

Nominee Director of PSX, Central Depository Company of Pakistan Limited & Vice-President of Disciplinary Tribunal and member of Investment Committee of CDC



YU HUALI
Director

Ms. Yu Huali is serving as Non-Executive Director on the Board of Pakistan Stock Exchange Limited (PSX), being a nominee of Shenzhen Stock Exchange (SZSE). Ms. Huali graduated in Computer Sciences Engineering from Huazhong University of Science and Technology, in 1990. Later on, she completed her Masters in Business Administration from Amoy University, in 2003.

Ms. Huali has held positions of Director, IT Strategy and Planning Department and Computer Engineering, in SZSE, during her tenure from 2011 to 2015. Since 2012, she has been serving as Vice Chief Engineer (CTO) of SZSE.

Besides being a director on the Board, Ms. Huali is also serving as member of IT & IS Steering Committee of PSX.



NAZ KHAN
Director

Ms. Naz Khan is currently the Managing Director of X-Petroleum Limited. Prior to this, she was with Engro, initially as the Chief Financial Officer of Engro Fertilizers and then as the CFO of Engro Corporation. During this period she was part of the team at Corp that implemented a successful turn-around through several transactions including restructurings, listings and new projects.

Prior to Engro, Ms. Naz has been involved with the financial markets for over 18 years on the asset management, investment banking and broking sides. She was CEO of KASB Funds from 2005 to August 2010 and earlier has been actively involved in primary as well as secondary markets for both debt and equity securities.

Ms. Naz has also served on the Boards of Mutual Fund Association of Pakistan (MUFAP), Young Presidents' Organization (YPO) and several of the Engro company boards, including publicly listed companies and is currently on the Boards of Shell Pakistan Limited and UBL Fund Managers Limited.

Ms. Naz has served as a member of various task forces and committees, including the Debt committees of the SECP and the KSE and is currently a member of the Investment Committee of Pakistan Human Development Fund (PHDF).

Ms. Naz holds a BA in Economics from Mount Holyoke College, MA, USA and has attended leadership and management courses at INSEAD, Harvard University and Georgetown University.

Ms. Naz has been nominated by the Board of Pakistan Stock Exchange Limited (PSX), as member of Regulatory Affairs Committee and Audit Committee.

Other Directorships:

Managing Director, X-Petroleum Limited
Director, X-Co Partners (Private) Limited
Director, Shell Pakistan Limited
Director, UBL Fund Managers Limited



SAAD AMANULLAH KHAN
Director

Mr. Saad Amanullah Khan has nearly three decades of experience of working for Gillette Pakistan as CEO, and Procter & Gamble in senior executive positions. He is a graduate of the University of Michigan MBA (Class of 1987) and holds two engineering degrees.

Mr. Saad is a very active social worker, serving on the boards of over a dozen NGO's and an advisor to another dozen social enterprises. Mr. Saad is founding board member of Pakistan Innovation Foundation (PIF), I Am Karachi Consortium, South East Asia Leadership Academy (SEALA) and Agha Khan Hospital's Patient Welfare Committee.

He also served as the President of Public Interest Law Authority of Pakistan, a civil rights organization and Board Member of Patient Aid Foundation, a private group helping the largest public hospital in the region Jinnah Post Graduate Medical Center (JPMC); LettuceBee Kids, an organization helping the cause of street kids; Naya Jeevan working to offer health insurance to urban poor; AIESEC which provides young people with leadership

opportunities to develop into global leaders; National University of Sciences & Technology's (Islamabad) Corporate Advisory Council (CAC), Society of Human Resources Management; and EcoEnergy.

Mr. Saad is an author of "It's Business, It's Personal" a book on setting your company's vision and delivering it through organizational excellence. He is an active writer in newspapers. His articles focus on economic growth, democracy, entrepreneurship, social development and leadership.

As per Mr. Saad, his goal of life is to be a good human being and a good corporate citizen of Pakistan. When President of American Business Council (ABC), he got Rs 1 Billion from USAID for the Bolton Market Traders who lost their shops in the Dec 2009 terrorist attack. Mr. Saad is a certified member of the Pakistan Institute of Corporate Governance (PICG).

Other Directorships:

Independent Director, ZIL Corporation
CEO, Alamut Consulting
Chairman, Pakistan Innovation Foundation



SHAHNAWAZ MAHMOOD
Director

Mr. Shahnawaz Mahmood is currently the Deputy Managing Director of the Pak China Investment Company Limited. As an executive director, he is involved in devising the strategic direction for company's business objectives as well as organizational management. He has been instrumental in developing new initiatives such as advisory, private equity and infrastructure financing. He has also played a vital role in attracting Chinese investments in initiatives such as acquisition of Pakistan Stock Exchange Limited (PSX). He is also a director on the Board of Central Depository Company of Pakistan Limited (CDC).

Mr. Mahmood has previously been a part of the Public Private Partnership (PPP) initiative for infrastructure development by the Government of Pakistan. In his role as the Head of Projects at the Infrastructure Project Development Facility (IPDF), Ministry of Finance, he had been responsible for developing and facilitating national PPP policy, sector initiatives and transactions portfolio for private sector investment. He has done extensive research work on corporate governance in

Pakistan and has played an important role in implementing United Nations Development Program (UNDP) project on corporate governance with the Securities and Exchange Commission of Pakistan (SECP). He is also the recipient of CIDA's President Award of Excellence awarded by the Canadian government in recognition of his work as Development Economist on debt swap. He started his career with PTCL working as Financial Analyst in the Project Finance department.

Mr. Mahmood is a Chartered Banker from Chartered Banker Institute, UK and holds MBA and MSc Finance and Economics degrees from UK. He has attended investment and risk management training courses at Harvard Business School and INSEAD. He has also passed Financial Derivatives course by CISI, UK.

Besides being a director, Mr. Mahmood is also serving as member of Audit Committee, Human Resources & Remuneration Committee and Listing & Voluntary De-Listing Committee. In addition, he has been nominated by PSX as Director on the Boards of National Clearing Company of Pakistan Limited and Pakistan Mercantile Exchange Limited.

Other Directorships:

Executive Director, Pak China Investment Company Limited
Director, Central Depository Company of Pakistan Limited
Nominee Director of PSX, National Clearing Company of Pakistan Limited
Nominee Director of PSX, Pakistan Mercantile Exchange Limited



SYED MASOUD ALI NAQVI
Director

Mr. Naqvi is a Fellow member of the Institute of Chartered Accountants of Pakistan (ICAP). He was the Senior Partner of KPMG Taseer Hadi & Co. till December 31, 2014 and thereafter served as Advisor of its Board from January 2015 to December 2017.

He has served as President of ICAP for two terms and as Member of its Council and Committees for Review of Code of Corporate Governance 2002.

Mr. Naqvi is currently acting as Chairman of Tax Reforms Commission of Pakistan since September 2014 and Member of Tax Reforms Implementation Committee of FBR since January 2016.

He was the President of Management Association of Pakistan and Pak-American Cultural Centre as well as the Member of various Government Committees. He has also held honorary positions at various NGOs and welfare organizations such as Baitul Sukoon, Talent Inducement & Placement Society and other community projects and trusts.

Mr. Naqvi has contributed articles in professional journals, conducted training sessions on Corporate Governance, delivered key-note addresses and conducted seminars, presentations and TV talk-shows on subjects of economy and tax reforms.

In addition to being an independent director of Pakistan Stock Exchange Limited (PSX), Mr. Naqvi has been nominated by the Board as the Chairman of Audit Committee and as member of Regulatory Affairs Committee, Nomination Committee and IT Procurement Committee.

Other Directorships:

Independent Director, Central Depository Company of Pakistan Limited



Government of Khyber Pakhtunkhwa Pension & Provident Funds from 2002 to 2015 and provided advisory services to Pearl Securities Ltd from September 2012 to April 2018. He has attended several national & international courses.

Mr. Pervez has been nominated by the Board of Pakistan Stock Exchange Limited (PSX) as member of Regulatory Affairs Committee.

AMJAD PERVEZ
Director

Mr. Amjad Pervez possess around 37 years of diversified experience with exposure to treasury, banking, accounts, budgeting, project implementation, money market, forex, stock broking and investments. He is a Gold Medalist and holds Master's Degree in Business Administration.

Mr. Pervez started his Professional career in 1981 from Saudi Arabia and later was promoted as GM and team leader with Industrial Development Bank of Pakistan. He served on the Board of Directors of different companies including The Bank of Khyber. He was also engaged by Shore Bank International Limited (Consulting firm based in Chicago) as a consultant to set up the Treasury Department of Kashf Microfinance Bank.

Mr. Pervez joined the Bank of Khyber in 1992 as Deputy Director and ascended to the position of Senior Vice President. In 2004, he joined First National Equities Ltd as its Chief Operating Officer and was later promoted as Chief Executive Officer. He was also the Financial Advisor to the



ZHIPING RONG
Director

Mr. Zhiping Rong is serving as Director representing China Financial Futures Exchange Limited (CFFEX) on the Board of Pakistan Stock Exchange Limited (PSX). Mr. Rong graduated from the College of Armored Forces Engineering, Liberation Army, China, in the year 1984, after which he completed his masters in Engineering from the same institution in 1987. He also holds a master's degree in Finance from Lancaster University, United Kingdom.

Mr. Rong joined CFFEX in October, 2012, where he is currently serving as the Chief Executive Officer (CEO). Formerly, he has held positions of Executive Vice President (EVP) at China Re-Asset Management Company Limited and Deputy Director of Treasury Department at China Development Bank.

At PSX, besides being a director on the Board, he is also serving as a member of Nomination Committee.

Other Directorship:
CEO, China Financial Futures Exchange Limited



YOU HANG
Alternate Director

Mr. You Hang is serving as alternate director for Mr. Zhiping Rong on the Board of Pakistan Stock Exchange Limited (PSX). Mr. You, being one of the inaugurators of China Financial Futures Exchange (CFFEX), is currently serving as the Chief Representative of CFFEX in Pakistan. He also held the position of Deputy Managing Director of PSX from August 2017 to August 2018. He is a seasoned expert who has strategically fulfilled the responsibility of domestic and international financials, marketing and operational functions. He is specialized in Exchange operations, designing / management of financial derivatives as well as data marketing. He has solid experience in equity, fixed income, and FX derivatives and possesses strong quantitative and analytical skills. He also has a diplomat experience with superior communication, organizational and interpersonal skills with fluency in English as well as in his mother tongue Mandarin.

Mr. You Hang has completed his Masters in Public Policy concentrated in Finance on Dean's Fellowship from The University of Chicago, USA and Bachelor

of Engineering from East China University of Technology, Shanghai, from where he graduated with honors.

Mr. You Hang is currently associated with CFFEX for last 11 years and has served them in the capacity of Director, Executive Office/Equity Index Derivatives Department / FX Derivatives Department and Deputy Director- Market Data Department.

Prior to that, he was associated with Shanghai Futures Exchange in the capacity of Manager, Financial Futures Department where he served for more than 2 years. He has also served as Financial Analyst in Chicago, Assistant Manager Research & Development Department in SIIC Hong Kong and as Project Manager at Shanghai Municipal Foreign Affairs Office, Australia/China for all together 6 years.

At PSX, besides being an alternate director on the Board, Mr. You Hang is also serving as member of Nomination Committee and Listing & Voluntary De-Listing Committee. Moreover, he has been nominated by PSX as Director on the Board of Pakistan Institute of Corporate Governance.

Other Directorships:

Nominee Director of PSX, Pakistan Institute of Corporate Governance

PSX MANAGEMENT TEAM



Sitting (From left to right)

Mahmood Siddique
Chief Information Officer

Muhammad Abbas Mirza
Acting Chief Regulatory Officer

Muhammad Rafique Umer
Company Secretary and Head of Legal Affairs

Richard Morin
Managing Director

You Hang
Former Deputy Managing Director
(Served till August 2018)

Ahmed Ali Mitha
Chief Financial Officer

Farhan Ansari
Head of Internal Audit

Asghar Abbas Naqvi (not in the picture)
Regional In-charge Islamabad

Standing (From left to right)

Nisar Ahmed Qazi
Head of Administration

Asmaa Saleem Malik
Head of Listing

Raeda Latif
Head of Marketing and Business Development

Uzma Wajid
Acting Head of HR

Muhammad Ghufan
Head of Trading

Hassan Raza
Head of Product Management and Research

Arif Rehman
Chief Information Security Officer

Sarmad Hussain (not in the picture)
Regional In-charge Lahore

SENIOR MANAGEMENT - PROFILES



RICHARD MORIN
Managing Director

Mr. Richard Morin joined Pakistan Stock Exchange Limited (PSX) as CEO from January 11, 2018. He is an experienced financial markets professional with 30 years of experience spreading across various emerging markets and in Canada. Throughout his professional career, Mr. Morin has contributed in various segments of financial markets including but not limited to formulation of securities markets regulation and supervision mechanisms, derivative markets, central depositories, clearing systems, government securities markets and investment advisory.

During his term at the Montreal Exchange from 1984 to 1995, he held various key positions such as Vice-President (Operations – Derivative Products), Director (Market Quality), Director (Market Development) and as a Listing Officer. For two years, he also headed the Stock Exchange of Mauritius bringing in line Mauritian capital market up to international standards. For over a year, from 1998 to 1999 he was appointed as the Chief of Mission of Regional Stock Exchange of West Africa to devise a strategic plan and advise the Regional Stock Exchange of West Africa on issues

related to market development, operations, regulation and risk management.

From 1999-2001, Mr. Morin served as Vice-president of National Bank Securities, the mutual funds and discount brokerage subsidiary of the National Bank of Canada, where he managed client assets of \$5 billion. In 2002, He Co-founded Landry Morin inc offering investment management services to private and institutional clients.

Mr. Morin was also appointed as the Managing Director of Investment Industry Association of Canada (IIAC) from 2013 to 2015 where he led the investment industry's advocacy and lobby efforts in the areas of listed and OTC derivatives and online brokerage. In 2015, he established Archer Wealth Management inc. serving as a CEO and CCO offering wealth management services to private clients.

As a consultant in 2001, Mr. Morin advised the Québec Securities Commission (Canada) and the financial market regulator of West Africa. As part of a World Bank funded initiative, Mr. Morin also conducted a feasibility study for the establishment of a stock exchange and a central depository and settlement company in Yemen.

With the aim to share his vast experience and to guide young professionals, Mr. Morin has served as a lecturer at Université de Sherbrooke where he taught capital market structure as part of 'Graduate Finance Program'. As a volunteer, he acts as a mentor to assist young entrepreneurs in their early stage tech startups.

Mr. Morin earned Bachelors in Economics in 1982 from University of Montreal and Masters in Business Administration in 1988 from McGill University. He also passed 'Canadian Securities Course' in 1984 and 'Partners, Directors and Officers Examination' in 2000 from Canadian Securities Institute. Recently, he has also passed 'Chief Compliance Officer Examination'.

Besides being the Managing Director of PSX, Mr. Morin is also appointed by the Board as Chairman of Listing & Voluntary De-Listing Committee and as a member of IT & IS Steering Committee.



MUHAMMAD ABBAS MIRZA
GM / Acting Chief Regulatory officer

Mr. Abbas Mirza has professional working experience of over 22 years in diversified business sectors including Capital Market, Banking, Development Financial Institutions, Telecom, Advertising & Marketing. He has served in different capacities, leading to senior management level roles including General Manager, Head of department, Head of Division(s) and Head of various independent projects. Mr. Mirza has a successful track record and is considered a dedicated professional who is detail and target oriented. He has expertise in policy making, re-structuring, managing large teams and ensuring timely deliveries. He has played a key role in formulating effective strategies that positively impacted P&L of various organizations. Among other achievements, he has to his credit a launch of Pakistan's first Online Stock Trading Portal for leading stock brokerage house, setting up a brokerage company for Pakistan Kuwait Investment Company of Pakistan, and setting up Compliance & Enforcement function for PSX under Regulatory Affairs Division.

He joined PSX in 2008 and served in capacities of Deputy General Manager to General Manager Operations where he was responsible for trading & broker dealers affairs, customer services, Investor relations, dispute resolutions and claim settlements. He has been instrumental in introducing regulatory amendments to effectively and stringently regulate the Stock Market for ensuring fair and orderly market for all, and to promote compliance culture among regulated entities. He has been involved in liaising with Govt. Agencies including NAB, FIA, Prime Minister Inspection Commission and Federal/Provincial Ombudsman in various matters of investors' complaints and litigations. He is member of multiple significant nature committees of Capital Market formed by Securities & Exchange Commission of Pakistan including Oversight Committee constituted under Joint Inspection Regulations 2015. He is also a core member of Risk Management Committee of National Clearing Company of Pakistan.

Presently he is serving as Head of Regulatory Affairs Division in capacity of Chief Compliance Officer and Acting Chief Regulatory Officer. He holds a Masters in Business Administration (MBA) and multiple certifications in various business disciplines, he completed his four years C.A. articleship with Ernst & Young, a leading firm of Chartered Accountants.



MUHAMMAD RAFIQUE UMER
Company Secretary and Head of Legal Affairs

Mr. Rafique has been associated with Pakistan Stock Exchange since 2001 and currently holds the position of Secretary to the Board and Head of Legal & Corporate Affairs of the Pakistan Stock Exchange.

He is a graduate in Commerce and Law from University of Karachi. He has also appeared in selected subjects, as a regular student of Institute of Business Administration. Further, he availed Banking Diploma and Banking Certificate from Institute of Bankers Pakistan with First position throughout the country. Mr. Rafique has attended seminars & workshops on various subjects, within and outside the country, including Capital Market Compliance & Examination workshop arranged by the US Securities & Exchange Commission at USA. He is also a certified director from Pakistan Institute of Corporate Governance.

Mr. Rafique has local and foreign experience of more than four decades in the field of finance, banking & capital markets. Prior to joining PSX,

he remained with United Bank Ltd; Saudi French Bank (Saudi Arabia) and Atlas Group of Companies. At PSX, apart from Company Secretary, he also performs secretarial functions of four Committees, which include Regulatory Affairs Committee, Human Resources & Remuneration Committee, Nomination Committee and Divestment Committee. He is one of the Trustees of Centralized Customers Protection Compensation Fund and Clearing House Protection Fund of PSX. He also represents PSX under authority of the Board at General Meetings of associated and other companies, where PSX has equity stake. In the past, he represented PSX as nominee director on the Boards of Central Depository Company and National Clearing Company of Pakistan Limited.

As Secretary of the Board and various Committees, he ensures compliance with all corporate & secretarial requirements as provided in relevant laws, rules, regulations, directives, Code of Corporate Governance, etc.

Mr. Rafique remained actively engaged in the entire process of corporatization, demutualization, divestment and self-listing of PSX as well as integration of three Exchanges and was instrumental in smoothly completing all time-bound activities.

Being Head of Law Department, he arranges to provide required legal opinions/advice, vetting of various agreements, MoUs, contracts, etc. to other departments of PSX internally or from outside counsels. He also represents PSX before various Courts of Law and authorities including SECP, CCP, NAB, FIA, NIRC, Ombudsman, etc. with a view to defend PSX for any adverse legal action or to enforce its rights against any party.



AHMED ALI MITHA
Chief Financial Officer

Mr. Mitha is a Fellow member of the Institute of Chartered Accountants of Pakistan (ICAP) and completed his Articleship from one of the Big four firms, AF Fergusons, a member firm of Price Water House Coopers (PWC) International. He is also an Associate member of Institute of Cost and Management Accountants of Pakistan (ICMAP).

He started his career in the year 1994 from PWC as an Assistant Manager and brings with him over 25 years of leadership experience in the field of Audit and Finance in both public and private sectors including cement and textile industries. Mr. Mitha has previously held the position of Executive Director Finance and Company Secretary of National Insurance Company Limited (NICL).

Currently he holds the position of Member cum Secretary of the Taxation Committee of PSX, Centralized Customer Protection Compensation Fund (PSX) and also a member of various other senior management committees at PSX. His areas of responsibility, besides managing the Finance

Department, also include strategic planning and medium term financial projection for the development of the Exchange.



FARHAN ANSARI - FCA, CIA
Head of Internal Audit

Mr. Farhan Ansari is a Fellow member of the Institute of Chartered Accountants of Pakistan. He is also a Certified Internal Auditor from the Institute of Internal Auditors-USA. He has with him around 19 years' experience in the field of Audit and Accounts.

Mr. Farhan completed his CA training from EY Ford Rhodes Chartered Accountants and has been associated with the Exchange since 2006. Currently, he heads the Internal Audit function of the Exchange and is also a Secretary to the Board Audit Committee. Prior to joining the Exchange, Mr. Farhan was associated with Dadex Eternit Limited.



MAHMOOD SIDDIQUE
Chief Information Officer

Mr. Mahmood is a seasoned professional who has 27+ years of experience in IT domain of Banking and Financial sector where his core competencies are in the fields of Infrastructure Architect, Service Delivery, Project Management, Strategic Planning, BCP & DR Planning & Implementation, Team Management & Development, Budgeting and Planning.

He has worked for various senior management positions in banks including National Bank, State Bank, Barclays, KASB and Saudi Pak Commercial (now Silk Bank). He also remained associated with Cupola Pakistan, Unisys Pakistan and Fujitsu-ICL Pakistan in multiple capacities.

He is a M.Sc. in Computing from Cardiff University, Wales, UK and a BCS in Computer Science from National University of Computer & Emerging Sciences, Pakistan (previously known as FAST) and has also completed a Post Graduate Diploma in Business Administration from IBA Karachi.



He is also a member of following professional bodies:

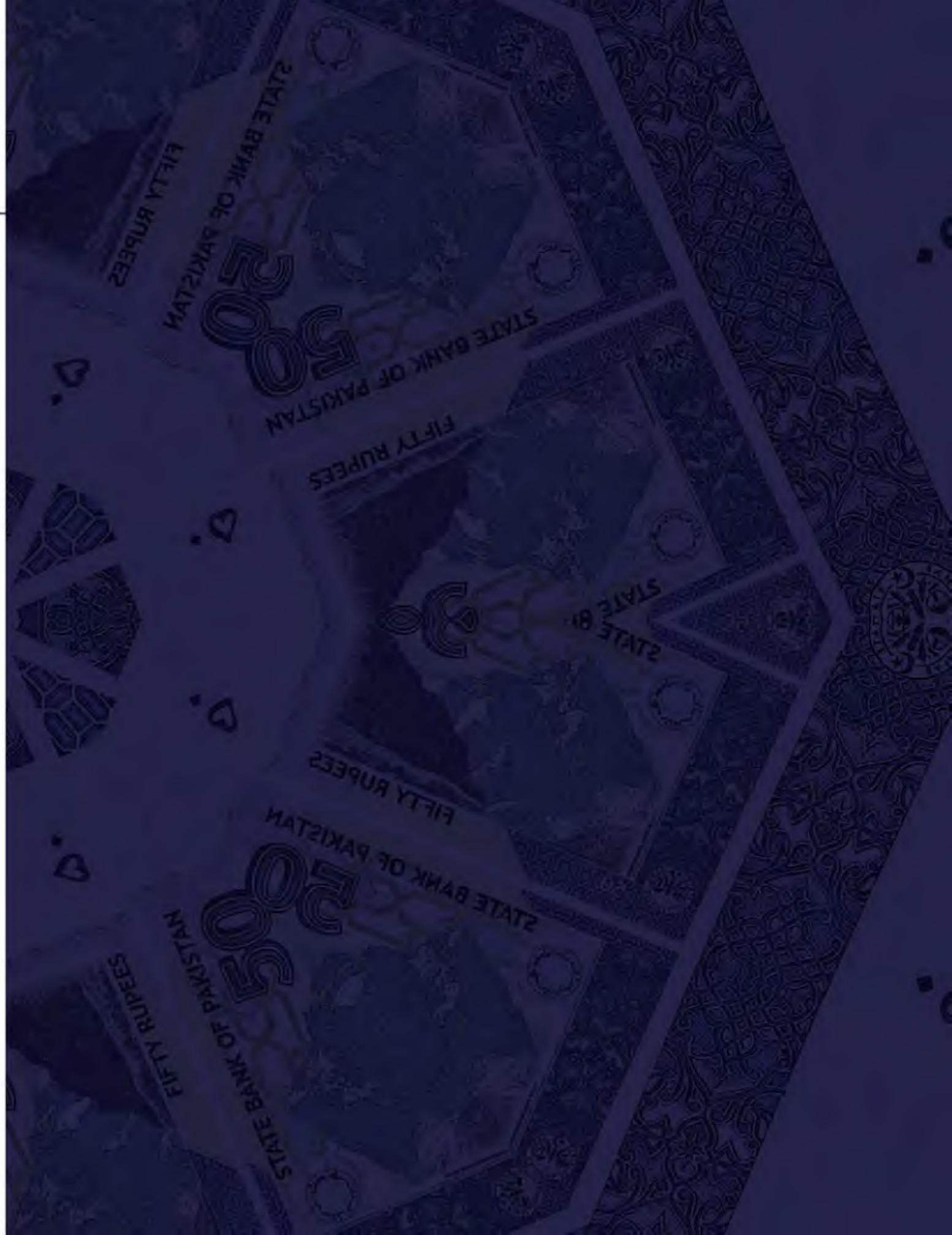
- Pakistan Engineering Council (PEC), Pakistan
- Institute of Electrical Engineers (IEE), UK
- Chartered Institute for Securities and Investment (CISI), UK

Including 7 years of association with Citibank in UK, Mr. Rehman has altogether an experience of 12+ years in the areas of Information Security, IT Risk Management and Continuity of Business.

ARIF REHMAN
Chief Information Security Officer

Mr. Rehman has completed his Masters in Science in Communications & Signal Processing from Imperial College of Science, Technology and Medicine, University of London, UK and Bachelor of Science in Computer Engineering from Sir Syed University of Engineering & Technology, Pakistan. He also has Investment Administration Qualification (IAQ) as well as Islamic Finance Qualification (IFQ) from Chartered Institute for Securities & Investment (CISI), UK.

He is a Certified Information Systems Security Professional (CISSP), Certified Information Security Manager (CISM), Certified Information Security Auditor (CISA), Certified Information Management Professional (CIMP), Certified ITIL Professional, Certified COBIT Professional, Blue Coat Certified Proxy Administrator (BCCPA), Cisco Certified Network Engineer (CCNA) and Prince2 Registered Practitioner (Prince-2).



TRADING IN TECHNOLOGY



PRODUCTS AND SERVICES

PSX offers a range of products and services through a state of the art technology infrastructure that are specially made to cater to trading and investor needs.

Market participants (both local and foreign investors) are provided access to these products through various distribution channels of the brokerage houses.

TRADING PRODUCTS INCLUDE:

- Equities known as Ready Market (T+2)
- Deliverable Futures Contracts
- Cash settled Futures
- Stock Index Futures Contracts based on:
 - KSE 30 Index
 - Oil & Gas sector Index
 - Banking Sector Index
- REITs (Real Estate Investment Trust)
- Debt Instruments (Term Finance Certificate of listed, privately placed Debt instruments, Government Debt securities (T. Bills)
- Small and Medium Enterprises Board (SME)

PSX INVESTOR SERVICES INCLUDE:

- PSX is a FIX Protocol Compliant system offering:
 - Trading
 - Data Vending Solutions
 - Internet Routed Trading Facility
 - Fully automated Trading, Clearing and Settlement system
 - Order Driven System
 - Easy Access of Information for investors & Fund Managers through Display only Terminal
 - Investor Complaints management System
 - Gateway trading (order management system)

PSX PLANS FOR INTRODUCING THE FOLLOWING NEW PRODUCTS AND SERVICES:

- Exchange Traded Funds (ETF)
- Index and Stock Options and Futures
- Financial Futures
- Shariah complaint Products

EXCHANGE TRADED FUNDS (ETF)

Along with mutual funds, exchange traded funds (ETFs) are very well suited to “unsophisticated” investors looking for long term capital growth. ETF combined with advice is by far the fastest growing investment solution worldwide. The launch of ETFs would open the possibility of new retail investment model in Pakistan and contribute to penetration of the middle class market.

INDEX AND EQUITY OPTIONS AND FUTURES

Index and equity options offer risk management and investment strategies not available in cash or futures markets. They attract participation from institutional as well as retail investors and provide profit opportunities to intermediaries, including brokers.

PSX is in the process of procuring a trading and surveillance platform to support index and stock options among other features.

FINANCIAL FUTURES

Financial Investments, are one of the most important innovations in the financial world today. Financial futures allow non-physical assets which cannot be traded on its own, such as an index, to become tradable for the purpose of hedging or speculation

SHARIAH COMPLIANT PRODUCTS

Islamic product offering is a significant growth opportunity for PSX as well as a tool for penetrating Pakistan’s retail investor segment.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that seventy-first (71st) Annual General Meeting [AGM] of Pakistan Stock Exchange Limited [the Company] will be held on Friday, October 19, 2018 at 4.30 p.m. at the Registered Office of the Company, Stock Exchange Building, Stock Exchange Road, Karachi to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2018 together with the Directors' and Auditors' Reports thereon.
2. To approve interim cash dividend for the year ended June 30, 2018 @ 0.5% i.e. Re. 0.05 per share as previously recommended by the Board and already paid.
3. To appoint auditors of the Company for the year ending June 30, 2019 till the conclusion of next AGM and fix their remuneration. The retiring auditors, M/s. EY Ford Rhodes, Chartered Accountants, being eligible, have offered themselves for re-appointment.

SPECIAL BUSINESS:

4. To consider and approve amendments in the Memorandum and Articles of Association of the Company to bring the same in line with the Companies Act, 2017 and to incorporate the relevant provisions of the Futures Market Act, 2016 and the Futures Exchanges (Licensing and Operations) Regulations, 2017 and for this purpose, to consider and, if thought fit, to pass the following resolution, with or without modification, as a SPECIAL RESOLUTION:

"RESOLVED THAT subject to the confirmation of Securities and Exchange Commission of Pakistan [SECP], the Memorandum of Association of Pakistan Stock Exchange Limited [the Company] be and is hereby amended as per the enclosed summary of comparative changes to be made in the Memorandum of Association of the Company in order to state the existing business activities for which the Company has been granted license by SECP and to harmonize the same with the requirements of the Companies Act, 2017 [the Companies Act].

FURTHER RESOLVED THAT subject to the confirmation of SECP, the Articles of Association of the Company be and are hereby amended as per the enclosed summary of comparative changes to be made in the Articles of Association of the Company in order to bring the same in conformity with the requirements of the Companies Act, the Futures Market Act, 2016 and the Futures Exchanges (Licensing and Operations) Regulations, 2017.

FURTHER RESOLVED THAT the entire set of existing Memorandum and Articles of Association of the Company be and is hereby replaced with the Memorandum and Articles of Association so altered as per the enclosed summary of comparative changes in the same.

