

Annual Report 2020



**PAKISTAN
STOCK EXCHANGE**

The background of the entire page is a photograph of two large wind turbines standing in a lush green field under a bright blue sky with scattered white clouds. The turbines are white and have three blades each. The field is vibrant green, and the sky is a deep blue.

**CRAFTING
THE FUTURE**



We are eternally grateful to our valiant heroes who lost their lives and our courageous soldiers who got injured while defending Pakistan Stock Exchange in the terrorist attack on June 29, 2020. We honour them and shall forever remember them. May Allah bless the martyred with the highest levels in Jannah and those who were injured, a hale & healthy life.

Men who lost their lives:

<i>Shahid Ali</i> (Shaheed) Sub Inspector Police	<i>Khuda Yar Khan</i> (Shaheed) Security Supervisor
<i>Iftikhar Wahid</i> (Shaheed) Security Guard	<i>Hassan Bachoo</i> (Shaheed) Security Guard

Men who were injured:

<i>Saeed Ikram</i> Police Constable	<i>Imtiaz Ali</i> Police Constable RRF
<i>Shahzad</i> Police Constable RRF	<i>Shahzeb</i> Security Guard
<i>Waqas</i> Security Guard	<i>Aamir</i> Passer-by



ABOUT THE COVER

The theme for this year's Annual Report is "Crafting the Future" which reflects the capital market's enriching, fostering, cultivating, and enabling role to propagate success, growth and prosperity for issuers, investors, market participants and the economy as a whole.



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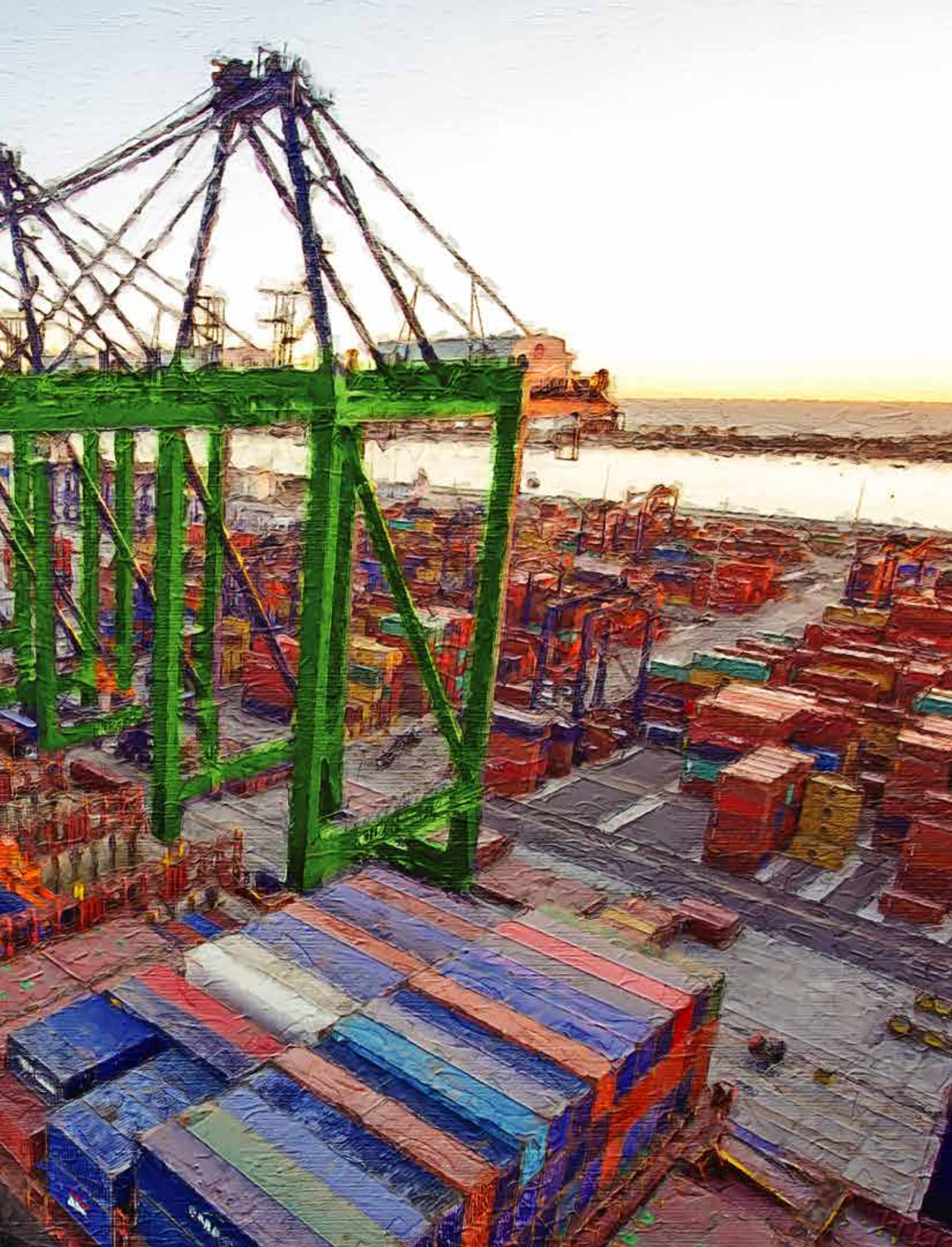
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Enriching Economy

PSX provides avenues for capital formation by creating opportunities for companies to raise capital and provide investors with investment avenues.



CORPORATE INFORMATION

Board of Directors

Mr. Sulaiman S. Mehdi (Chairman of the Board)	Independent Director
Mr. Farrukh H. Khan (Chief Executive Officer)	Executive Director
Mr. Abid Ali Habib	Non-Executive Director
Mr. Ahmed Chinoy	Non-Executive Director
Mr. Amjad Pervez	Independent Director
Dr. FU Hao	Non-Executive Director
Mr. Javed Kureishi	Independent Director
Mr. Mohammad Ashraf Bawany	Non-Executive Director
Mr. Mohammad Salahuddin Manzoor	Independent Director
Mr. Saad Amanullah Khan	Independent Director
Mr. Shehzad Chamdia	Independent Director
Mr. Wang Baojun	Non-Executive Director
Ms. Yu Huali	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. Saad Amanullah Khan (Member)
Mr. You Hang (Alternate Member)

Regulatory Affairs Committee

Mr. Sulaiman S. Mehdi (Chairman)
Mr. Amjad Pervez (Member)
Mr. Mohammad Salahuddin Manzoor (Member)

Human Resources & Remuneration Committee

Mr. Sulaiman S. Mehdi (Chairman)
Mr. Abid Ali Habib (Member)
Mr. Mohammad Ashraf Bawany (Member)
Mr. Saad Amanullah Khan (Member)
Mr. You Hang (Member)

Audit Committee

Mr. Shehzad Chamdia (Chairman)
Mr. Ahmed Chinoy (Member)
Mr. You Hang (Member)

Chief Operating Officer

Mr. Nadir Rahman

Company Secretary

Dr. Fakhara Rizwan

Chief Financial Officer

Mr. Ahmed Ali Mitha

Head of Internal Audit

Mr. Farhan Ansari

Acting Chief Regulatory Officer

Mr. Abbas Mirza

Auditors

Grant Thornton Anjum Rahman, Chartered Accountants

Legal Advisors

Mohsin Tayebaly & Co.

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial & 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

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Karachi 74000
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Regional Offices

Lahore Office

LSE Plaza
19-Khayaban-e-Aiwan-e-Iqbal
Lahore 54000
Phone: (92 42) 36316974
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Office # 712-714, 7th Floor, ISE Towers
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Islamabad
Phone: (92 51) 2894500

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Website

www.psx.com.pk

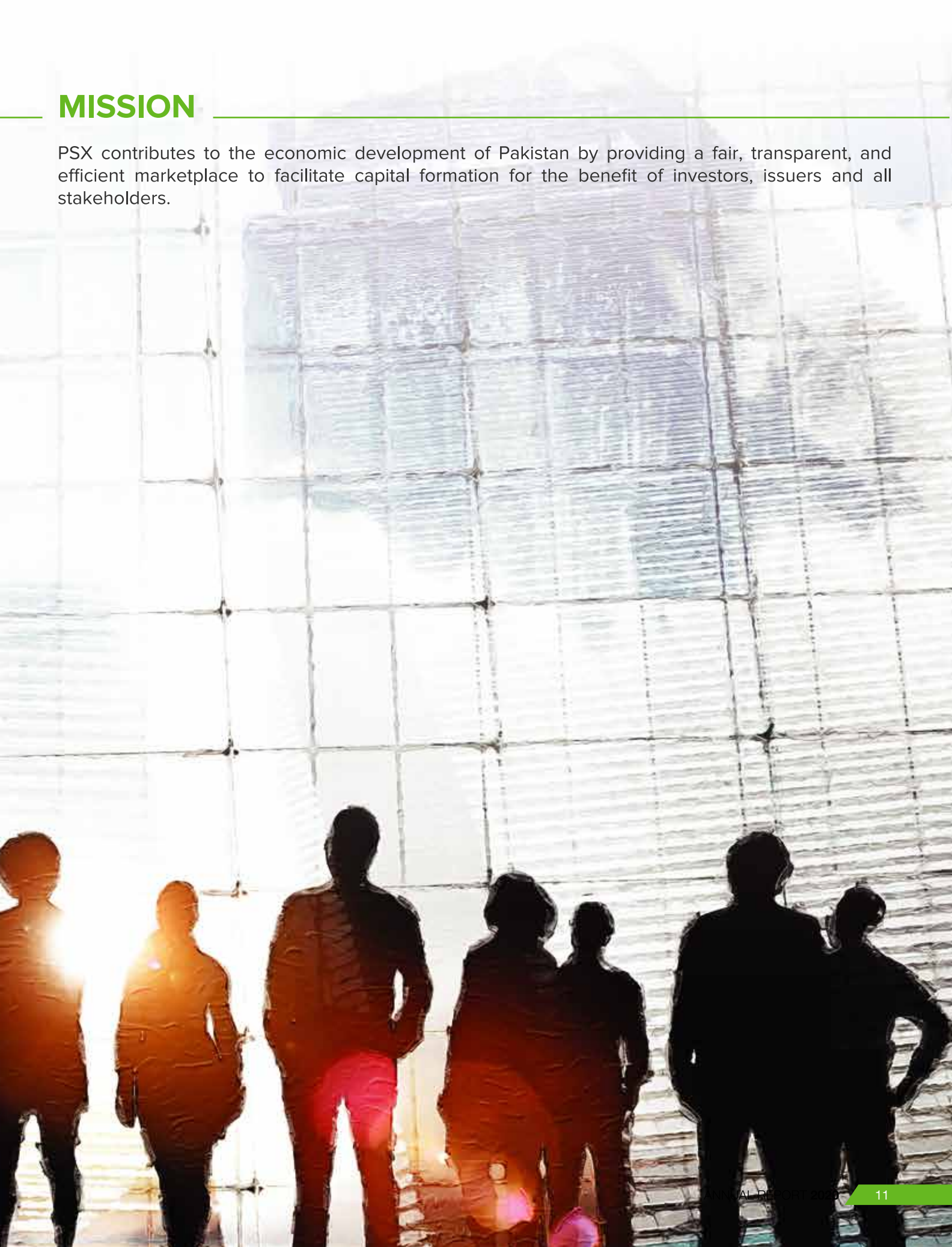
VISION

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

Pakistan Stock Exchange Limited (“PSX”, the “Exchange”) was incorporated in the year 1949 under the name 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 year 2015-16, the Exchange corporation, 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 the single national stock exchange under its present name, i.e. Pakistan Stock Exchange Limited.

PSX FY 2020 AT A GLANCE

Fiscal year 2020 has been a story of tumultuous ups and downs for Pakistan's economy. Once again, the country and its people have emerged stronger than before against the greatest of odds and managed to end the year with an optimistic future outlook.

While the first half of the fiscal year showed some clear signs of a path towards economic recovery on the local front, the world economy in the second half was rocked by the sudden emergence of the Covid-19 pandemic which not only brought the global economy to a standstill but also managed to cast doubts on the country's debt sustainability and foreign exchange position to cope up effectively with the sudden need to shore up medical supplies and expand health infrastructure.

Pakistan Stock Exchange, as the country's national bourse, widely used by investors as the yardstick for measuring the strength of the economy, saw its fair share of volatility with KSE-100 index dropping from above 43,000 levels to low of 27,228 by March 25th, 2020, within a span of just around 2 months. The index has since recovered as economic activity picked up and the country's fundamentals got back on track.

By the end of the financial year ending June 30, 2020, 530 companies were listed on the local bourse, with a total market capitalization of PKR 6.5 trillion (\$39.25 billion). The KSE-100 Index, though coming under severe pressure after the emergence of the first Covid case in the country on 25th February, still managed to close the year at the level of 34,421.92, up 1.5% compared to last year.

During the fiscal year, 7 debt instruments with a total issue size of PKR 234.6 billion were listed on the Exchange. Despite the Covid-19 related disruptions, PSX also successfully launched Pakistan's first two Exchange Traded Funds (ETFs) in March namely the UBL Pakistan Enterprise ETF (UBLP-ETF) and NIT Pakistan Gateway ETF (NITG-ETF). These ETFs are expected to become instrumental in bringing valuable liquidity from the retail investors to the market, thanks to its transparent nature, while also providing a low cost avenue to track an underlying index.

Pakistan Stock Exchange, a symbol of Pakistan's economy and its resilient people, came under an attempted terrorist attack on 29th June 2020 which was thwarted by those entrusted to keep the Exchange safe. The ensuing firefight between the brave security personnel and the terrorists resulted in the tragic loss of four precious lives. Throughout this unfortunate event, the Exchange's operations were running smoothly and trading was not disrupted for even a second. This year's annual report is dedicated to the memory of those who laid down their lives to protect us on that fateful day.

	June 30,2020	June 30,2019	% Change
No. of Listed Companies	530	544	-2.57%
Listed Capital (PKR Mn)	1,391,478	1,340,270	3.82%
Trading Volume (Fiscal Year) - Ready + Futures (Mn) Shares	68,359	54,578	25.25%
Trading Value (Fiscal Year) Ready + Futures (PKR Mn)	2,573,593	2,224,256	15.7%
Market Capitalization (PKR Mn)	6,529,707	6,887,301	-5.2%
KSE 100 Index	34,422	33,902	1.5%
KSE 30 Index	14,862	15,893	-6.5%

PSX DEVELOPMENTS AND ACTIVITIES

Key Achievements Organization Wide

Pakistan Stock Exchange has seen significant developments over the current period under review FY 2020. The Coronavirus pandemic affected most segments of the society and economy, yet the capital market of Pakistan continued to function seamlessly and smoothly. There was not a break for even a moment in the functions and operations of the Exchange. Even the KPK office of the Exchange had been readied but the launch of the same is currently awaited due to the pandemic. The following of SOPs, presence of essential staff only, and provision of remote operation facilities to most of the staff allowed the Exchange to function normally. Infact, a new normal was discovered whereby most activities of the Exchange were carried out online. From Emails and messenger services to webinars and workshops etc., almost all functions were conducted online and continue to do so at present at different levels of intensity. It is hoped, however, that there will be a noticeable change in the dynamics of the pandemic and life & work will return to normal in the near future.

Despite the challenges posed by the Coronavirus pandemic, several key developments took place at the Exchange during the fiscal year FY2020. The Exchange Traded Funds are a product that were long overdue and were finally launched in March 2020. ETFs are investment products combining the returns offered by the stock market with the diversity offered by a mutual fund. PSX has launched two ETFs, namely the UBL Pakistan Enterprise ETF offered by UBL Funds and NIT Pakistan Gateway ETF offered by NIT in the current period under review.

In April 2020, PSX successfully integrated and completed the pilot run of a Surveillance System, following the acquisition of a Trading & Surveillance System from the Shenzhen Stock Exchange (SZSE) to bring the technological and operational systems of PSX at par with other exchanges of the world. The pilot run of the System was carried out in close coordination with the Securities & Exchange Commission of Pakistan (SECP).

In a first for the capital market of Pakistan, Power Holding Limited's (PHL's) Pakistan Energy Sukuk (PES) II was issued through competitive book building at the Stock Exchange. This methodology to raise debt allowed for better price discovery and transparency, thereby benefitting both issuers and investors.

While Pakistan Stock Exchange has shown exceptional performance over the last 10 years, generating 13% annual returns in the said period, it has also seen a downturn in recent months prior to the end of the fiscal year 2020. However, at the end of the fiscal year, there is cautious optimism prevailing, given that the local bourse has shown tangible signs of improvement. This shows the immense potential and resilience inherent in the capital market of Pakistan. This is proven by the fact that despite the current challenges, the KSE-100 Index managed to close the fiscal year with a gain of 1.5%. This augurs well not only for the capital market of the country but also for the economy as a whole.

Pakistan Stock Exchange is pleased with the recent initiatives and measures taken by the Ministry of Finance, Government of Pakistan, the Securities & Exchange Commission of Pakistan, and the State Bank of Pakistan which have allowed ease of doing business and have given impetus to the capital market in recent days and weeks. PSX will continue to support and promote all such steps which benefit the capital market, its stakeholders and participants including investors and issuers.

Product Management & Research

In order to achieve the goal of making available to the market a world-class suite of products, PSX is committed to improve its existing product offerings and add new avenues for investors to trade on.

One of the major milestones achieved by PSX is the launch of Exchange Traded Funds (ETFs) in March 2020. After thorough review of best market practices, internal and external consultation, PSX finalized the ETF framework and listed two ETFs namely UBL Pakistan Enterprise ETF and NIT Pakistan Gateway ETF. Both ETFs are managed by leading asset management companies. Furthermore, a comprehensive Market Making framework was also finalized and currently a market maker is appointed for both ETFs. PSX aims to increase the number of ETF listings and appoint additional market makers to support the trading of ETFs.

Two new indices were introduced during the year, namely NIT Pakistan Gateway Index (NITPG Index) and UBL Pakistan Enterprise Index (UPP9 Index). This was done to allow newly launched ETFs to track a particular index.

The Exchange has also introduced new data licenses for various usage types to enhance accessibility of market data. The effort is expected to broaden the revenue opportunity of our data product suite by building new partnerships with local and international data vendors.

In the fixed income segment, the Exchange is working towards the launch of PIBs, Ijara, Sukuk and T-bills for trading on the Exchange's BATS platform. On the Futures side, PSX proposed Futures Enhancement Plan to SECP after taking feedback from the public. The proposal aims to promote DFC and revive Cash Settled Futures.

Listing

Debt Security Listings

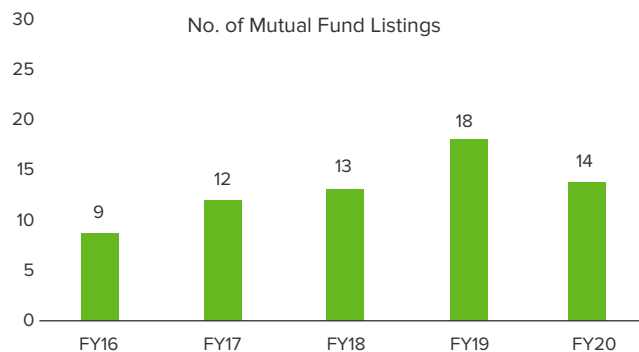
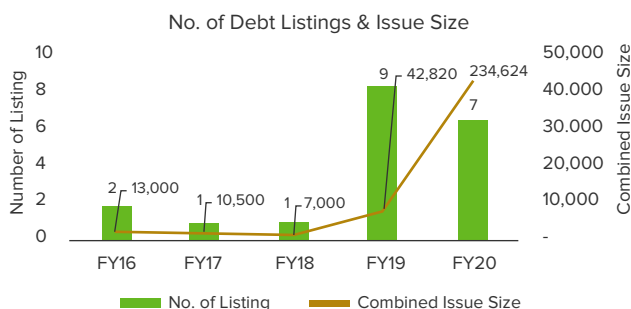
Pakistan Stock Exchange Limited successfully listed 7 debt securities this year, having a combined issue size of PKR 234,624 million.

Exchange Traded Funds (ETFs)

The Exchange listed Pakistan's first 2 ETFs, i.e. NIT Pakistan Gateway ETF and UBL Pakistan Enterprise ETF, in March 2020.

Open-end Mutual Funds

14 Open-end Mutual Funds were listed on PSX in FY 2019-20, having total fund size of PKR 32,969 million.



Human Resource

Sourcing & Employer Branding:

In FY 2019/20, HR's focus remained on building a leadership pipeline and sourcing top talent from the campuses of leading business, accounting and IT schools. These fresh graduates were inducted across departments along with other lateral hires including qualified professionals like Chartered Accountants, CFAs, Law Graduates, PhDs and MBAs. Along with junior and mid-career level positions, critical C-level inductions were also successfully completed.

Learning and Development:

Over 50% employees trained on various governance, compliance and soft skills related programs. Stress Management remained one of the most popular programs which helped teams deal with work pressure and stringent deadlines as well as cope with new norms posed by the pandemic. Moreover, in line with the SDG Goals, 20% of participants of total trainings were females. In addition to external training offerings, HR ran in-house Performance Management sessions where topics of self-assessment, leadership goals and role of employees / managers for a successful performance appraisal were discussed at length.

Workplace Health and Well Being:

HR remained vigilant for safety and well-being of staff throughout COVID-19 period. As a result, very few positive cases were reported during the pandemic's peak time. The work from home scenario was introduced and staff were mandated to follow the laid out SOPs.

Information Security

PSX Information Security Office (ISO) aspires to seek leadership in the financial sector through the projection of our firmly grounded Information Security Program, designed to overcome and conquer all business related challenges. Consistent with this goal, Information Security has developed and implemented comprehensive information security program including information security policy framework, security operations, business continuity plan, risk management, training & awareness programs, deployment of Smart Protection and Endpoint Detection & Response (EDR) solution to provide PSX with greater visibility and monitoring for suspicious activities targeting end-user devices.

The Exchange continues to commit significant resources to implement, maintain, monitor and regularly upgrade its systems and networks with measures such as intrusion detection and prevention, firewalls, advance persistent threat protection etc. to safeguard critical systems and applications. PSX's security monitoring and protection services are able to detect and respond to the incidents targeting its systems before they become significant.

During the year, PSX achieved the ISO/IEC 22301 Business Continuity Management System (BCMS) Certification for PSX Head Office. This is a milestone achievement which endorses the Exchange as ISO certified and brings international recognition. Furthermore, the Exchange confirmed its resilience during the COVID-19 pandemic by smoothly executing its operations while ensuring necessary information security protocols and resource management.

Information Technology

Trading and Surveillance System Contract finalization with SZSE

A comprehensive platform for trading is under implementation to facilitate and assist PSX in keeping up with the progress of the Pakistan securities market for the next decade and have provisions for future growth.

The platform supports multiple trading markets, multiple types of instruments including equities, fixed income, ETFs, futures and options, multiple frequently-used order types and multiple trading mechanisms including call auction and continuous auction.

The platform provides features for new products/services prevalent in developed international capital markets, adopting widely accepted standards and protocols. High availability, performance, flexibility and scalability are achieved with low cost of ownership.

Surveillance System

The new generation of surveillance system adopts an open platform and distributed architecture, and is based on high-throughput, low-latency message bus technology and stream computing technology. It is supported by a variety of data platforms, applying open source technologies and service-oriented design concepts. Technically, it will be more open, more flexible, and less costly. In terms of capacity, performance, scalability, and application of smart technologies, it will be greatly enhanced, in line with the direction of technological development, and able to support future market surveillance needs.

Technical advantage

Pilot Surveillance Go-Live

The Pilot Surveillance System was successfully deployed and went live on time (before 31st March, 2020). In the 2nd phase, SECP was given access to the Pilot Surveillance Terminals.

Exchange Traded Fund (ETF) Product

PSX successfully launched trading in ETF on March 24, 2020, with an aim to increase trading volume and provision of bulk trading to market participants. Overall 1300+ man-hours of IT efforts including project management, development, coordination with OMS vendors for ETF trading and live iNAV calculation were utilized, while 38 mock sessions were conducted with market-maker and market participants.

ETF also provides PSX with additional sources of revenue: iNAV services and Index Licensing, which is expected to increase with additional ETF listings.

Widening of Circuit Breaker and Index Based Market Halt

Widening of Circuit Breaker and Index Based Market Halt project finally went live on January 20th, 2020, after 11 years of deliberations. PSX underwent a landmark activity to widen narrow price band as per international best practices along with placing a halt to minimize risk in case of drastic market movement to cover losses.

ITD successfully managed to document product specification, complete in-house development, and conduct multiple mocks with general and selected market participants in just under 2 months, as per the specified timelines.

IT Services Availability

IT services have had 99.99 % UP time during all quarters of 2019-2020. Further, 100 % services UP time for the month of May 2020 was achieved which is the first in PSX/KSE history.

Trading Hall Screens

Years old display screens at PSX Trading Hall were replaced with three new HD displays. New screens with aesthetic design and CMS for Stocks Screen, stage screen and ticker were also developed and deployed in October 2019.

Marketing & Business Development

The Marketing & Business Development (MBD) team has undertaken several steps to disseminate awareness & education for investors, increase investor base, create awareness for listing, and also played its due role in Corporate Social Responsibility as well as creating Sustainability awareness amongst listed companies, as part of Pakistan Stock Exchange's vision to be one of the best exchanges in the world.

The efforts of MBD team have been accomplished in the spheres of investor education, business development, campaigns & events/ brand marketing & product launch, digital marketing, public relations and media management for the year FY2020. Not far behind were the efforts of the team to carry out tasks of Corporate Social Responsibility and creating Sustainability awareness in conjunction with United Nations Development Program's (UNDP's) Sustainable Development Goals (SDGs) agenda.

Investor Education:

In Investor Education, more than a hundred educational sessions under the Financial Literacy Program of the Stock Exchange have been held in the period under review FY2020. Herein, customised material was prepared and presented for different private, public and corporate bodies for imparting financial literacy and awareness to (prospective) investors. These sessions were held for listed companies & their employees, Associations, Chambers of Commerce & Industry, professional bodies, and educational institutes. Many of these sessions were also carried out online in the wake of the Coronavirus pandemic.

Business Development:

Business Development was a major priority of the Exchange throughout the financial year. Pakistan Stock Exchange has been making efforts to increase listing awareness amongst companies potentially looking to raise capital for business. Through an outreach program, the Business Development Team identified a number of companies with the potential for listing. The team also coordinated with Consultants to the Issue to connect with and facilitate potential companies for listing.

This year, the Growth Enterprise Market (GEM) Equity Board was launched. The GEM Board, which was previously the SME Board, has since been updated and improved taking into account regulatory opportunities and best international practices. The new listing board has been designed to benefit companies of all scales and sizes, small and large, with comparatively low costs and potentially significant long term benefits. Although delayed due to the pandemic, comprehensive marketing strategies have been launched country-wide to inform potential inventors and investees of the new development.

The Corporate Analyst Briefing Program has been running successfully to improve the investor relations aspect of listed companies and make the general public aware about their activities and invest accordingly. Dozens of companies now choose PSX as their preferred destination to hold their corporate briefings, generating revenue for the Exchange.

Several other regulatory improvements have been made throughout the year, including the inclusion of banks who can opt to act as Consultants to the Issue. Furthermore all TREC holders can act as Advisors for GEM Board listing. PSX has been working closely with its stakeholders to increase the number of listings and securities available for trading and subsequently introducing more liquidity in the market.

With the current economic environment, companies, now more than ever, require the right funding and PSX will be concentrating its efforts to capitalize on this opportunity.

Campaigns & Events/ Brand Marketing & Product Launch:

Several events were held in order to market the PSX brand such as gong ceremonies, Top 25 Companies Awards, and launch of Exchange Traded Funds (ETFs). The Top 25 Companies Awards Ceremony was organised and arranged within a short period of time and was successfully held with the Prime Minister of Pakistan, Mr. Imran Khan, gracing the ceremony as the Chief Guest. For the ETFs, a pre-launch awareness session was held along with a marketing campaign for the same. Gong ceremonies were duly held to mark important events such as International Women's Day, the visit of foreign diplomats & dignitaries to the Exchange, launch of ETFs and issuance of debt products etc. A virtual trading application was also launched by the name of Stock Challenge (mobile application) which reaches out to a broad spectrum of target audience to help them in investing on the Stock Exchange. An event in this connection was held on a large scale, in the current year under review, which included over 1500 students.

In terms of branding & marketing collateral, a Listing Kit was developed for meetings with corporates and to give them general idea about listing and its benefits. Also, short video documentaries were prepared to promote the Stock Exchange. Diaries and Calendars were also distributed for stakeholders and market participants in the period under review.

Digital Marketing:

A series of webinars were held to reach out to investors, issuers and others by PSX itself and in collaboration with other corporate bodies and organisations. Several investment ads and short articles along with infographic series were also promoted. Numerous posts were uploaded on Social Media such as Facebook, Twitter and You Tube to promote the capital market and its activities. Email newsletters have also been introduced in March 2020 to disseminate to investors, issuers and other market participants. PSX News & Highlights have been started with weekly/ monthly Pakistan economy news articles. There are Blogs which have been written and translated in Urdu for the official PSX blog. The digital marketing campaign went in full swing to promote the IPOs on the PSX website that were held in the period under review.

Public Relations & Media:

In the sphere of public relations and media, several interviews representing the PSX senior management were held for major TV news channels and press releases issued to promote and highlight the activities and events of the capital market.

Fair number of articles were also written for newspaper publications to promote the cause for investment and create awareness amongst (potential) investors. Furthermore, articles were written to promote Listing and the GEM Board of Pakistan Stock Exchange.

Corporate Social Responsibility & Sustainability:

In terms of Corporate Social Responsibility (CSR), Pakistan Stock Exchange carried out initiatives such as providing rations to the deserving in the vicinity of the Exchange through the OrangeTree Foundation. PSX also donated aid to the Aga Khan University Hospital and its Patients' Behbud Society to help meet the Coronavirus pandemic challenge. Furthermore, Pakistan Stock Exchange contributed sufficiently to Akhuwat Foundation's Corona Imdad Fund.

Pakistan Stock Exchange has been at the forefront of advocating and creating awareness for Sustainability to its listed companies and helped promote the UNDP's Sustainability Development Goals reporting by these companies. Pakistan Stock Exchange facilitated the UNDP's SDGs minimum reporting framework development, held workshops for listed companies and third party trainings for promotion of reporting of the Sustainable Development Goals.

Initiatives by Regulatory Affairs Division [RAD]

PSX, being the frontline regulator, plays a proactive role in securing the investors' interests. The RAD is headed by Chief Regulatory Officer (CRO). At present, Chief Compliance Officer is also handling affairs of RAD in additional capacity of Acting Chief Regulatory Officer since February 2017. The RAD is responsible for devising policies, framing and updating the PSX Regulations, monitoring compliance, taking enforcement actions against non-compliant brokers and listed companies and ensuring investor education and advocacy. Moreover, RAD provides a platform to the investors for lodging their complaints for efficient redressal on merits.

During the FY2019-20, the RAD performed following core activities:

I. Account Opening for Non-resident Pakistanis (NRP):

To increase foreign investment in capital market of Pakistan, the regulatory provisions have been created to allow NRP to swiftly open a trading account with selected broker and start investing in securities market using their NRP Rupee Value Account maintained with any of the designated banks in Pakistan.

II. Allowing Financial Institutions to Act as Market Makers at PSX:

In order to promote liquidity through diversified pool of market makers and in line with international practices, the following non-broker financial institutions have been allowed to act as market makers in equity, debt and derivatives contracts at PSX besides Securities Brokers:

- (a) Banks;
- (b) Development Finance Institutions;
- (c) Collective Investment Schemes and
- (d) Any other company permitted by the Exchange and approved by the Commission.

III. Revamping of Market Making Regulations:

With a view to enhance liquidity in equity, debt and derivative markets through a robust Market Making mechanism, a new set of regulations has been framed and implemented, which is simpler and more practical to enforce and onboard Market Makers through a proper registration process.

IV. Market Making in Listed Debt Securities:

With a view to remove hindrance in growth of capital market by resolving the issue of illiquidity in secondary debt market, a new and exclusive chapter governing market making in listed debt securities is proposed to be introduced in PSX Regulations as Chapter 12A [Market Makers Regulations for Listed Debt Securities].

V. Introduction of Regulations Governing Listing and Trading of Equity Securities on Growth Enterprise Market (GEM):

In order to invigorate listing of Small and Medium Enterprises (SME) at PSX, new regulations titled "Regulations Governing Listing and Trading of Equity Securities on Growth Enterprise Market (GEM)" have been introduced which have replaced the previous PSX Regulations Governing Listing and Trading of Equity Securities of Small and Medium Enterprises (SMEs).

VI. Introduction of Standard Range/ Scale of Brokerage Commission:

To ensure a sustainable market, fairness in market operations and bring improvement in brokerage service standards, PSX introduced a standard range/ scale of brokerage commission for different types of markets and transactions in securities market.

VII. Step-Wise Suspension of Non-Compliant Listed Companies:

In order to avoid immediate suspension of trading in the shares of non-compliant listed issuers in the interests of minority shareholders as they are unable to exit/liquidate their shares due to suspension, a series of steps shall be followed which would eventually lead to suspension of trading on 15th trading day of serving the notice by PSX, with adequate notice to be issued to public at each step.

VIII. Harmonization of PSX Rulebook:

In order to maintain consistency of regulatory provisions across securities market, PSX Rulebook has been harmonized with Securities Act, 2015, Futures Market Act, 2016 and Companies Act, 2017 while ensuring that

redundancies are removed and clarities are added wherever required. The PSX Regulations have been re-introduced under the Securities Act, 2015 and Futures Market Act, 2016 with effect from June 23, 2020.

IX. Enhancement of Scrip-Wise Circuit Breaker and Introduction of Index-Based Market Halt:

As recommended in the Derivative Market Review Report of the SECP's constituted Committee, Scrip-Based Circuit Breakers have been widened from 5% to 7.5%.

Moreover, Index-Based Market Halts have also been introduced, which applies when KSE-30 Index moves 5% either from its last day closing index value, which facilitates in managing risk as they respond to systematic factors affecting securities across many sectors. Imposing such halts on index movement also allows adequate cooling-off period to the investors to assess the market. Moreover, it has also been proposed to enhance the duration of IBMH from 60 minutes to 75 minutes and non-applicability of IBMH from last one hour of market hours to 75 minutes.

X. Ease of Reporting and Approval Requirements for Listed Companies:

In order to create ease of doing business for listed companies, PSX has implemented the following changes:

- (a) The requirement for listed companies under Clause 5.7.2 (b) to furnish to PSX a complete list of all their security holders as at 31st December each year, has been removed.
- (b) Instead of obtaining prior clearance of PSX for any amendment proposed to be made in their memorandum and articles of association under Clause 5.9.2, the listed companies are now required to submit to PSX certified true copy of the updated memorandum and articles of association immediately after obtaining approval of the SECP for any amendments made therein.

XI. Distribution of Profit to Brokers on their Cash Deposited with PSX Against Base Minimum Capital:

PSX Regulations have been updated to pass on profit to the brokers on their cash deposited with PSX against BMC at the rate paid by the respective bank(s) after deducting service charge as may be notified by PSX from time to time.

XII. Provision of Regulatory Coverage to Instructions of Customers to their Brokers for Subscription of Shares Offered Through IPO Using the Centralized E-IPO System (CES) of CDC:

CDC has developed the CES, whereby, investors can apply electronically for subscription of securities offered through IPO similar to the e-IPO facility being offered by some of the banks in Pakistan.

Pursuant to the above, regulatory coverage for following was given in PSX Regulations:

- (a) Since the brokers would subscribe for shares in IPO only if customers instruct, it may be possible that a dispute may arise between a TREC Holder and its customer relating to authority for subscription of shares in IPO and hence such disputes may have to be referred for arbitration under PSX Regulations. Considering that the PSX Regulations allow cases for arbitration which are carried out through Trading Systems of PSX or which are in connection with a trade or a transaction whereas the instruction for subscription of IPO is neither a trade/transaction nor carried out through Trading System of PSX rather it is a primary market matter, hence, the same requires coverage in PSX Regulations before it can be referred for arbitration.
- (b) The legitimate claims of customers against misuse of clients' funds for subscription of IPO on their behalf without their exclusive consent/instructions may have to be settled from the assets of brokers or from CCPF, as the case may be, in the event of default of such broker. Hence, the regulatory coverage to the same has been provided in PSX Regulations to cover such risk.

XIII. Simplified Procedure for Opening of Additional Branch by a Broker within Same Premises of PSX where the Broker Already has a Registered Office/ Branch Office:

With a view to reduce administrative burden and cost of registering a new branch by brokers within same premises of PSX where the broker already has a registered office/ branch office where a broker which has already a(n) office/ branch office, a simplified process has been introduced in PSX Regulations for opening of such additional spaces/offices.

PRODUCTS AND SERVICES

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

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

PSX Trading Products Include:

- Equities - known as Ready Market (T+2)
- Deliverable Futures Contracts
- Cash Settled Futures
- Exchange Traded Funds
- 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 Certificates, privately placed debt instruments, Government Debt Securities, T.Bills)
- Growth Enterprise Market (GEM) Board

PSX Investor Services Include:

PSX is a FIX Protocol Compliant system offering:

- Trading
- Market Data Feeds
- 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)

New products launched in FY20

Exchange Traded Funds (ETF)

As promised last year, PSX launched Pakistan's first ETFs in March this year. The two ETFs launched, namely the UBL Pakistan Enterprise ETF (UBL-ETF) offered by UBL Funds and NIT Pakistan Gateway ETF (NITG-ETF) offered by NIT will offer an exciting avenue for unsophisticated investors to get a diversified exposure into Pakistan's equity market and in return could prove to be a game changer in bringing valuable liquidity into our exchange.

ETFs offer significant growth potential due to their transparent nature, low costs and embedded ability to track the index by following a passive investment strategy. We hope that the launch of ETFs would open the possibility of new retail investment model in the country and help us penetrate into the rising middle class market.

New Indices

PSX launched two new indices during the year, namely NIT Pakistan Gateway Index (NITPG Index) and UBL Pakistan Enterprise Index (UPP9 Index). This was done to allow newly launched ETFs to track a particular index.

Upcoming products and services:

Dividend Index

PSX plans to launch a dividend index in the upcoming year which would take the dividend history of a particular stock into the account before including it in the index. This would allow investors to have a suitable benchmark to track against their portfolio and allow asset management companies to structure more dividend based products such as an ETF of highest dividend paying stocks.

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 their own, such as an index, to become tradable for the purpose of hedging or speculation.

Sharia Compliant Products

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

Fixed Income Products

Various fixed income securities such as PIB, Ijara, Sukuk and T-bills are planned to be introduced on the PSX platform. In relevance to this, major improvements are being made in the existing functionalities of Bond Automated Trading System (BATS) apart from creating linkage to the assigned market maker's treasury system and Central Depository System (CDS).

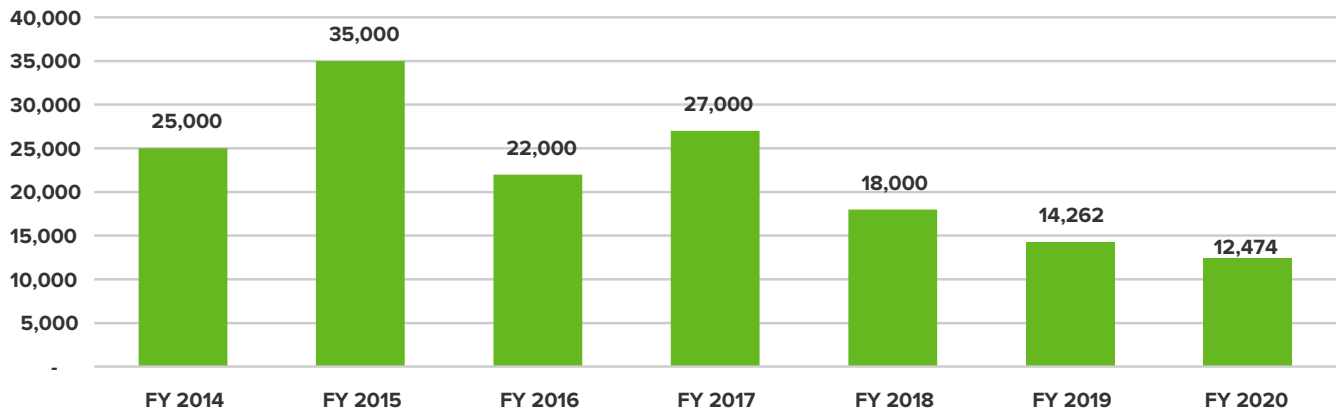
HIGHLIGHTS

Key Financial Highlights (Six Years at a Glance)

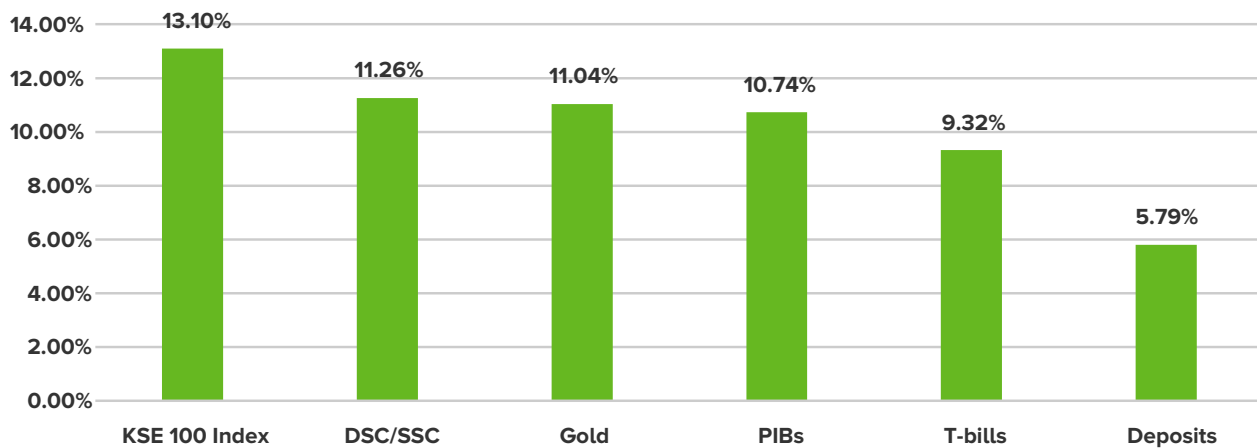
	2015	2016	2017	2018	2019	2020
	Restated	Restated	Restated	Restated		
	------(Rupees in millions)-----					
Share Capital	8,015	8,015	8,015	8,015	8,015	8,015
Reserves	134	174	133	(11)	61	232
Surplus on Revaluation of Assets - Net of Tax	-	-	740	709	815	815
Total Equity	8,149	8,189	8,888	8,713	8,891	9,062
Long Term Liabilities	54	147	1,822	421	302	640
Current Liabilities	5,903	554	1,251	1,042	1,104	1,610
Liabilities related to assets held for distribution to shareholders / disposal	-	-	-	-	323	323
Total Liabilities	5,957	701	3,073	1,463	1,729	2,573
Fixed Asset	4,169	4,104	4,885	4,883	411	1,000
Other Long Term Assets	3,464	3,575	2,110	2,510	2,758	3,139
Current Assets	6,473	1,211	4,966	2,783	2,753	2,767
Assets held for distribution to shareholders / disposal	-	-	-	-	4,698	4,729
Total Assets	14,106	8,890	11,961	10,176	10,620	11,635
Operational Results						
Total Income	1,468	1,449	1,477	1,240	1,280	1,373
Total Expenses	1,107	1,192	1,158	1,127	1,188	1,182
Profit Before Tax	361	257	319	113	92	191
Profit After Tax	317	132	277	62	88	194
Ratios						
Current Ratio	1.10	2.19	2.67	2.44	2.27*	1.49*
Quick Ratio	1.02	1.35	2.30	1.97	1.73*	1.12*
Net Profit Margin	22%	9%	19%	5%	7%	14%
Expenses as a percentage of Revenue	75%	82%	78%	91%	93%	86%
Profit Before Tax as a percentage of Revenue	25%	18%	22%	9%	7%	14%

*These ratios include assets / liabilities held for distribution to shareholders / disposal.

