



PAKISTAN
STOCK EXCHANGE

INTERIM FINANCIAL STATEMENTS
HALF YEAR ENDED

December 31, 2019



Progressive
Excellence

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CORPORATE INFORMATION

Board of Directors

Mr. Sulaiman S. Mehdi (Chairman of the Board)	<i>Independent</i>
Mr. Farrukh Hussain Khan (Managing Director)	<i>Executive</i>
Mr. Zhiping Rong	<i>Non-Executive</i>
Mr. Muhammad Ashraf Bawany	<i>Non-Executive</i>
Mr. FU Hao	<i>Non-Executive</i>
Mr. Ahmed Chinoy	<i>Non-Executive</i>
Mr. Wang Baojun	<i>Non-Executive</i>
Mr. Shehzad Chamdia	<i>Independent</i>
Ms. Yu Huali	<i>Non-Executive</i>
Mr. Abid Ali Habib	<i>Non-Executive</i>
Mr. Saad Amanullah Khan	<i>Independent</i>
Ms. Naz Khan	<i>Independent</i>
Mr. Amjad Pervez	<i>Independent</i>
Mr. Mohammad Salahuddin Manzoor	<i>Independent</i>
Mr. You Hang (Alternate for Mr. Zhiping Rong)	<i>Non-Executive</i>

Nomination Committee

Mr. Sulaiman S. Mehdi (Chairman)
Mr. Muhammad Ashraf Bawany (Member)
Mr. Saad Amanullah Khan (Member)
Mr. You Hang (Alternate Member)

Regulatory Affairs Committee

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

Audit Committee

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

Human Resources & Remuneration Committee

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

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

Ahmed & Qazi
Advocates & Legal Consultants
Bawaney & Partners
Advocates & Investment & Corporate Advisors
Ijaz Ahmed & Associates
Advocates & Legal Consultants
Mr. Khalid Javed
Advocates Supreme Court

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

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

REGIONAL OFFICES

Lahore Office

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

Islamabad Office

Office # 712-717 7th Floor, ISE Towers
55-B, Jinnah Avenue, Islamabad
Phone: (92 51) 2894500

EMAIL & WEBSITE

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DIRECTORS' REVIEW REPORT

The Board of Directors of Pakistan Stock Exchange Limited (PSX) is pleased to present the financial statements of the Exchange for the half-year ended December 31, 2019.

ECONOMIC REVIEW & OUTLOOK

The uncertainty and pessimism surrounding Pakistan's national economic indicators have slowly but surely begun to subside. The first half of fiscal 2020 has shown some clear signs of a path towards economic recovery and while the journey towards sustainable long term growth is expected to take time, the turnaround is well under way.

The rupee strengthened by 0.9% against the US dollar in the latest quarter, taking the overall appreciation to 2.2% recorded in the first 6 months of this fiscal year. Foreign exchange reserves at the State Bank increased by almost \$4 billion in 2QFY20, and as of 31st January 2020 stood at \$12.27 Billion compared to \$7.2 Billion at the end of CY18.

The KSE-100 Index has duly reflected the growing sense of optimism amongst the investors and provided a gain of over 37% in the latest fiscal quarter. So far in the first 6 months of the fiscal year, the index has returned over 20% in rupee terms. In December, Moody's upgraded Pakistan's outlook from "negative" to "stable" reaffirming the rating of B3.

On the trade front, exports increased by 4.5% to \$12.4 billion in the July-December 2019 period as against \$11.9 billion in the same period last year. Imports on the other hand shrunk by almost 21% (\$5.8 billion) in the last 6 months reducing the overall deficit by 39.4% and which at year end stood at \$9.8 billion.

Inflation remains the primary challenge for the economy in the short term, with headline CPI averaging 11.1% for the current half year over the corresponding period last year. However, CPI inflation General, increased by 14.6% on year-on-year basis in January 2020. On the back of rising inflationary pressure on the economy, SBP kept the policy rate unchanged at 13.25%. A substantial easing in monetary policy remains unlikely in the near future and could pose a challenge to GDP growth. Moreover, regional conflicts, political instability and unsustainable fiscal deficits remains the biggest threats to the recovery process.

Going forward 2HFY20 looks set to emerge as a period of economic turnaround and recovery, brought through aggressive business reform and tax overhaul. Pakistan's progress on FATF compliance will also be crucial for foreign investment in capital markets. It should also be noted that the recent emergence of coronavirus has created significant economic uncertainty, which is impacting global markets, including Pakistan.

The government's fiscal policies and reforms are focused on encouraging manufacturing, exports, and discouraging unnecessary imports. Work still needs to be done to enhance the ease of doing business, digitize the economy through innovation, and strengthen and diversify our export base.

Pakistan's capital market has immense potential for growth. PSX is committed to building the capacity and earn the trust of investors, issuers and all other stakeholders. With the introduction of new products, investment in world-class trading infrastructure and management capability, PSX will continue to play an important role to enable greater capital formation, financial inclusion and economic growth in Pakistan.

PSX FINANCIAL AND MARKET PERFORMANCE DURING THE HALF-YEAR

PSX recorded a **pre-tax profit** of Rs.121 million for the half-year ended December 31, 2019 vs. Rs.57 million for the half-year ended December 31, 2018 i.e.1.1x higher than the same period last year.

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 the cost base. These initiatives resulted in revenue increase by Rs.41 million in the half-year ended December 31, 2019.

Markup income was favorable by Rs.16 million compared to same period last year due to higher interest rates. Moreover, improving economic environment had a positive effect on activity in the market, therefore, resulting in traded values almost at par as the same period last year i.e. Rs.10.3 billion in 1HFY19-20 vs Rs.10.9 billion in 1HFY18-19, however, lower income on account of Margin Trading System fee resulted in decline of trading fee by Rs.9 million.

Share of Profit from Associates was higher by Rs.7 million in contrast to corresponding period last year due to higher profit reported by both the Associated companies owing to improved performance.

The operating expenses for the 1HFY19-20 amounted to Rs.559 million vs Rs.578 million in the 1HFY18-19 i.e. lower by 3% which was mainly due to lower depreciation expense as no depreciation was charged on Buildings and Lift, Generator & Electric installations as the aforesaid are reclassified as assets held for distribution to shareholders i.e. once the De-merger exercise is completed (expected to conclude within one year - subject to requisite legal and regulatory approvals), these assets will be transferred to a separate legal entity.

PSX delivered a **post-tax profit** of Rs. 121 million for the 1HFY19-20 versus Rs.52 million in the 1HFY18-19.

- **Earnings Per Share (EPS):**

The basic and diluted earnings per share is Re.0.15 for the 1HFY19-20 vs. Re.0.06 for the 1HFY18-19.

- **Market Performance:**

Particulars	Half-Year ended	
	December 31, 2019	December 31, 2018
KSE-100 Index	40,735	37,067
Market Capitalization (Rs.in billion)	7,812	7,693
Average daily value traded – Ready (Rs.in billion)	7.0	7.8
Average daily value traded – Futures (Rs.in billion)	3.3	3.1
Average daily volume traded – Ready (million)	200	186
Average daily volume traded – Futures (million)	87	75

During the quarter, no new companies were listed on equity segment of PSX, while two (2) securities were listed in the debt segment of PSX with a total issue size of Rs. 212,374 million. As of December 31, 2019, 534 companies were listed on PSX.

PSX OUTLOOK

Following the approval from the board of directors, PSX in November signed an agreement with China's Shenzhen Stock Exchange (SZSE) to purchase state of the art trading and surveillance system.