FURTHER RESOLVED THAT the Chief Executive Officer and the Company Secretary of the Company be and are hereby jointly and severally authorized to take such steps and actions deemed necessary to give effect to the aforesaid resolution including filing of Memorandum and Articles of Association so altered, with SECP in accordance with the requirements of Companies Act."

OTHER BUSINESS:

5. To discuss any other matter with the permission of the Chair.

By Order of the Board of Directors

Karachi
Dated: September 27, 2018

Muhammad Rafique Umer
Company Secretary

NOTE:

1. The Annual Report containing the Annual Audited Financial Statements for the year ended June 30, 2018 is available on the Company's website.
2. A statement of material facts as required under Section 134(3) of the Companies Act, 2017, covering the Special Business stated at agenda item 4 above and the comparative statement of existing and proposed amendments in the Memorandum and Articles of Association of the Company, are enclosed with this notice and also available on the Company's website.
3. A member may submit a request at the registered office of the Company for certified copies of the minutes of previously held general meetings.

NOTES:

1. The Register of Members will remain closed from October 13, 2018 to October 19, 2018 (both days inclusive). The Members whose names appear on the Register of Members as on October 12, 2018 shall be entitled to attend and vote at the AGM.
2. A member entitled to attend, speak and vote at the meeting shall also be entitled to appoint another member as his/her proxy to attend, speak and vote instead of him/her and a proxy so appointed shall have such rights with respect to attending, speaking and voting at the meeting as are available to the member appointing him/her as proxy. The Instrument of Proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarized certified copy of that Power of Attorney or authority, in order to be effective, must be received by the Company at least 48 hours before the meeting. A proxy must be a member of the Company. The Form of Proxy is enclosed with this notice.
3. Any company or other body corporate which is a member of the Company may, by resolution of its Directors, or proxy signed by authorized officers, authorize any of its officials or any other person to act as its representative at the meeting and the person so authorized shall be entitled to exercise the same powers as if he/she were an individual member of the Company.
4. Since all shares issued to members are in dematerialized format in their respective Central Depository Company of Pakistan Limited [CDC] accounts, the individual members desiring to attend the meeting are requested to bring their original Computerized National Identity Cards (CNICs) along with the Investor Account or Participant ID and House Account/ Sub-Account numbers, for identification purposes, whereas, in case of corporate member, the resolution of Board of Directors / Power of Attorney with specimen signature of the nominee may preferably be provided to the Company well in advance or otherwise produced at the time of meeting.
5. Members are requested to notify the change of their registered address, if any, immediately but before the first day of book closure, to their Participant/CDC Investor Account Services which maintains their CDC account.
6. **E-DIVIDEND**
Pursuant to Section 242 of the Companies Act, 2017 [the Act] read with relevant provisions of the Companies (Distribution of Dividends) Regulations, 2017 [the Regulations], all listed companies have been mandated to pay dividend only by way of electronic mode, directly into the bank accounts of entitled shareholders designated by them. Accordingly, all shareholders of the Company who have not yet provided their bank account details (including IBAN) to their participant/CDC Investor Account Services which maintains their CDC account, are requested to provide the same at the earliest but not later than the first day of book closure, otherwise, the Company would be constrained to withhold their amount of dividend, if any, in accordance with the requirements of the Act and the Regulations.

7. CONSENT FOR VIDEO CONFERENCE FACILITY:

In term of SECP's Circular No. 10 of 2014 dated 21 May 2014 read with provisions contained under Section 134(1)(b) of the Act, members of the Company may also attend and participate in the AGM through video conference facility in a city other than Karachi, if members residing in the vicinity, collectively holding 10% or more shareholding, demand in writing, to participate in the AGM through video conference (as per the format appended below) at least seven (7) days prior to the date of AGM.

After receiving the consent of members having 10% or more shareholding in aggregate, the Company will intimate members regarding venue of video conference facility at least five (5) days before the date of the AGM along with complete information necessary to enable them to access such facility.

Consent for Video Conference Facility
I/We/Messrs., _____ of _____, being a Member of Pakistan Stock Exchange Limited, holder of _____ Ordinary Share(s) as per CDC Participant ID & Sub-Account No. _____, hereby, opt for video conference facility at _____.
_____ Signature of the Member(s) (Please affix company stamp in case of corporate entity)

8. TAX IMPLICATION ON DIVIDEND:

Pursuant to the provisions of Income Tax Ordinance, 2001 [the Ordinance] deduction of income tax from dividend payments shall be made on the basis of filers and non-filers as follows:

- (a) For Filers of income tax returns ----- 15%
- (b) For non-Filers of income tax returns ----- 20%

In case of joint shareholdings, the tax will be deducted as per shareholding proportions intimated by the shareholders to the Company's Share Registrar, M/s. FAMCO Associates (Private) Limited, latest by first day of book closure, otherwise the shareholding will be treated in equal proportion.

9. REQUIREMENT OF VALID EXEMPTION CERTIFICATE:

The shareholders who fall in the category of clause 47B of Part-IV of Second Schedule of the Ordinance and wish to avail exemption of withholding tax under Section 150 of the Ordinance, must provide valid Tax Exemption Certificate to the Company's Share Registrar, before first day of book closure in pursuance of FBR's Circular 1(43)-DG(WHT)/2008-Vol.II-66417-R dated May 12, 2015, otherwise, the tax will be deducted as per applicable rates.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

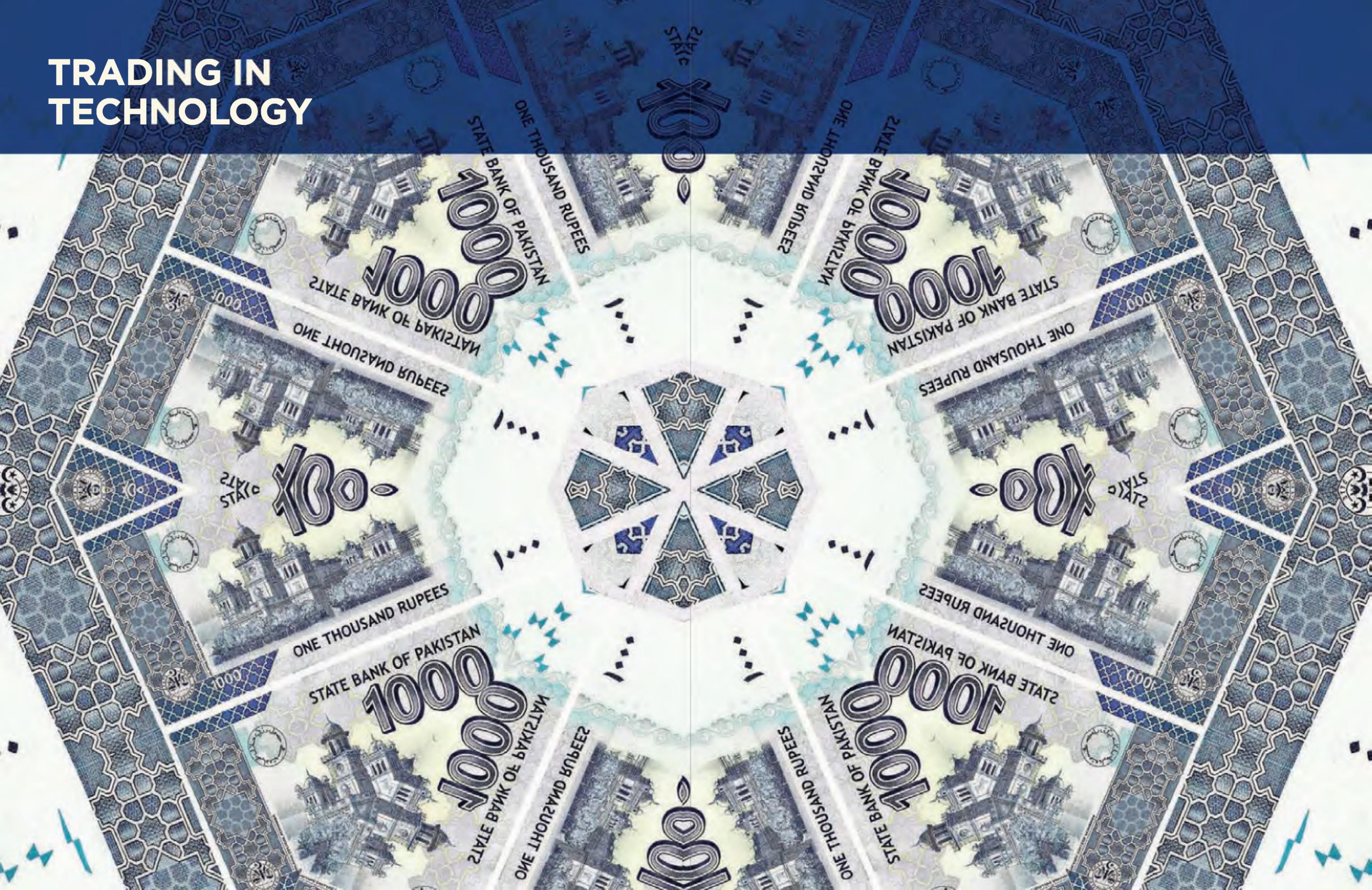
AGENDA ITEM 4: AMENDMENTS IN MEMORANDUM AND ARTICLES OF ASSOCIATION

This statement sets out the material facts concerning the Special Business, as specified in the Notice, to be transacted at the Annual General Meeting [AGM] of Pakistan Stock Exchange Limited [PSX or the Company], to be held on October 19, 2018:

1. The Securities and Exchange Commission of Pakistan [SECP], vide its letter dated August 15, 2017 granted license to PSX as a Futures Exchange with effect from June 15, 2017 on certain conditions, one of which is to carry out amendments in the Memorandum and Articles of Association of the Company to bring the same in conformity with the provisions of the Futures Market Act, 2016 [the Futures Market Act] and the Futures Exchanges (Licensing and Operations) Regulations, 2017 [the Regulations] and submit the same to SECP for approval.
2. As directed by SECP, amendments have been proposed in various clauses of Memorandum and Articles of Association of the Company to bring them in line with the Futures Market Act and the Regulations framed thereunder. Moreover, in view of the promulgation of the Companies Act, 2017 [the Companies Act] on May 30, 2017 in place of Companies Ordinance, 1984, changes have been proposed in the Memorandum and Articles of Association of the Company to harmonize the same with the requirements of the Companies Act.
3. In accordance with the requirements of the Companies Act, the principal line of business of the Company, contained in the Memorandum of Association, has been drafted to state the existing business activities of the Company, for which the Company has been licensed by SECP.
4. The proposed amendments in Memorandum and Articles of Association of the Company have been formally approved by SECP, in terms of the Securities Exchanges (Licensing and Operations) Regulations, 2016 and Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. Moreover, the Listing Department of PSX has also approved the said proposed amendments as per the requirements of PSX Regulations.
5. Members' approval for the above amendments has been recommended by the Board at its meeting held on July 19, 2018, as per the enclosed comparative statement of existing and proposed amendments in the Memorandum and Articles of Association.
6. The directors declare that:
 - (i) none of them is personally interested in the above matter;
 - (ii) the proposed amendments in the Memorandum and Articles of Association of the Company are in line with the applicable provisions of the law and regulatory framework; and
 - (iii) the proposed changes will not be detrimental to the interest of the Company or its members as a whole.

In view of the above, the members are requested to consider and if deem appropriate, pass the resolution stated at agenda item 4 of the notice of AGM, as a Special Resolution.

TRADING IN TECHNOLOGY



CHAIRMAN'S REVIEW REPORT



DEAR SHAREHOLDERS,

ASSALAM-O-ALAIKUM,

Thank you for your interest in PSX and for trusting us to oversee and grow your investment in our business. It is for the first time that I have the honor of addressing you as the Chairman of the Pakistan Stock Exchange and present you the Annual Review for the year ended June 2018. We have made considerable progress during the year to develop Pakistan's Capital Market and improve our business model and earnings from core operations.

PERFORMANCE

FY18 saw new records for worldwide markets as they grew in double digits. However, PSX had a bearish year due to political uncertainty. In the first two quarters of FY18 KSE-100 index fell to 38,000. It recovered to 46,000 in the final quarter but reached 42,000 by the end of the year and finished with a fall of 10% for the year.

Total Revenue of PSX for the year ended June 30, 2018, was recorded at Rs.1.2 billion vs. Rs.1.5 billion in the corresponding period last year owing to lower revenue from trading fee mainly due to lower average daily value traded and loss of revenue from Management fee as SECP had allowed PSX to charge management fee on CCPCF (formerly IPF) only till June 30, 2017. The pre-tax profit for the year ended June 30, 2018, was Rs.118 million vs. Rs.319 million which was lower by 63%. Simultaneously, the net profit after tax (NPAT) was recorded at Rs.64 million vs. Rs.277 million.

STRATEGIC UPDATES

Following demutualization in 2012, integration of all the 3 Exchanges in 2015, strategic investment by the Chinese consortium in 2016 and the public offering of PSX shares through IPO in 2017, Pakistan Stock Exchange stands as a national institution with a primary mission to contribute to the economic development of Pakistan by providing a fair, transparent and efficient marketplace to facilitate capital formation for the benefit of investors, issuers and all stakeholders. PSX has completed one year as the first self-listed stock exchange in South Asia.

Our vision at PSX is to be a world class exchange for Pakistan.

During the year, the Board of PSX has taken reasonable steps to ensure compliance with all laws, rules, regulations and legislations.

In compliance with the Plan for 'Segregation of Commercial and Regulatory Functions of Stock Exchanges', approved by SECP and the Code of Corporate Governance (CCG) and in order to meet the specific requirements of the Exchange as a frontline regulator and a commercial entity, the Board constituted a number of committees, which functioned in accordance with their approved Terms of Reference.

During the year, 15 meetings of the Board were held. Apart from usual policy matters requiring review and approval of various aspects of operational and regulatory functions, the Board remained extensively involved on the way forward and approved the Strategic Plan for 2017-18. The key performance indicators and the action steps to achieve the mission were formalized. The main pillars of our growth were identified as:

- Broaden investor base: streamline KYC, simplify market access, drive retail investor education and awareness programs and improve investor protection.
- Increase pool of securities: set up dedicated unit in the organization to focus on listings and issuer management, create a premium board to increase quality listings and incentivize issuers to upgrade to the premium board.
- Expand product and asset class offerings: develop, list and promote ETF's, review PSX indices, introduce indices and single stock options, develop Islamic product offering and fixed-income market including infrastructure and CPEC bonds.

After an extensive process of evaluation and negotiations, the Board approved appointment of Mr. Richard Morin as the new Managing Director of PSX for a term of three years. Mr. Morin assumed his duties from January 11, 2018.

With the aim of bringing organizational transformation at PSX, the Board approved revised 'Organization Chart' which is part of the Annual Report. We have initiated development of our existing human capital to hone their skills over time and build a strong cohesive team.

During the year the PSX actively pursued the program for increased investors' awareness and organized various events as a part of its public outreach strategy.

The Board approved the concept of demerger of real estate from its operations which would result in creation of a separate entity, the shares of which would be issued to the existing shareholders of the Exchange.

The Board continues to attract foreign investment in Pakistan. PSX and China Overseas Ports Holding Company Pakistan Private Limited (COPHS) signed a Memorandum of Understanding in January 2018 to help raise funds for projects in Gwadar Free Trade Zone under China-Pakistan Economic Corridor (CPEC) by listing at PSX. COPHS is a China-based multinational organization and is a leader in container terminal management and maintenance of port facility services. They are helping in transforming Gwadar into an economic hub of Pakistan. In August 2018, a Chinese delegation representing a Beijing investment group visited the PSX. PSX will help the team find companies according to their interests and facilitate them to initiate business here.

Year 2018 also saw the return of foreign brokers to PSX; CLSA Limited ("CLSA"), a subsidiary of CITIC Securities (the largest Investment bank in China) and part of the CITIC Group (largest Chinese conglomerate), announced the start of their JV with a local broker; this bodes well for our local market as it will be showcased to a much larger audience through CLSA's global network.

On request of PSX, the earlier regulatory restriction imposed on foreign investors with respect to trading in the shares of PSX was relaxed by SECP and now foreign investors, other than anchor investors, are allowed stake up to 10% of its paid-up capital. The Board is pursuing SECP for further enhancement in the said limit to accommodate investors' appetite.

NEW INITIATIVES

In view of the limitations of current IT system and larger capacity of system required to support launch of new products, the Board identified the need to graduate to a new IT system, which shall be compatible with global standards. For this purpose, the Board has formed an IT Procurement Committee for procurement of new Trading and Surveillance system. The procurement process is under way with analysis and on recommendation of the Committee, final approval will be granted by the Board for its deployment.

PSX will also introduce a full-fledged market maker system with significant incentives to brokers to increase liquidity across our product range.

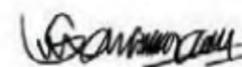
OUTLOOK

The world economy is under stress due to increase in trade protection sentiment because of tax reforms of US and China. Moreover, the oil price movements and OPEC decisions have also troubled the global capital flows. The recent depreciation of currencies in emerging market will also impact capital markets. Pakistan is also facing a challenging year due to fiscal and current account deficits. Nevertheless, as the new government settles in, we hope their reforms will help market regain the bullish trend. The companies waiting for stability will come for listing and volumes will increase.

ACKNOWLEDGEMENT

I wish to express my gratitude to our stakeholders including the Ministry of Finance, SECP, our Chinese partners and brokers for their unwavering support. PSX's Board remained engaged with the management as well as SECP and other stakeholders to ensure that the Exchange performs its functions in a smooth and efficient manner.

I encourage every Pakistani to start investment and play a role in the capital formation of Pakistan!



SULAIMAN S. MEHDI

Chairman of the Board

Dated: September 18, 2018

DIRECTORS' REPORT

The Board of Directors of Pakistan Stock Exchange Limited (PSX) is pleased to present the Second Annual Report of PSX as a public listed entity for the financial year ended June 30, 2018.

PSX FINANCIAL AND MARKET PERFORMANCE DURING THE YEAR

The KSE 100 index, closed at 41,911 and market capitalization was Rs.8,665 billion as on June 30, 2018. The average daily value traded (T+2 & DFM) was Rs.11.6 billion and the average daily turnover was 235 million shares.

The KSE 100 Index however declined by 10% from June 30, 2017 and the KSE 30 Index closed at 20,569 indicating a decline of around 15% from June 30, 2017, which was a result of weakening of the macroeconomic situation including increased risk to Pakistan's economic and financial outlook and instability in the political front of the country.

The capital market comprises of local and foreign investors. The foreign investors offloaded securities worth USD 288.56 million which was absorbed by domestic investors (insurance companies \$204 million Companies 99.55 million, etc). This strong buying by local investors has shown the confidence of the local investors in Pakistan equity market.

During the financial year 6 companies listed with the capital of over Rs.6,719 million at the stock market and one company listed in the debt segment with Rs.7,000 million. As at June 30, 2018, 558 companies were listed with a capital of Rs.1,297 billion.

The pre-tax profit for the year ended June 30, 2018, was Rs.118 million vs. Rs.319 million for the year ended June 30, 2017 whereas the net profit after tax (NPAT) was recorded at Rs.64 million vs. Rs.277 million.

Total Revenue of PSX for the financial year ended June 30, 2018, was recorded at Rs.1.2 billion vs. Rs.1.5 billion for the financial year ended June 30, 2017 owing to the following reasons:

- Lower revenue earned from **trading fee** mainly due to lower average daily value traded i.e. Rs.12 billion in FY17-18 vs. Rs.20 billion in FY16-17,
- Loss of revenue from **Management fee** as SECP had allowed PSX to charge management fee on CCPCF (formerly; IPF) only till June 30, 2017,
- Decline in the YoY performance of **NCCPL (Associated Company) mainly** due to lower traded value and volumes.

However, the following upside in the revenues of the Exchange are partially mitigated by:

- Higher income generated from **listing fee** due to a one-time additional listing fee received during the year as a result of merger/amalgamation of a petroleum company,
- Better and improved performance of one of the **Associated company i.e. CDC**

The management focused on running the business in a cost conscious and efficient manner resulting in a decrease in **Administrative expenses** of 3% compared to last year.

DIVIDEND

The directors recommended no final cash dividend for the financial year ended June 30, 2018, however an interim cash dividend of Re. 0.05 per share was already paid, as follows:

	(Rupees in '000')
Profit for the year	<u>64,229</u>
Profit available for distribution	64,229
Interim cash dividend @ 0.5%	40,074
Balance carried forward	<u>24,155</u>

EARNINGS PER SHARE

The basic and diluted earnings per share is Re.0.08 for the FY17-18 vs. Re.0.35 for the FY16-17.

CHANGES OCCURRED DURING THE FINANCIAL YEAR

No significant changes have occurred during the financial year concerning the nature of business of PSX or of its associates or any other company in which PSX has interest.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF PSX

PSX in order to strengthen its financial position, while taking into consideration the ever increasing cost of services provided to its customers i.e. the listed companies, TREC & Non-TREC holders and inflationary trend in the country, accordingly revised its tariff structure of various facilities provided and implemented measures for reduction in the subsidies on certain facilities.

Following are the material changes and commitments affecting the financial position of PSX which have occurred between the end of the financial year to which the financial statements relates and the date of the report:

- Increased the Annual Listing Fee effective July 01, 2018 with a revised fee structure while spreading the incremental impact over a period of two years;
- In order to incentivize new companies, the maximum cap of initial listing fee has been reduced;
- Effective July 01, 2018, measures have been put in place to reduce the subsidies provided and recover the same over a period of three years.

TRENDS AND FACTORS LIKELY TO AFFECT THE FUTURE DEVELOPMENT, PERFORMANCE, AND POSITION OF THE COMPANY'S BUSINESS

PSX remains steadfast to broaden the investor base and in order to increase the retail investor base significantly we are endeavouring to streamline customer on-boarding and KYC of retail investors with collaboration with CDC, NCCPL, NADRA and other stakeholders, implement a seamless, online facility for account opening and documentation.

To place itself amongst the best stock exchanges of the world, we plan to replace our trading system. PSX will cease to develop in-house systems and will instead procure a best-in-class trading system from an international vendor. These vendors offer industry standard FIX gateways that participant connect to using their own (or third party) platforms.

PSX will also explore the possibility of outsourcing its indices to an international index provider.

To broaden investor base, the PSX plans to set up mutual fund platform in collaboration with NCCPL, CDC and MUFAP.

PSX will also target boosting retail investor awareness and education program. We will prepare a comprehensive marketing and business development plan as well as revamp our website to make information more accessible and better support marketing and business development activities.

PSX considers it very important to reform Investor Protection Fund so that investor base is broadened. PSX proposes reforms to its Centralized Customers Protection Compensation Fund, to align its structure with international standards and help increase the number of retail investors.

PSX is targeting to bring Market Capitalization to GDP Ratio in line with peers by targeting considerable equity and debt listings.

In this respect, we plan to set up a dedicated unit to develop listing pipeline and provide issuer services. We are setting up a dedicated Corporate Services team to attract new listings and offer value added services to listed companies as well as to proactively encourage and educate on stock splits to enhance liquidity.

Further, PSX also plans to establish a premium board and other measures to increase quality listings and boost liquidity so that we can promote liquidity, attract quality listing and improve investor confidence.

PSX plans to bring traded value to market capitalization ratio in line with peers.

PSX will develop, list and proactively promote Exchange Traded Funds (ETFs), fix and invigorate cash settled equity futures offering, develop index options and single stock options, develop Islamic product offering tailored to local market, launch infrastructure/CPEC related bonds by developing a strong value proposition for listing of infrastructure/CPEC bonds on PSX and will review market structures and tax issues to encourage investor participation.

Further, the Board also approved the concept of Demerger of PSX Real estate from its Operation which would result in creation of two separate entities, the shares of which would be issued to the existing shareholders of the Exchange. The process has been initiated which is expected to complete by mid-2019. Once the PSX De-merger is completed, PSX management foresees flow of economic benefits to the Company such as higher Return on Equity (ROE) and Earnings per Share (EPS).

RISK OF BROAD MARKET TRENDS AND MACROECONOMIC FACTORS

PSX is the only stock exchange of the country. The business, financial condition and results of operations of the Exchange are highly dependent upon the levels of activity of the Exchange, and in particular upon the volume of financial assets traded, the number of listed securities, the number of new listings and subsequent issuances, liquidity and similar factors, as a significant portion of the Exchange's revenue depends, either directly or indirectly, on trading and listing based fees.

Like any other reputable stock exchange of any country, PSX also depends upon the relative attractiveness of the financial assets traded on the exchange, and the relative attractiveness of the exchange as a market on which to trade these financial assets. All of these variables are primarily influenced by economic, political and market conditions in Pakistan as well as, to a lesser degree, the rest of Asia, the United States, Europe and elsewhere in the world that are beyond PSX's control. While volatile markets may generate increased transaction volumes, prolonged weak economic conditions may materially adversely affect listing and trading volumes.

Other factors that may materially adversely affect our business, financial condition and results of operations and are beyond our control include:

- Broad trends in business and finance, including industry-specific circumstances, capital market trends and the mergers and acquisitions environment;
- Social and civil unrest, terrorism and war;
- Concerns over inflation and the level of institutional or retail confidence;
- Changes in government monetary policy and foreign currency exchange rates;
- The availability of short-term and long-term funding and capital;
- The availability of alternative investment opportunities;

- Changes and volatility in the prices of securities;
- Changes in tax policy (including transaction tax) and tax treaties between Pakistan and other countries;
- The level and volatility of interest rates;
- Legislative and regulatory changes, including the potential for regulatory arbitrage among regulated and unregulated markets if significant policy differences emerge among markets;
- The perceived attractiveness, or lack of attractiveness, of Pakistan capital markets; and
- Unforeseen market closures or other disruptions in trading.

If levels of activity of PSX are materially adversely affected by any of the factors described above or other factors beyond its control, our business, financial condition and results of operations could also be materially adversely affected.

RISK OF FUTURE INITIATIVES

PSX has undertaken several initiatives in the past and proudly continue to do so with a view to enhancing retail and institutional investment participation and increasing the amount of trading in derivative products. Factors that may have an effect on our business strategy include, among others:

- The general condition of the Pakistan, Asian and global economies;
- Our ability to successfully introduce new services and products; and
- Regulatory restrictions

Many of these factors are beyond our control. As a result, there can be no assurance that we will be successful in implementing our current and future strategic plans and any failure to do so may have a material adverse effect on our prospects and future financial condition and results of operations.

RISK OF MARKET FLUCTUATIONS

As PSX total revenue is dependent in part on equities, a historically volatile product, as well as on a number of external factors, such as trading activity and price levels on our markets, our total revenue and profitability may fluctuate from one period to another. If our total revenue falls below expectations or cannot be increased to match increased expenses, our business, financial condition and results of operations for a given period may be materially adversely affected.

RISK OF INTEREST RATE VARIATION

We are exposed to the effects of fluctuations in the prevailing levels of market interest rates on their financial position and cash flows and thus changes in interest rates may materially adversely affect the value of our investments. Interest rates are sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond our control.

REGULATORY RISK

PSX operates in a highly regulated industry and is subject to extensive regulation. The Securities & Exchange Commission of Pakistan regulates PSX and has broad powers to withhold approvals or consents with respect to proposals made by us (whether with respect to rule amendments, product range or infrastructure or market development initiatives). In the event that the Commission exercises such powers, this would have a material adverse effect on our business, reputation, financial condition and results of operations.

Additionally, PSX exercise by way of its regulations, rules and bye-laws certain regulatory functions, including monitoring of compliance of certain securities laws by entities listed on our platform. Any increase in the levels of monitoring that we are required to perform, including on account of regulatory changes, may impose or result in increased or excessive regulatory burdens on and compliance costs for us.

PSX may also expect increased operational costs or sustain losses or financial consequences if any;

- recognition by overseas regulators is required,
- contracts must be renegotiated
- contract terms must be altered as a result of new or newly applied laws, regulations or court decisions whether due to the extraterritorial effect of overseas regulations or otherwise.

RISK OF CHANGES IN GOVERNMENT POLICIES

Trading volumes on our markets could be affected by changes in

- Policies of the Government of Pakistan.
- Tax law or policy,
- Regulatory changes regarding foreign portfolio investors
- Other regulations or policies that affect PSX businesses, including its listed companies, such as changes that make offerings of Pakistani securities outside Pakistan easier,
- The ability of investors to freely trade on our exchanges,
- The taxation or repatriation of profits from such trading,
- The manner in which securities are traded, cleared and settled on our exchanges and clearing corporation,

The above may have a material adverse effect on our business, financial condition, results of operations and prospects.

CONTRIBUTION TO THE NATIONAL EXCHEQUER

The capital markets are amongst the larger contributors to the national exchequer, an aspect that we are fully cognizant of. During FY2017-18, PSX paid an aggregate tax of Rs. 1,616 million to the Government Exchequer (Rs.2,567 million in FY2016-17) on account of taxes collected from TREC holders on securities market transactions and on PSX revenues.

BOARD OF DIRECTORS

During the financial year 2017-18, the following changes occurred on the Board:

- Mr. Zheng HU, the nominee of China Financial Futures Exchange Limited (CFFEX), resigned from his position as director of the Exchange with effect from August 01, 2017 and the Board appointed Mr. Zhiping Rong, being the succeeding nominee of CFFEX, on the same date.
- Prior to commencement of current financial year, one of the shareholder directors representing a corporate brokerage house, ceased to be a director upon self-listing of the Exchange on June 29, 2017, subsequent to which, another shareholder director, Mr. Abdul Majeed Adam, resigned from the Board on August 28, 2017.

For the purpose of filling the casual vacancies so occurred, the Board decided to keep the total size of the Board intact i.e. a composition of seven (7) independent and seven (7) shareholder directors, as per the requirements of Securities Exchanges (Licensing and Operations) Regulations, 2016 (the Licensing Regulations) and made appointment of a shareholder director, Mr. Shahzad Chamdia and an independent director, Mr. Shazad G. Dada with the approval of Securities and Exchange Commission of Pakistan (SECP), on September 22, 2017 & November 09, 2017 respectively.

