



Progressive
Excellence



**PAKISTAN
STOCK EXCHANGE**

ABOUT THE COVER

The theme for this year's Annual Report is "Progressive Excellence" which encapsulates the core focus of the Management, the Board of PSX and the Companies listed on Pakistan Stock Exchange. It is this objective of relentlessly moving forward that keeps the growth momentum going for all the stakeholders. The emphasis remains on moving towards continuous improvement, sustainability and efficiency across all areas to take this growth story of Pakistan to the next level. We believe in facilitating our investors, listed companies, shareholders and stakeholders to attain financial independence. The cover serves as a window into the various sectors and industries that PSX fuels. The illustrative application of the visuals associated with various industries is accentuated by the vibrant sketch and paint effect.





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PROGRESSIVE THINKING





CORPORATE INFORMATION

Board of Directors

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

Nomination Committee

Mr. Sulaiman S. Mehdi (Chairman)
 Mr. Muhammad Ashraf Bawany (Member)
 Mr. Saad Amanullah Khan (Member)
 Syed Masoud Ali Naqvi (Member)
 Mr. Zhiping Rong (Member)
 Mr. You Hang (Alternate Member)

Regulatory Affairs Committee

Mr. Sulaiman S. Mehdi (Member)
 Ms. Naz Khan (Member)
 Syed Masoud Ali Naqvi (Member)
 Mr. Amjad Pervez (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. Shahnawaz Mahmood (Member)