PSX is at the final stage of launching Pakistan's first Exchange Traded Funds (ETFs) in the coming months. For this purpose, two new indices are being developed in partnership with key market participants which the respective ETFs shall track. ETFs are globally known to be low cost products for taking diversified exposure in the market and are heavily

avored by investors. We believe that the introduction of ETFs has the potential to attract many new investors towards investing in the stock market and would prove valuable in enhancing overall market liquidity.

In December 2019, SECP approved the Growth Enterprise Market (GEM) Regulations to enable growth companies to raise capital efficiently through listing at the Pakistan Stock Exchange. The GEM is envisioned as a separate listing board at the PSX alongside the Main Board. Listing requirements for GEM have been relaxed to encourage growth companies to access the capital market to fund their expansion needs.

The SECP and PSX have recently eased the listing process by taking several measures such as abolishing the Listing Committee and delegating the listing approval process to the PSX management. Furthermore, the requirement for audited accounts for listing of securities has been reduced from 5 to 2 years, along with a number of relaxations in requirements for listing of privately placed as well as government-backed debt securities. Additionally, audited accounts no older than eight months instead of six months are to be incorporated in the Prospectus. Moreover, the PSX regulatory framework has been amended to align the PSX listing rules with the amendments notified in the Public Offering Regulations, 2017, and the requirements of the Companies Act 2017 and the Securities Act 2015.

The exchange is continuing its efforts to educate the public about the benefits of investing in the stock market by holding regular webinars, effective utilization of social media channels, with media releases/press releases and sessions on Financial Literacy Initiative. The exchange is also deepening its non-traditional channels of revenue generation by bringing sophistication to its data product suite and building new partnerships with data vendors globally. A comprehensive market data policy is in the development phase and is expected to be completed in 2HFY20.

Other major developments in the works include the upcoming launch of a market maker program for ready and futures markets alongside the launch of ETFs. In addition, progress has been made towards the launch of PIBs, Ijara, Sukuk and T-bills for trading on the PSX BATS platform.

BOARD OF DIRECTORS

Following the changes occurring on the Board as reported earlier with respect to the quarter ended September 30, 2019, Syed Masoud Ali Naqvi, an independent director, and Mr. Que Bo a shareholder director nominated on the Board by Shanghai Stock Exchange tendered their resignations from the Board during the period under review.

Subsequent to the period of half year under review, Mr. Shahnawaz Mahmood, another shareholder director nominated by Pak China Investment Company Limited, also tendered his resignation from the Board of PSX.

As regards the casual vacancy for the position of independent director, the Board, on the recommendation of the Nomination Committee has nominated names of individuals to SECP for its selection and approval out of the same, however, SECP's approval is still awaited.

With respect to the casual vacancies on the seats of two shareholder directors, Shanghai Stock Exchange proposed Mr. Fu Hao in place of Mr. Que Bo and Pak China Investment Company Limited proposed Mr. Wang Baojun in place of Mr. Shahnawaz Mahmood, who were accordingly appointed as directors by the Board.

The Board places on record its appreciation for the contribution made by Syed Masoud Ali Naqvi, Mr. Que Bo and Mr. Shahnawaz Mahmood during their tenures as the directors of PSX.

In addition to the above, the Board, on the recommendation of the Chinese Consortium and with the approval of the SECP, appointed Mr. Farrukh H. Khan as the Managing Director of PSX for a term of 3 years. As such, Mr. Khan took his charge from Mr. Muhammad Rafique Umer, the former Acting Managing Director, with effect from February 24, 2020.

AUDITORS

Upon the retirement of M/s. EY Ford Rhodes Chartered Accountants, as statutory auditors of the Company, the shareholders of PSX, at the Annual General Meeting held on October 10, 2019, approved the appointment of M/s. Grant Thornton Anjum Rahman, Chartered Accountants, as statutory auditors of the Company for the year ending June 30, 2020, in accordance with the recommendation of the Board on the suggestion of Audit Committee of PSX.

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board of Directors



FARRUKH H. KHAN
Chief Executive Officer



SULAIMAN S. MEHDI
Chairman

Karachi

Dated: February 26, 2020



INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Pakistan Stock Exchange Limited
Report on review of interim financial statements

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Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Pakistan Stock Exchange Limited** as at **December 31, 2019** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to the contents of note 12 to the accompanying interim 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 interim financial statements. Our conclusion is not qualified in respect of this matter.

Other Matter

The financial statements of the Company for the six months period ended December 31, 2018 and for the year ended June 30, 2019 were reviewed and audited by another auditor who expressed an unmodified conclusion and opinion on those statements dated February 20, 2019 and August 29, 2019 respectively.

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


Chartered Accountants
Karachi
Date: February 26, 2020

PAKISTAN STOCK EXCHANGE CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

PAKISTAN STOCK EXCHANGE LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

		December 31, 2019 (Un-audited)	June 30, 2019 (Audited)
Note		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
	4	237,036	257,275
Property and equipment		157,320	153,984
Intangibles		2,534,990	2,422,302
Investment in associates	5	181,426	179,565
Long term investments	6	11,498	10,934
Long term deposits		17,344	4,867
Long term loans		165,538	139,517
Deferred tax asset	7	3,305,152	3,168,444
CURRENT ASSETS			
		65,792	90,099
Trade debts		27,671	19,754
Loans and advances		60,213	60,983
Prepayments		95,293	76,819
Other receivables		1,748,180	1,738,212
Short term investments	8	547,536	523,975
Taxation – net		482,850	243,585
Cash and bank balances	9	3,027,535	2,753,427
Assets held for distribution to shareholders / disposal	10	4,704,042	4,697,480
TOTAL ASSETS		11,036,729	10,619,351
SHARE CAPITAL, RESERVES AND LIABILITIES			
Authorized capital		10,000,000	10,000,000
Issued, subscribed and paid-up capital		8,014,766	8,014,766
Reserves		174,065	60,643
Revaluation surplus on property and equipment		815,134	815,134
		9,003,965	8,890,543
NON-CURRENT LIABILITIES			
Dara F. Dastoor Scholarship Fund		2,000	2,000
Long term deposits	11	372,000	299,859
		374,000	301,859
CURRENT LIABILITIES			
Unclaimed dividend		1,529	2,053
Trade and other liabilities		1,332,136	1,102,096
		1,333,665	1,104,149
Liabilities related to assets held for distribution to shareholders / disposal	10	325,099	322,800
		1,658,764	1,426,949
CONTINGENCIES AND COMMITMENTS			
	12		
TOTAL EQUITY AND LIABILITIES		11,036,729	10,619,351

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive Officer


Chairman

GTAN

PAKISTAN STOCK EXCHANGE CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

PAKISTAN STOCK EXCHANGE LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

Note	Half Year Ended		Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	----- (Rupees in '000) -----			
Revenue				
Listing fee	13 201,012	169,873	101,189	78,413
Income from exchange operations	14 189,000	186,269	110,800	95,170
Mark-up / interest income	78,664	62,824	38,711	36,029
Rental income	23,225	29,573	11,868	14,464
	491,901	448,539	262,568	224,076
Operating cost				
Administrative expenses	(559,217)	(578,289)	(286,743)	(289,257)
Other charges	(45)	(32)	(32)	(11)
	(559,262)	(578,321)	(286,775)	(289,268)
Operating loss	(67,361)	(129,782)	(24,207)	(65,192)
Other income	2,485	7,364	1,989	5,411
Share of profit from associates	5 185,835	179,009	110,929	87,908
Profit before taxation	120,959	56,591	88,711	28,127
Taxation	15 (453)	(4,703)	332	(3,417)
Net profit for the period	120,506	51,888	89,043	24,710
	----- (Rupees) -----			
Basic and diluted earnings per share	16 0.15	0.06	0.11	0.03