- Mr. Haroon Askari, who was appointed as Acting Managing Director in place of Mr. Nadeem Naqvi continued to perform his duties till January 11, 2018 when Mr. Richard Morin assumed charge as the new Managing Director of the Exchange.
- Ms. Rahat Kaunain Hassan and Mr. Samir Ahmed, both being the independent directors on the Board, tendered their resignations on February 26, 2018 and March 11, 2018 respectively.
- On March 12, 2018, the Board decided to conduct election of directors at an Extraordinary General Meeting (EOGM) of the Company to be held on April 19, 2018, in order to comply with the directive of SECP dated December 29, 2017. In this regard, the Board had fixed the number of shareholder directors to be elected at seven (7).
- On April 11, 2018, PSX released the final list of seven (7) eligible candidates who had filed notice of intention to contest election, and since the number of persons contesting the election was not more than the number of directors fixed by the Board under Section 159(1) of the Companies Act, 2017, the same were declared elected unopposed at the EOGM held on April 19, 2018.
- Subsequently, as per the terms of Licensing Regulations, SECP vide its letter dated May 09, 2018 granted approval for the appointment of seven (7) independent directors on the Board of the Company effective April 19, 2018.

The Board places its appreciation on record for the contribution made by the outgoing directors.

In view of the above, the current Board of Directors of PSX consists of fifteen (15) directors which includes:

Male Directors	13
Female Directors	2

As at the end of financial year 2017-18, the composition of the Board was as follows:

INDEPENDENT DIRECTORS

- | | |
|---------------------------|----------------------------|
| (i) Mr. Husain Lawai | (ii) Mr. Shehzad Chamdia |
| (iii) Mr. Moin M. Fudda | (iv) Ms. Naz Khan |
| (v) Mr. Sulaiman S. Mehdi | (vi) Syed Masoud Ali Naqvi |
| (vii) Mr. Amjad Pervez | |

OTHER NON-EXECUTIVE DIRECTORS / SHAREHOLDERS' DIRECTORS

- | | |
|--------------------------------|----------------------------|
| (i) Mr. Muhammad Ashraf Bawany | (ii) Mr. QUE Bo |
| (iii) Mr. Ahmed Chinoy | (iv) Mr. Abid Ali Habib |
| (v) Ms. Yu Huali | (vi) Mr. Shahnawaz Mahmood |
| (vii) Mr. Zhiping Rong | |

EXECUTIVE DIRECTOR / CHIEF EXECUTIVE OFFICER

- (i) Mr. Richard Morin

NOTE: Subsequent to year-end, the following changes occurred on the Board:

- (i) Mr. Husain Lawai resigned as director with effect from July 12, 2018;
- (ii) Mr. You Hang was appointed as an alternate director for Mr. Zhiping Rong with effect from July 27, 2018; and
- (iii) Mr. Saad Amanullah Khan was appointed as an independent director with effect from September 03, 2018 on the Board to fill the vacancy created due to resignation of Mr. Lawai.

During the financial year ended June 30, 2018, 15 Board meetings (9 scheduled and 6 emergent) were held in which Directors' attendance is attached as Annexure I to the Directors' Report.

BOARD COMMITTEES

In compliance with the Plan for 'Segregation of Commercial and Regulatory Functions of Stock Exchanges', approved by SECP and the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the CCG Regulations) and in order to meet the specific requirements of the Exchange as a frontline regulator and a commercial entity, the Board has constituted a number of committees out of which the main statutory committees are Regulatory Affairs Committee, Nomination Committee, Audit Committee and Human Resources & Remuneration Committee.

The composition and attendance of members at the meetings of four (4) Committees is attached as Annexure II to the Directors' Report.

AUDITORS

EY Ford Rhodes, Chartered Accountants, have completed their assignment and stand retired. Being eligible, they have offered themselves for re-appointment. Based on the recommendation of Audit Committee, the Board further recommends re-appointment of EY Ford Rhodes, Chartered Accountants as PSX's auditors for the financial year ending on June 30, 2019.

REVISED CONTENT OF THE INDEPENDENT AUDITOR'S REPORT

In January 2015, the International Auditing and Assurance Standards Board (IAASB) issued revised set of auditing standards dealing with the auditors reporting requirements. These new reporting requirements have been adopted by the SECP in its regulations on auditors reporting obligations issued in April 2018. While these changes have resulted in various enhancements in the content of the auditor's report, the most significant change is the requirement to communicate key audit matters as part of the auditor's report. Accordingly, the audit report on the financial statements of the current year has been prepared in line with the new requirements.

CORPORATE GOVERNANCE

The Board of Directors and the Company remain committed to the principles of good corporate management practices with emphasis on transparency and disclosures. The Board and management are cognizant of their responsibilities and monitor the capital market operations and performance to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information.

The Board is pleased to advise that PSX has complied, in all material respects, with the best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the CCG Regulations), as fully explained in the attached Statement of Compliance. Further, as per the Code's requirements, the following specific statements are being made:

- Proper books of accounts of the Company have been maintained.
- The financial statements prepared by the management present fairly its state of affairs, the results of its operations and cash flows

- Appropriate accounting policies have been consistently applied in preparation of financial statements which conform to the International Financial Reporting Standards, as applicable in Pakistan. The accounting estimates, wherever required, are based on reasonable and prudent judgment.
- The system of internal controls is sound in design. It has been effectively implemented by the management and is monitored by the internal and external auditors as well as the Board of Directors and the Audit Committee. The Board reviews the effectiveness of established internal controls through the Audit Committee and suggests, wherever required, further improvement in the internal control systems.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There is no reported instance of any material departure from the best practices of corporate governance.
- Significant deviations from last years' operating results, future plans and changes, if any, have been separately disclosed, as appropriate, in this report of the Directors.
- Value of investment of PSX Employees' Gratuity Fund is Rs.126.925 million based on unaudited accounts for the year ended June 30, 2018.
- Key operating and financial data of last 6 years has been included in this report.

TRAINING PROGRAMS ATTENDED BY DIRECTORS

During the year, following director obtained certification under Directors' Training Programs from a recognized institute, in compliance with the requirement of the CCG Regulations:

NAME OF THE DIRECTOR	NAME OF THE INSTITUTE
Mr. Abid Ali Habib	Pakistan Institute of Corporate Governance

DIRECTORS' REMUNERATION

Each non-executive director on the Board of PSX is entitled to receive a sum of Rs.50,000/-, subject to deduction of applicable tax, on account of fee for attending each meeting of the Board or a Board-level Committee of which, such director is a member (Meeting fee).

Moreover, at his own discretion, a director may choose to;

- receive the Meeting fee in his/her own name;
- receive the Meeting fee in the name of organization he/she is engaged with on permanent basis;
- instruct the management to donate the amount of Meeting fee to any charitable organization or cause;
- waive the payment of Meeting fee at all.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT

Internal controls and risk management policies are designed to provide reasonable assurance regarding the effectiveness and efficiency of the Exchange's operations, reliability of financial information and compliance with applicable laws and regulations. Management ensures an efficient and effective Internal Controls and Risk Management System by carrying out risk assessment, identifying controls, reviewing pertinent policies/ procedures, and establishing relevant control procedures and monitoring systems. The Internal Control and Risk Management System has been designed to provide reasonable assurance to the shareholders and Board of Directors. The Management considers that the existing Internal Control and Risk Management System is adequate and has been effectively implemented and monitored.

DIRECTORS' RESPONSIBILITY IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT

It is the duty of the Board of Directors to ensure that a system of sound internal control and risk management is established, which is effectively implemented and maintained at all levels within the company.

Moreover, the Audit Committee constituted by and reporting to the Board, among other matters, is also mandated to ascertain that the internal control systems, including financial and operational controls, with due consideration of the relevant risks for that area, accounting systems for timely and appropriate recording of revenue and expenditure, receipts and payments, as well as assets and liabilities, along with the reporting structure, are adequate and effective. These are also mentioned in detail under the Management Assertions and Description along with the Auditors' Reports thereon as required under Securities Exchanges (Licensing and Operations) Regulations, 2016 annexed in the Annual Report.

ENVIRONMENTAL IMPACT

The Company's business has no negative impact on the environment.

CORPORATE SOCIAL RESPONSIBILITY

Pakistan Stock Exchange, being a national institution and a responsible corporate citizen, strongly realizes its duty towards society. In view of this, PSX has a defined policy with respect to Corporate Social Responsibility [CSR] whereby an amount equivalent to 2% of the net profit before tax may be utilized for such activities.

During the year under review, no amount on account of donations was approved to be paid.

PATTERN OF SHAREHOLDING

The pattern of shareholding of PSX is annexed in the Annual Report.

CATEGORIES OF SHAREHOLDING

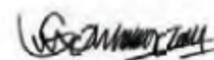
The categories of shareholding is annexed in the Annual Report.

ACKNOWLEDGEMENT

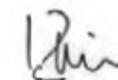
The Board wishes to express its gratitude to all its stakeholders for their continued commitment and support to PSX and the capital market. The Board is also grateful to the Securities and Exchange Commission of Pakistan, the State Bank of Pakistan, the Federal Board of Revenue and the Ministry of Finance, Revenue & Economic Affairs, Government of Pakistan, for their active support and guidance to PSX at all times.

Furthermore, the Board would like to thank all Committee members for their guidance and support. The Board acknowledges and appreciates the contribution and dedication of all PSX staff members in performing their tasks with diligence and commitment.

For and on behalf of the Board of Directors



SULAIMAN S. MEHDI
Chairman



RICHARD MORIN
Managing Director

Karachi
Dated: September 18, 2018

ANNEXURE I

Name of Director	From July 01, 2017 To April 18, 2018		From April 19, 2018 To June 30, 2018	
	Meetings held	Meetings attended	Meetings held	Meetings attended
Mr. Muneer Kamal [1]	12	12	1	1
Mr. Haroon Askari [4]	5	5	-	-
Mr. Abdul Majeed Adam [3]	1	1	-	-
Mr. Samir Ahmed [3]	10	9	-	-
Mr. QUE Bo [2]	12	6	3	2
Mr. Shehzad Chamdia [2]	9	9	2	2
Mr. Ahmed Chinoy [2]	12	12	3	3
Mr. Shazad G. Dada [1]	8	6	1	1
Mr. Moin M. Fudda [2]	12	12	3	3
Mr. Abid Ali Habib [2]	10	10	3	3
Ms. Rahat Kaunain Hassan [3]	10	9	-	-
Mr. Zheng HU [3]	1	-	-	-
Ms. Yu Huali [2]	12	7	3	3
Mr. Tawfiq A. Hussain [1]	12	11	1	1
Mr. Muhammad Naeem [1]	12	12	1	1
Mr. Li Peng [1]	12	11	-	-
Mr. Zhiping Rong [2]	11	8	3	1
Mr. Husain Lawai	-	-	2	2
Mr. Richard Morin	6	6	3	3
Mr. Muhammad Ashraf Bawany	-	-	3	3
Ms. Naz Khan	-	-	2	2
Mr. Shahnawaz Mahmood	-	-	3	3
Mr. Sulaiman S. Mehdi	-	-	2	2
Syed Masoud Ali Naqvi	-	-	2	2
Mr. Amjad Pervez	-	-	2	2

1. Retired as director upon election of the new Board on April 19, 2018.

2. Re-elected/re-appointed as director on April 19, 2018.

3. Resigned as director prior to election of the new Board.

4. Retired as Acting Managing Director on assumption of charge by new Managing Director on January 11, 2018.

Leave of absence was granted to directors who could not attend some of the Board meetings.

ANNEXURE II

REGULATORY AFFAIRS COMMITTEE

Name of Committee Member	Meetings held	Meetings attended
	(From July 01, 2017 to April 18, 2018)	
Mr. Tawfiq A. Hussain (Chairman)	8	8
Mr. Moin M. Fudda	8	8
Mr. Muhammad Naeem	8	7
Ms. Rahat Kaunain Hassan	7	6
(From April 19, 2018 to June 30, 2018)		
Mr. Moin M. Fudda (Chairman)	1	1
Ms. Naz Khan	1	1
Mr. Sulaiman S. Mehdi	1	1
Syed Masoud Ali Naqvi	1	1
Mr. Amjad Pervez	1	1

NOMINATION COMMITTEE

Name of Committee Member	Meetings held	Meetings attended
	(From July 01, 2017 to April 18, 2018)	
Mr. Muneer Kamal (Chairman)	3	3
Ms. Rahat Kaunain Hassan	2	2
Mr. Tawfiq A. Hussain	3	3
Mr. Zhiping Rong	3	3
(From April 19, 2018 to June 30, 2018)		
Mr. Husain Lawai (Chairman)	-	-
Mr. Mohammad Ashraf Bawany	-	-
Syed Masoud Ali Naqvi	-	-
Mr. Zhiping Rong	-	-

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

AUDIT COMMITTEE

Name of Committee Member	Meetings held	Meetings attended
	(From July 01, 2017 to April 18, 2018)	
Mr. Muhammad Naeem (Chairman)	4	4
Mr. Samir Ahmed	3	3
Mr. Moin M. Fudda	4	4
Mr. QUE Bo	4	3
Mr. Shehzad Chamdia	2	2
(From April 19, 2018 to June 30, 2018)		
Mr. Shehzad Chamdia (Chairman)	1	1
Mr. QUE Bo	1	-
Mr. Ahmed Chinoy	1	1
Mr. Abid Ali Habib	1	1
Ms. Naz Khan	1	1
Mr. Shahnawaz Mahmood	1	1

HUMAN RESOURCES & REMUNERATION COMMITTEE

Name of Committee Member	Meetings held	Meetings attended
	(From July 01, 2017 to April 18, 2018)	
Mr. Muneer Kamal (Chairman)	6	6
Mr. Li Peng	6	5
Mr. Moin M. Fudda	6	6
Mr. Tawfiq A. Hussain	6	6
(From April 19, 2018 to June 30, 2018)		
Mr. Husain Lawai (Chairman)	1	1
Mr. Mohammad Ashraf Bawany	1	1
Mr. Shehzad Chamdia	1	1
Mr. Ahmed Chinoy	1	1
Mr. Moin M. Fudda	1	1
Mr. Abid Ali Habib	1	1
Mr. Shahnawaz Mahmood	1	1
Mr. Sulaiman S. Mehdi	1	1

Note: Subsequent to year-end, the compositions of aforementioned committees were changed and the same are available at Corporate Information of the Annual Report.

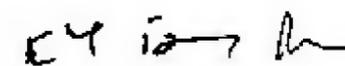
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Pakistan Stock Exchange Limited (the Company) for the year ended 30 June 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2018.



EY Ford Rhodes
Chartered Accountants

Place: Karachi
Date: September 18, 2018

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

FOR THE YEAR ENDED JUNE 30, 2018

Pakistan Stock Exchange Limited [the Company] has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 [the Regulations] in the following manner:

- The Board consists of fifteen (15) directors as per the following categories:

Category	Number of Directors
Male Directors	13
Female Directors	02

- The composition of the Board as on June 30, 2018 was as follows:

Category	Names
Independent Directors	(i) Mr. Husain Lawai (Chairman)*
	(ii) Mr. Shehzad Chamdia
	(iii) Mr. Moin M. Fudda
	(iv) Ms. Naz Khan
	(v) Mr. Sulaiman S. Mehdi
	(vi) Syed Masoud Ali Naqvi
	(vii) Mr. Amjad Pervez

Other Non-Executive Directors	Shareholder Directors
	(i) Mr. Muhammad Ashraf Bawany
	(ii) Mr. QUE Bo
	(iii) Mr. Ahmed Chinoy
	(iv) Mr. Abid Ali Habib
	(v) Ms. Yu Huali
	(vi) Mr. Shahnawaz Mahmood
	(vii) Mr. Zhiping Rong

Executive Director	Managing Director
	(i) Mr. Richard Morin

Note:

Subsequent to year-end, the following changes occurred on the Board:

- Mr. Husain Lawai resigned as director of the Company;*
- Mr. Sulaiman S. Mehdi was appointed as Chairman of the Board in place of Mr. Lawai;
- Mr. You Hang was appointed as alternate director for Mr. Zhiping Rong; and
- Mr. Saad Amanullah Khan was appointed as independent director to fill the casual vacancy created due to resignation of Mr. Lawai.

- The directors have confirmed that none of them is serving as a director on more than five (5) listed companies, including the Company (excluding the listed subsidiaries of listed holding companies where applicable).
- The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of the Companies Act, 2017 [the Companies Act] and the Regulations.
- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Companies Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
- The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act and the Regulations.
- During the year, following Director obtained the certification under Directors' Training program arranged by the Board:

Name of Director
Mr. Abid Ali Habib
- The Board approves appointment of Chief Financial Officer [CFO], Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment in compliance with relevant requirements of the Regulations. However, there was no new appointment of CFO, Company Secretary and the Head of Internal Audit during the year.
- The CFO and the Chief Executive Officer [CEO] duly endorsed the financial statements before approval of the Board.

12. Pursuant to the provisions of the Regulations, the Board formed committees comprising of members given below as on June 30, 2018:

Name of Committee

Composition

Audit Committee

1. Mr. Shehzad Chamdia (Chairman)
2. Mr. QUE Bo (Member)
3. Mr. Ahmed Chinoy (Member)
4. Mr. Abid Ali Habib (Member)
5. Ms. Naz Khan (Member)
6. Mr. Shahnawaz Mahmood (Member)

Human Resources and Remuneration Committee

1. Mr. Husain Lawai (Chairman)
2. Mr. Muhammad Ashraf Bawany (Member)
3. Mr. Shehzad Chamdia (Member)
4. Mr. Ahmed Chinoy (Member)
5. Mr. Moin M. Fudda (Member)
6. Mr. Abid Ali Habib (Member)
7. Mr. Shahnawaz Mahmood (Member)
8. Mr. Sulaiman S. Mehdi (Member)

Nomination Committee

1. Mr. Husain Lawai (Chairman)
2. Mr. Mohammad Ashraf Bawany (Member)
3. Syed Masoud Ali Naqvi (Member)
4. Mr. Zhiping Rong (Member)

In addition to above, the Board has formed the Regulatory Affairs Committee as required under Securities Exchanges (Licensing and Operations) Regulations, 2016, the composition of which was as under:

Name of Committee

Composition

Regulatory Affairs Committee

1. Mr. Moin M. Fudda (Chairman)
2. Ms. Naz Khan
3. Mr. Sulaiman S. Mehdi
4. Syed Masoud Ali Naqvi
5. Mr. Amjad Pervez

Note:

Subsequent to year-end, the following changes occurred in the composition of aforesaid committees:

- i. Syed Masoud Ali Naqvi was added to the Audit Committee as its Chairman;
- ii. Mr. Sulaiman S. Mehdi was appointed as the Chairman of Human Resources and Remuneration Committee and Nomination Committee, on resignation of Mr. Husain Lawai as director; and
- iii. Mr. Moin M. Fudda and Mr. You Hang were respectively appointed as member and alternate member of Nomination Committee.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:

Name of Committee

Number of Meetings

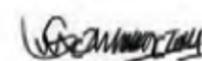
Audit Committee	5
Human Resources and Remuneration Committee	7
Nomination Committee	3
Regulatory Affairs Committee	9

15. The Board has set up an effective internal audit function through a combination of internal resources and outsourced expertise procured from Deloitte Yousuf Adil, Chartered Accountants (Deloitte-Pakistan). Internal Auditors are conversant with policies and procedures of the Company and are considered suitably qualified and experienced for the purpose. The internal resources are engaged in internal audit function on a full time basis.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan [ICAP] and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants [IFAC] guidelines on code of ethics as adopted by the ICAP.

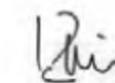
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.



SULAIMAN S. MEHDI

Chairman of the Board



RICHARD MORIN

Managing Director

Karachi

Dated: September 18, 2018

TRADING IN TRANSPARENCY



TO THE MEMBERS OF PAKISTAN STOCK EXCHANGE LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS



Chartered Accountants
 Chartered Accountants
 Chartered Accountants
 Chartered Accountants
 Chartered Accountants

Chartered Accountants
 Chartered Accountants
 Chartered Accountants
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 Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the members of Pakistan Stock Exchange Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Pakistan Stock Exchange Limited (the Company), which comprise the statement of financial position as at 30 June 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of the profit or loss and other comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the Key audit matter(s):

Key audit matters	How the matter was addressed in our audit
1. Contingent liabilities	
<p>As referred to in note 24.1 and 24.2 to the financial statements, there are various litigations filed by members / ex-members / customers of members of the Company against the Company, members, other regulatory authorities etc. due to the losses to them in the normal trading activities. The nature of the litigations varies on case-to-case basis and in many cases the Company is joint defendant.</p> <p>Due to the significance of the amounts involved in such matters and the inherent uncertainties in respect of their ultimate outcome, the management judgements and estimates in relation to such contingencies may be complex and can significantly impacts the financial statements. For such reasons we have considered the contingent liabilities as a key audit matter.</p>	<p>Our key audit procedures in respect of contingent liabilities included, amongst others, a review of the correspondence of the Company with the relevant authorities and legal advisors, together with management assessment of the Company legal position in each of the cases.</p> <p>We obtained and reviewed confirmations from the Company's external legal advisors for their views on the legal position of the Company in relation to the contingent liabilities.</p> <p>We assessed management's conclusions on contingent matters and evaluated the consistency of such conclusions with the views of the external legal advisors engaged by the Company.</p> <p>We also assessed the adequacy of disclosures made in respect of the contingent liabilities in accordance with the requirements of the financial reporting standards as applicable in Pakistan.</p>
2. Impairment assessment for Investment in PMEX	
<p>As referred to in note 11 to the financial statements, the carrying value of Company's investment in Pakistan Mercantile Exchange Limited (PMEX) as at 30 June 2018 amounts to Rs.74.818 million.</p> <p>During the year, the management carried out an impairment test for such investment in accordance with the requirements of applicable financial reporting standards.</p> <p>The determination of recoverable amounts in respect of such investment relies on management's estimates of future cash flows and their judgment with respect to the PMEX's performance and business plan. Due to the uncertainty of forecasting and discounting future cash flows, the level of management's judgement involved and the significance of this investment this audit area is considered a key audit matter.</p>	<p>Our audit procedures amongst others, including consideration of whether the application of impairment testing methodologies are consistent with the requirements of applicable financial reporting standards and prior periods, and that assumptions and inputs used are consistent, in all material respects, with the business' performance and plan of PMEX.</p> <p>Further, we assessed the forecasts of future cash flows prepared by the management of PMEX, evaluated the material assumptions externally with available economic and financial data. With the assistance of our own specialists, we assessed the assumptions and methodologies used by the management to determine the recoverable amount of the investment in PMEX.</p> <p>We also assessed the adequacy of the related disclosures in the financial statements in accordance with the financial reporting standards.</p>

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Key audit matters	How the matter was addressed in our audit
3. IT systems and controls over revenue recognition	
<p>The Company uses automated securities trading systems (known as 'KATS'), which process significant volumes of trading transactions on a real-time basis.</p> <p>The trading fees generated from the transactions processed are the key drivers of the Company's revenue. Therefore, the revenue recognition of these fees rely on the KATS trading data processing which involves automated controls, system generated information and system interfaces, which are underpinned by the design and operating effectiveness of the IT general controls over the key IT systems and the automated application controls over the processes.</p> <p>Due to the significance of the impacts of the IT systems and controls over revenue process, we have identified this as a key audit matter.</p> <p>Please refer to note 27.1 to the financial statements.</p>	<p>Our key audit procedures in respect of IT systems and controls of revenue processing and GL application and reporting processes included the following:</p> <ul style="list-style-type: none"> - Obtained a front-to-end understanding of the revenue recognition and reporting processes and identified the automated controls and the corresponding key IT systems that support the processes. - We assessed the IT control environment, reviewed the IT governance framework and tested the IT general controls of the key IT application that support the revenue recognition and reporting to evaluate whether the system dependent controls and information could be relied on throughout the period. Our testing of IT general controls covered access management, change management and IT operations. - We have tested the identified automated application controls, which are critical to the revenue recognition processes. Our testing procedures included the testing of system logics, automated calculations and validations, testing of system generated information, system interfaces and reconciliations.
4. The new Companies Act, 2017 and its impact on the financial statements	
<p>As referred to in note 2.2 to the financial statements, the Companies Act 2017 (the Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018.</p> <p>The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.</p>	<p>We assessed the procedures applied by the management for identification of the changes required in the financial statements due to the application of the Act. In respect of the change in accounting policy for the accounting and presentation of revaluation surplus as referred to note 4.2.2 to the financial statements, we assessed the accounting implications in accordance with the applicable financial reporting standards and evaluated its application in the context of the Company.</p>

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Key audit matters	How the matter was addressed in our audit
<p>The Company has also changed its accounting policy relating to presentation and measurement of surplus on revaluation of fixed assets as a consequence of the application of the Act with retrospective effect. The impact of the said change in accounting policy has been disclosed in note 4.2.2 to the financial statements.</p> <p>Further, specific additional disclosures and changes to the existing disclosures have been included in the financial statements as referred to in note 2.2 to the financial statements.</p> <p>The above changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes to the financial statements from the transition to the new reporting requirements under the Act.</p>	<p>Further, we considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements. We also evaluated the sources of information used by the management for the preparation of the above referred disclosures and the internal consistency of such disclosures with other elements of the financial statements.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Board of directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 as applicable in Pakistan 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditors' report is Arslan Khalid.

Chartered Accountants

Place: Karachi

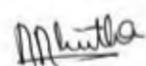
Date: 18 September 2018

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

	Note	2018 ------(Rupees in '000)-----	2017 Restated	2016 Restated
ASSETS				
NON-CURRENT ASSETS				
Property and equipment	7	4,199,840	4,124,777	3,312,306
Intangibles	8	148,690	140,335	109,801
Investment property	9	548,094	625,984	682,084
Investment in associates	10	2,432,408	2,277,485	1,843,171
Long term investments	11	309,583	77,318	1,677,785
Long term deposits	12	41,896	40,619	40,537
Long term loans	13	11,011	1,130	1,606
Deferred tax asset		-	-	10,881
		7,691,522	7,287,648	7,678,171
CURRENT ASSETS				
Trade debts	15	57,581	46,485	40,917
Loans and advances	16	19,698	16,562	17,945
Prepayments	17	35,359	27,944	30,076
Other receivables	18	130,808	158,719	120,402
Short term investments	19	1,666,198	1,790,202	187,517
Taxation - net		460,738	430,240	430,837
Cash and bank balances	20	413,076	2,495,547	383,724
		2,783,458	4,965,699	1,211,418
Non-current assets held for disposal	38	-	-	-
TOTAL ASSETS		10,474,980	12,253,347	8,889,589
SHARE CAPITAL , RESERVES AND LIABILITIES				
Authorized Capital				
1,000,000,000 ordinary shares of Rs.10 each (June 30, 2017: 1,000,000,000)				
		10,000,000	10,000,000	10,000,000
Share capital	21	8,014,766	8,014,766	8,014,766
Reserves		279,904	419,670	173,967
Revaluation surplus on property and equipment	25	712,731	744,199	-
		9,007,401	9,178,635	8,188,733
NON-CURRENT LIABILITIES				
Deferred tax liability	14	170,110	177,482	-
Dara F. Dastoor scholarship fund		2,000	2,000	2,000
Long term deposits	22	253,638	1,643,958	144,968
		425,748	1,823,440	146,968
CURRENT LIABILITIES				
Unclaimed dividend		20,222	20,925	18,235
Trade and other liabilities	23	1,021,609	1,230,347	535,653
		1,041,831	1,251,272	553,888
CONTINGENCIES AND COMMITMENTS				
	24			
TOTAL EQUITY AND LIABILITIES		10,474,980	12,253,347	8,889,589

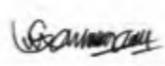
The annexed notes from 1 to 42 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



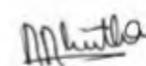
Chairman

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 ------(Rupees in '000)-----	2017
Revenue			
Listing fee	26	336,029	245,674
Income from exchange operations	27	332,490	452,926
Service charges	28	44,885	62,948
Management fee	29	-	113,600
Mark-up / interest income	30	116,696	127,443
Rental income from investment property		60,954	61,263
		891,054	1,063,854
Operating cost			
Administrative expenses	31	(1,117,863)	(1,122,079)
Financial and other charges	32	(344)	(444)
		(1,118,207)	(1,122,523)
Operating Loss			
Other income	33	5,172	21,420
Provision for impairment against transfer of sub-lease of properties	38.1	-	(35,431)
Share of profit from associates	10.1	339,603	391,552
Net profit before taxation		117,622	318,872
Taxation	34	(53,393)	(41,578)
Net profit after taxation		64,229	277,294
Basic and diluted earnings per share	35	0.08	0.35

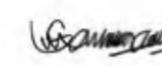
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Chief Financial Officer



Chief Executive Officer



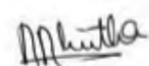
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STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 ------(Rupees in '000)-----	2017 Restated
Net profit for the year		64,229	277,294
Other comprehensive income			
Items not to be reclassified to profit and loss in subsequent periods:			
Actuarial loss on employees' gratuity fund			
- Company		(25,974)	(10,405)
- Associates		(25,891)	(10,526)
		(51,865)	(20,931)
Tax effect on actuarial loss on employees' gratuity fund			
- Company		7,792	3,225
- Associates		7,767	3,263
		15,559	6,488
Revaluation surplus on property and equipment - net of tax - Associate		1,302	105,420
Revaluation surplus on property and equipment - net of tax - Company		-	744,199
		1,302	849,619
		29,225	1,112,470
Items to be reclassified to profit and loss in subsequent periods:			
Share of other comprehensive loss from associates' in respect of revaluation on available-for-sale investments	10.1	(90)	(2,346)
Total comprehensive income for the year		29,135	1,110,124

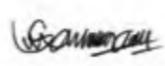
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Chief Financial Officer



Chief Executive Officer



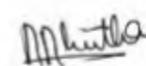
Chairman

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

	2018 ------(Rupees in '000)-----	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	117,622	318,872
Non-cash adjustments to reconcile income before tax to net cash flows		
Depreciation on tangible assets	128,724	174,402
Amortisation on intangible assets	52,180	47,846
Provision for gratuity	26,406	20,948
Mark-up / interest income	(116,476)	(124,609)
Provision for trade debts consider doubtful	3,217	9,084
Provision for impairment against transfer of sub-lease of properties	-	35,431
Discount on Pakistan Investment Bonds	(220)	(2,834)
Reversal of provision against receivables on recovery	(448)	(1,088)
Loss on disposal of fixed assets - net	220	21,433
Share of profit of associates	(339,603)	(391,552)
	(246,000)	(210,939)
	(128,378)	107,933
Working capital adjustments:		
(Increase) / decrease in current assets		
Trade debts	(13,865)	(6,557)
Loans and advances	(3,136)	1,383
Prepayments	(7,415)	2,132
Other receivables	(74,666)	(48,796)
	(99,082)	(51,838)
(Decrease) / increase in current liabilities		
Trade and other liabilities	(241,178)	685,526
	(468,638)	741,621
Income tax paid	(68,200)	(82,137)
Gratuity paid	(20,645)	(19,491)
Decrease in long term deposit	(1,390,320)	1,498,990
Mark-up / interest received	125,674	193,886
	(1,353,491)	1,591,248
Net cash (used in) / generated from operating activities	(1,822,129)	2,332,869
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(46,610)	(83,537)
Capital work-in-progress	(141,526)	(104,451)
Proceeds from sale of fixed assets	1,316	98,913
Dividend received	167,768	53,049
Investments sold	6,336,396	3,771,974
Investments purchased	(6,366,159)	(3,837,166)
Increase in long term deposits	(1,277)	(82)
(Increase) / decrease in long term loans	(9,881)	476
Net cash (used in) / generated from investing activities	(59,973)	(100,824)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(200,369)	(120,222)
Net cash used in financing activities	(200,369)	(120,222)
Net (decrease) / increase in cash and cash equivalents	(2,082,471)	2,111,823
Cash and cash equivalents at the beginning of the year	2,495,547	383,724
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	413,076	2,495,547

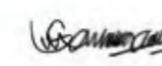
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Chief Financial Officer



Chief Executive Officer



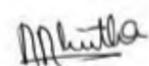
Chairman

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2018

	Share capital	Revenue Reserves	Capital Reserves	Share of Associates' reserves	Total
		Unappropriated profit	Revaluation Surplus on property and equipment		
----- (Rupees In '000) -----					
----- (Restated) -----					
Balance as at July 01, 2016 - previously reported	8,014,766	8,187	-	(21,218)	8,001,735
Adjustment due to change in accounting policy note 4.2.2	-	1,660	-	185,338	186,998
Balances as at July 01, 2016 - restated	8,014,766	9,847	-	164,120	8,188,733
Profit for the year	-	277,294	-	-	277,294
Other comprehensive (loss) / income as restated	-	(7,180)	744,199	95,811	832,830
Total comprehensive income	-	270,114	744,199	95,811	1,110,124
Dividend for the year ended June 30, 2016 @ Re. 0.05 per share	-	(40,074)	-	-	(40,074)
Dividend for the period ended December 31, 2016 @ Re. 0.10 per share	-	(80,148)	-	-	(80,148)
Balance as at June 30, 2017	<u>8,014,766</u>	<u>159,739</u>	<u>744,199</u>	<u>259,931</u>	<u>9,178,635</u>
Balance as at July 01, 2017	8,014,766	159,739	744,199	259,931	9,178,635
Profit for the year	+	64,229	-	-	64,229
Other comprehensive loss	+	(18,182)	-	(16,912)	(35,094)
Total comprehensive income / (loss)	+	46,047	-	(16,912)	29,135
Dividend for the year ended June 30, 2017 @ Re. 0.20 per share	+	(160,295)	-	-	(160,295)
Dividend for the half year ended December 31, 2017 @ Re. 0.05 per share	+	(40,074)	-	-	(40,074)
Transfer from Revaluation surplus on property and equipment incremental depreciation net of tax see note 25	-	31,468	(31,468)	-	-
Balance as at June 30, 2018	<u>8,014,766</u>	<u>36,885</u>	<u>712,731</u>	<u>243,019</u>	<u>9,007,401</u>

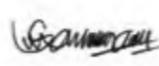
The annexed notes from 1 to 42 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

1. LEGAL STATUS AND NATURE OF OPERATIONS

- 1.1 Pakistan Stock Exchange Limited [the Company or PSX] was incorporated under the Companies Act, 1913 (now Companies Act, 2017) on March 10, 1949 as a Company Limited by Guarantee. However, on August 27, 2012 the Company was re-registered as public company limited by shares under the Stock Exchanges (Corporatisation, Demutualisation and Integration) Act 2012 (XV of 2012). The Company is listed on PSX with effect from June 29, 2017.