Audit Committee

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

Company Secretary

Mr. Muhammad Rafique Umer

Chief Financial Officer

Mr. Ahmed Ali Mitha

Head of Internal Audit

Mr. Farhan Ansari

Acting Chief Regulatory Officer

Mr. Abbas Mirza

Auditors

EY Ford Rhodes, Chartered Accountants

Legal Advisors

Ahmed & Qazi

Advocates & Legal Consultants

Bawaney & Partners

Advocates & Investment & Corporate Advisers

Ijaz Ahmed & Associates

Advocates & Legal Consultants

Mr. Khalid Javed

Advocate 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, Pakistan

Phone: (92 42) 36316974

Fax: (92 42) 36316973

Islamabad Office

Office # 712-714, 7th Floor, ISE Towers

55-B, Jinnah Avenue

Islamabad

Phone: (92 51) 2894500

Email

info@psx.com.pk

Website

www.psx.com.pk

VISION

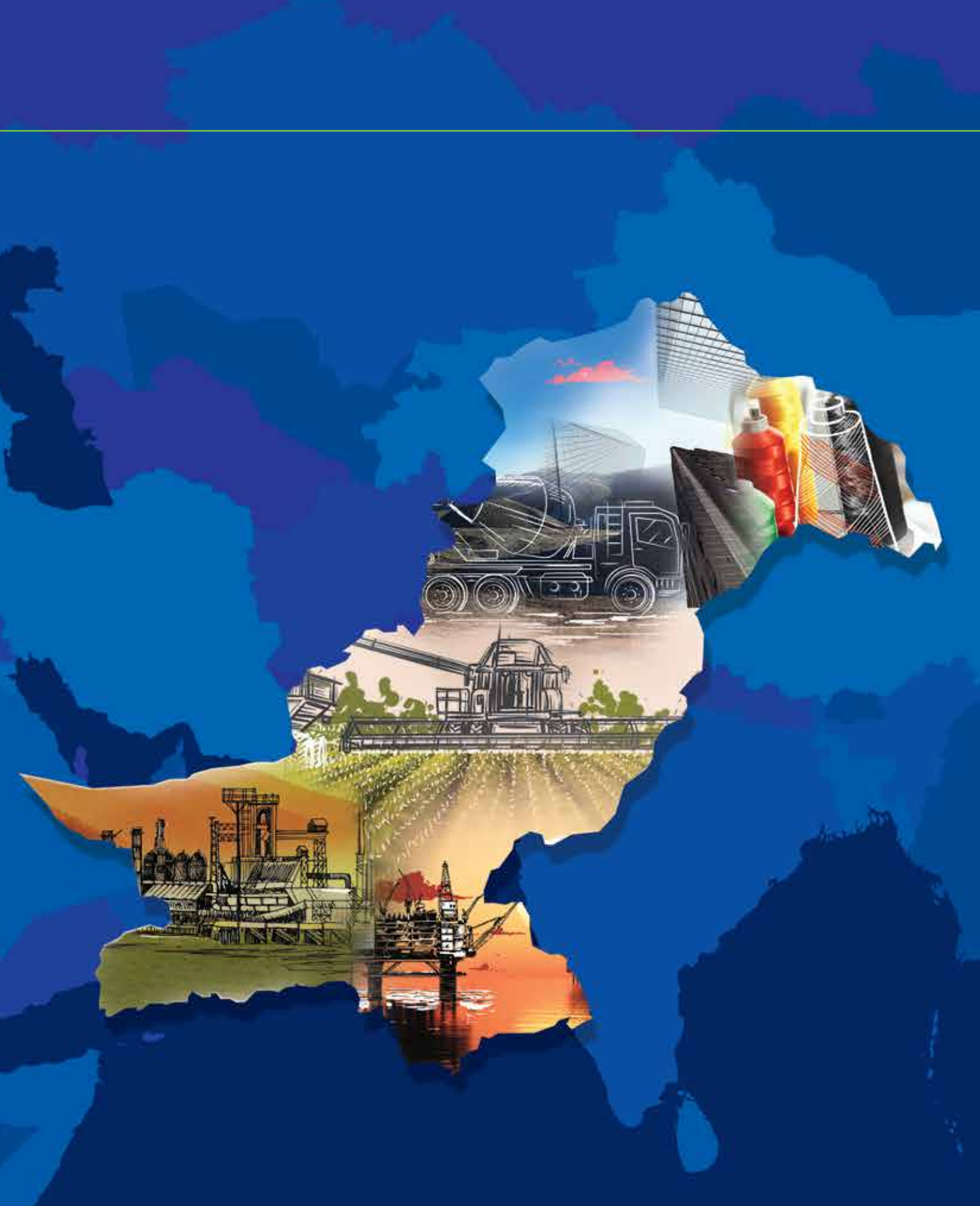
A world class exchange for Pakistan.



MISSION

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





ABOUT PSX

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

PSX FY 2019 AT A GLANCE

Pakistan Stock Exchange being the only Exchange of the country, is the center of focus for its investors, stakeholders and customers. Admittedly, the growth rate of economy has declined significantly affecting macro-economic stability. As a result of that the Stock Market has also been affected for the time being. However, this is the time when shares on PSX are trading at attractive valuations.

By the end of the financial year June 30, 19, 544 companies were listed on the local bourse, with a total market capitalization of PKR 6.8 Trillion. The KSE 100 index remained under pressure due to the macroeconomic conditions of the economy, closing at the level of 33,901.58, down 19% YoY.

Business growth however was not hampered as with the continuous efforts of Exchange team, there were a total of 2 IPO's, 9 debt security listings and 18 open-ended mutual fund listings on the Exchange for the FY 2018-19 period, including the largest initial public offering in the country's history.

Interloop, a textile manufacturing giant, offered its equity to the general public through PSX, and successfully raised PKR 5.02 billion, the largest equity fund raising in Pakistan. On the debt listings front, a total of PKR 42.2 billion was raised in FY19, compared to PKR 30.5 billion raised in the previous three years combined.

With immense challenges faced on both the external and internal front, the new government was forced to take harsh actions to curtail the leakages and losses in the economy, including depreciating the PKR and raising the policy rate to counter inflation. This led to subdued GDP growth of 3.29%, but the government successfully curtailed deteriorating key economic indicators including the current account deficit which was reduced by 32% YoY and the fiscal deficit which was reduced from 6.5% of GDP to 4.9% of GDP, as well as introducing a variety of policies to increase exports, reduce the circular debt, increase tax collection, reduce reliance on imports etc. These measures are likely to return stability and restore confidence in the economy in the medium and long term.