New Direct Investor UIN's



Historical Asset Class Returns in Pakistan - CY 2010 - 2020



Returns are shown on a compounded annual basis.

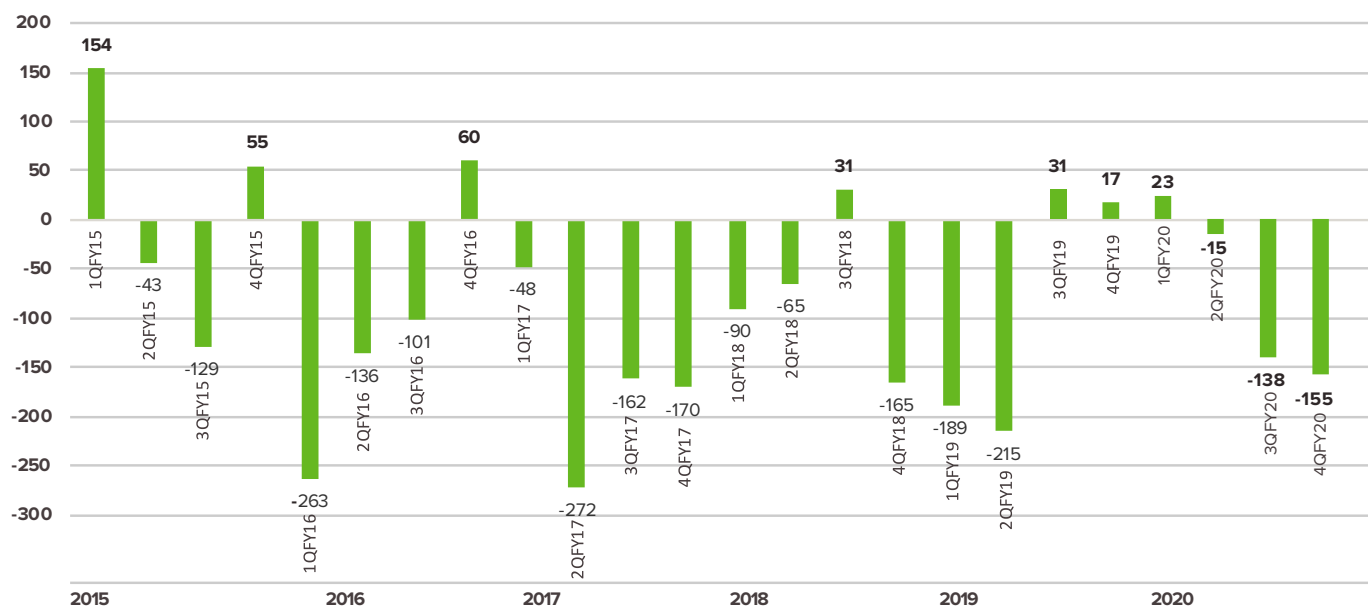
SUMMARY OF TRADING RIGHT ENTITLEMENT (TRE) CERTIFICATE HOLDERS OF PAKISTAN STOCK EXCHANGE LIMITED (PSX)

Deletion of TRE Certificate During the Period from July 01, 2019 to June 30, 2020						
Location	Trec As On July 1, 2019	Issued TRE Certificate	Forfeited / Expelled/cancelled	Lapsed	Relinquishment /surrender	Trec As On June 30, 2020
Karachi	164	1	0	0	6	159
Lahore	86	0	1	0	5	80
Islamabad	50	0	0	0	5	45
Total	300	1	0	0	16	284

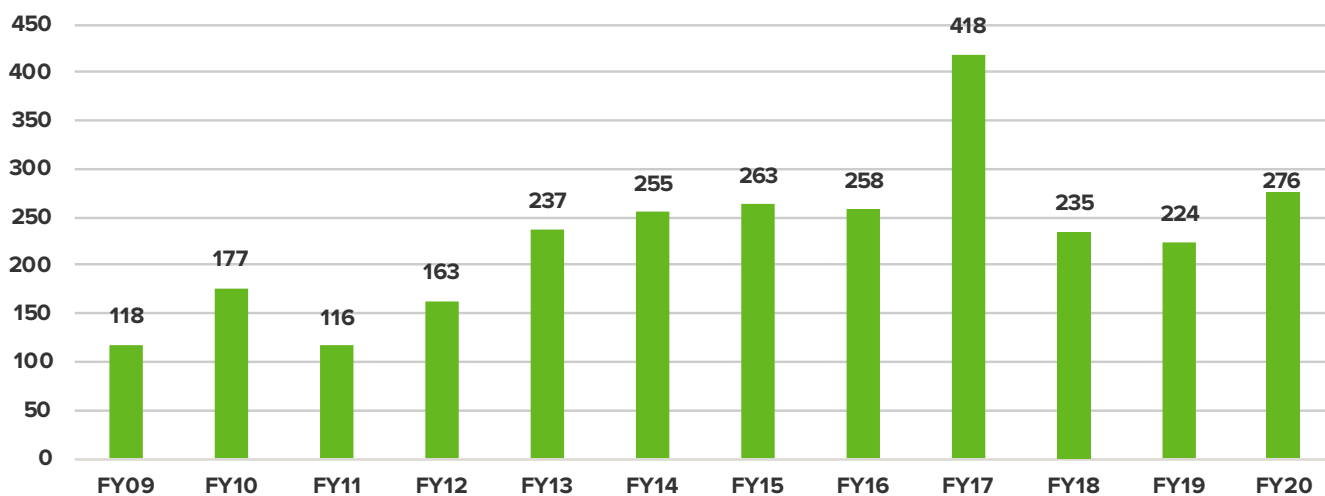
MONTH-WISE TRADE VOLUMES & VALUE IN EACH MARKET SEGMENT

Ready Market			Deliverable Futures Market	
Month	Trade Volume	Trade Value	Trade Volume	Trade Value
Jul-19	1,760,096,240	64,167,759,008	1,261,026,500	42,814,844,345
Aug-19	2,030,953,020	74,666,528,545	1,303,979,000	46,235,708,265
Sep-19	2,175,414,960	84,995,948,678	1,413,020,000	56,823,597,840
Oct-19	4,366,291,396	136,242,319,986	2,087,610,500	80,263,984,755
Nov-19	6,397,515,940	217,312,304,578	2,295,912,500	92,825,106,285
Dec-19	6,451,515,017	243,097,616,734	2,428,571,000	95,168,795,870
Jan-20	5,684,527,946	213,058,834,409	2,112,070,500	87,593,064,155
Feb-20	2,908,476,700	120,160,670,701	1,681,586,500	64,469,858,255
Mar-20	4,711,167,353	186,325,073,887	1,770,769,500	73,076,388,640
Apr-20	4,597,369,207	181,339,243,365	1,217,897,500	56,348,895,775
May-20	3,296,282,751	117,415,399,693	955,295,500	40,935,197,770
Jun-20	4,318,631,712	150,398,936,469	1,133,069,500	47,856,745,370

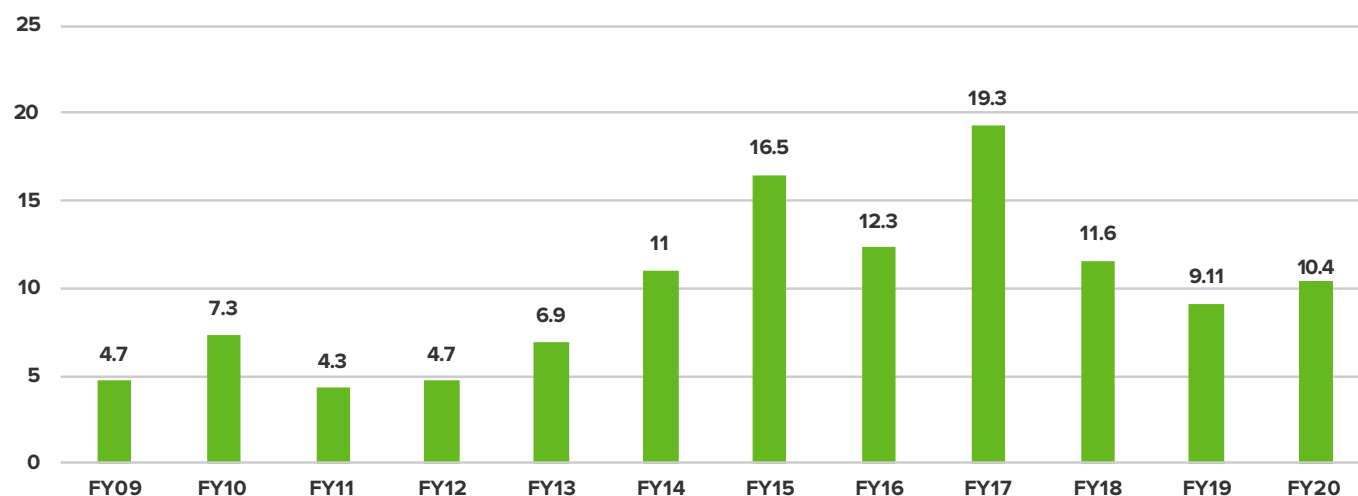
Foreign Investors Net Inflows/Outflows (USD million)



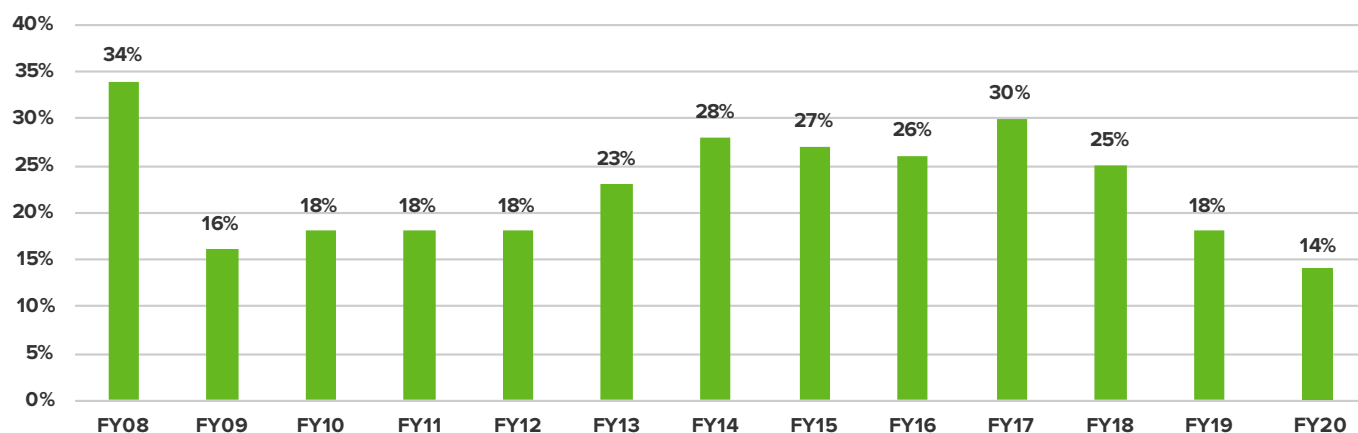
Average Daily Traded Volume (Ready + Futures) - No. of shares in Million



Average Daily Value Traded (Ready + Futures) - PKR billion



Market Capitalization to GDP Ratio



Summary Of Customer Compensation Fund

"Summary of Centralized Customers Protection Compensation Fund As at June 30, 2020 (unaudited)"	
Particulars	Amount (Rupees)
Opening Balance July , 2019	3,533,429,485
Contribution during the year	479,877,013
Amounts Utilized during the year	(25,000,000)
Audit Fee	(150,000)
Others	(2,772,455)
Fund position as at June 30, 2020	3,985,384,043

Enforcement Actions Against Non-Compliant Securities Brokers:

During FY 2019-20, the Market Surveillance Department (MSD) of RAD investigated total 1,730 cases consisting of the following:

- (i) Total 691 cases were investigated in relation to the following:
 - a. Blank Sale under Ready Delivery Contract Market
 - b. Blank Sale through F-5 window under Deliverable Futures Contract Market
 - c. Blank Sale executed on down-tick/ zero-minus tick through F-8 window under Deliverable Futures Contract Market
 - d. Delivery defaults due to blank sale
 - e. Suspicious Trade Rectifications
 - f. Exceptional/Suspicious deals under NDM etc.

Out of 691 cases, hearings in 36 non-compliant cases were conducted resulting in the following enforcement actions:

Summary of Enforcement Actions Taken During the Year 2019-20				
Description (Clause of PSX Regulations)	No. of Hearings	Enforcement Actions		
		Advised	Warned	Penalty
Clause 10.15 [Blank Sale under Ready Delivery Contract Market]	21	-	19	2
Clause 13.5 [Blank Sale under DFC Market]	4	-	3	1
Delivery Defaults	11	8	3	-
Total	36	8	25	25

Further, around 1,039 cases were highlighted through (i) Price/Volume Alert Report Mechanism and (ii) Book Closure/Circuit Breakers Mechanism report to identify unusual trade patterns and/or abnormality in share price and volume variation in different securities, against which initial preliminary scrutiny was conducted and 132 cases were referred for onward investigation. Out of 132 cases, 74 cases were thoroughly investigated and closed as market abuse could not be established and 23 preliminary investigation reports were forwarded to SECP for necessary examination at their end.

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

- (i) A total of 308 reports were received and reviewed and enforcement actions were taken against non-compliant brokers which were identified through the following mechanisms:
 - a. System Audit;
 - b. Joint Inspection;
 - c. Internet Based Trading System Audit;
 - d. On-site & Off-site Client Assets Segregation related inspections;
 - e. Other regulatory monitoring procedures including the following:
 - Net Capital Balance Statements (Monthly and Bi-Annual Audited);
 - Monthly Liquid Capital Statements;
 - Clients' Assets Segregation Statements (Fortnightly and Annual Audited);
 - Thematic Reviews with respect to various PSX Regulations

Summary of Enforcement Actions during the Year 2019-20						
Nature of Activities	No. of Hearings / Explanation	No. of Actions	No. of Warning / Advice	No. of Penalties	Restriction/ Condition Imposed	Trading Terminals Suspended
System Audits	48	48	44	4	-	-
Internet Based Trading System Audits	4	1	1	-	-	-
Joint Inspections	38	In Progress	-	-	-	-
Other Regulatory Enforcements	-	11	-	-	-	11
Total	90	60	45	4	-	11

RAD has taken stern actions that include suspension of the trading terminals of 11 brokers during the period and imposition of penalties. These actions have been taken in the best interest of investors.

It may be noted that RAD conducted 365 total on-site and off-site inspections of brokerage houses during the year to check their compliance status with respect to various PSX Regulations such as profit sharing with clients, trading by employees, clients' assets segregation and placement of financial statements on website.

The details of inspections of ninety-seven (97) Brokerage Houses conducted pertaining to clients' assets segregation during the aforesaid period are tabulated below:

Nature of Activities	No. of Inspections Conducted	No. of Compliant Brokerage Houses	No. of Non-Compliant Brokerage Houses	No. of Hearings/ Explanations	Evidence Submitted / Subsequently Compliant
On-Site CAS	97	85	12	12	12

- (a) Moreover, RAD has made significant contribution in protecting the rights and assets of the customers of former TRE Certificate Holders. A summary of activities relating to verification and settlement of investors' claims against former TRE Certificate Holders is given in the table below:

Claims Received & Verified Against Former TREC Holders (Amount In PKR)					
Former TREC Holder	Claims Received		Claims Approved		Amount of Settlement offered (million)
	No.	Amount (million)	No.	Amount (million)	
AWJ Securities (Private) Ltd. – Forfeited TREC	258	415.08	209	283.47	27.07
Aziz FidaHusein & Co. (Pvt.) Ltd. – Suspended TREC	35	370.44	23	231.01	89.20
TOTAL	293	785.52	232	514.48	116.27

(b) A summary of complaints against active TRE Certificate Holders is given below:

Complaint Against Existing TRE Certificate Holders				
Opening no. of complaints	Complaints received during the period	Complaints settled/ closed during the period	Complaints settled through Arbitration	Complaints outstanding
10	108	92	7	19

Out of the nineteen (19) complaints outstanding, four (04) cases have been referred to arbitration by the complainants and proceedings are under way.

(c) During the year, RAD exercised enforcement powers against non-compliant TRE Certificate Holders. TRE Certificate of following broker in the best interest of the investors and capital market was forfeited:

Name of TREC Holder	Date of Forfeiture	Cause of Action	Claim Amount (PKR in Million)
AMCAP Securities (Pvt.) Ltd. (Forfeited)	31-Jan-2020	Inability to rectify status of non-compliance with PSX Regulations	292.48

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

Enforcement Actions Against Non-Compliant Listed Companies:

During the year 2019-20, over 750 investigations were conducted and explanations were sought from the listed companies in respect of the following non-compliances:

- Late / Non-transmission / submission of annual or quarterly financial accounts;
- Non-holding of Annual General Meeting / CBS;
- Late / Non / incorrect submission of details of Free Float shares;
- Late intimation of holding of Board meetings;
- Late / Non-payment of Annual Listing Fee;
- Late / Non-disclosure of interest by the directors and other persons;
- Late / incomplete disclosure of price-sensitive / material information.
- Late intimation / Credit of Dividend / Bonus Shares in the respective accounts of Shareholders
- Late submission of Notice of AGM / EOGM

As a result, RAD issued warnings/advice in 583 cases and imposed penalties in 32 cases.

Further, a total of 18 companies / securities were placed in the Defaulters' Segment. Trading in the shares of 10 companies / securities was suspended whereas 8 companies were shifted to Normal Counter upon rectification of default(s) and 2 companies were shifted to Normal Counter pursuant to Stay Order of the Honorable High Court. During the year, 7 companies were delisted from the Exchange and the cases were referred to SECP for further action(s) under Securities Act, 2015 and Companies Act, 2017.

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

Summary of Penalties Imposed and Recovered During the Year 2019-20 (Amount In PKR)	
Penalties Imposed	Penalties Recovered
1,985,000	1,501,000

Joint Inspection Regime:

During the year 2019-20, the Joint Inspection Team (JIT) inspected 31 securities brokers of Karachi, Lahore and Islamabad regions. During the course of inspection, the JIT detected various regulatory non-compliances including non-segregation of clients' assets, incorrect calculation of net capital balance, discrepancies of SAOFs, non-compliances relating to the Securities & Exchange Commission of Pakistan (Anti Money Laundering & Countering Financing of Terrorism) Regulations, 2018 ["AML / CFT Regulations"] etc. JIT has reported the non-compliances to the relevant Self-Regulatory Organizations ["SROs"] and SECP for taking necessary enforcement actions against the non-compliant securities Brokers in accordance with their respective regulatory frameworks.

During the year 2019-20, JIT performed Limited Scope Inspections of 15 securities brokers wherein JIT has observed that the brokers have rectified various non-compliances reported in their initial inspection which indicates that the inspections are considerably contributing in improving compliance culture among securities Brokers.

In addition to the above, the JIT has also performed Limited Scope Thematic Review of 61 securities brokers to assess their state of compliance in limited areas of AML/CFT Regulations and Joint Inspection Regulations, 2015 on the instructions of the Oversight Committee and SECP and reported the detected non-compliances to the SECP and the relevant SROs.

MARKET PERFORMANCE

Sector	Market Capitalization					Number of Companies	Weightage in KSE-100 Index in the Sector
	30-Jun-20		30-Jun-19		Growth		
	Value in Rs.	Weightage in Total Market Cap	Value in Rs.	Weightage in Total Market Cap			
COMMERCIAL BANKS	1,070,354,212,498	16.39%	1,284,983,506,887	18.66%	-16.70%	20	21.9%
OIL & GAS EXPLORATION COMPANIES	969,427,076,156	14.85%	1,130,640,638,408	16.42%	-14.26%	4	13.4%
FOOD & PERSONAL CARE PRODUCTS	595,057,925,670	9.11%	537,140,295,514	7.80%	10.78%	21	3.5%
TOBACCO	512,591,233,434	7.85%	860,224,660,641	12.49%	-40.41%	3	1.6%
FERTILIZER	472,487,699,045	7.24%	440,313,209,125	6.39%	7.31%	6	14.2%
CEMENT	408,176,152,901	6.25%	306,192,396,974	4.45%	33.31%	15	8.4%
CHEMICAL	307,193,438,056	4.70%	273,461,235,800	3.97%	12.34%	27	2.5%
PHARMACEUTICALS	272,870,676,233	4.18%	174,445,356,258	2.53%	56.42%	12	4.0%
POWER GENERATION & DISTRIBUTION	245,707,114,264	3.76%	304,047,138,840	4.41%	-19.19%	17	5.9%
AUTOMOBILE ASSEMBLER	241,244,957,457	3.69%	247,717,080,610	3.60%	-2.61%	12	2.8%
TOTAL	5,095,110,485,714	78.03%	5,559,165,519,057	80.72%		137	78.3%



Fostering Industry

PSX facilitates companies to raise much needed capital through Equity listing and Debt issuance & listing. This leads companies to enhance their capabilities and build a diversified and expanded business as they add to their success stories.



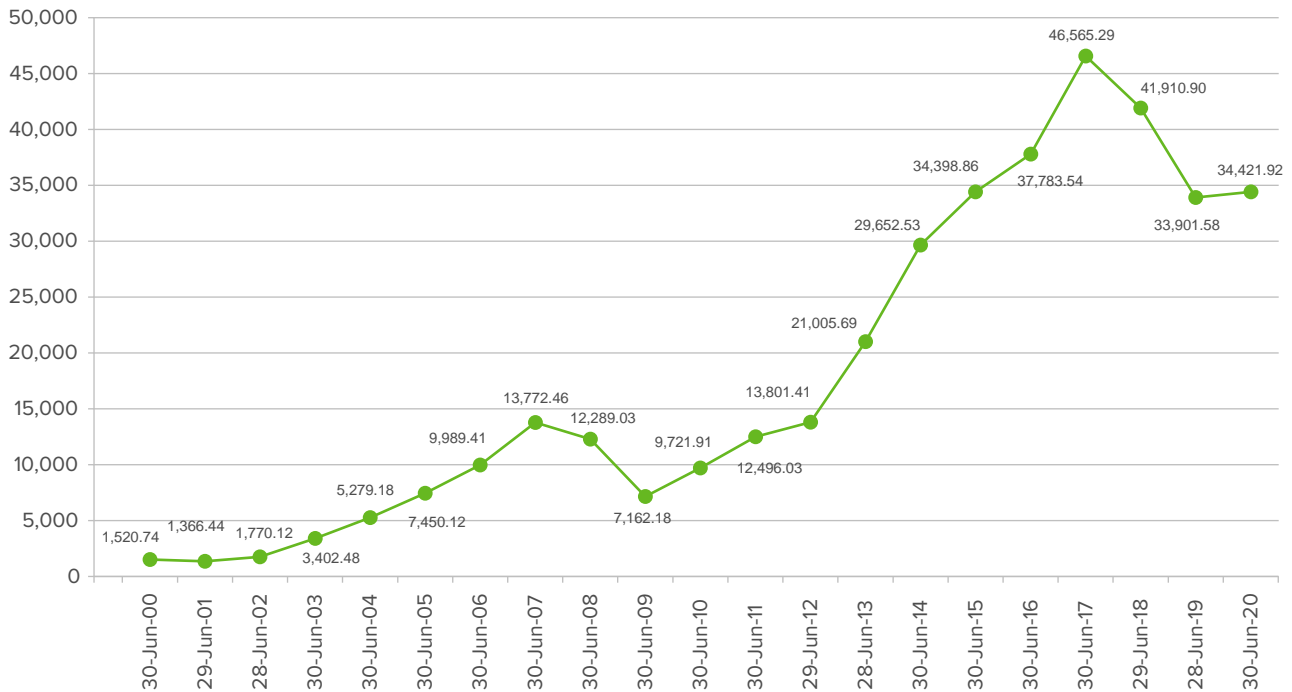
MARKET HIGHLIGHTS

Description	2016	2017	2018	2019	2020
Total Listed Companies	559	560	558	544	530
Total Listed Capital (Rs. in million)	1,289,081	1,317,220	1,297,375	1,340,270	1,391,478
Total Market Capitalization (Rs. in million)	7,588,472	9,522,358	8,665,045	6,887,301	6,529,707
New Companies Listed	4	5	6	2	-
Listed Capital of New Companies (Rs. in million)	6,046	13,376	6,719	10,161	-
New Debt Instruments Listed	2	1	1	9	7
Total Issue Size of New Debt Instruments (Rs. in million)	13,000	10,500	7,000	42,820	234,624
Total Shares Volume (million)	55,430	88,599	46,532	39,943	52,382
Average Daily Share Volume (million)	221	363	187	164	211
Average Daily Trade Value (Rs. in million)	9,505	15,337	8,141	6,364	7,214
KSE Indices					
KSE – 100 Index					
Year End	37783.54	46565.29	41910.90	33901.58	34421.92
High	38776.94	52876.46	47084.34	43556.63	43218.67
Low	30564.50	37966.76	37919.42	33166.62	27228.80
KSE – All Share Index					
Year End	25313.12	32494.30	30582.91	24986.05	24660.31
High	25632.17	36234.20	33313.23	31304.20	30058.44
Low	21268.58	25451.59	28210.60	24582.48	20043.89
KSE – 30 Index					
Year End	21653.02	24250.84	20568.57	15892.99	14862.25
High	22506.60	28173.24	24510.20	21728.88	20032.51
Low	17807.82	21807.08	18875.48	15733.71	11833.83
KMI – 30 Index					
Year End	66162.77	78598.22	71060.34	54118.51	54995.25
High	67519.80	91145.45	81259.68	73910.98	70790.23
Low	51626.03	66544.32	64491.29	51963.15	41364.54

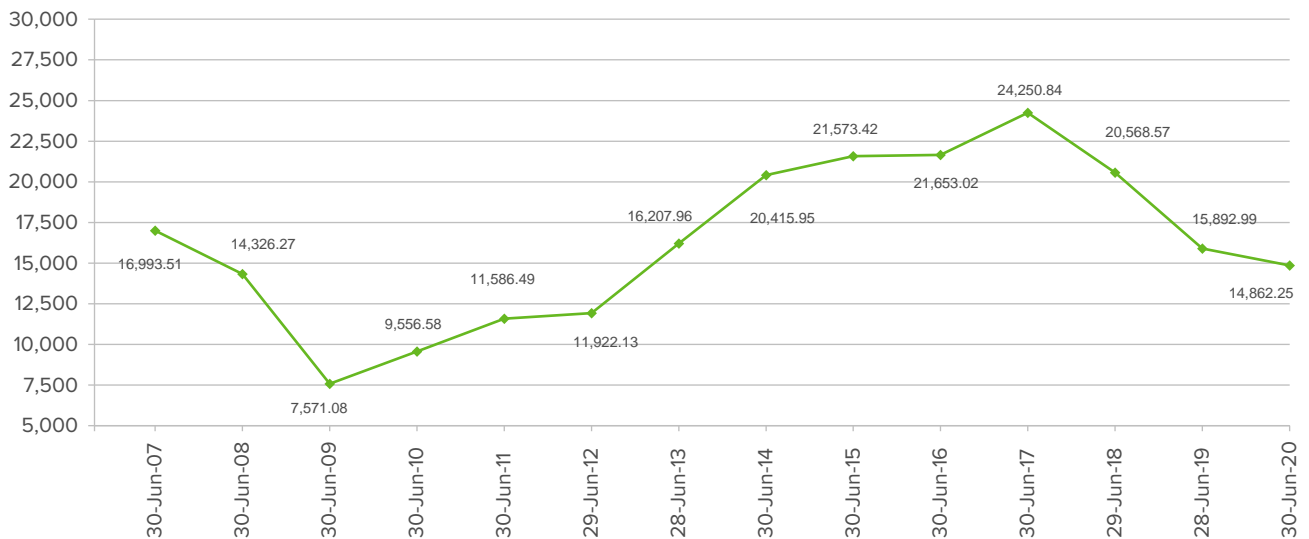
Notes:

- (i) The figures are from July to June.
- (ii) The total number of listed companies have been stated after 9 companies delisted in 2016, 2 companies delisted in 2017, 5 companies delisted in 2018, 15 companies delisted in 2019 and 14 companies delisted in 2020 and 1 company merged in 2016, 2 companies merged in 2017, 3 companies merged in 2018 and 1 company merged in 2019.
- (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, 2020 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.

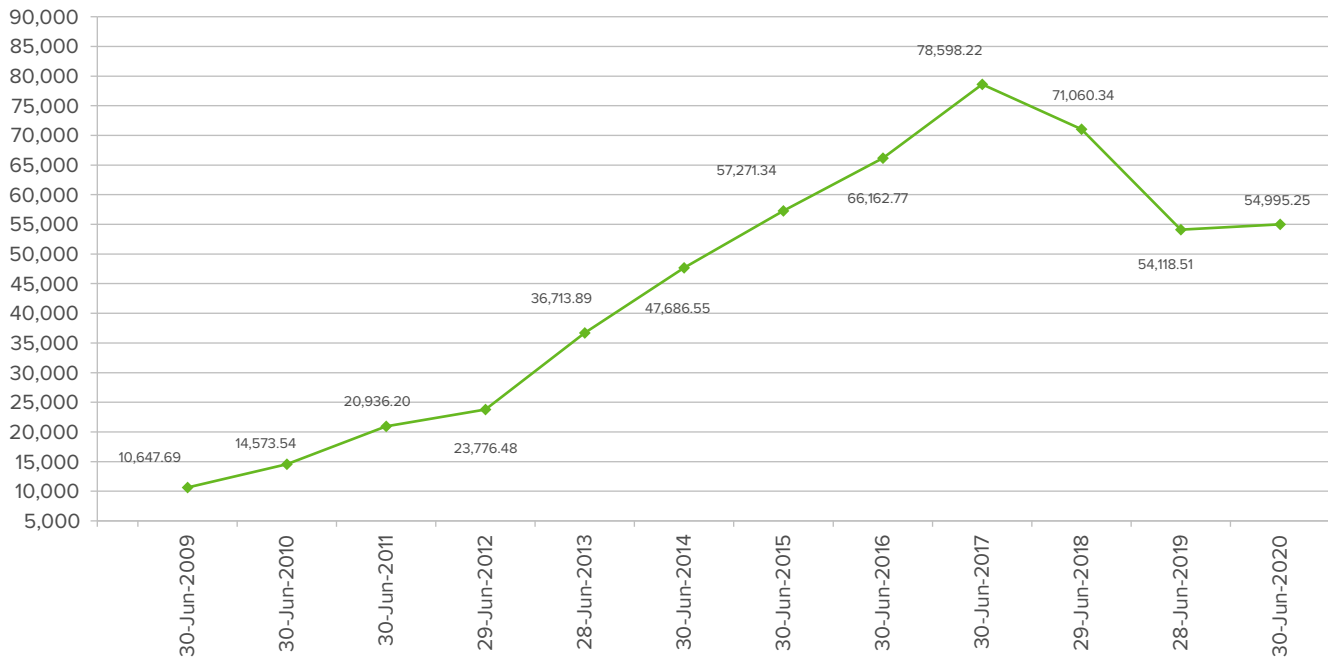
KSE 100 Index 2000 to 2020



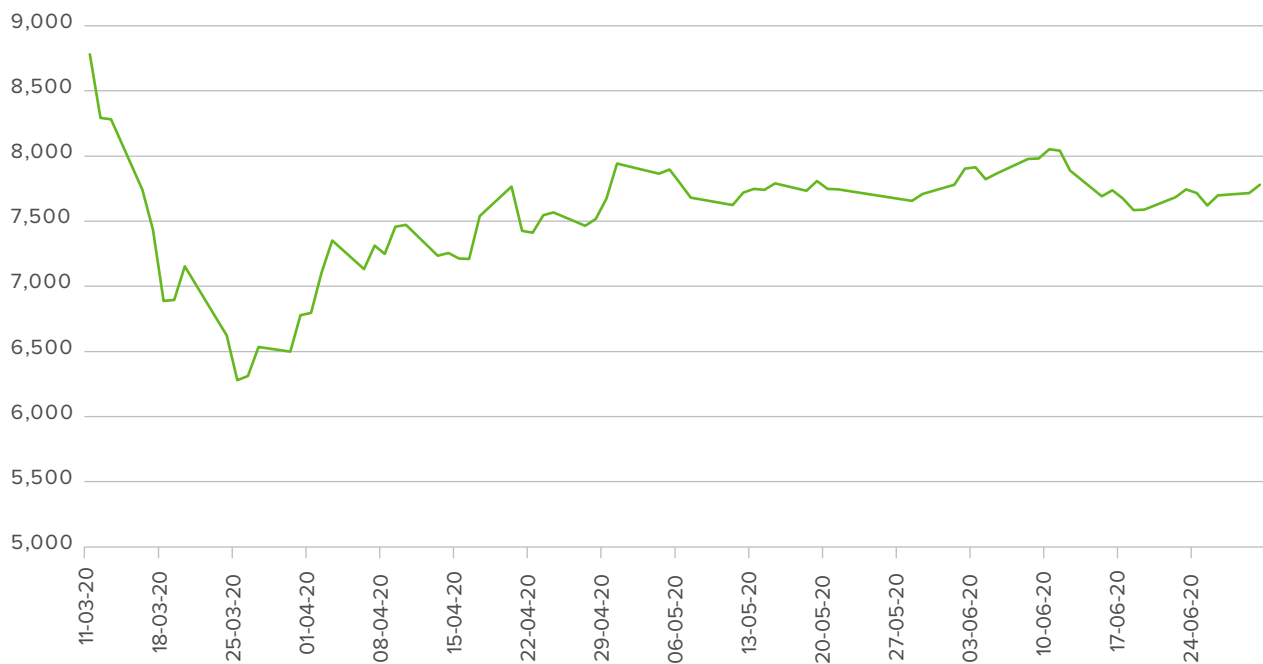
KSE 30 Index 2007 to 2020



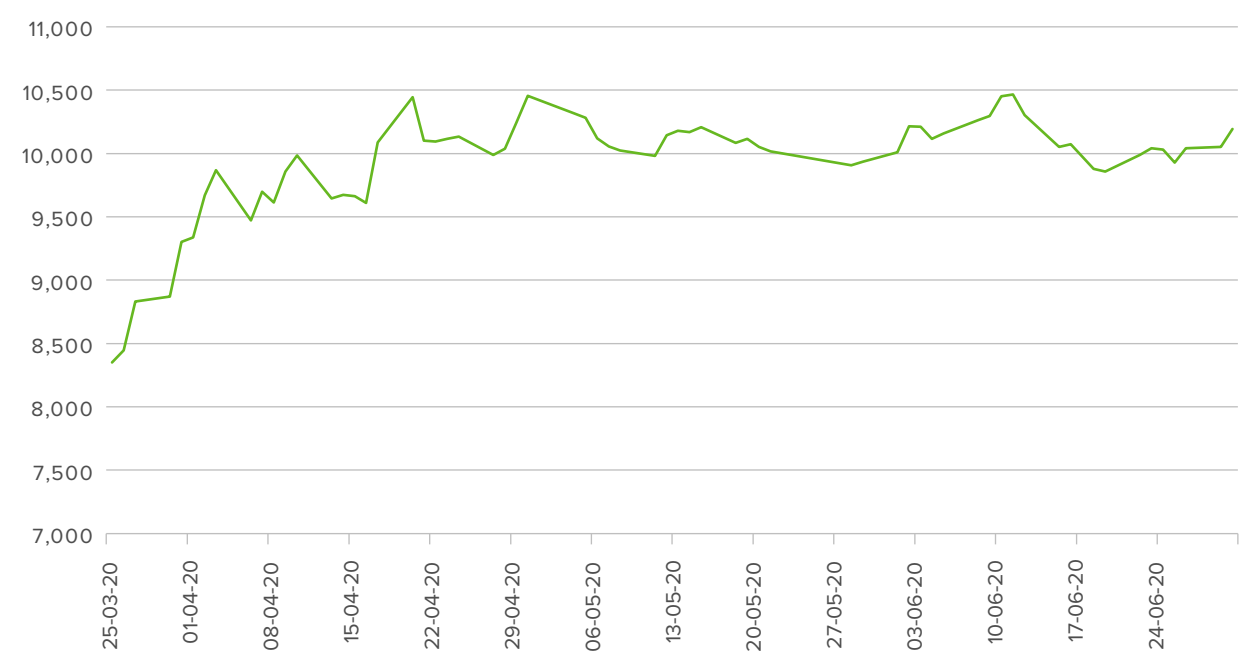
KMI 30 Index 2009 to 2020



NIT Pakistan Gateway Index



UBL Pakistan Enterprise Index



STATISTICS

SINCE JULY 2019 TO JUNE 2020

Listing of New Debt Instruments

Rs. in million

Sr.No.	Name	Date of Listing	Amount Offered			Subscription Received			Amount Listed
			General Public	Others	Total Issue	General Public	Others	Total	
1	Engro Chemical & Polymer Limited (PP Sukuk)	12-Jul-2019	-	-	-	-	-	-	8,750
2	JS Bank Limited (PPTFC – AT-1)	12-Jul-2019	-	-	-	-	-	-	2,500
3	Pakistan Energy – Sukuk 1 (PP Sukuk)	24-Oct-2019	-	-	-	-	-	-	200,000
4	Habib Bank Limited – AT-1 (PP TFC)	25-Nov-2019	-	-	-	-	-	-	12,374
5	The Hub Power Company Limited (PP Sukuk)	17-Jan-2020	-	-	-	-	-	-	7,000
6	BankIslami Pakistan Limited (Ehad Sukuk)	14-May-2020	300	1,700	2,000	321	1,700	2,021	2,000
7	Kashf Foundation (PPTFC)	14-May-2020	-	-	-	-	-	-	2,000
	TOTAL		300	1,700	2,000	321	1,700	2,021	234,624

Listing of Open-end Mutual Fund

Rs. in million

Sr. No.	Name of Fund	Date of Listing	Total Issue Size
1	Atlas Islamic Dedicated Stock Fund	29-Aug-2019	143
2	JS Islamic Hybrid Fund of Funds – 3	25-Sep-2019	848
3	Meezan Rozana Amdani Fund	05-Nov-2019	25,409
4	Meezan Strategic Allocation Fund – II	07-Nov-2019	2,333
5	UBL Cash Fund	11-Nov-2019	100
6	Meezan Strategic Allocation Fund – III	18-Nov-2019	94
7	ABL Special Savings Fund	05-Dec-2019	362
8	NBP Islamic Daily Dividend Fund	12-Dec-2019	283
9	Al Ameen Islamic Energy Fund	07-Feb-2020	100
10	Alhamra Daily Dividend Fund	24-Feb-2020	1,125
11	Golden Arrow Stock Fund	17-Mar-2020	1,221
12	UBL Special Savings Fund – II	24-Mar-2020	100
13	ABL Islamic Cash Fund	15-Jun-2020	780
14	Al Ameen Islamic Special Savings Fund	28-Jun-2020	70

Listing of Exchange Traded Funds (ETFs)

Sr. #	Name of Fund	Date of Listing
1	NIT Pakistan Gateway Exchange Traded Fund	24-Mar-2020
2	UBL Pakistan Enterprise Exchange Traded Fund	24-Mar-2020

Applied for Listing

Sr. #	Name of Security
1	Sadaqat Limited
2	Agha Steel Industries Limited

Prospectus / Offer for Sale Cleared by the Exchange

Sr. #	Name of Security
1	TPL Trakker Limited
2	Air Link Communication Limited
3	K-Electric Limited (Sukuk – 5)

Delisting of Companies

Rs. in million

Sr. No.	Name of Company	Date of Delisting	Paid-up Capital
1	Sargodha Spinning Mills Limited	15-Aug-2019	312
2	N. P. Spinning Mills Limited	02-Sep-2019	147
3	SFL Limited	07-Oct-2019	201
4	Ishtiaq Textile Mills Limited	07-Oct-2019	43
5	Mukhtar Textile Mills Limited	31-Oct-2019	145
6	Southern Electric Power Company Limited	31-Oct-2019	1,367
7	Beema Pakistan Company Limited	31-Oct-2019	417
8	Mirza Sugar Mills Limited	31-Oct-2019	141
9	Transmission Engineering Industries Limited	31-Oct-2019	117
10	Investec Securities Limited	31-Oct-2019	163
11	Pakistan Gum & Chemicals Limited	10-Feb-2020	42
12	Ayesha Textile Mills Limited	24-Feb-2020	14
13	Javed Omer Vohra & Company Limited	24-Feb-2020	508
14	Golden Arrow Selected Stock Fund Limited	17-Mar-2020	760

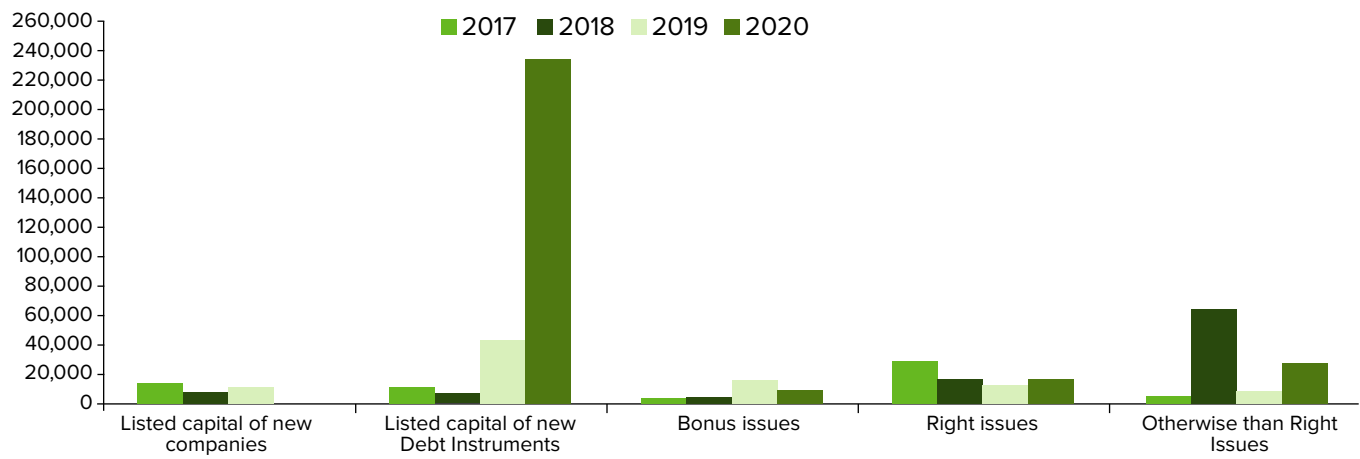
Delisting of Debt Securities

Sr. No.	Name of Security	Date of De-Listing
1	MCB Bank Limited (2nd Issue TFC)	09-Jul-2019
2	Pakistan Refinery Limited (2nd Issue TFC)	10-Jul-2019
3	Jahangir Siddiqui & Co. Limited (7th Issue PPTFC)	05-Dec-2019
4	Treet Corporation Limited (PTC)	28-May-2020