The Company is engaged in conducting, regulating and controlling the trade or business of buying, selling and dealing in shares, scripts, participation term certificates, modaraba certificates, stocks, bonds, debentures stock, government papers, loans, and any other instruments and securities of like nature including, but not limited to, special national fund bonds, bearer national fund bonds, foreign exchange bearer certificates and documents of similar nature, issued by the Government of Pakistan or any other agency authorised by the Government of Pakistan.

In 2016-17, the Divestment process of 40% shares of PSX as required under the Stock Exchanges (Corporatization, Demutualization and Integration) Act 2012 read with the Stock Exchanges (Corporatization, Demutualization and Integration) Regulations 2012, was completed and accordingly, shares of PSX were sold to the Consortium which includes China Financial Futures Exchange (CFFEX), Shanghai Stock Exchange (SSE), Shenzhen Stock Exchange (SZSE), Pak China Investment Company Limited (PCICL) and Habib Bank Limited (HBL).

During the previous year, pursuant to the provisions of Stock Exchanges (Corporatization, Demutualization and Integration) Act 2012, and the amendments introduced in the Regulations framed thereunder, PSX had contemplated the process of sale of its shares representing not less than 20% of the paid-up capital, lying in blocked accounts of initial shareholders, by way of an Offer for Sale and completed the entire process of self-listing of its shares.

1.2 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

- 1.2.1 The Board has approved the concept of demerger of real estate from its operation which would result in creation of two separate entities, the shares of which would be issued to the existing shareholders of the Exchange. The process has been initiated.
- 1.2.2 During the year 2017-18, the performance of the stock market presented a downwards trend as compared to last year, having an adverse impact on the traded value and volumes and consequently the trading fee revenue declined by 39%.

2. STATEMENT OF COMPLIANCE

- 2.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Companies Act, 2017.

where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 The Act is applicable for the current year financial statements and has brought certain changes with regard to the preparation and presentation of these financial statements. These changes, amongst others, included change in respect of presentation and measurement of surplus on revaluation of property and equipment as fully explained in note 4.2.2 of these financial statements and changes in nomenclature of the primary statements. Disclosure of significant transactions and events affecting the Company's financial position and performance (refer note 1.2), management assessment of sufficiency of tax provision (refer note 34.2), change in threshold for identification of executives for disclosing their remuneration (refer note 36) and additional disclosure requirements for related parties (refer note 37) etc.

3. BASIS OF MEASUREMENT

3.1 These financial statements have been prepared under the historical cost convention except for operating fixed assets, investment property and certain investments which are valued on a fair value basis as stated in notes 4.2, 4.5 and 4.6 below.

3.2 These financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except for the changes in accounting policies as explained in the note 4.2.2 below and described below:

New / revised standards, interpretations and amendments

The Company has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current period:

Standard or Interpretation

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)

IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above amendments and improvements to accounting standards and interpretations did not have any effect on the financial statements.

4.2 Operating fixed assets - tangible

4.2.1 All categories of operating fixed assets are carried at revalued amount, being its fair value at the date of its revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any, except for leasehold land which is carried at cost less accumulated impairment losses, if any.

4.2.2 Change in accounting policy

4.2.2.1 The new Companies Act, 2017 have applied during the year. The specific provision / section in the repealed Companies Ordinance, 1984 relating to the surplus on revaluation of fixed assets has not been carried forward in the Companies Act, 2017. Previously, section 235 of the repealed Companies Ordinance, 1984 specified the accounting treatment and presentation of the surplus on revaluation of fixed assets and required that the surplus on revaluation be presented separately under equity. Accordingly, after the new Companies Act, 2017 and in accordance with the requirements of International Accounting Standard (IAS) 16, Property, Plant and Equipment, surplus on revaluation of fixed assets would now be presented under equity.

4.2.2.2 A revaluation deficit is recognised in the profit and loss account, except that the deficit offsets a previous surplus on same category of asset, in which case, the deficit is charged to the balance of surplus on revaluation.

4.2.2.3 The above change in the accounting policy has been applied retrospectively and comparative information have been restated in accordance with the requirement of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Due to the above change in accounting policy, the Company has presented its statement of financial position as at the beginning of the earliest comparative period i.e July 01, 2016 and related notes in accordance with requirement of IAS 1 - Presentation of Financial Statements (Revised) (IAS 1). The effect of change in accounting policy is summarised below:

	As at 30 June 2017			As at 01 July 2016		
	As previously reported	Re-statement	As re-stated	As previously reported	Re-statement	As re-stated
	------(Rupees in ,000)-----			------(Rupees in ,000)-----		
Effect on statement of financial position						
Surplus on revaluation of property and equipment	744,199	(744,199)	-	-	-	-
Investment in associates	1,985,337	292,148	2,277,485	1,656,173	186,998	1,843,171
Total capital and reserves	127,522	1,036,347	1,163,869	(13,031)	186,998	173,967
Impact on other comprehensive income for the year						
	-	849,619	849,619	-	-	-
Effect on statement of changes in equity						
Reserves	127,522	1,036,347	1,163,869	(13,031)	186,998	173,967

There was no cash flow impact as a result of the retrospective application of change in accounting policy.

4.2.3 The depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and an amount equal to incremental depreciation for the year (net of deferred taxation) is transferred from surplus on revaluation of assets to retained earnings through statement of changes in equity and reserves to record realisation of surplus to the extent of the incremental depreciation charge for the year. Upon disposal, any balance of revaluation surplus is transferred to retained earnings.

4.2.4 The depreciation is charged to profit and loss account applying the diminishing balance method over its estimated useful life of the respective assets, except for "Computers and related accessories" which are depreciated using straight-line method. The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end. In respect of additions and disposals of assets, depreciation is charged from the month in which asset is available to use and continue depreciating it until it is derecognised i.e. up to the month preceding the disposal, even if during that period the asset is idle. Useful lives are determined by the management based on expected usage of asset, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of assets and other similar factors.

4.2.5 Maintenance and repairs are charged to income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired. Gains and losses on disposal of assets, if any, are included in income currently.

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

4.3 Capital work-in-progress

Capital work-in-progress is stated at cost. It consists of expenditure incurred and advances made in respect of tangible and intangible assets in the course of their construction and installation.

4.4 Intangible assets

These are stated at cost less accumulated amortisation. Amortisation is charged to income using the straight-line method at the rate disclosed in note 8 to the financial statements.

Amortisation on additions is charged for the full month in which an asset is put to use and on deletions up to the month immediately preceding the deletion.

Gains or losses on disposal of intangible assets, if any, are included in income currently.

4.5 Investment property

According to the new accounting policy, investment property is stated at fair value, which reflects market conditions at the reporting date. Gain or loss on remeasurement of investment property at fair value is recognised in profit and loss account. Fair value is evaluated annually by an independent professional valuer on the basis of professional assessment of present market value.

Investment property is derecognised when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised as income in the period of derecognition.

Maintenance and normal repairs are charged to the profit and loss account as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired. Gains or losses on disposal of investment property, if any, are included in income currently.

4.6 Investments

The management of the Company determines the appropriate classification of its investments at the time of purchase or increase in holding and classifies / reclassifies its investment as subsidiaries, associates and joint ventures, at fair value through profit or loss account, held to maturity and available for sale.

All investments are initially recognised at cost, being the fair value of the consideration given including transaction costs associated with the investment except in the case of investments at fair value through profit or loss account where transaction costs are charged to profit and loss account when incurred.

4.6.1 Available for sale investments

Investments which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity are classified as available for sale. After initial recognition, these are stated at fair values (except for unquoted investments where active market does not exist) with any resulting gains or losses being taken to comprehensive income until the investment is disposed or impaired, at which time the respective surplus or deficit is transferred to profit and loss account.

Unquoted investments where active market does not exist and whose fair value cannot be reliably measured are stated at cost, less impairment, if any.

4.6.2 Investments at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held-for-trading and financial assets designated upon initial recognition as at fair value through profit or loss. These securities are either acquired for generating a profit from short-term fluctuation in prices or are securities included in a portfolio in which a pattern of short-term profit taking exists, and related transaction costs are expensed out. These investments are measured at subsequent reporting dates at fair value and resulting gains and losses are included in the profit and loss account for the year.

4.6.3 Held to maturity investments

Investments with fixed or determinable payments and fixed maturity where management has both the positive intent and ability to hold to maturity are classified as held to maturity and are stated at amortised cost. Provision for impairment in value, if any, is taken to income currently.

4.6.4 Investment in associates

Investments in associates are accounted for using the equity method, whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition change in the Company's share of the net assets of the associate. The profit and loss account reflects the Company's share of the results of the operations of the associate. Where there has been a change recognised in the other comprehensive income or surplus on revaluation of assets of the associate, the Company recognises its share in its comprehensive income or surplus on revaluation of assets, as the case may be.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the same in the profit and loss account.

4.7 Trade debts and other receivables

These are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off when identified.

4.8 Loans, advances and deposits

These are stated at cost, less allowance for any impairment.

4.9 Cash and cash equivalents

Cash in hand and at banks are carried at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and at bank and short term investments that are highly liquid in nature and are readily convertible into known amounts of cash, which are subject to insignificant risks of changes in value.

4.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.11 Revenue recognition

- Income from initial listing fee is recognised when the securities are initially listed on the ready board. Income from annual listing fee is recognised on an accrual basis;
- Income in respect of trading by members in shares, contracts and bonds is recognised at the trade date;
- Rental income, facilities and equipment fees, non-trading facilities income and membership fees are recognised on accrual basis while other fees are recognised when received;
- Investments purchased at premium or discount, are amortized through the profit and loss account using the effective interest rate method;
- Income from investments and bank accounts is recognised on an accrual basis;
- Dividend income is recognised when the Company's right to receive dividend is established;
- Management fee from PSX Centralised Customer Protection Compensation Fund (formerly PSX Investors Protection Fund) is recognised on accrual basis as disclosed in note 29 to the financial statements; and
- Service charges from NCCPL is recognised on accrual basis as disclosed in note 28 to the financial statements.

4.12 Taxation

Current

Provision for current taxation is based on taxable income at current rates of taxation after taking into account all tax credits and tax rebates available, if any. The tax charge as calculated above is compared with turnover tax under Section 113 of the Income Tax Ordinance, 2001, and whichever is higher is provided for in the financial statements.

Deferred

Deferred tax is recognised, using the balance sheet liability method, on all major temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except for taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that taxable profit or taxable temporary differences will be available against which the deductible temporary differences and / or carry-forward of unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit or taxable temporary differences will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

4.13 Staff retirement benefits

The Company operates an approved gratuity fund (defined benefit plan) for all its permanent employees who attain the minimum qualification period for entitlement to gratuity. The Company's costs and contributions are determined based on actuarial valuation carried out at each year end using Projected Unit Credit Actuarial Method. All actuarial gains and losses are recognised in 'other comprehensive income' as they occur and are not reclassified to profit or loss in subsequent periods.

4.14 Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or a group of assets. If any such indication exists, the recoverable amount of that asset is estimated and impairment losses are recognised in the profit and loss account.

4.15 Foreign currency translation

Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the balance sheet date. Gains and losses on translation are taken to income currently. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

4.16 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on derecognition of the financial assets and financial liabilities are taken to profit and loss account currently.

All regular way purchases of financial assets are recognised on a transaction date i.e. the date the Company receives the financial asset. All regular way sales of financial assets are recognized on the settlement date i.e. the date the asset is delivered to the counter party. Regular way purchases or sales of financial assets that require delivery of assets within the time generally established by regulation or convention the market place.

4.17 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.18 Non-current assets held for disposal

Non-current assets held for disposal are classified as held for disposal if their carrying amounts will be recovered principally through a sale / disposal rather than through continuing use. Such non-current assets are measured at the lower of their carrying amount and fair value less costs to sell. Property and equipment and intangible assets once classified as held for sale / disposal are not depreciated or amortised.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making, judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and judgments that have a significant effect on the financial statements are in respect of the following:

	Notes
- Operating fixed assets	4.2, 4.3, 4.4,7 and 8
- Investment property	4.5 and 9
- Classification of investments	4.6, 10, 11 and 19
- Provisions and contingencies	4.10, 23 and 24
- Taxation and Deferred tax	4.12 and 14
- Staff retirement benefits	4.13

6. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan that would be effective from the dates mentioned below against the respective standard or interpretation:

6.1 Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
IFRS 2: Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments).	January 01, 2018
IFRS 10: Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment).	Not yet finalized
IFRS 9 – Financial Instruments	July 01, 2018
IFRS 9 – Prepayment Features with Negative Compensation – (Amendments)	January 01, 2019
IFRS 15 – Revenue from Contracts with Customers	July 01, 2018
IFRS 16 – Leases	January 01, 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019
IAS 40: Investment Property: Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22: Foreign Currency Transactions and Advance Consideration.	January 01, 2018
IFRIC 23: Uncertainty over Income Tax Treatments.	January 01, 2019

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application. However, the Company is currently evaluating the requirements of IFRS-9 and potential impact on the financial statements of the Company.

7. PROPERTY AND EQUIPMENT

Operating fixed assets - tangible
Capital work-in-progress

Note	June 30, 2018	June 30, 2017
	----- (Rupees in '000) -----	
7.1	4,187,571	4,092,544
7.2	12,269	32,233
	<u>4,199,840</u>	<u>4,124,777</u>

7.1 OPERATING FIXED ASSETS - Tangible

	June 30, 2018						Rate/ period	----- Accumulated Depreciation -----			Written Down Value As at June 30, 2018
	As at July 01, 2017	Addition/ (disposals) /(transfers)	Transfer from Investment property-net	Adjustment of accumulated Depreciation	Revaluation Surplus	As at June 30, 2018		As at July 01, 2017	Charge for the year/ deletion	Adjustment of accumulated Depreciation	
	----- (Rupees in '000) -----							----- (Rupees in '000) -----			
Leasehold land	2,546,642	-	-	-	-	2,546,642	99 years	-	-	-	2,546,642
Building on leasehold land	1,311,390	26,138	77,890	-	-	1,415,418	5%	-	66,337	-	1,349,081
Lift, generators and electric installation	87,080	13,699	-	-	-	100,779	25%	-	23,421	-	77,358
Furniture and fixtures	6,382	1,294 (4)	-	-	-	7,672	20%	-	1,387	-	6,285
Office equipment	39,408	30,165	-	-	-	69,573	20%	-	10,152	-	59,421
Computers and related accessories	90,702	71,956 (57)	-	-	-	162,601	20% 33.3%	-	25,043 (7)	-	137,565
Vehicles	10,940	4,318 (1,648)	-	-	-	13,610	20%	-	2,557 (166)	-	11,219
	<u>4,092,544</u>	<u>147,570</u> <u>(1,709)</u>	<u>77,890</u>	<u>-</u>	<u>-</u>	<u>4,316,295</u>		<u>-</u>	<u>128,897</u> <u>(173)</u>	<u>-</u>	<u>4,187,571</u>

* During the year, the Company has transferred certain properties from investment property to operating fixed assets, at fair value.

	June 30, 2017						Rate/ period	----- Accumulated Depreciation -----			Written Down Value As at June 30, 2017
	As at July 01, 2016	Addition/ (disposals) /(transfers)	Transfer from Investment property-net	Adjustment of accumulated Depreciation	Revaluation Surplus	As at June 30, 2017		As at July 01, 2016	Charge for the year/ deletion	Adjustment of accumulated Depreciation	
	----- (Rupees in '000) -----							----- (Rupees in '000) -----			
Leasehold land	2,677,882	-	56,100	(413,496)	226,156	2,546,642	99 years	354,424	59,072	(413,496)	2,546,642
Building on leasehold land (see note 7.1, 7.1.2 & 38)	838,739	119,070 (175,576)	-	(183,143)	712,300	1,311,390	5%	167,300	36,589 (20,746)	(183,143)	1,311,390
Lift, generators and electric installation	96,629	31,016	-	(73,384)	32,819	87,080	25%	58,105	15,279	(73,384)	87,080
Furniture and fixtures	8,984	3,613 (99)	-	(6,116)	-	6,382	20%	4,840	1,340 (64)	(6,116)	6,382
Office equipment	54,929	13,161 (166)	-	(30,737)	2,221	39,408	20%	22,467	8,365 (95)	(30,737)	39,408
Computers and related accessories	307,395	44,855 (6,116)	-	(255,434)	2	90,702	20% & 33.3%	209,422	52,029 (6,017)	(255,434)	90,702
Vehicles	12,987	2,360 (1,731)	-	(6,121)	3,445	10,940	20%	5,382	1,728 (989)	(6,121)	10,940
	<u>3,997,545</u>	<u>214,075</u> <u>(183,688)</u>	<u>56,100</u>	<u>(968,431)</u>	<u>976,943</u>	<u>4,092,544</u>		<u>821,940</u>	<u>174,402</u> <u>(27,911)</u>	<u>(968,431)</u>	<u>4,092,544</u>

7.1.1 In April 2012 a concept paper was presented to the Board of PSX by the management highlighting that an old building structure on 1,950 square yards within the PSX campus was in highly dilapidated condition. It had offices of TREC holders, banks and other occupants on the basis of "Leave and License Agreement."

The concept paper proposed that this old building structure be demolished and in lieu of that, the occupants be provided leases in modern premises in a new building to be constructed besides the PSX's administration block on an area of approximately 400 square yards. Such an arrangement has benefitted the PSX by freeing up this 1,550 square yards approximately which was then classified as unencumbered and added to the overall value of the Leasehold land of the PSX of approximately Rs. 625 million, as per the then valuation.

During the previous year, the Board of Directors of the Company in their meeting held on December 07, 2016 ratified its earlier decision whereby, the plan of construction of new building and granting of sub-lease rights therein to occupants of the old building in terms of the allocation plan was approved. As per the approved plan, the sub-lease / transfer of ownership is on the continuation of principal of "leave and license" arrangement with the occupants of the old building and hence, the Company will not receive any additional consideration for sub-lease rights provided to the occupants. Accordingly, the sub-lease transfer process of 77 office spaces having aggregate written down value of Rs. 115.406 million (out of the total of 116 office spaces) has been completed during the previous year, against Nil consideration, resulting in loss on transfer of these office spaces of Rs. 115.406 million.

7.1.2 Further, during the previous year, the Company also disposed off certain office spaces in the new building, having an aggregate book value of Rs. 3.993 million, to third parties against consideration of Rs 98.28 million, resulting in gain on sale of these office spaces of Rs. 94.287 million.

7.1.3 In accordance with the Company's accounting policy, property and equipment were revalued, by an independent valuer, Iqbal A. Nanjee & Co. (Private) Limited on the basis of professional assessment of market values, which resulted in a surplus of Rs. 976.943 million and Rs. 3,390 million (see note 21.1) on June 30, 2017 and June 30, 2012 respectively, over the book value of the respective assets at the time of revaluation.

7.1.4 Had there been no revaluation, the net book value of the opening fixed assets would have been as follows:

	June 30, 2018	June 30, 2017
	----- (Rupees in '000) -----	
Leasehold land	2,320,486	2,320,486
Building on leasehold land	594,505	599,090
Lift, generators and electric installation	52,744	54,261
Furniture and fixtures	6,284	6,382
Office equipment	57,644	37,187
Computers and related accessories	127,862	90,700
Vehicles	8,319	7,495
	<u>3,167,844</u>	<u>3,115,601</u>

7.1.5 Cost of fully depreciated assets is Rs.612.238 (June 30, 2017: Rs. 581.302) million for the year ended June 30, 2018.

7.1.6 Disposal of property and equipment

Type of Asset	Cost/ Revalued Cost	Accumulated Depriclation	Net Book Value	Sale Proceed	Gain\ (loss)	Mode of disposals/ settlement	Relationship	Particulars of Buyers/ purchasers
------(Rupees)-----								
Suzuki Cultus Motorbike	500,000 60,000	75,000 7,000	425,000 53,000	497,000 28,457	72,000 (24,543)	Company Policy Company Policy	Third party Employee	Hafiz M. Umair Syed Muhammad Pervaiz Amjad
Motorbike	50,000	1,667	48,333	27,485	(20,848)	Company Policy	Employee	Tariq Siddiq
Motorbike	50,000	1,667	48,333	27,485	(20,848)	Company Policy	Employee	M.Jawed
Motorbike	50,000	1,667	48,333	27,485	(20,848)	Company Policy	Employee	Abdul Qadir
Motorbike	60,000	-	60,000	32,215	(27,785)	Company Policy	Employee	Yousuf Haroon
Motorbike	60,000	-	60,000	32,215	(27,785)	Company Policy	Employee	Ahmed Hassan
Motorbike	60,000	3,000	57,000	30,604	(26,396)	Company Policy	Employee	Anwer Siddique
Motorbike	60,000	8,000	52,000	28,759	(23,241)	Company Policy	Employee	Muhammad Iqbal yousuf
Motorbike	60,000	10,000	50,000	27,485	(22,515)	Company Policy	Employee	Hassan Baloch
Motorbike	60,000	11,000	49,000	28,606	(20,394)	Company Policy	Employee	M.Zubair Ebrahim
Motorbike	60,000	11,000	49,000	28,606	(20,394)	Company Policy	Employee	Asif Shabbir
Motorbike	60,000	11,000	49,000	28,606	(20,394)	Company Policy	Employee	Rashid Abu Baker
Motorbike	85,000	9,917	75,083	72,363	(2,720)	Company Policy	Employee	S.M Abuzar Zaidi
Motorbike	85,000	-	85,000	81,920	(3,080)	Company Policy	Employee	Farhan Ahmed Nagda
Motorbike	85,000	-	85,000	81,920	(3,080)	Company Policy	Employee	Faizan Tariq
Motorbike	99,470	15,119	84,351	82,489	(1,862)	Company Policy	Employee	Muhammad Hammad
Motorbike	103,400	-	103,400	102,400	(1,000)	Company Policy	Employee	Mr. Irfan Dawood
Floor wooden cabinet lockable doors	1,543	-	1,543	-	(1,543)	Scrap	Third party	Muhammad Afzal
Wooden cabinets	2,548	-	2,548	-	(2,548)	Scrap	Third party	Muhammad Afzal
HP Envy - 15 - K011TX - Corei7	40,839	6,806	34,033	34,033	-	Company Policy	Employee	Mr. Haroon Askari
Dell-7377-Core i7	15,841	-	15,841	15,841	-	Company Policy	Employee	Mr. Iftikhar Ahmed
Total - June 30, 2018	1,708,641	172,843	1,535,798	1,315,974	(219,824)			
Total - June 30, 2017	183,688	27,911	155,777	98,913	(56,864)			

7.1.7 The registered office of the Company is situated at Stock Exchange Building, Stock Exchange Road, Karachi. Area of land belongs to the Company is 9,408 Sq yards out of which occupied space by the buildings are 4,050 Sq yards and open area is 5,358 Sq yards.

7.2 Capital work-in-progress

Advances against:

- Computer hardware
- Lift generator and electric installation
- Office equipment
- Civil works
- Vehicle
- Furniture and fixtures

8. INTANGIBLES

Operating intangibles
Intangibles under development

8.1 Operating Intangibles

	June 30, 2018							
	COST				Rate	ACCUMULATED AMORTISATION		WRITTEN
	As at July 01, 2017	Additions	As at June 30, 2018			As at July 01, 2017	Charge for the year	As at June 30, 2018
------(Rupees In '000)-----				%	------(Rupees In '000)-----			
Computer software	330,511	34,668	365,179	25	257,081	32,628	289,709	75,470
Internally developed software and market products	241,339	21,071	262,410	25	199,640	19,552	219,192	43,218
	571,850	55,739	627,589		456,721	52,180	508,901	118,688
	June 30, 2017							
	COST				Rate	ACCUMULATED AMORTISATION		WRITTEN
	As at July 01, 2016	Additions	As at June 30, 2017			As at July 01, 2016	Charge for the year	As at June 30, 2017
------(Rupees In '000)-----				%	------(Rupees In '000)-----			
Computer software	281,978	48,533	330,511	25	230,622	26,459	257,081	73,430
Internally developed software and market products	211,565	29,774	241,339	25	178,253	21,387	199,640	41,699
	493,543	78,307	571,850		408,875	47,846	456,721	115,129

Note June 30, 2018 June 30, 2017
------(Rupees in '000)-----

Advances against:		
- Computer hardware	3,152	11,642
- Lift generator and electric installation	8,812	2,097
- Office equipment	-	6,230
- Civil works	-	11,575
- Vehicle	279	689
- Furniture and fixtures	26	-
	12,269	32,233
Operating intangibles	118,688	115,129
Intangibles under development	30,002	25,206
	148,690	140,335

	Note	June 30, 2018	June 30, 2017
----- (Rupees in '000) -----			
8.2 Intangibles under development			
Internally developed software		20,698	12,862
Internally developed market products		6,163	6,163
Computer software		13,291	16,331
		40,152	35,356
Less: Provision for impairment	8.2.1	(10,150)	(10,150)
		30,002	25,206

8.2.1 This represents provision for impairment against a software which failed to operate and consequently, the Company terminated the agreement and raised demand for the refund from the supplier, which is currently pending settlement.

9. INVESTMENT PROPERTY

	Note	June 30, 2018	June 30, 2017
Balance as at 1 July		625,984	682,084
Transfer from investment property to operating fixed assets	7.1	(77,890)	(56,100)
Loss from changes in fair value	9.1	-	-
Balance as at 30 June		548,094	625,984

9.1 Represents office spaces in PSX's building, the latest fair value of this property was carried out by Iqbal A. Nanjee & Company (Private) Limited, independent valuers as at June 30, 2018. The valuation was carried out in accordance with the commercial rates for sale of office spaces prevailing in the market. This resulted in no material change in the fair value of investment property as at the year end as compared to the previous fair value of investment property as at June 30, 2017.

9.2 The rental income during the year from the investment property amounted to Rs. 60.954 (June 30, 2017: Rs. 61.263) million.