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive Officer

 GTAN
Chairman

PAKISTAN STOCK EXCHANGE CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

PAKISTAN STOCK EXCHANGE LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Note	Half Year Ended		Quarter Ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Net profit for the period		120,506	51,888	89,043	24,710
Other comprehensive income / (loss)					
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss on employees gratuity fund- net of tax		(7,084)	(8,492)	(3,542)	(8,492)
Revaluation surplus on property and equipment - net of tax		-	137,152	-	137,152
<i>Items to be reclassified to profit or loss in subsequent periods:</i>					
Share of other comprehensive income from associates' in respect of revaluation on equity investments at FVOCI - net of tax	6	-	246	-	342
Total comprehensive income for the period		<u>113,422</u>	<u>180,794</u>	<u>85,501</u>	<u>153,712</u>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

PAKISTAN STOCK EXCHANGE CONDENSED INTERIM STATEMENT OF CASH FLOWS

PAKISTAN STOCK EXCHANGE LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	December 31, 2019	December 31, 2018
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	120,959	56,591
Non-cash adjustments to reconcile income before tax to net cash flows		
Depreciation on tangible assets	34,396	71,150
Amortisation of intangibles assets	33,270	30,309
Provision for gratuity	15,798	17,524
Mark-up / interest income	(78,664)	(62,470)
Provision for trade debts considered doubtful	1,964	5,255
Discount on Pakistan Investment Bond	(2,234)	(354)
Reversal of provision against receivables on recovery	(626)	(856)
Gain on disposal of fixed assets-net	(645)	(560)
Share of profit from associates	(185,835)	(179,009)
	(182,576)	(119,011)
	(61,617)	(62,420)
Working capital adjustments:		
Increase in current assets		
Trade debts	22,969	(28,569)
Loans and advances	(7,917)	490
Prepayments	770	(26,524)
Other receivables	(18,474)	(98,635)
	(2,652)	(153,238)
Increase in current liabilities		
Trade and other liabilities	210,007	200,407
	145,738	(15,251)
Gratuity paid	(11,393)	(16,765)
Income tax paid	(46,304)	(39,747)
Mark-up / interest received	67,370	62,252
(Increase) / decrease in long term loans	(12,477)	2,373
Increase in long term deposits	72,141	143,427
	69,337	151,540
Net cash generated from operating activities	215,075	136,289
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(37,918)	(33,318)
Capital work-in-progress	(18,590)	(57,858)
Proceeds from sale of fixed assets	6,389	2,914
Investments sold	3,185,853	4,191,143
Investments purchased	(3,184,154)	(3,710,385)
Dividend income from associates	73,174	63,348
Increase in long term deposits	(564)	(1,411)
Net cash generated from investing activities	24,190	454,433
Net increase in cash and cash equivalents	239,265	590,722
Cash and cash equivalents at the beginning of the period	243,585	413,076
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	482,850	1,003,798

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive Officer


Chairman

GTA

PAKISTAN STOCK EXCHANGE CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

PAKISTAN STOCK EXCHANGE LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Share Capital	Revenue Reserve	Capital Reserve			
		Un- appropriated profit / (loss)	Revaluation surplus on property and equipment	Revaluation Surplus on investments at FVOCI	Share of Associates' Reserve	Total
	(Rupees in '000)					
Balance as at July 1, 2018	8,014,766	2,348	708,820	8,147	(49,041)	8,685,040
Net profit for the period	-	51,888	-	-	-	27,178
Other comprehensive (loss) / income	-	(8,492)	137,152	-	246	(4,707)
Total comprehensive income	-	43,396	137,152	-	246	22,471
Transfer from revaluation surplus on property and equipment incremental depreciation-net of tax.	-	15,525	(15,525)	-	-	-
Balance as at December 31, 2018	8,014,766	61,269	830,447	8,147	(48,795)	8,707,511
Balance as at July 1, 2019	8,014,766	107,202	815,134	8,147	(54,706)	8,890,543
Net profit for the period	-	120,506	-	-	-	120,506
Other comprehensive (loss) / income	-	(7,084)	-	-	-	(7,084)
Total comprehensive income	-	113,422	-	-	-	113,422
Balance as at December 31, 2019	8,014,766	220,624	815,134	8,147	(54,706)	9,003,965

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

GTA

PAKISTAN STOCK EXCHANGE

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

PAKISTAN STOCK EXCHANGE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2019

1. LEGAL STATUS AND NATURE OF OPERATIONS

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 (Corporatization, 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, scrips, 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.

2. STATEMENT OF COMPLIANCE

- 2.1 These condensed financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim reporting comprising 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.
- International Accounting Standard 34 (IAS 34)-"Interim Financial Reporting"

where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2019.
- 2.3 The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the three months ended December 31, 2019 and December 31, 2018 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the six months ended December 31, 2019 and December 31, 2018.

3. ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2019 except for the adoption of the following new and amendments standards, interpretation and improvements to IFRS by the Company which became effective for the current period:

IFRS 16 - Leases

IFRS 9 - Prepayment Features with Negative Compensation (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over Income Tax Treatments

The adoption of the above standards, amendments and interpretation are not expected to have any material impact on the Company's condensed interim financial statements.

During the preparation of these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2019.

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PAKISTAN STOCK EXCHANGE

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

PAKISTAN STOCK EXCHANGE LIMITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

4. PROPERTY AND EQUIPMENT	Note	December 31, 2019 (Un-audited)	June 30, 2019 (Audited)
		(Rupees in '000) -----	
Operating fixed assets - tangible	4.1	236,695	213,322
Capital work-in-progress	4.2	341	43,953
		<u>237,036</u>	<u>257,275</u>

4.1 Operating fixed assets - tangible	For the Half Year Ended December 31, 2019 (Un-audited)		For the Year Ended June 30, 2019 (Audited)	
	Additions (Cost)	Deletions (Cost)	Additions/ Transfers	Deletions/ Transfers
	(Rupees in '000') -----			
Building on leasehold land	-	-	16,799	-
Lift, generators and electric installation	-	-	15,594	1,978
Furniture and fixtures	376	296	3,241	47
Office equipment	15,387	-	8,367	127
Computers and related accessories	46,776	-	61,796	456
Vehicles	974	6,542	7,195	3,260
	<u>63,513</u>	<u>6,838</u>	<u>112,992</u>	<u>5,868</u>

4.1.1 Additions during the period include Rs. 28,767 million transferred from capital work in progress.

4.2 Capital work-in-progress	December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
	(Rupees in '000) -----	
- Computer hardware	-	43,953
- Lift generator and electric Installation	4,682	277
- Civil work	9,482	2,114
- Office equipment	341	-
	<u>14,505</u>	<u>46,344</u>
Less: Transfer to Non-current assets held for distribution to shareholders / disposal	<u>(14,164)</u>	<u>(2,391)</u>
	<u>341</u>	<u>43,953</u>