Break-up of Listed Capital

Rs. in million

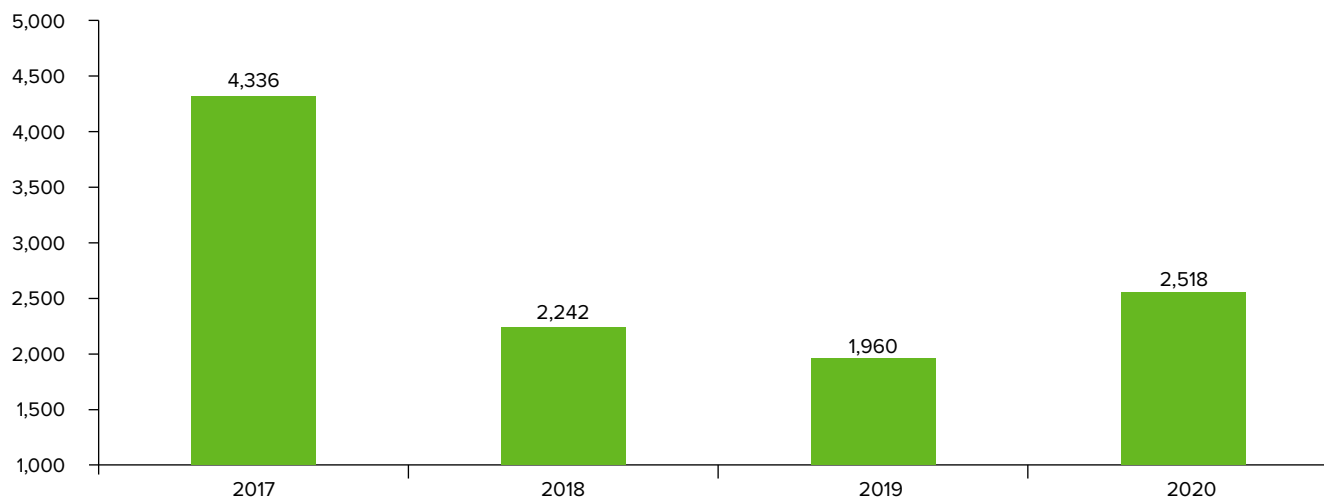
	2017	2018	2019	2020
Listed Capital of New Companies	13,376	6,719	10,161	-
Listed Capital of New Debt Instruments	10,500	7,000	42,820	234,624
Bonus Issues	3,627	4,215	16,040	9,684
Right Issues	29,109	15,660	12,356	16,885
Otherwise than Right	5,583	63,184	7,895	27,939
Additional Issues / Adjustments	(2,078)	(725)	(745)	317



Average Monthly Turnover of Shares (Ready)

In million

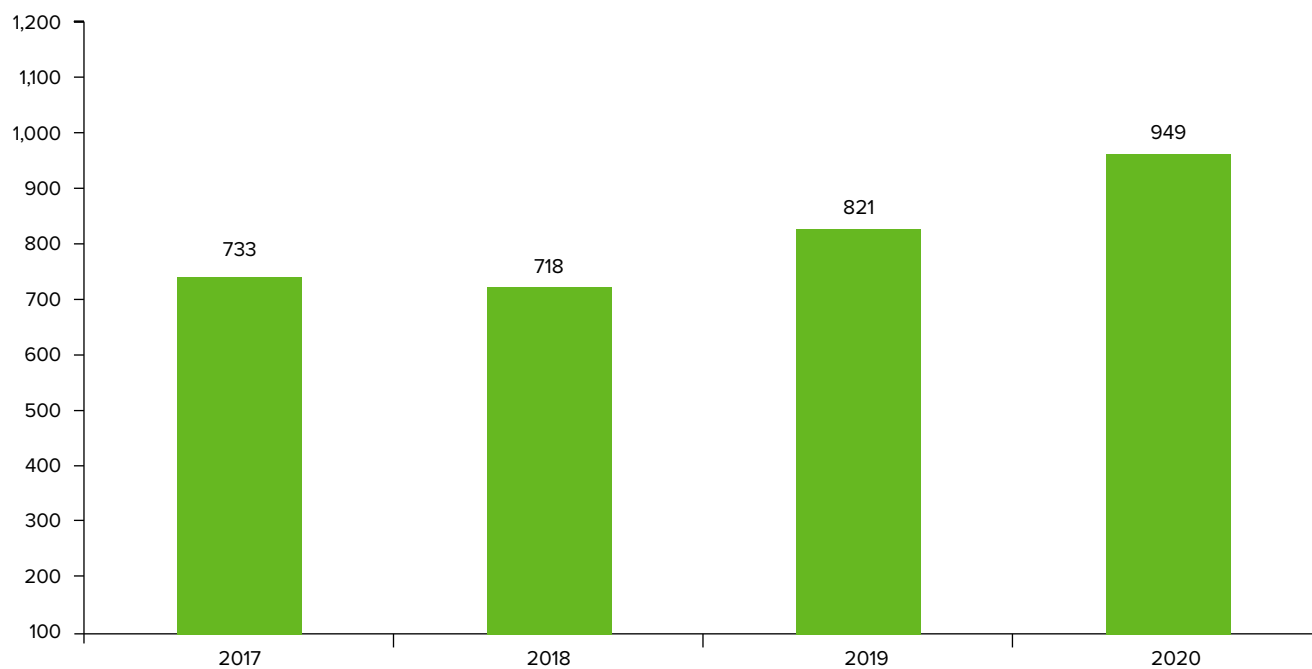
	2017	2018	2019	2020
July	196.855	185.524	195.636	92.114
August	265.620	207.098	195.383	123.276
September	573.887	165.938	149.240	122.059
October	456.631	158.862	222.685	198.334
November	497.857	122.987	200.439	316.489
December	373.163	172.244	139.171	333.771
January	451.668	251.611	140.721	266.795
February	363.966	216.731	153.821	170.244
March	257.936	209.103	120.307	230.663
April	246.056	221.188	149.701	219.626
May	354.598	140.998	132.131	219.968
June	297.683	189.454	160.482	224.621
Total	4,335.919	2,241.739	1,959.716	2,517.959



Average Monthly Turnover of Shares (Futures Counter)

In million

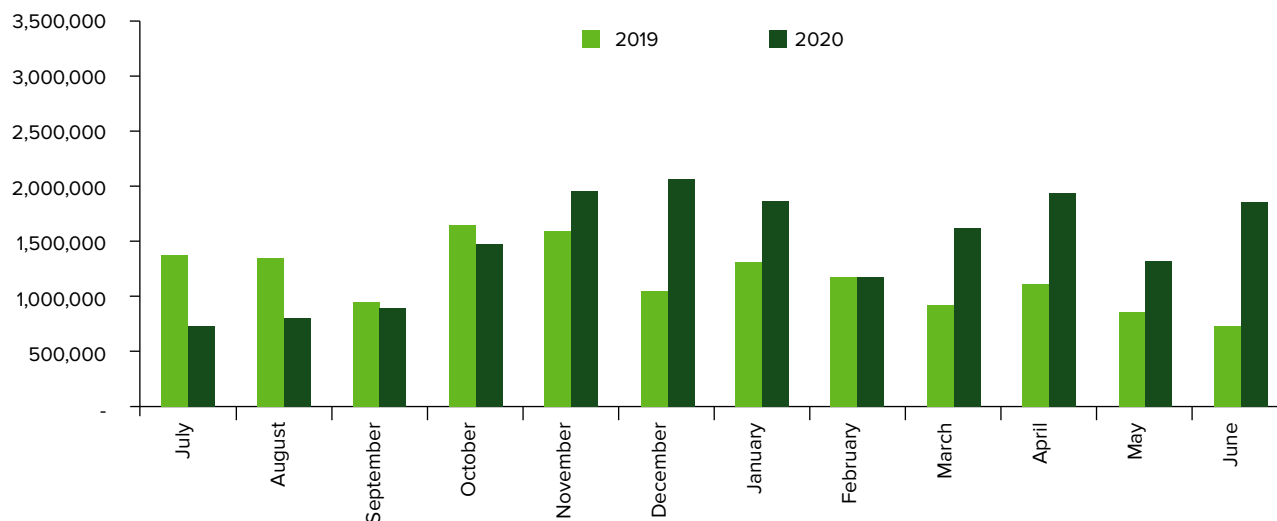
	2017	2018	2019	2020
July	50.936	57.167	68.126	54.840
August	44.179	65.609	74.043	72.455
September	58.325	57.402	73.608	74.363
October	74.526	57.286	87.441	90.766
November	76.049	52.213	83.803	109.339
December	59.005	56.684	59.799	115.713
January	73.869	67.589	64.604	91.889
February	73.628	65.850	67.023	88.560
March	59.604	60.375	54.322	84.345
April	56.099	62.822	66.769	55.366
May	56.397	53.116	53.593	59.732
June	50.345	61.478	67.866	51.516
Total	732.960	717.592	820.996	948.884



Ready Market Trades on Karachi Automated Trading System (KATS)

Month	2019		2020	
	No. of Trades	Daily Average	No. of Trades	Daily Average
July	1,360,034	64,764	725,175	31,529
August	1,331,268	70,067	813,096	45,172
September	924,064	51,337	880,577	46,346
October	1,629,251	70,837	1,459,441	63,454
November	1,581,262	75,298	1,943,324	92,539
December	1,036,043	51,802	2,049,779	97,609
January	1,298,440	56,454	1,850,990	80,478
February	1,154,487	60,762	1,156,819	60,885
March	906,672	43,175	1,606,452	76,498
April	1,092,816	49,673	1,910,958	86,862
May	854,431	40,687	1,321,819	82,614
June	727,793	45,487	1,839,300	83,605
TOTAL	13,896,561		17,557,730	
Average Daily		56,695		70,632

Ready Market Trades on Karachi Automated Trading System (KATS)



Sector-wise Capital Listed on the Exchange

Rs. in million

Sector Name	June 30, 2020	
	No. of Companies	Paid up Capital
Close-End Mutual Fund	6	5,936.250
Modarabas	30	14,065.919
Leasing Companies	9	3,967.785
Inv. Banks / Inv. Cos / Securities Cos	28	48,049.464
Commercial Banks	20	389,016.993
Insurance	28	29,344.322
Real Estate Investment Trust	1	22,237.000
Textile Spinning	69	21,821.044
Textile Weaving	11	3,086.124
Textile Composite	52	44,634.648
Woollen	2	608.948
Synthetic & Rayon	10	10,189.409
Jute	2	275.085
Sugar & Allied Industries	29	11,582.555
Cement	20	78,326.693
Tobacco	3	3,218.813
Refinery	4	61,464.675
Power Generation & Distribution	17	147,877.542
Oil & Gas Marketing Companies	8	33,289.160
Oil & Gas Exploration Companies	4	74,391.679
Engineering	17	26,119.017
Automobile Assembler	12	8,431.417
Automobile Parts & Accessories	9	4,007.609
Cable & Electrical Goods	6	8,145.178
Transport	4	72,618.203
Technology & Communication	12	87,273.241
Fertilizer	6	66,261.857
Pharmaceuticals	12	12,198.417
Chemical	26	40,889.014
Paper & Board	10	5,787.889
Vanaspati & Allied Industries	6	5,576.254
Leather & Tanneries	5	377.550
Food & Personal Care Products	21	23,704.778
Glass & Ceramics	9	12,946.696
Miscellaneous	22	13,754.915
Exchange Traded Funds (ETFs)	2	1.570
TOTAL	530	1,391,477.713

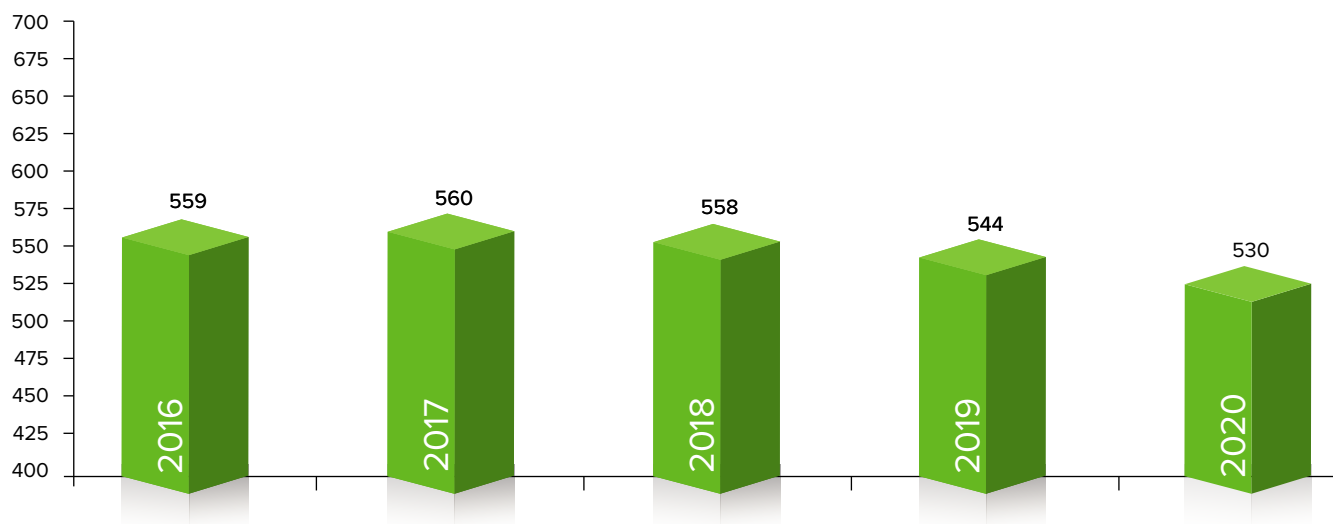
Sector Wise Performance of Companies Listed on the Exchange - 2019

Name of Sector	Number of Companies	2019				
		Companies that Announced Annual Results	Dividend Paying Companies	Profit Making Companies that Omitted Dividend	Profit Making Companies	Loss Making Companies
Close-End Mutual Fund	7	2	-	-	-	2
Modarabas	30	27	14	5	19	8
Leasing Companies	9	7	2	2	4	3
Inv. Banks / Inv. Cos / Securities Cos	29	24	6	7	13	11
Commercial Banks	20	19	13	5	18	1
Insurance	28	25	13	5	18	7
Real Estate Investment Trust	1	1	1	-	1	-
Textile Spinning	70	64	22	9	31	33
Textile Weaving	11	8	3	3	6	2
Textile Composite	52	41	25	9	34	7
Woollen	2	2	-	1	1	1
Synthetic & Rayon	10	9	3	2	5	4
Jute	2	2	-	-	-	2
Sugar & Allied Industries	29	28	15	5	20	8
Cement	20	19	11	6	17	2
Tobacco	3	3	1	-	1	2
Refinery	4	4	-	-	-	4
Power Generation & Distribution	17	16	7	6	13	3
Oil & Gas Marketing Companies	8	7	5	-	4	3
Oil & Gas Exploration Companies	4	4	4	-	4	-
Engineering	17	15	4	5	9	6
Automobile Assembler	12	12	5	2	7	5
Automobile Parts & Accessories	9	9	4	1	5	4
Cable & Electrical Goods	6	6	3	2	5	1
Transport	4	4	2	-	2	2
Technology & Communication	12	12	5	3	8	4
Fertilizer	6	6	4	-	4	2
Pharmaceuticals	12	12	11	-	11	1
Chemical	27	25	14	6	20	5
Paper & Board	10	9	5	-	5	4
Vanaspati & Allied Industries	6	3	3	-	3	-
Leather & Tanneries	5	5	2	1	3	2
Food & Personal Care Products	21	20	13	3	16	4
Glass & Ceramics	9	8	5	-	5	3
Miscellaneous	22	21	8	3	11	10
TOTAL	534	479	233	90	323	156
PERCENTAGE		89.70%	43.63%	16.85%	60.49%	29.21%
2018 TOTAL	546	491	265	77	342	149
PERCENTAGE		89.93%	48.53%	14.10%	62.64%	27.29%

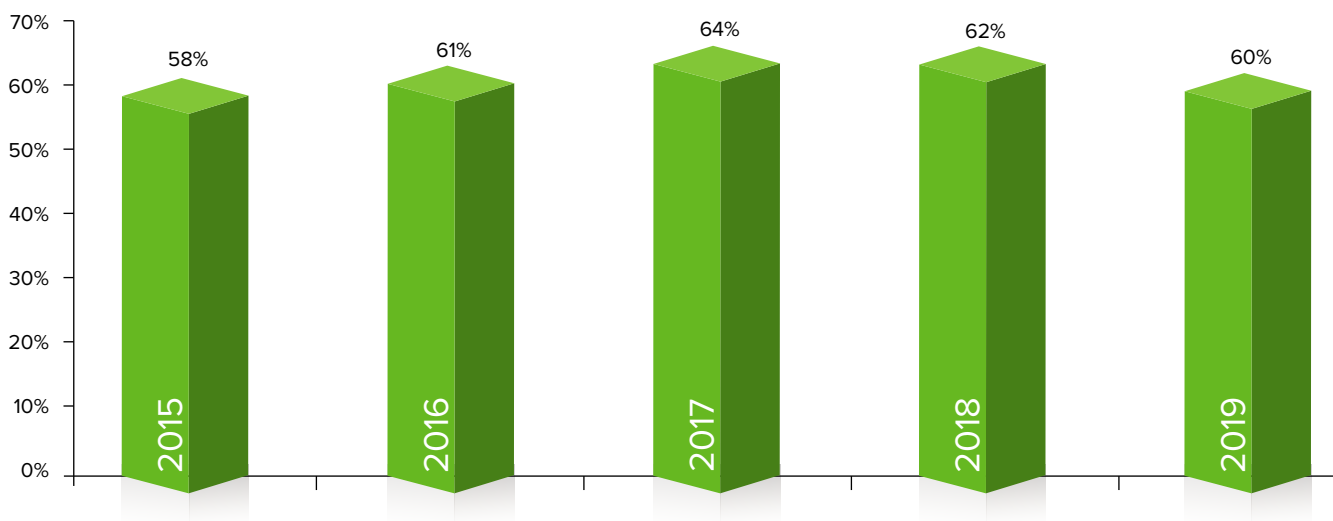
Notes:

- 1 Based on the financial results of the companies up to December 31, 2019.
- 2 Companies omitted dividends are those companies which have shown profit during the year but not declared dividend.
- 3 Dividend includes Cash / Stock Dividend.

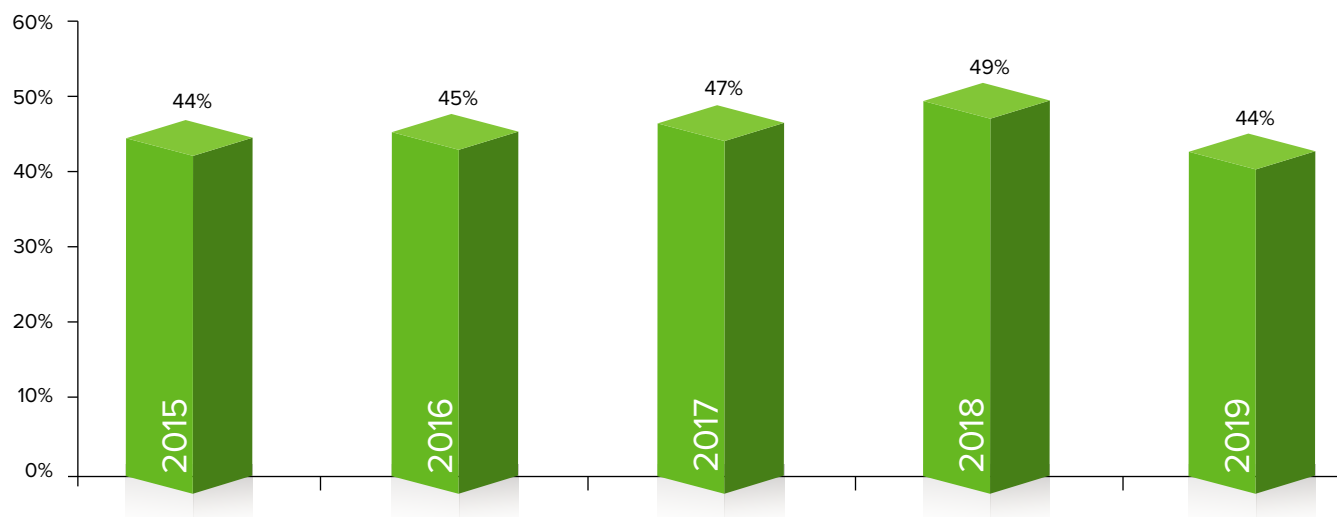
Number of Listed Companies



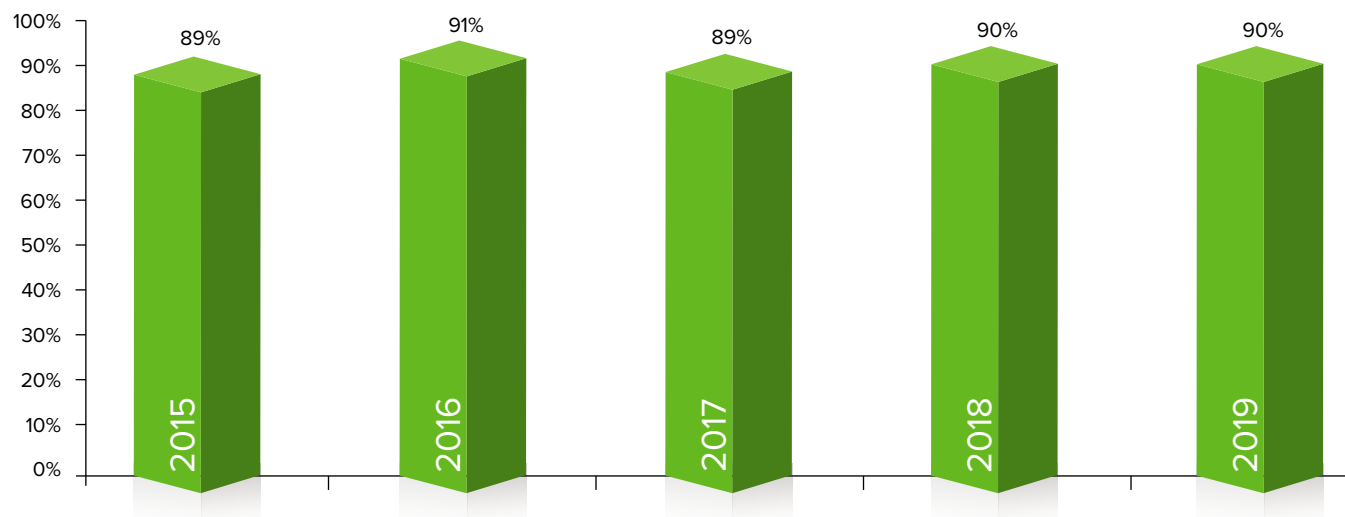
Percentage of Companies Making Profit



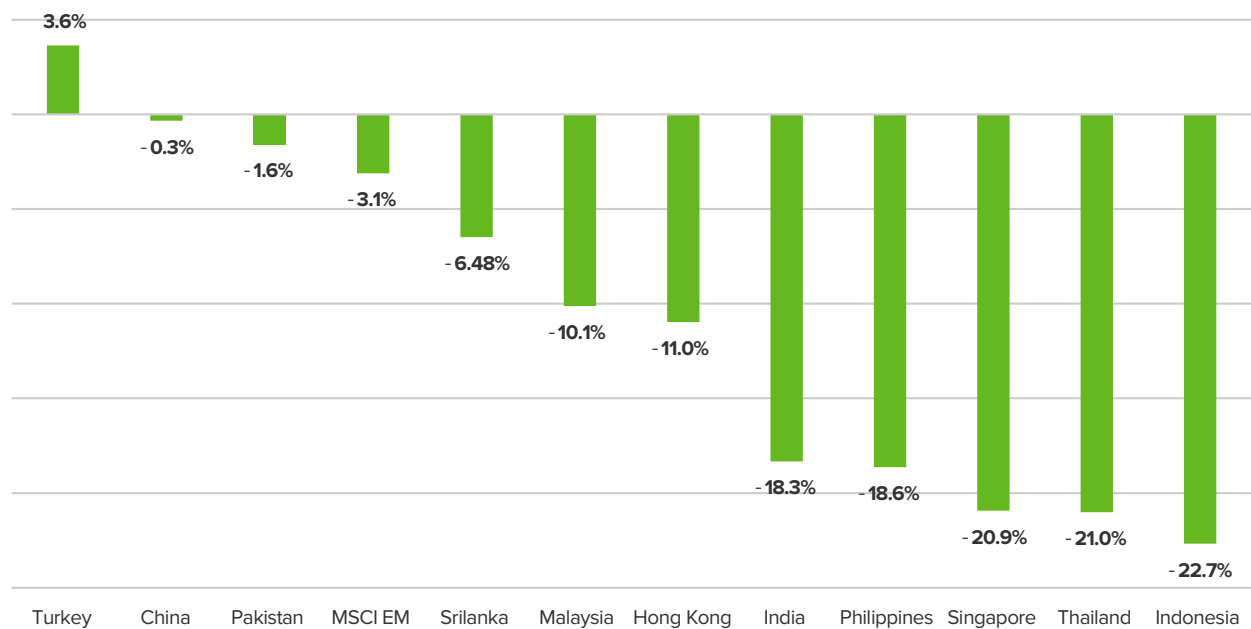
Percentage of Companies Paying Dividends



Percentage of Companies that Announced Annual Results

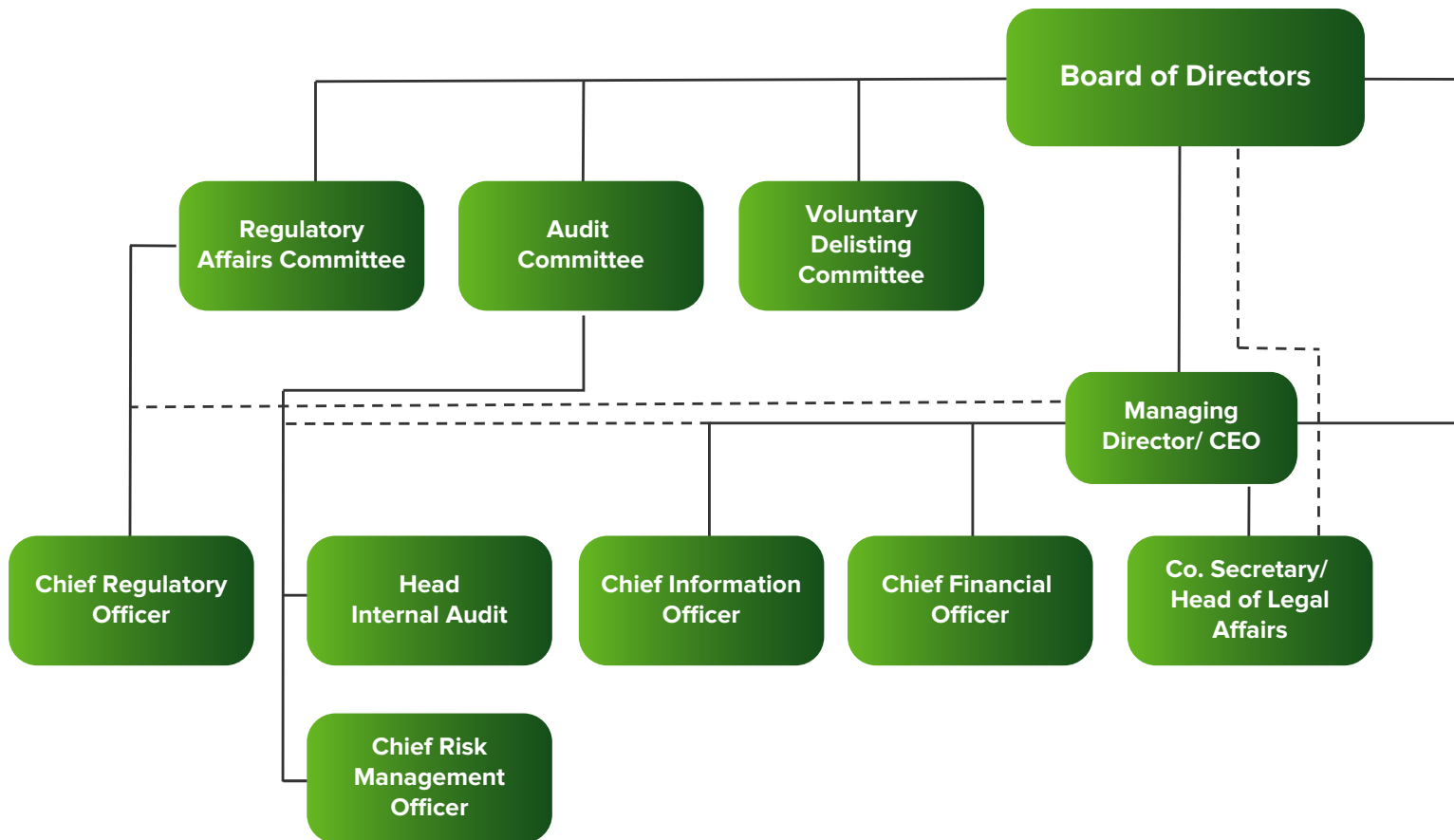


Performance of Global Stock Indices in USD during FY2020

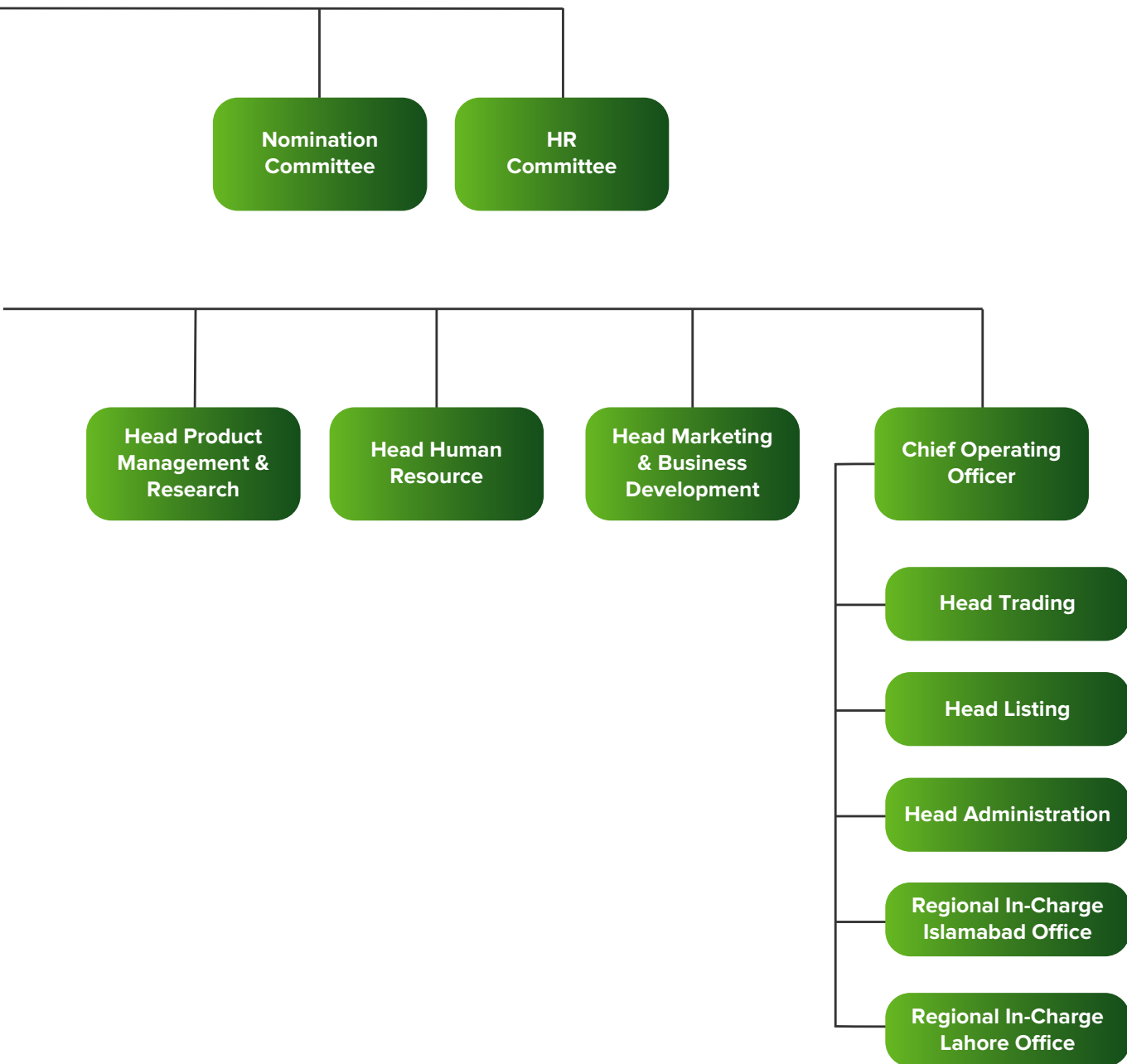


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ORGANIZATIONAL STRUCTURE



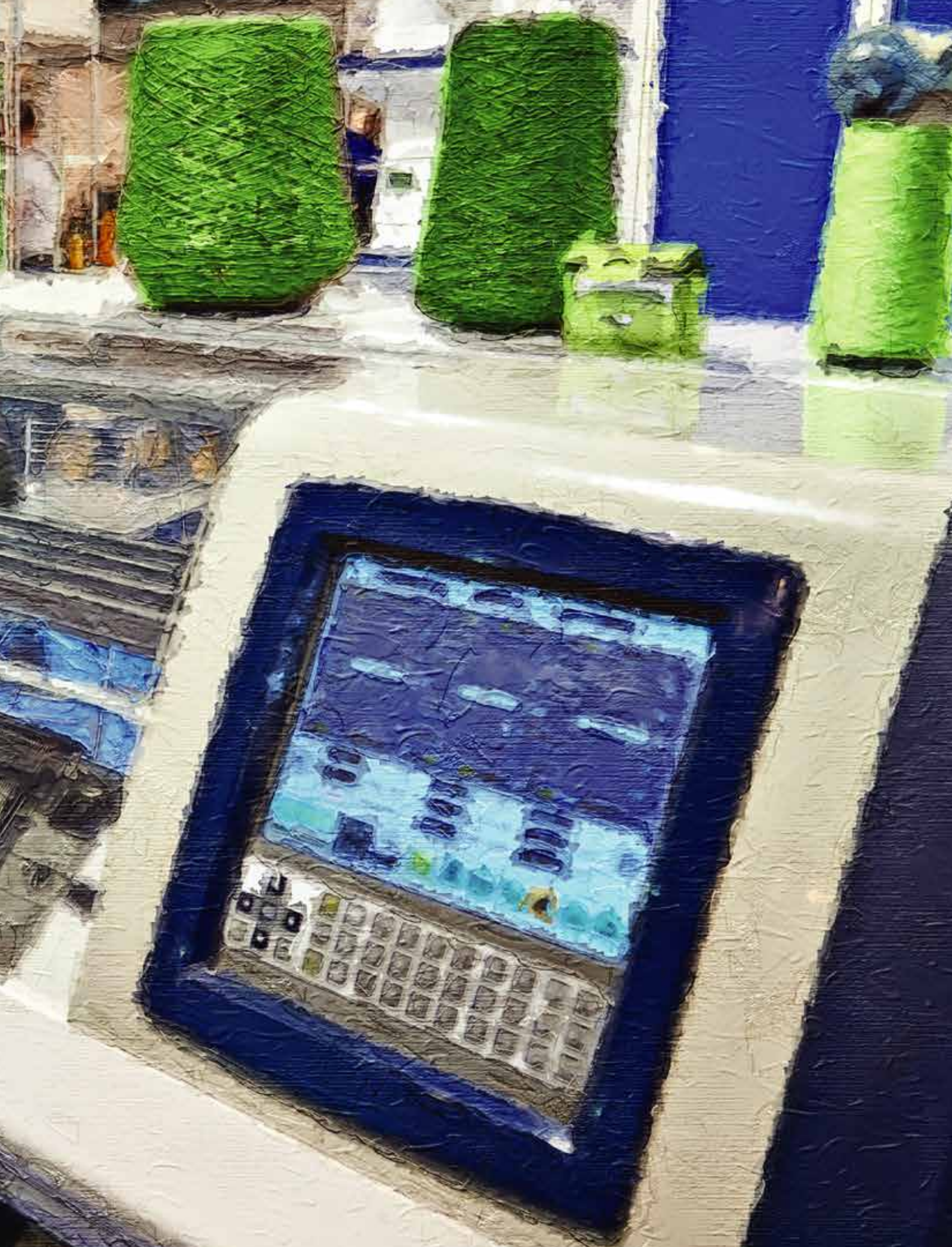
*As of June 30, 2020



An impressionistic painting of a city street scene. In the foreground, a dark car with a prominent red taillight is visible. The middle ground shows a street with a yellow light or reflection. In the background, there are buildings, including one with a green facade. The overall style is painterly and textured.

Cultivating Success

PSX enables and guides listed companies to build on their legacy as they improve their business processes through good governance and technological advancement while making use of the resources at their disposal.



BOARD OF DIRECTORS



From Left to Right:

Ms. Yu Huali

Non-Executive Director

Mr. Abid Ali Habib

Non-Executive Director

Mr. Mohammad Salahuddin Manzoor

Independent Director

Mr. Farrukh H. Khan

Chief Executive Officer

Mr. Ahmed Chinoy

Non-Executive Director

Mr. Wang Baojun*

Non-Executive Director

Mr. Javed Kureishi

Independent Director

Dr. FU Hao*

Non-Executive Director

*Note: The above group photo of PSX's Board excludes the photographs of Mr. Wang Baojun & Dr. FU Hao



From Left to Right:

Mr. Sulaiman S. Mehdi
Chairman & Independent Director

Mr. Mohammad Ashraf Bawany
Non-Executive Director

Mr. Zhiping Rong
Non-Executive Director

Mr. Saad Amanullah Khan
Independent Director

Mr. Amjad Pervez
Independent Director

Mr. You Hang
Alternate Director for Mr. Zhiping Rong

Mr. Shehzad Chamdia
Independent Director

Board of Directors' Profiles



Mr. Sulaiman S. Mehdi
Chairman & Independent Director

Sulaiman is the youngest Chairman and an Independent Director on the Board of Pakistan Stock Exchange Limited (PSX).

He is the CEO Cyan Ltd., formerly Central Insurance Company Limited (CICL). In 2011, Sulaiman orchestrated the business restructuring of CICL (insurance) to Cyan (investments), a landmark transaction, and the first of its kind in Pakistan.

Before Cyan, he has served PICIC DFI, PICIC Asset Management Company Ltd., Allied Bank (ABL) and ABL Asset Management Company Limited. He has had the privilege of establishing two leading AMC's of this country.

As a senior executive he has been working on strategy, organization, mergers and acquisitions. He is a proven business leader with a track record of delivering sustainable change and superior results in Pakistan. Sulaiman's experience spans over 19 years in multiple areas of financial services including investments, operations, marketing, legal and corporate affairs.

Amongst his prominent achievements have been the acquisition of HUBCO from National Power in June 2012. The acquisition value was PKR 6bn and was sold in March 2018 for PKR 22bn resulting in gains of app. PKR 23bn (incl 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.

He is also the Chairman Pebbles Ltd. - the real estate arm of Dawood Hercules (DH) Group and is spearheading all real estate initiatives of the Group. He is an independent director on the Board of Bank Islami Pakistan Limited and serves on the Board of Governors of The Institute of Business Management (IOBM). He is the Founding member of the Presidential Initiative for Artificial Intelligence and Computing (PIAIC) and a Member of the Committee on Emerging Technologies of MOIT. He represents Sindh as an Independent Member on Private Power and Infrastructure Board (PPIB) and is also an Independent Director on Sind Energy Holding Company Pvt Ltd.

He has also served on the Board of Dawood Lawrencepur Limited, FOCUS Pakistan (an Aga Khan Foundation backed NGO), Inbox Business Technologies (Pvt.) Ltd., Inbox Consulting (Pvt.) Ltd., Inbox Corporation (Pvt.) Ltd. and Sach International (Pvt.) Ltd.

He holds a master's degree and is also a fellow member of The Institute of Corporate Secretaries of Pakistan (FCIS). He is also a Certified Director from the Pakistan Institute of Corporate Governance (PICG).

At PSX besides being the Chairman of the Board, Sulaiman is also serving as the Chairman of the Nomination Committee, Human Resource and Remuneration Committee and Regulatory Affairs Committee. He is also a Trustee for the Centralized Customers Protection Compensation Fund and the Clearing House Protection Fund of PSX.

Other Directorships:

- CEO/Director Cyan Limited
- Chairman Pebbles (Pvt.) Limited
- Independent Director Bank Islami Pakistan Limited
- Director Private Power and Infrastructure Board – MOE, GOP
- Director Sind Energy Holding (Pvt.) Limited
- Member, Board of Governors Institute of Business Management



Mr. Farrukh H. Khan

Chief Executive Officer

Mr. Farrukh Khan is the Chief Executive Officer (CEO) of Pakistan Stock Exchange Limited (PSX). He qualified as a Chartered Accountant from the Institute of Chartered Accountants in England and Wales, United Kingdom (UK), and also holds a BA (Hons.) in Economics and Finance from the University of Manchester.

With over 30 years of senior management and board-level experience, Farrukh is an experienced entrepreneur, and leading business and financial advisor who has advised on many landmark transactions. Previously he has held senior positions with Acumen in Pakistan & the UK, including Country Director & CEO, Pakistan, Senior Director Business Development, Chief Business Development Officer and member of the Management Committee. Mr. Khan was the founding partner and CEO of BMA Capital Management Limited. Under his stewardship, BMA established itself as the leading investment banking group in Pakistan and received several international awards, including the 2010 Euromoney award for the best investment bank in Pakistan. His experience includes lead managing the

US\$813 million GDR offering and London listing of OGDCL, then Pakistan's largest listed company, and successfully advising Etisalat on their \$2.6 billion acquisition of Pak telecom, the largest mergers and acquisition transaction and the largest foreign direct investment in Pakistan's history. Other historical transactions include the US\$ 1.5bn privatisation of Kot Addu Power Company and the US\$898 million GDR offering for Pak Telecom. He has advised, either on the buy or sell side, on almost 50% of all successful privatisations in Pakistan, totalling over \$4bn in value. He has also worked with American Express Bank in Pakistan and Deloitte in London.

Mr. Khan has an excellent network and deep knowledge of global business and investments. He has previously served as President of Overseas Investors Chamber of Commerce & Industry (OICCI), Chairman of the Young Presidents' Organization, Pakistan Chapter and on the boards of prominent public and private sector organisations. He was also associated with the Securities and Exchange Commission of Pakistan as a member of its Policy Board from 2018 to 2019. Mr. Khan was selected by Euromoney as one of the top 50 global financial leaders, below the age of 40 years. His philanthropic interests include children's health and education.

Mr. Khan has been nominated by PSX to serve as Director on the Boards of National Clearing Company of Pakistan Limited and Pakistan Mercantile Exchange Limited. He is also serving as the Chairman of Voluntary De-Listing Committee of the Board.

Other Current Directorships/Offices:

- Nominee Director of PSX, National Clearing Company of Pakistan Limited
- Nominee Director of PSX, Pakistan Mercantile Exchange Limited
- Non-Executive Director, Acumen Pakistan
- Non-Executive Director, Pakistan International Airlines Corporation Limited
- Trustee, Acumen Academy, UK
- Trustee/Director, Pakistan Environment Trust, UK



Mr. Abid Ali Habib

Non-Executive 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 member of Human Resources & Remuneration Committee and 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 Directorship:

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



Mr. Ahmed Chinoy

Non-Executive 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, Pakistan Mercantile Exchange Limited and Institute of Financial Markets of Pakistan. He has also been appointed as the member of Audit Committee and Voluntary De-Listing Committee.

Other Directorships/Offices:

- Managing Partner, Arch Sons
- Managing Partner, Arch Industries
- Director, AKD REIT Management Company Limited
- Director, Creek Developers (Private) Limited
- Director, Kissan Support Services (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
- Nominee Director of PSX, Institute of Financial Markets of Pakistan



Mr. Amjad Pervez
Independent Director

Mr. Amjad Pervez possesses around 39 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 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 later promoted as Chief Executive Officer. He was also the Financial Advisor to the Government of Khyber Pakhtunkhwa Pension & Provident Funds from October 2002 to August 2015 and provided advisory services to Pearl

Securities Ltd from September 2012 to April 2018. He has attended several national & international courses. Mr. Pervez is also engaged with Taleem Finance Company Limited, an NBFC, as a Director.

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

Other Directorship:

- Director, Taleem Finance Company Limited



Dr. FU Hao

Non-Executive Director

At PSX, besides being a director on the Board, Dr. FU Hao is serving as member of Voluntary De-Listing Committee.

Dr. FU Hao is serving as Non-Executive Director on the Board of Pakistan Stock Exchange Limited, being a nominee of Shanghai Stock Exchange (SSE).

Dr. FU is Vice Chair of Global Business Committee and Managing Director of Global Business Department, SSE. He is responsible for overseeing SSE's international cooperation, global market promotion and overseas projects. Prior to joining SSE, Dr. FU worked in Jun An Securities Co. and Orient Securities Co. He graduated from Fudan University in 1998, where he earned a Ph.D Degree in Finance.