9.3 Details of the Company's immovable investment property

Particulars	Area (Sq. Ft)	Location
Investment property	14,622	Stock Exchange Building, Stock Exchange Road, Karachi

	Note	June 30, 2018	June 30, 2017 (Restated)
----- (Rupees in '000) -----			
10. INVESTMENT IN ASSOCIATES - under equity method of accounting			
Unquoted companies			
Central Depository Company of Pakistan Limited [(CDC) (42,232,120 shares having face value Rs. 422,321,200)]		1,820,728	1,637,268
National Clearing Company of Pakistan Limited [(NCCPL) (23,730,462 shares having face value Rs. 237,304,620)]	10.1	611,680	640,217
		2,432,408	2,277,485

10.1 Reconciliation of changes in carrying value of investment in associate

	June 30, 2018		
	CDC	NCCPL	Total
----- (Rupees in '000) -----			
Opening balance	1,637,268	640,217	2,277,485
Share of profit for the year	267,671	71,932	339,603
Deficit on revaluation of associates' available-for-sale investments	(90)	-	(90)
Actuarial loss on employees' gratuity fund	(12,580)	(5,544)	(18,124)
Revaluation surplus on property and equipment - net of tax	1,302	-	1,302
Dividend received during the year	(72,843)	(94,925)	(167,768)
Closing balance	1,820,728	611,680	2,432,408

	June 30, 2017		
	CDC	NCCPL	Total
----- (Restated) -----			
----- (Rupees in '000) -----			
Opening balance	1,305,182	537,989	1,843,171
Share of profit for the year	241,197	150,355	391,552
Deficit on revaluation of associates' available-for-sale investments	(1,961)	(385)	(2,346)
Actuarial loss on employees' gratuity fund	(4,609)	(2,654)	(7,263)
Revaluation surplus on property and equipment - net of tax	105,420	-	105,420
Dividend received during the year	(7,961)	(45,088)	(53,049)
Closing balance	1,637,268	640,217	2,277,485

10.2 Summarised financial information of the associates of the Company are as follows:

	2018					
	Country of incorporation	Total assets	Total liabilities	Profit	Revenue	Interest held %
	------(Rupees in ,000)-----					
Central Depository Company of Pakistan Limited" Break-up value of each ordinary share of Rs.10 is Rs.38.71 based on the latest audited financial statements available for the year ended June 30, 2018.	Pakistan	4,922,550	815,460	670,063	1,989,696	39.81
National Clearing Company of Pakistan Limited Break-up value of each ordinary share of Rs.10 is Rs 25.77 based on the latest audited financial statements available for the year ended June 30, 2018.	Pakistan	15,061,162	13,761,439	152,852	808,611	47.06
		<u>19,983,712</u>	<u>14,576,899</u>	<u>822,915</u>	<u>2,798,307</u>	

	2017					
	Country of incorporation	Total assets	Total liabilities	Profit	Revenue	Interest held %
	------(Rupees in ,000)-----					
Central Depository Company of Pakistan Limited Break-up value of each ordinary share of Rs.10 is Rs.36.48 based on the latest audited financial statements available for the year ended June 30, 2017.	Pakistan	4,439,055	790,471	608,178	1,869,368	39.81
National Clearing Company of Pakistan Limited Break-up value of each ordinary share of Rs.10 is Rs 26.97 based on the latest audited financial statements available for the year ended June 30, 2017.	Pakistan	23,034,007	21,673,569	319,496	1,036,662	47.06
		<u>27,473,062</u>	<u>22,464,040</u>	<u>927,674</u>	<u>2,906,030</u>	

10.3 All investments have been made in accordance with the provisions of the Section 199 of the Act and the rules promulgated for this purpose.

11. LONG TERM INVESTMENTS

Available for sale - unquoted

JCR VIS Credit Rating Company Limited, a related party

250,000 (June 30 2017: 250,000) ordinary shares of Rs.10 each, representing, 12.50% (June 30 2017: 12.50%) shareholding. The break-up value of each ordinary share is Rs.47.45 (based on latest available unaudited financial statements for the year ended June 30, 2018). (June 30, 2017: Rs. 39.16)

Pakistan Mercantile Exchange Limited (PMEX), a related party

8,909,052 (June 30 2017: 8,909,052) ordinary shares of Rs.10 each, representing 28.4% (June 30,2017: 28.4%) shareholding. The break-up value of each ordinary share is negative Rs.1.20 (based on latest available audited financial statements for the year ended June 30, 2018).(June 30,2017:Negative Rs.2.51).

Held to maturity

Pakistan Investment Bonds (PIBs)

Note	June 30, 2018	June30, 2017
	------(Rupees in '000)-----	
	2,500	2,500
11.1	74,818	74,818
11.2	232,265	-
	<u>309,583</u>	<u>77,318</u>

11.1 In the year 2014, the Company made additional investment of Rs. 52.727 million in Pakistan Mercantile Exchange Limited (PMEX) resulting in increase in the percentage holding from 19.14% to 32.32% as at the year ended June 30, 2015, which subsequently reduced to 28.4% as at June 30, 2016.

For the unsubscribed shares, financial advisor has been appointed for placement of shares to suitable investors at best price which is in process. The Company expects that on completion of subscription process of right issue of PMEX, the holding of PSX will be reduce to 18.88%.

As PMEX operates under close regulatory supervision, the Company believes that it can not exercise significant influence in the affairs of PMEX solely on the basis of shareholding / voting rights as investor in PMEX hence, the investment is not accounted for as an associate investment.

During the year, the management has carried out impairment testing of its investment in PMEX as required by IAS 36 - "Impairment of assets". The recoverable amount of this investment have been computed using 'value in use' computations. Value in use computations were performed using discounted cash flows methodology, covering cash flow projections for a period of 5 years. The calculations of 'value in use' are sensitive to discount rate of 14.05 % and terminal growth rate 5%.

In addition, the management has used various business assumptions for estimating future cash flows which are based on economic data, historical performance and business strategy of PMEX. Based on such impairment testing, the management estimated that no provision for impairment is required against its investment in PMEX.

11.2 These represent Pakistan Investment Bonds (PIBs) having cost of Rs. 231.41 million and interest accrued thereon of Rs.0.81 million (June 30, 2017: Rs. 10.96) million and amortization of discount of Rs.0.002 million (June 30, 2017: Rs.2.35) million. The effective rate of return 8.97% per annum (June 30, 2017:12.36%). These will mature latest by December 29, 2019.

	Note	June 30, 2018 ------(Rupees in '000)-----	June 30, 2017
12. LONG TERM DEPOSITS			
Earnest money	12.1	33,819	33,819
Utilities		2,790	2,790
Others		5,287	4,010
		<u>41,896</u>	<u>40,619</u>

12.1 This includes 10% of the bid amount, amounting to Rs.32.999 (June 30, 2017: Rs.32.999) million, paid by the Company to Pakistan Railways during the year ended June 30, 1993 as earnest money against the purchase of land. However, as a result of initiation of certain legal proceedings by one of the bidders, further action for purchase of land could not take place. Subsequently, Pakistan Railways cancelled the sale of railway land to the Company and requested the Company to apply for the refund of the above-referred amount. The Court has dismissed the suit on merit, which was filed by above-referred bidder.

During the year ended June 30, 2002, based upon the legal advice obtained, the Company filed a counter suit against Pakistan Railways for specific performance of the agreement which, if decided in favour of the Company, may require the Company to purchase the land and pay the balance of the purchase consideration, amounting to Rs.296.995 (June 30, 2017: Rs.296.995) million. The said case is pending adjudication in High Court of Sindh.

13. LONG TERM LOANS

	Note	June 30, 2018 ------(Rupees in '000)-----	June 30, 2017
Employees - Considered good, secured	13.1	19,467	4,205
Recoverable within one year shown under current assets		(8,456)	(3,075)
		<u>11,011</u>	<u>1,130</u>

13.1 These personal loans are sanctioned for the purchase of motorcycles, performing Hajj and other domestic purposes. These are secured against the outstanding balances in the Employees' Gratuity Fund. These are recoverable in monthly instalments over a period, with original maturity between 2 and 5 (June 30, 2017: 2 and 5) years and are interest free. All outstanding long term loans at the year end will mature within one to three years.

14. DEFERRED TAX LIABILITY / ASSET - NET

Deductible temporary differences arising from:

	Note	June 30, 2018 ------(Rupees in '000)-----	June 30, 2017
Provision for debts considered doubtful		12,392	12,063
Carry forward tax losses		239,384	262,986
Provision for defined benefit liability		28,003	20,211
Minimum tax		39,403	24,089
Others		-	12,495
		<u>319,182</u>	<u>331,844</u>

Taxable temporary differences arising from:

	Note	June 30, 2018 ------(Rupees in '000)-----	June 30, 2017
Differences between written down value and tax base of assets		(285,015)	(276,582)
Revaluation of property and equipment	25	(201,277)	(232,744)
Others		(3,000)	-
		<u>(489,292)</u>	<u>(509,326)</u>
		<u>(170,110)</u>	<u>(177,482)</u>

14.1 Movement of tax liability / asset - net

	June 30, 2018 ------(Rupees in '000)-----	June 30, 2017
Opening balance	177,482	(10,881)
Charged to profit and loss	420	(41,156)
Charged to other comprehensive income	(7,792)	(3,225)
Deferred tax on revaluation of property and equipment	-	232,744
	<u>170,110</u>	<u>177,482</u>

15. TRADE DEBTS

Unsecured Considered good

	Note	June 30, 2018 ------(Rupees in '000)-----	June 30, 2017
Due from members		27,311	19,761
Due from companies		30,270	26,724
		<u>57,581</u>	<u>46,485</u>

Considered doubtful

	Note	June 30, 2018 ------(Rupees in '000)-----	June 30, 2017
Due from companies		37,966	35,573
		<u>95,547</u>	<u>82,058</u>
Provision for doubtful debts	15.1	(37,966)	(35,573)
		<u>57,581</u>	<u>46,485</u>

15.1 Reconciliation of provision for trade debts

	Note	June 30, 2018 ------(Rupees in '000)-----	June 30, 2017
Opening balance		35,573	27,577
Provision for the year	31	3,217	10,465
Amount recovered / reversed		(824)	(2,469)
Closing balance		<u>37,966</u>	<u>35,573</u>

	Note	June 30, 2018 ------(Rupees in '000)-----	June 30, 2017
16. LOANS AND ADVANCES			
Loans - secured, considered good			
- Current portion of long term loans to employees	13	8,456	3,075
Advances, considered good			
- Employees		7,867	9,772
- Suppliers		3,375	3,715
		11,242	13,487
		19,698	16,562
17. PREPAYMENTS			
Maintenance of information technology equipment / software		20,606	15,772
Insurance		1	508
Others		14,752	11,664
		35,359	27,944
18. OTHER RECEIVABLES			
Due from members		5,546	4,076
Due from non-members	18.1	12,911	10,397
Interest / profit accrued on PLS savings accounts		2,340	1,049
Due from an ex-member	18.2	6,574	6,574
Management fee receivable		-	28,909
Others	18.3	106,778	111,055
		134,149	162,060
Less: Provision for doubtful receivable		(3,341)	(3,341)
		130,808	158,719

18.1 This represents amount due on account of license fee and reimbursement of electricity charges, etc. incurred by the Company.

18.2 This represents amount due from an ex-member upon the cancellation of his membership and declaration as a defaulter. As a result thereof, certain shares of the ex-member were taken over by the Company in order to square up the ex-member's position and are held pending the outcome of a law suit brought against the Company by him in the Honourable High Court of Sindh. The market value of these shares (including bonus shares) as at June 30, 2018 amounted to Rs. 40.485 (June 30, 2017: Rs.53.154) million. Further, as disclosed in note 20.5 included in bank balances Rs. 11.584 and Rs.9.469 (June 30, 2017: Rs 11.426 and Rs 8.515) million received as dividend and bank profit respectively.

18.3 This includes receivable from NCCPL (a related party) amounting to Rs. 16.866 million (June 30, 2017: Rs.28.447 million) on account of Margin Trading System fee. The maximum aggregate amount outstanding during the year amounted to Rs. 31.351 (June 30, 2017: Rs. 29.658) million.

18.4 As of 30 June 2018, the age analysis of receivables from NCCPL (a related party) is as follows;

	Note	June 30, 2018 ------(Rupees in '000)-----	June 30, 2017
Past due			
Upto 90 days		8,071	11,604
More than 90 days		8,795	16,843
		16,866	28,447

19. SHORT TERM INVESTMENTS

	Note	June 30, 2018	June 30, 2017
Held to maturity			
Market Treasury Bills	19.1	1,666,198	1,564,358
Pakistan Investment Bonds (PIBs)		-	225,844
		1,666,198	1,790,202

19.1 These represent Market Treasury Bills having cost of Rs. 1,643.72 (June 30, 2017: Rs.1529.56) million and interest accrued thereon of Rs.22.47 (June 30, 2017: Rs.34.80) million. This also includes Rs.620.658 million from defaulter / expelled / suspended members.(note 23.2).The effective rate of return 6.05% (June 30,2017: 5.85%) per annum. These will mature latest by November 8, 2018.

20. CASH AND BANK BALANCES

	Note	June 30, 2018	June 30, 2017
In hand		3	10
With banks on:			
Current accounts	20.3 & 20.4	102	127
PLS accounts in:			
foreign currency	20.1 to 20.7	14,224	1,586
local currency	20.6	398,747	2,493,824
		413,076	2,495,547

20.1 Rate of return on PLS accounts varies from 1.73% to 5.50% (June 30, 2017: 1.69% to 5.50%). However, the effective rate for the year is 5.08% (June 30, 2017: 5.00%).

20.2 Included herein are funds earmarked by the Company against the outstanding balance in the Dara F. Dastoor Scholarship Fund, amounting to Rs. 2.130 (June 30, 2017: Rs. 2.130) million.

20.3 Included herein are balances, aggregating to Rs. 8.501 (June 30, 2017: Rs. 8.501) million, deposited with the Company by members and an ex-member with respect to certain arbitration cases pending settlement (note 23.1).

20.4 Included herein is Rs. 83.175 (June 30, 2017: Rs. 880.285) million held by the Company on account of disposal of membership cards and sale proceeds from divestment of 40% shares and 20% shares through public offering of defaulter / expelled / suspended members (note 23.2).

20.5 Included herein Rs 21.053 (June 30, 2017: Rs.19.94) million related to bank profit and dividends received on the shares of an ex-member as disclosed in note 18.2.

20.6 Included herein Rs. Nil (June 30, 2017: 50.643) million deposited with the Company on account of Divestment of 40% shares of PSX. The rate of return is Nil (June 30, 2017: 3.75%), see note 23.3.

20.7 Included herein Rs. 0.475 (June 30, 2017: 0.334) million deposited with a related party - Habib Bank Limited.

21. SHARE CAPITAL

June 30, 2018	June 30, 2017		June 30, 2018	June 30, 2017
----- (Number of Shares) -----			----- (Rupees in '000) -----	
<u>1,000,000,000</u>	<u>1,000,000,000</u>	Authorised capital	<u>10,000,000</u>	<u>10,000,000</u>
		Ordinary shares of Rs.10/- each		
<u>801,476,600</u>	<u>801,476,600</u>	Issued, subscribed and paid-up capital	<u>8,014,766</u>	<u>8,014,766</u>
		Ordinary shares of Rs. 10/- each		
		- (other than cash)		

21.1 This includes shares issued against surplus on revaluation of the assets of the Company of Rs.3.288 million (net of tax) in accordance with the requirements of Stock Exchanges (Corporatization, Demutualization and Integration) Act 2012. This treatment regarding the surplus has also been approved by the Securities Exchange Commission of Pakistan.

21.2 The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.

22. LONG TERM DEPOSITS

	Note	June 30, 2018	June 30, 2017
		----- (Rupees in '000) -----	
Clearing house deposits from members	22.1	250,158	1,640,478
Other security deposits		3,480	3,480
		<u>253,638</u>	<u>1,643,958</u>

22.1 This includes Rs 239.208 million (June 30, 2017: Rs 1,628.928 million), cash deposit placed by TREC holders against the Base Minimum Capital requirement with the Exchange in accordance with the Rule Book of PSX. During the period SECP vide letter No. SMD/SE/2(57)/2002 dated July 31, 2017 has acceded the request of the Company to utilize PSX shares for BMC purposes. The Commission under regulation 49(3) of the Stock Exchanges (Corporatization, Demutualization and Integration) Regulations, 2012 has specified that the PSX shares presently blocked under the Public Offering Regulations, 2017, held by TRE Certificate Holders, as sponsors, may be used for Base Minimum Capital (BMC) purposes as per the PSX Regulations. As a result of the above, the deposits from TREC holders reduced from Rs. 1,640 million to Rs. 161.858 million.

23. TRADE AND OTHER LIABILITIES

	Note	June 30, 2018	June 30, 2017
		----- (Rupees in '000) -----	
Deposits against Arbitration	23.1	8,501	8,501
Accrued expenses	23.5	55,586	46,862
Provision for staff bonus		11,763	27,263
		<u>75,850</u>	<u>82,626</u>
Other liabilities			
Due to members		2,250	6,428
Due to non-members		648	726
Retention money		535	535
Fees and rent received in advance		11,659	22,677
Amount held against defaulter / expelled / suspended members	23.2	703,883	880,285
Employees' Gratuity Fund	23.7 & 23.8	111,225	79,490
Provision for Sind Sales Tax on management fee		-	3,758
Tax deducted at source		339	400
Various taxes collected from members		62,144	67,916
SECP supervision fee		1,689	1,855
SECP transaction fee		1,492	2,486
Payable to members against divestment proceeds	23.3	340	50,643
Provision for Wealth Tax	23.6	1,684	1,684
Others	23.4	47,871	28,838
		<u>945,759</u>	<u>1,147,721</u>
		<u>1,021,609</u>	<u>1,230,347</u>

23.1 This represents amount deposited with the Company by members with respect to certain arbitration cases pending settlement (note 20.3).

23.2 This represents amount obtained on disposal of membership cards and sale proceeds received from sale of 40% Divestment and 20% from public offering of PSX Shares of defaulter / expelled / suspended members, including profit accrued thereon, deposited in a separate bank account to be utilised for the settlement of dues of the defaulter members, including investors claim, if any (note 20.4).

23.3 This represents interest on amount deposited with the Company on account of divestment of 40% shares of PSX shareholders.

23.4 This includes an amount of Rs.7.339 (30 June 2017: 1.214) million with respect to 1% of the total revenue of the Company. The said amount is booked as liability as required under clause 5(iii)(b) of the Centralized Customer Protection Fund Regulations 2016 promulgated in April, 2017.

23.5 This includes an amount of Rs 0.015 million payable to Central Depository Company of Pakistan Limited (CDCPL).

23.6 Included herein are (a) a sum of Rs. 0.500 (June 30, 2017: Rs. 0.500) million, representing provision in respect of the assessed liability for the assessment year 1999-2000 and (b) a sum of Rs. 1.184 (June 30, 2017: Rs. 1.184) million, representing provision for the assessment year 2000-2001 the assessment of which is currently pending finalisation by the relevant tax authorities.

Further, the Inspecting Additional Commissioner raised an additional demand of Rs.19.184 million in respect of assessment years 1996-97 to 1999-2000 against which various appeals have been filed by the Company with the Income Tax Appellate Tribunal (ITAT). During the year ended June 30, 2002, the ITAT on appeals filed by the Company allowed relief to the Company by cancelling the wealth tax orders and allowing exemption under the Wealth Tax Act 1963. Against this decision of the ITAT, during the year ended June 30, 2007, the Income Tax Department filed an appeal with the Honourable High Court of Sindh against the order issued by the ITAT. Pending the resolution of these matters, no provision has been made in these financial statements for a sum of Rs.19.184 (June 30, 2017: Rs.19.184) million (note 24.1).

	June 30, 2018	June 30, 2017
	----- (Rupees in '000) -----	

23.7 Employees' Gratuity Fund

	111,225	79,490
--	---------	--------

23.7.1 Principal actuarial assumptions

Significant actuarial assumptions used in the valuation are as follows:

	2018	2017
	----- (% Per annum) -----	

Discount rate	9.00%	7.75%
Increase in salaries	4.35%	4.00%
Expected return on plan assets	9.00%	7.75%

Demographic Assumptions

Mortality rates	SLIC 2001-05	SLIC 2001-05
Rate of employee turnover	Moderate	Moderate

	June 30, 2018	June 30, 2017
	----- (Rupees in '000) -----	

23.7.2 Liability recognised in the balance sheet:

Present value of obligation	233,403	234,390
Fair value of plan assets	(122,178)	(154,900)
	<u>111,225</u>	<u>79,490</u>

	June 30, 2018	June 30, 2017
	----- (Rupees in '000) -----	

23.7.3 Expense recognised in profit and loss account:

Current service cost	21,046	16,751
Interest cost	15,783	14,803
Expected return on plan assets	(10,423)	(10,606)
	<u>26,406</u>	<u>20,948</u>

23.7.4 Movement in the liability recognised in the balance sheet:

Opening balance	79,490	67,628
Charge for the year	26,406	20,948
Actuarial loss recognised in other comprehensive income	25,974	10,405
Contribution	(20,645)	(19,491)
Closing balance	<u>111,225</u>	<u>79,490</u>

	2018	2017
	----- (% Per annum) -----	

23.7.5 Actual return on plan assets	5.23%	10.23%
-------------------------------------	-------	--------

23.7.6 The expected return on plan assets was determined by considering the market expectations and depends upon the assets portfolio of the fund, at the beginning of the year, for returns over the entire life of the related obligation.

	June 30, 2018	June 30, 2017
	----- (Rupees in '000) -----	

23.7.6.1 Movement of present value of defined benefit obligation

Opening balance	234,390	221,006
Current service cost	21,046	16,751
Interest cost	15,783	14,803
Total benefits paid	(61,464)	(33,664)
Actuarial loss on obligation	23,648	15,494
Closing balance	<u>233,403</u>	<u>234,390</u>

	234,390	221,006
	21,046	16,751
	15,783	14,803
	(61,464)	(33,664)
	23,648	15,494
	<u>233,403</u>	<u>234,390</u>

	June 30, 2018	June 30, 2017
	----- (Rupees in '000) -----	
23.7.6.2 Movement of fair value of plan assets		
Opening balance	154,900	153,377
Return on plan assets	10,423	10,606
Contributions	20,645	19,491
Benefits paid by the fund	(61,464)	(33,664)
Actuarial gain / (loss) on assets	(2,326)	5,090
Closing balance	<u>122,178</u>	<u>154,900</u>

23.7.7 Remeasurements recognised in Other Comprehensive (Income) / expense during the year

Actuarial loss on obligation	(23,648)	(15,494)
Actuarial (loss) / gain on assets	(2,326)	5,089
	<u>(25,974)</u>	<u>(10,405)</u>

23.7.8 Constituents of plan assets

	Fair Value as at June 30, 2018		Fair Value as at June 30, 2017	
	(Rupees in '000)	%	(Rupees in '000)	%
Government securities	109,706	89.79%	144,397	93.22%
Cash and net current assets	12,472	10.21%	10,503	6.78%
	<u>122,178</u>	<u>100%</u>	<u>154,900</u>	<u>100%</u>

23.7.9 Historical information

	2018	2017	2016	2015	2014
	----- (Rupees in ,000) -----				
Present value of defined benefit obligation	233,403	234,390	221,006	189,170	144,428
Fair value of plan assets	(122,178)	(154,900)	(153,377)	(130,940)	(102,820)
Funding surplus	<u>111,225</u>	<u>79,490</u>	<u>67,629</u>	<u>58,230</u>	<u>41,608</u>
Experience adjustment on plan liabilities	(23,648)	(15,494)	(10,541)	(21,819)	(8,775)
Experience adjustment on plan assets	(2,326)	5,089	(1,802)	8,207	(2,940)

	June 30, 2018	June 30, 2017
	----- (Rupees in '000) -----	
23.7.10 Maturity profile of the defined benefit obligation		
Distribution of timing of benefit payments within the next 12 months (next annual reporting period)	29,823	45,468
between 2 and 5 years	57,253	36,463
between 6 and 10 years	585,741	80,672
Beyond 10 years	108,330	545,816

23.7.11 Sensitivity Analysis on significant actuarial assumptions: Actuarial Liability

	Present Value of Defined Benefit Obligation (Rupees in '000)	Percentage change
Discount Rate +1%	219,552	-5.93%
Discount Rate -1%	248,927	6.65%
Long Term Salary Increases +1%	249,498	6.90%
Long Term Salary Increases -1%	218,839	-6.24%

23.8 Investments out of gratuity fund have been made in accordance with the provisions of Section 218 to the Act and the rules formulated for this purpose.

24. CONTINGENCIES AND COMMITMENTS

24.1 Tax related contingencies

24.1.1 Contingency relating to wealth tax amounts to Rs.19.184 (June 30, 2017: Rs 19.184) million is discussed in detail in note 23. 6 Pending resolution of this matter, no provision has been made in these financial statements for any liability that may arise on this account.

24.2 Contingencies relating to PSX's operations

S.no	Case Number	"Name of the Court/ Agency/ Authority"	Date Instituted	Principal Parties	Description	Relief Sought
1	Suit # 950/97	High Court of Sindh	9/8/1997	Naeem Rana & 5 Others vs. 1. M. Rashid Jamal (MRJ) 2. Faisal Jamal 3. PSX	A lawsuit was filed by five investors against the Company and an ex-member for declaration, injunction and recovery of damages, aggregating to Rs.70.00 (June 30, 2017: Rs.70.00) million together with interest thereon. The investors alleged that the Company had unlawfully taken possession and disposed off some shares belonging to the petitioners that were lying with the ex-member. The legal advisor of the Company considers that above mentioned lawsuit is expected to be decided in favour of the Company. Hence, no provision has been made in the financial statements for any liability that may arise as a result of these lawsuits.	The plaintiffs has filed the present suit against PSX and its ex-member for declaration, injunction and recovery of damages, aggregating to Rs.70.00 million together with interest thereon.
2	Suit # 749/2000	High Court of Sindh	1/6/2000	Mohammad Hanif Moosa vs. 1. PSX 2. CDC 3. SECP	An ex-member filed a lawsuit against the Company, CDC and the SECP, in the Honourable High Court of Sindh, for cancelling his membership and declaring him as a defaulter for a claim of Rs.300 (June 30, 2016: Rs.300) million, from each. The Company is of the view that the ex-member was declared as a defaulter in accordance with its regulations as the said member had not made payments to settle his liability to the Company for the ready clearing dues and exposure and losses aggregating to Rs.351.392 (June 30, 2016: Rs.351.392) million. A sum of Rs.302.882 (June 30, 2017: Rs.302.882) million, including Rs 6.574 (June 30, 2017: Rs.6.574) million was subsequently realized by the Company from the sale of the assets of the ex-member.	Mr. Hanif Moosa (Plaintiff), who was declared defaulter by PSX has filed this Suit for declaration and injunction that PSX had acted illegally by canceling his membership and declared him defaulter. His contention was that notices dated 16.11.1999, 31.3.2000 and 27.4.2000 are illegal, ineffective and void-ab-initio. He has further claimed damages of Rs. 300 million each against PSX and SECP (def. No. 3).

S.no	Case Number	"Name of the Court/ Agency/ Authority"	Date Instituted	Principal Parties	Description	Relief Sought
3	Suit # 735/2000	High Court of Sindh	2/6/2000	Pak Emerging Venture Limited (PEVL) vs. 1. Mohammad Hanif Moosa 2. PSX	Subsequently, a fund management and investment company filed a lawsuit in the Honourable High Court of Sindh against the above mentioned ex-member, CDC, SECP and the Company. The petitioners, alleged that the company had unlawfully taken the delivery of shares for which the petitioners had entered into that the Company had unlawfully taken the delivery of shares for which the petitioners had entered into contracts for purchase with the ex-member. The petitioners claimed declaration, injunction and delivery of the undelivered shares and damages of Rs.500 (June 30, 2017: Rs.500) million from the Company.	The prayer against the PSX is for declaration that the undelivered shares are the property of PEV Ltd., seeking permanent injunction from creating any interest and a decree of Rs.500 million by way of damages.
4	Suit No.1388 /2008	High Court of Sindh	30/9/2008	M/s. Investec Securities (Pvt.) Ltd Vs. PSX, SECP & CDC	As a result of a dispute between the Company and a member (suspended), whereby the member (suspended) was not sharing certain information relating to trading of shares, the Company complained to the SECP and the member (suspended) fearing about any coercive action by the Company and SECP, filed a suit against the Company in the Honourable High Court of Sindh. However, the SECP before filing the law suit by the member, had already suspended the license of the brokerage of the member. The member (suspended) has filed the above law suit for declaration, permanent injunction, mandatory injunction and damages of Rs.2,000 (June 30, 2016: Rs.2,000) million against the Company. The legal advisor of the Company considers that above mentioned lawsuit is expected to be decided in favour of the Company. Hence, no provision has been made in the financial statements for any liability that may arise as a result of these lawsuits.	"The Plaintiff has claimed in the suit damages as follows: - i. Damages against PSX to the amount of Rs.100,000,000/- ii. Damages against PSX and SECP to the amount of Rs.1,900,000,000/- due to keeping the Plaintiff's membership suspended beyond the scope of Order dated 9-10-2003.

S.no	Case Number	"Name of the Court/ Agency/ Authority"	Date Instituted	Principal Parties	Description	Relief Sought
5	C.P. # 786/2008	High Court of Sindh	30/4/2008	PSX Vs Fed. Of Pakistan Competition Commission of Pak.	The Islamabad Stock Exchange (Guarantee) Limited filed a complaint with the Competition Commission of Pakistan (CCP) against the Company alleging abuse of its dominant position in securities market in contravention of Section 3 of the Competition Ordinance, 2007. The CCP passed directed the Company to take corrective measures along with the other exchanges of Pakistan and in case of failure to comply with the direction of the CCP, the Company will be liable to pay a penalty of Rs. 50 (June 30, 2017: Rs.50) million and additional penalty of Rs.250,000 per day for each day of non-compliance. The Company has filed an appeal before the Supreme Court against the CCP's Order. As per the legal advisor, the Company has a reasonable case in respect of the above. Hence, no provision for any liability which may arise in this regard has been made in the financial statements.	Islamabad Stock Exchange had filed a complaint with Competition Commission against PSX alleging abuse of its dominant position in securities market in contravention of Section 3 of the Competition Ordinance, 2007. PSX filed its reply to the Commission. However, the Commission, without giving due consideration to the PSX's reply, issued a Show Cause Notice to PSX for taking action under the Ordinance. Thereupon, PSX filed this Petition in the Court seeking its order, among others, for declaring the Show Cause Notice as unlawful.
6	Suit No.1086 /2017	High Court of Sindh	26/4/2017	PSX Vs. KW&SB & Others	During the last year, the Company has received a demand notice amounting to Rs. 32.19 million from Karachi and Water Sewerage Board (KWSB) in respect of water, sewerage, conservancy and fire charges. However, the Company is of the view, that since the Company is not receiving any sort of utilities from KWSB therefore, such demand is not valid. In view of the same, a case has been filed by the Company in the court of law against the above demand of KWSB. The matter is currently pending adjudication and based on the view of the legal advisor of the Company positive outcome is expected in favour of the Company and hence no provision has been made by the management against the above demand in these financial statements.	After, disposal of case in Supreme Court, KW&SB again demanded Rs.32,167,196/- from the Exchange on account of water and sewerage service charges and stated that in case of failure to pay they will disconnect the existing service pipelines of water and sewerage connections of the Exchange. Consequently, the Exchange filed Suit No.1086/2017 for Declaration, Permanent Injunction & Other Relieves in the Sindh High Court.