	June 30,2019	June 30,2018	% Change
No. of Listed Companies	544	558	-2.51%
Listed Capital (PKR Mn)	1,340,270	1,297,375	3.31%
Trading Volume - T+2 & DFM (Mn) Shares	54,578	61,419	-11.14%
Trading Value T+2 & DFM (PKR Mn)	2,224,256	2,874,055	-22.60%
Market Capitalization (PKR Mn)	6,887,301	8,665,045	-20.50%
KSE 100 Index	33,902	41,911	-19.10%
KSE 30 Index	15,893	20,569	-22.70%

PSX DEVELOPMENTS AND ACTIVITIES

Key Achievements Organization Wide

Pakistan Stock Exchange has a vision of becoming a world class Exchange in its own right. For this purpose, PSX is striving to make all efforts to bring it in a class comparable to the leading Exchanges of the world. From regulatory, operational, and technical aspects to improvement of services, facilitating more listings and promoting ease of investment, Pakistan Stock Exchange is taking numerous steps to make its name synonymous with the leading Capital Markets of the world.

Various steps were undertaken to promote Pakistan Stock Exchange as one of the best Exchanges in the world. Initiatives to increase investor base and simultaneously the pool of securities/ listings, expanding product and asset class offerings, and developing ancillary products and services to diversify revenue base were initiated.

Product Management & Research

PSX remains committed towards developing a world-class suite of products and has initiated a review of our product offerings to bring improvements. A major step to achieve this goal was taken in the form of capacity building in the Product Management and Research department.

During the fiscal year, PSX created an ETF framework from an operational and regulatory standpoint. The framework has been submitted to the SECP for approval and PSX has collaborated with three AMCs and a market maker to facilitate the launch of exchange traded funds (ETFs) in Pakistan.

On the fixed income side, significant work was completed in systems development and backend work for trading in Ijara, Sukuk and PIBs, where PSX has partnered with several liquidity providers to launch fixed income products.

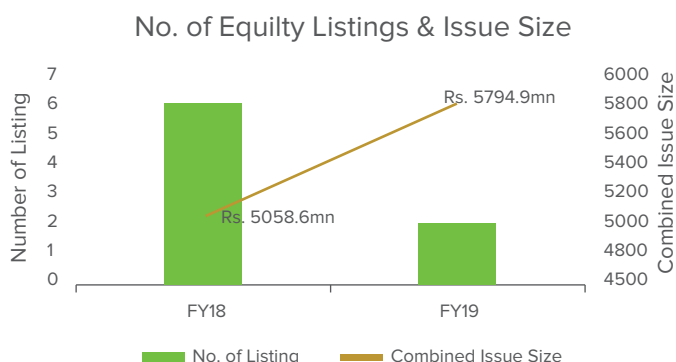
The market data business has been reorganized to focus on utilizing international best practices, increasing the global reach of our data products and live market feeds. A new pricing structure has been approved with the aim to improving accessibility and depth of research on PSX-listed companies on financial information platforms. As a result, PSX has added several new local and foreign data clients in past fiscal year.

Listing

Equity Listing

Pakistan Stock Exchange successfully listed 2 blue-chip companies, i.e. At-Tahur Limited and Interloop Limited. The combined issue size of the companies listed in FY'2018-19 was Rs. 5,794.9 Mn, an increase of 14.56% over the previous FY'2017-18.

Interloop Limited, an export oriented company involved in manufacturing and selling hosiery garments (socks, tights and leggings) chose the equity market to meet their massive funding needs. Through their IPO in March 2019, the Company successfully raised PKR 5 Bn from the equity market. The book building was over-subscribed by 1.3 times, showcasing investor confidence. Interloop, hence, became the largest private sector IPO in the history of the Exchange.