Dr. Fu published a lot of papers and articles in major Chinese finance journals. He has served as the Chairman of Working Committee of Asia Oceanic Stock Exchange Federation from 2014 to 2016. He was awarded as "Shanghai Financial Innovative Figure" in 2014 and "Shanghai Financial Leading Talent" in 2017. Under his leadership, Global Business Development Department was honored as "Shanghai May 1st Labor Medal Collective Award" in 2017 and "National Worker Pioneer" in 2019.



Mr. Javed Kureishi
Independent Director

Mr. Kureishi is married with 2 children. His other interests include reading and music.

Other Directorships:

- Independent Director, Power Cement Limited
- Independent Director, Pakistan Corporate Restructuring Company Limited
- Independent Director, Fauji Foods Limited

Mr. Javed Kureishi is an independent director appointed on the Board of Pakistan Stock Exchange Limited with the approval of Securities and Exchange Commission of Pakistan.

Mr. Kureishi is a career Banker with a rich and diverse experience of more than 34 years with Citibank both in Pakistan and across 5 countries in Europe, Middle East, Africa and Asia where he worked for 9 years. His various roles included senior leadership roles in country management, risk, corporate and institutional banking, strategy, managing multinational subsidiaries and public sector businesses both at country and regional level. Mr. Kureishi is presently working for the International Finance Corporation (IFC) as consultant responsible for business development. He has a BA Hon from University of Sussex, UK.

Aside from his professional career, Mr. Kureishi has also been a keen cricketer. He played first class cricket for PIA and Karachi from 1977 to 1981 for Sussex Under-25 from 1982 to 1984. He was also captain of the Pakistan Under -19 cricket team on its tour of India and Sri Lanka in 1978-79. Mr. Kureishi has also been a University level field hockey player.



Mr. Mohammad Ashraf Bawany
Non-Executive Director

Mr. Mohammad 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. He also supports various social and welfare activities. In this regard he is associated with the Welfare Committees of Tabba Heart Institute (THI) and 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), 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 and 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, Central Depository Company of Pakistan Limited and VIS Credit Rating Company Limited.

Other Directorships/Offices:

- Director/Chairman, CDC Share Registrar Services Limited
- President, Ghani Global Group of Companies
- Director, IT Minds Limited
- Nominee Director of PSX, Central Depository Company of Pakistan Limited
- Nominee Director of PSX, National Clearing Company of Pakistan Limited
- Nominee Director of PSX, VIS Credit Rating Company Limited
- Director, Pakistan Institute of Corporate Governance
- Director, Emerging Indus Partners Limited
- Director, German Pakistan Chamber of Commerce and Industry
- Member Welfare Committee, Aziz Tabba Foundation & Tabba Heart Institute
- Trustee, Help International Welfare Trust



Mr. Mohammad Salahuddin Manzoor
Independent Director

Mr. Mohammad Salahuddin Manzoor is a seasoned financial markets professional, with over 35 years of experience mostly in major global centers of New York, London and Singapore, and also in Karachi.

After a couple of years at the World Bank in Washington DC (1980 — 82), Mr. Manzoor earned his MBA degree from the Wharton School, University of Pennsylvania. Starting in International Acquisitions at Chemical Bank New York (now JPM) after graduation in 1984, he moved to Fixed Income Derivatives Trading in London in 1987, subsequently moving to Singapore in 1990 to set-up and manage Chemical's financial markets trading business.

After twelve years with Chemical, Mr. Manzoor joined Banque Paribas' in 1996 as Asia Regional Head for Fixed Income & Forex Derivatives business. In 1998, he moved back to London with Paribas as Global Head of Emerging Markets Trading for Forex & Local Bond Markets. After the BNP-Paribas merger in 2000, Mr. Manzoor took over as CEEMEA Region Head of Structured Products Marketing for BNP-Paribas. In 2008, he left BNP-Paribas to join Observatory Capital London, a long-short credit hedge fund, as Head of Business Development.

In 2011, Mr. Manzoor joined Habib Bank Limited (HBL) in Karachi as Global Treasurer, taking HBL's Treasury annual revenues from around PKR 2Bn to circa PKR 30Bn (in 2015, 2016 & 2017). These spectacular results were partly achieved by hiring exceptional professionals and expanding HBL Treasury's presence to Lahore and Islamabad for enhanced client reach resulting in greater market share. However, in large measure the success was owed to guiding ALM's timely entry into the government bond market with investments in long dated PIBs. Salahuddin established the Fixed Income Derivatives business at HBL taking it to become a leader in IRS & CCS products. In addition, HBL rose to and held the No 1 position in SBP's Primary Dealer (PD) rankings. During this period HBL was also ranked No 1 several times in Euromoney's Forex rankings for Pakistani Banks.

In May 2018, Mr. Manzoor left HBL with a view to contribute to Pakistan's financial markets at the grass roots level. As a first effort, he took a Visiting Faculty position at IBA, teaching Treasury & Financial Markets in the Fall 2018 semester. He also started Mangrove Markets, a company dedicated to development of Pakistan's financial markets through Training & Consulting. Mangrove Markets has so far held two Risk Management Training sessions in Karachi and Lahore, well attended by a cross-section of banking and corporate professionals looking to upgrade their knowledge in the use of Forex & Interest Rate Derivatives for Risk Management.

Mr. Manzoor has the distinction of being the only Pakistani member of PRIME Finance in The Hague. PRIME, which stands for Panel of Recognized International Market Experts, gets involved in arbitration in cases of complex derivative litigation. He has attended PRIME's annual conference in The Hague as a speaker on Islamic Finance & Sustainable Development with special attention to Sharia-compliant arbitration.

Mr. Salahuddin Manzoor is a dual national holding Pakistani & British nationalities.

Besides being an independent director on the Board, Mr. Manzoor is also serving as member of Regulatory Affairs Committee.

Other Directorship:

- Chief Executive Officer, Mangrove Markets



Mr. Saad Amanullah Khan
Independent 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. Saad has been very active in the corporate circles, got elected twice as President of American Business Council (ABC) the largest single country business chamber in Pakistan and twice to the Executive Council of Overseas Investors Chamber of Commerce and Industry (OICCI).

Mr. Saad is the founding board member of Pakistan Innovation Foundation (PIF), I Am Karachi (IAK) Consortium, and South East Asia Leadership Academy (SEALA). He also served four years as the President of Public Interest Law Authority of Pakistan (PILAP), a civil rights organization.

Mr. Saad is an author of “It’s Business, It’s Personal” a book guiding on how to set your company’s vision and delivering it through organizational excellence. He does consulting of culture transformation and strategy development and deployment in large established corporations.

As per Mr. Saad, his goal of life is to be a good human being and a good corporate citizen of Pakistan. When on the board of American Business Council (ABC), he convinced the US Ambassador to give Rs 1 Billion from USAID for the Bolton Market Traders who lost their shops in the Dec 2009 terrorist attack.

He is a graduate of the University of Michigan MBA (Class of 1987) and holds two engineering degrees. Mr. Saad is a certified member of the Pakistan Institute of Corporate Governance (PICG). He is also the co-founder of Big Thick Burgerz, a restaurant chain in Karachi.

At PSX, besides being an independent director, Mr. Saad, is serving as the member of Nomination Committee and Human Resources & Remuneration Committee.

Other Directorships:

- Independent Director, Fauji Fertilizer Company Limited
- Independent Director, ZIL Corporation
- Independent Director, NBP Fund Management Limited
- Chairman, Pakistan Innovation Foundation



Mr. Shehzad Chamdia

Independent 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. During this period, he has served PSX since 1992 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 serving as the Chairman of Audit Committee and the member of Voluntary De-Listing Committee.

Other Directorships/Offices:

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



Mr. Wang Baojun
Non-Executive Director

Other Directorship:

- Managing Director, Pak China Investment Company Limited

Mr. Wang Baojun is serving as Non-Executive Director on the Board of Pakistan Stock Exchange Limited, being a nominee of Pak China Investment Company Limited (PCICL).

Mr. Wang assumed the office of Managing Director/ Executive Director of PCICL in May, 2018. He brings 25 years' experience of working in development financial institutions, with diversified exposure in the areas of credit management, finance, research, information technology and planning. Before joining PCICL, he was Head of Australian Group as Senior Commissioner of China Development Bank (CDB). During his affiliation with CDB, he lately held positions of Division Director of Credit Management and Division Director of International Cooperation & Study in International Finance Department, while he also served as Deputy Division Director of Confidential Affairs and Deputy Division Director of General Affairs in General Office.

Mr. Wang holds degrees of Master in Public Administration and Master in Computer Science from China National School of Administration and Harbin Engineering University respectively. He is also a Qualified Accountant and Security Practitioner.



Ms. Yu Huali

Non-Executive 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.



Mr. Zhiping Rong

Non-Executive 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.

Other Directorship:

- CEO, China Financial Futures Exchange Limited



Mr. You Hang

Alternate Director for Mr. Zhiping Rong

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 Limited (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 possess 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 completed his Masters of Public Policy concentrated in Finance on Dean's Fellowship from The University of Chicago, USA and Bachelors 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 14 years and has served it in the capacity of Chief Representative in Pakistan, Managing Director, International Business Development Department/Executive Office/Equity Index Derivatives Department / FX Derivatives Department and Executive Director- Market Data Department.

At PSX, besides being an alternate director on the Board, Mr. You Hang is also serving as member of Audit Committee, Nomination Committee and Human Resources and Remuneration 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 (At the centre)

Mr. Farrukh H. Khan

Chief Executive Officer/Managing Director

Sitting (From left to right)

Ms. Asmaa Saleem Malik

Head of Listing

Ms. Sanam Kohati Faiz

Head of Human Resources

Mr. Nadir Rahman

Chief Operating Officer

Mr. Ahmed Ali Mitha

Chief Financial Officer

Ms. Raeda Latif

Head of Marketing & Business Development

Mr. Mahmood Siddique

Chief Information Officer

Standing (From left to right)

Dr. Fakhara Rizwan

Company Secretary and Head of Legal & Corporate Affairs

Mr. Sarmad Hussain

Regional In-Charge Lahore

Mr. Nisar Ahmed Qazi

Head of Administration

Syed Abbas Haider Zaidi

Chief Risk Management Officer

Mr. Jawad Haider Hashmi

Head of Trading

Mr. Muhammad Abbas Mirza

Acting Chief Regulatory Officer

Mr. Farhan Ansari

Head of Internal Audit

Mr. Asghar Abbas Naqvi

Regional In-Charge Islamabad

Mr. Hassan Raza

Head of Product Management & Research

SENIOR MANAGEMENT - PROFILES



Mr. Nadir Rahman
Chief Operating Officer (COO)

the founder member and first CEO of Foundation Securities. In addition, he has been associated with Fauji Foundation, Standard Chartered Bank, ABN AMRO, Citibank and Bukhatir Investments Ltd (UAE) in middle and senior management roles.

Academically, Mr. Nadir holds dual Bachelor's degrees from the University of Pennsylvania's Wharton School and The College of Arts and Sciences.

Mr. Nadir Rahman has extensive, hands on experience of capital markets in Pakistan and internationally, stretching over 29 years. His core areas of expertise are business development, operations, investment management and corporate restructurings. He has advised on numerous capital market transactions, including the largest de-listing in Pakistan's history. He has worked in a number of senior roles and has brought-in valuable skill set and experience to the senior team at PSX.

His last appointment was with BMA Capital Management Ltd. for 3 years as CEO. Prior to that he has served as the Group CEO in Mega & Forbes, as Managing Director and CEO at KASB Securities Limited, JS Global Capital Limited and Mashreq Asset Management. He was also



Mr. Ahmed Ali Mitha

Chief Financial Officer

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.

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 26 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).



Dr. Fakhara Rizwan

Company Secretary and
Head of Legal & Corporate Affairs

Dr. Fakhara Rizwan is a certified director, a qualified corporate lawyer and doctoral scholar (PhD in Corporate Laws from International Islamic University Malaysia), and distinguished to be the only Pakistani having a doctorate on the subject of Corporate Laws governing takeovers and mergers. She has authored a book on 'Corporate Takeovers and Mergers –A Study on the Banks Role as Adviser' which is a founding work on the subject and two editions of the same are already published.

She has played a critical role in highlighting the lack of diversity in the legal and corporate sectors of Pakistan. In particular, the lack of women representation as an equity partner in law firms, at senior-most positions of the judiciary and on the board of the companies.

She takes pride to be the first Pakistani member of the Malaysian Corporate Counsel's Association. During her stay in Malaysia, she provided consultancy to Pakistan High Commission and numerous reputable corporate entities. Furthermore, she was engaged in the pro bono practice for the welfare of destitute Pakistani national residing in Malaysia.

In the year 2014, she returned to Pakistan and joined AlBaraka Bank Pakistan and served it as Company Secretary and Head of Legal Department. She played an instrumental role in the acquisition of Burj Bank Limited by AlBaraka Bank. In the year 2017, she joined ORIX Leasing Pakistan Limited as Company Secretary and Head of the Legal Department. She had been the Vice Chairperson of Non-Banking Financial Institutions and Modaraba Association and representative of the Leasing Industry in FPCCI.

She is a HEC Approved Supervisor to supervise the candidates of PhD. She is a member of the Board of Advance Studies and Research of Shaheed Zulfiqar Ali Bhutto University of Law, and visiting faculty member in various reputable institutions.

She is a member of the International Bar Association and its Committee on Corporate Mergers & Acquisitions, Sindh High Court Bar Association, Malaysian Corporate Counsels Association, and FPCCI's Committee on Islamic Banking.



Mr. Muhammad Abbas Mirza
Acting Chief Regulatory Officer

Mr. Abbas Mirza has professional working experience of over 23 years in diversified business sectors including Capital Markets, Banking, Development Financial Institutions, Telecom, Advertising & Marketing. He has served in different capacities, leading to senior management level roles including as General Manager, Head of Department, Head of Division(s) and Head of various independent projects. Mr. Mirza has a successful track record and he 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 and General Manager Operations where he was responsible for trading & broker dealers affairs, customer services, Investors 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 degree in Masters of Business Administration (MBA) and multiple certifications in various business disciplines and completed his four years C.A. articleship with Ernst & Young, a leading firm of Chartered Accountants.



Mr. Farhan Ansari

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 21 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.



Mr. Mahmood Siddique

Chief Information Officer

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.

Mr. Mahmood is a seasoned professional who has 28+ years of experience in IT domain of Banking and Financial sector, his core competencies being in the fields of Infrastructure Architecture, Service Delivery, Project Management, Strategic Planning, BCP & DR Planning & Implementation, Team Management & Development, Budgeting and Planning.

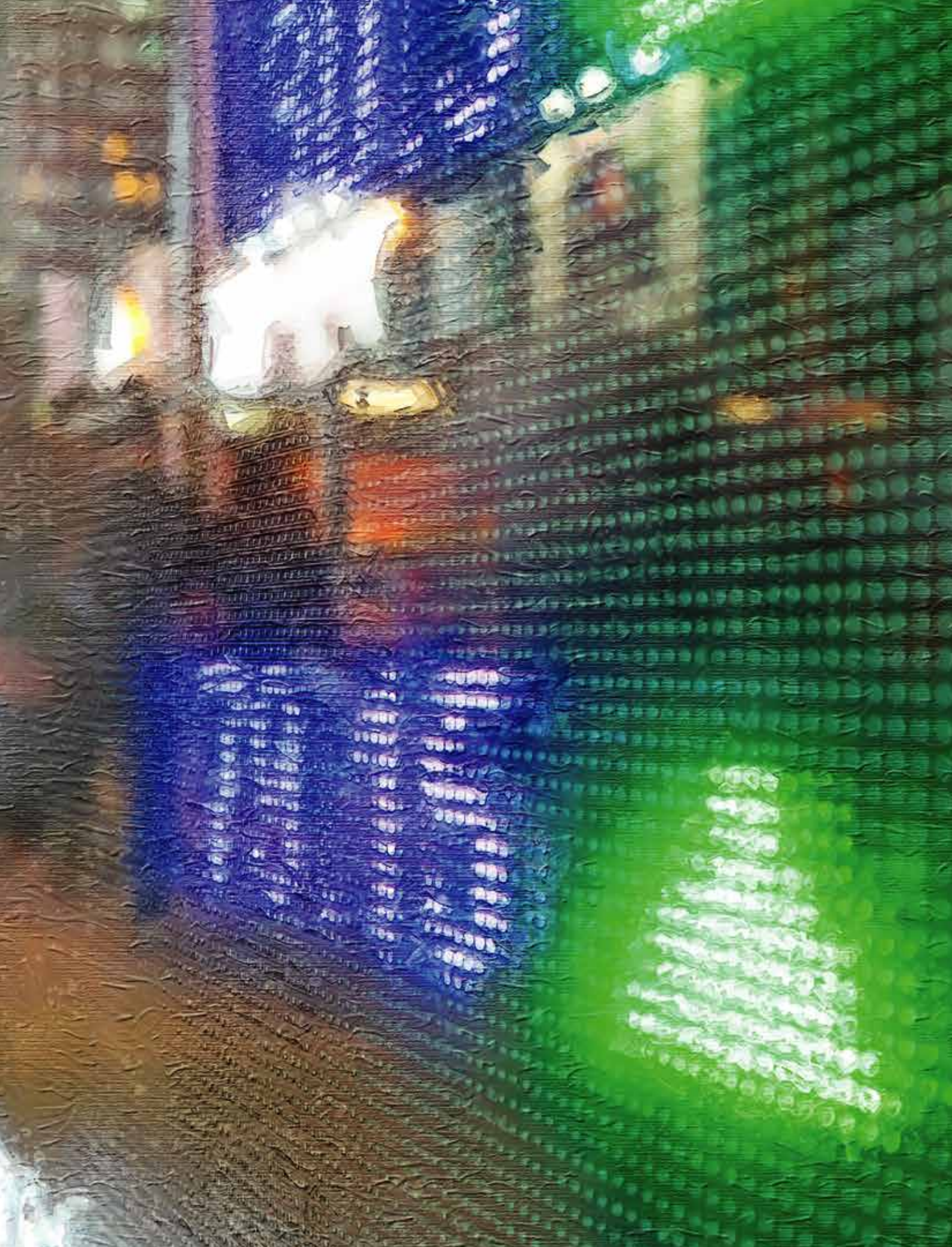
He has worked for various senior management positions in banks including National Bank, State Bank, Barclays, KASB and Saudi Pak Commercial (now Silkbank). He also remained associated with Cupola Pakistan, Unisys Pakistan and Fujitsu-ICL Pakistan in multiple capacities.

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Governing Markets

PSX is the frontline regulator for investors, brokers and listed companies. It ensures market oversight and adherence to investor protection, grievance management, and following of regulatory & compliance guidelines.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that seventy-third (73rd) Annual General Meeting (AGM) of Pakistan Stock Exchange Limited (the Company) will be held on Wednesday, October 28, 2020, at 4:00 p.m. via video-conferencing, 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, 2020, together with the Directors' and Auditors' Reports thereon.
2. To appoint auditors of the Company for the year ending June 30, 2021, till the conclusion of next AGM and fix their remuneration. The retiring auditors, M/s. Grant Thornton Anjum Rahman, Chartered Accountants, being eligible, have offered themselves for re-appointment.

Other Business:

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

By Order of the Board of Directors

Dr. Fakhara Rizwan
Company Secretary

Karachi
Dated: September 22, 2020

Note:

1. The Annual Report containing the Annual Audited Financial Statements for the year ended June 30, 2020, is also available on the Company's website.
2. 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 22, 2020 to October 28, 2020 (both days inclusive). The members whose names appear on the Register of Members as on October 21, 2020, 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 any person as his/her proxy to attend, speak and vote instead of him/her. A proxy so appointed shall have such rights with respect to attending, speaking and voting at the meeting as are available to the respective member. The Company must receive the Instrument of Proxy and the Power of Attorney under which it is signed or a notarised certified copy of that Power of Attorney, at least 48 hours before the meeting. A proxy need not 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 authorised officers, authorise any of its officials or any other person to act as its representative at the meeting and the person so authorised shall be entitled to exercise the same powers as if he/she were an individual member of the Company.
4. 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.

5. Mode of Attending the AGM in View of Threat Posted by Coronavirus

In light of the threat posed by the existing coronavirus (COVID-19) situation, the Securities & Exchange Commission of Pakistan (SECP), vide its Circular No. 25 of 2020 dated August 31, 2020, has advised the Companies to modify their usual planning for AGM to be held for the year ended June 30, 2020, in order to protect the well-being of the members/shareholders.

The shareholders who are interested in attending the meeting, are hereby requested to get themselves registered with the Company Secretariat by providing the requisite details at the earliest but not later than 48 hours before the time of the meeting (i.e. by 4:00 p.m. on Monday, October 26, 2020) through e-mail to be sent at shareholders.affairs@psx.com.pk.

For this purpose, the shareholders are advised to provide the following particulars, along with the scanned copy of their CNIC and that of their proxies, if so appointed. Moreover, in case of a corporate member, the scanned copy of the resolution of the Board of Directors/Power of Attorney with a specimen signature of the nominee must also be provided.

Name of Shareholder*	CNIC/NTN No.	Folio/CDC Account No.	Cell Number	E-mail ID
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** Where applicable, please also give the above particulars of proxy-holder or nominee of the shareholder.*

Upon receipt of the above information from the interested shareholders, the Company will send relevant video-link and the login credentials at their e-mail addresses. Accordingly, the shareholders will be able to participate in the proceedings of AGM, through their smartphones or computer devices.

In addition to above, the shareholders can also provide their comments and/or suggestions in connection with the agenda items of the AGM by using the aforesaid means.

The above arrangement would also cover the requirement of Section 134(1)(b) of the Companies Act, 2017, in relation to providing video link facility to the members holding 10% or more shareholding (in aggregate) in the Company, residing at a geographical location.

An offshore oil platform is visible in the background, featuring a tall flare stack with a bright orange flame. The platform's yellow lattice structure extends across the horizon. The foreground is filled with the deep blue, textured surface of the ocean. The sky is a clear, bright blue with a few wispy white clouds near the horizon.

Enabling Development

PSX provides the opportunity to the Government to raise low-cost capital enabling development through improving infrastructure and the progress of the economy and country.



Chairman's Review Report



Mr. Sulaiman S. Mehdi
Chairman & Independent Director

Dear Shareholders,

Assalam O Alaikum

It is a pleasure for me to address you all who have invested in Pakistan Stock Exchange (PSX). PSX has successfully withstood the disquietude posed by the Coronavirus (COVID-19) pandemic. Throughout the COVID-19 outbreak, PSX was fully operational and functional without any break and also followed all SOPs and precautions without risking the health and life of any employee.

PSX remained operational with 20% staff. All SOPs viz temperature measurement at the entrance gate, wearing of masks at all times, sanitisers being installed and foot-fall was curbed in PSX premises. Brokers and market participants having offices at PSX were also asked to keep lean presence.

Despite all the challenges, PSX has shown tremendous resilience and has made a comeback towards the end of the fiscal year 2020. After hitting a low of 27,046 points in March 2020, the KSE-100 Index moved on an upward trajectory and crossed 34,000 points by end of June 2020. Likewise, the overall market capitalization of PSX increased from PKR 5,380

billion from March 25, 2020 to PKR 6,529 billion by June 30, 2020. Overall, KSE-100 Index has shown remarkable performance in the face of the current challenges by closing the fiscal year with a gain of 1.5%.

In FY2020, Pakistan's economy was under numerous pressures such as those of the twin deficits and double digit currency depreciation combined with low foreign exchange reserves. In such a scenario, the Government had no choice but to initiate structural reforms and to opt for IMF program of \$6 billion in July 2019.

While steady progress was being made on the economic front, things started to unravel with the first case of Covid-19 being discovered in Pakistan. The ensuing crisis resulted in leaving a deep impact on the economy and the capital market of the country with the KSE-100 Index dropping from a high of 43,000 points in January 2020 to a low of 27,046 points in March 2020.

To assuage some of the impact on the economy, the Government announced a stimulus package of PKR 1.3 trillion and the State Bank of Pakistan (SBP) reduced the policy rate by a historic 625 basis points in a span of three months. Overall, the devaluation of the rupee, higher inflation and stagnating exports were countered by reduction in imports, improved trade deficit, reduction in fiscal deficit and contracting current account deficit*. Foreign Direct Investment was also higher for FY2020 as compared to the previous year.

The capital market initiatives and reforms undertaken by the Government, SECP, and SBP underscored the reasons for better performance of the KSE-100 Index towards the end of FY2020. The reduction of the policy rate to 7% by SBP, the simplification of the IPO regime by the SECP to make it more efficient, regulatory amendments for launch of Exchange Traded Funds (ETFs), revamping of REIT regulations, reduction in annual monitoring fees for mutual funds and pension funds, removal of tax anomalies for the mutual funds industry, and the expansion in allowable expenses on mutual funds helped the capital market of Pakistan to move in a positive direction.

PSX struck many positives during the year such as the launch of ETFs in March 2020 as well as holding competitive book building for Power Holding Limited's (PHL's) Pakistan Energy Sukuk II (PES II) in May 2020. The competitive book building, a milestone achievement, is the first ever debt issuance which was held through the PSX platform. This method of debt issuance allowed for greater transparency and better price discovery for both issuers and investors. A large number of investors were attracted to this method of book building which otherwise is not the case in conventional book building.

The IT infrastructure was strengthened to allow for the acquisition of a solid and robust Trading & Surveillance System from Shenzhen Stock Exchange (SZSE) to bring the technological and operational capabilities of PSX at par with other stock exchanges of the world. In this respect, the pilot version of the Surveillance Software was successfully integrated with the existing trading system of PSX during the period under review.

The launch of the ETFs was another feather in the cap. This was an overdue goal of PSX which finally materialized in the period under review. The two ETFs launched, namely UBL Pakistan Enterprise ETF (UBL-ETF) managed by UBL Funds and NIT Pakistan Gateway ETF (NITG-ETF) managed by NIT offer new and exciting avenues for investment for the novice investors to get a diversified exposure into Pakistan's equity market. Along with these products, two new indices were added, namely NIT Pakistan Gateway Index (NITPG Index) and UBL Pakistan Enterprise Index (UPP9 Index). This was done to allow the ETFs to track the relevant indices.

Regulatory Affairs Department undertook several reform measures to bring the Regulatory regime at PSX at par with international best practices. One of these steps was the harmonization of PSX Regulations with the Securities Act, 2015, Futures Market Act, 2016, and Companies Act, 2017, while ensuring that redundancies are removed and clarities are added wherever deemed appropriate. Several other steps have also been taken to improve and refine the functions at PSX for example the Scrip-Based Circuit Breakers have been enhanced from 5% to 7.5% or PKR 1.0 whichever is higher from the last day closing price and the concept of Index-Based Market Halt has been introduced on KSE-30 Index and to promote ease of doing business, the listed issuers are now required to transmit their annual and quarterly accounts electronically instead of physical submissions.

On the Marketing & Business Development (MBD) front, many sessions were held under the Financial Literacy Initiative to disseminate awareness and education to (prospective) investors from different sectors of the economy, such as corporates, listed companies, associations, Chambers of Commerce & Industry, professional bodies and academic/educational institutes. In the wake of the Coronavirus pandemic, many sessions were held online as well. A series of webinars were also held to promote the capital market to investors, issuers and others by PSX itself or in collaboration with other organizations. Several interviews of PSX top management were also streamed through major media channels. The Top 25 Companies Awards ceremony was held in December 2019 which was a huge success not only for PSX but also for all its stakeholders. PSX continues to reach out to companies and organizations for listing purposes and to attract them to go public and raise capital by listing on the bourse with particular emphasis on small to medium sized growth enterprises to list on the GEM (Growth Enterprise Market) board. These potential companies are being introduced to Consultants and Advisors.

In terms of Corporate Social Responsibility (CSR), PSX contributed in the form of rations and provisions to the deserving in the vicinity of PSX through philanthropic organizations. PSX also contributed significantly to a major hospital and others in the form of aid against the Coronavirus pandemic. PSX collaborated with the UNDP offices in Pakistan to create awareness of the SDGs and promote Sustainability reporting by listed companies in Pakistan and facilitated UNDP's SDG minimum reporting framework development.

Much progress has also been made on the Listing side with listing of six privately placed debt securities including PHL's PES I & II, with the PES II book building taking place successfully through the PSX platform. Furthermore, listing of Pakistan's first two ETFs also took place in the current year under review. Also, a revision was proposed in listing fees of equity securities in April 2020 and that of debt securities in June 2020 after conducting a comprehensive benchmarking exercise with regional stock exchanges.

I would like to commend and pay tribute to the brave soldiers and security personnel who bravely fought against the terrorist attack on PSX on June 29, 2020. These brave men fought against the terrorists valiantly and saved the National Exchange of the Country. The men who laid their lives and those who got injured in the attack will forever be remembered and appreciated by PSX and the entire Nation. We are fully cognizant of the sacrifices made by these brave men and we also believe that monetary benefits are no compensation for loss of life or serious injury, however to support the families of the Martyrs, PSX has set up a support fund to provide consistent support with an upfront contribution of PKR 10 million by PSX.

In the year ahead, we see positive developments taking place in the capital market of Pakistan in line with the steps and initiatives taken by the GOP, Ministry of Finance in particular, the SECP, SBP and relevant entities to bolster and strengthen the economy of the country. PSX has made significant progress thus far and is continuing to consolidate its position in terms of bringing in an enhanced experience for all market participants, stakeholders, issuers and investors.

* for 9 months ended FY 2020



Mr. Sulaiman S. Mehdi
Chairman of the Board

DIRECTORS' REPORT

The Board of Directors of Pakistan Stock Exchange Limited (PSX) is pleased to present the financial statements of PSX for the year ended June 30, 2020.

Economic Review & Outlook

With the country still recovering from the effects of the Covid-19 outbreak, the past year has been a time of unprecedented challenges for Pakistan and the global economy. Due to the proactive steps taken by the government the pandemic was brought under control quite rapidly and we hope that the number of daily cases in the country is past its peak. The focus is now turning back towards jumpstarting economic activity, creating jobs, and providing relief to those impacted by the global pandemic.

The fiscal year 2020 (FY20) was a tumultuous year for the country's fragile economy, which was already in the middle of a much needed stabilization program. With long-running twin deficits and double digit currency depreciation, along with low foreign exchange reserves, the government had no choice but to opt for a \$6 billion IMF program in July 2019 and initiate structural reforms.

With significant progress made, stability had started to return with current account deficit narrowing to 73% and foreign exchange reserves held by the central bank rising to \$11.23 billion on June 26, 2020 (from a low of 7.28 billion in June-19) by the end of 9MFY20. A market determined, free-floating PKR also stabilized between the PKR 155 and PKR 160 levels. But then, Covid-19 struck and like the rest of world, Pakistan's economic activity slowed down significantly during the ensuing lockdown. The government moved swiftly and decisively, and took aggressive fiscal, monetary, social and other measures to stabilize the situation. As of August 28, 2020, the net foreign exchange reserves with SBP stood at \$12.71 billion, economic activity has restarted and the stock market has become the best performing market in Asia.

The KSE-100 Index was trading at above 43,000 levels in January '20. Following news of the first confirmed Covid case in the country on February 25, it dropped to a low of 27,046 by March 26, 2020. To mitigate the impact, the Federal Government announced a stimulus package of PKR 1.3 trillion and the State Bank has cut its policy rate sharply by 625 basis points in span of three months. At present, the SBP Policy rate is 7.00%.

In April, Pakistan received another \$1.4 billion in emergency funding from the IMF with further support expected to come from the G20 debt service suspension initiative which would allow us to defer further \$1.8 billion payments in 2020. The oil price war and lack of global demand has also reduced pressure on imports. As a result, inflationary pressure has been somewhat controlled and brought down to 8.6% YoY in June from a high of 14.6% in January this year.

Pakistan's trade deficit has also shrunk by over 27% to \$23.18 billion in FY20 compared to \$31.80 billion in FY19. Remittances have also shown an improvement of 6.35% YoY and have reached \$23.12 billion in FY20, which incidentally is higher than our total annual exports of \$21.39 billion. The PKR has depreciated by around 3.6% during the year which is far less than the double-digit devaluation seen last year, and in 2018.

Every challenge brings opportunities, in this case the rapid digitization of e-commerce and financial services in the country. We believe that the current situation warrants a rethinking of the business landscape and we welcome the initiatives taken by SECP and the State Bank on easing regulations and costs of doing business, which will lead to growth in our capital markets. Compliance with FATF recommended measures will also serve to make Pakistan more attractive for international investors.

There is a sense of cautious optimism at the moment surrounding the economy and we believe Pakistan's capital market has immense potential for robust and sustainable growth. This can be further evidenced by the fact that the KSE-100 Index, despite the challenging environment, has managed to close the fiscal year with a gain of 1.5%. With the introduction of new products, investment in world-class trading infrastructure and management capability, PSX is well positioned to continue playing an increasingly important role to enable greater capital formation, financial inclusion and economic growth in Pakistan.

PSX Financial and Market Performance During the Year

PSX recorded a pre-tax profit of PKR 190 million for the year ended June 30, 2020 vs. PKR 92 million for the year ended June 30, 2019, almost 106% higher than the corresponding year.

Total income of PSX for the FY2019-20 was recorded at PKR 1.373 billion versus PKR 1.280 billion in the comparative year i.e. higher by 7.3%, mainly due to the following:

- During the year, PSX had revised the Annual Listing fee and reduced subsidies on the facilities provided to the TREC & Non-TREC holders in order to optimize revenues and costs. These initiatives resulted in the respective revenue increase by PKR 76 million in the year ended June 30, 2020.
- Despite the uncertain economic environment, average daily traded values increased in contrast to last year i.e. PKR 10.8 billion in FY19-20 vs. PKR 9.5 billion in FY18-19, resulting in an increase in trading fees by PKR 13 million.
- Markup income was favorable by PKR 8 million as compared to last year, due to higher interest rates.
- Share of Profit from Associates was higher by PKR 40 million in contrast to last year due to improved performance of NCCPL & CDC.
- However, the impact of the above mentioned incremental revenue was mitigated due to decrease of PKR 40 million in initial Listing fee as compared to FY19 mainly as one-time additional listing fee was received on account of other than right issue from PIA Corporation Limited due to increase in paid-up capital in FY18-19.

The Management was conscious of the difficult business environment and focused on effective cost management. Therefore, total operating expenses of PSX for the FY2019-20 were recorded at PKR 1.182 billion versus PKR 1.188 billion in the comparative year i.e. lower by 0.5%.

PSX delivered a post-tax profit of PKR 194 million for the FY19-20 versus PKR 88 million in the FY18-19.

Dividend

In view of the ongoing capital investment projects, including implementation of the new Trading and Surveillance System, as well as the current profitability and cash flows, the Directors prudently recommended no cash dividend for the financial year ended June 30, 2020.

Earnings Per Share (EPS):

The basic and diluted earnings per share is PKR 0.24 for the FY19-20 vs. PKR 0.11 for the FY18-19.

Market Performance:

Particulars	Year ended	
	June 30, 2020	June 30, 2019
KSE-100 Index	34,422	33,902
Market Capitalization (PKR in billion)	6,530	6,887
Average daily value traded – Ready (PKR in billion)	7.6	6.7
Average daily value traded – Futures (PKR in billion)	3.2	2.8
Average daily volume traded – Ready (million)	212	165
Average daily volume traded – Futures (million)	80	69

Changes During the Financial Year

During the year, PSX entered into a contract with Shenzhen Stock Exchange (a related party) for purchase of Trading and Surveillance System. This will replace the existing trading system (KATS). The installation and implementation of the new IT trading system is in process.

Material Changes and Commitments Affecting Financial Position of PSX

There have been no 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 relate to and the date of the report.

PSX Outlook - Trends and Factors Likely to Affect the Future Development, Performance, and Position of the Company's Business

Business Continuity during COVID-19

PSX is committed to serving all our investors and stakeholders. We have ensured business continuity at PSX by successfully working through virtual platforms. PSX has continued to work seamlessly despite the challenging work environment created by the lockdowns due to COVID 19 virus situation. The virtual soft launch of ETFs, in the current environment, demonstrates our commitment to continue operating normally and serve all our stakeholders.

Exchange Traded Funds and Product Enhancements

One of the major milestones achieved by PSX is the launch of Exchange Traded Funds (ETFs) in March 2020. After thorough review of best market practices, internal and external consultation, PSX finalized the ETF framework and listed two ETFs, namely UBL Pakistan Enterprise ETF (UBLP-ETF) and NIT Pakistan Gateway ETF (NITG-ETF). Both ETFs are managed by leading asset management companies. Furthermore, a comprehensive Market Making framework was also finalized and currently a market maker is appointed for both ETFs. PSX aims to increase the number of ETF listings and appoint additional market makers to support the trading of ETFs. Notably, a new product was launched on PSX after many years. We would like to thank all the participants, including the Securities and Exchange Commission of Pakistan (the Commission), for their support in launching the ETFs in the Pakistan market.

A number of other asset managers are now exploring the launch of ETFs in the market. We believe that the introduction of ETFs will attract many new investors to the stock market and will enhance the overall trading and liquidity in the market, in the long term. Amid the COVID-19 outbreak, the ETF launch was managed virtually, including the media and investor awareness sessions.

PSX has also introduced new data licenses for various usage categories to enhance accessibility of market data. The effort is expected to broaden the revenue opportunity of our data product suite by building new partnerships with local and international data vendors.

In the fixed income segment, PSX is also working towards the launch of PIBs, Ijara, Sukuk and T-bills for trading on PSX's BATS platform.

On the Futures side, PSX has proposed Futures Enhancement Plan to SECP after taking feedback from all stakeholders.

IT Achievements and Initiatives

New Trading and Surveillance System

PSX and Shenzhen Stock Exchange (SZSE) signed the contract for the new Trading and Surveillance System project in November 2019. PSX achieved the first milestone with the launch of Surveillance System as pilot which was delivered in March 2020. This is designed to provide real-time alerts and reporting. Regarding the infrastructure, a complete overhaul in terms of faster network connectivity and greater processing power will be implemented.

Enhancing our Business Continuity Plan, the implementation of a Cold DR site to ensure systems availability is under implementation so that even during a major disaster scenario, PSX operations can start from next working day from the Cold site located in a different city. This is in addition to the Hot DR site within Karachi, which is a real-time DR site.

The new trading system acquired from SZSE provides the safest and most advanced securities trading system with the utmost reliability, superior performance and low latency along with strong scalability. SZSE has an astonishing safe-operation record of 17 years without trading interruption in Shenzhen Stock Exchange.

The new trading system is configured for processing 2,000 orders/s and 4,000,000 orders/day with a latency of only 2 milliseconds. The system is scalable and by simply adding more servers the capacity can be enhanced to 200,000 orders/s, 400 million orders/day, if required. The system also provides an automatic failover completed within 10 seconds and a local disaster recovery switching time within 3 minutes.

The new surveillance system can analyze indicators and identify abnormal trading behaviors, as well as illegal trades such as insider trading, market manipulation, and front running, in a timely and effective manner. The latest version of the surveillance system adopts an open platform and a distributed architecture, and is based on high-throughput, low-latency message bus technology and stream computing technology. It is supported by a variety of data platforms and uses open source technologies and service design concepts, with a processing speed of 100,000 trades per second. The new surveillance system is based on a big-data data-warehouse developed using open-source technology.

SUKUK Book Building

PSX ITD enhanced its web based book building system to incorporate Sukuk book building, thus developing the capability of Debt instrument book building, which led to the successful conclusion by PSX of first ever debt issuance through book building for Power Holding Limited (PHL) Energy Sukuk. This led to a significant increase in interest from investors and was heavily oversubscribed, at very attractive rates for PHL.

Exchange Traded Funds (ETF)

The first ever ETFs of two major Asset Management Companies have been listed and launched in the market. After months of rigorous testing and dozens of mock exercises with participations of TREC holders, PSX successfully managed the Go-Live of the systems, even during the challenging times of Covid-19.

Murabaha Share Financing (MSF)

A system was developed for NCCPL through which traders have the facility to execute trades based on Murabaha (Shariah) financing in the ready market. The introduction of MSF has opened the venue for traders who opt for Islamic financing over conventional.

TREC Holder Information Management System (THIMS)

Developed by PSX IT, THIMS is a central repository that facilitates TREC Holders by introducing one window operation for information submission instead of using multiple forums. The system is accessed by TREC Holders, PSX, SECP and other concerned parties, which greatly improves efficiency of the processes and curtails the use of paper forms.

Widening of Circuit Breaker and Index Based Market Halt

PSX developed and implemented the Index Based Market Halt in the Trading System, bringing PSX in-line with the best international practices. The halt facilitates in managing the risk as market participants respond to systematic factors affecting securities across many sectors. Imposing such halts on index movement allows adequate cooling-off period to investors to assess the market. PSX has applied the index-based market halt in case KSE-30 Index moves 5% either way from its opening index value. Since its deployment, the halt has been triggered 10 times.

Trading Hall Screens

Over a decade old display screens at the PSX Trading Hall were replaced with three new HD displays. Improved and aesthetic market watch screens have been developed for Stocks Screen, Stage Screen and the market ticker, providing a modern outlook to the PSX Trading Hall.

In-progress Projects

Relationship Management

IT department is planning to introduce relationship management system (CRM) throughout the organization to help manage external interactions with customers.

Centralized Billing

A standard billing system for generation of invoices covering room rent, electricity charges, trading services, listing fee, and other trading fees invoicing collection of payment through automated means will be implemented in FY2020-21.

Market Maker for Debt Securities

This will allow market makers to perform continuous trading in debt/Govt. securities to provide liquidity.

Listing Achievements and Activities

- Listing of six privately placed debt securities, including PHL's Pakistan Energy Sukuk-I of PKR 200 billion in October 2019.
- Private Placement of PHL's Pakistan Energy Sukuk-II through Book Building in May 2020. The issue was over-subscribed by 1.70x by a wide range of investors (banks as well as non-banks) and helped the GoP in saving PKR 1.8 billion annually in debt servicing costs.
- Listing of Pakistan's first two ETFs, i.e. NIT Pakistan Gateway ETF and UBL Pakistan Enterprises ETF, in March 2020
- IPO of BankIslami Pakistan Limited's Modaraba Sukuk Certificates of PKR 2 billion in April 2020 which was over-subscribed by 1.07x. Listing of BIPL's Sukuk in May 2020.
- Regulatory amendments in PSX's regulatory framework to ensure consistency and harmony between PSX Regulations and the amendments notified in the Public Offering Regulations, 2017; and the requirements of the Companies Act, 2017 and the Securities Act, 2015 in January 2020.
- Proposed revision in listing fees of equity securities in April 2020 and proposed revision in listing fees of debt securities in June 2020 after conducting a comprehensive benchmarking exercise with other stock exchanges.
- Successfully planned and organized PSX's prestigious Top Companies Awards for the years 2016, 2017 and 2018 in December 2019.

Developments in Product Management & Research

In order to achieve the goal of having a world-class suite of products, PSX is committed to improve its existing product offerings.

Two new indices were introduced during the year namely NIT Pakistan Gateway Index (NITPG Index) and UBL Pakistan Enterprise Index (UPP9 Index). This was done to allow newly launched ETFs to track a particular index.

Marketing and Business Development Initiatives

As part of PSX's vision to be one of the best exchanges in the world, the Marketing & Business Development (MBD) Team has undertaken several steps to disseminate awareness & education for investors, increase investor base and create awareness for listings. The Team also played its due role in Corporate Social Responsibility as well as sustainability awareness in conjunction with United Nations Development Program's (UNDP's) Sustainable Development Goals (SDGs) agenda by advocating Sustainability to its listed companies.

In Business Development which was one of the major priorities of PSX throughout the financial year, PSX has sought to increase listing awareness amongst potential companies. During this process, the Business Development team, by virtue of an active outreach program, identified a pipeline of potential companies. The team also liaised with Consultants to the Issue to connect and provide facilitation to the potential companies. Comprehensive marketing strategies have been launched country-wide to inform potential investors and brokerage community of the new Growth Enterprise Market (GEM) Equity Board. The Corporate Analyst Briefing Program has also been running successfully as many companies hold their corporate briefings at PSX which is a source of added revenue.