S.no	Case Number	"Name of the Court/ Agency/ Authority"	Date Instituted	Principal Parties	Description	Relief Sought
7	C.P. # 3601	High Court of Sindh	2018	PSX vs SRB	During the year, PSX received show cause notice from Sindh Revenue Board dated 13th April, 2018 pertaining to Tax year 2012 claiming Sindh Sales Tax (SST) amounting to Rs.50,516,800/- along with default surcharge. SRB has served these notices on the understanding that PSX has provided /rendered taxable services covered under tariff heading 9825.0000 and 98.13 of Second Schedule to the Sindh Sales Tax Act, 2011 and therefore such services should have been taxed and deposited accordingly. In view of the same, case has been filed against the above notice received by SRB, however, PSX's legal advisor is of the view that show cause notice issued from SRB is time barred and the period for calling such information in terms of Section 23 of Sindh Sales Tax On Service Act, 2011 is five years. Hence, no provision in this respect has been made in the financial statements.	Not applicable
8	C.P. # 3602	High Court of Sindh	2018	PSX vs SRB	During the year, PSX received show cause notice from Sindh Revenue Board dated 25th April, 2018 pertaining to Tax year 2013 claiming Sindh Sales Tax (SST) amounting to Rs.56,204,640/- along with default surcharge. SRB has served these notices on the understanding that PSX has provided /rendered taxable services covered under tariff heading 9825.0000 and 98.13 of Second Schedule to the Sindh Sales Tax Act, 2011 and therefore such services should have been taxed and deposited accordingly. In view of the same, case has been filed against the above notice received from SRB, however, PSX's legal advisor is of the view that show cause notice issued by SRB is time barred and the period for calling such information in terms of Section 23 of Sindh Sales Tax On Service Act, 2011 is five years. Hence, no provision in this respect has been made in the financial statements.	Not applicable

24.2.1 In addition to the above stated litigations, there are various other lawsuits filed by ex-members and / or their customers and penalties imposed by the CCP and SECP, which the Company is currently contesting in various courts of laws / forums. Following are the issues in relation to such litigations / penalties:

- Customer of members claiming for losses on their investments arising due to fixation of floor prices by the Company.
- CCP imposing penalty for placement of floor.
- Customer of members claiming for losses due to certain activities of members resulting in financial loss to the customers.
- Third party claiming for damages from Company for putting restriction for operating in office premises which the third party bought from ex-member.
- Counter claim of a member against the penalties imposed by the PSX due to non-compliance of certain Regulations by the member.

The cumulative financial impact of these various litigations is estimated to be Rs.46.871 (June 30, 2017: Rs. 46.871) million. The management of the Company, based on legal advisors opinions, believes that the Company has reasonable position in respect of these litigations. Hence, no provision for any liability which may arise in this regard has been made in the financial statements of the Company.

24.2.2 In addition, these are certain other cases relating to ex-member's default filed against other defendants and the PSX wherein, the chances of decision going against the PSX are remote

24.3 Commitments

Aggregate commitments for capital expenditure at the end of the year were Rs.7.589 (June 30, 2017: Rs 35.201) million.

25. SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT - NET

		June 30, 2018	June 30, 2017
	Note	----- (Rupees in '000) -----	
Opening balance as at July 01		744,199	-
Surplus during the year		-	976,943
Related deferred tax liability	14	(31,468)	(232,744)
Balance of surplus as of 30 June		<u>712,731</u>	<u>744,199</u>

26. LISTING FEE

Annual fees	213,888	197,748
Initial fees	122,141	47,926
	<u>336,029</u>	<u>245,674</u>

27. INCOME FROM EXCHANGE OPERATIONS

Trading fee	27.1	208,759	339,564
Facilities and equipment fee		71,049	70,361
Income from non-trading facilities		44,755	29,878
Membership fee		3,700	3,820
Other fee		4,227	9,303
		<u>332,490</u>	<u>452,926</u>

27.1 The Company uses automated securities trading systems (known as 'KATS'), which process significant volumes of trading transactions on a real-time basis. The revenue recognition of these fees rely on the KATS trading data processing which involves automated controls, system generated information and system interfaces. The Company operates under IT Governance framework and follows well defined policies in relation to controls over IT applications and related processes such policies and controls are subject to review of IT Steering Committee and the Audit Committee of the exchange.

28. SERVICE CHARGES

During the financial year 2015-16, PSX received a directive from the SECP under section 12 (c)(d) and 170 (i) of the Securities Act, 2015, to transfer the risk management function from PSX to National Clearing Company of Pakistan Limited (NCCPL). In this respect, all the deposits from members against the exposure and losses were transferred to NCCPL. Since the entire network of PSX will be used, the NCCPL will reimburse 1% service charge to PSX as approved the service charges were received till April 2018. As per the SLA entered between PSX & NCCPL. However as decided by the PSX Board a revised SLA is in process and once finalized the service charges will be charged accordingly.

29. MANAGEMENT FEE

The Company manages PSX Centralised Customer Protection Compensation Fund (CCPCF) (formerly PSX Investors Protection Fund (IPF)). As per SECP directive no SD/SE/2(20)/2017 dated July 20,2017.PSX was allowed to charge management fee till June 30, 2017.PSX requested the Commission to re-instate the fee that was previously charged for the management of CCPCF, however the Commission vide its letter no SMD/SE/2(297)/2018 dated May 28, 2018 did not accede to PSX request. Accordingly no management fee from CCPCF (formerly IPF) is charged during the year.

30. MARK-UP / INTEREST INCOME

		June 30, 2018	June 30, 2017
	Note	----- (Rupees in '000) -----	
Return on:			
Government securities		82,808	105,163
PLS saving accounts		33,888	22,280
		<u>116,696</u>	<u>127,443</u>

	Note	June 30, 2018	June 30, 2017
----- (Rupees in '000) -----			
31. ADMINISTRATIVE EXPENSES			
Salaries and other benefits	31.1	478,016	455,388
Rent, rates and taxes		26,592	16,118
Fuel and power		60,345	59,217
Repairs and maintenance		51,127	48,870
Computer maintenance and related expenses		117,158	85,707
Insurance		18,027	19,839
Telephone, courier and postage		6,511	5,798
Printing and stationery		10,528	12,011
Auditors' remuneration	31.2	6,477	5,639
Legal and professional charges		31,997	23,900
Depreciation	7.1	128,724	174,402
Amortisation	8.1	52,180	47,846
Travelling and conveyance		22,860	21,242
General office expense		6,409	7,097
Receptions, meetings and functions		21,731	29,243
Advertisement, marketing and development		10,231	13,104
SECP supervision fee		6,685	6,986
Provision for trade debts considered doubtful - net	15.1	3,217	10,465
Security expenses		22,943	20,448
Subscription fee		4,359	10,708
Loss on sale of fixed assets- net		220	21,433
Training and development		1,542	2,797
Public offering for sale of shares		-	2,815
Other expenses		29,984	21,006
		<u>1,117,863</u>	<u>1,122,079</u>

31.1 Included herein is a sum of Rs.26.406 (June 30, 2017: Rs.20.948) million in respect of retirement benefits.

31.2 Auditors' remuneration

Annual audit	777	777
Half yearly review	267	267
Review of code of corporate governance	55	55
Special audit	-	648
Certification for agreed upon procedures	1,754	162
Dividend remittance certification	54	54
Free float of shares certification	81	-
Certification on reconciliation with CDC register	43	43
Taxation and special certification	3,316	3,503
Out of pocket expenses	130	130
	<u>6,477</u>	<u>5,639</u>

	Note	June 30, 2018	June 30, 2017
----- (Rupees in '000) -----			
32. FINANCIAL AND OTHER CHARGES			
Bank charges		344	444
		<u>344</u>	<u>444</u>
33. OTHER INCOME			
Bad debts recovered		448	1,088
Reversal of Provision against Workers' Welfare Fund		-	18,931
Income from sale of debris and scrap		2,957	-
Others		1,767	1,401
		<u>5,172</u>	<u>21,420</u>
34. TAXATION			
Current		53,994	82,734
Prior		(1,021)	-
Deferred		420	(41,156)
	34.1	<u>53,393</u>	<u>41,578</u>
34.1	The numerical reconciliation is not provided as the tax charge of the Company is mainly comprise of minimum tax and tax at reduced rates under the relevant sections of Income Tax Ordinance, 2001.		
34.2	The company computes tax based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available which can be analysed as follows:		

2017
2016
2015

June 30, 2018	
Provision for taxation	Tax assessed
----- (Rupees in '000) -----	
82,734	77,713
77,138	77,138
30,556	30,556

35. **BASIC AND DILUTED EARNINGS PER SHARE**

	June 30, 2018	June 30, 2017
	------(Rupees in '000)-----	
Profit after taxation	64,229	277,294
	(Numbers in '000)	
Weighted average number of ordinary shares outstanding during the year	801,476	801,476
	(Rupees)	
Basic and diluted earnings per share (Rupees)	0.08	0.35

36. **REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES**

The aggregate amounts charged in the financial statements for the year in respect of remuneration, including benefits, to the Managing Director and Directors of the Company are as follows:

	June 30, 2018			
	Chief Executive Officer	Directors	Executives	Total
	------(Rupees in ,000)-----			
Managerial remuneration	17,130	-	216,372	233,502
Reimbursement of expenses	676	-	-	676
Annual performance payout	-	-	-	-
Ex-Gratia	855	-	-	855
Fees	-	17,050	-	17,050
	<u>18,661</u>	<u>17,050</u>	<u>216,372</u>	<u>252,083</u>
Number	<u>2*</u>	<u>14</u>	<u>51</u>	
	June 30, 2017			
	Chief Executive Officer	Directors	Executives	Total
	------(Rupees in ,000)-----			
Managerial remuneration	19,356	-	181,197	200,553
Reimbursement of expenses	1,013	-	-	1,013
Annual performance payout (see note 36.2)	6,250	-	13,188	19,438
Ex-Gratia	886	-	-	886
Fees	-	14,800	-	14,800
	<u>27,505</u>	<u>14,800</u>	<u>194,385</u>	<u>236,690</u>
Number	<u>1</u>	<u>10</u>	<u>45</u>	

36.1 The Managing Director of the Company is also provided with the free use of Company owned and maintained car along with furnished accommodation .

* During the year i.e. July 2017- December 2017 Deputy Managing Director was appointed in the capacity of Acting Managing Director.and from January 2018 new Chief Executive Officer was hired.

36.2 The payment allocation of bonus from the overall accrual was finalised subsequent to the issuance of the financial statements for the year ended 30 June 2017 and therefore, has now been reflected in the corresponding figures.

37. **RELATED PARTY TRANSACTIONS**

The related parties comprise of associates, staff gratuity fund, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties.

37.1 Following are the details of transactions with related parties during the year ended June 30, 2018 and June 30, 2017:

Note	June 30, 2018	June 30, 2017
	------(Rupees in '000)-----	
Management fee PSX Centralised Customer Protection Compensation Fund (CCPCF) [Formerly; PSX Investors Protection Fund (IPF)]	-	113,600
Service charges National Clearing Company of Pakistan Limited (NCCPL)	44,885	62,948
Dividend income Central Depository Company of Pakistan Limited (CDCPL) National Clearing Company of Pakistan Limited (NCCPL)	72,843 94,925 167,768	7,961 45,088 53,049
Income from investment property Central Depository Company of Pakistan Limited (CDCPL) National Clearing Company of Pakistan Limited (NCCPL) Habib Bank Limited (HBL)	5,917 15,460 13,488 34,865	6,080 14,055 12,261 32,396
Income from Margin Trading System - NCCPL	27,699	47,226
CDC fees - CDCPL	6,690	8,424
Retirement benefit plan Contribution paid	26,406	20,948
Dividend Paid Shanghai Stock Exchange (SSE) Shenzhen Stock Exchange (SZSE) China Financial Futures Exchange (CFFEX) PaK China Investment Company Limited (PCICL) Habib Bank Limited (HBL)	16,030 10,018 34,064 10,018 10,018 80,148	6,412 4,007 13,625 4,007 4,007 32,058

Interest Income on PLS Accounts

Habib Bank Limited (HBL)

Listing Fee

Habib Bank Limited (HBL)

Facilities and Equipment

Habib Bank Limited (HBL)

Key Management Personnel

Name	Designation
Richard Morin	Chief Executive Officer
Hang You	Deputy Managing Director
Ahmed Ali Mitha	Chief Financial Officer
Muhammad Rafique Umer	Company Secretary
Muhammad Abbas Mirza	Chief Regulatory Officer
Mahmood Siddique	Head of Information Technology
Farhan Ansari	Head of Internal Audit
Arif Rehman	Head of IT Security

37.2 Following are the details of outstanding balances with related parties for the year ended June 30, 2018 and June 30, 2017:

	Note	June 30, 2018	June 30, 2017
		----- (Rupees in '000) -----	
Facilities and Equipment Receivable			
Habib Bank Limited (HBL)	1	-	-
Service Charges Receivable			
National Clearing Company of Pakistan Limited (NCCPL)	-	-	12,948
Rent Receivable from Investment Property			
National Clearing Company of Pakistan Limited (NCCPL)	-	-	3,514
Retirement Benefit Plan			
Payable to gratuity fund		10,492	4,728

38. NON - CURRENT ASSETS HELD FOR DISPOSAL

Transfer of sub-lease of properties

Less: Provision for impairment against transfer of sub-lease of properties

38.1 As fully explained in note 7.1.1, in addition to the sub-lease of 77 office spaces fully executed during the previous year and out of 39 sub-lease, 19 sub lease have been fully executed. There are 20 sub-leases, for which the Company has received applications from the occupants and currently in the process of evaluating the same and completing legal and other formalities of its transfer.

39. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise long term and short term deposits, accrued and other liabilities. The financial assets comprise of short term investments, cash at bank, trade debts, loans and advances, long term deposits and other receivables.

The Company is exposed to market risk, credit risk and liquidity risk.

39.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise of interest rate risk, equity price risk and currency risk. The Company is exposed to market risk as a result of mismatches or gaps in the amounts of financial assets and financial liabilities that mature or reprice in a given period. The Company manages this risk by matching the repricing of financial assets and liabilities through risk management strategies.

39.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term investments and bank deposits in saving accounts. At the balance sheet date, the interest rate profile of the Company's interest-bearing financial instruments is as follows:

	June 30, 2018			Total
	Interest / mark-up bearing			
	Effective yield/ mark-up rate %	Upto six months	More than six months	
	----- (Rupees in '000) -----			
Financial assets				
Government securities	6.04 - 8.97	1,666,198	232,265	1,898,463
Cash and bank balances	1.73 - 5.50	412,971	-	412,971
		<u>2,079,169</u>	<u>232,265</u>	<u>2,311,434</u>

	June 30, 2017		
	Interest / mark-up bearing		
	Effective yield/ mark-up rate %	Upto six months	More than six months
			Total
		------(Rupees in '000)-----	
Financial assets			
Government Securities	5.85 - 12.36	1,790,202	-
Cash and bank balances	1.69 - 5.50	2,495,410	-
		4,285,612	4,285,612

The following table demonstrates the sensitivity of Company's income for the year to a reasonably possible change in interest rates, with all other variables held constant.

	Effect on profit	
	June 30, 2018	June 30, 2017
	------(Rupees in '000)-----	
Change in basis point		
+ 100	23,114	42,856
- 100	(23,114)	(42,856)

39.3 Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of change in foreign exchange rates relates only to the bank balance in saving accounts maintained in US dollars amounting to Rs. 14.224 (June 30, 2017: Rs.1.586) million [US dollars 0.117 (June 30, 2017: US dollars 0.015) million].

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Company's income before tax and reserves.

	Change in US dollar rate	Effect on	
		profit before tax	reserves
		------(Rupees in ,000)-----	
2018	+10%	1,422	1,422
	-10%	(1,422)	(1,422)
2017	+10%	159	159
	-10%	(159)	(159)

39.4 Credit risk

39.4.1 Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company is exposed to credit risk on its short term investments, deposits, trade debts, loans and advances, cash at bank and other receivables. The table below shows the maximum exposure to credit risk for the components of the balance sheet.

	Note	June 30, 2018	June 30, 2017
		------(Rupees in '000)-----	
Financial assets			
Government Securities			
- Market treasury bills		1,666,198	1,564,358
- Pakistan Investment Bonds (PIBs)		-	225,844
Cash at bank		413,073	2,495,537
Trade debts	39.4.2	57,581	46,485
Loans and advances		19,698	16,562
Long term deposits		41,896	40,619
Other receivables		130,808	158,719
		2,329,254	4,548,124

39.4.2 This includes trade debts of Rs. 3.677 million which are past due but not impaired.

39.4.3 Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. The table below analyses the credit quality of Company's exposure with respect to cash at bank only:

	June 30, 2018	June 30, 2017
	------(%)-----	
AAA	11.12	2.08
AA+	84.24	96.83
AA	-	-
AA-	4.64	1.09
A1+	-	-
A+	-	-
A	-	-
	100.00	100.00

* Ratings are performed by PACRA and JCR-VIS

39.5 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in releasing funds to meet commitments associated with financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring losses or risking damage to the Company's reputation. The table below summarizes the maturity profile of Company's financial liability:

	June 30, 2018			Total
	On demand	Upto three months	More than one year	
------(Rupees in '000)-----				
Long term deposits	-	-	253,638	253,638
Trade and other liabilities	1,021,609	-	-	1,021,609
Total	<u>1,021,609</u>	<u>-</u>	<u>253,638</u>	<u>1,275,247</u>

	June 30, 2017			Total
	On demand	Upto three months	More than one year	
------(Rupees in '000)-----				
Long term deposits	-	-	1,643,958	1,643,958
Trade and other liabilities	1,230,347	-	-	1,230,347
Total	<u>1,230,347</u>	<u>-</u>	<u>1,643,958</u>	<u>2,874,305</u>

39.6 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of government securities is determined by reference to the quotation obtained from the brokers on the Reuters page. The fair values of financial assets and liabilities of the Fund, other than government securities, approximate their carrying amount due to short-term maturities of these instruments.

39.7 Fair value hierarchy

The Company uses the following hierarchy for disclosure of the fair value of financial instruments by valuation technique:

Level 1: quoted prices in active markets for identical assets.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at June 30, 2018, the Company's long term investments are in unquoted securities (see note 11), which are carried at cost, less impairment, if any.

40. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on September 18, 2018 by the Board of Directors of the Company.

41. NUMBER OF EMPLOYEES

41.1 The number of employees as at June 30, 2018 were 263 (June 30, 2017: 268).

41.2 Average number of employee during the year as at June 30, 2018 were 268 (June 30, 2017 :269).

42. GENERAL

42.1 The Board of Directors in their meeting held on September 18, 2018 proposed no final cash dividend for the financial year ended June 30, 2018 (June 30, 2017: 2%) i.e. Re Nil (June 30, 2017: Re 0.20) per share, amounting to Rs.Nil (June 30, 2017: Rs. 160.295) million for the approval of the shareholders in the Annual General Meeting to be held on October 19, 2018.

42.2 Certain prior year figures have reclassified for comparison purposes. However, there are no material reclassifications to report.

Chief Financial Officer

Chief Executive Officer

Chairman

PATTERN OF SHAREHOLDING

As at June 30, 2018

Number of Shareholders	Shareholding		Total Shares Held	Number of Shareholders	Shareholding		Total Shares Held
	From	To			From	To	
132	1	100	2,843	1	185001	190000	186,000
427	101	500	207,801	7	195000	200000	1,388,872
330	501	1000	324,278	2	200001	205000	401,869
359	1001	5000	1,082,448	1	205001	210000	208,764
107	5001	10000	889,500	1	210001	215000	213,000
43	10001	15000	560,117	3	220000	225000	664,967
33	15001	20000	616,352	2	225001	230000	459,000
28	20001	25000	672,500	3	230001	235000	701,292
19	25001	30000	560,117	2	250000	255000	500,000
14	30001	35000	476,000	1	260000	265000	260,000
9	35001	40000	350,200	1	270000	275000	270,000
17	45000	50000	839,000	1	280001	285000	282,587
2	50001	55000	105,500	1	285001	290000	288,476
8	60000	65000	502,000	1	290001	295000	291,500
1	70001	75000	72,000	12	295001	300000	3,599,500
3	75001	80000	234,500	1	310001	315000	313,000
1	80001	85000	82,000	1	320000	325000	320,000
2	85001	90000	176,665	2	330000	335000	660,058
39	95000	100000	3,875,254	1	345001	350000	346,908
2	100001	105000	204,103	2	350001	355000	706,846
11	105001	110000	1,178,778	1	355001	360000	356,908
6	110001	115000	673,525	1	360001	365000	360,785
4	115001	120000	466,216	1	375001	380000	379,083
1	120001	125000	121,000	5	395001	400000	1,999,000
2	135000	140000	270,459	1	470001	475000	473,500
2	140001	145000	281,987	1	475001	480000	478,238
6	145001	150000	898,454	4	495001	500000	1,986,749
1	160000	165000	160,000	1	505001	510000	508,670
2	170001	175000	342,094	1	530001	535000	530,982
4	175001	180000	710,416	1	550001	555000	552,953

Number of Shareholders	Shareholding		Total Shares Held	Number of Shareholders	Shareholding		Total Shares Held
	From	To			From	To	
1	580001	585000	583,500	2	1485001	1490000	2,976,702
2	600000	605000	1,200,000	1	1560001	1565000	1,561,000
1	650000	655000	650,000	3	1570001	1575000	4,717,100
1	675001	680000	676,500	23	1585001	1590000	36,568,819
1	705001	710000	707,693	90	1600001	1605000	144,265,989
1	770000	775000	770,000	1	1605001	1610000	1,605,500
4	800000	805000	3,202,993	1	1615001	1620000	1,617,720
1	805001	810000	805,500	2	1625001	1630000	3,255,906
1	850000	855000	850,000	1	1635001	1640000	1,636,953
1	870001	875000	870,400	1	1640001	1645000	1,644,453
1	885000	890000	885,000	1	1665001	1670000	1,667,953
1	900001	905000	902,953	1	1720001	1725000	1,722,953
1	990001	995000	991,166	2	1725001	1730000	3,455,006
2	1000000	1005000	2,000,000	1	1735001	1740000	1,735,453
1	1020001	1025000	1,024,991	2	1750001	1755000	3,505,906
5	1080001	1085000	5,407,441	1	1765001	1770000	1,769,940
1	1100000	1105000	1,100,000	3	1800000	1805000	5,405,906
1	1150001	1155000	1,152,500	1	1810001	1815000	1,812,953
1	1170001	1175000	1,172,953	1	1815001	1820000	1,815,453
1	1200001	1205000	1,202,453	1	1855001	1860000	1,855,953
1	1240001	1245000	1,240,953	1	1885001	1890000	1,888,453
1	1290001	1295000	1,292,953	22	1900001	1905000	41,864,766
1	1310001	1315000	1,311,953	2	1905001	1910000	3,815,906
1	1345001	1350000	1,347,283	3	2000000	2005000	6,005,906
1	1350001	1355000	1,352,953	1	2040001	2045000	2,042,953
1	1380001	1385000	1,382,283	1	2050001	2055000	2,052,953
2	1400001	1405000	2,805,906	1	2085000	2090000	2,085,000
1	1430001	1435000	1,431,500	1	2120001	2125000	2,123,453
1	1450001	1455000	1,454,959	1	2155001	2160000	2,155,687
1	1470001	1475000	1,472,453	2	2200001	2205000	4,405,906

CATEGORIES OF SHAREHOLDERS

Number of Shareholders	Shareholding		Total Shares Held
	From	To	
1	2230001	2235000	2,233,619
2	2400001	2405000	4,807,383
1	2700001	2705000	2,704,380
1	2835000	2840000	2,835,000
1	2900000	2905000	2,900,000
1	2960001	2965000	2,960,953
1	3300001	3305000	3,303,887
1	3350000	3355000	3,350,000
1	3365001	3370000	3,369,965
1	4575001	4580000	4,579,198
1	6015001	6020000	6,016,621
1	6200000	6205000	6,200,000
1	7200000	7205000	7,200,000
2	9600000	9605000	19,200,000
1	10385001	10390000	10,386,000
1	12800000	12805000	12,800,000
1	15125001	15130000	15,125,500
3	40070001	40075000	120,221,490
1	64115001	64120000	64,118,128
1	136250001	136255000	136,251,022
1916			801,476,600

As at June 30, 2018

Categories of Shareholders

	No. of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, their spouse(s) and minor children(s)			
Mr. Muhammad Ashraf Bawany	1	1,000	0.00%
Mr. Shehzad Chamdia	1	500	0.00%
Mr. Ahmed Chinoy	1	100	0.00%
Mr. Muhammad Abid Ali Habib	1	100	0.00%
Associated Companies, Undertakings and Related Parties			
China Financial Futures Exchange Company Limited	1	136,251,022	17.00%
Pak China Investment Company Limited	1	40,073,830	5.00%
Shehzad Chamdia Securities (Private) Limited	1	1,602,953	0.20%
CDC - Trustee UBL Asset Allocation Fund	1	833	0.00%
CDC - Trustee UBL Retirement Savings Fund - Equity Sub Fund	1	531	0.00%
CDC - Trustee UBL Stock Advantage Fund	1	143	0.00%
NIT and ICP	-	-	0.00%
Banks, Development Financial Institutions, Non-Banking Financial Institutions			
Insurance Companies	2	887,890	0.11%
Modarabas and Mutual Funds	8	13,954,843	1.74%
General Public			
Local	1602	37,373,093	4.66%
Foreign	-	-	0.00%
Others			
Joint Stock Companies	270	332,244,482	41.45%
Other Corporate Entities	18	188,879,458	23.57%
Total	1916	801,476,600	100.00%

Shareholders holding 10% or more

China Financial Futures Exchange Company Limited	136,251,022	17.00%
Total	136,251,022	17.00%

Trading in Shares by Directors During the Financial Year 2017-18

Name of Director	Designation	Number of Shares	Nature of Transaction
Mr. Shahzad Chamdia	Non Executive Director	500	Purchase of Shares

AUDITORS' REPORT ON OPERATIONS AND IT SYSTEMS



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Independent Reasonable Assurance Report to Pakistan Stock Exchange Limited on the Operational and IT System Audit

Introduction

We were engaged by Pakistan Stock Exchange Limited (the Exchange) in accordance with the requirement of regulation 16 (7) of the Securities Exchanges (Licensing and Operations) Regulations, 2016 (the Regulations) to carry out annual Operations and IT system audit for the year beginning 1 July 2017 and ending 30 June 2018 (the period) in compliance with the requirements as stipulated in para 1 of Annexure III of the Regulations.

Our scope of services was to report on the design and operating effectiveness of controls related to the control objectives stated in the "descriptions of the Operations and IT Systems for processing customers' transactions throughout the period" (the Description) (annexed herewith in Section 2). The Description indicates that certain control objectives specified therein can only be achieved if complementary Participant Controls, contemplated in the design of the controls of the Exchange, are suitably designed and operating effectively, along with related controls at the Exchange. We have not evaluated the suitability of the design and/or operating effectiveness of such Participant Controls.

Management's Responsibilities

The management of the Exchange is responsible for preparing the Description and accompanying assertions (section 1), including the completeness, accuracy and method of presentation of the Description. Further the management is also responsible to provide the services covered by the Description; stating the control objectives; and designing, implementing and effectively operating controls to achieve the stated control objectives. The management of the Exchange is also responsible for ensuring that the staff involved in managing these control objectives are properly trained and systems are properly updated. It is also the responsibility of the management to prevent and detect fraud in relation to Operation and IT Systems.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to express an opinion on the Description providing management statements on the design, operating efficacy of controls and the control objectives stated in the Description, based on our procedures. We conducted our engagement in accordance with International Standard on Assurance Engagements 3402 "Assurance Reports on Controls at a Service Organization". The standard requires that we plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the description is fairly presented and the controls are suitably designed and operating effectively.

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An assurance engagement to report a Type II report, as defined in ISAE 3402, on the description, design and operating effectiveness of controls at a service organization involves performing procedures to obtain evidence about the disclosures in the service organization's description of its system, and the design and operating effectiveness of controls. The procedures selected depend on our judgment, including the assessment of the risks that the description is not fairly presented, and that controls are not suitably designed or operating effectively. Our procedures included testing the operating effectiveness of those controls, on a sample basis, that we consider necessary to provide reasonable assurance that the control objectives stated in the description were achieved. An assurance engagement of this type also includes evaluating the overall presentation of the description, the suitability of the objectives stated therein, and the suitability of the criteria specified by the Exchange (Section 1).

Our procedures included (but were not limited to) the following:

- enquiry, inspection and observation based on our professional judgment.
- review of the description and accompanying assertions for completeness, accuracy and method of presentation as prepared by management of the Exchange.
- review of control objectives and control activities as prepared by management of the exchange for the design, implementation and operating effectiveness.
- review of the policies and procedures relevant to the controls prepared by management of the exchange.
- walkthrough of the processes where the design was complex and identified the controls to be tested for the effectiveness.
- the test of controls on the basis of test of one for the technical, automated and governance level controls and on sample basis for procedural controls.
- review of the exceptions identified, discussed the exceptions with the management and finalized the exception for reporting.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Inherent limitations

The Description of the Exchange is prepared to meet the common needs of a broad range of customers and their auditors and may not, therefore, include every aspect of the system that each individual customer may consider important in its own particular environment. Also, because of their nature, controls at the Exchange may not prevent or detect all errors or omissions in processing or reporting transactions. Also, the projection of any evaluation of effectiveness to future periods is subject to the risk that controls at the Exchange may become inadequate or fail.

Opinion

Our opinion has been formed on the basis of the matters outlined in this report. The criteria we used in forming our opinion are those described in Section 1. In our opinion, in all material respects:

- a) the description fairly presents the Operational and IT systems as designed and implemented throughout the period from 1 July 2017 to 30 June 2018;
- b) the control objectives were suitably designed throughout the period from 1 July 2017 to 30 June 2018; and
- c) the controls tested, which were those necessary to provide reasonable assurance that the control objectives stated in the description were achieved, operated effectively throughout the period from 1 July 2017 to 30 June 2018.

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Intended Users and Purpose

This report and the contents appended herein, are intended only for customers who have used the Exchange's Operational and IT systems, and their auditors, who have a sufficient understanding to consider it, along with other information including information about controls operated by customers themselves, when assessing the risks of material misstatements of customers' financial statements.

Date:
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Partner : Syed Najmul Hussain

10/11/18



PAKISTAN STOCK EXCHANGE LIMITED

Stock Exchange Building, Stock Exchange Road, Karachi - 74000, Pakistan.
UAN: 111-001-122 Fax: 32442099
Website: www.psx.com.pk

Ref. No. PSX/ GEN-4059

Section 1

Management Assertions ... Audit of operations, regulatory functions and IT systems of Pakistan Stock Exchange Limited under Securities Exchange (Licensing and Operations) Regulations, 2016.