5 INVESTMENT IN ASSOCIATES - under equity method of accounting	December 31, 2019 (Un-Audited)		June 30, 2019 (Audited)	
	Central Depository Company of Pakistan Limited	National Clearing Company of Pakistan Limited	Total	Total
Opening balance	1,717,448	704,854	2,422,302	2,147,677
Share of profit for the period	125,625	60,210	185,835	343,638
Gain on revaluation of associates' equity investments classified at FVOCI	-	-	-	238
Actuarial loss on employees gratuity fund	-	-	-	(5,903)
Dividend received during the period	(73,147)	-	(73,147)	(63,348)
Closing balance	<u>1,769,926</u>	<u>765,064</u>	<u>2,534,990</u>	<u>2,422,302</u>

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PAKISTAN STOCK EXCHANGE

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

PAKISTAN STOCK EXCHANGE LIMITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

		December 31, 2019 (Un-audited)	June 30, 2019 (Audited)
		----- (Rupees in '000) -----	
6	LONG TERM INVESTMENTS		
	At FVOCI		
	VIS Credit Rating Company Limited, a related party	12,085	12,085
	250,000 (June 30, 2019: 250,000) Ordinary shares of Rs. 10 each, representing 12.50% (June 30, 2019: 12.50%) shareholding. The break-up value of each ordinary share is Rs. 57.09 (based on latest available unaudited financial statements for the period ended December 31, 2019)		
	Pakistan Mercantile Exchange Limited, a related party	74,818	74,818
	8,909,052 (June 30, 2019: 8,909,052) Ordinary shares of Rs. 10 each, representing 28.4% (June 30, 2019: 28.4%) shareholding. The break-up value of each ordinary share is Rs. 0.54 (based on latest available unaudited financial statements for the period ended December 31, 2019)		
	At amortised cost		
	Pakistan Investment Bonds	94,523	92,662
		181,426	179,565
6.1	Pakistan Investment Bonds includes cost of Rs. 89,361 (June 30, 2019: Rs. 88,102) million, interest accrued thereon of Rs. 3,304 (June 30, 2019: Rs. 3,30) million and amortization of discount of Rs. 1,858 (June 30, 2019: Rs. 1,260) million. The effective rate of return is 12.00% per annum (June 30, 2019: 12.03%). These will mature latest by July 12, 2021.		
7	DEFERRED TAX ASSET		
	Deductible temporary differences arising from:		
	Provision for debts considered doubtful	13,391	11,818
	Carry forward tax losses	282,884	251,025
	Provision for defined benefit liability	36,683	33,790
	Minimum tax	-	2,081
	Others	192	-
		333,150	298,714
	Taxable temporary differences arising from:		
	Differences between written down value and tax base of assets	(257,931)	(240,562)
	Revaluation of property and equipment	(220,229)	(221,383)
	Revaluation of Investment at FVOCI	-	(1,438)
	Others	(5,653)	(11,178)
		(483,814)	(474,561)
	Transfer to assets held for distribution to shareholders/disposal		
	- Carry forward tax losses	(47,620)	(42,283)
	- Differences between written down value and tax base of assets	143,593	174,888
	- Minimum tax	-	(2,081)
	- Revaluation of property and equipment	220,229	184,841
		165,538	139,518
7.1	The carried forward tax losses (including tax depreciation & amortisation) amounted to Rs. 1,145 million. The Company has recognised deferred tax asset of Rs. 283 million on carried forward losses to the extent of availability of future taxable profits. Unrecognized deferred tax asset on carried forward business losses as at December 31, 2019 amounted to Rs. 49 million.		
8	SHORT TERM INVESTMENTS		
	At amortised cost		
	Market Treasury Bills	1,748,180	1,497,907
	Pakistan Investment Bonds	-	240,305
		1,748,180	1,738,212

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PAKISTAN STOCK EXCHANGE

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

PAKISTAN STOCK EXCHANGE LIMITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

- 8.1 Market Treasury Bills includes cost of Rs. 1,705.859 (June 30, 2019: Rs.1,477.41) million and interest accrued thereon of Rs. 42.320 (June 30, 2019: Rs.20.496) million. The effective rate of return 13.49% (June 30, 2019: 11.85%) per annum. These will mature latest by September 24, 2020. These include Rs. 640.500 (June 30, 2019: Rs.673.333) million from defaulter / expelled / suspended members which are shown under trade and other liabilities and Rs. 354.454 (June 30, 2019 Rs. 236.752) million pertaining to base minimum capital deposit shown under long-term deposits.

		December 31, 2019 (Un-audited) ----- (Rupees in '000) -----	June 30, 2019 (Audited) ----- (Rupees in '000) -----
9	CASH AND BANK BALANCES		
	In hand	27	70
	With banks on		
	Current accounts	747	96
	PLS accounts in:		
	foreign currency	25,355	20,250
	local currency	456,721	223,169
		<u>482,850</u>	<u>243,585</u>

9.1 Rate of return on PLS accounts varies from 10.25% to 12.00% (June 30, 2019: 4.55% to 11.00%). However, the effective rate for the period is 11.59% (June 30, 2019: 7.40%).

9.2 Included herein are balances, aggregating to Rs. 167 (June 30, 2019: Rs.203) million, deposited / held by the Company on account of Dara F. Dastoor Scholarship, PSX member's basic deposit, government taxes, unclaimed dividend, funds of defaulter / expelled / suspended members / ex-members (pertaining to arbitration cases, disposal of membership cards and sale proceeds from divestment of 40% shares and 20% shares through public offering) and funds received from LSE financial services limited and ISB towers RMIT management company limited as shown under trade and other liabilities.

10 ASSETS AND LIABILITIES HELD FOR DISTRIBUTION TO SHAREHOLDERS / DISPOSAL

During the previous year, 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.

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.

	December 31, 2019 (Un-audited) ----- (Rupees in '000) -----	June 30, 2019 (Audited) ----- (Rupees in '000) -----
10.1	Assets and liabilities held for distribution to shareholders	
	Assets Held for Distribution to Shareholders	4,704,042
	Liabilities Held for Distribution to Shareholders	325,099
		<u>4,378,943</u>
10.2	Non - current assets held for disposal	
	Transfer of sub-lease of properties	18,170
	Less: Provision for impairment against transfer of sub-lease of properties	(18,170)
		<u>-</u>

11 LONG TERM DEPOSITS

This includes Rs 361.959 million (June 30, 2019: Rs 289.509 million) cash deposit placed by TREC holders against the Base Minimum Capital requirement with the Company in accordance with the Rule Book of the Company.

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PAKISTAN STOCK EXCHANGE

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

PAKISTAN STOCK EXCHANGE LIMITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

12 CONTINGENCIES AND COMMITMENTS

Contingencies

12.1 There were no changes in the status of contingencies as reported in the audited annual financial statement for the year ended June 30, 2019 except as disclosed in note 12.1.1 below. The cumulative financial impact of these various litigations is estimated to Rs.11,350 (June 30,2019: Rs.11,345) million. The management of the Company, based on legal advisors opinion, 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 these condensed interim financial statements.

12.1.1 During the period, wide order dated October 3,2019 Securities and Exchange Commission of Pakistan (SECP) imposed a penalty of Rs.5 million in respect of show cause notice dated December 31,2018. However, the Company has filed an appeal against the above order with Appellate Bench of SECP which is pending adjudication. The Company, in view of a legal advice expects a favourable outcome and accordingly, no provision has been made in these condensed interim financial statements in this regards.