In Investor Education, numerous sessions have been held for private, public and corporate bodies and educational institutions for imparting financial literacy and awareness to (prospective) investors. Customized material was prepared and presented in this regard to members of the public, may it be listed companies' employees, members of associations, members & functionaries of Chambers of Commerce & Industry, students of educational institutes and members of professional bodies. Numerous sessions and webinars were also carried out in the wake of the Coronavirus pandemic. Several articles were also written for PSX website blog and newspaper publications to promote the cause for investment and create awareness amongst (potential) investors. Strong focus remained on digital activities throughout the year.

Several events were held in order to promote and strengthen the PSX brand such as gong ceremonies, Top 25 Companies Awards, and launch of Exchange Traded Funds (ETFs). In the sphere of public relations and media, several interviews representing the PSX senior management were held for major TV news channels and press releases issued to promote and highlight the activities and events of the Capital Market.

In terms of Corporate Social Responsibility (CSR), PSX undertook initiatives such as provision of rations to the deserving in the vicinity of PSX through the Orange Tree Foundation. Furthermore, PSX donated aid to the Aga Khan University Hospital and its Patients' Behbud Society to help meet the challenge of the Coronavirus pandemic. PSX also contributed substantially to Akhuwat Foundation's Corona Imdad Fund.

Risk Management & Information Security

During the year, PSX achieved the ISO/IEC 22301 Business Continuity Management System (BCMS) Certification for PSX Head Office. This is a milestone achievement which endorses PSX as ISO certified and brings international recognition. PSX confirmed its resilience during the COVID-19 pandemic by smoothly executing its operations while ensuring necessary information security protocols and resource management.

Information Security was further enhanced during the year with the development and implementation of a comprehensive information security program including information security policy framework, security operations, business continuity plan, risk management, training & awareness programs, deployment of Smart Protection and Endpoint Detection & Response (EDR) solution to provide PSX with greater visibility and monitoring for suspicious activities targeting end-user devices.

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 PSX are highly dependent 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 PSX'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 and 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 Pakistani 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 Pakistani 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 continues 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:

- Our ability to successfully introduce new services and products in a timely manner especially due to the impact of the COVID-19 pandemic.
- The general condition of the Pakistani, 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 asset class, as well as on a number of external factors, such as trading activity and price levels in 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, which impact trading volumes, investment flows in the stock market and cash flows. Thus changes in interest rates may materially adversely affect our financial position and 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 [Commission] 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 could have a material adverse effect on our business, reputation, financial condition and results of operations.

Additionally, PSX exercises 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 FY2019-20, PSX paid an aggregate tax of PKR 320 million to the Government Exchequer (PKR 989 million in FY2018-19) on account of taxes collected from TREC holders on securities market transactions and on PSX revenues. In addition, we count some of the largest tax payers in the country amongst our investors and listed companies.

Board of Directors

During the financial year 2019-20, the following changes occurred on the Board:

- Syed Masoud Ali Naqvi resigned as an independent director of PSX with effect from October 28, 2019, and in order to fill the casual vacancy so created, Mr. Javed Kureishi was appointed in his place on March 03, 2020, with approval of the Commission.
- Mr. QUE Bo resigned as shareholder director, representing Shanghai Stock Exchange (SSE) on the Board of PSX, with effect from November 27, 2019, subsequent to which, upon receiving the fresh nomination from SSE, the Board appointed Mr. FU Hao in his place, effective January 17, 2020.

- On January 09, 2020, Mr. Shahnawaz Mahmood resigned as shareholder director representing Pak China Investment Company Limited (PCICL) and Mr. Wang Baojun was appointed on February 26, 2020, to fill the said vacancy, being the succeeding nominee of PCICL on the Board of PSX.
- Mr. Farrukh H. Khan, whose appointment was previously approved by the Commission on recommendation of the Board, assumed the office of Chief Executive Officer (CEO) of PSX with effect from February 24, 2020. Mr. Khan, accordingly, replaced Mr. Muhammad Rafique Umer, who was officiating as Acting CEO of PSX till February 21, 2020.

The Board places its appreciation on record for the contributions made by the outgoing directors and wishes them all the best in their future endeavours.

As at the end of the financial year 2019-20, the Board of Directors of PSX consisted of fifteen (15) directors (excluding an alternate director) which included:

Male Directors	13
Female Director	2

The composition of the Board was as follows:

Independent Directors

- | | |
|---------------------------|--------------------------------------|
| (i) Mr. Sulaiman S. Mehdi | (ii) Mr. Shehzad Chamdia |
| (iii) Ms. Naz Khan* | (iv) Mr. Saad Amanullah Khan |
| (v) Mr. Javed Kureishi | (vi) Mr. Mohammad Salahuddin Manzoor |
| (vii) Mr. Amjad Pervez | |

Other Non-Executive Directors / Shareholder Directors

- | | |
|--------------------------------|---|
| (i) Mr. Mohammad Ashraf Bawany | (ii) Mr. FU Hao |
| (iii) Mr. Ahmed Chinoy | (iv) Mr. Abid Ali Habib |
| (v) Ms. Yu Huali | (vi) Mr. Wang Baojun |
| (vii) Mr. Zhiping Rong | (viii) Mr. You Hang (Alternate of Mr. Zhiping Rong) |

Executive Director / Chief Executive Officer

- (i) Mr. Farrukh H. Khan

* Subsequent to year-end, Ms. Naz Khan resigned as an independent director, effective July 07, 2020.

During the financial year ended June 30, 2020, 12 meetings of the Board (07 scheduled and 05 emergent) were held, at which Directors' attendance is enclosed 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 the Commission, Securities Exchanges (Licensing and Operations) Regulations, 2016 and Listed Companies (Code of Corporate Governance) Regulations, 2019 and to meet the specific requirements of the business of PSX 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 the aforementioned Committees is attached as Annexure-II to the Directors' Report.

Auditors

The present auditors, M/s. Grant Thornton Anjum Rahman, Chartered Accountants, shall stand retired as on the date of Annual General Meeting and being eligible, have offered themselves for re-appointment.

The Board, on the recommendation of the Audit Committee, further recommends to the shareholders to re-appoint M/s. Grant Thornton Anjum Rahman, Chartered Accountants, as statutory auditors of the Company for the financial year ending on June 30, 2021.

Revised Content of the Independent Auditor's Report

There has been no change in the International Auditing and Assurance Standards Board (IAASB) set of auditing standards dealing with the auditors reporting requirements adopted by the SECP in its regulations on auditors reporting obligations issued in April 2018.

Corporate Governance

The Board of Directors and the Company remain committed to the principles of good corporate management practices with an 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 adopted the best corporate governance practices and complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019, as fully explained in the Statement of Compliance annexed to the Annual Report. PSX would further like to report as follows:

- Proper books of accounts 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 the 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, and 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 PSX'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 PKR 74.396 Million based on unaudited accounts for the year ended June 30, 2020.
- Key operating and financial data of the last 6 years has been included in this report.

Directors' Remuneration

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

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

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

For more information on Remuneration of Directors and CEO in 2019-20, please refer note 32 in the financial statements.

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 PSX'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 business of PSX has no material negative impact on the environment.

Corporate Social Responsibility

PSX, being a national institution and a responsible corporate citizen, strongly realises 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 utilised for such activities.

During the year under review, PSX contributed to the following initiatives:

- PSX, its directors and employees made donations towards a fund to be spent on causes of health and social welfare, to deal with the prevailing situation due to the emergence and spread of COVID-19 virus. After the terrorist attack at PSX on June 29, 2020, PSX contributed PKR 10 million to the facility that was set up for the welfare of the injured and families of the martyred. Moreover, TREC-holders and other market participants were also encouraged to back this cause. The total contribution from the Exchange in this regard amounted to PKR 12.75 million. Details of the same are as follows:

Party	Amount (PKR in million)
PSX Contribution to the Fund for martyred security personnel in attack on PSX	10
Aga Khan Hospital and Medical College Foundation	1.5
The Orange Tree Foundation	1
Akhuwat Corona Imdad Fund	0.25
Total	12.75

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.

The Board would like to thank all Board members for their guidance and support, and acknowledges and appreciates the contribution and dedication of all staff members of PSX in performing their tasks with diligence and commitment, particularly in the recent unprecedented challenging work environment.

For and on behalf of the Board of Directors



SULAIMAN S. MEHDI

Chairman



FARRUKH H. KHAN

Chief Executive Officer

Karachi

Dated: September 22, 2020

Board of Directors - Attendance at Meetings

Annexure I

Name of Director	From July 01, 2019 to June 30, 2020	
	Meetings entitled	Meetings attended
Mr. Sulaiman S. Mehdi (Chairman)	12	12
Mr. Farrukh H. Khan (Chief Executive Officer) [6]	04	04
Mr. Mohammad Ashraf Bawany	12	11
Mr. Shehzad Chamdia	12	12
Mr. Ahmed Chinoy	12	12
Mr. Abid Ali Habib	12	12
Ms. Yu Huali	12	07
Mr. Saad Amanullah Khan	12	09
Ms. Naz Khan	12	11
Mr. Mohammad Salahuddin Manzoor	12	12
Mr. Amjad Pervez	12	09
Mr. You Hang	12	12
Syed Masoud Ali Naqvi [1]	04	03
Mr. QUE Bo [2]	05	-
Mr. Shahnawaz Mahmood [3]	06	06
Mr. FU Hao [4]	05	05
Mr. Mohammad Rafique Umer [5]	08	08
Mr. Wang Baojun [7]	03	03
Mr. Javed Kureishi [8]	03	03

[1] Resigned as director on October 28, 2019.

[2] Resigned as director on November 27, 2019.

[3] Resigned as director on January 09, 2020.

[4] Appointed as director on January 17, 2020.

[5] Retired as Acting CEO on February 21, 2020.

[6] Assumed office as CEO on February 24, 2020.

[7] Appointed as director on February 26, 2020.

[8] Appointed as director on March 03, 2020.

Leaves of absence were granted to directors who could not attend some of the Board meetings.

Regulatory Affairs Committee

Name of Committee Member	From July 01, 2019 to June 30, 2020	
	Meetings entitled	Meetings attended
Mr. Sulaiman S. Mehdi (Chairman)	10	09
Ms. Naz Khan	10	06
Mr. Amjad Pervez	10	10
Mr. Mohammad Salahuddin Manzoor [1]	08	08
Syed Masoud Ali Naqvi [2]	02	01

[1] Appointed as member on September 26, 2019.

[2] Resigned and ceased to be member on October 28, 2019

Nomination Committee

Name of Committee Member	From July 01, 2019 to June 30, 2020	
	Meetings entitled	Meetings attended
Mr. Sulaiman S. Mehdi (Chairman)	01	01
Mr. Mohammad Ashraf Bawany	01	01
Mr. You Hang	01	01
Mr. Saad Amanullah Khan	01	01
Syed Masoud Ali Naqvi [1]	-	-

[1] Resigned and ceased to be member on October 28, 2019.

Audit Committee

Name of Committee Member	From July 01, 2019 to June 30, 2020	
	Meetings entitled	Meetings attended
Mr. Shehzad Chamdia (Chairman) [3]	06	06
Mr. Ahmed Chinoy	06	06
Ms. Naz Khan	06	05
Syed Masoud Ali Naqvi [1]	02	02
Mr. Shahnawaz Mahmood [2]	03	02
Mr. You Hang [4]	02	02

[1] Resigned and ceased to be Chairman on October 28, 2019.

[2] Resigned and ceased to be member on January 09, 2020.

[3] Appointed as Chairman on February 26, 2020.

[4] Appointed as member on February 26, 2020

Human Resources & Remuneration Committee

Name of Committee Member	From July 01, 2019 to June 30, 2020	
	Meetings entitled	Meetings attended
Mr. Sulaiman S. Mehdi (Chairman)	03	03
Mr. Mohammad Ashraf Bawany	03	03
Mr. Abid Ali Habib	03	03
Mr. Saad Amanullah Khan	03	03
Mr. Shahnawaz Mahmood [1]	02	02
Mr. You Hang [2]	01	01

[1] Resigned and ceased to be member on January 09, 2020.

[2] Appointed as member of Committee on February 26, 2020.

Note: The existing compositions of aforementioned committees are available at the Corporate Information page of the Annual Report.

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

**GRANT THORNTON ANJUM RAHMAN**

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**TO THE MEMBERS OF PAKISTAN STOCK EXCHANGE LIMITED
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pakistan Stock Exchange Limited (the Company) for the year ended June 30, 2020 in accordance with the requirements of regulation 36 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. 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.

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 June 30, 2020.

Chartered Accountants

Place: Karachi

Date: September 22, 2020

Chartered Accountants
Member of Grant Thornton International Ltd
Offices in Islamabad, Lahore

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

For the year ended June 30, 2020

Pakistan Stock Exchange Limited (the Exchange) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The Board of Directors of the Exchange (the Board) consisted of fifteen (15) directors (excluding an alternate director) as on June 30, 2020, as per the following categories:

Category	Number of Directors
Male Directors	13
Female Directors	02

2. The composition of the Board as on June 30, 2020, was as follows:

Category	Names
Independent Directors	<ul style="list-style-type: none"> (i) Mr. Sulaiman S. Mehdi (Chairman) (ii) Mr. Shehzad Chamdia (iii) Ms. Naz Khan* (iv) Mr. Saad Amanullah Khan (v) Mr. Javed Kureishi (vi) Mr. Mohammad Salahuddin Manzoor (vii) Mr. Amjad Pervez
Other Non-Executive/ Shareholder Directors	<ul style="list-style-type: none"> (i) Mr. Mohammad Ashraf Bawany (ii) Mr. Wang Baojun (iii) Mr. Ahmed Chinoy (iv) Mr. Abid Ali Habib (v) Mr. FU Hao (vi) Ms. Yu Huali (vii) Mr. Zhiping Rong <ul style="list-style-type: none"> • Mr. You Hang (Alternate for Mr. Zhiping Rong)
Executive Director	<ul style="list-style-type: none"> (i) Mr. Farrukh H. Khan (Chief Executive Officer)

* Subsequent to year-end, Ms. Naz Khan resigned as Independent Director, effective July 07, 2020.

3. The directors have confirmed that none of them is serving as a director on more than seven (7) listed companies, including the Exchange;
4. The Exchange has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Exchange along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Exchange. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Exchange;
6. 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;
7. All meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Companies Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board of directors have a formal policy and transparent procedures for remuneration of directors, in accordance with the Companies Act and the Regulations;
9. As of the end of financial year, more than half of the directors on the Board, are either in possession of the prescribed certification under Directors' Training program (DTP) or otherwise exempted from such requirements;

Further, the following director and executive of the Exchange, have acquired DTP certification during the financial year:

Name of Director	Designation
Mr. You Hang	Alternate Director

Name of Executive	Designation
Ms. Asmaa Saleem Malik	Head of Listing

10. 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. During the financial year, while there was no new appointment of CFO and Head of Internal Audit, the appointment of Company Secretary, including her remuneration and terms & conditions of employment, were approved by the Board;
11. 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, 2020:

Name of Committee	Composition
Audit Committee	<ol style="list-style-type: none"> 1. Mr. Shehzad Chamdia (Chairman) 2. Mr. Ahmed Chinoy (Member) 3. Ms. Naz Khan (Member)* 4. Mr. You Hang (Member)
Human Resources and Remuneration Committee	<ol style="list-style-type: none"> 1. Mr. Sulaiman S. Mehdi (Chairman) 2. Mr. Mohammad Ashraf Bawany (Member) 3. Mr. Abid Ali Habib (Member) 4. Mr. Saad Amanullah Khan (Member) 5. Mr. You Hang (Member)
Nomination Committee	<ol style="list-style-type: none"> 1. Mr. Sulaiman S. Mehdi (Chairman) 2. Mr. Mohammad Ashraf Bawany (Member) 3. Mr. Saad Amanullah Khan (Member) 4. Mr. You Hang (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, as at the end of financial year, was as follows:

Name of Committee	Composition
Regulatory Affairs Committee	<ol style="list-style-type: none"> 1. Mr. Sulaiman S. Mehdi (Chairman) 2. Ms. Naz Khan (Member)* 3. Mr. Salahuddin Manzoor (Member) 4. Mr. Amjad Pervez (Member)

** Subsequent to year-end, Ms. Naz Khan resigned as Independent Director, effective July 07, 2020.*

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 of the committees held during the year, were as follows:

Name of Committee	Number of Meetings
Audit Committee	06
Human Resources and Remuneration Committee	03
Nomination Committee	01
Regulatory Affairs Committee	10

15. The Board has set up an effective internal audit function through a combination of internal resources and outsourced expertise procured from A. F. Ferguson & Co. Chartered Accountants (a member firm of the PwC network). Internal Auditors are considered suitably qualified and experienced for the purpose and are conversant with policies and procedures of the Exchange. The internal resources are engaged in internal audit function on a full time basis;
16. The statutory auditors of the Exchange 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 and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or Directors of the Exchange;
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 requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Non-Mandatory Provision	Regulation Reference	Explanation
The Board may constitute the Risk Management Committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30(1)	Currently, the Board has not constituted a separate Risk Management Committee and the functions are being performed by the Board's Audit Committee (BAC). In addition, the terms of reference of BAC covers all the responsibilities assigned to the Risk Management Committee under the Regulations.

On behalf of the Board of Directors



SULAIMAN S. MEHDI
Chairman of the Board



FARRUKH H. KHAN
Chief Executive Officer

Karachi
Dated: September 22, 2020

Compounding Growth

PSX provides an ideal platform for investors to achieve growth and prosperity through diversification of investments in different market sectors & industries.



-0.00

+10.

+0.17

+9.

+9.00

+1.30

+9.

+0.06

+9.

-1.70

-9.

+0.60

+8.

+2.15

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS



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 June 30, 2020, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and 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, the statement of profit or loss, the statement of 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 June 30, 2020 and of the profit, other comprehensive income, 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.

Emphasis of Matter

We draw attention to the contents of note 24 to the financial statements in respect of contingencies. The ultimate outcome of the matters referred therein cannot be presently be determined with certainty and hence, no provision for any liability that may arise from such matters has been made in the financial statements. Our opinion is not modified in respect of this matter.

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. Following are the key audit matters:

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Key audit matters	How the matter was addressed in our audit
IT Systems and controls over revenue recognition	
<p>The Company uses automated securities trading system (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>Our audit procedures among others included:</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 controls 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 procedure included the testing of system logics, automated calculation and validations, testing of system generated information, system interfaces and reconciliations.
Proposed carve-out assets and liabilities	
<p>As referred to in note 19 to the financial statements, during the previous year, the Board of Directors principally approved a proposal to carve-out the real estate assets and related liabilities of the Company to a separate legal entity of the Company which would initially be owned by the existing shareholders of the Company. Accordingly, keeping in view the requirements of the IFRS-05 "Non-current Assets Held for Sale and Discontinued Operations" the Company had classified certain assets and liabilities from the respective line items in the statement of financial position to current assets and liabilities shown separately on the face of the statements of financial position.</p> <p>The above represents an event with a significant impact on the financial statements and hence, we have identified the same as a key audit matter.</p>	<p>Our audit procedures among others included:</p> <ul style="list-style-type: none"> ▪ we discussed with the management, the legal requirements and the steps required to complete the said transaction including the required regulatory approval and the frame envisaged in this regard. ▪ we assessed the financial reporting implications of the transaction in accordance with the requirements of IFRS 05 including the measurement of related assets and liabilities as of the year end. ▪ We reviewed the revaluation report of an independent valuer to understand the basis and methodology used for such valuation. ▪ we assessed the adequacy of related disclosures in the financial statements in accordance with applicable financial reporting standards.

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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual report for the year ended June 30, 2020, but does not include the financial statements and our auditor's 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 in 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.

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

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

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- 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 auditor's 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 auditor's 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 auditor's 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, the statement of 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) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980

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Other Matter

The financial statements of the Company for the year ended June 30, 2019 were audited by another auditor who expressed an unmodified opinion on those statements dated August 29, 2019 respectively.

The engagement partner on the audit resulting in this independent auditor's report is Khurram Jameel.



Chartered Accountants
Karachi
Date: September 22, 2020

PAKISTAN STOCK EXCHANGE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

	Note	2020	2019
		----- (Audited)-----	
		----- (Rupees in '000) -----	
Assets			
Non-Current Assets			
Property and equipment	6	352,351	257,275
Intangible assets	7	647,846	153,984
Investment in associates	8	2,735,815	2,422,302
Long term investments	9	186,522	179,565
Long term deposits	10	11,471	10,934
Long term loans	11	15,082	4,867
Deferred tax asset	12	189,367	139,517
		4,138,454	3,168,444
Current Assets			
Trade debts	13	58,392	90,099
Loans and advances	14	25,454	19,754
Prepayments	15	29,723	60,983
Other receivables	16	98,692	76,819
Short term investments	17	1,480,522	1,738,212
Taxation – net		550,737	523,975
Cash and bank balances	18	523,893	243,585
		2,767,413	2,753,427
Assets held for distribution to shareholders/ disposal	19	4,729,327	4,697,480
		7,496,740	7,450,907
Total Assets		11,635,194	10,619,351
Share Capital Reserves and Liabilities			
Authorized capital	20	10,000,000	10,000,000
Share capital	20	8,014,766	8,014,766
Reserves		231,981	60,643
Revaluation surplus on property and equipment - net	19.2.1	815,134	815,134
		9,061,881	8,890,543
Non-Current Liabilities			
Dara F. Dastoor scholarship fund		2,000	2,000
Long term deposits	21	438,945	299,859
Long term payable	22	199,368	-
		640,313	301,859
Current Liabilities			
Unclaimed dividend		1,457	2,053
Current portion of long term payable	22	159,120	-
Trade and other payables	23	1,449,846	1,102,096
		1,610,423	1,104,149
Liabilities related to assets held for distribution to shareholders/ disposal	19	322,577	322,800
		1,933,000	1,426,949
Contingencies and Commitments	24		
Total Share Capital, Reserves and Liabilities		11,635,194	10,619,351

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Chairman

PAKISTAN STOCK EXCHANGE LIMITED
STATEMENT OF PROFIT OR LOSS
 FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		----- (Audited)-----	----- (Rupees in '000) -----
Revenue			
Listing fee	25	403,558	378,259
Income from exchange operations	26	391,225	356,097
Mark-up / interest income	27	141,048	132,635
Rental income from investment property	19.2.2	47,094	55,617
		982,925	922,608
Operating cost			
Administrative expenses	28	(1,182,137)	(1,187,655)
		(199,212)	(265,047)
Operating loss			
Other income	29	6,076	13,658
Share of profit from associates	8.1	383,622	343,638
Net profit before taxation		190,486	92,249
Taxation	30	3,744	(4,065)
Net profit after taxation		194,230	88,184
Basic and diluted earnings per share	31	0.24	0.11

The annexed notes from 1 to 39 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

PAKISTAN STOCK EXCHANGE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- (Audited)-----	
	----- (Rupees in '000) -----	
Net profit for the year	194,230	88,184
Other comprehensive income		
Items not to be reclassified to profit and loss in subsequent periods:		
Actuarial gain / (loss) on employees' gratuity fund		
- Company	(40,306)	(19,955)
- Associates	2,859	(6,743)
	(37,447)	(26,698)
Tax effect on actuarial loss on employees' gratuity fund		
- Company	11,689	5,787
- Associates	179	840
	11,868	6,627
	(25,579)	(20,071)
Unrealized gain on revaluation of investment at FVOCI	3,161	-
- Tax effect on unrealized gain	(474)	-
	2,687	-
Revaluation surplus on property and equipment - net off tax	-	137,152
Share of other comprehensive income from associates' in respect of revaluation on investments at FVOCI	-	238
Total Comprehensive income for the year	171,338	205,503

The annexed notes from 1 to 39 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

PAKISTAN STOCK EXCHANGE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- (Audited)-----	
	----- (Rupees in '000) -----	
Cash Flows from Operating Activities		
Profit before taxation	190,486	92,249
Non-cash adjustments to reconcile income before tax to net cash flows		
Depreciation in tangible assets	73,137	154,370
Amortisation on intangible assets	63,330	63,782
Dividend income	(500)	(1,750)
Provision for gratuity	27,639	28,836
Mark-up / interest income	(136,877)	(130,659)
Provision for trade debts - net	5,642	3,388
Discount on Pakistan Investment Bonds	(4,171)	(1,976)
Gain on disposal of fixed assets - net	(647)	(1,099)
Share of profit of associates	(383,622)	(343,638)
	(356,069)	(228,746)
	(165,583)	(136,497)
Working capital adjustments:		
Decrease / (Increase) in current assets		
Trade debts	26,065	(35,906)
Loans and advances	(5,700)	(56)
Prepayments	31,260	(25,624)
Other receivables	(36,150)	(124,093)
	15,475	(185,679)
Increase / (decrease) in current liabilities		
Current portion of long term payable	159,120	-
Trade and other payables	298,281	17,132
	457,401	17,132
Income tax paid	(65,322)	(79,059)
Gratuity paid	(19,295)	(35,832)
Mark-up / interest received	120,907	124,543
Long term deposit from members	139,086	49,691
Long term loans	(10,215)	6,144
Long term payable	199,368	-
	364,529	65,487
Net cash generated from / (used in) operating activities	671,821	(239,557)

PAKISTAN STOCK EXCHANGE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- (Audited)-----	
	----- (Rupees in '000) -----	
Cash Flows from Investing Activities		
Capital expenditure	(745,091)	(214,926)
Proceeds from sale of fixed assets	6,502	4,719
Dividend received	73,647	65,098
Proceeds from sale of investments	5,938,999	7,291,160
Investments purchased	(5,665,033)	(7,073,948)
Long term deposits	(537)	(2,037)
Net cash (used in) / generated from investing activities	(391,513)	70,066
Net increase / (decrease) in cash and cash equivalents	280,308	(169,491)
Cash and cash equivalents at the beginning of the year	243,585	413,076
Cash and Cash Equivalents at the end of the Year	523,893	243,585

The annexed notes from 1 to 39 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

PAKISTAN STOCK EXCHANGE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2020

	Share Capital	Revenue Reserves Un-appropriated profit	Capital Reserves Revaluation surplus on property and equipment	Revaluation surplus on investments at FVOCI	Share of Associates' Reserves	Total
----- (Rupees in '000) -----						
Balance as at July 01, 2018	8,014,766	2,348	708,820	8,147	(49,041)	8,685,040
Net profit for the year	-	88,184	-	-	-	88,184
Other comprehensive income / (loss)	-	(14,168)	137,152	-	(5,665)	117,319
Total comprehensive income / (loss) for the year	-	74,016	137,152	-	(5,665)	205,503
Transfer from revaluation surplus on property and equipment incremental depreciation - net of tax	-	30,838	(30,838)	-	-	-
Balance as at June 30, 2019	8,014,766	107,202	815,134	8,147	(54,706)	8,890,543
Balance as at July 01, 2019	8,014,766	107,202	815,134	8,147	(54,706)	8,890,543
Net profit for the year	-	194,230	-	-	-	194,230
Other comprehensive income / (loss)	-	(28,617)	-	2,687	3,038	(22,892)
Total comprehensive income for the year	-	165,613	-	2,687	3,038	171,338
Balance as at June 30, 2020	8,014,766	272,815	815,134	10,834	(51,668)	9,061,881

The annexed notes from 1 to 39 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

PAKISTAN STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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.

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.

- 1.2.** Shareholders of the Company include the following foreign shareholders:

China Financial Futures Exchange Company Limited

Legal Status	Limited by Shares
Owners	CFFEX was setup jointly by Shanghai Futures Exchange, Zhengzhou Commodity Exchange, Dalian Commodity Exchange, Shanghai Stock Exchange and Shenzhen Stock Exchange, each accounting for 20% of total shares.
Chief Executive Officer	Rong Zhiping

Shanghai Stock Exchange limited

Legal Status	Non-profit organization directly governed by the China Securities Regulatory Commission.
Owners	Membership-based exchange
Chief Executive Officer	Jiang Feng

Shenzhen Stock Exchange Limited

Legal Status	Non-profit organization directly governed by the China Securities Regulatory Commission.
Owners	Membership-based exchange
Chief Executive Officer	Wang Jianjun

PAKISTAN STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

- 1.3.** During the year, the Company entered into a contract with Shenzhen Stock Exchange (a related party) for purchase of Trading and Surveillance System. This will replace the existing trading system (KATS). The installation and implementation of the new IT trading system is in process.

2. STATEMENT OF COMPLIANCE

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 ; 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.

3 BASIS OF MEASUREMENT

- 3.1** These financial statements have been prepared under the historical cost convention except as mentioned in note 5.

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

4 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS

4.1 Standards, amendments and interpretations adopted during the current year

Standard or Interpretation	Effective date (annual periods beginning on or after)
IAS 12 'Income tax consequences of payments on financial instruments classified as equity'	January 1, 2019
IAS 19 'Plan Amendment, Curtail or Settlement' (Amendments)	January 1, 2019
IAS 23 Borrowing costs eligible for capitalization	January 1, 2019
IAS 28 'Long-term Interests in Associates and Joint Ventures' (Amendments to IAS 28)	January 1, 2019
IFRS 3 Previously held interest in a joint operation	January 1, 2019
IFRS 9 Prepayment features with negative compensation	January 1, 2019

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 11 Previously held interest in a joint operation	January 1, 2019
IFRS 14 'Regulatory Deferral accounts'	July 1, 2019
IFRS 16 'Leases'	January 1, 2019
IFRIC 23 'Uncertainty over Income Tax Treatments'	January 1, 2019
Annual improvements to IFRSs 2015 - 2017 Cycle	January 1, 2019

Adoption of the above standards and interpretations does not have any material effect on the financial statements.

4.2 Standards not yet effective

The following standards and amendments are only effective for accounting period, beginning on or after the date mentioned against each of them.

Standard	Effective date (annual periods beginning on or after)
IFRS 3 'Definition of a business' Amendment to IFRS 3	January 1, 2020
IAS 1/IAS 8 'Definition of Material' (Amendments to IAS 1 and IAS 8)	January 1, 2020
IFRS 7, IFRS 9, and IAS 39 - Interest Rate Benchmark Reform	January 1, 2020
Various Amendments to References to the Conceptual Framework in IFRS Standards	January 1, 2020

The above standards are not expected to have any material impact on the Company's financial statements in the period of initial application.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Operating fixed assets - tangible

All categories of operating fixed assets are carried at cost, 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.

PAKISTAN STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

The depreciation is charged to statement of profit or loss 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.

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.

An item of property 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 de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognised.

5.2 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.

5.3 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.

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

5.4 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 statement of profit or loss 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 the Company recognises its share in its comprehensive income.

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 statement of profit or loss .

5.5 Financial Instruments

5.5.1 Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances, loans and advances to employees /counter parties and due to counterparties, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

5.5.2 Classification and subsequent measurement

The Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost or measured at Fair Value Through Other Comprehensive Income (FVOCI) on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

- Debt instruments at FVOCI

These financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss. On de-recognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss. Debt instruments are subject to impairment under Expected Credit Loss model. The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon de-recognition of the assets.

- Equity instruments at FVOCI

Upon initial recognition, the Company elects to classify irrevocably its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. Such classification is determined on an instrument by instrument basis.

PAKISTAN STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

- Financial assets at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortized cost are subject to impairment under Expected Credit Loss model.

Financial liabilities

All financial liabilities of the Company are subsequently measured at amortised cost using effective interest method.

5.5.3 De-recognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

5.5.4 Impairment of financial assets

The Company holds trade debts and other receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade debts, loans and advances and other receivables. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature.

5.5.5 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position of 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.

5.6 Loans, advances and deposits

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

5.7 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.

5.8 Assets held for distribution to shareholders /disposal

Assets held for distribution to shareholders /disposal are classified as held for distribution to shareholders / disposal if their carrying amounts will be recovered principally through distribution / sale / disposal rather than through continuing use. Such 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.

5.9 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.

5.10 Revenue recognition

- The Company recognises revenue from initial listing and further issues over a period the Company discharges its performance obligation in relation to listing services. The Company recognises revenue from annual listing fee on a straight-line basis over the period to which the fee relates, as this reflects the extent of the Company's progress towards completion of the performance obligation under the contract.;
- Income pertaining to trading by members is recognized at the trade date to which the transaction pertains when the obligation to provide trading services has been fulfilled;
- Income pertaining to non-trading fee and facilities and equipment services are recognized over the period of use as PSX meets its obligation to provide services, which are provided both at a point in time and over a period of time. Services are billed in advance annually;

PAKISTAN STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

- Income from membership fee is recognized over a period of twelve months on straight line basis. The amounts are billed and received in advance;
- Rental income is recognized over a period of twelve months on straight line basis. The amounts are billed and received in advance.
- Return on investments and bank balances is recognised on time proportionate basis.

5.11 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 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.

5.12 Staff retirement benefit

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.

5.13 Impairment

The carrying amounts of non-financial assets are reviewed at each reporting 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.

5.14 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.

5.15 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
- Property and equipment and intangible assets	5.1, 5.2, 5.3, 6 and 7
- Classification of investments	5.5.2, 8, 9 and 17
- Provisions and contingencies	5.9 and 24
- Impairment of financial assets (expected credit loss)	5.5.4
- Taxation and deferred tax	5.11
- Staff retirement benefits	5.12
- Revenue recognition	5.10
	June 30, 2020 June 30, 2019

6. PROPERTY AND EQUIPMENT

	Note	----- (Rupees in '000) -----	
Operating fixed assets - tangible	6.1	220,971	213,322
Capital work-in-progress	6.2	131,380	43,953
		<u>352,351</u>	<u>257,275</u>

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

6.1 Operating Fixed Assets – Tangible

	June 30, 2020						Written Down Value				
	Cost			Accumulated depreciation							
	As at July 01, 2019	Additions / (Disposals)	Adjustment of Accumulated Depreciation	Revaluation Surplus	As at June 30, 2020	Rate / period	As at July 01, 2019	Charge for the year / (deletions)	Adjustment of Accumulated Depreciation	As at June 30, 2020	
			(Rupees in '000)					(Rupees in '000)			
Furniture and fixtures	16,812	1,174 (296)	-	-	17,690	20%	8,864	1,642 (143)	-	10,363	7,327
Office equipment	106,139	17,522	-	-	123,661	20%	52,722	13,006	-	65,728	57,933
Computers and related accessories	479,226	57,648	-	-	536,874	20% & 33.33%	339,162	56,468	-	395,630	141,244
Vehicles	19,735	10,296 (6,817)	-	-	23,214	20%	7,842	2,021 (1,116)	-	8,747	14,467
	621,912	86,640 (7,113)	-	-	701,439		408,590	73,137 (1,259)	-	480,468	220,971

As at 30.06.2019											
	Cost				Rate / period	Accumulated depreciation		Written Down Value			
	As at July 01, 2018	Additions / (Disposals)	Adjustment of Accumulated Depreciation	Adjustment of Revaluation Surplus		Transfer to Assets Held for Distribution to Shareholders	As at July 01, 2018	Charge for the year (deletions)	Adjustment of Accumulated Depreciation	As at June 30, 2019	
(Rupees in '000)											
Leasehold land	2,546,642	-	18,325	-	101,111	2,666,078	-	99 years	-	-	
Building on leasehold land	1,415,418	16,799	(18,246)	(133,663)	50,762	(1,331,070)	-	5%	66,337	67,327 (133,664)	-
Lift, generators and electric installation	100,779	15,594 (1,978)	(2,203)	(43,124)	-	(69,068)	-	25%	23,421	21,429 (44,355)	-
Furniture and fixtures	13,618	3,241 (47)	-	-	-	-	16,812	20%	7,493	1,393 (22)	8,864 7,948
Office equipment	98,089	8,367 (127)	(190)	-	-	-	106,139	20%	40,445	12,357 (53)	52,722 53,417
Computers and related accessories	417,886	61,796 (456)	-	-	-	-	479,226	20% & 33.33%	289,979	49,407 (224)	339,162 140,064
Vehicles	15,811	7,195 (3,260)	(11)	-	-	-	19,735	20%	6,845	2,457 (1,454)	7,842 11,893
	4,608,243	112,992 (5,868)	(2,325)	(176,787)	151,873	(4,066,216)	621,912		434,520	154,370 (78,052)	408,590 213,322

PAKISTAN STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

6.1.1 Cost of fully depreciated assets is Rs.264.973 (2019: Rs. 222.628) million for the year ended June 30, 2020.

6.1.2 Disposal of property and equipment

Type of Asset	Cost	Accumulated Depreciation	Net Book Value	Sale Proceed	Gain / (loss)	Mode of disposals / settlement	Relationship	Particulars of Buyers / purchasers
(Rupees)								
Visitor Chairs (Qty:8)	21,768	11,738	10,030	210,000	56,175	Scrap	Third Party	Alpha Graphics
Drawers (Qty:5)	22,676	12,227	10,449					
Executive office chair	6,349	3,423	2,926					
Workstation (Qty:5)	38,549	20,785	17,763					
Office Chairs (Qty:18)	207,090	94,433	112,657					
Toyota Revo	5,529,325	737,243	4,792,082	5,380,500	588,418	Company Policy	Third party	Hammad Nazir Kehar
Motorbike	102,400	51,719	50,681	50,681	-	Company Policy	Employee	Waqar Ahmed
Motorbike	102,400	49,971	52,429	52,429	-	Company Policy	Employee	Syed Abdul Haseeb
Motorbike	103,400	35,845	67,555	67,555	-	Company Policy	Employee	Khawaja Nasir
Motorbike	108,400	27,461	80,939	80,939	-	Company Policy	Employee	M. Daim Khan
Motorbike	108,400	27,461	80,939	80,939	-	Company Policy	Employee	Amish Iqbal Khan
Motorbike	162,500	2,708	159,792	159,792	-	Company Policy	Employee	Yasir Mehmood
Motorbike	162,500	2,708	159,792	159,792	-	Theft of Vehicle	Employee	Tayyar Danish
Motorbike	162,500	16,024	146,476	146,476	-	Theft of Vehicle	Employee	Hassan Balouch
Motorbike	86,000	57,894	28,106	29,327	1,221	Company Policy	Employee	Mohammad Amir
Motorbike	102,900	48,788	54,112	53,850	(262)	Company Policy	Employee	M. Qasim Javed
Motorbike	86,000	57,894	28,106	29,327	1,221	Company Policy	Employee	Mohib Mehmood
Total - June 30, 2020	7,113,157	1,258,322	5,854,834	6,501,607	646,773			
Total - June 30, 2019	5,868,412	2,248,328	3,620,084	4,718,667	1,098,583			

6.2 Capital work-in-progress (CWIP)

Advances against:

- Computer hardware
- Others

	June 30, 2020	June 30, 2019
----- (Rupees in '000) -----		
	130,600	43,953
	780	-
	131,380	43,953

7	INTANGIBLE ASSETS	Note	June 30, 2020 ----- (Rupees in '000) -----	June 30, 2019
	Operating intangibles	7.1	108,077	115,883
	Intangibles under development (CWIP)	7.2	539,769	38,101
			<u>647,846</u>	<u>153,984</u>

7.1 Operating intangibles

	June 30, 2020							
	COST					ACCUMULATED AMORTISATION		WRITTEN DOWN VALUE
	As at July 01, 2019	Additions	As at June 30, 2020	Rate	As at July 01, 2019	Charge for the year	As at June 30, 2020	As at June 30, 2020
	----- (Rupees in '000) -----			%	----- (Rupees in '000) -----			
Computer software	382,255	20,655	402,910	25	328,269	33,024	361,293	41,617
Internally developed software								
and market products	306,311	34,869	341,180	25	244,414	30,306	274,720	66,460
	<u>688,566</u>	<u>55,524</u>	<u>744,090</u>		<u>572,683</u>	<u>63,330</u>	<u>636,013</u>	<u>108,077</u>
	June 30, 2019							
	COST					ACCUMULATED AMORTISATION		WRITTEN DOWN VALUE
	As at July 01, 2018	Additions	As at June 30, 2019	Rate	As at July 01, 2018	Charge for the year	As at June 30, 2019	As at June 30, 2019
	----- (Rupees in '000) -----			%	----- (Rupees in '000) -----			
Computer software	365,179	17,076	382,255	25	289,709	38,560	328,269	53,986
Internally developed software								
and market products	262,410	43,901	306,311	25	219,192	25,222	244,414	61,897
	<u>627,589</u>	<u>60,977</u>	<u>688,566</u>		<u>508,901</u>	<u>63,782</u>	<u>572,683</u>	<u>115,883</u>

7.1.1 Cost of fully amortised assets is Rs.530.233 (2019: Rs. 417.556) million for the year ended June 30, 2020.

PAKISTAN STOCK EXCHANGE LIMITED

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FOR THE YEAR ENDED JUNE 30, 2020

	Note	June 30, 2020	June 30, 2019
7.2	Intangibles under development (CWIP)	----- (Rupees in '000) -----	
		58,241	30,228
		5,565	5,565
	7.2.1	486,113	12,458
		549,919	48,251
	7.2.2	(10,150)	(10,150)
		539,769	38,101

7.2.1 These include a new Trading and Surveillance System acquired from Shenzhen Stock Exchange (a related party) amounting to Rs 465.689 million. The new trading system will replace the existing trading system (KATS).

7.2.2 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.

8 INVESTMENT IN ASSOCIATES - Under equity method

Unquoted companies

Central Depository Company of Pakistan Limited (CDC)
79,620,000 shares having face value Rs. 796.2 million

National Clearing Company of Pakistan Limited (NCCPL)
47,462,128 shares having face value Rs. 474.62 million

Note	June 30, 2020	June 30, 2019
	----- (Rupees in '000) -----	
8.1	1,915,520	1,717,448
8.1	820,295	704,854
	2,735,815	2,422,302

8.1 Reconciliation of changes in carrying value of investment in associate

	June 30, 2020		
	CDC	NCCPL	Total
	----- (Rupees in '000) -----		
Opening balance	1,717,448	704,854	2,422,302
Share of profit for the year	265,044	118,578	383,622
Actuarial gain / (loss) on employees' gratuity fund	6,175	(3,137)	3,038
Dividend received during the year	(73,147)	-	(73,147)
Closing balance	1,915,520	820,295	2,735,815

	June 30, 2019		
	CDC	NCCPL	Total
	(Rupees in '000)		
Opening balance	1,535,997	611,680	2,147,677
Share of profit for the year	248,408	95,230	343,638
Surplus on revaluation of associates FVOCI investments	238	-	238
Actuarial loss on employees' gratuity fund	(3,847)	(2,056)	(5,903)
Dividend received during the year	(63,348)	-	(63,348)
Closing balance	1,717,448	704,854	2,422,302

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

		June 30, 2020				
Name of associate	Country of incorporation	Total assets	Total liabilities	Profit	Revenue	Interest held %
(Rupees in '000)						
CDC	Pakistan	5,928,612	867,433	665,772	1,748,185	39.81
Break-up value of each ordinary share of Rs.10 is Rs.25.31 based on the latest unaudited financial statements available for the year ended June 30, 2020.						
NCCPL	Pakistan	14,760,227	13,023,568	250,497	808,095	47.06
Break-up value of each ordinary share of Rs.10 is Rs 15.79 based on the latest unaudited financial statements available for the year ended June 30, 2020.						
		20,688,839	13,891,001	916,269	2,556,280	

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FOR THE YEAR ENDED JUNE 30, 2020

Name of associate	June 30, 2019					
	Country of incorporation	Total assets	Total liabilities	Profit	Revenue	Interest held %
	----- (Rupees in '000) -----					

CDC

Break-up value of each ordinary share of Rs.10 is Rs.30.42 based on the latest audited financial statements available for the year ended June 30, 2019.

Pakistan	5,350,154	787,281	623,984	1,851,827	39.81
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NCCPL

Break-up value of each ordinary share of Rs.10 is Rs 19.74 based on the latest audited financial statements available for the year ended June 30, 2019.