Dear Sir,

We have prepared the description of Pakistan Stock Exchange Limited ("the Exchange") Control Framework referred to in this assertion statement as the 'system' including controls operated by the Exchange for user entities of the system during the period 1 July 2017 to 30 June 2018. We confirm, to the best of our knowledge and belief, that;

- A. The description fairly presents the system made available to user entities of the system during some or all of the period 1 July 2017 to 30 June 2018 for processing their transactions and management of their service. The criteria we used in making this assertion were that the accompanying description:
1. Presents how the systems made available to user entities was designed and implemented to process relevant transactions, including:
 - The types of services provided and classes of transactions processed;
 - The procedures, within both automated and manual systems, by which those transactions are initiated, authorized, recorded, processed, corrected as necessary, and transferred to the reports presented to user entities of the system.
 - The related records, supporting information, and specific accounts that are used to initiate, authorize, record, process, and report transactions; this includes the correction of incorrect information and how information is transferred to the reports presented to user entities of the system.
 - How the system captures significant events and conditions, other than transactions.
 - The process used to prepare reports provided to user entities' of the system.
 - Specified control objectives and controls apart from where identified in this report are designed to achieve those objectives.
 - The process used to prepare reports or other information provided to the user entities;
 - Other aspects of our control environment, risk assessment process, information and communication systems (including the related business processes), control activities, and monitoring controls other than those requiring further improvement based on the observations identified in this report that are relevant to processing and reporting transactions of user entities of the system.

2. Does not omit or distort information relevant to the scope of the Systems being described, while acknowledging that the controls related to the control objectives (stated in Annexure II of this letter) were suitably designed and operated effectively throughout the period 1 July 2017 to 30 June 2018 to achieve those control objectives except for those matters within the service auditor's assurance report.
- B. The description of Operations and IT Systems (stated in section 2 of this letter) includes relevant details of changes to the Exchange's system during the audit period covered.
- C. The controls related to the control objectives stated in the accompanying description were suitably designed and operated effectively throughout the period from 1 July 2017 to 30 June 2018 to achieve those control objectives.

Criteria used in making assertions:

- The risks that threatened achievement of the control objectives stated in the description have been identified by the Exchange;
- The controls identified in the description would, if operating as described, provide reasonable assurance that those risks would not prevent the control objectives stated in the description from being achieved; and
- The controls were consistently applied as designed, including whether manual controls were applied by individuals who have the appropriate competence and authority.



Richard Morin
Managing Director
Pakistan Stock Exchange Limited



PAKISTAN STOCK EXCHANGE LIMITED

Stock Exchange Building, Stock Exchange Road, Karachi - 74000, Pakistan.
UAN: 111-001-122 Fax: 32442099
Website: www.psx.com.pk

Ref. No. PSX/ G7EN-9060

Section 2

Description of Operations and IT Systems of Pakistan Stock Exchange Limited (the Exchange)

The control environment within which the Exchange operates is not restricted to the control objectives and procedures outlined in this description.

The Exchange maintains a high standard of good governance and has implemented governance arrangements which are consistent with the Listed Companies (Code of Corporate Governance) Regulations, 2017. An overview of those components of the Exchange's Code of corporate governance which are relevant to the operation of securities exchange is set out below.

The Exchange was incorporated in 1949 as a company Limited by Guarantee. As a result of demutualization, the Exchange stood corporatized and demutualized as a public company limited by shares under the name of 'Karachi Stock Exchange Limited', with effect from August 27, 2012. Subsequently, the three stock exchanges namely Karachi Stock Exchange, Lahore Stock Exchange & Islamabad Stock Exchange were integrated into Pakistan Stock Exchange Limited (the Exchange) on January 11, 2016.

The Exchange provides a reliable, orderly, liquid and efficient digitized market place where investors can buy and sell listed companies' common stocks and other securities. For over 60 years, the Exchange has facilitated capital formation, serving a wide spectrum of participants, including individual and institutional investors, the trading community and listed companies.

The following Committees also form an integral part of the overall control environment in which the Exchange operates:

- 1 Nomination Committee
- 2 Regulatory Affairs Committee
- 3 Audit Committee
- 4 Human Resource & Remuneration Committee
- 5 Investment Committee
- 6 Listing Committee
- 7 Market Development & New Products Committee
- 8 Trading & Commercial Affairs Committee
- 9 Taxation Committee
- 10 Voluntary De-listing Committee
- 11 Divestment Committee

Internal Audit is cosourced with an audit firm. The Internal Audit reports to the Audit Committee. Internal audits are conducted for operational areas on a regular basis. Audits are individually scoped with due consideration of the relevant risks for that area, and approved by the Audit Committee. The Board relies on the inputs and recommendations of the Internal Audit function through its Audit

Committee on the adequacy and effectiveness of internal controls in the organization and take appropriate measures.

The Exchange is licensed by Securities and Exchange Commission of Pakistan (SECP, the Commission) required to go through a regulatory audit by independent auditors.

Operational Governance

The primary divisions that have direct control over the operations and systems of securities exchange are Operations Department and Information Technology Division.

Operations is headed by Managing Director and is responsible for Listing, TREC and Trading affairs.

Information Technology Division reports to Managing Director. IT Division is responsible for Application development, software quality assurance, network, infrastructure management, system management, databases, IT Support & Services and Audit coordination & compliance. The Information systems supports operational activities related to trading, post trade reporting, management information systems, risk management of trading, data dissemination, indices calculation, publication of data and connectivity.

Operational resilience

The Exchange operates using a dual site model for key functions, with one operational site at the Exchange Buildings in Karachi. Disaster recovery site is maintained for its technology systems and disaster recovery plans are tested periodically in accordance with a centrally managed testing schedule.

Control Objectives and Control Procedures

Set out in this document are the control objectives implemented over Operations of the Exchange by the management. The specific controls that we tested have been designed to achieve each of the control objectives.

Management has prepared a design of controls comprising of the control objectives provides reasonable assurance that:

- initiatives are taken to maintain adequate structure of IT department. Emphasis is given to maintain IT strategy, a forum is maintained for supporting key IT decisions and required documentation is maintained for efficient and effective functioning of information systems.
- information security office has been established, measures have been taken to strengthen security of information systems and underlined policies & procedures have been developed based on the risk assessment performed.
- adequate documentation is maintained for IT department, information systems, information systems management and architecture.
- measures related to service delivery have been taken which includes establishment of helpdesk, implementation of helpdesk application, turnaround time of services, implementation of problem management processes and measures for continuous improvement of information systems & related services.
- adequate measures are in place to review and monitor the IT systems on timely basis, perform periodic assessments, security reviews / compliance, audit from independent individuals and adequate measures have been taken to maintain cybersecurity.
- changes to information systems are subject to a controlled process including formal requests, approvals, authorizations, analysis, development in segregated environments by developers (not involved in administration of systems), testing for Quality Assurance (QA), User Acceptance Testing (UAT) in testing environment, changes to production and logging.

- changes to access are logged, approved and authorized for creation, modification / privilege assignment and revocation of users along with periodic review of users' access rights.
- operating systems, databases, virtual machines, network devices, security devices are configured to restrict access, provide required services and security parameters are configured to maintain confidentiality, integrity and availability of information systems.
- physical access is restricted to prevent unauthorized access to the Exchange data centres and environmental controls facilitate continued operation of information systems.
- backup and restoration procedures are established which include media management, periodic testing and real-time data replication to support the business continuity and recovery from disaster during adverse events.
- in case of defaults, the UINs are restricted from taking new position in any market.
- trades cannot take place on suspended shares.
- the trades are tagged with relevant clients and that the trades are not processed in excess of buying capacity.
- the trading fee is charged homogenously, the transactions taking place via trading system cannot be cancelled once processed, the orders cannot be executed / modified / cancelled during the pre-open sessions, previous day closing prices are utilized when orders are not processed during pre-open sessions and that the tick size will be 1 (one) paisa for orders.
- the trading limits and client exposures are controlled.
- the securities cannot be traded in negative ticks
- blank sales cannot be made unless marked at the time of order placement and that the blank sale amounts are allowed in a specified threshold.
- the closing price of securities is determined as volume weighted average.
- activity logs of brokers are maintained.

Participant Controls

Achievement of each of the control objectives set out above is also dependent on participants maintaining an effective control environment and implementing controls such as:

- Documenting policies and procedures (including transaction processing procedures, risk management Policies such as conditions and restrictions for system use, good password practices, software copyright, Restrictions and virus protection, licensed Operating System & Anti-virus and its latest patches/updates, firewall, two factor token security and communication link)
- Restricting access to operating systems, applications, databases and underlying records (including role Based security mechanisms)
- Documenting cyber security strategy that includes appropriate tools and techniques to prevent, detect,
- Responding to and recover from security incidents
- Transaction processing, monitoring and reporting mechanisms
- Reconciliation of transactions and holdings
- Physical security of system infrastructure
- Provisioning of data backup and restoration and other computer operations, and
- Business continuity and disaster recovery planning
- Complying with and control compliance with the Exchange's terms and conditions of activities. Information provided by the user entities is in compliance with the contracts for rendering services, as well as with other contractual obligations between the Exchange and the user entities.
- Properly control the process of sending and receiving of messages by electronic communication channels, ensuring appropriate protection of the information and the systems from any unauthorized access or intervention.
- Reporting on services rendered by the Exchange, are reviewed by the user entities in a timely manner. Upon detection of any discrepancies, the User Organizations are expected to duly inform the Exchange to this effect in written form.
- Understanding and complying with their contractual obligations to the Exchange.

AUDITORS' REPORT ON REGULATORY FUNCTIONS



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Independent Limited Assurance Report to Pakistan Stock Exchange Limited on the Regulatory Review

Introduction

We were engaged by Pakistan Stock Exchange Limited (the Exchange) in accordance with the requirement of regulation 16 (7) of the Securities Exchanges (Licensing and Operations) Regulations, 2016 (the Regulations) to carry out annual regulatory review for the period 1 July 2017 to 30 June 2018 (the review period) in compliance with the applicable statutory and regulatory requirements as stipulated in Para 2 of Annexure III of the Regulations.

Management's Responsibilities

The management of the Exchange is responsible to ensure that the Exchange complies with all applicable statutory and regulatory requirements. The management of the Exchange is also responsible for preventing /detecting fraud and for identifying and ensuring that the Exchange complies with laws and regulations applicable to its activities. The management of the Exchange is also responsible for ensuring that the staff involved in managing the compliance of the applicable statutory requirements are properly trained and systems are properly updated.

Our Independence

We have complied with the Code of Ethics for Professional Accountants issued by International Ethics Standard Board for Accountants, which includes independence and other requirements on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We will apply International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to carry out procedures to review the Exchange's compliance with the applicable statutory and regulatory requirements and to report thereon in the form of an independent limited assurance conclusion.

We conducted our review in accordance with the International Standard on Assurance Engagement (ISAE 3000) "Assurance Engagements other than audits or reviews of historical financial information". This standard requires that we comply with independence requirements and plan and perform our procedures to obtain limited assurance. A limited assurance engagement includes examining, on a test basis, evidences supporting the compliance with and disclosure of the applicable statutory and regulatory requirements. The procedures selected depend on our judgment, including the assessment of the risks of material non-compliance of the applicable statutory and regulatory requirements due to omissions, misrepresentation and errors. In making these risk assessments, we considered internal controls relevant to regulatory function of the Exchange for design, implementation and monitoring of the applicable regulatory requirements in order to design appropriate assurance procedures, but not for the purpose of expressing a conclusion on the effectiveness of the Exchange's internal control systems.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

This review is not limited primarily to enquiries of employees and review of minutes of meetings but also includes inspection of records, and other evidence gathering procedures, as appropriate.

KPMG T&C

Page 1 of 2

- Changing password.
- Immediately notifying the Exchange of any information security breaches they become aware of.
- Periodically review of access permissions on applications to ensure system access is appropriately restricted.
- Reviewing transactions and communicating inaccuracies or discrepancies to the Exchange in a timely manner.
- Determining the user profiles necessary to support their business processes, including the design of system required functional segregation of duties.
- Establishing policies and procedures for ensuring that good practice in relation to password security is maintained. This should include prohibiting the use of shared user names and passwords, and educating users on their information security related responsibilities;
- Maintaining and communicating changes to user access privileges on their managed systems, including the timely removal of terminated users.



KPMG Taseer Hadi & Co.

In particular we carried out the following review procedures:

- Performed enquiry, walkthroughs and test of controls on sample basis to ensure existence of and compliance with Pakistan Stock Exchange Limited Regulations, 2018 (the Rule Book) relating to all major activities/procedures;
- Performed procedures to ensure systems and related functions operate in compliance with the requirements stipulated in the Rule Book as approved by the Securities and Exchange Commission of Pakistan (SECP, the Commission);
- Performed procedures to identify deviations/ weaknesses and non-compliance of relevant regulatory frameworks, Articles and Memorandum of Association, orders and directives issued by the Commission; and
- Reviewed policies and procedures to ensure that policies and procedures are formulated to identify and prevent conflict of interest of directors with the interest of capital market, investors and the Exchange.

Inherent limitations

Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the selected information and the methods used for determining and ascertaining such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. Furthermore, the nature and methods used to determine such information, as well the evaluation criteria and the precision thereof, may change over time.

Conclusion

Based on the procedures performed as mentioned in "Our Responsibilities" and evidence obtained, nothing has come to our attention that causes us to believe that the Exchange is not in compliance, with applicable statutory and regulatory requirements during the review period, in all material respects.

Emphasis of Matter

Without qualifying our conclusion we draw attention of the Board of Directors of the Exchange on the following matter:

Section 11(3) (B) of the Regulations requires that the Chief Regulatory Officer, being the head of the Regulatory Affairs Division (RAD) of the Exchange, to develop, implement and monitor compliance with policies and procedures to cover all aspects relating to regulatory, operational and statutory obligations of the Exchange. We noted that presently there is no dedicated function or wing in the Exchange assigned with the responsibility of ensuring compliance with the applicable regulatory, operational and statutory obligations besides respective functions carrying out compliance activities on need basis. Further, we did not observe any documented compliance framework to facilitate such compliance activities.

Date:
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Partner : Rana Nadeem Akhtar

KPMG

FORM OF PROXY

71st ANNUAL GENERAL MEETING

I/We, _____ of _____, holding Computerized National Identity Card (CNIC)/Passport No. _____ and being a member of Pakistan Stock Exchange Limited, hereby appoint _____ of _____, holding CNIC/Passport No. _____, or failing him/her hereby appoint _____ of _____, holding CNIC/Passport No. _____, as my/our proxy to vote for me/us and on my/our behalf at the 71st Annual General Meeting of the Company, to be held on the 19th day of October 2018 and at any adjournment thereof.

As witness my/our hand/seal this _____ day of _____, 2018

WITNESSES:

- Signature _____
Name _____
Address _____
CNIC No. _____
- Signature _____
Name _____
Address _____
CNIC No. _____

CDC Account No.

Revenue Stamp
of Rs. 5/-

To be signed by the above named shareholder

Notes:

- This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting. A proxy must be a member of the Company.
- The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC of the appointer and the proxy-holder shall be furnished with the Proxy Form.
- The proxy-holder shall produce his/her original CNIC at the time of the meeting.
- In case of corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form.

پراکسی فارم

71 واں سالانہ اجلاس عام

میں / ہم ساکن _____ حامل کمپیوٹرائزڈ شناختی کارڈ (CNIC) / پاسپورٹ نمبر _____
 اور بطور رکن پاکستان اسٹاک ایکسچینج لمیٹڈ _____ حامل CNIC / پاسپورٹ نمبر _____ یا اس کی عدم موجودگی میں
 _____ حامل CNIC / پاسپورٹ نمبر _____ کو مورخہ 19 اکتوبر 2018 کو منعقد ہونے والے اکہتر ویں سالانہ
 اجلاس عام اور اس کے کسی ملتوی شدہ اجلاس کے لیے میری / ہماری جانب سے ووٹ ڈالنے کے لیے بطور نمائندہ (پراکسی) تقرر کرتا ہوں / کرتی ہوں کرتے ہیں۔

گواہان کی موجودگی میں میرے / ہمارے / ہماری دستخط / امبروز _____ 2018 کو ثبت کیے گئے / کی گئی۔

گواہان:

1- _____ دستخط
 _____ نام
 _____ پتہ
 _____ کمپیوٹرائزڈ شناختی کارڈ نمبر

2- _____ دستخط
 _____ نام
 _____ پتہ
 _____ کمپیوٹرائزڈ شناختی کارڈ نمبر

حصص یافتہ کے دستخط پانچ روپے کی اسٹمپ

سی ڈی سی اکاؤنٹ نمبر

نوٹس:

- 1- یہ پراکسی فارم، مکمل اور دستخط شدہ، کمپنی کے رجسٹرڈ دفتر میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے پہلے موصول ہونا ضروری ہے۔ پراکسی کا ممبر ہونا لازمی ہے۔
- 2- پراکسی فارم پر دو گواہان کے نام، پتے اور سی این آئی سی نمبر درج ہونے چاہیے۔
- 3- پراکسی فارم کے ساتھ تقرر کرنے والے اور پراکسی کے حامل فرد کے سی این آئی سی کی تصدیق شدہ نقول جمع کی جائیں گی۔
- 4- اجلاس کے وقت پراکسی کا حامل شخص اپنا اصل شناختی کارڈ فراہم کرے گا۔
- 5- کارپوریٹ ادارے کی صورت میں، ادارے کے بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد / پاور آف اٹھرنی، بشمول نمونہ دستخط پراکسی فارم کے ساتھ جمع ہونگی۔

(19 اپریل 2018 سے لیکر 30 جون 2018)	
1	1
-	1
1	1
1	1
1	1
1	1

ہیومن ریسورس اینڈ ریمیوٹیشن کمیٹی

(1 جولائی 2017 سے لیکر 18 اپریل 2018 تک)		کمیٹی ممبر کا نام
اجلاس میں حاضری	منعقد اجلاس	
6	6	جناب منیر کمال (چیرمین)
5	6	جناب لی پینگ (Mr. Li Peng)
6	6	جناب موئن ایم فذہ
6	6	جناب نوین اے حسین
(19 اپریل 2018 سے لیکر 30 جون 2018)		کمیٹی ممبر کا نام
اجلاس میں حاضری	منعقد اجلاس	
1	1	جناب حسین لوہانی (چیرمین)
1	1	جناب محمد اشرف باوانی
1	1	جناب شہزاد چانڈیہ
1	1	جناب احمد چٹائی
1	1	جناب موئن ایم فذہ
1	1	جناب عابد علی حبیب
1	1	جناب شاہنواز محمود
1	1	جناب سلیمان ایس مہدی

نوٹ: سال کے اختتام پر مندرجہ بالا کمیٹیوں کی ساخت تبدیل کی گئی تھی جن کے متعلق معلومات سالانہ رپورٹ کی کارپوریٹ انفارمیشن میں موجود ہے۔

ضمیمہ نمبر 1 (Annexure I)

ڈائریکٹر کا نام	1 جولائی 2017 سے 18 اپریل 2018 تک		19 اپریل 2018 سے لیکر 30 جون 2018 تک	
	اجلاس ہوئے	اجلاس میں حاضری	اجلاس ہوئے	اجلاس میں حاضری
جناب منیر کمال [1]	12	12	1	1
جناب عادل عسکری [4]	5	5	-	-
جناب عدیل مجید آدم [3]	1	1	-	-
جناب سمیر احمد [3]	10	9	-	-
جناب جی بو [2] (Mr. QUE Bo)	12	6	2	3
جناب شہزاد چاٹھیہ [2]	9	9	2	2
جناب احمد چٹائی [2]	12	12	3	3
جناب شہزاد جی ڈاڈا [1]	8	6	1	1
جناب موئین ایم فذہ [2]	12	12	3	3
جناب عابد علی حبیب [2]	10	10	3	3
محترمہ رحمت کونین حسن [3]	10	9	-	-
جناب زھینگ ہو [3] (Mr. Zheng HU)	1	-	-	-
محترمہ یو ہوہالی [2] (Mr. Yu Huali)	12	7	3	3
جناب توفیق اے حسین [1]	12	11	1	1
جناب محمد نعیم [1]	12	12	1	1
جناب لی پیٹنگ [1]	12	11	-	-
جناب نسیٹنگ روگنگ [2]	11	8	1	3
جناب حسین لوانی	-	-	2	2
جناب رچرڈ مورین (Mr. Richard Morin)	6	6	3	3
جناب محمد اشرف باوانی	-	-	3	3
محترمہ ناز خان	-	-	2	2
جناب شاہواز محمود	-	-	3	3
جناب سلیمان ایس مہدی	-	-	2	2
سید مسعود علی نقوی	-	-	2	2
جناب امجد پر دیز	-	-	2	2

- [1] 19 اپریل 2018 کو نئے بورڈ کے الیکشن پر بطور ڈائریکٹر ریٹائرڈ ہو گئے۔
- [2] 19 اپریل 2018 کو بطور ڈائریکٹر دوبارہ منتخب ہوئے اور پھر سے تعینات کئے گئے۔
- [3] نئے بورڈ کے الیکشن سے پہلے بطور ڈائریکٹر مستعفی ہو گئے۔
- [4] 11 جنوری 2018 کو نئے مینیجنگ ڈائریکٹر کے چارج سنبھالنے پر بطور انٹنگ مینیجنگ ڈائریکٹر ریٹائرڈ ہو گئے۔
- جو ڈائریکٹرز بورڈ کے اجلاس میں حاضر نہیں ہوئے ان کو غیر حاضری کی تعینات دی گئی۔

ضمیمہ نمبر 2 (Annexure II)

ریگولٹری افسیئرز کمیٹی

کمیٹی ممبر کا نام	(1 جولائی 2017 سے لیکر 18 اپریل 2018 تک)	
	منعقد اجلاس	اجلاس میں حاضری
جناب توفیق اے حسین (چیرمین)	8	8
جناب موئین ایم فذہ	8	8
جناب محمد نعیم	8	7
محترمہ رحمت کونین حسن	7	6
(19 اپریل 2018 سے لیکر 30 جون 2018)		
جناب موئین ایم فذہ (چیرمین)	1	1
محترمہ ناز خان	1	1
جناب سلیمان ایس مہدی	1	1
جناب امجد پر دیز	1	1
سید مسعود علی نقوی	1	1

نامنیشن کمیٹی

کمیٹی ممبر کا نام	(1 جولائی 2017 سے لیکر 18 اپریل 2018 تک)	
	منعقد اجلاس	اجلاس میں حاضری
جناب منیر کمال (چیرمین)	3	3
محترمہ رحمت کونین حسن	2	2
جناب توفیق اے حسین	3	3
جناب نسیٹنگ روگنگ (Mr. Zhiping Rong)	3	3
(1 جولائی 2017 سے لیکر 18 اپریل 2018 تک)		
جناب حسین لوانی (چیرمین)	-	-
جناب محمد اشرف باوانی	-	-
سید مسعود علی نقوی	-	-
جناب نسیٹنگ روگنگ (Mr. Zhiping Rong)	-	-

آڈٹ کمیٹی

کمیٹی ممبر کا نام	(1 جولائی 2017 سے لیکر 18 اپریل 2018 تک)	
	منعقد اجلاس	اجلاس میں حاضری
جناب محمد نعیم (چیرمین)	4	4
جناب سمیر احمد	3	3
جناب موئین ایم فذہ	4	4
جناب جی بو (Mr. QUE Bo)	3	4
جناب شہزاد چاٹھیہ	2	2

ڈائریکٹرز کے لیے تہیتی پروگرام

اس سال کے دوران درج ذیل ڈائریکٹرز نے ڈائریکٹرز ٹریننگ پروگراموں کے تحت ایک تسلیم شدہ انسٹیوٹ سے سی سی جی ریگولیشنز کی تعمیل میں سرٹیفیکیشن حاصل کی

ڈائریکٹر کا نام	انسٹیوٹ کا نام
جناب عابد علی حبیب	پاکستان انسٹیوٹ آف کارپوریٹ گورننس

ڈائریکٹرز کا معاوضہ

پی ایس ایس کے بورڈ پر ہر ڈائریکٹر50,000 روپے معاوضہ جس پر ٹیکس کی کوٹھی لاگوہے ہر بورڈ کی میٹنگ یا ایک بورڈ لیول کی کمیٹی جس کا وہ ممبر ہے کی میٹنگ کی بطور فیس لینے کا مجاز ہی۔(میٹنگ فیس)

مزید بر آں اپنی صوابدید کے مطابق ایک ڈائریکٹر یہ جن سکتا ہے کہ:

- میٹنگ فیس کو اپنے نام پر لے

- اپنے ادارے جس سے وہ مستقل طور پر وابستہ ہے کے نام پر لے

- مینجمنٹ کو ہدایت کرے کہ میٹنگ فیس کسی فلاحی ادارے یا مقصد کو بطور عطیہ دے دیا جائے

میٹنگ فیس کو لینے سے بلکل دستبردار ہو جائے۔

اندرونی مالی کنٹرولز اور رسک مینجمنٹ کی موزنیت

اندرونی کنٹرولز اور رسک مینجمنٹ کی پالیسیاں آپٹیمائزیشن کے آپریشنزکی اہلیت اور موثر ہونے، مالی معلومات پر انحصار اور لاگو قوانین اور ریگولیشنز کے متعلق مناسب ضمانت دینے کی غرض سے تیار کی گئی ہیں۔ مینجمنٹ اپنے رسک کے اندازوں، کنٹرولز کی نفاذکی، مخصوص پالیسیوں پر نظر ثانی اور متعلقہ کنٹرولز کے طریقہ کار اور مانیٹرنگ کے نظام کو قائم کرتے ہوئے اندرونی کنٹرولز اور رسک مینجمنٹ کے نظام کے اہل اور موثر ہونے کو یقینی بناتی ہے۔ انٹرنل کنٹرول اینڈ رسک مینجمنٹ سسٹم شیئر ہولڈرز اور بورڈ آف ڈائریکٹرز کو مناسب ضمانت دینے کی خاطر تیار کیا گیا ہے۔ مینجمنٹ سمجھتی ہے کہ مجودہ انٹرنل کنٹرول اینڈ رسک مینجمنٹ سسٹم موزوں ہے اور اس پر موثر طریقے سے عملدرآمد اور مانیٹر کیا گیا ہے۔

انٹرنل کنٹرول اور رسک مینجمنٹ کی موزنیت سے متعلق ڈائریکٹرز کی ذمہ داری

یہ بورڈ آف ڈائریکٹرز کی ذمہ داری ہے کہ وہ اندرونی کنٹرول اور رسک مینجمنٹ کے مطوط نظام کے قائم ہونے کو یقینی بنائے جس پر موثر طریقے سے عملدرآمد ہو اور کمیٹی میں تمام سطحوں پر برقرار ہو۔ مزید بر آں بورڈ کی جانب سے بنائے جانے والی آڈٹ کمیٹی جو کہ بورڈ کو رپورٹ کرتی ہے مینڈیٹ دیا گیا ہے کہ وہ یہ جانچ کرے کہ اندرونی کنٹرول کا نظام جس میں مالی اور آپریشنل کنٹرول شامل ہیں، جس میں متعلقہ ایریا سے متعلق خطرہ کوسامنے رکھا گیا، حاصل اور اجراجات، رسیدوں اور ادائیگیوں اور اس کے ساتھ ساتھ اثاثوں اورذمہ داریوں کے بروقت اور مناسب شمار کے لیے کھاتوں کا نظام رپورٹنگ ڈھانچے کے ساتھ موزوں اور موثر ہیں۔ ان کو مینجمنٹ از ریشنز اینڈ ڈسکرپشن (Management Assertions and Description)آڈیٹرز رپورٹس کے ساتھ جیسا کہ اسیورٹی ایکسچینجز (لائسنسنگ اینڈ آپریشنز) ریگولیشنز 2016 میں مطلوب ہے کے تحت تفصیل سے مانیٹر کیا گیا ہے جو کہ سالانہ رپورٹ میں ضمیرہ کے طور پر منسلک ہے۔

ماحول پر اثر

کمپنی کے کاروبار کا ماحول پر کوئی منفی اثر نہیں پڑتا ہے۔

کارپوریٹ سوشل رسپانسبلٹی

پاکستان اسٹاک ایکسچینج بطور ایک قومی ادارے اور ایک ذمہ دار کارپوریٹ شہری کے طور پر معاشرے کے متعلق اپنی ذمہ داری سے باخوبی واقف ہے۔ اس سلسلے میں پی ایس ایس کی کارپوریٹ سوشل رسپانسبلٹی کے متعلق ایک واضح پالیسی ہے کہ ادائیگی ٹیکس سے پہلے کل منافع کا 2 فیصد ایسی سرگرمیوں پر خرچ کیا جائے۔ زیر ثانی سال میں بطور عطیہ دینے کے لیے کسی رقم کی منظوری نہیں دی گئی۔

شیئر ہولڈنگ کا میٹرن

پی ایس ایس کی شیئر ہولڈنگ کا میٹرن بطور ایک ضمیرہ صفہ نمبر۔۔۔۔۔۔ سے منسلک ہے۔

شیئر ہولڈنگ کی کمیٹیگریز

شیئر ہولڈنگ کی کمیٹیگریز سالانہ رپورٹ کے ساتھ بطور ضمیرہ صفہ نمبر۔۔۔۔۔ سے منسلک ہیں۔

آکٹانجمنٹ

بورڈ اپنے تمام شیئر ہولڈرزکا ان کی پی ایس ایس اور کمیٹیل مارکیٹ کی تسلسل سے وابستگی اور مدد کے لیے شکریہ ادا کرنے کا خواہشمند ہے۔ بورڈ اسیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فیڈرل بورڈ آف ریونیو اور وزارت خزانہ، ریونیو اور آکٹانگ آفیسرز اور حکومت پاکستان کا، ان کی سرگرم مدد اور رہنمائی کے لیے، بھی مشکور ہے

مزید بر آں بورڈ تمام کمیٹی ممبران کا، ان کی رہنمائی اور مدد کے لیے، شکریہ ادا کرنا چاہتا ہے۔ بورڈ پی ایس ایس کے تمام اسٹاف ممبران کا تمام ٹاکس کو جانفشانی اور ذمہ داری سے ادا کرنے کا اعتراف کرتا ہے اور سہرا تا ہے۔