12.2 Commitments

12.2.1 Capital commitments related to purchase of IT Trading and Surveillance System from a related party, Shenzhen Stock Exchange:

	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(Rupees in '000)		(USD in '000)	
	(Un-audited)		(Un-audited)	
Year 1	85,443	-	550	-
Year 2	116,513	-	750	-
Year 3	69,908	-	450	-
Year 4	38,838	-	250	-
Year 5	38,838	-	250	-
	<u>349,540</u>	<u>-</u>	<u>2,250</u>	<u>-</u>

12.2.1.1 The total tax implication on above payments is Rs. 90 million (USD: 0.58 million).

12.2.2 Service and maintenance commitments related to IT Trading and Surveillance System from a related party, Shenzhen Stock Exchange:

	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(Rupees in '000)		(USD in '000)	
	(Un-audited)		(Un-audited)	
Year 1	-	-	-	-
Year 2	19,419	-	125	-
Year 3	19,419	-	125	-
Year 4	19,419	-	125	-
Year 5	19,419	-	125	-
Year 6	19,419	-	125	-
	<u>97,095</u>	<u>-</u>	<u>625</u>	<u>-</u>

12.2.2.2 The total tax implication on above payments is Rs. 26 million (USD: 0.17 million).

	Half Year		Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(Rupees in '000)		(Rupees in '000)	
	(Un-audited)		(Un-audited)	
13 LISTING FEE				
Annual fees	179,802	146,041	89,802	72,593
Initial fees	21,210	23,832	11,386	5,820
	<u>201,012</u>	<u>169,873</u>	<u>101,188</u>	<u>78,413</u>
14 INCOME FROM EXCHANGE OPERATIONS				
Trading fee	83,964	93,373	57,542	48,859
Facilities and equipment fee	75,124	67,786	37,664	33,793
Income from non-trading facilities	27,617	22,044	14,469	11,354
Membership fee	1,500	1,606	750	809
Other fee	795	1,460	375	355
	<u>189,000</u>	<u>186,269</u>	<u>110,800</u>	<u>95,170</u>

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PAKISTAN STOCK EXCHANGE

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

PAKISTAN STOCK EXCHANGE LIMITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half Year		Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(Rupees in '000)		(Rupees in '000)	
	(Un-audited)		(Un-audited)	
15 TAXATION				
Current	22,742	22,284	3,852	6,019
Deferred	(22,289)	(17,581)	(4,184)	(2,602)
	<u>453</u>	<u>4,703</u>	<u>(332)</u>	<u>3,417</u>
16 BASIC AND DILUTED EARNINGS PER SHARE				
Net profit for the period	<u>120,506</u>	<u>51,888</u>	<u>89,043</u>	<u>24,710</u>
	(Numbers in '000)		(Numbers in '000)	
Weighted average number of ordinary shares outstanding during the period	<u>801,476</u>	<u>801,476</u>	<u>801,476</u>	<u>801,476</u>
	(Rupees)		(Rupees)	
Basic and diluted earnings per share	<u>0.15</u>	<u>0.06</u>	<u>0.11</u>	<u>0.03</u>

17 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:

17.1 Following are the details of transactions with related parties during the period ended December 31, 2019 and December 31, 2018:

	December 31, 2019	December 31, 2018
	(Rupees in '000)	(Rupees in '000)
	(Un-audited)	(Un-audited)
Listing Fee		
Common Directorship		
Shell Pakistan Limited	1,483	1,055
Fauji Fertilizer Bin Qasim Limited	1,486	-
IGI Life Insurance	799	743
Cyan Limited	647	554
Ghani Global Glass Limited	488	489
Ghani Global Holdings Limited (Formerly: Ghani Gases Limited)	644	620
ZIL Corporation Limited	334	363
Fauji Fertilizer Company Limited	2,014	1,287
Associate Company		
Habib Bank Limited (HBL)	2,430	1,844
	<u>10,325</u>	<u>6,955</u>
Facilities and Equipment Fee:		
Common Directorship		
Shell Pakistan Limited	12	8
Fauji Fertilizer Bin Qasim Limited	12	-
IGI Life Insurance	12	8
Cyan Limited	12	8
Ghani Global Glass Limited	12	8
Ghani Global Holdings Limited (Formerly: Ghani Gases Limited)	12	8
ZIL Corporation Limited	12	8
Fauji Fertilizer Company Limited	12	8
Shehzad Chaudhry Securities (Pvt.) Limited	75	48
Associate Company		
Habib Bank Limited (HBL)	412	211
	<u>583</u>	<u>315</u>

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PAKISTAN STOCK EXCHANGE

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	December 31, 2019 ----- (Rupees in '000) ----- (Un-audited)	December 31, 2018 ----- (Rupees in '000) ----- (Un-audited)
LAN Connectivity Charges		
Associate Company		
National Clearing Company of Pakistan Limited (NCCPL)	2,450	-
Dividend income		
Associate Company		
Central Depository Company of Pakistan Limited (CDCPL)	73,147	63,348
Rental income		
Associate Company		
Central Depository Company of Pakistan Limited (CDCPL)	2,646	2,405
National Clearing Company of Pakistan Limited (NCCPL)	8,503	8,503
Habib Bank Limited (HBL)	7,970	7,246
	19,119	18,154
Miscellaneous Income		
Associate Company		
Central Depository Company of Pakistan Limited (CDGPL)	-	38
National Clearing Company of Pakistan Limited (NCCPL)	23	25
	23	63
Miscellaneous Income		
Common Directorship		
Fauji Fertilizer Company Limited	1,650	100
Ghani Global Holdings Limited (Formerly: Ghani Gases Limited)	3	-
	1,653	100
Income from Marginal Trading System		
Associate Company		
National Clearing Company of Pakistan Limited (NCCPL)	5,516	13,209
CDC fees		
Associate Company		
Central Depository Company of Pakistan Limited (CDCPL)	2,486	924
Retirement benefit plan		
Payment made to gratuity fund during the period	11,393	16,765
Profit received on PLS Accounts		
Associate Company		
Habib Bank Limited (HBL)	5	3
Contribution to CCPCF @1% of revenue:		
Centralized Customers Protection Compensation Fund (CCPCF)	6,802	6,673
Reimbursement of Expenses		
Associate Company		
China Financial Futures Exchange	5,190	7,690

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PAKISTAN STOCK EXCHANGE

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

PAKISTAN STOCK EXCHANGE LIMITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

Key management Personnel

Name	Designation
Muhammad Rafique Umer	Acting CEO + Company Secretary
Ahmed Ali Mitha	Chief Financial Officer
Muhammad Abbas Mirza	Acting Chief Regulatory Officer
Mahmood Siddique	Head of Information Technology
Farhan Ansari	Head of Internal Audit
Syed Abbas Haider Zaidi	Chief Risk Management Officer

- 17.2 Following are the details of outstanding balances with related parties for the period ended December 31, 2019 and for the year ended June 30, 2019:

	December 31, 2019 ----- (Rupees in '000) ----- (Un-audited)	June 30, 2019 ----- (Rupees in '000) ----- (Un-audited)
Rent Receivable		
Associate Company		
Central Depository Company of Pakistan Limited (CDCPL)	1,323	-
Miscellaneous Receivable		
Common Directorship		
Fauji Fertilizer Company Limited	1,650	-
Facilities and Equipment Receivable		
Common Directorship		
UBL Fund Managers Limited	52	52
Ghani Global Glass Limited	-	7
	52	59
LAN Connectivity Charges Receivable		
Associate Company		
National Clearing Company of Pakistan Limited (NCCPL)	2,117	1,152
Receivable from Margin Trading System		
Associate Company		
National Clearing Company of Pakistan Limited (NCCPL)	8,465	13,066
Retirement benefit plan		
Payable to gratuity fund	7,898	3,144
Receivable against Expenses		
Associate Company		
China Financial Futures Exchange	5,190	3,691
Contribution payable		
Centralized Customers Protection Compensation Fund (CCPCF)	3,755	3,364

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PAKISTAN STOCK EXCHANGE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

PAKISTAN STOCK EXCHANGE LIMITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

18 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. These condensed interim financial statements do not include all financial risk management information and disclosure which are required in the annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company as at June 30, 2019. There has been no change in any risk management policies since the year end.