Pakistan	13,445,080	11,952,253	202,358	925,032	47.06
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18,795,234	12,739,534	826,342	2,776,859
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9 LONG TERM INVESTMENTS

LONG TERM INVESTMENTS	Note	June 30, 2020	June 30, 2019
		----- (Rupees in '000) -----	
At fair value through OCI			
VIS Credit Rating Company Limited, a related party		15,246	12,085
250,000 (2019: 250,000) ordinary shares of Rs.10 each, representing, 12.50% (2019: 12.50%) shareholding. The break-up value of each ordinary share is Rs.60.98 (based on latest available unaudited financial statements for the year ended 2020).(2019 : 50.66).			
Pakistan Mercantile Exchange Limited (PMEX), a related party	9.1	74,818	74,818
8,909,052 (June 30, 2019: 8,909,052) ordinary shares of Rs.10 each, representing 28.41% (2019: 28.41%) shareholding. The break-up value of each ordinary share is Rs. 1.13 (based on latest available unaudited financial statements for the year ended June 30, 2020) (2019: Rs.0.43).			
At amortised cost			
Pakistan Investment Bonds	9.2	96,458	92,662
		186,522	179,565

9.1 As PMEX operates under close regulatory supervision, the Company believes that it cannot 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.

9.2 Pakistan Investment Bonds include cost of Rs 89.361 (2019: Rs. 88.102) million, interest accrued thereon of Rs 3.301 (2019: Rs. 3.30) million and amortization of discount of Rs.3.795 (2019: Rs.1.260) million. The effective rate of return is 12% (2019 : 12.03%) per annum. These will mature latest by July 12, 2021.

	Note	June 30, 2020	June 30, 2019
10 LONG TERM DEPOSITS		----- (Rupees in '000) -----	
Earnest money		820	820
Utilities		2,791	2,790
Others		7,860	7,324
		<u>11,471</u>	<u>10,934</u>

11 LONG TERM LOANS

Employees - Considered good, secured	11.1	27,888	11,815
Recoverable within one year shown under current assets	14	(12,806)	(6,948)
		<u>15,082</u>	<u>4,867</u>

11.1 These personal loans are sanctioned for the purchase of motorcycles 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 3 and 5 (2019: 2 and 5) years and are interest free. All outstanding long term loans at the year end will mature within two to four years.

	Note	June 30, 2020	June 30, 2019
12 DEFERRED TAX ASSET		----- (Rupees in '000) -----	
Deductible temporary differences arising from:			
Carry forward tax losses		240,974	208,741
Provision for debts considered doubtful		14,457	11,818
Provision for defined benefit liability		45,479	33,790
Others		192	-
		<u>301,102</u>	<u>254,349</u>
Taxable temporary differences arising from:			
Differences between written down value and tax base of assets		(97,896)	(102,215)
Surplus on revaluation of investment at FVOCI		(1,912)	(1,438)
Others		(11,927)	(11,179)
		<u>(111,735)</u>	<u>(114,832)</u>
		<u>189,367</u>	<u>139,517</u>

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FOR THE YEAR ENDED JUNE 30, 2020

	Note	June 30, 2020	June 30, 2019
		----- (Rupees in '000) -----	
12.1 Movement of deffer tax asset			
Opening Balance		139,517	133,202
Charged to profit and loss		38,635	528
Charged to comprehensive income		11,215	5,787
Closing balance		<u>189,367</u>	<u>139,517</u>
12.2	The carried forward tax losses (including tax depreciation / amortization) amounted to Rs.1,220 million. The Company has recognised deferred tax asset of Rs 289 million to extent of carried forward tax depreciation / amortization losses. Unrecognized deferred tax asset on carried forward business losses as at June 30, 2020 amounted to Rs. 65 million.		
13 TRADE DEBTS		June 30, 2020	June 30, 2019
		----- (Rupees in '000) -----	
Unsecured			
Considered good			
Due from members		33,356	40,879
Due from companies		25,036	49,220
		<u>58,392</u>	<u>90,099</u>
Considered doubtful			
Due from companies		46,511	40,869
		<u>104,903</u>	<u>130,968</u>
Provision for doubtful debts	13.1	<u>(46,511)</u>	<u>(40,869)</u>
		<u>58,392</u>	<u>90,099</u>
13.1 Reconciliation of provision for trade debts			
Opening balance		40,869	37,966
Provision for the year	28	6,630	4,552
Amount recovered / reversed	29	(988)	(1,649)
Closing balance		<u>46,511</u>	<u>40,869</u>
14 LOANS AND ADVANCES			
Loans - secured, considered good			
- Current portion of long term loans to employees	11	12,806	6,948
Advances, considered good			
- Employees		9,466	9,349
- Suppliers		3,182	3,457
		<u>12,648</u>	<u>12,806</u>
		<u>25,454</u>	<u>19,754</u>

		Note	June 30, 2020	June 30, 2019
			----- (Rupees in '000) -----	
15	PREPAYMENTS			
	Maintenance of information technology equipment / software		20,932	52,929
	Others		8,791	8,054
			<u>29,723</u>	<u>60,983</u>
16	OTHER RECEIVABLES			
	Due from members		1,494	1,904
	Due from non-members	16.1	3,792	2,145
	Due from an ex-member	16.2	6,574	6,574
	Due from NCCPL	16.3	14,879	14,219
	Interest / profit accrued on bank accounts		1,271	1,200
	Data vending/feed fee receivable		26,369	16,237
	Others		47,654	37,881
			<u>102,033</u>	<u>80,160</u>
	Less: Provision for doubtful receivable		(3,341)	(3,341)
			<u>98,692</u>	<u>76,819</u>
16.1	This represents amount due on account of license fee and reimbursement of electricity charges, etc. incurred by the Company.			
16.2	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, 2020 amounted to Rs. 22.009 (2019: Rs.17.113) million. Further, as disclosed in note 18.2, bank balances include dividend/bank profit of Rs.13.537 and 13.607million (2019: 13.010 and 10.846 million) respectively.			
16.3	Represents receivable from NCCPL (a related party) on account of Margin Trading System fee and LAN connectivity charges . The maximum aggregate amount outstanding during the year amounted to Rs. 20.040 (2019: Rs. 24.174) million. As of June 30,2020, the age analysis of receivables from NCCPL is as follows;			
			June 30, 2020	June 30, 2019
			----- (Rupees in '000) -----	
	Past due			
	Upto 90 days		10,413	12,273
	More than 90 days		4,466	1,946
			<u>14,879</u>	<u>14,219</u>

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17	SHORT TERM INVESTMENTS	Note	June 30, 2020	June 30, 2019
			----- (Rupees in '000) -----	
	At amortised cost			
	Market Treasury Bills	17.1	1,480,522	1,497,907
	Pakistan Investment Bonds		-	240,305
			<u>1,480,522</u>	<u>1,738,212</u>
17.1	These represent Market Treasury Bills having cost of Rs. 1,433.593 (2019: Rs.1,477.411) million and interest accrued thereon of Rs.46.928 (2019: Rs.20.496) million. The effective rate of return 10.09% (2019: 11.85%) per annum. These will mature latest by November 05, 2020. These include Rs.696.722 million from defaulter / expelled / suspended members and Rs. 341.988 million pertaining to base minimum capital.			
18	CASH AND BANK BALANCES	Note	June 30, 2020	June 30, 2019
			----- (Rupees in '000) -----	
	With banks on:			
	Current accounts		738	96
	PLS accounts in			
	foreign currency		33,624	20,250
	local currency	18.1 & 18.2	489,464	223,169
			523,088	243,419
	In hand		67	70
			<u>523,893</u>	<u>243,585</u>
18.1	Rate of return on PLS accounts varies from 6.25% to 12% (2019: 4.55% to 11%) per annum. However, the effective rate for the year is 10.9% (2019: 7.4%) per annum.			
18.2	These include the following balances:	Note	June 30, 2020	June 30, 2019
			----- (Rupees in '000) -----	
	Dividend / bank profit	16.2	27,144	23,856
	Members basic deposits		100,427	66,577
	Deposits against arbitration	23.1	8,574	8,553
	Proceeds from divestments/ Membership card	23.2	92,435	97,616
	Dara F. Dastoor scholarship fund		2,245	2,167
	Unclaimed Dividend		1,457	2,052
			<u>232,282</u>	<u>200,821</u>

		June 30, 2020	June 30, 2019
		----- (Rupees in '000) -----	
19	ASSETS AND LIABILITIES HELD FOR DISTRIBUTION TO SHAREHOLDERS / DISPOSAL		
	Assets held for distribution to shareholders / disposal	4,729,327	4,697,480
	Liabilities related to assets held for distribution to shareholders / disposal	(322,577)	(322,800)
	Net assets subject to demerger / carve-out	<u>4,406,750</u>	<u>4,374,680</u>
19.1	<p>The Board of Directors of the Company in their meeting held on December 12, 2018 and subsequently on June 19, 2019 have decided, to carve-out the real estate assets and related liabilities of the Company to a separate legal entity to be initially owned by the shareholders of the Company. The carve-out of the real estate and the related asset and liabilities as envisaged would be achieved through a scheme of arrangement under the relevant provisions of the Companies Act 2017, subject to requisite legal and regulatory approvals.</p> <p>Based on the above decision of the Board and keeping in view the requirements of IFRS- 5 "Non-current Assets Held for Sale and Discontinued Operations", the Company has reclassified assets and liabilities, which are subject to carve-out / transfer to a separate legal entity, from the respective line items in the statement of financial position to current assets and liabilities.</p>		
19.2	The summary of the assets and liabilities is as follows:	Note	June 30, 2020
			June 30, 2019
			----- (Rupees in '000) -----
	Non - current assets		
	Property and equipment (including capital work in progress)	19.2.1	4,082,436
	Investment property	19.2.1 & 19.2.2	548,094
	Long term deposits	19.2.3	32,999
			4,663,529
	Current assets		
	Other receivables		50,898
	Taxation - net		14,900
			65,798
	Total assets subject to demerger / carve-out		<u>4,729,327</u>
	Non current liabilities		
	Deferred tax liability - net		315,365
	Long term deposits		3,470
			318,835
	Current liabilities		
	Trade and other payables		3,743
	Total liabilities subject to demerger / carve-out		<u>322,577</u>
	Net assets subject to demerger / carve-out		<u>4,406,750</u>

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19.2.1 As per latest valuation carried out by Iqbal A Nanjee & Company (Private) Limited, as at June 30, 2020 the fair value of the property and equipment and investment property was Rs. 4.737 billion. The valuation was carried out in accordance with the commercial rates for sale of office spaces prevailing in the market. However as per IFRS-05 the property is kept at lower of cost or fair value less cost to sell. The revaluation surplus in respect of property and equipment amounting to Rs.815.134 million shall also be transferred upon demerger/ carve-out.

19.2.2 The rental income during the year from the investment property amounted to Rs.47.094 (2019: Rs.55.617) million.

19.2.3 This includes 10% of the bid amount, amounting to Rs.32.999 (2019: 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 High Court of Sindh 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 (2019: Rs.296.995) million. The said case is pending adjudication in High Court of Sindh.

19.2.4 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.

20. SHARE CAPITAL

June 30, 2020	June 30, 2019		June 30, 2020	June 30, 2019
----- (Number of Shares) -----			----- (Rupees in '000) -----	
		Authorised capital		
1,000,000,000	1,000,000,000	Ordinary shares of Rs.10/- each	10,000,000	10,000,000
		Issued, subscribed and paid-up capital		
801,476,600	801,476,600	Ordinary shares of Rs. 10/- each- (other than cash)	8,014,766	8,014,766

20.1 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.

20.2 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.

21	LONG TERM DEPOSITS	Note	June 30, 2020	June 30, 2019
			----- (Rupees in '000) -----	
	Clearing house deposits from members	21.1	438,945	299,859

21.1 These include Rs 428.904 million (2019: Rs 289.509 million), cash deposit placed by TREC holders against the Base Minimum Capital requirement with the Exchange in accordance with the Rule Book of PSX.

22	LONG TERM PAYABLE		June 30, 2020	June 30, 2019
			----- (Rupees in '000) -----	
	Long term payable	22.1	358,488	-
	Less: current maturity		(159,120)	-
			199,368	-

22.1 Represents USD 2.133 million (including tax) against the purchase of Trading and Surveillance System from Shenzhen Stock Exchange (a related party). The amount is payable in 4 yearly installments latest by 2024.

23	TRADE AND OTHER PAYABLES		June 30, 2020	June 30, 2019
			----- (Rupees in '000) -----	
	Creditors - capital expenditure		183,102	37,452
	Accrued expenses		163,539	73,826
	Deposits against arbitration	23.1	8,574	8,553
	Provision for staff bonus		19,049	6,611
	Retention money		535	535
	Fees and rent received in advance		38,620	24,385
	Amount held against defaulter / expelled / suspended members	23.2	789,157	770,944
	Interest payable on BMC deposits	23.3	12,506	-
	Provision for Wealth Tax	23.4	1,684	1,684
	Employees' Gratuity Fund	23.5	172,834	124,184
	Tax deducted at source		714	747
	Various taxes collected from members		6	10,650
	SECP supervision fee		1,944	1,840

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	June 30, 2020	June 30, 2019
	----- (Rupees in '000) -----	
SECP transaction fee	3,546	892
Centralized Customer Protection Fund (CCPF) 1% of total revenue	10,679	3,364
Others	43,357	36,429
	<u>1,449,846</u>	<u>1,102,096</u>

- 23.1** This represents amount deposited with the Company by members with respect to certain arbitration cases pending settlement.
- 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, from LSE Financial Services Limited and ISE tower REIT Management Company Limited including profit accrued thereon, deposited in a separate bank account amounting to Rs 92.435 million to be utilised for the settlement of dues of the defaulter members, including investors claim, if any. The remaining amount of Rs.696.722 million is invested in Market Treasury Bills.
- 23.3** This represents interest payable on amount deposited with the Company on account of Base Minimum Deposits by TREC holders.
- 23.4** Included herein are (a) a sum of Rs. 500,000 (2019: Rs. 500,000), representing provision in respect of the assessed liability for the assessment year 1999-2000 and (b) a sum of Rs. 1.184 (June 30, 2019: 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.

	June 30, 2020	June 30, 2019
	----- (Rupees in '000) -----	
23.5 Employees' Gratuity Fund	<u>172,834</u>	<u>124,184</u>
23.5.1 Principal actuarial assumptions		
Significant actuarial assumptions used in the valuations are as follows:		
	----- (% Per annum) -----	
Discount rate	8.50%	14.25%
Increase in salaries	5.75%	8.20%
Expected return on plan assets	8.50%	14.25%
Demographic Assumptions		
Mortality rates	SLIC 2001-05	SLIC 2001-05
Rate of employee turnover	Moderate	Moderate
23.5.2 Liability recognised in the balance sheet:		
Present value of obligations	246,890	205,990
Fair value of plan assets	(74,056)	(81,806)
	<u>172,834</u>	<u>124,184</u>
23.5.3 Expense recognised in profit and loss account:		
Current service cost	17,414	20,438
Interest cost	15,447	17,655
Expected return on plan assets	(5,222)	(9,257)
	<u>27,639</u>	<u>28,836</u>
23.5.4 Movement in the liability recognised in the balance sheet:		
Opening balance	124,184	111,225
Charge for the year	27,639	28,836
Actuarial loss recognised in other comprehensive income	40,306	19,955
Contribution	(19,295)	(35,832)
Closing balance	<u>172,834</u>	<u>124,184</u>
	June 30, 2020	June 30, 2019
	----- (% Per annum) -----	
23.5.5 Actual return on plan assets	<u>26.25%</u>	<u>-1.41%</u>

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23.5.5.1 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.

23.5.5.2 Movement of present value of defined benefit obligations

	June 30, 2020	June 30, 2019
	----- (Rupees in '000) -----	
Opening balance	205,990	233,403
Current service cost	17,414	20,438
Interest cost	15,447	17,655
Total benefits paid	(48,523)	(74,482)
Actuarial loss on obligation	56,562	8,976
Closing balance	246,890	205,990

23.5.6 Movement of fair value of plan assets

Opening balance	81,806	122,178
Return on plan assets	5,222	9,257
Contributions	19,295	35,832
Benefits paid by the fund	(48,523)	(74,482)
Actuarial gain / (loss) on assets	16,256	(10,978)
Closing balance	74,056	81,806

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

Actuarial loss on obligation	(56,562)	(8,976)
Actuarial (loss) / gain on assets	16,256	(10,978)
	(40,306)	(19,954)

23.5.7 Constituents of plan assets

	Fair Value as at June 30, 2020		Fair Value as at June 30, 2019	
	(Rupees in '000)	%	(Rupees in '000)	%
Government securities	62,263	84.08%	81,450	99.57%
Cash and net current assets	11,793	15.92%	356	0.43%
	74,056	100%	81,806	100%

Historical information	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
	----- (Rupees in '000) -----				
Present value of defined benefit obligation	246,890	205,990	233,403	234,390	221,006
Fair value of plan assets	(74,056)	(81,806)	(122,178)	(154,900)	(153,377)
Funding surplus	172,834	124,184	111,225	79,490	67,629
Experience adjustment on plan liabilities	(56,562)	(8,976)	(23,648)	(15,494)	(10,541)
Experience adjustment on plan assets	16,256	(10,978)	(2,326)	5,089	(1,802)

23.5.8 Maturity profile of the defined benefit obligation

	June 30, 2020	June 30, 2019
	----- (Rupees in '000) -----	
Distribution of timing of benefit payments within the next 12 months (next annual reporting period)	20,850	26,681
between 2 and 5 years	61,086	52,397
between 6 and 10 years	141,298	136,075
Beyond 10 years	632,698	535,045

23.5.9 Sensitivity Analysis on significant actuarial assumptions: Actuarial Liability

	Present value of Defined Benefit Obligation (Rupees in '000)	Percentage change
Discount Rate +1%	237,243	-3.91%
Discount Rate -1%	257,307	4.22%
Long Term Salary Increases +1%	257,485	4.29%
Long Term Salary Increases -1%	236,911	-4.04%

23.5.10 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 (2019: Rs 19.184) million is discussed in detail in note 23.4. Pending resolution of this matter, no provision has been made in these financial statements for any liability that may arise on this account.

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24.1.2 Contingencies relating to income tax

S.no	Case Number	Name of the Court/ Agency/ Authority	Date Instituted	Principal Parties	Description
1	C.P. # 3601	High Court of Sindh	2018	PSX vs SRB	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.
2	C.P. # 3602	High Court of Sindh	2018	PSX vs SRB	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.
3	C.P. # 3421	High Court of Sindh	2019	PSX vs SRB	PSX received show cause notice from Sindh Revenue Board dated 11th May, 2019 pertaining to Tax year 2014 claiming Sindh Sales Tax (SST) amounting to Rs.76,955,040/- 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.
4	C.P. # 3422	High Court of Sindh	2019	PSX vs SRB	PSX received show cause notice from Sindh Revenue Board dated 11th May, 2019 pertaining to Tax year 2018 claiming Sindh Sales Tax (SST) amounting to Rs.4,644,868/- 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, where, PSX's legal advisor is of the view that the service charges are received by PSX from NCCPL pursuant to directions of the SECP in terms of directives issued under section 12(1)(d) read with section 170(1) of the Securities Act, 2015 which does not include any element of providing taxable services under Sindh Sales Tax Act, 2011. Hence, no provision in this respect has been made in the financial statements.

S.no	Case Number	Name of the Court/ Agency/ Authority	Date Instituted	Principal Parties	Description
5	C.P. # 3302	High Court of Sindh	2019	PSX vs SRB	PSX received show cause notice from Sindh Revenue Board dated 25th April ,2019 pertaining to Tax year 2017 claiming Sindh Sales Tax (SST) amounting to Rs.5,278,158/- 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, where, PSX's legal advisor is of the view that the service charges are received by PSX from NCCPL pursuant to directions of the SECP in terms of directives issued under section 12(1)(d) read with section 170(1) of the Securities Act, 2015 which does not include any element of providing taxable services under Sindh Sales Tax Act, 2011. Hence, no provision in this respect has been made in the financial statements.

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	09-08-1997	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 (2019: 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	01-06-2000	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 (2019: 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 (2019: Rs.351.392) million. A sum of Rs.302.882 (2019: Rs.302.882) million, including Rs 6.574 (2019: 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).
3	C.P. # 786/2008	High Court of Sindh	30-04-2008	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 (2019: 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.

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S.no	Case Number	Name of the Court/ Agency/ Authority	Date Instituted	Principal Parties	Description	Relief Sought
4	Suit No. 735/ 2000	High Court of Sindh	02/6/2000	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 (2019. 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.
5	Suit No. 1086 /2017	High Court of Sindh	26/4/2017	PSX Vs. KW&SB & Others	During the year 2016-17, 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.
6	Suit No.1722 /2018	High Court of Sindh	2018	A.H.M. Securities (Pvt.) Ltd & Others Vs. PSX	In brief, the present case is filed by 93 TREC holders against PSX alleging that PSX has unlawfully without following relevant Regulations raised its IT Charges. Therefore, the Plaintiffs in the present case have sought following reliefs from the Court against PSX: - 1. Restrain PSX from imposing and/or collecting new IT Charges; 2. Declare the imposition of IT Charges, over and above the trading fee charged on the value of each transaction in lieu of services provided to the Plaintiffs, to be unlawful, unauthorized and a nullity; 3. Declare the decision of increasing the IT Charges to be unlawful, unauthorized, malafide and void ab initio;	Therefore, the Plaintiffs in the present case want the court to grant damages of Rs.500 million against PSX along with such further sums as may be determined at the time of hearing/disposal;
7	Suit No.633 /2003	High Court of Sindh	2003	Mian Nisar Elahi vs.PSX, Mr. Arif Habib, Mr. Salim Chamdia, SECP, CDC, Mr. Hanif Moosa and Moosa Noor Muhammad Shahzad & Co	It has been alleged that the Plaintiff was trading in shares with Mr. Hanif Moosa, Member-PSX who was declared defaulter due to market crisis and his share were fraudulently sold and therefore he suffered losses. The written statement prepared by our counsel on behalf of former directors and PSX has been filed in court. The case fixed for hearing of application is being adjourned from time to time on the request of Plaintiff's advocate.	This suit is for Declaration, Injunction and Damages of about Rs. 428.44 million has been sought against the PSX.
8	Suit No.639 /2003	High Court of Sindh	2003	M/s. Shafi Chemical Industries vs. Mr. Arif Habib, Mr. Salim Chamdia, Mr. Aqeel Karim Dhedhi, Mr. Shahid Ghaffar, PSX, SECP & CDC	This is a suit for Declaration, Injunction and Damages of about Rs. 1.7 billion. It has been alleged that due to unlawful and malafide acts of Defendants the securities deposited by Plaintiff with his brokers were made worthless and he suffered losses. The written statement prepared by our counsel on behalf of former directors and PSX has been filed in court. The case fixed for hearing of application is being adjourned from time to time on the request of Plaintiff's advocate	However, a decree for only Rs. 49.77 million has been sought against the PSX.

S.no	Case Number	Name of the Court/ Agency/ Authority	Date Instituted	Principal Parties	Description	Relief Sought
9	Case No. 5/2019 (15)	Court of Commissioner for Workmen (South) Division, Karachi	2019	Junaid Hussain Vs. PSX	<p>In brief, the present case is filed by Ex-Employee, whose services were discontinued by PSX with effect from 7-9-2018 after payment and settlement of his all dues along with 6 month salaries and allowances in lieu of notice period.</p> <p>In the present case, the said Ex-Employee alleged that due to his illegal severance by PSX, he has suffered financial loss of Rs.17,792,028/- on account of his future earnings at PSX. He further alleged that he is entitled for an amount of Rs.7,866,600/- on account of his future other dues. He further claimed ten times penalty on the above-referred demanded amounts.</p>	<p>The Ex-Employee has sought relief against PSX in the following manner: -</p> <p>Directions to PSX to pay the illegal deduction of Rs.256,586,280/- besides other legal dues i.e. Leave Encashment, Group Insurance and Medical Allowance etc.</p>
10	Suit # 117/2016	High Court of Sindh	2016	Aziz Fida Hussain & Co. (Pvt.) Ltd ("AFHCL") vs. PSX & Others	<p>The subject noted case is filed by AFHCL, a suspended TREC Holder of the Exchange.</p> <p>In the present suit, an application has been filed for suspending PSX's Notice dated December 10, 2015 and restoration of TRE Certificate of AFHCL. The Court vide its interim order dated February 11, 2016 suspended the operation of PSX's show cause notice issued to AFHCL.</p>	<p>In the present case, AFHCL have raised allegations against the management/Board of Directors of PSX and sought among others, following reliefs from the Court: -</p> <p>(i). Suspend the Notice dated December 10, 2015 issued by PSX subject to an AFHCL's undertaking that they shall deposit 75% of their monthly income derived from the trading at Stock Market with the Nazir of the Court so that the claimants be paid their money in the shortest possible time;</p> <p>(ii). Declare that AFHCL cannot be stopped from doing brokerage business;</p> <p>(iii). Award damages of Rs.500 million jointly and severally against Defendants;</p>

24.3 Other contingencies

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.

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- 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.177.39 (2019 : Rs.163.19) million.

24.4 The total cumulative impact of contingencies stated in note 24.1.2, 24.2 and 24.3 amounts to Rs 3,057 (2019 : Rs.11,385) 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.

24.5 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.

24.6	Commitments	June 30, 2020	June 30, 2019
		----- (Rupees in '000) -----	
	IT maintenance charges	105,000	-

25 LISTING FEE

Annual fees	360,167	294,427
Initial / first year fee	43,391	83,832
	<u>403,558</u>	<u>378,259</u>

26 INCOME FROM EXCHANGE OPERATIONS

Trading fee	176,301	163,401
Facilities and equipment fee	152,205	141,730
Income from non-trading facilities	57,790	44,615
Membership fee	3,010	3,211
Other fee	1,919	3,140
	<u>391,225</u>	<u>356,097</u>

26.1 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.

27	MARK-UP / INTEREST INCOME	Note	June 30, 2020	June 30, 2019
			----- (Rupees in '000) -----	
	Government securities		121,979	109,158
	PLS saving accounts		19,069	23,477
			<u>141,048</u>	<u>132,635</u>
28	ADMINISTRATIVE EXPENSES			
	Salaries and other benefits	28.1	534,095	506,039
	Rent, rates and taxes		17,180	26,250
	Fuel and power		53,390	47,682
	Repairs and maintenance		61,386	53,148
	Computer maintenance and related expenses		157,701	122,694
	Insurance		20,989	17,989
	Telephone, courier and postage		5,959	6,117
	Printing and stationery		4,598	5,657
	Donations	28.2	12,750	1,817
	Auditors' remuneration	28.3	2,339	3,214
	Legal and professional charges		31,351	34,974
	Demerger expense		9,900	4,096
	Depreciation	6.1	73,137	154,370
	Amortisation	7.1	63,330	63,782
	Travelling and conveyance		4,542	15,525
	General office expense		5,265	5,556
	Receptions, meetings and functions		14,558	21,586
	Advertisement, marketing and development		35,699	14,987
	SECP supervision fee		7,948	7,068
	Provision for trade debts considered doubtful - net	13.1	6,630	4,553
	Security expenses		20,726	21,965
	Subscription fee		9,212	15,774
	Training and development		2,341	3,813
	Other expenses	28.4	27,111	28,999
			<u>1,182,137</u>	<u>1,187,655</u>
28.1	Included herein is a sum of Rs.27,639 (2019: Rs.28.836) million in respect of retirement benefits.			
28.2	Donations are paid to The Orange Tree Foundation, Aga Khan Hospital and Medical College Foundation and Akhuwat Corona Imdad Fund as per the policy approved by Board of Directors, in which none of the directors of the Company is interested in any capacity.			

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	Note	June 30, 2020	June 30, 2019
		----- (Rupees in '000) -----	
28.3 Auditors' remuneration			
Annual audit		845	845
Half yearly review		268	268
Review of code of corporate governance		55	55
Certification for agreed upon procedure		850	884
Dividend remittance certification		60	54
Free float of shares certification		81	81
Certification on reconciliation with CDC register		50	43
Special audit		-	854
Out of pocket expenses		130	130
		<u>2,339</u>	<u>3,214</u>
28.4 Other expenses includes the following:			
Contribution to IPF 1%		13,726	13,834
Staff Welfare Other Than Payroll		3,485	3,777
HR Consultancy Fees		2,846	3,305
E.O.B.I Contribution		1,060	1,089
Social Security Contribution		801	857
Vehicles Maintenance		684	1,453
Uniform Expenses		261	356
Late Sitting/M meal/Conveyance/Holiday Allowance		109	140
Bank Charges		100	75
Washing Charges		81	116
Medical Expenses		65	97
Education Cess		25	26
General Expenses		3,868	3,874
		<u>27,111</u>	<u>28,999</u>
29 OTHER INCOME			
Bad debts recovered	13.1	988	1,164
Gain on sale of fixed assets		647	1,099
Exchange gain		1,748	5,229
Dividend income		500	1,750
Others		2,193	4,416
		<u>6,076</u>	<u>13,658</u>

	Note	June 30, 2020	June 30, 2019
		----- (Rupees in '000) -----	
30 TAXATION			
Current		34,891	24,028
Prior		-	(19,435)
Deferred		(38,635)	(528)
	30.1	<u>(3,744)</u>	<u>4,065</u>

30.1 The numerical reconciliation is not provided as the tax charge of the Company mainly comprise of minimum tax and tax at reduced rates under the relevant sections of Income Tax Ordinance, 2001.

31 BASIC AND DILUTED EARNINGS PER SHARE

Profit after taxation	194,230	88,184
Weighted average number of ordinary shares outstanding during the year	801,476	801,476
Basic and diluted earnings per share (Rupees)	<u>0.24</u>	<u>0.11</u>

32 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	June 30, 2020			
	Chief Executive Officer	Directors	Executives	Total
	----- (Rupees in '000) -----			
Managerial remuneration	28,499	-	303,331	331,830
Annual performance payout (note 32.2)	678	-	-	678
Gratuity	-	-	13,822	13,822
Fees	-	11,450	-	11,450
	<u>29,177</u>	<u>11,450</u>	<u>317,153</u>	<u>357,780</u>
Number (note 32.2)	<u>1</u>	<u>15</u>	<u>65</u>	
	June 30, 2019			
	Chief Executive Officer	Directors	Executives	Total
	----- (Rupees in '000) -----			
Managerial remuneration	37,855	-	238,788	276,643
Annual performance payout	4,500	-	4,511*	9,011
Gratuity	6,823	-	10,478	17,301
Fees	-	18,800	-	18,800
	<u>49,178</u>	<u>18,800</u>	<u>253,777</u>	<u>321,755</u>
	<u>1</u>	<u>15</u>	<u>60</u>	

PAKISTAN STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

32.1 The Chief Executive Officer (CEO) of the Company was also provided with the free use of Company owned and maintained car.

32.2 During the year (from July 01, 2019 to February 23, 2020), the Company Secretary was acting in the capacity of CEO. However, from February 24, 2020, the new CEO was appointed by the Company.

*The payment allocation of bonus from the overall accrual was finalised subsequent to the issuance of the financial statements for the year ended June 30, 2019 and therefore, it has been reflected in the corresponding figures now .

33 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.

33.1 Following are the details of transactions with related parties:

	June 30, 2020	June 30, 2019
	----- (Rupees in '000) -----	
Listing Fee		
Common Directorship		
Shell Pakistan Limited	1,483	1,055
IGI Life Insurance	799	743
Cyan Limited	676	554
Ghani Global Glass Limited	488	489
Ghani Global Holdings Limited	644	764
ZIL Corporation Limited	334	363
Fauji Fertilizer Company Limited	2,014	1,287
Fauji Fertilizer Bin Qasim Limited	1,486	-
K-Electric Limited	2,191	-
Bank Islami Pakistan Limited	1,008	-
Power Cement Limited	3,514	-
Pakistan International Airlines Corporation Limited	1,362	-
Associate Company		
Habib Bank Limited	2,430	1,844
	<u>18,429</u>	<u>7,099</u>

	June 30, 2020	June 30, 2019
	----- (Rupees in '000) -----	
Facilities and Equipment Fee		
Common Directorship		
Shell Pakistan Limited	12	8
IGI Life Insurance	12	8
Cyan Limited	12	8
Ghani Global Glass Limited	12	8
Ghani Global Holdings Limited	12	8
ZIL Corporation Limited	12	8
Fauji Fertilizer Company Limited	12	8
Fauji Fertilizer Bin Qasim Limited	12	-
K-Electric Limited	12	-
Power Cement Limited	12	-
Pakistan International Airlines Corporation Limited	12	-
Shehzad Chamdia Securities (Pvt.) Limited	150	123
Arch Sons	119	42
Associate Company		
Habib Bank Limited	412	249
	813	472
Miscellaneous income		
Common Directorship		
Fauji Fertilizer Company Limited	1,650	100
K-Electric Limited	125	-
Ghani Global Holdings Limited	3	-
Associate Company		
Central Depository Company of Pakistan Limited	120	38
National Clearing Company of Pakistan	23	48
	1,921	186
LAN Connectivity Charges		
Associate Company		
National Clearing Company of Pakistan	4,932	6,402
Dividend income		
Associate Company		
Central Depository Company of Pakistan Limited	73,147	63,348
VIS- Credit Rating Company Limited	500	1,750
	73,647	65,098

PAKISTAN STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

	June 30, 2020	June 30, 2019
	----- (Rupees in '000) -----	
Income from investment property		
Associate Company		
Central Depository Company of Pakistan Limited	5,291	4,810
National Clearing Company of Pakistan	17,006	17,006
Habib Bank Limited	16,320	14,837
	<u>38,617</u>	<u>36,653</u>
Income from Marginal Trading System		
Associate Company		
National Clearing Company of Pakistan	13,448	24,330
	<u>13,448</u>	<u>24,330</u>
CDC Fee		
Associate Company		
CDC fee - Central Depository Company of Pakistan Limited	3,028	987
	<u>3,028</u>	<u>987</u>
Retirement benefit plan		
Payment made to gratuity fund during the year	19,295	35,832
	<u>19,295</u>	<u>35,832</u>
Profit bank accounts		
Associate Company		
Habib Bank Limited	10	6
	<u>10</u>	<u>6</u>
Contribution		
Common directorship		
Centralized Customer Protection Fund (CCPF) 1% of total revenue	13,726	13,834
	<u>13,726</u>	<u>13,834</u>
Reimbursement of Expenses		
Associate Company		
China Financial Futures Exchange	8,496	16,661
	<u>8,496</u>	<u>16,661</u>

Name	Designation
Farrukh H. Khan	Chief Executive Officer
Nadir Rahman	Chief Operating Officer
Ahmed Ali Mitha	Chief Financial Officer
Fakhara Rizwan	Company Secretary / Head of Legal department
Muhammad Abbas Mirza	Acting Chief Regulatory Officer
Mahmood Siddique	Head of Information Technology Department
Farhan Ansari	Head of Internal Audit Department
Syed Abbas Haider Zaidi	Chief Risk Management Officer

33.2 Following are the details of outstanding balances with related parties:

Listing Fee Receivable

Common Directorship

Power Cement Limited

June 30,
2020

June 30,
2019

----- (Rupees in '000) -----

2,446

-

2,446

-

Facilities and Equipment Receivable

Common Directorship

UBL Fund Managers Limited

52

52

Shehzad Chamdia Securities (Pvt.) Limited

13

-

Ghani Global Glass Limited

-

7

65

59

Miscellaneous Income Receivable

Common Directorship

K-Electric Limited

100

-

Associate Company

Central Depository Company of Pakistan Limited

220

-

Rent Receivable

Associate Company

National Clearing Company of Pakistan

4,252

-

LAN Connectivity Charges Receivable

Associate Company

National Clearing Company of Pakistan Limited

2,481

1,152

Other Receivable

Associate Company

National Clearing Company of Pakistan Limited

12,397

13,066

Retirement benefit plan

Payable to gratuity fund

11,840

3,144

Contribution payable 1% of Revenue

Common Directorship

Centralized Customer Protection Fund (CCPF) 1% of total revenue

10,679

3,364

Receivable against Expenses

Associate Company

China Financial Futures Exchange

8,496

3,691

PAKISTAN STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

34 FINANCIAL RISK MANAGEMENT

The Company is exposed to the following risks.

34.1 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.

34.2 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, 2020				
Interest / mark-up bearing				
Financial assets	Effective yield / mark-up rate %	Upto six months	More than six months	Total
	(Rupees in '000)			
Government securities	7.85 - 13.71	1,480,522	96,458	1,576,980
Cash and bank balances	6.25 - 12.00	523,088	-	523,088
		2,003,610	96,458	2,100,068
June 30, 2019				
Interest / mark-up bearing				
Financial assets	Effective yield / mark-up rate %	Upto six months	More than six months	Total
	(Rupees in '000)			
Government Securities	7.34 - 12.03	1,738,212	92,662	1,830,874
Cash and bank balances	4.55 - 11.00	243,419	-	243,419
		1,981,631	92,662	2,074,293

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, 2020	June 30, 2019
	----- (Rupees in '000) -----	
Change in basis point		
+ 100	21,001	20,743
- 100	(21,001)	(20,743)

34.3 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 mainly relates to long term payable to Shenzhen Stock Exchange amounting to Rs. 358.488 million [US dollars 2.133 million] and the bank balance in saving accounts maintained in US dollars amounting to Rs. 33.624 million [US dollars 0.2 million] (2019: Rs 20.250 million) [US dollars 0.123 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	Effect on reserves
		----- (Rupees in '000) -----	
Assets as at June 30, 2020	+10%	3,362	3,362
	-10%	(3,362)	(3,362)
Assets as at June 30, 2019	+10%	2,025	2,025
	-10%	(2,025)	(2,025)
Liabilities as at June 30, 2020	+10%	35,849	35,849
	-10%	(35,849)	(35,849)

34.4 Credit risk

34.4.1 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 table below shows the maximum exposure to credit risk:

	June 30, 2020	June 30, 2019
	----- (Rupees in '000) -----	
Bank balances	523,826	243,515
Trade debts	58,392	90,099
Loans and advances	25,454	19,754
Long term deposits	11,471	43,933
Other receivables	98,692	113,369
	<u>717,835</u>	<u>510,670</u>

PAKISTAN STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

34.4.2 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:

Ratings *	June 30, 2020	June 30, 2019
	----- (%) -----	
AAA	50.26	13.13
AA+	49.74	85.23
AA-	-	1.64
	<u>100.00</u>	<u>100.00</u>

* Ratings are performed by PACRA and VIS Credit Rating Co.

34.4.3 The IFRS 9 classification of financial assets and liabilities of the Company are as follows:

	Financial assets at amortized cost	Financial assets FVOCI	Financial liabilities at amortized cost	Total
	----- (Rupees in '000) -----			
Financial assets				
Cash and bank balances	523,893	-	-	523,893
Investments	1,576,980	90,064	-	1,667,044
Loans and advances	37,354	-	-	37,354
Trade debts	58,392	-	-	58,392
Other receivables	94,187	-	-	94,187
Financial liabilities				
Long term deposits		-	438,945	438,945
Long term payable			199,368	199,368
Current portion of long term payable			159,120	159,120
Other liabilities	-	-	1,354,397	1,354,397

34.4.4 The bank balances and investment in debt securities are classified in Stage 1 under the requirements of IFRS 9.

34.5 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, 2020				Total
	On demand	Upto three months	Upto 12 months	More than one year	
	(Rupees in '000)				
Long term deposits	438,945	-	-	3,470	442,415
Trade and other liabilities	1,449,846	-	-	-	1,449,846
Long term payable	-	-	159,120	199,368	358,488
Total	1,888,791	-	159,120	202,838	2,250,749

	June 30, 2019				Total
	On demand	Upto three months	Upto 12 months	More than one year	
	(Rupees in '000)				
Long term deposits	299,859	-	-	3,470	303,329
Trade and other liabilities	1,106,061	-	-	-	1,106,061
Total	1,405,920	-	-	3,470	1,409,390

34.6 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 Company, other than government securities, approximate their carrying amount due to short-term maturities of these instruments.

34.7 Fair value hierarchy

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

PAKISTAN STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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.

The table analyses financial and non-financial assets measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	June 30, 2020		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Financial and non-financial assets measured at fair value			
Financial assets at 'fair value through OCI'			90,064
			90,064

As at June 30, 2020, the Company's long term investments are in unquoted securities (see note 9), which are carried at fair value. The fair value of such investments is determined by using level 3 techniques. The Company has used income approach (i.e. a present value technique) to value its investment in (PMEX). For this purpose, the financial projections have been derived from the business plans prepared by the management and duly approved by PMEX Board of Directors. The key assumptions used are terminal growth rate 3% and discount rate 15.4%. The fair value of investment in VIS Credit Rating Company has been determined based on the net asset value due to limited financial information available.

35 NUMBER OF EMPLOYEES

35.1 The number of employees as at June 30, 2020 were 239 (June 30, 2019: 238).

35.2 Average number of employee during the year as at June 30, 2020 were 245 (June 30, 2019 :253).

36 SUBSEQUENT EVENT

No dividend was proposed by the Board of Directors in their meeting held on September 22, 2020 for the financial year ended June 30, 2020.

37 COVID 19 PANDEMIC

During the year, COVID-19 was declared pandemic by the World Health Organization and Government of Pakistan. This pandemic significantly affected the financial markets around the globe. As a result, stock markets worldwide have declined sharply and volatility has increased. However, the management took proactive measures to avoid the impact of the effects of COVID-19 and due to such proactive steps taken by the management the overall performance of PSX during the year presented upward trend having a favourable impact on the traded value and volumes and consequently the overall revenue has been increased by 7%.

38 GENERAL

38.1 The figures have been rounded off to nearest thousand Rupees unless otherwise stated.

38.2 Corresponding figures have been re-arranged and re-classified for the purpose of better presentation. However, there are no material reclassification to report.

39 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on September 22, 2020 by the Board of Directors of the Company.