بورڈ آف ڈائریکٹرز کے لیے اور کی طرف سے

سلیمان ایس مہدی

چیرمین

رچرڈ مورن

مینجنگ ڈائریکٹر

کراچی

بتاریخ: 18 ستمبر 2018

1۔ عام پاکستانی، ایشین اور عالمی اقتصادی حالات

2۔ ہماری کامیابی سے نئی خدمات اور پروڈکس متعارف کرنے کی اہلیت۔ اور

3۔ ریگولیٹری پابندیاں

ان میں سے کئی عناصر ہمارے کنٹرول سے باہر ہیں۔ اس کے نتیجے میں اس کی کوئی گارنٹی نئی ہے کہ ہم اپنے حالیہ اور مستقبل کے اسٹریٹیجک منصوبوں پر عمل درآمد کرنے میں کامیاب ہونگے۔ اوراس میں ناکامی کی صورت میں ہماری پراسیکشنس، مستقبل کی مالی صورت حال اور آپریشنز کے نتائج پر منفی اثرات مرتب ہونگے۔

مارکیٹ کے اتارچڑھاؤ کا خطرہ

چونکہ پی ایس ایکس کے کل حاصل کا انحصار جزوی طور پر لیکویٹریہ، تاریخی طور پر غیر مستحکم پروڈکٹ اور اس کے ساتھ ساتھ اور کئی ایک بیرونی عناصر مثلاً ٹریڈنگ سرگرمی اور قیمتوں کی سطح پر ہے، ایکچینج کے کل حاصل میں ایک وقت سے دوسرے وقت کے درمیان اتار چڑھاؤ ہو سکتا ہے۔ اگر ہمارے حاصل توقعات سے کم رہتے ہیں یا بڑھتے ہوئے اخراجات کے برابر نہیں ہوتے تو ہمارا بزنس، مالی صورت حال اور آپریشنز کے نتائج ایک خاص عرصے کے لیے بری طرح متاثر ہو سکتاہے۔

سود کی شرح میں ردوبدل کا خطرہ

سود کی شرح میں اتار چڑھاؤ کے اثرات ایکچینج کی مالی پوزیشن اور کیش فلوز پر مرتب ہوتے ہیں اس طرح سود کی شرح میں تبدیلیاں ہماری سرمایہ کاری کی قدر کو بری طرح متاثر کر سکتی ہیں۔ سود کی شرح مختلف عناصر سے احساس ہے اس میں حکومتی، ماہیژی اور ٹیکس پالیسیز، مقامی اور عالمی اقتصادی اور سیاسی ترجیحات، مالی خسارہ، تجارتی خسارہ یا سرپلس، ریگولیٹری ضروریات اور دوسرے عناصر جو کہ ہمارے کنٹرول سے باہر ہیں شامل ہیں

ریگولیٹری خطرہ

پی ایس ایکس ایک انتہائی ریگولیٹڈ صنعت میں آپریٹ کرتی ہے اوراس پر وسیع ریگولیشن لاگو ہیں۔ اکیورٹیز اینڈ ایکچینج کمیشن پی ایس ایکس کو ریگولیٹ کرتا ہے اور اس کے پاس بورڈ کی پاورز ہیں کہ وہ ہماری کسی تجاویز کی منظوری اور رضامندی کو روک دے (چاہے یہ روز میں ترامیم، پروڈکٹ ریج یا انفراسٹرکچر یا مارکیٹ ڈیولپمنٹ کے اقدامات کے متعلق ہوں) اگر کمیشن ایسی پاورز کو استعمال کرتا ہے تو اس کے ہمارے بزنس، ساخت، مالی صورت حال اور آپریشنز کے نتائج پر بڑے منفی اثرات مرتب ہونگے۔

اضافی طورپر پی ایس ایکس اپنے ریگولیشنز، روز اور ہائی لاز کے مخصوص ریگولیٹری فنکشنز کو ادا کرتی ہے جس میں ہمارے پلیٹ فارم پر لسٹڈ کمپنیز کی جانب سے مخصوص اکیورٹیز قوانین پر عمل درآمد کرنے کی مانیٹرنگ شامل ہے۔ مانیٹرنگ کے یولز میں بڑھاؤ جو ہم سے مطلوب ہے، اس میں ریگولیٹری تبدیلیوں کی وجہ شامل ہے، ہم پر تعمیلی لاگت اور ریگولٹری بوجھ ڈالنے اور اس میں اضافے کا سبب بن سکتی ہے۔

پی ایس ایکس کو کسی بیرون ملک ریگولیٹرز کی شناخت کی ضرورت کی صورت میں یا معاہدوں میں ترامیم یا عدالتی فیصلے، چاہے وہ بیرون ملک ریگولیشنز کے خارجی اثر کی وجہ ہوں، کی صورت میں اضافی آپریشنل لاگت یا نقصان اٹھانے یا مالی نتائج بھگتنے کا خطرہ ہو سکتا ہے۔

حکومتی پالیسیز میں تبدیلیوں کا خطرہ

ہماری مارکیٹ پر ٹریڈنگ کا حجم درج ذیل میں تبدیلیوں سے متاثر ہ سکتا ہے:

- حکومت پاکستان کی پالیسیز
- ٹیکس کا قانون یا پالیسیں

- بیرونی پورٹ فولیو سرمایہ کاروں سے متعلق ریگولیٹری تبدیلیاں

- دوسرے ریگولیشنز اور پالیسیز میں تبدیلیاں جو کی ہمارے بزنس کو متاثر کریں، اس میں لسٹڈ کمپنیاں شامل ہیں، ایسی تبدیلیاں جو کہ پاکستان سے باہر اکیورٹیز آفرنگز کو آسان بنائیں

- سرمایہ کاروں کو آزادی سے ہمارے پلیٹ فارم پر ٹریڈ کرنے کی اہلیت

- کمپنیشن یا ایسی ٹریڈنگ سے منافع کا حصول

- ہماری ایکچینجز اور کلیئرنگ کارپوریشن پر جس انداز میں اکیورٹیز کی ٹریڈنگ، کلیئرنس اور سیٹیلنٹ ہوتی ہے

مندرجہ بالا ہمارے بزنس، مالی صورت حال اور آپریشنز کے نتائج اور پراسیکشنس پر بڑے منفی اثرات مرتب ہو سکتے ہیں۔

قومی خزانے میں حصہ

کمیشنل مارکیٹیں قومی خزانے کے بڑے حصہ داروں میں شامل ہیں۔ یہ وہ حقیقت ہے جس سے ہم مکمل طور پر واقف ہیں۔ مالی سال 18-2017 کے دوران پی ایس ایکس نے مجموعی طور پر616، 1 ملین روپے کا ٹیکس جو کہ ٹریک ہولڈرز سے اکیورٹیز مارکیٹ کی خرید و فروخت اور پی ایس ایکس کے حاصل پر وصولی کیا حکومتی خزانے میں جمع کرایا(17-2016 میں 2،567 ملین روپے)

بورڈ آف ڈائریکٹرز

مالی سال 2017-18 کے دوران بورڈ میں مندرجہ ذیل تبدیلیاں ہوئیں۔

جناب زھنگ ہو(Mr. Zheng HU) جو کہ چائنہ فنانشل نیوچرز ایکچینج لیمیٹڈ (سی ایف ایف ای ایکس) کے نامزدہ تھے 1 اگست 2017 سے بطور ڈائریکٹر اپنی پوزیشن سے مستعفی ہو گئے اور ان کی جگہ

بورڈ نے جناب زینگ رونگ (Mr. Zhiping Rong) کو بطور ڈائریکٹر اسی تاریخ سے تعینات کیا۔

رداں مالی سال کے شروع ہونے سے پہلے شیئر ہولڈرز ڈائریکٹرز میں سے ایک ڈائریکٹر جو کہ ایک کارپوریٹ برادر ہاؤس کے نمائندے تھے نے29جون 2017 سے ایکچینج کی سیلف لسٹنگ ہونے پر اپنی ڈائریکٹر شپ ختم کردی جس کے بعد ایک اور شیئر ہولڈر ڈائریکٹر جناب عبدال مجید آدم 28 اگست 2017 سے بورڈ سے مستعفی ہو گئے۔

ان سرسری آسامیوں کو پر کرنے کے مقصد کے لیے بورڈ نے اپنے کل سائز کو قائم رکھنے کا فیصلہ کیا۔ جس کی ساخت سات آزاد اور سات شیئر ہولڈرز ڈائریکٹرز ہے جو کہ اکیورٹی ایکچینج (لائسنسنگ اور آپریشنز) ریگولیشنز 2016 (دی لائسنسنگ ریگولیشنز) کی شرط ہے اور جناب شہزاد چانڈیہ کو بطور شیئر ہولڈر ڈائریکٹر اور جناب شہزاد جی ڈاڈا کو بطور آزاد ڈائریکٹر اکیورٹیز اینڈ ایکچینج کمیشن آف پاکستان (ا ایس ای سی پی) کی منظوری سے 22 ستمبر 2017 اور 9 نومبر 2017 کو انفرادی طور پر تعینات کیا۔

جناب ہارون عسکری، جن کو جناب ندیم نقوی کی جگہ بطور لمکنٹنگ مینجنگ ڈائریکٹر تعینات کیا گیا تھا، اپنی ذمہ داریاں 11 جنوری 2018 تک نباتے رہے جب جناب رچرڈ مورین (Mr. Richard Morin) نے ایکچینج کے نئے مینجنگ ڈائریکٹر کے بطور چارج شروع سنبھالا۔

محترمہ راحت کونین حسن اور جناب سمیر احمد نے بطور آزاد ڈائریکٹرز بورڈ سے 26 فروری 2018 اور 11 مارچ 2018 سے مستعفی ہو گئے۔

12 مارچ 2018 کو بورڈ نے فیصلہ کیا کہ وہ 19 اپریل 2018 کو ہونے والے غیر معمولی عام اجلاس (ای او جی ایم) میں ڈائریکٹرز کا انتخاب کرے گا تاکہ 29 دسمبر 2017 کو جاری ہونے والی ایس ای سی پی کی ہدایت پر عمل کیا جاسکے۔ اس سلسلے میں بورڈ نے شیئر ہولڈرز ڈائریکٹرز کی تعداد کو سات مقرر کیا۔

11اپریل 2018 کو پی ایس ایکس نے سات اہل نمائندوں جنہوں نے ڈائریکٹرز کے چناؤ میں ارادے کے نوٹس داخل کردائے تھے کی حتمی فہرست جاری کی اور چونکہ ان نمائندوں کی تعداد بورڈ کی جانب سے کمپنیز ایکٹ 2017 کی سیکشن (1) 159 کے تحت مقرر کردہ تعداد سات سے زیادہ نہیں تھی ان کا 19 اپریل 2018 کو ہونے والے غیر معمولی عام اجلاس میں بلا مقابلہ منتخب ہونے کا اعلان کیا گیا۔

اور اس طرح لائسنسنگ ریگولیشنز کی شرائط کے مطابق ایس ای سی پی نے اپنے 9 مئی 2018 کو جاری ہونے والے لیٹر میں 19 اپریل 2018 سے سات آزاد ڈائریکٹرز کو کمپنی کے بورڈ پر تعینات ہونے کی منظوری دے دی۔

بورڈ یہاں ریکارڈ پر جانے والے تمام ڈائریکٹرز کی خدمات کو سہرا نہ چاہتا ہے۔

مرکوزہ بالا کے مد نظر پی ایس ایکس کا مجودہ بورڈ آف ڈائریکٹرز 15 ڈائریکٹرز پر مشتمل ہے اس میں

مستقبل میں کمپنی کے بزنس ڈیولپمنٹ، کارکردگی اور صورت حال پر ممکنہ طور پر اثر انداز ہونے والے رجحانات اور عناصر
پی ایس ایکس سرمایہ کاروں کی بنیاد کو وسیع کرنے پر ثابت قدم ہے اور چھوٹے سرمایہ کاروں کی بنیاد میں خاطر خواہ اضافے، آن لائن اکاؤنٹ کھولنے اور دستاویزکاری کے لیے ایک شکاف سہولت فراہم کرنے کے لیے پی ایس ایکس سی ڈی سی، این سی سی پی ٹیل، نادرا اور دوسرے اداروں سے مل کر اقدامات کرے گی۔

مارکیٹ کو دنیا کی بہترین مارکیٹوں میں جگہ دلانے کی لیے اپنے ٹریڈنگ کے نظام کو تبدیل کرنے کا ہمارہ منصوبہ ہے۔ پی ایس ایکس آئندہ خود سے ٹریڈنگ کے نظام نہیں بنائے گہ اور اس کی جگہ عالمی کمپنیوں سے بہترین کلاس کے ٹریڈنگ سسٹم خریدے گی۔ یہ کمپنیاں صنعتکاری کے معیار کے فٹس (FITX)کیٹ ویز فراہم کرتی ہیں جن سے شرکاء اپنے پلیٹ فارمز یا کسی تیسرے فریق کے پلیٹ فارمز کے ذریعے منسلک ہو سکیں گے۔

پی ایس ایکس اپنے انڈسز کا انتظام انڈسز فراہم کرنے والے کسی عالمی ادارے کے حوالے کرنے کے امکان کا جائزہ لے گی۔

سرمایہ کاروں کی بنیاد بڑھانے کے لیے پی ٹیل ایس این سی سی پی ٹیل، سی ڈی سی اور موفاپ (MUFAP) سے مل کر اوپن میوچل فنڈ پلیٹ فارم شروع کرنے کا ارادہ رکھتی ہے۔

پی ایس ایکس چھوٹے سرمایہ کاروں کے لیے آگائی اور تعلیم کے پروگرام کو مزید تقویت دے گی۔ ہم مارکیٹنگ اور کاروباری ترقی کا ایک وسیع منصوبہ تیار کریں گے اور اپنی ویب سائٹ میں ترامیم کریں گے تاکہ اس پر معلومات آسانی سے حاصل ہوں اور مارکیٹنگ اور بزنس کی ترقی کی سرگرمیوں میں بہتر مدد مل سکے۔ پی ایس ایکس انوسٹر پروٹیکشن فنڈ کی رفاہرز کو بہت اہم سمجھتی ہے تاکہ سرمایہ کاروں کی بنیاد بڑھائی جاسکے۔ پی ایس ایکس نے سینئر لائٹڈ کسٹمرز پروٹیکشن پلیٹیفارم فنڈ کی رفاہرز کی جوبز دی ہے تاکہ اس کا ڈھانچہ عالمی معیار کے مطابق بنایا جا سکے اور چھوٹے سرمایہ کاروں کی تعداد کو بڑھانے میں مدد ہو۔

پی ایس ایکس کا مارکیٹ کمیٹلائزیشن کو جی ڈی پی کے تناسب میں لانے کا ہدف ہے اسکے لیے اسکا ہدف ڈیبٹ (debt) اور لیکوئٹی (equity) کی معقول لسٹنگ ہے۔

اس سلسلے میں ہم ایک موقوف پونٹ بنانے کا ارادہ رکھتے ہیں جو کہ لسٹنگ کی ایک پائپ لائن تیار کرے گا اور انشورہ کی خدمات فراہم کرے گا۔ ہم ایک موقوف کارپوریٹ سروسز ٹیم تیار کر رہے ہیں جو کہ نئی لسٹنگز کو لانے کا کام کرے گی، ویلیو ایڈڈ خدمات لسٹڈ کمپنیز کو فراہم کرے گی اور اس کے ساتھ لیکویڈٹی بڑھانے کے لیے اسٹاک اسپلٹ پر تعلیم دے گی اور اس کی حوصلہ افزائی کرے گی۔

مزید پی ایس ایکس لسٹنگ کے معیار کو بہتر بنانے اور لیکویڈٹی کو بڑھانے کے لیے ایک پریہیمئم بورڈ بنانے اور دوسرے اقدامات لینے کا ارادہ رکھتی ہے تاکہ پی ایس ایکس لیکویڈٹی کو فروغ دے سکے، معیاری لسٹنگ کو لائسے اور سرمایہ کاروں کے اعتماد کو بہتر بنا سکے۔

پی ایس ایکس کا ٹریڈ ویلیو کو مارکیٹ کمیٹلائزیشن کے تناسب میں لانے کا منصوبہ ہے۔

پی ایس ایکس ایکٹیوٹریڈ فنڈ (ETFs) کو تیار کرے گی، لسٹ کرے گی اور اس کو زیادہ فعال طریقے سے فروغ دے گی، ایکویٹی فوجز آفرنگز کو فٹس اور حل کرے گی، انڈکس آپشنز اور سنگل اسٹاک آپشنز کو تیار کرے گی، مقامی مارکیٹ کے موزوں اسٹاک پروڈکٹ آفرنگز کو تیار کرے گی، سی ٹیک اور دوسرے انفراسٹرکچر سے متعلقہ یونٹز شروع کرے گی، اور سی ٹیک اور انفراسٹرکچر یونٹز کو پی ایس ایکس پر لسٹ کرنے کے لیے ایک مضبوط ویلیو پروپوزیشن تیار کرے گی اور سرمایہ کاروں کی شرکت کی حوصلہ افزائی کے لیے مارکیٹ کے ڈھانچے اور ٹیکس کے معاملات پر نظر ثانی کرے گی۔

مزید، بورڈ نے پی ایس ایکس کے اپنے آپریٹنز سے ریٹل اسٹیٹ کے ڈی مرجر (Demerger) کے تصور کی منظوری دی ہے۔ اس کے نتیجے میں دو مختلف کمپنیاں وجود میں آئیں گی جسکے شیئرز ایکٹیوٹریڈ کے موجودہ شیئرز ہولڈرز کو جاری کیے جائیں گے۔ اس پر کام شروع ہو چکا ہے اور 2019 کے درمیان میں مکمل ہونے کی توقع ہے۔ پی ایس ایکس کے ڈی مرجر کے مکمل ہونے پر مینجمنٹ کو کمپنی کو مالی فائدے ہونے کی یقین دہانی ہے اس میں ایکویٹی پر زیادہ ریٹرن (Return on Equity) اور فی شیئر آمدنی میں (Earning Per Share) اضافہ شامل ہے۔

مارکیٹ کے وسیع رجحانات اور بڑے پیمانے پر اقتصادی معاملات کا خطرہ

پی ایس ایکس ملک کی واحد ایکٹیوٹریڈ ہے۔ مارکیٹ کے کاروبار، مالی حالت اور آپریٹنز کے نتائج کا زیادہ تر انحصار مارکیٹ کی سرگرمی کی سطحوں اور خاص طور پر ٹریڈ کیسے جانے والے مالی اثاثوں، لسٹڈ ایکوریٹیز کی تعداد، نئی لسٹنگز کی تعداد اور اس کے نتیجے میں ہونے والے شیئرز کا اجراء، لیکویڈٹی اور دوسرے اس طرح کے معاملات پر ہے کیونکہ ایکٹیوٹریڈ کے معاملے کا خاطر خواہ حصہ بلواسطہ یا بلا واسطہ ٹریڈنگ اور لسٹنگز سے حاصل ہوتی والی فیس پر ہے۔

کسی بھی دوسرے ملک کی نامور اسٹاک ایکٹیوٹریڈ کی طرح پی ایس ایکس کا انحصار بھی ایکٹیوٹریڈ ہونے والے مالی اثاثوں کے معیار اور ان اثاثوں کا جن مارکیٹ پر ٹریڈ ہونا ہولان کے معیار پر ہے۔ یہ سب عناصر پاکستان کے سیاسی اور معاشی حالات اور مارکیٹ کے حالات سے متاثر ہوتے ہیں اور کسی کم حد تک ایٹاء ممالک، امریکہ، ایورپ اور دوسرے ممالک کے حالات جو کہ ایکٹیوٹریڈ کے کنٹرول میں نہیں ہیں سے متاثر ہوتے ہیں۔ جبکہ غیر مستحکم مارکیٹ زیادہ ٹرانزیکشنز وولیمز (transactions volumes) پیدا کرسکتی ہے لیکن لمبے عرصے تک رہنے والے کمزور معاشی حالات ٹریڈنگ وولیمز (Trading Volumes) اور لسٹنگ کو مالی طور پر بری طرح متاثر کرتی ہے۔

وہ دوسرے عناصر جو ہمارے کاروبار، مالی صورت حال اور آپریٹنز کے نتائج کو بری طرح متاثر کرسکتے ہیں اور ہمارے کنٹرول میں نہیں ہیں درج ذیل ہیں۔

1 بزنس اور فنانس میں وسیع رجحانات جس میں صنعتکاری سے متعلقہ حالات، کمیٹیٹل مارکیٹ کے رجحانات اور مرجز اور ایکویزیشنز کی فضاء شامل ہیں۔

2 سماجی اور سول کچھپاء، دہشت گردی اور جنگ۔

3 مہنگائی سے متعلق خدشات چھوٹے اور اداراتی سرمایہ کاروں کا اعتماد۔

4 حکومت کی مانیٹری پالیسی اور برودنی کرنسی کی قیمت میں تبدیلیاں۔

5 چھوٹے اور لمبے عرصے تک کے لمبے فنڈز اور کمیٹیٹل کا حصول۔

6 متبادل سرمایہ کاری کے مواقعوں کی موجودگی۔

7 ایکوریٹیز کی قیمتوں میں اتار چڑھاؤ اور تبدیلیاں۔

8 ٹیکس پالیسی میں تبدیلیاں (اس میں ٹرانزیکشن ٹیکس شامل ہے) اور پاکستان کے دوسرے ممالک سے ہونے والے ٹیکس کے معاہدے۔

9 سود کی شرح میں اتار چڑھاؤ اور اس اتار چڑھاؤ کی سطح۔

10 قانون سازی اور قوانین میں تبدیلیاں، اس میں ریگولیشنڈ اور ان ریگولیشنڈ (regulated and unregulated)مارکیٹس کے درمیان ممکنہ ریگولیٹری آرہیٹریج اگر ان میں کوئی اہم پالیسی اختلاف سامنے آجائے شامل ہیں۔

11 پاکستانی مارکیٹوں کا عالمی سطح پر تصوراتی مقبولیت یا غیر مقبولیت۔

12 مارکیٹ کی غیر متوقع بندش اور ٹریڈنگ میں دوسری رکاوٹیں۔

اگر مارکیٹ کی سرگی کی کسی سطح پر بھی مندرجہ بالا حالات یا دوسرے عناصر۔ جو کہ اس کے کنٹرول میں نہیں ہیں، کی وجہ سے مالی طور پر بری طرح متاثر ہوتی ہے تو ہمارا بزنس، مالی حالت اور آپریٹنز کے نتائج بھی مالی طور پر بری طرح سے متاثر ہوتے ہیں۔

مستقبل کے اقدامات کا خطرہ

پی ایس ایکس نے ملرضی میں کسی اقدامات اٹھائے ہیں اور باخبر اٹھاتی رہے گی تاکہ چھوٹی اور اداراتی سرمایہ کاری کی شرکت اور ڈیری ونٹو پروڈکٹس (derivative products) میں ٹریڈنگ کو بڑھایا جائے۔ وہ عناصر جو ایکٹیوٹریڈ کی بزنس اسٹریٹیجی کو متاثر کرسکتے ہیں وہ ان عناصر کے علاوہ شامل ہیں:

ڈائریکٹرز رپورٹ

پاکستان اسٹاک ایکسچینج لیمنڈ (پی ایس ایکس) کے بورڈ آف ڈائریکٹرز کو خوشی ہے کہ وہ پی ایس ایکس کی بطور ایک پبلک لسٹڈ کمپنی کے 30 جون 2018 کو ختم ہونے والے مالی سال کی دوسری سالانہ رپورٹ پیش کرتا ہے۔

پی ایس ایکس کی دوران سال مالی اور مارکیٹ کارڈگی

کے ایس ای 100 انڈیکس 30 جون 2018 پر 41911 پوائنٹس پر بند ہوا اور مارکیٹ میں کل سرمایہ کاری 8665 ارب روپے تھی۔ روزانہ کی تجارت کی اوسط قدر (T+2 & DFM) 6-11 ارب روپے تھی اور روزانہ کا اوسط کاروبار 235 ملین شیئرز تھا۔

کے ایس ای 100 انڈیکس میں 30 جون 2017 سے 10 فیصد کمی ہوئی اور کے ایس ای 30 انڈیکس 20569 پوائنٹس پر بند ہوا جو کہ 30 جون 2017 سے 15 فیصد کم تھا جو کہ کمزور وسیع اقتصادی حالات، جس میں پاکستان کی معیشت کو بڑھتا ہوا خطرہ شامل ہے، مالی امکانات اور غیر مستحکم سیاسی صورت حال کا نتیجہ ہیں۔

کنسٹبل مارکیٹ مقامی اور بیرونی سرمایہ کاروں پر مشتمل ہوتی ہے۔ بیرونی سرمایہ کاروں نے 56-288 ملین امریکی ڈالرز کی اسکیورٹیز فروخت کیں جو کہ مقامی سرمایہ کاروں نے خریدیں (اس میں انشورنس کمپنیز کی 204 ملین ڈالرز کی خریداری اور دوسری کمپنیز 55-99 ملین کی خریداری ہے)۔ مقامی سرمایہ کاروں کی یہ پرزور خریداری مقامی سرمایہ کاروں کی پاکستانی اسٹاک ایکسچینج میں اعتماد کا مظہر ہے۔

اس مالی سال کی دوران 6 کمپنیوں کو لسٹ کیا گیا جن کا کل سرمایہ 6719 ملین روپے تھا اور ایک کمپنی کو قرضے (debt) کی کینٹگری میں لسٹ کیا گیا اس کا سرمایہ 7000 ملین روپے تھا۔ 30 جون 2018 تک 558 کمپنیز مارکیٹ میں لسٹڈ تھیں جن کے سرمایہ کی قدر 1297 ارب روپے تھی۔

30 جون 2018 تک کے مالی سال کا قبل از ادائیگی ٹیکس منافع 118 ملین روپے تھا جبکہ 30 جون 2017 کو ختم ہونے والے مالی سال کا منافع 319 ملین روپے تھا۔ اسی طرح ادائیگی ٹیکس کے بعد کل منافع (NPAT) 64 ملین ارب روپے تھا جبکہ پچھلے سال یہ منافع 277 ملین روپے تھا۔

پی ایس ایکس کی 30 جون 2018 کو ختم ہونے والے مالی سال کے کل حاصل 2-1 ارب روپے تھے جبکہ 30 جون 2017 پر ختم ہونے والے مالی سال کے حاصل 5-1 ارب روپے تھے۔ جسکی مندرجہ ذیل وجوہات ہیں۔

- ٹریڈنگ فیس سے ہونے والے حاصل میں کمی۔ جس کی بڑی وجہ روزانہ کی اوسطاً تجارت میں کمی ہے۔ 18-17 کے مالی سال میں یہ حاصل 12 ارب روپے رہے جبکہ 17-16 کے مالی سال میں یہ حاصل 20 ارب روپے تھے۔

- مینجمنٹ فیس کے حاصل میں خسارہ ہے کیونکہ ایس ای سی پی نے پی ایس ایکس کو سی سی پی سی ایف جو کہ پہلے آئی پی ایف تھی پر صرف 30 جون 2017 تک مینجمنٹ فیس لینے کی اجازت دی تھی۔

- پی ایس ایکس سے منسلک کمپنی این سی سی پی ٹیل کی سالانہ کارڈگی میں کمی ہے۔ جس کی بنیادی وجہ ٹریڈنگ کی ویلیو اور وولیمز میں کمی ہے۔

تاہم ایکسچینج کے مندرجہ ذیل حاصل میں بہتری قابل نظر ہے جس سے منفی اثر میں تخفیف ہوئی۔

- لسٹنگ فیس کی آمدنی میں اضافہ جو کہ ایک پٹرولیم کمپنی کے ضم ہونے کی وجہ سے ہونے والی ایک وقت کی لسٹنگ فیس ہے۔

- اسٹاک ایکسچینج سے منسلک کمپنی سی ڈی سی کی کارڈگی میں بہتری۔

انتظامی اخراجات میں پچھلے سال کے مقابلے میں 3 فیصد کمی ہوئی جس کی وجہ مینجمنٹ کی جانب سے کاروبار کو لاگتی استعداد اور موثر طریقے سے چلانہ ہے۔

نقد منافع (DIVIDEND)

ڈائریکٹرز نے 30 جون 2018 کو ختم ہونے والے مالی سال کے لیے فائنل کیش منافع (ڈیویڈنڈ) کی سفارش نہیں کی ہے تاہم فی شیئر 0-05 روپے کا عبوری منافع پہلے سے ہی ادا کیا جا چکا ہے۔

2018 کا منافع

(Rupees in '000)

سالانہ منافع

64229

تقسیم کرنے کے لیے موجود منافع

64229

عبوری کیش منافع 5-0 فیصد کی شرح پر

40074

موجودہ بیلنس

24، 155

فی شیئر آمدنی

مالی سال 18-17 کی بنیادی اور ڈائلیوٹڈ

فی شیئر آمدنی 08-0 روپے رہی۔ مالی سال 17-16 میں یہ آمدنی 35-0 فی شیئر تھی۔

مالی سال میں ہونے والی تبدیلیاں

اس مالی سال میں اسٹاک ایکسچینج کے کاروبار میں یا اس سے منسلک کمپنیوں یا جن کمپنیوں میں اسٹاک ایکسچینج کا کوئی مفاد ہے اسکے کاروبار میں کوئی خاص تبدیلی نہیں ہوئی۔

پی ایس ایکس کی مالی صورت۔ حال پر اثر انداز ہونے والی مادی تبدیلیاں اور ذمہ داریاں

پی ایس ایکس نے اپنی مالی صورت حال کو منظور کرنے کے لیے، اور اس کی جانب سے کسٹرز کو فراہم کی جانے والی خدمات کی ہمیشہ سے بڑھتی ہوئی قیمت جو کہ یہ لسٹڈ کمپنیوں، ٹریڈ اور ٹان ٹریڈ ہولڈرز کو فراہم کرتی ہے اور بڑھتی ہوئی مہنگائی کے مطابق مختلف سہولیات کے محصولات کے ڈھانچے میں تبدیلی کی ہے اور مخصوص سہولیات پر دی جانی والی امداد میں کمی کے اقدامات پر عمل درآمد کیا ہے۔

پی ایس ایکس کی مالی صورت حال کو متاثر کرنے والی مادی تبدیلیاں اور ذمہ داریاں جو کہ اس مالی سال میں رونما ہوئی اور جن کا تعلق اس رپورٹ سے ہے اور ان کی تاریخ درج ذیل ہیں۔

- 1 جولائی 2018 سے سالانہ لسٹنگ فیس میں اضافہ کیا گیا ہے جس کے ساتھ فیس کے ڈھانچے میں تبدیلی لائی گئی ہے جبکہ اضافی لاگت کے فرق کو دو سال کے دورانیہ تک پھیلا دیا گیا ہے۔

- نئی کمپنیوں کو مراعات دینے کی خاطر لسٹنگ کی ابتدائی فیس کی اوپر والی حد میں کمی کی گئی ہے۔

- 1 جولائی 2018 سے مالی امدادات کو کم کرنے اور ان کو تین سال کے اندر وصول کرنے کے اقدامات کو عمل میں لایا گیا ہے۔



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