19 FAIR VALUE OF ASSETS AND LIABILITIES

The carrying value of all financial assets and liabilities are estimated to approximate their fair values. There were no transfers amongst levels during the period.

20 DATE OF AUTHORISATION FOR ISSUE

26 FEB 2020

These condensed interim financial statements have been authorized for issue on 26 FEB 2020 by the Board of Directors of the Company.


21 GENERAL

21.1 Corresponding figures have been re-arranged and re-classified wherever necessary, for the purpose of comparison.

21.2 Figures have been rounded off to the nearest thousand rupees.


Chief Financial Officer


Chief Executive Officer


Chairman

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بورڈ سید مسعود علی نقوی، جناب کیو، اور جناب شہناز محمود کی بطور پی ایس ایکس ڈائریکٹر خدمات کی انجام دہی کو سراہتا ہے۔

مزید برآں یہ کہ چائیز کونزورشیم کی سفارشات اور ایس ای سی پی کی منظوری سے بورڈ نے 3 سالہ مدت کے لیے جناب فرخ ایچ خان کی بطور ٹینگ ڈائریکٹر پی ایس ایکس تقرری کی ہے۔ فرخ ایچ خان نے سابق قائم مقام ٹینگ ڈائریکٹر جناب محمد رفیق عمر کی جگہ 24 فروری 2020 کو عہدہ سنبھالا۔

آڈیٹرز


بحیثیت کمپنی کے قانونی آڈیٹر ای دوائے فورڈر ہوڈز چارٹرڈ اکاؤنٹنٹس کی ریٹائرمنٹ کے موقع پر، پی ایس ایکس کے شیئر ہولڈر نے پی ایس ایکس کی آڈٹ کمیٹی کے مشورے پر عمل کرتے ہوئے بورڈ کی سفارش کے مطابق 10 اکتوبر 2019 کو منعقد ہونے والے سالانہ عام اجلاس میں 30 جون 2020 کو ختم ہونے والے سال کے لیے گرانٹ تھورن ٹون انجم رحمان، چارٹرڈ اکاؤنٹنٹ کی بطور کمپنی کے قانونی آڈیٹر منظوری دی۔

اعتراف

بورڈ آف ڈائریکٹرز تمام اسٹیک ہولڈرز کے مشکور ہیں کہ جن کی جانب سے بدستور پی ایس ایکس اور کمپنیل مارکیٹ کو معاونت فراہم کی گئی۔ بورڈ، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فیڈرل بورڈ آف ریونیو اور وزارت خزانہ، ریونیو اینڈ اکٹا مک افیئرز، حکومت پاکستان کا بھی شکریہ ادا کرتا ہے کہ جن کی جانب سے پی ایس ایکس کو ہمیشہ مدد اور رہنمائی فراہم کی جاتی رہی۔ مزید برآں بورڈ تمام کمیٹیوں کے ارکان کا بھی شکریہ ادا کرتا ہے جن کی جانب سے رہنمائی اور مدد فراہم کی گئی۔ بورڈ پی ایس ایکس کے تمام اسٹاف ممبران کی فرائض کی ادائیگی میں ان کی پیشہ ورانہ مہارت، لگن اور معاونت کو سراہتا ہے اور ان کا شکریہ ادا کرتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے


سلیمان ایس مہدی
چیرمین


فرخ ایچ خان
چیف ایگزیکٹو آفیسر

کراچی

26 فروری، 2020

پذیرائی بھی حاصل ہے۔ ہمیں امید ہے کہ ای سی ایف کے متعارف ہونے سے کئی سرمایہ کار اسٹاک مارکیٹ کی جانب سرمایہ کاری کے لیے راغب ہونگے اور یہ مارکیٹ کی مجموعی لیکویڈیٹی بڑھانے میں اہم کردار ادا کریں گے۔

دسمبر 2019 میں ایس ای سی پی نے گروتھ انٹرپرائز مارکیٹ (جی ای ایم) ریگولیشنز کی منظوری دی تاکہ گروتھ کمپنیاں پاکستان اسٹاک ایکسچینج میں بذریعہ لسٹنگ بہترین طریقے سے سرمایہ اکٹھا کر سکیں۔ پی ایس ایکس میں مین بورڈ کے ساتھ ساتھ جی ای ایم ایک الگ لسٹنگ بورڈ تصور کیا گیا ہے۔ جی ای ایم کے لیے لسٹنگ کی شرائط میں نرمی کی جا چکی ہے تاکہ گروتھ کمپنیاں کاروبار کو وسعت دینے کی خاطر درکار فنڈز کے لیے کھینچل مارکیٹ سے رجوع کر سکیں۔

لسٹنگ کمیٹی کو یکسر ختم کر دینا اور لسٹنگ کی منظوری کے عمل کو پی ایس ایکس کی منجمنٹ کو سونپنے جیسے کئی اقدامات لیتے ہوئے ایس ای سی پی اور پی ایس ایکس نے لسٹنگ کا عمل آسان کر دیا ہے۔ علاوہ ازیں یہ کہ سکیورٹیز کی لسٹنگ کے لیے آڈٹ اکاؤنٹس کی شرط کو 5 سال سے کم کر کے 2 سال کر دیا ہے۔ اس کے ساتھ ساتھ نجی اور حکومتی گارنٹیڈ سکیورٹیز کی لسٹنگ کے لیے کئی شرائط میں نرمی کی ہے۔

مزید برآں یہ کہ 6 ماہ کے بجائے 8 ماہ تک پرانے آڈٹ ہونے والے اکاؤنٹس کو پروسپیکٹس میں شامل کرنے کی اجازت دے دی ہے۔ اس کے علاوہ پبلک آفرنگ ریگولیشنز 2017 میں بیان کی گئی ترامیم، اور کمپنیز ایکٹ 2017 اور سکیورٹیز ایکٹ 2015 کی شرائط کے مطابق پی ایس ایکس کے لسٹنگ قوانین کے مطابق پی ایس ایکس کے ریگولیٹری فریم ورک میں ترمیم کی جا چکی ہے۔

میڈیا ریلیز ز اور پریس ریلیز کے ساتھ سوشل میڈیا چینلز کا موثر استعمال، ویبینارز کا اہتمام اور مالیاتی خواندگی کے سیشنز کے باقاعدگی سے انعقاد کے ذریعے عوام الناس کو اسٹاک مارکیٹ میں سرمایہ کاری کے فائدوں کی آگاہی دینے کے لیے ایکسچینج اپنی کوششوں کو جاری رکھے ہوئے ہے۔ ایکسچینج عالمی ڈیٹا سپلائرز سے نئی شراکت داریوں کے فروغ، ڈیٹا پراڈکٹ سوٹ میں بہتری کے ذریعے آمدن بڑھانے کے غیر روایتی حربوں کو بھی فروغ دے رہی ہے۔ ایک جامع مارکیٹ ڈیٹا پالیسی مرتب کی جا رہی ہے جو رواں مالی سال کی آخری ششماہی میں مکمل ہونے کی توقع ہے۔ دیگر اہم اقدامات میں ای سی ایف کے لانچ کے ساتھ ساتھ مستقبل میں ریڈی اور فیوچرز مارکیٹوں کے لیے مارکیٹ میکر پروگرام کا آغاز ہونا بھی شامل ہے۔ مزید برآں پی آئی بی، اجارہ، مٹو، اور ٹی بلز کی پی ایس ایکس بی ایس ٹی ایس پلیٹ فارم پر ٹریڈنگ متعارف کرنے کے لیے پیشرفت ہو چکی ہے۔