Chief Financial Officer



Chief Executive Officer



Chairman

PATTERN OF SHAREHOLDING

As at June 30, 2020

Number of Shareholders	Shareholdings	Total Shares Held	Number of Shareholders	Shareholdings	Total Shares Held
172	1 to 100	3,459	2	210001 to 215000	424,500
409	101 to 500	197,908	3	220001 to 225000	669,467
388	501 to 1000	384,592	2	225001 to 230000	460,000
640	1001 to 5000	1,949,767	3	230001 to 235000	699,028
252	5001 to 10000	2,106,401	1	235001 to 240000	240,000
81	10001 to 15000	1,081,459	1	240001 to 245000	241,500
54	15001 to 20000	1,010,000	2	245001 to 250000	496,000
50	20001 to 25000	1,195,194	1	255001 to 260000	259,000
28	25001 to 30000	805,454	2	280001 to 285000	565,587
13	30001 to 35000	443,500	11	295001 to 300000	3,300,000
23	35001 to 40000	887,617	4	310001 to 315000	1,251,500
12	40001 to 45000	529,500	1	315001 to 320000	320,000
30	45001 to 50000	1,489,000	1	320001 to 325000	323,500
9	50001 to 55000	476,500	2	325001 to 330000	656,000
6	55001 to 60000	354,500	1	330001 to 335000	330,058
4	60001 to 65000	259,000	2	345001 to 350000	695,361
4	65001 to 70000	275,000	5	350001 to 355000	1,761,112
13	70001 to 75000	953,681	1	355001 to 360000	356,908
4	75001 to 80000	318,000	1	365001 to 370000	367,500
5	80001 to 85000	413,500	1	375001 to 380000	379,083
7	85001 to 90000	617,665	1	380001 to 385000	385,000
5	90001 to 95000	468,000	1	390001 to 395000	393,500
43	95001 to 100000	4,280,637	3	395001 to 400000	1,200,000
5	100001 to 105000	515,679	1	425001 to 430000	430,000
12	105001 to 110000	1,290,542	1	450001 to 455000	452,953
7	110001 to 115000	794,986	1	470001 to 475000	471,953
6	115001 to 120000	706,216	1	475001 to 480000	478,238
3	120001 to 125000	370,000	2	480001 to 485000	966,000
1	125001 to 130000	130,000	4	495001 to 500000	1,991,166
2	130001 to 135000	267,000	1	505001 to 510000	510,000
2	135001 to 140000	276,000	1	550001 to 555000	552,953
3	140001 to 145000	427,940	2	595001 to 600000	1,200,000
8	145001 to 150000	1,196,857	1	705001 to 710000	707,693
1	150001 to 155000	150,500	1	740001 to 745000	740,500
2	155001 to 160000	317,000	1	770001 to 775000	773,453
1	165001 to 170000	165,500	3	795001 to 800000	2,400,000
3	170001 to 175000	519,053	4	800001 to 805000	3,212,946
5	175001 to 180000	891,422	1	805001 to 810000	806,500
1	185001 to 190000	186,000	1	845001 to 850000	845,100
1	190001 to 195000	195,000	1	855001 to 860000	859,286
9	195001 to 200000	1,793,872	1	870001 to 875000	870,400
4	205001 to 210000	833,133	2	895001 to 900000	1,800,000

Number of Shareholders	Shareholdings	Total Shares Held
1	900001 to 905000	902,953
1	920001 to 925000	922,453
1	970001 to 975000	975,000
1	990001 to 995000	991,166
1	995001 to 1000000	1,000,000
1	1000001 to 1005000	1,000,953
1	1015001 to 1020000	1,019,453
2	1020001 to 1025000	2,047,416
1	1030001 to 1035000	1,032,264
11	1080001 to 1085000	11,898,697
2	1095001 to 1100000	2,198,694
2	1100001 to 1105000	2,205,906
1	1110001 to 1115000	1,114,953
1	1130001 to 1135000	1,130,953
2	1200001 to 1205000	2,405,906
1	1210001 to 1215000	1,212,953
1	1240001 to 1245000	1,244,453
1	1310001 to 1315000	1,311,953
1	1320001 to 1325000	1,320,183
1	1325001 to 1330000	1,326,500
1	1345001 to 1350000	1,346,500
1	1350001 to 1355000	1,352,953
2	1355001 to 1360000	2,714,453
1	1360001 to 1365000	1,361,000
1	1380001 to 1385000	1,381,194
1	1395001 to 1400000	1,399,553
2	1400001 to 1405000	2,805,906
1	1415001 to 1420000	1,418,444
1	1430001 to 1435000	1,431,500
1	1445001 to 1450000	1,446,953
1	1495001 to 1500000	1,500,000
1	1500001 to 1505000	1,502,953
1	1550001 to 1555000	1,552,953
1	1555001 to 1560000	1,555,453
1	1570001 to 1575000	1,572,953
1	1575001 to 1580000	1,577,453
1	1580001 to 1585000	1,585,000
13	1585001 to 1590000	20,669,289
1	1590001 to 1595000	1,592,951
58	1600001 to 1605000	92,971,674
1	1625001 to 1630000	1,627,953
1	1630001 to 1635000	1,632,125

Number of Shareholders	Shareholdings	Total Shares Held
1	1640001 to 1645000	1,644,500
1	1745001 to 1750000	1,750,000
1	1750001 to 1755000	1,752,953
1	1755001 to 1760000	1,757,953
1	1765001 to 1770000	1,769,940
1	1785001 to 1790000	1,788,953
2	1800001 to 1805000	3,603,406
1	1845001 to 1850000	1,850,000
1	1850001 to 1855000	1,852,953
18	1900001 to 1905000	34,253,154
1	1965001 to 1970000	1,965,953
1	2000001 to 2005000	2,002,953
1	2105001 to 2110000	2,106,194
1	2115001 to 2120000	2,117,853
2	2200001 to 2205000	4,405,906
1	2260001 to 2265000	2,262,772
1	2495001 to 2500000	2,500,000
1	2515001 to 2520000	2,515,953
1	2615001 to 2620000	2,620,000
1	2700001 to 2705000	2,704,380
1	2895001 to 2900000	2,900,000
1	2930001 to 2935000	2,935,000
1	3300001 to 3305000	3,303,887
1	3345001 to 3350000	3,350,000
1	3365001 to 3370000	3,369,965
1	3610001 to 3615000	3,610,694
1	5295001 to 5300000	5,300,000
1	5820001 to 5825000	5,821,198
1	7195001 to 7200000	7,200,000
2	9595001 to 96000001	9,200,000
1	12795001 to 12800000	12,800,000
1	13115001 to 13120000	13,115,500
1	15125001 to 15130000	15,125,500
1	15190001 to 15195000	15,190,621
1	39805001 to 39810000	39,805,018
3	40070001 to 40075000	120,221,490
1	64115001 to 64120000	64,118,128
1	136250001 to 136255000	136,251,022
2597		801,476,600

CATEGORIES OF SHAREHOLDERS

As at June 30, 2020

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, their spouse(s) and minor children(s)			
Mr. Mohammad Ashraf Bawany	1	1,000	0.00%
Mr. Shehzad Chamdia	1	500	0.00%
Mr. Ahmed Chinoy	1	100	0.00%
Mr. 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	1,081,953	0.13%
NIT and ICP	-	-	0.00%
Banks, Development Financial Institutions, Non-Banking Financial Institutions	4	48,713,635	6.08%
Insurance Companies	1	356,908	0.04%
Modarabas and Mutual Funds	7	25,534,889	3.19%
General Public			
Local	2334	60,243,692	7.52%
Foreign	1	71	0.00%
Others			
Joint Stock Companies & Trusts	229	262,930,924	32.81%
Foreign Companies	14	226,287,976	28.23%
Total	2597	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%

AUDITORS' REPORT ON OPERATIONS AND IT SYSTEMS



Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
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Independent Reasonable Assurance Report on the Operations and IT Systems

1. Introduction

We were engaged by Pakistan Stock Exchange (the Exchange or PSX) through engagement letter no. PSX / 0230 dated July 27, 2020, in pursuance to the requirements of Regulation 16 of the Securities Exchanges (Licensing & Operations) Regulations, 2016 (the Regulations), to carry out independent assurance engagement under ISAE 3000 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' (ISAE 3000), in respect of Regulatory Functions and ISAE 3402 "Assurance Reports on Controls at a Service Organization", in respect of Operations and Information Technology (IT) Systems of the Exchange for the year ended June 30, 2020.

We are pleased to submit our reasonable assurance report under ISAE 3402. This report describes the design and operating effectiveness of the internal controls placed on Exchange's operations and Information Technology (IT) Systems for the year ended June 30, 2020, in accordance with the criteria stipulated in the Regulations.

2. Scope

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 of the Exchange for electronic trading services throughout the period' (the Description) (annexed herewith in Section 2). The Description indicates that certain control objectives specified therein are 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.

3. Management's Responsibilities

The management of the Exchange is responsible for:

- preparing the Description (Section 2) and accompanying Management Assertions (Section 1), including the completeness, accuracy and method of presentation of the Description;
- providing the services covered by the Description;
- developing and maintaining the control objectives;
- designing, implementing and effectively operating controls to achieve the stated control objectives; and
- ensuring that the staff involved in managing the compliance of the applicable statutory and regulatory requirements are adequately trained to prevent and detect fraud(s) at the Exchange.

DYA

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Member of
Deloitte Touche Tohmatsu Limited

4. Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behavior.

The firm applies International Standards on Quality Control 1 "Quality Control for the Firm's That Perform Audits and Reviews of Historical Information, And other Assurance and Related Services Engagements" 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.

5. 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 and accompanying Management Assertions, 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.

A Type II assurance engagement as defined in ISAE 3402 reports on the description, design and operating effectiveness of controls at a service organization which 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 which we consider necessary to provide reasonable assurance that the control objectives stated in the description were achieved. We evaluated 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:

- inquiry, 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;
- the test of controls on sample basis for procedural controls; and
- 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.

DYA

6. 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.

Certain controls in the Description with accompanying Management Assertions can be achieved if complementary Participant Controls at National Clearing Company (NCCPL), Central Depository Company (CDC) and Clearing Member Controls, contemplated in the design of the controls of the Company, 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 NCCPL, CDC, and Clearing Member Controls.

Further, no responsibility is taken for changes in the PSX Rule Book, Systems and operations, and no obligation is assumed to revise this report to reflect these or any other changes, which have occurred subsequent to June 30, 2020, i.e. after the engagement period.

7. Opinion

Our opinion has been formed on the basis of criteria defined by the management in section 1 and audit procedures performed as defined in section 5 of this report.

In our opinion, in all material respects:

- i. the description fairly presents the Operations and IT systems as designed and implemented throughout the period from 1 July 2019 to 30 June 2020;
- ii. the control objectives were suitably designed throughout the period from 1 July 2019 to 30 June 2020; and
- iii. 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 2019 to 30 June 2020.

8. Intended Users and Purpose

This report and the contents appended herein, are intended only for customers who have used the Exchange's Operations 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.

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner: Zafar Hussain Memon

Date: September 22, 2020
Place: Karachi

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Member of
Deloitte Touche Tohmatsu Limited



PAKISTAN STOCK EXCHANGE LIMITED

(Formerly Karachi Stock Exchange Limited)
Stock Exchange Building, Stock Exchange Road, Karachi - 74000, Pakistan.
UAN: 111-001-122 Fax: 32410825
Website: www.psx.com.pk Email: info@psx.com.pk

Ref. No. PSX/ Gen-1815

Section I

Management Assertions – Independent Reasonable Assurance Report on the Operations and IT Systems.

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 from 1 July 2019 to 30 June 2020. 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 under review 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 were 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 Section 2 of this letter) were suitably designed and operated effectively throughout the period under review to



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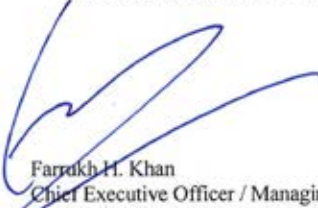
Ref. No. PSX/ _____

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 under review 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.


Farrukh H. Khan
Chief Executive Officer / Managing Director
Pakistan Stock Exchange Limited





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Ref. No. PSX/

Gen-1816

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, 2019. 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 was 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 of the country - Karachi Stock Exchange, Lahore Stock Exchange and 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 Voluntary De-Listing Committee

Internal Audit, currently co-sourced with an audit firm, reports to the Audit Committee. Internal audits of all operational areas of the Exchange 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 also required by SECP 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.



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Information Technology Division also reports to Managing Director responsible for application development, software quality assurance, network, infrastructure management, system management, databases, IT Support & Services and Audit coordination & compliance. The Information systems support 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 main operational site is located at the Exchange Buildings in Karachi. Disaster recovery site is maintained for its technology systems where 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 supported by control activities which 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.



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Ref. No. PSX/ _____

- 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 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 broker 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.
- Changing password.
- Immediately notifying the Exchange of any information security breaches they become aware of.



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(Formerly Karachi Stock Exchange Limited)

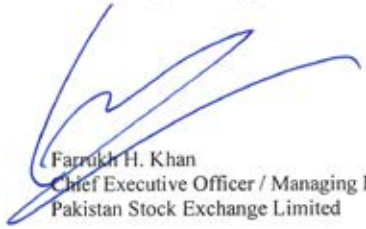
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- Periodically review of access permissions on applications to ensure system access is appropriately restricted.
- Reviewing transactions and communicating inaccuracies or discrepancies to the Exchange in a timely manner.
- Determining the user profiles 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.



Farukh H. Khan
Chief Executive Officer / Managing Director
Pakistan Stock Exchange Limited



AUDITORS' REPORT ON REGULATORY FUNCTIONS



Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

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Independent Limited Assurance Report on the Statutory and Regulatory Compliance

1. Introduction

We were engaged by Pakistan Stock Exchange (the Exchange or PSX) through engagement letter no. PSX / 0230 dated July 27, 2020, in pursuance to the requirements of Regulation 16 of the Securities Exchanges (Licensing & Operations) Regulations, 2016 (the Regulations), to carry out independent assurance engagement under ISAE 3000 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' (ISAE 3000), in respect of Regulatory Functions and ISAE 3402 "Assurance Reports on Controls at a Service Organization", in respect of Operations and Information Technology (IT) Systems of the Exchange for the year ended June 30, 2020.

We are pleased to submit our limited assurance report under ISAE 3000. The report describes the Exchange's compliance with the applicable statutory and regulatory requirements for the year ended June 30, 2020, in accordance with the criteria stipulated in Annexure III of the Regulations.

2. Applicable Criteria

The criteria for the limited assurance engagement to assess the Exchange's compliance with the applicable statutory and regulatory requirements for the year ended June 30, 2020, comprises of the following, as stipulated in the Annexure III of the Regulations:

- i. Securities Act, 2015;
- ii. Central Depositories Act, 1997;
- iii. Companies Act, 2017;
- iv. Securities Exchanges (Licensing and Operations) Regulations, 2016;
- v. PSX Rule Book;
- vi. Policies, procedures, directives, guidelines, circulars, issued/approved by the commission or the board of directors of PSX;
- vii. Memorandum of Association and Articles of Association of PSX;
- viii. Standard Operating Procedures relating to all major operational processes;
- ix. Policies and procedures formulated to identify and prevent conflict of interests of directors with the interest of the capital market, investors and securities exchange; and
- x. PSX's systems and related functionalities operations as per the requirements of approved regulations and procedures of PSX.

3. Management's Responsibilities

Management is responsible:

- To ensure that the Exchange complies with all the applicable statutory and regulatory requirements and relevant internal controls that management considers are essential to achieve compliance in relation to the Regulatory Functions;
- For preventing and detecting fraud at the Exchange; and
- For ensuring that the staff involved in managing the compliance activity are properly trained.

DYA

Page 1 of 3

Member of
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4. Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies International Standard on Quality Control 1 called "Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" 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.

5. Our Responsibility and Summary of the Work Performed

Our responsibility is to carry out procedures primarily with a view to assess the Exchnage's compliance with the applicable statutory and regulatory requirements and relevant requirements, as mentioned under the heading 'Applicable Criteria' above, and to report thereon in the form of an independent limited assurance conclusion.

In this regard we conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000, 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' (ISAE 3000), issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform the engagement to obtain limited assurance on the Exchnage's compliance with applicable statutory and regulatory requirements, in all material aspects.

The procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Because of the inherent limitations of an assurance engagement, together with the inherent limitations of internal control system, there is an unavoidable risk that some non-compliances, in relation to the applicable statutory and regulatory requirements, may not be detected, even though the engagement is properly planned and performed in accordance with the ISAE 3000.

Accordingly, the procedures selected were based on the assurance practitioner's professional judgment, including the assessment of the risks of material non-compliance with the applicable statutory and regulatory requirements due to omissions, misrepresentation, and errors. Within the scope of our work, we performed amongst others the following procedures:

- Reviewed existing policies and procedures to check that the Exchange's operations are in compliance with the Memorandum of Association, the Articles of Association and the relevant regulatory framework.
- Performed inquiries and walkthroughs on a sample basis to check the existence of and compliance with policies and procedures relating to Regulatory Functions.
- Reviewed policies and procedures to check that policies and procedures are formulated to identify and prevent conflict of interest of directors with the interest of the capital market, investors, and the Exchange.
- Reviewed relevant requirements of applicable laws as mentioned in applicable criteria (in section 2 of this report) and checked compliance with them.

6. 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 judgments. Further, nature and

DYA

methods used to determine such information, as well as the evaluation criteria and the precision thereof, may change over time.

Certain controls specified in PSX Rule Book could only be achieved if complementary Pakistan Stock Exchange (PSX), National Clearing Company (NCCPL), Central Depository Company (CDC) and Clearing Member Controls, contemplated in the design of the controls of the Company, 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 NCCPL, CDC, and Clearing Member Controls.

Further, no responsibility is taken for changes in the PSX Rule Book, Systems and operations, and no obligation is assumed to revise this report to reflect these or any other changes, which have occurred subsequent to June 30, 2020, i.e. after the engagement period.

7. Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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

8. Emphasis of Matter

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

Currently the position of CCO reports to the Regulatory Affairs Committee (RAC) through Acting CRO, which creates a self-review threat given the fact that typically the job description of the CCO involves ensuring internal compliances including the compliances of RAD function. As per best practices, the Compliance function should report functionally to the Board through Audit Committee and administratively to the CEO office.

According to management, the existing structure is in compliance with the Section 11 (3) of the Securities Exchanges (Licensing and Operations) Regulations, 2016, which requires the CRO to perform regulatory as well as operational and statutory compliance of the Exchange, thereby embedding the role of CCO within the role of CRO.

We understand that the matter has been repeatedly emphasized by the previous auditors as well and the Audit Committee after deliberation, agreed with the observation and decided to discuss the matter in Board of Director's meeting before taking up the matter with SECP to request the amendment in the Regulations.

Due to the significance of the aforementioned matter, it has been re-highlighted in this report.

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner: Zafar Hussain Memon

Date: September 22, 2020
Place: Karachi

73rd Annual General Meeting

As witness my/our hand/seal this _____ day of _____, 2020

1.	Signature	_____
	Name	_____
	Address	_____
	CNIC/Passport No.	_____
2.	Signature	_____
	Name	_____
	Address	_____
	CNIC/Passport No.	_____

--

Revenue Stamp of
PKR 5/-

To be signed by the above named shareholder

1. 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 need not be a member of the Company.
2. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
3. Attested copies of CNIC of the appointer and the proxy-holder shall be furnished with the Proxy Form.
4. In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form.

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 28 اکتوبر 2020 کو منعقد ہونے والے تہتویں 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 دستخط / مہر بروز _____ 2020 کو ثبت کیے گئے / کی گئی۔

گواہان:

1- _____ دستخط

نام _____

پتہ _____

کمپیوٹرائزڈ شناختی کارڈ / پاسپورٹ نمبر _____

2- _____ دستخط

نام _____

پتہ _____

کمپیوٹرائزڈ شناختی کارڈ / پاسپورٹ نمبر _____

سی ڈی سی اکاؤنٹ

پانچ روپے کارپوریٹ اسٹمپ

حصص یافتہ کے دستخط

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 نہیں۔
- 2- پراکسی فارم پر دو گواہان کے نام، پتے اور سی ڈی سی نمبر درج ہونے چاہیے۔
- 3- پراکسی فارم کے ساتھ تقرر کرنے والے اور پراکسی کے حامل فرد کے سی ڈی سی کی تصدیق شدہ نقول جمع کی جائیں گی۔
- 4- کارپوریٹ ادارے کی صورت میں، ادارے کے بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد / پاور آف اٹرنی بشمول نمونہ دستخط پراکسی فارم کے ساتھ جمع ہونگی۔

یکم جولائی 2019 سے 30 جون 2020		
کمیٹی ممبر کا نام	مجموعی اجلاس	اجلاسوں میں شرکت
جناب شہزاد چاٹھیا (چیئر مین) (3)	06	06
جناب احمد چنائے	06	06
محترمہ ناز خان (Ms. Naz Khan)	06	05
سید مسعود علی نقوی (1)	02	02
جناب شاہ نواز محمود (2)	03	02
جناب یو ہینگ (4) (Mr. You Hang)	02	02

- (1) 28 اکتوبر 2019 کو مستعفی ہونے کی وجہ سے ممبر نہیں رہے۔
 (2) 09 جنوری 2020 کو مستعفی ہونے کی وجہ سے ممبر نہیں رہے۔
 (3) 26 فروری 2020 کو بحیثیت چیئر مین تقرر ہوا۔
 (4) 26 فروری 2020 کو بحیثیت ممبر تقرر ہوا۔

ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی

یکم جولائی 2019 سے 30 جون 2020		
کمیٹی ممبر کا نام	مجموعی اجلاس	اجلاسوں میں شرکت
جناب سلیمان الیس مہدی (چیئر مین)	03	03
جناب محمد اشرف باوانی	03	03
جناب عابد علی حبیب	03	03
جناب سعد امان اللہ خان	03	03
جناب شاہ نواز محمود (1)	02	02
جناب یو ہینگ (2) (Mr. You Hang)	01	01

- (1) 09 جنوری 2020 کو مستعفی ہونے کی وجہ سے ممبر نہیں رہے۔
 (2) 26 فروری 2020 کو بحیثیت کمیٹی ممبر تقرر ہوا۔

نوٹ: مذکورہ بالا کمیٹیوں کی موجودہ کمپوزیشن سالانہ رپورٹ کے کارپوریٹ انفارمیشن کے صفحے پر موجود ہے۔

ضمیمہ نمبر II

بورڈ کمیٹیز

ریگولیٹری آفیسرز کمیٹی

یکم جولائی 2019 سے 30 جون 2020		
کمیٹی ممبر کا نام	مجموعی اجلاس	اجلاسوں میں شرکت
جناب سلیمان ایس مہدی (چیئر مین)	10	09
محترمہ ناز خان (Ms. Naz Khan)	10	06
جناب امجد پرویز	10	10
جناب محمد صلاح الدین منظور (1)	08	08
سید مسعود علی نقوی (2)	02	01

(1) 26 ستمبر 2019 کو خستیت ممبر تقرر ہوا۔

(2) 28 اکتوبر 2019 کو مستعفی ہونے کے بعد ممبر نہیں رہے۔

نامینشن کمیٹی

یکم جولائی 2019 سے 30 جون 2020		
کمیٹی ممبر کے نام	مجموعی اجلاس	اجلاسوں میں شرکت
جناب سلیمان ایس مہدی (چیئر مین)	01	01
جناب محمد اشرف باوانی	01	01
جناب یو ہینگ (Mr. You Hang)	01	01
جناب سعد امان اللہ خان	01	01
سید مسعود علی نقوی (1)	-	-

(1) 28 اکتوبر 2019 کو مستعفی ہونے کے بعد ممبر نہیں رہے۔

ضمیمہ نمبر 1

بورڈ آف ڈائریکٹرز

ڈائریکٹر کا نام			یکم جولائی 2019 سے 30 جون 2020
اجلاسوں میں شرکت	مجموعی اجلاس		
12	12	جناب سلیمان الیس مہدی (چیئر مین)	
04	04	جناب فرخ ایچ خان، (چیف ایگزیکٹو آفیسر) (6)	
11	12	جناب محمد اشرف باوانی	
12	12	جناب شہزاد چانڈیا	
12	12	جناب احمد چنائے	
12	12	جناب عابد علی حبیب	
07	12	محترمہ یو ہوالی (Ms. Yu Huali)	
09	12	جناب سعد امان اللہ خان	
11	12	محترمہ ناز خان (Ms. Naz Khan)	
12	12	جناب محمد صلاح الدین منظور	
09	12	جناب امجد پرویز	
12	12	جناب یو ہینگ (Mr. You Hang)	
03	04	سید مسعود علی نقوی (1)	
-	05	جناب جی بو (QUE Bo) (2)	
06	06	جناب شاہ نواز محمود (3)	
05	05	جناب فو ہاو (4) (Mr. FU Hao)	
08	08	جناب محمد رفیق عمر (5)	
03	03	جناب وانگ باؤ جون (7) (Mr. Wang Baojun)	
03	03	جناب جاوید قریشی (8)	

(1) 28 اکتوبر 2019 کو ڈائریکٹر کی حیثیت سے مستعفی ہو گئے۔

(2) 27 نومبر 2019 کو ڈائریکٹر کی حیثیت سے مستعفی ہو گئے۔

(3) 09 جنوری 2020 کو ڈائریکٹر کی حیثیت سے مستعفی ہو گئے۔

(4) 17 جنوری 2020 کو بحیثیت ڈائریکٹر تقرر ہوا۔

(5) 21 فروری 2020 کو قائم مقام سی ای او کی حیثیت سے ریٹائرڈ ہو گئے۔

(6) 24 فروری 2020 کو سی ای او کی حیثیت سے ذمہ داریاں سنبھالیں۔

(7) 26 فروری 2020 کو بحیثیت ڈائریکٹر تقرر ہوا۔

(8) 03 مارچ 2020 کو بحیثیت ڈائریکٹر تقرر ہوا۔

بورڈ کے چند اجلاسوں میں شرکت نہ کر سکنے والے ڈائریکٹرز کی رخصت منظور کر دی گئی۔

شیئر ہولڈنگ کا پیٹرن

پی ایس ایکس کی شیئر ہولڈنگ کا پیٹرن سالانہ رپورٹ کے ساتھ منسلک ہے

شیئر ہولڈنگ کی کیٹیگریز

شیئر ہولڈنگ کی کیٹیگریز کی تفصیلات سالانہ رپورٹ کے ساتھ منسلک ہیں۔

اعتراف:

پی ایس ایکس بورڈ ان تمام اسٹیک ہولڈرز کا تہہ دل سے شکر گزار ہے جنہوں نے پی ایس ایکس اور کیپیٹل مارکیٹ کو مسلسل سپورٹ ملتی رہی، بورڈ، سیکریٹریز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فیڈرل بورڈ آف ریونیو اور وزارت خزانہ، ریونیو اور اکٹا مک افیئرز، حکومت پاکستان کا بھی شکر گزار ہے جن کی جانب سے پی ایس ایکس کو ہر وقت مسلسل اور سرگرم سپورٹ اور رہنمائی ملتی رہی۔

بورڈ تمام کمیٹی ممبران کا بھی شکر گزار ہے جنہوں نے اپنی جانب سے سپورٹ اور رہنمائی فراہم کی، بورڈ پی ایس ایکس کے تمام اسٹاف ممبران کی خدمات کا بھی اعتراف کرتے ہوئے انہیں سراہتا ہے کہ انہوں نے ملنے والی ذمہ داریوں کو پورے عزم اور محنت کے ساتھ پورا کیا۔

بورڈ آف ڈائریکٹرز کی جانب سے



فرخ ایچ خان
چیف ایگزیکٹو آفیسر



سلیمان ایس مہدی
چیئر مین
کراچی

مؤرخہ 22 ستمبر 2020

اندرونی فنانشل کنٹرول اور رسک مینجمنٹ کی مناسبت

اندرونی فنانشل کنٹرول اور رسک مینجمنٹ پی ایس ایکس کے آپریشنز اور مالیاتی معلومات کی فراہمی اور اطلاقی قوانین کے مطابق بناتے ہیں جس کے ذریعے خطرے کا احساس، متعلقہ پالیسیوں اور طریقہ کار کا جائزہ اور مانیٹرنگ کا سسٹم کو یقینی بنایا جاتا ہے۔ یہ سسٹم بورڈ آف ڈائریکٹرز اور شیئر ہولڈرز کو معقول یقین دہانی کراتا ہے۔ انتظامیہ موجودہ سسٹم کو مناسب اور موثر سمجھتی ہے۔

اندرونی فنانشل کنٹرول اور رسک مینجمنٹ کے حوالے سے ڈائریکٹرز کی ذمہ داریاں:

بورڈ آف ڈائریکٹرز کی ذمہ داری ہے کہ اندرونی کنٹرول اور رسک مینجمنٹ کے مضبوط سسٹم کے قیام کو یقینی بنائے جس پر کمپنی کے اندر ہر سطح پر نہ صرف موثر طریقے سے عملدرآمد ہو بلکہ اس کا یہ معیار برقرار بھی رہے۔

مزید برآں، آڈٹ کمیٹی، جو بورڈ کی جانب سے تشکیل دی گئی ہو اور بورڈ کو رپورٹ کر رہی ہو، کو دیگر معاملات کے ساتھ، کو اس بات کا مینڈیٹ دیا گیا ہے کہ وہ اس بات کا جائزہ لے کہ اندرونی کنٹرول سسٹم، بشمول فنانشل اور آپریشنل کنٹرول، ان میں موجود متعلقہ رسک پر غور کرتے ہوئے، بروقت اور مناسب طریقے سے آمدنی اور اخراجات کی ریکارڈنگ کے لیے اکاؤنٹنگ سسٹم، وصولیوں اور ادائیگیوں، اثاثوں اور واجبات کے ساتھ رپورٹنگ اسٹرکچر مناسب اور موثر طریقے سے کام کر رہا ہے۔ سکیورٹیز ایکچینج (لائسنسنگ اینڈ آپریشنز) ریگولیشنز، 2016 کے مطابق آڈیٹرز پورٹس کے ساتھ مینجمنٹ اسرٹیشنز اینڈ ڈیسکرپشن کے عنوان سے سالانہ رپورٹ کے ساتھ منسلک دستاویز میں تفصیل کے ساتھ ذکر کیا گیا ہے۔

ماحولیاتی اثرات:

پی ایس ایکس کے کاروبار کا ماحولیات پر کوئی بھی منفی اثر نہیں پڑ رہا ہے۔

کارپوریٹ سماجی ذمہ داری:

ایک قومی انسٹیٹیوشن اور ذمہ دار کارپوریٹ سبپیژن کی حیثیت سے پی ایس ایکس سوسائٹی کے لیے اپنی ذمہ داریوں کو شدت سے محسوس کرتی ہے۔ اس سلسلے میں پی ایس ایکس نے کارپوریٹ سوشل ریسپانسیبیلٹی (سی ایس آر) کے لیے پالیسی وضع کر رکھی ہے جس میں پی ایس ایکس کے منافع قبل از ٹیکس کے 2 فی صد کے مساوی رقم ایسی سرگرمیوں کے لیے استعمال کی جاتی ہے۔

زیر جائزہ سال کے دوران پی ایس ایکس نے مندرجہ ذیل سرگرمیوں کے لیے عطیات فراہم کیے:

پی ایس ایکس، اس کے ڈائریکٹرز اور ملازمین نے کوویڈ-19 وائرس کے پھیلاؤ کی وجہ سے پیدا ہونے والی صورتحال کا مقابلہ کرنے کے لیے صحت اور سوشل ویلفیئر کے مقصد کے لیے قائم فنڈ کے عطیات دیے۔ 29 جون 2020 کو پی ایس ایکس پر ہونے والے دہشت گردوں کے حملے میں زخمی ہونے والوں اور شہداء کے اہل خانہ کی ویلفیئر کے لیے پی ایس ایکس نے 10 ملین روپے کے عطیات دیے۔ مزید برآں، ٹی آر ای سی ہولڈرز اور مارکیٹ کے دیگر شرکاء کو بھی اس نیک مقصد میں اپنا حصہ ڈالنے پر مائل کیا گیا، اس سلسلے میں ایکچینج کی جانب سے دیے جانے والے عطیات کی مجموعی رقم 12.75 ملین روپے ہو گئی۔ جس کی تفصیلات درج ذیل ہیں:

رقم (ملین روپے)	عطیات دہندہ
10	پی ایس ایکس پر حملے میں شہید ہونے والے سکیورٹی اہلکاروں کے لیے فنڈ میں پی ایس ایکس کی جانب سے دیا گیا عطیہ
1.5	آغا خان ہسپتال اینڈ میڈیکل کالج فاؤنڈیشن
1.0	دی اورنج ٹری فاؤنڈیشن
0.25	آخوت کرونا امداد فنڈ
12.75	مجموعی رقم

آڈیٹرز

موجودہ آڈیٹرز گرانٹ تھارنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹ سالانہ جنرل اجلاس کے موقع پر ریٹائر ہو جائیں گے، تاہم اہل ہونے کی وجہ سے انہوں نے دوبارہ اپنی خدمات پیش کر رکھی ہیں۔ آڈٹ کمیٹی کی سفارشات پر بورڈ شیئر ہولڈرز سے سفارش کرتا ہے کہ گرانٹ تھارنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹ کو دوبارہ 30 جون 2020 کو اختتام پذیر ہونے والے مالی سال کے لیے آڈیٹ مقرر کیا جائے۔

غیر جانبدار آڈیٹر رپورٹ کا نظر ثانی مواد

انٹرنیشنل آڈیٹنگ اینڈ اشورنس اسٹینڈرڈ بورڈ کے متعین کردہ آڈیٹنگ اسٹینڈرز میں کوئی تبدیلی نہیں کی گئی جو آڈیٹرز کی رپورٹنگ کی ضروریات سے متعلق ہیں جنہیں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے بھی اپریل 2018 کو جاری کردہ آڈیٹرز رپورٹنگ شرائط کے تحت اختیار کر رکھا ہے۔

کارپوریٹ گورننس

بورڈ آف ڈائریکٹرز اور کمپنی کارپوریٹ مینجمنٹ کے اصولوں پر کاربند ہیں جس میں شفافیت اور کھلے پن پر زور ہے۔ بورڈ اور انتظامیہ اپنی ذمہ داریوں سے آگاہ ہے جن میں کمیٹی مارکیٹ کے آپریشنز اور اس کی کارکردگی کا جائزہ شامل ہے تاکہ مالیاتی اور غیر مالیاتی معلومات کو صحیح، جامع اور شفاف بنایا جاسکے۔

بورڈ مسرت سے اس بات کا اعلان کرتا ہے کہ پی ایس ایکس نے کارپوریٹ گورننس کے اصولوں اور سٹیکہولڈرز (کوڈ آف کارپوریٹ گورننس) ریکولیشنز 2019 کو اختیار کیا ہے جو کہ عملدرآمد کے باب میں سالانہ رپورٹ میں شامل ہے۔ پی ایس ایکس درج ذیل اقدامات اٹھانے کی کوشش کرے گی۔

- اکاؤنٹس کی مناسب بکس بنائی جائیں۔
- انتظامیہ کی جانب سے پیش کیے جانے والے مالیاتی گوشوارے حالات، آپریشنز کے نتائج اور کیش فلو کی صحیح عکاسی کرتے ہوں۔
- مالیاتی گوشواروں کی تیاری کے لیے مناسب اکاؤنٹنگ کی پالیسیاں اختیار کی گئی ہیں جو انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرز سے مطابقت رکھتی ہیں۔ اکاؤنٹنگ کے تخمینے معقول فیصلوں پر کیے جاتے ہیں۔

- اندرونی طور پر اختیار کیا گیا کنٹرول کا نظام اچھا ہے جو انتظامیہ نے موثر طور پر نافذ کیا ہے اور جس کا جائزہ انٹرنل اور ایکسٹرنل آڈیٹرز کے ساتھ بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی بھی لیتی ہے۔ بورڈ انٹرنل کنٹرول سسٹم کا جائزہ آڈٹ کمیٹی کے ذریعے کرتی ہے اور اس میں جہاں ضروری ہو بہتری کے لیے تجاویز بھی پیش کرتی ہے۔
- پی ایس ایکس کے ایک ترقی کرتے ہوئے ادارے کے طور پر کوئی شک نہیں ہے۔
- کارپوریٹ گورننس کے بہترین اصولوں سے انحراف کا کوئی واقعہ پیش نہیں آیا ہے۔
- ڈائریکٹرز رپورٹ میں گزشتہ سال کے آپریٹنگ نتائج، مستقبل کے منصوبے اور ان میں کسی تبدیلی میں علیحدہ سے درج کیا گیا ہے۔
- 30 جون 2020 کو ختم ہونے والے مالی سال قبل از آڈٹ اکاؤنٹس کے مطابق پی ایس ایکس کے ملازمین کے گریجویٹ فنڈ کی سرمایہ کاری 74.396 ملین روپے تھی۔
- گزشتہ چھ سالوں کا ہم آپریٹنگ اور مالیاتی ڈیٹا اس رپورٹ میں شامل کیا گیا ہے۔

ڈائریکٹرز کی مراعات

پی ایس ایکس کے بورڈ پر موجود نان ایگزیکٹو ڈائریکٹرز کو بورڈ کے اجلاس میں شرکت کے لیے فی کس پچاس ہزار روپے ادا کیا جاتا ہے جس پر ٹیکس کا اطلاق ہوتا ہے۔ اس کے علاوہ ایک ڈائریکٹر اپنی صوابدید پر

- اجلاس میں شرکت کی فیس اپنے نام پر لے سکتا ہے یا۔
- جس ادارے سے منسلک ہے اس کے نام پر وصول کر سکتا ہے۔
- وہ اس رقم کو کسی خیراتی ادارے کو عطیہ کرنے کی بھی ہدایت دے سکتا ہے یا۔
- اجلاس کی فیس نہ کرنے کا بھی کہہ سکتا ہے۔
2019-20 میں ڈائریکٹرز اور چیف ایگزیکٹو افسر کی مراعات کے بارے میں مالیاتی گوشوارے کے نوٹ 32 میں معلومات درج ہیں۔

بورڈ رخصت ہونے والے بورڈ کے ڈائریکٹرز کی خدمات کو خراج تحسین پیش کرتا ہے اور ان کے مستقبل کے عزائم کے لیے دعا گو ہے۔

مالی سال 2019-20 کے اختتام پر پی ایس ایکس کا بورڈ پندرہ ڈائریکٹرز پر مشتمل تھا جن میں ایک متبادل ڈائریکٹر شامل نہیں ہے

مرد ڈائریکٹرز 13

خواتین ڈائریکٹرز 2

بورڈ کی تشکیل درج ذیل ہے

غیر جانبدار ڈائریکٹرز

- | | |
|---------------------------|--------------------------------|
| (۱) جناب سلیمان الیس مہدی | (۲) جناب شہزاد چاٹھیا |
| (۳) محترمہ ناز خان* | (۴) جناب سعدمان اللہ خان |
| (۵) جناب جاوید قریشی | (۶) جناب محمد صلاح الدین منظور |
| (۷) جناب امجد پرویز | |

نان ایگزیکٹو ڈائریکٹرز

- | | |
|-----------------------------------|--|
| (۱) جناب محمد اشرف باوانی | (۲) جناب فوہاؤ (FU Hao) |
| (۳) جناب احمد چنائے | (۴) جناب عابد علی حبیب |
| (۵) محترمہ یوہوالی (Yu Huali) | (۶) جناب وانگ باؤجون (Wang Baojun) |
| (۷) جناب زہینگ روگ (Zhiping Rong) | (۸) جناب یوینگ (You Hang: Alternate of Mr. Zhiping Rong) |

ایگزیکٹو ڈائریکٹر و چیف ایگزیکٹو آفیسر

(۱) جناب فرخ ایچ خان

- * سال کے اختتام پر محترمہ ناز خان نے بطور انڈیپنڈنٹ ڈائریکٹر 7 جولائی 2020 کو استعفیٰ دے دیا۔

30 جون 2020 کو ختم ہونے والے مالی سال میں بورڈ کے بارہ اجلاس ہوئے جن میں سات شیڈولڈ اور پانچ ہنگامی اجلاس تھے جن میں ڈائریکٹر کی شمولیت کی حاضری ڈائریکٹرز رپورٹ کی Annexure I میں شامل ہے۔

بورڈ کمیٹیاں

کمیٹیشن، سیکورٹیز ایپیکچ (لائسنگ اور آپریشنز) ریگولیشنز 2016 اور سٹاک ایکسچینج (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت منظور کیے اسٹاک ایکسچینج کے کمرشل اور ریگولیٹری کاموں کے علیحدگی کے پلان اور پی ایس ایکس کے فرنٹ لائن ریگولیٹرز اور کمرشل ادارے کی شرائط کے مطابق بورڈ نے مختلف کمیٹیاں تشکیل دی ہیں جن میں اہم کمیٹیاں ریگولیٹری افیئرز کمیٹی، نامزدگی کی کمیٹی، آڈٹ کمیٹی اور انسانی وسائل اور مراعاتی کمیٹی ہیں۔

ان کمیٹیوں کی ساخت اور ان میں اراکین کی شرکت کی تفصیلات ڈائریکٹرز رپورٹ کے Annexure II میں شامل ہیں۔

اضافی طور پر پی ایس ایکس اپنے قواعد و ضوابط، قوانین اور ذیلی قوانین کی رو سے کچھ ریگولیٹری اختیارات کا بھی استعمال کرتا ہے جن میں ایکسچینج میں لسٹڈ کمپنیوں کی جانب سے کچھ سیکورٹیز قوانین پر عمل درآمد کا جائزہ لینا ہے۔ اس جائزے کو بڑھانے جس کے ہم پابند ہیں کے لیے ریگولیٹری تبدیلی کی ضرورت ہوتی ہے وہ اضافی ریگولیٹری بوجھ کی صورت میں برآمد ہوتی ہے، اس کے نتیجے میں عمل درآمد کی قیمت بھی بڑھتی ہے۔

پی ایس ایکس درج ذیل صورتوں میں کسی آپریشنل لاگت میں اضافے یا مسلسل نقصان اور مالی مضمرات کی بھی توقع کر سکتا ہے

- بیرون ملک ریگولیٹری کی جانب سے شناخت کی ضرورت
- معاہدوں پر لازمی نظر ثانی
- بیرون ملک قواعد و ضوابط کے موثر ہونے کی وجہ سے نئے اطلاقی قوانین، قواعد و ضوابط یا عدالتی فیصلوں کے نتیجے میں معاہدوں کی شرائط میں نظر ثانی

حکومتی پالیسیوں میں تبدیلیوں کا ریسک

اسٹاک مارکیٹ میں تجارتی حجم درج ذیل تبدیلیوں سے متاثر ہو سکتے ہیں

- حکومت پاکستان کی پالیسیاں
- ٹیکس قانون یا پالیسی
- بیرون ملک سے اسٹاک مارکیٹ میں ہونے والی سرمایہ کاری پر ریگولیٹری فریم ورک میں تبدیلی
- دیگر قواعد و ضوابط یا پالیسیاں جو پی ایس ایکس کے کاروبار کو متاثر کر سکتی ہیں جیسے کہ لسٹڈ کمپنیاں جن کی بیرون ملک سیکورٹیز کی پیش کش کے لیے شرائط میں نرمی
- سرمایہ کاروں کا ملکی ایکسچینج پر آزادانہ ٹریڈ
- اس ٹریڈنگ پر ٹیکس اور منافع کی بیرون ملک روانگی
- ہماری ایکسچینجوں میں سیکورٹیز کی ٹریڈ، کلیئرنگ اور ان کی سیٹلمنٹ کا طریقہ کار
- درج بالا عوامل ہمارے کاروبار، مالی حالت اور آپریشنز کے نتائج اور امکانات پر اثر انداز ہو سکتے ہیں

قومی خزانے میں حصہ

کمپیوٹل مارکیٹیں قومی خزانے میں خطیر حصہ ڈالنے والی مارکیٹوں میں شامل ہیں

- مالی سال 20-2019 کے دوران پی ایس ایکس نے قومی خزانے میں 320 ملین روپے کا ٹیکس جمع کرایا جو سیکورٹیز پر ٹی آر ای سی ہولڈرز کے کاروبار اور پی ایس ایکس کی آمدنی پر ادا کیا گیا۔ مالی سال 19-2018 میں پی ایس ایکس نے 989 ملین روپے کا ٹیکس ادا کیا۔ پاکستان اسٹاک ایکسچینج میں لسٹڈ کمپنیاں اور سرمایہ کار بڑے ٹیکس ادا کرنے والوں میں شامل ہیں،

بورڈ آف ڈائریکٹرز

مالی سال 2019-20 کے دوران بورڈ آف ڈائریکٹرز میں درج ذیل تبدیلیاں کی گئیں۔

- سید مسعود علی نقوی نے ایک انڈیپنڈنٹ ڈائریکٹر کے طور پر 28 اکتوبر 2019، میں استعفیٰ دیا۔ جن کی جگہ جناب جاوید قریشی کو کمیشن کی منظوری سے 3 مارچ 2020 کو تعینات کیا گیا۔
- شنگھائی اسٹاک ایکسچینج کے نمائندے جناب چی بو (Que Bo) نے پی ایس ایکس کے بورڈ سے بطور شیئر ہولڈر ڈائریکٹر کے 27 نومبر، 2019 کو استعفیٰ دے دیا۔ شنگھائی اسٹاک ایکسچینج سے نامزدگی کے بعد جناب فو ہاؤ (Fu Hao) کو ان کی جگہ 17 جنوری 2020 میں تعینات کر دیا گیا۔
- 9 جنوری 2020 کو جناب شاہناز محمود نے پاک چائنہ انوسٹمنٹ کے نمائندے بطور شیئر ہولڈر ڈائریکٹر استعفیٰ دے دیا۔ ان کی جگہ جناب وانگ باؤ جون (Wang Baojun) کو پی ایس ایکس کے بورڈ پر 26 فروری 2020 میں تعینات کیا گیا۔
- پی ایس ایکس کے بورڈ کی سفارش پر سیکورٹیز اینڈ کمیشن آف پاکستان نے جناب فرخ ایچ خان کو 24 فروری 2020 کا چیف ایگزیکٹو آفیسر تعینات کیا۔ ان کی تعیناتی جناب محمد رفیق عمر کی جگہ کی گئی جو بطور قائم مقام چیف ایگزیکٹو آفیسر کے 21 فروری 2020 سے خدمات انجام دے رہے تھے۔