بورڈ آف ڈائریکٹرز

بورڈ میں رد و نما ہوئی تبدیلیوں کے پیش نظر جو 30 ستمبر 2019 کو ختم ہوئی، سہ ماہی میں پہلے بیان کی جا چکی ہیں، سید مسعود علی نقوی غیر جانبدار ڈائریکٹر، اور شنگھائی اسٹاک ایکسچینج میں بطور شیئر ہولڈر ڈائریکٹر جناب کیو بو زیر جائزہ عرصے میں بورڈ سے استعفیٰ دے چکے ہیں۔ زیر جائزہ ششماہی میں ایک اور شیئر ہولڈر ڈائریکٹر پاک چائنا انویسٹمنٹ کمپنی کے نامزد کردہ جناب شاہنواز محمود بھی پی ایس ایکس کے بورڈ سے مستعفی ہو گئے ہیں۔ غیر جانبدار ڈائریکٹر کی خالی آسامی کے حوالے سے بورڈ نے نو مینیشن کمیٹی کی سفارشات پر افراد نامزد کر لیے ہیں تاکہ ای سی پی ان میں سے انتخاب کے بعد منظوری دے، تاہم اس سلسلے میں بورڈ ایس ای سی پی کی منظوری کا منتظر ہے۔

دو شیئر ہولڈر کی خالی نشستوں کے لیے شنگھائی اسٹاک ایکسچینج نے جناب کیو بو کی جگہ جناب فہاد کا نام تجویز کیا ہے جبکہ پاک چائنا انویسٹمنٹ کمپنی لمیٹڈ کی جانب سے جناب شاہنواز محمود کی جگہ جناب وانگ باوجون کا نام تجویز کیا گیا ہے ان اشخاص کی تقرری بورڈ کی جانب سے بطور ڈائریکٹر کی گئی تھی۔

مشق ایک سال میں مکمل ہونے کی توقع ہے۔ یہ اثاثے الگ لیگل ایٹمیٹی میں منتقل کر دیے جائیں گے۔

رواں مالی سال 2019-20 کے پہلے 6 ماہ پی ایس ایکس نے بعد از ٹیکس 121 ملین روپے منافع ظاہر کیا، جبکہ گزشتہ مالی سال 2018-19 اس عرصے میں یہ منافع 52 ملین روپے تھا۔

فی شیئر آمدن

رواں مالی سال 2019-20 کے پہلے 6 ماہ کے مالی نتائج کے مطابق فی شیئر آمدن 0.15 روپے کارڈ کی گئی جبکہ مالی سال 2018-19 کے پہلے 6 ماہ میں فی شیئر آمدن 0.06 روپے تھی

کمپیٹل مارکیٹ کا جائزہ

تفصیلات		پہلی سہ ماہی کے اختتام پر
31 دسمبر 2019	31 دسمبر 2018	
کے ایس ای 100 انڈیکس	40,735	37,067
مارکیٹ کپچلٹیشن (ارب روپے میں)	7,812	7,693
یومیہ تجارتی سرگرمیوں کی اوسط مالیت۔ ریڈی (ارب روپے میں)	7.0	7.8
یومیہ تجارتی سرگرمیوں کی اوسط مالیت۔ فیوچر (ارب روپے میں)	3.3	3.1
یومیہ اوسط تجارتی سرگرمیوں کا حجم۔ ریڈی (ملین)	200	186
یومیہ اوسط تجارتی سرگرمیوں کا حجم۔ فیوچر (ملین)	87	75

پاکستان اسٹاک ایکسچینج کے ایکٹیو شعبے میں سہ ماہی کے دوران کسی نئی کمپنی کا اندراج نہیں کیا گیا جبکہ (2) سکیورٹیز کا اندراج پی ایس ایکس کے ڈیٹ سکیمٹ میں ہوا جن کے اجراء کا مجموعی حجم 212,374 ملین روپے ہے۔ بمطابق 31 دسمبر 2019 پی ایس ایکس میں 534 کمپنیوں کا اندراج تھا۔

پی ایس ایکس آرٹ لک

بورڈ آف ڈائریکٹرز کی جانب سے منظوری کے بعد پی ایس ایکس نے نومبر میں چین کی شیمن اسٹیل اسٹیلٹ آف دی آرٹ ٹریڈنگ اینڈ سروسز سسٹم خریدنے کا معاہدہ کیا ہے

پی ایس ایکس آنے والے مہینوں میں پاکستان کا پہلا ایکسچینج ٹریڈڈ فنڈ متعارف کرانے کے لیے آخری مرحلے میں ہے۔ اس مقصد کے لیے مارکیٹ کے شراکت داروں کی مشاورت سے دو نئے انڈیکس تیار کیے جا رہے ہیں جو متعلقہ ای ٹی ایف کوڈز یک کریں گے عالمی سطح پر ای ٹی ایف مارکیٹ میں متفرق مصنوعات میں سرمایہ کاری کے حوالے سے کم قیمت پراڈکٹ کے طور پر مشہور ہیں جنہیں سرمایہ کاروں میں زبردست

آگے چلیں تو مالی سال کی دوسری ششماہی اقتصادی لحاظ سے بحالی اور تبدیلی کا دور دکھائی دیتا ہے جو چار حانہ کاروباری اصلاحات اور ٹیکس نظام میں ازسرنو تبدیلی سے متصل ہے۔ ایف اے ٹی ایف کے ضوابط کی پاسداری کے لیے پاکستان کی پیشرفت شیئر مارکیٹ میں غیر ملکی سرمایہ کاری کو بڑھانے میں انتہائی اہم ہوگی۔ اس بات کا بھی اندازہ ہونا چاہیے کہ حالیہ کورونا وائرس کی وبا سے اقتصادی میدان میں غیر یقینی صورتحال پیدا ہوئی ہے جو پاکستان سمیت بین الاقوامی اسٹاک مارکیٹوں پر بھی اثر انداز ہو رہی ہے۔

حکومت کی مالیاتی پالیسی اور اصلاحات کا مقصد میتھ چکرنگ اور ایکسپورٹس کے شعبے کی حوصلہ افزائی اور غیر ضروری اپورٹس کی حوصلہ شکنی کرنا ہے۔ کاروبار میں آسانی، جدت کے ذریعے معیشت کو ڈیجیٹائز کرنے جبکہ ایکسپورٹس میں کو بڑھانے اور متفرق بنانے کے لیے بھی کافی اقدامات لینے کی ضرورت ہے

پاکستان کی کچھ مل مارکیٹ ترقی کرنے کی بہترین صلاحیت رکھتی ہے۔ پی ایس ایکس کارکردگی بڑھانے اور سرمایہ کاروں کا اعتماد حاصل کرنے کے لیے پرعزم ہے۔ نئی پراڈکٹس متعارف کرانے، ورلڈ کلاس ٹریڈنگ انفراسٹرکچر اور انتظامی شعبے میں سرمایہ کاری کرتے ہوئے پی ایس ایکس سرمائے کی تشکیل اور مالیاتی شمولیت کے فروغ میں اپنا اہم کردار جاری رکھے گی

پہلی سہ ماہی کے دوران پاکستان اسٹاک ایکسچینج کی مالیاتی اور بازاری کارکردگی

پی ایس ایکس نے 31 دسمبر 2019 کو ختم ہوئی پہلی ششماہی کے دوران 121 ملین روپے منافع قبل از ٹیکس رکارڈ کیا جو 31 دسمبر 2018 کو اختتام پذیر ہوئی گزشتہ مدت میں رکارڈ کیے گئے 57 ملین روپے کے مقابلے میں 1.1 گنا زائد ہے۔

سال کے دوران پی ایس ایکس سالانہ لسٹنگ فیس میں ترمیم اور ٹی آر ای سی اور نان ٹی آر ای سی ہولڈرز کو مہیا کی گئی سہولیات پر سبڈی کم کر چکی تھی تاکہ اخراجات میں کمی لائی جائے۔ ان اقدامات کے نتیجے میں 31 دسمبر 2019 کو ختم ہوئی پہلی ششماہی میں آمدن 41 ملین روپے بڑھی۔

گزشتہ سال کے مقابلے زائد شرح سود کے باعث مارک آپ انکم سے 16 ملین روپے حاصل ہوئے۔ اس کے علاوہ اقتصادی ماحول میں بہتری سے مارکیٹ کی سرگرمی پر مثبت اثر پڑا جس کے نتیجے میں یومیہ ٹریڈ ہوئے شیئرز کی مالیت گزشتہ مالی سال کے تقابلی عرصے میں ٹریڈ ہوئے شیئرز کے لگ بھگ برابر رہی جو مالی سال 2019-20 کی پہلی ششماہی 10.3 ارب روپے ہے جبکہ مالی سال 2018-19 کی پہلی ششماہی میں یومیہ اوسط مالیت 10.9 ارب روپے تھی۔ البتہ مارجن ٹریڈنگ سسٹم فی سے ہونے والی کم آمدن سے نتیجہ تا ٹریڈنگ فی میں 9 ملین روپے کمی آئی ہے۔

فسلک کمپنیوں کی بہتر کارکردگی اور ان کی جانب سے زائد منافع رکارڈ کیے جانے سے گزشتہ مالی سال کے مقابلے فسلک کمپنیوں کا منافع میں حصہ 7 ملین روپے زیادہ رہا۔

مالی سال 2019-20 کی پہلی ششماہی میں آپریٹنگ اخراجات 3 فیصد کمی سے 559 ملین رہے جو گزشتہ سال کے اسی عرصے میں 578 ملین تھے۔ اخراجات میں کمی کی اہم وجہ فرودگی اخراجات میں کمی ہے کیونکہ، بلڈنگ، لفٹ، جنریٹر اور بجلی کی تنصیبات پر کوئی فردودگی کے اخراجات نہیں لگائے گئے۔ مذکورہ بالا اثاثے نئی درجہ بندی کے تحت شیئرز ہولڈرز میں تقسیم کے لیے رکھے ہیں یعنی ایک بارڈر جرمی مشق مکمل ہو جائے (مطلوبہ قانونی اور ریگولیٹری منظوری سے مشروط۔

ڈائریکٹرز کی جائزہ رپورٹ 31 دسمبر 2019 کو اختتام پذیر ہوئی پہلی ششماہی کے لیے

پاکستان اسٹاک ایکسچینج لمیٹڈ [پی ایس ایکس] کے بورڈ آف ڈائریکٹرز کی جانب سے انتہائی مسرت کے ساتھ 31 دسمبر 2019 کو اختتام پذیر ہوئی پہلی ششماہی کی رپورٹ پیش کی جا رہی ہے۔

اقتصادی جائزہ اور آؤٹ لک

پاکستان کے معاشی اشاریوں پر بے یقینی اور مایوسی کے بادل بتدریج لیکن یقینی طور پر چھٹنا شروع ہو چکے ہیں۔ اگرچہ طویل مدتی پائیدار ترقی کی جانب گامزن ہونے کے لیے وقت درکار ہے تاہم مالی سال 2020 کی پہلی ششماہی میں معاشی بحالی کی راہ کے کچھ واضح آثار نظر آچکے ہیں، اصلاحات کا عمل بہتر طریقے سے جاری ہے۔

گزشتہ سہ ماہی کے دوران روپیہ امریکی ڈالر کے مقابلے 0.9 فیصد مضبوط ہوا، اس طرح مالی سال کے پہلے 6 ماہ میں مجموعی طور پر روپیہ کی قدر میں 2.2 فیصد اضافہ ہوا۔ اسٹیٹ بینک کے ذریعہ مبادلہ ذخائر مالی سال کی دوسری سہ ماہی میں 4 ارب امریکی ڈالر بڑھ کر 31 جنوری 2020 تک 12.27 ارب امریکی ڈالر تک پہنچ گئے جو سال 2018 کے اختتام پر 7.2 ارب امریکی ڈالر رہ گئے تھے۔

کے ایس ای-100 انڈیکس نے باضابطہ طور پر سرمایہ کاروں میں جاگتی امید کی عکاسی کر دی ہے اور پہلی ششماہی کے دوران 37 فیصد سے زائد منافع دکھایا ہے، روپے کے لحاظ سے رواں مالی سال کے پہلے 6 ماہ کے دوران انڈیکس 20 فیصد بڑھا۔ دسمبر میں عالمی ریٹنگ ایجنسی سوڈیز نے بی تھری ریٹنگ کو برقرار رکھتے ہوئے پاکستان کا آؤٹ لک "منفی" سے "مستحکم" کر دیا۔

تجارتی محاز پر، جولائی تا دسمبر 2019 ایکسپورٹس 4.5 فیصد اضافے سے 12.4 ارب امریکی ڈالر تک پہنچ گئیں جبکہ گزشتہ سال یہ حجم اس عرصے میں 11.9 ارب امریکی ڈالر تھا۔ دوسری جانب امپورٹس کا حجم رواں مالی سال کے پہلے چھ ماہ کے دوران تقریباً 21 فیصد سکڑ کر (5.8 ارب ڈالر) رہنے سے مجموعی تجارتی خسارہ 39.4 فیصد گھٹ کر اس عرصے میں 9.8 ارب امریکی ڈالر تک محدود رہا۔

قلیل مدتی طور پر معیشت کے لیے مہنگائی بدستور ایک چیلنج ہے۔ رواں مالی سال کی پہلی ششماہی میں ہیڈلائن پی پی آئی گزشتہ سال کے مقابلے اوسط 11.1 فیصد رہی۔ اگرچہ جنوری 2020 میں عمومی مہنگائی کی رفتار میں سالانہ بنیاد پر 14.6 فیصد اضافہ ہوا۔ معیشت میں مہنگائی کا زور دیکھتے ہوئے اسٹیٹ بینک نے بنیادی شرح سود کو 13.25 فیصد پر برقرار رکھا ہے اور مستقبل قریب میں مانیٹری پالیسی میں خاطر خواہ نرمی کا امکان نہیں ہے جو معاشی ترقی کے لیے چیلنج ہو سکتا ہے۔ اس کے علاوہ علاقائی تنازعات، سیاسی عدم استحکام اور بے قابو مالی خسارہ معاشی بحالی کے عمل میں بڑے خطرات ہیں۔