- حکومت کی زرعی پالیسی اور غیر ملکی کرنسی کی پچھلے ریٹ میں رد و بدل۔
- قلیل مدتی اور طویل مدتی فنڈنگ اور سرمائے کی دستیابی۔
- متبادل سرمایہ کاری کے مواقع کی دستیابی۔
- سیکورٹیز کی قیمتوں اور رد و بدل اور عدم استحکام۔
- ٹیکس پالیسی میں تبدیلی بشمول کاروباری ٹیکس اور دوسرے ملکوں سے پاکستان کے ٹیکس معاہدے۔
- شرح سود اور اس میں عدم استحکام۔
- قانون ساز اور ریگولیٹری تبدیلیاں بشمول ریگولیٹڈ اور ان ریگولیٹڈ مارکیٹوں میں پالیسی کے فرق پر اختلاف ابھرنے پر ریگولیٹری ثالثی۔
- پاکستانی کمپیٹل مارکیٹ کا پرکشش ہونا یا نہ ہونا اور۔
- مارکیٹ کا اچانک بند ہونا یا ٹریڈنگ میں رکاوٹ۔
- اگر پی ایس ایکس میں کاروباری سرگرمیاں درج بالا عوامل سے متاثر ہوتی ہیں جو ہمارے اختیار میں نہیں تو ہمارا بزنس، مالی حالت اور آپریشنز کے نتائج بھی اس وجہ سے متاثر ہو سکتے ہیں۔

مستقبل کے اقدامات کا رسک

- پی ایس ایکس نے ریٹیل اور ادراہ جاتی سرمایہ کاری اور ڈیریویٹوز پراڈکٹس کی ٹریڈنگ کو بڑھانے کے لیے ماضی میں بھی اقدامات اٹھائے ہیں اور اب بھی ایسا کر رہی ہے۔ وہ عوامل جو ہماری کاروباری حکمت عملی پر اثر انداز ہو سکتے ہیں
- نئی خدمات اور پراڈکٹس کو متعارف کرانے کی ہماری صلاحیت خاص کر کورونا وائرس کی وبا کی وجہ سے
 - پاکستان، ایشیا اور عالمی مارکیٹوں کی عمومی صورت حال
 - ہماری نئی خدمات اور پراڈکٹس کو متعارف کرانے کی صلاحیت
 - ریگولیٹری رکاوٹیں
- یہ عوامل ہمارے اختیار سے باہر ہیں اس لیے ہمارے موجودہ اور مستقبل میں بزنس کے منصوبے اور حکمت عملی کی ناکامی ہمارے مستقبل کے امکانات اور مالی حالت اور آپریشنز کے نتائج کو متاثر کر سکتے ہیں۔

مارکیٹ میں اتار چڑھاؤ کا رجحان

پی ایس ایکس کی مجموعی آمدنی میں سے ایک حصہ ایکویٹیز پر مشتمل ہوتا ہے جو کہ تاریخی طور پر غیر مستحکم پراڈکٹ ہے اس کے ساتھ ساتھ دوسرے عوامل جن میں کاروباری سرگرمیاں اور مارکیٹ میں قیمتوں کی سطح بھی ہے اس لیے ہماری آمدنی اور منافع ایک مدت سے دوسری مدت میں بدل سکتے ہیں۔ اگر ہماری آمدنی ہماری توقعات سے کم ہو یا بڑھتے ہوئے اخراجات کو پورا کرنے کے لیے نہ بڑھ پائے تو ہمارا بزنس، مالی حالت اور آپریشنز کے نتائج ایک خاص مدت میں متاثر ہو سکتے ہیں۔

شرح سود میں رد و بدل

مارکیٹ شرح سود میں رد و بدل سے براہ راست متاثر ہوتی ہیں جو مالی حالت اور کیش فلو پر اثر انداز ہوتا ہے۔ اس میں ہونے والی کوئی تبدیلی ہماری سرمایہ کاری کو متاثر کر سکتی ہے۔ شرح سود مختلف عوامل سے متاثر ہوتے ہیں جن میں حکومتی، زرعی اور ٹیکس پالیسیاں، داخلی اور عالمی معاشی اور سیاسی حالات، مالیاتی خسارے، تجارتی سرپلیس یا خسارے، ریگولیٹری شرائط اور ہمارے اختیار سے باہر دوسرے عوامل ہیں۔

ریگولیٹری رسک

پی ایس ایکس ایک بہت سخت ریگولیٹری ماحول میں کام کرتی ہے جو بیرونی قواعد و ضوابط سے منسلک ہے۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) پی ایس ایکس کو ریگولیٹ کرتا ہے اور ہماری تجاویز جو قواعد میں ترامیم، پراڈکٹ رینج اور انفراسٹرکچر اور مارکیٹ میں اضافے کے اقدامات سے متعلق ہو سکتی ہیں انہیں منظور یا مسترد کرنے کے وسیع اختیارات کا حامل ہے۔ ان اختیارات کو استعمال کرنے سے ہمارے بزنس، شہرت، مالی حالت اور آپریشنز کے نتائج بری طرح متاثر ہو سکتے ہیں۔

سرمایہ کاروں میں آگاہی پیدا کرنے کے لیے نجی، سرکاری اور کارپوریٹ اداروں کے لیے بہت سارے سیشن کا انعقاد کیا گیا۔ تیار کردہ مواد عام افراد، اسٹڈی کمپنیوں کے ملازمین، ایسوسی ایشنوں کے اراکین، چمبر آف کامرس اور انڈسٹری کے عہدیداروں، تعلیمی اداروں کے طلباء اور پیشہ وارانہ اداروں کے اراکین کو فراہم کیا گیا۔ کورونا وائرس کی وجہ سے بہت سارے سیشن اور وہی ناز رکھے گئے۔ اخباروں اور پی ایس ایکس کی ویب سائٹ کے لیے بہت سارے مضامین لکھے گئے۔ پورا سال ڈیجیٹل سرگرمیوں پر توجہ دی جاتی رہی۔

پی ایس ایکس کے برانڈ کی تشہیر کے لیے بہت ساری سرگرمیوں کا انعقاد کیا گیا جس میں گونگ تقریبات، ٹاپ 25 کمپنیز ایوارڈ اور آپکچنج ٹریڈ فئڈز (ای ٹی ایف) کا اجراء شامل تھا۔ تعلقات عامہ اور میڈیا کے شعبوں میں پی ایس ایکس کی اعلیٰ انتظامیہ کے کئی انٹرویوز بڑے ٹی وی چینلوں پر نشر کیے گئے تو پریس ریلیز کے ذریعے کیپٹل مارکیٹ میں ہونے والی سرگرمیوں اور تقریبات کو اجاگر کیا گیا۔

کارپوریٹ سماجی ذمہ داری کے سلسلے میں پی ایس ایکس نے بہت سارے اقدامات اٹھائے جن میں اورنج ٹری فائونڈیشن کے ذریعے پی ایس ایکس کے قرب و جوار میں ضرورت مندوں میں راشن کی تقسیم اور کورونا وائرس کی وبا سے نمٹنے کے لیے آغا خان یونیورسٹی ہسپتال اور اس کی مریضوں کی بہبود کی سوسائٹی کو مالی عطیہ شامل ہیں۔ پی ایس ایکس نے اخوت فائونڈیشن کے کورونا امداد فنڈ میں بھی خطیر عطیات دیے۔

رسک مینجمنٹ اور انفارمیشن سیکورٹی

مالی سال کے دوران پی ایس ایکس نے اپنے ہیڈ آفس کے لیے آئی ایس او/آئی ایس سی 22301 برنس میں تسلسل کا مینجمنٹ سسٹم (بی سی ایم ایس) سرٹیفیکیشن حاصل کیا۔ یہ ایک ایسا سنگ میل تھا جس نے پی ایس ایکس کے آئی ایس او سرٹیفائیڈ ہونے کی تصدیق کی اور اسے بین الاقوامی شناخت دلائی۔ پی ایس ایکس نے کورونا وائرس کی وبا کیے دوران اپنی فعالیت دکھائی اور اس وبا کے دوران بھی اس میں مطلوبہ انفارمیشن سیکورٹی پروٹوکولز اور ری سورس مینجمنٹ کو یقینی بناتے ہوئے کاروبار بلا تعطل جاری رکھا۔

انفارمیشن سیکورٹی کو مالی سال میں ایک جامع انفارمیشن سیکورٹی پروگرام کو تیار اور نافذ کر کے مزید بہتر بنایا گیا جس میں انفارمیشن پالیسی سیکورٹی فریم ورک، سیکورٹی آپریشنز، برنس میں تسلسل کا پلان، خطرے کا تذکرہ، تربیت و آگاہی کا پروگرام، سمارٹ تحفظ اور اینڈ پوائنٹ ڈیکلشن اور رسپانس (ای ڈی آر) کا حل کہ جس کے ذریعے پی ایس ایکس آلات کو ہدف بنانے والی مشتبہ سرگرمیوں پر نظر اور ان کا جائزہ لے سکے۔

توسیع مارکیٹ کے رجحانات اور نیکرو اکنامک عوامل

پی ایس ایکس پاکستان کی واحد اسٹاک آپکچنج ہے۔ پی ایس ایکس کا کاروبار، مالی حالت اور آپریشنز کا زیادہ تر انحصار اس میں ہونے والی سرگرمیوں پر ہوتا ہے۔ جن میں خاص کر مالی اثاثوں کی خرید و فروخت، اسٹڈی سیکورٹیز کی تعداد، نئی لسٹنگ کی تعداد اور ان کی اجرا، سرمایہ اور اس جیسے دوسرے عوامل شامل ہیں کیونکہ پی ایس ایکس کی آمدنی کا ایک بڑا حصہ بالواسطہ یا بلاواسطہ ٹریڈنگ اور لسٹنگ فیس پر ہوتا ہے۔

کسی بھی ملک کی قابل ذکر اسٹاک آپکچنج کی طرح اس میں مالی اثاثوں کی ہونے والی ٹریڈ میں تقابلی کشش پر انحصار کرتی ہے اور اسی طرح اس پی ایس ایکس کا دوسروں کے مقابلے میں ان مالی اثاثوں کی ٹریڈ کے لیے پرکشش ہونا بھی ہے۔ ان عوامل کا انحصار بنیادی طور پر پاکستان میں مارکیٹ کے سیاسی، معاشی اور مارکیٹ کے حالات پر انحصار ہوتا ہے اور کسی حد تک ایشیا، امریکہ، یورپ اور دوسری جگہوں کے حالات پر جو پی ایس ایکس کے کنٹرول سے باہر ہوتے ہیں۔ اگرچہ کچھ غیر مستحکم مارکیٹیں بہت زیادہ کاروباری حجم حاصل کر سکتی تھیں، تاہم طویل خراب معاشی صورت حال لسٹنگ اور تجارتی حجم کو بری طرح متاثر کر سکتے ہیں۔

دوسرے عوامل جو ہمارے کنٹرول سے باہر ہیں اور ہمارے کاروبار، مالی حالت اور آپریشنز کے نتائج کو متاثر کر سکتے ہیں۔

- کاروبار اور مالیات میں توسیع رجحانات جن میں صنعت سے جڑے حالات، کیپٹل مارکیٹ کے حالات اور کمپنیوں کے ضم اور خریدنے کا ماحول ہے۔
- سماجی اور رسول بنیاتی، دہشت گردی اور جنگ۔
- افراط زر کی تشویشناک صورت حال اور ادارہ جاتی اور ریٹیل کا اعتماد۔

مرکزی بینک

کمرے کا کرایہ، بجلی کا بل، کاروباری خدمات، لسٹنگ فیس اور کاروبار کی دوسری فیسیں شامل ہیں کے لیے ایک معیاری خود کار نظام پر کام ہو رہا ہے جس کے ذریعے انوائس تیار کی جاسکے اور اس کے ذریعے پیسے جمع کیے جاسکیں، اس کا اطلاق مالی سال 2020-21 میں ہوگا۔

ڈیٹ سیکورٹیز کے لیے مارکیٹ میکر

مارکیٹ میکرز کو حکومتی ڈیٹ سیکورٹیز میں تسلسل سے کام کو یقینی بنائے گا تاکہ سرمایہ حاصل کیا جاسکے

لسٹنگ کی سرگرمیاں اور کامیابیاں

- سرمایہ اکٹھا کرنے کے لیے چھ نئی سیکورٹیز کی لسٹنگ بشمول اکتوبر 2019 میں پاور ہولڈنگ لمیٹڈ کا دو سو ارب روپے کا پاکستان انرجی سکوک۔
- پاکستان انرجی سکوک۔ 11 اگست 2020 کی بک ہلڈنگ کے ذریعے اجراء۔ اس میں پیش کی جانے والی آفرز ہدف سے 1.70 گنا زیادہ رہیں جس میں مختلف سرمایہ کاروں بشمول بینکوں اور نان بینکوں نے سرمایہ کاری کرنے میں دلچسپی کا اظہار کیا اور حکومت کو سالانہ قرض کی ادائیگی میں 1.8 ارب روپے کی بچت میں مدد کی۔
- پاکستان کے پہلے دوائی ٹی ایف کی لسٹنگ جن میں این آئی ٹی پاکستان گیٹ وے ای ٹی ایف اور دوسرا یو بی ایل پاکستان انٹر پرائز ای ٹی ایف شامل تھے جن کی لسٹنگ مارچ 2020 میں ہوئی۔
- اپریل 2020 میں بینک اسلامی پاکستان لمیٹڈ کے دو ارب روپے مالیت کے مضاربہ سکوک کا آغاز جو مئی 2020 میں لسٹ ہوا جو آنے والی آفرز ہدف سے 1.07 گنا زیادہ رہیں۔
- جنوری 2020 میں پی ایس ایکس کے ریگولیٹری فریم ورک میں ترامیم ہوئی تاکہ پی ایس ایکس کے قواعد و ضوابط اور پبلک آفرنگ ریگولیشنز 2017 اور کمینیز ایکٹ 2017 اور سیکورٹیز ایکٹ 2015 کے مابین تسلسل اور ہم آہنگی قائم کی جاسکے۔
- اپریل 2020 میں ایکویٹی سیکورٹیز کی لسٹنگ فیسوں میں نظر ثانی کی تجویز دی اور جون 2020 میں ڈیٹ سیکورٹیز کی لسٹنگ کی فیسوں میں نظر ثانی کی تجویز پیش کی جو دوسری اسٹاک مارکیٹوں کے معیار کا جائزہ لینے کے بعد دی گئیں۔
- دسمبر 2019 میں پی ایس ایکس کے 2016، 2017 اور 2018 کے ٹاپ کمینیز ایوارڈز کا انتظام اور اسے کامیاب بنایا۔

پراڈکٹ مینجمنٹ اور ریسرچ میں ترقی

عالمی معیار کی پراڈکٹس کے مقصد کو حاصل کرنے کے لیے پی ایس ایکس اپنی موجودہ پراڈکٹس میں بہتری کے لیے پرعزم ہے۔ زیر جائزہ مالی سال میں این آئی ٹی پاکستان گیٹ وے انڈیکس اور یو بی ایل پاکستان انٹر پرائز انڈیکس متعارف کرائی گئیں تاکہ نئی شروع ہونے والے ای ٹی ایف کو ایک خاص انڈیکس مل جائے۔

مارکیٹنگ اور کاروبار میں ترقی کے اقدامات

دنیا کی بہترین اسٹاک ایکسچینجوں میں شمار ہونے کے لیے پی ایس ایکس کے وٹن کے مطابق مارکیٹنگ اور بزنس ڈویلپمنٹ ٹیم نے سرمایہ کاروں میں آگاہی پیدا کرنے اور انہیں معلومات فراہم، سرمایہ کاروں کی تعداد میں اضافے اور لسٹنگ کے لیے آگاہی پیدا کرنے کے لیے بہت سارے اقدامات اٹھائے ہیں۔ ٹیم نے کارپوریٹ سماجی ذمہ داری کے سلسلے میں بھی اہم کردار ادا کیا۔ اس کے ساتھ اس نے اقوام متحدہ کے ترقیاتی ادارے (یو این ڈی پی) کے پائیدار ترقی کے اہداف (ایس ڈی جیز) کے مطابق آگاہی کو پائیدار بنیادوں پر آگے بڑھایا۔

پورے مالی سال میں بزنس میں اضافے پی ایس ایکس کی ترجیحات میں سرفہرست رہی جس کے لیے اس نے کمپنیوں کی لسٹنگ کے لیے آگاہی پیدا کی جنہیں اپنے کاروبار کے لیے سرمائے کی ضرورت تھی۔ اس عمل کے دوران بزنس ڈویلپمنٹ ٹیم ایک فعال رسائی تک کے پروگرام کی وجہ سے ایسی کمپنیوں کی شناخت کر پائی جو لسٹڈ ہونا چاہتی ہیں۔ ٹیم نے اس سلسلے میں ماہرین سے مشورتی عمل بھی جاری رکھا تاکہ ایسی کمپنیوں کو سہولت دی جاسکے۔ ایک جامع مارکیٹنگ پلان کے تحت پورے ملک میں سرمایہ کاروں اور بروکرز کمیونٹی کو نئی گرتھ انٹر پرائز مارکیٹ (جی ای ایم) ایکویٹی بورڈ کے بارے میں آگاہی فراہم کی گئی۔ کارپوریٹ ماہرین کی جانب سے بریفنگ کا پروگرام بھی اس سلسلے میں کامیابی سے جاری ہے بہت سی کمپنیاں پی ایس ایکس پر ایسی بریفنگ کا انتظام کرتی ہیں جو اسٹاک مارکیٹ کے لیے آمدنی کا اضافی ذریعہ ہے۔

سکوک بک بلڈنگ

پی ایس ایکس کے شعبہ انفارمیشن ٹیکنالوجی ڈیپارٹمنٹ نے سکوک بک بلڈنگ کو اپنے نظام میں لینے کے لیے ویب کے ذریعے بک بلڈنگ کے سسٹم میں اضافہ کیا جس سے سرمایہ پیدا کرنے کے بک بلڈنگ نظام کی صلاحیت حاصل کر لی گئی ہے۔ پی ایس ایکس نے اس سلسلے میں پاور ہولڈنگ لمیٹڈ کے انرجی سکوک کے ذریعے پہلی بار سرمایہ حاصل کرنے کے لیے بک بلڈنگ کی۔ سرمایہ کاروں نے اس میں دلچسپی کا اظہار کیا پاور ہولڈنگ لمیٹڈ کے ہدف سے زیادہ کی پیش کشیں وصول ہوئیں۔

ایکسچینج ٹریڈڈ فنڈز (ای ٹی ایف)

دو بڑی ایسٹ مینجمنٹ کمپنیوں کی جانب سے شروع کیے گئے پہلی مرتبہ دو ای ٹی ایف کی لسٹنگ کی گئی اور ان کا مارکیٹ میں آغاز کیا گیا۔ مہینوں کی محنت اور مشق اور ٹی آر ای سی ہولڈرز کی شمولیت کے بعد پاکستان اسٹاک ایکسچینج نے کورونا وائرس کی وبا کے دور میں اس کی براہ راست لانچ کو کامیابی سے ہمکنار کیا۔

مراجمہ شیعہ فنانسنگ

این سی سی ٹی ایل کے لیے ایک ایسا نظام وضع کیا گیا جس میں کاروباری افراد کو ریڈی مارکیٹ میں شیعہ فنانسنگ مراجمہ کی سہولت حاصل ہو۔ مراجمہ فنانسنگ کے ذریعے ان کاروباری افراد کو سہولت دی گئی ہے جو روایتی کی بجائے اسلامی فنانسنگ کو ترجیح دیتے ہیں۔

ٹی آر ای سی ہولڈرز انفارمیشن مینجمنٹ سسٹم

پی ایس ایکس کے انفارمیشن ٹیکنالوجی شعبے کے جانب سے بنائے گئے ٹی آر ای سی ہولڈرز انفارمیشن مینجمنٹ سسٹم ایک ایسا مرکزی پلیٹ فارم ہے جو ٹی آر ای سی ہولڈرز کو مختلف جگہوں کی بجائے ایک جگہ پر معلومات کی فراہمی کے لیے ون ونڈو کی سہولت فراہم کرتا ہے۔ یہ ٹی آر ای سی ہولڈرز، پی ایس ایکس، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دوسرے متعلقہ افراد کو رسائی فراہم کرتا ہے جس سے پورے عمل میں تیزی آتی ہے اور کاغذ کا استعمال کم ہوتا ہے۔

سرکٹ بریکر کی توسیع اور انڈیکس میڈ مارکیٹ ہالٹ

پی ایس ایکس نے ٹریڈنگ سسٹم میں انڈیکس میڈ مارکیٹ ہالٹ تیار اور اسے نافذ کیا ہے جس سے پی ایس ایکس کا شمار دنیا میں بہترین اصولوں پر کام کرنے والی ایکسچینجوں میں ہو چکا ہے۔ ہالٹ کی سہولت خطرے کو کنٹرول کرتی ہے کہ جس میں مارکیٹ میں کاروبار کرنے والے سیکورٹیز پرائیڈر انداز ہونے والے عوامل پر رد عمل دیتے ہیں۔ ان ہالٹس کے لگانے سے سرمایہ کاروں کو موقع مل جاتا ہے کہ اطمینان سے مارکیٹ کا جائزہ لے سکیں۔ پی ایس ایکس نے کے ایس ای 30 انڈیکس کے کھلنے کے بعد اوپر اور نیچے کی سطح پر پانچ فیصد کا مارکیٹ ہالٹ نافذ کر رکھا ہے۔ اس کے اطلاق سے لے کر آج تک دس مرتبہ اس ہالٹ کو بروئے کار لایا گیا ہے۔

ٹریڈنگ اسکرینیں

گزشتہ سالوں میں پرانی ٹریڈنگ اسکرینوں کو تین نئی ایچ ڈی اسکرینوں سے تبدیل کیا گیا ہے۔ اسٹاکس اسکرین، اسٹیج اسکرین اور مارکیٹ ٹیکر اسکرین کے لیے بہترین اور خوبصورت اسکرینیں بنائی گئی ہیں جس سے پی ایس ایکس کا ٹریڈنگ ہال جدید کا منظر پیش کرتا ہے۔

زیر تعمیر منصوبے

تعلق عامہ کا انتظام

انفارمیشن ٹیکنالوجی کا شعبہ اس سلسلے میں تعلقات عامہ کے انتظام کا سسٹم معارف کرانے پر کام کر رہا ہے تاکہ بیرونی طور پر کسٹمرز سے تعلقات کو بہتر بنایا جاسکے۔

اس وقت کچھ دوسرے ایسٹ مینجرز بھی مارکیٹ میں ای ٹی ایف لانچ کرنے پر غور کر رہے ہیں۔ ہمیں یقین ہے کہ نئے ای ٹی ایف مارکیٹ میں نئے سرمایہ کاروں کو لائیں گے جو اس میں تجارت اور سرمائے کو مزید بڑھانے میں مددگار ثابت ہوں گے۔ کورونا وائرس کی وبا کے پھیلانے کے دوران ای ٹی ایف کا آغاز ورنچول طریقے سے کیا گیا جس سے میڈیا اور سرمایہ کاروں کو آگاہی حاصل ہوئی۔

مارکیٹ ڈیٹا تک زیادہ رسائی کے لیے پی ایس ایکس نے استعمال کی جانے والی مختلف کیلنگریوں کے سلسلے میں نئے ڈیٹا لائنس کا آغاز کیا۔ اس کے ذریعے مقامی اور بین الاقوامی ڈیٹا وینڈرز کے ساتھ نئی پارٹنرشپ بنے گی تو اس کے ساتھ ڈیٹا پراڈکٹ سے آمدنی بڑھنے کی توقع بھی ہے۔

فلسڈ انکم کے شعبے میں بھی پی ایس ایکس پی آئی بی، اجارہ، سلوک اور ٹی بلز پی ایس ایکس کے بی اے ٹی ایس پلٹ فارم پریڈ کے آغاز کے لیے بھی کام کر رہا ہے۔

مستقبل کے سودوں کے شعبے میں پی ایس ایکس نے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو فیوچرز میں اضافے کی تجویز عوامی رائے حاصل کرنے کے بعد دی ہے۔

آئی ٹی کے شعبے میں اقدامات اور کامیابیاں

نیا تجارتی اور نگرانی نظام

پی ایس ایکس اور شزن اشاک ایکسچینج نے نومبر 2019 میں نئے ٹریڈنگ سسٹم اور سروس پلٹس سسٹم کے معاہدے کے لیے دستخط کیے۔ پی ایس ایکس نے سروس پلٹس سسٹم کے آغاز کے ساتھ ایک اہم سنگ میل عبور کیا جو مارچ 2020 میں اس کے حوالے کیا گیا تھا۔ یہ سسٹم بروقت الارٹ اور رپورٹنگ کا حامل ہے۔ انفراسٹرکچر کی تیز نیٹ ورک رابطے اور اضافی پروسیڈنگ کی صلاحیت کی دستیابی کے ساتھ اور ہالنگ کی جائے گی۔

کاروبار کے تسلسل کے منصوبے میں اضافے کے لیے ہم نے کولڈ ڈی آر سائٹ پر عمل درآمد پر آغاز کر دیا ہے تاکہ اس کے ذریعے خطرناک حالات میں بھی سسٹم کی دستیابی کو یقینی بنایا جا سکے۔ پی ایس ایکس کسی دوسرے شہر میں کولڈ سائٹ کے واقع ہونے کے دوسرے دن ہی اپنے آپریشن شروع کر سکتی ہے۔ یہ کراچی میں واقع ہاٹ ڈی آر کے علاوہ ہے جو کے بروقت ڈی آر سائٹ ہے۔

شزن اشاک ایکسچینج سے حاصل کیا جانے والا نیٹریڈنگ سسٹم محفوظ اور جدید سیکورٹیز ٹریڈنگ سسٹم ہے جو کہ با اعتماد، بہترین کارکردگی اور جس میں کم تاخیر ہوتی ہے۔ شزن اشاک ایکسچینج سترہ سال سے حیران کن محفوظ آپریشن ہے جہاں کوئی کاروباری عمل میں کوئی رکاوٹ پیدا نہیں ہوئی۔

اس ٹریڈنگ سسٹم سے آرڈر پراسیس ہونے کی رفتار تیز ہو جائے گی جس دو ہزار آرڈر فی سیکنڈ کی بلند ترین سطح تک جاسکتے ہیں اور روزانہ کی بنیادوں پر چالیس لاکھ آرڈر پروسس کیے جاسکتے ہیں جس میں صرف 2 ملی سیکنڈ کی تاخیر کی گنجائش ہے۔ سسٹم کی مجموعی پراسیسنگ کی صلاحیت مزید سروسز لگانے سے دو لاکھ آرڈر فی سیکنڈ اور ایک دن میں 400 ملین آرڈر تک بڑھائی جاسکتی ہے۔ یہ سسٹم کسی خرابی کو دس سیکنڈ میں دور کرنے کی صلاحیت کا حامل ہے تو اس کے ساتھ اسے مقامی طور پر کسی بڑی خرابی یا تباہی سے نکلنے میں تین منٹ درکار ہوتے ہیں۔

اشاریوں پر نظر رکھتے ہوئے ہم بروقت اور موثر انداز میں غیر معمولی ٹریڈنگ کے رجحان کی شناخت کر سکتے ہیں تو اس کے ساتھ غیر قانونی کاروائی جیسے کہ ان سائڈ ٹریڈنگ، مارکیٹ کو مصنوعی طریقے سے رو بہل اور فرنٹ رننگ کو بھی پکڑ سکتے ہیں۔ جدید سروس پلٹس سسٹم ایک کھلا پلٹ فارم اور تقسیم کار نظام اپناتا ہے جو بلند سطح کی کارکردگی اور معمولی تاخیر کی ٹیکنالوجی سے آراستہ ہے۔ مختلف نوعیت کے ڈیٹا پلٹ فارم اس کی معاونت کرتے ہیں اور یہ اوپن سورس ٹیکنالوجی اور سروس ڈیزائن کے تصورات کا حامل ہے جو ایک لاکھ ٹریڈز فی سیکنڈ کی صلاحیت کا حامل ہے۔ ٹیکنیکی طور پر یہ نظام زیادہ کشادہ، پلگ دار، کم قیمت اور صلاحیت، کارکردگی، تبدیلی اور استعمال میں بہترین ہوگا۔

فی شیئر آمدنی

مالی سال 2019-20 میں فی شیئر آمدنی 0.24 روپے رہی جو گزشتہ مالی سال میں 0.11 روپے تھی۔

مارکیٹ کی کارکردگی

سال کا خاتمہ		پارٹیکولرز
30 جون 2020	30 جون 2019	
34,422	33,902	کے ایس ای 100 انڈیکس
6,530	6,887	مارکیٹ کیپٹلا ٹریڈیشن (اربوں روپے میں)
7.6	6.7	اوسط روزانہ تجارتی مالیت - ریڈی (ارب روپے میں)
3.2	2.8	اوسط روزانہ تجارتی مالیت - فیوچرز (ارب روپے میں)
212	165	اوسط روزانہ تجارتی حجم - ریڈی (ملین)
80	69	اوسط روزانہ تجارتی حجم - فیوچرز (ملین)

مالی سال میں رونما ہونی والی تبدیلیاں

اس سال میں پی ایس ایکس شہزاد اسٹاک مارکیٹ سے ٹی ٹریڈنگ اور سروسز پبلنکس سسٹم کی خریداری کے لیے معاہدہ کیا۔ یہ موجودہ ٹریڈنگ سسٹم (کے اے ٹی ایس) کی جگہ لے گا۔ نئے ٹریڈنگ سسٹم کو لگانے اور اس پر کام شروع کرنے کا عمل جاری ہے۔

پی ایس ایکس کی مالی حالت پر اثر انداز ہونے والی تبدیلیاں

مالی سال میں پی ایس ایکس کی مالی حالت میں کوئی ایسی تبدیلیاں رونما نہیں ہوئیں جس کی وجہ اس سال کی مالی رپورٹوں پر کوئی اثر نہیں پڑا۔

پی ایس ایکس کی صورتحال - کمپنی کے کاروبار، کارکردگی اور ترقی پر اثر انداز ہونے والے رجحانات اور عوامل

کورونائرس کے دوران کاروباری تسلسل

پی ایس ایکس تمام سرمایہ کاروں اور شراکت داروں کی خدمت کے لیے پرعزم ہے۔ پی ایس ایکس میں کاروبار کے تسلسل کو یقینی بنایا گیا ہے جہاں پر رچوئل پلیٹ فارم کے ذریعے کام کیا جا رہا ہے۔ پی ایس ایکس کورونائرس کی وجہ سے لگنے والے لاک ڈاون کے پیدا کردہ ماحول اور اس کے چیلنجوں کے باوجود کام کرتی رہی ہے۔ موجودہ ماحول میں ای ٹی ایف س کا ورچوئل آغاز اس بات کی علامت ہے کہ ہم نارمل انداز سے کام کرنے اور اپنے شراکت داروں کی خدمت کے لیے پرعزم ہے۔

ایکسیجٹ ٹریڈ فنڈز اور پراڈکٹ میں اضافہ

پی ایس ایکس کا مارچ 2020 میں ایکسیجٹ ٹریڈ فنڈز (ای ٹی ایف) کا آغاز اہم سنگ میل تھا۔ مارکیٹ رجحانات کے مکمل جائزے، اندرونی و بیرونی ذرائع سے مشاورت کے بعد پی ایس ایکس نے ای ٹی ایف کے فریم ورک کو حتمی شکل دی اور دوا ای ٹی ایف یو بی ایل انٹرپرائز پاکستان اور این آئی ٹی پاکستان گیٹ وے کو لسٹ کیا۔ دونوں ای ٹی ایف کا انتظام معروف ایسٹ پیجمنٹ کمپنیوں نے کیا۔ علاوہ ازیں ایک جامع مارکیٹ میکنگ فریم ورک کو بھی حتمی شکل دی گئی اور اس وقت دونوں ای ٹی ایف کے لیے ایک مارکیٹ میکر لگایا گیا ہے۔ پی ایس ایکس مزید ای ٹی ایف لسٹ کرنے اور ان کی معاونت کے لیے مزید مارکیٹ میکرز لگانے کے لیے پرعزم ہے۔ کئی سالوں کے بعد مارکیٹ میں ایک نئی پراڈکٹ کا آغاز کیا گیا جس کے لیے ہم تمام شراکت داروں بشمول سیکورٹیز اینڈ ایکسیجٹ کمیشن آف پاکستان کے شکر گزار ہیں کہ ان کی مدد سے ای ٹی ایف کا پاکستانی مارکیٹ میں آغاز کیا گیا۔

پاکستان کی معیشت کے بارے میں اس وقت محتاط مثبت سوچ کا تاثر ہے اور ہمیں یقین ہے کہ پاکستان کی کیپٹل مارکیٹ ترقی اور پائیدار اضافے کی صلاحیت کی حامل ہے جس کا ثبوت تمام تر مشکلات کے باوجود مالی سال کے اختتام پر کے ایس ای 100 انڈیکس 1.5 فیصد اضافے کے ساتھ بند ہونا تھا۔ نئی پراڈکٹس کے متعارف کرانے، عالمی معیار کے انفراسٹرکچر میں سرمایہ کاری کرنے اور اس کی انتظامی صلاحیت پی ایس ایکس کے اہم کردار کی طرف اشارہ کرتی ہے جو وہ اضافی سرمائے کے اکٹھا کرنے، مالیاتی شراکت داری اور پاکستان کی معاشی ترقی میں ادا کرے گی۔

پی ایس ایکس کی سالانہ مالیاتی اور مارکیٹ کی کارکردگی

پی ایس ایکس نے 30 جون 2020 کو ختم ہونے والے مالی سال میں 190 ملین روپے کا قبل از ٹیکس منافع حاصل کیا جو 30 جون 2019 کو ختم ہونے والے مالی سال کے 92 ملین روپے کے منافع کے مقابلے میں 106 فیصد زیادہ ہے۔ 2019-20 کے مالی سال میں پی ایس ایکس کی مجموعی آمدنی 1.373 ارب روپے رہی جو گزشتہ مالی سال میں حاصل ہونے والی 1.280 ارب روپے کی آمدنی سے 7.3 فیصد زیادہ رہی۔ یہ اضافی آمدنی درج ذیل وجوہات کی وجہ سے بڑھی۔

- پی ایس ایکس نے سالانہ لسٹنگ فیس پر نظر ثانی کی اور ٹی آر ای سی اور نان۔ ٹی آر ای سی ہولڈرز کو دی جانے والی سہولیات پر زرتلافی کو کم کیا تاکہ آمدنی اور خرچ کو بڑھایا جاسکے۔ ان اقدامات کے نتیجے میں 30 جون 2020 کو ختم ہونے والے مالی سال میں 76 ملین روپے کی زائد آمدنی ہوئی۔

- غیر یقینی معاشی صورت حال کے باوجود تجارتی قدر میں اضافہ دیکھنے میں آیا جو مالی سال 2018-19 میں ہونے والی 9.5 ارب روپے کی تجارتی قدر کے مقابلے میں 2019-20 میں 10.8 ارب روپے ہو گئی جس کی وجہ سے تجارتی فیس میں 13 ملین روپے کی اضافی آمدنی ہوئی۔

- مارک اپ کی مد میں ہونے والی کمائی میں گزشتہ سال کے مقابلے میں 8 ملین روپے زیادہ رہی۔

- ایسوسی ایٹس کی جانب سے ملنے والا نفع 40 ملین روپے زیادہ رہا جس کی وجہ این سی سی ایل اور سی ڈی سی کی اچھی کارکردگی تھی۔

- تاہم درج بالا ذرائع سے آمدنی میں ہونے والے اضافہ ابتدائی لسٹنگ فیس میں 40 ملین روپے کی کمی کی وجہ سے متاثر ہوا کیونکہ ایک بار اضافی لسٹنگ فیس پی آئی اے سے رائٹ ایٹو کے علاوہ حاصل کی گئی جس کی وجہ 2018-19 میں پیڈ اپ سرمائے میں اضافہ تھا جو 2019-20 میں نہیں تھا۔

انتظامیہ مشکل کاروباری ماحول سے باخبر تھی اور اخراجات گھٹانے کے موثر طریقوں پر توجہ دی۔ اس لیے پی ایس ایکس کے سالانہ اخراجات میں 0.5 فیصد کمی دیکھنے میں آئی جو مالی سال 2019-20 میں کم ہو کر 1.182 ارب روپے ہو گئے، مالی سال 2018-19 میں یہ اخراجات 1.188 ارب روپے تھے۔

پی ایس ایکس نے مالی سال 2018-19 میں ٹیکس کٹوتی کے بعد خالص حاصل ہونے والے 88 ملین روپے منافع کے مقابلے میں مالی سال 2019-20 میں ٹیکس کٹوتی کے بعد 194 ملین روپے کا خالص منافع حاصل کیا۔

ڈیویڈنڈ

نئے ٹریڈنگ اور سروسز بزنس سسٹم کے اطلاق جیسے جاری کیپٹل انویسٹمنٹ منصوبوں اور موجودہ منافع اور کیش فلو کی صورت حال کے باعث ڈائریکٹرز نے 30 جون 2020 کو ختم ہونے والے مالی سال کے لیے کسی کیش ڈیویڈنڈ کی سفارش نہیں کی۔

ڈائریکٹر رپورٹ

پاکستان اسٹاک ایکسچینج لمیٹڈ کے بورڈ آف ڈائریکٹر کی جانب سے پیش کی جانے والی 30 جون 2020 کو ختم ہونے والے مالی سال کی مالیاتی رپورٹس

معاشی جائزہ اور عمومی صورت حال

پاکستان جو اس وقت کورونا وائرس کی وجہ سے پیدا ہونے والی صورت حال سے نکلنے کے لیے جدوجہد کر رہا ہے اس کے لیے اور دنیا بھر کے لیے زیر جائزہ مالی سال بہت مشکل ثابت ہوا۔ حکومت کی جانب سے لیے گئے بروقت اقدامات ملک میں اس وبا کے پھیلاؤ کو بہت تیزی سے روک لیا گیا اور ہم امید کرتے ہیں کہ ملک میں اس وبا کے عروج کا زمانہ گزر چکا ہے۔ اب ساری توجہ معیشت میں اضافے، ملازمتوں کی بحالی، عالمی وبا سے متاثر ہونے والوں کے لیے آسانیاں پیدا کرنے پر مرکوز ہوگی۔

مالی سال 2020 ملک کی کمزور معیشت کے لیے بہت کٹھن سال ثابت ہوا جو از حد ضروری استحکام کے حصول کے لیے تگ و دو میں تھی۔ طویل عرصے سے بڑھتے ہوئے خسارے، مقامی کرنسی کی قدر میں بے تحاشا کمی اور گرتے ہوئے زرمبادلہ ذخائر کی وجہ سے حکومت کو بین الاقوامی مالیاتی ادارے (آئی ایم ایف) سے جولائی 2019 میں 6 ارب ڈالر کا قرضہ لینے کے ساتھ ساختی اصلاحات (Structural Reforms) بھی شروع کرنا پڑیں۔

حکومت کی ان کوششوں کو نمایاں کامیابی ملنا شروع ہوئی جب معیشت میں استحکام کے آثار پیدا ہونا شروع ہوئے۔ جاری کھاتوں کے خسارے (Current Account Deficit) میں 73 فیصد کمی، مرکزی بینک کے پاس زرمبادلہ ذخائر میں اضافہ جو جون 2019 میں 7.28 ارب ڈالر سے بڑھ کر 26 جون 2020 تک 11.23 ارب ڈالر تک چلے گئے اور پاکستانی روپے کی مارکیٹ میں آزادانہ تجارت جو امریکی ڈالر کے مقابلے میں 155 روپے سے 160 روپے تک ہے معیشت میں استحکام کی طرف اشارہ کرتے تھے۔ تاہم کورونا وائرس کی وبا نے دنیا بھر کی طرح پاکستان کو بھی شدید متاثر کیا جب لاک ڈاؤن کی وجہ سے ملک کی معیشت سست روی کا شکار ہوئی۔ معیشت کو استحکام دینے کے لیے حکومت متحرک ہوئی اور اس کی جانب سے مختلف مالیاتی، زری، سماجی اور دوسرے اقدامات اٹھائے گئے۔ ان اقدامات کی وجہ سے معیشت میں استحکام آنا شروع ہوا۔ 28 اگست 2020 تک اسٹیٹ بینک آف پاکستان کے پاس 12.71 ارب ڈالر کے زرمبادلہ کے ذخائر تھے تو معیشت میں بہتری کی وجہ سے اسٹاک مارکیٹ کو ایشیا کی بہترین کارکردگی کی حامل مارکیٹ قرار دیا گیا۔

پی ایس ایکس کا کے ایس ای 100 انڈیکس جنوری 2020 میں 43000 پوائنٹس کی سطح سے اوپر موجود تھا۔ ملک میں اس 25 فروری 2020 کو سامنے آنے والے پہلے کورونا کیس کے بعد یہ 26 مارچ 2020 تک 27046 پوائنٹس کی سطح تک گر گیا۔ کورونا وائرس کی وجہ سے پیدا ہونے والے تاہ کن اثرات کو ختم کرنے کے لیے وفاقی حکومت نے 1.3 ٹریلین روپوں کا ریلیف پیکیج دیا تو دوسری جانب اسٹیٹ بینک آف پاکستان نے تین مہینے کے عرصے میں شرح سود میں 625 بیس پوائنٹس کی کمی کی۔ اس وقت اسٹیٹ بینک کا پالیسی ریٹ 7 فیصد ہے۔

اپریل میں آئی ایم ایف کی جانب سے 1.4 بلین ڈالر ایمرجنسی فنڈنگ پاکستان کو وصول ہوئی تو جی ٹی ٹی مالیات کی جانب سے قرضوں کی ادائیگی کی سہولت حاصل ہوئی جس کے تحت 2020 میں ادا کیے جانے والے 1.8 ارب ڈالر قرضے کی واپسی موخر کرنے کی سہولت حاصل ہوگی۔ تیل کی قیمتوں پر کشش اور عالمی سطح پر اس کی طلب میں کمی کی وجہ سے درآمدات پر بھی دباؤ کم ہوا۔ اس کی وجہ سے افراط زر میں اضافہ قابو میں آیا جو جنوری میں 14.6 فیصد کی سطح سے گر کر جون میں 8.6 فیصد تک گر گیا۔

پاکستان کا تجارتی خسارہ مالی سال 2019 میں 31.80 ارب ڈالر کی سطح سے 27 فیصد کی شرح سے گر کر مالی سال 2020 میں 23.18 ارب ڈالر ہو گیا۔ ترسیلات زر میں بھی اضافہ دیکھنے میں آیا جو 6.35 فیصد کے اضافے سے مالی سال 2020 میں 23.12 ارب ڈالر تک جا پہنچا جو پاکستان کی 21.39 ارب ڈالر کی مجموعی برآمدات سے زیادہ رہیں۔ پاکستانی روپے کی قدر میں 3.6 فیصد کمی دیکھنے میں آئی جو گزشتہ سال اور 2018 میں ہونے والی کمی کے مقابلے میں بہت کم تھی۔

تاہم ہر مشکل گھڑی اپنے ساتھ آگے بڑھنے کے مواقع بھی لاتی ہے، آنے والی مشکلات کی وجہ سے ملک میں ای کامرس اور مالی خدمات کی ڈیجیٹلائزیشن کا رجحان بڑھا۔ موجودہ حالات کا از سر نو جائزہ لینے کی ضرورت ہے اور اس سلسلے میں اسٹیٹ بینک آف پاکستان اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے قواعد و ضوابط میں نرمی اور کاروبار کرنے کو آسان بنانے کے اقدامات خوش آئند ہے جو ہماری کیپٹل مارکیٹ میں ترقی و اضافے کا باعث بنے گا۔ فنانشل ایکشن ٹاسک فورس کی تجویز کردہ اقدامات کی تعمیل سے پاکستان کو بین الاقوامی سرمایہ کاروں کے لئے زیادہ پرکشش بنانے میں بھی مدد ملے گی۔



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