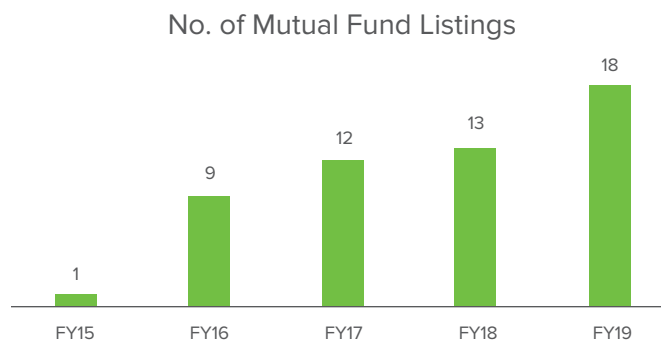
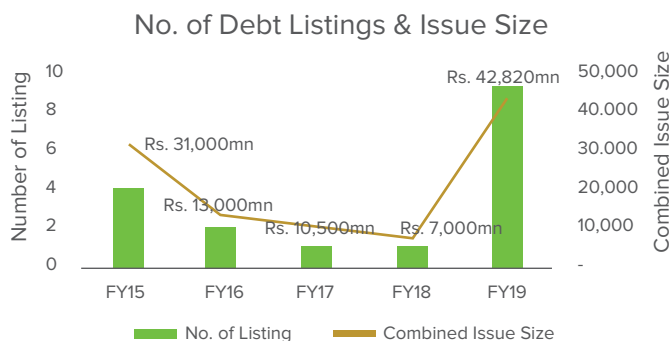


Debt Security Listing

The number of debt instruments listed on PSX significantly spiked in the FY'2018-19. Pakistan Stock Exchange successfully listed 9 debt securities this year having a combined issue size of Rs. 42,820 Mn, depicting phenomenal growth of more than 500% YoY. Such a profound change was primarily on account of the recessionary phase of the business cycle which had the inevitable effect of encouraging issuers to avail Pakistan's debt market to meet their funding needs.

Open End Mutual Funds

18 open-end mutual funds were listed on PSX in FY'2018-19 having total fund size of PKR 14,956.07 Mn. Hence, listing of open end mutual funds recorded an increase of 38.5% during the FY'2018-19. PSX and SECP mutually worked relentlessly to streamline and ease the process listing.



Human Resource

Recruitment and Employer Branding

In FY 2018/19, Talent Management remained one of the key areas of focus for the Exchange whereby a talent pool from the entire financial industry was made available for hiring at critical positions. Simultaneously, in order to attract fresh talent and build a leadership pipeline for PSX, HR took various 'Employer Branding' initiatives so as to project PSX as an 'Employer of Choice' and held campus drives at leading universities of the country. Furthermore, this year PSX launched its first ever 'Summer Internship Program' under which interns from top tier business schools were inducted and placed in different departments across Karachi, Lahore and Islamabad.

Learning and Development

200+ participants were trained during the year which covered technical trainings, soft skills training and diversity related sessions. A customized training program focusing on 'Team and Culture Building' was arranged for PSX staff whereby in 3 sessions, over 100 employees participated and went back with a sense of inclusion and belongingness to the organization. Another session, primarily based on behavioral aspects and leadership skills by an international trainer was organized for PSX Management Team as part of HR's commitment towards building stronger leadership for the Exchange.

Employee Welfare and Inclusion

For the first time, a PSX Employee Club was formed by Human Resources and the employees of the Exchange volunteered to participate and contribute in arranging a diverse range of events. These initiatives provided the employees an opportunity to bond and connect at various levels and helped build morale. Employee Engagement remained a critical area for HR and events like 'Employee Beach Picnic' and 'PSX Employee Club Focus Group sessions' were successfully conducted.

Information Security

The 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, ISO developed and implemented comprehensive information security programs which include the information security policy framework, security operations, business continuity, risk management and training & awareness programs.

Threat Elimination

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. Consequently, Exchange has not been materially impacted by these threats or other cyber-attacks.

Business Continuity Management

Pakistan Stock Exchange also fully recognizes the importance of maintaining a comprehensive Business Continuity Program in an integrated capital market environment. The Exchange has well established Business Continuity Management (BCM) practices, procedures and policies that provide resilience and recovery for critical business processes, systems and data. We successfully achieved the key milestone set out for 2019 by meeting the requirements for ISO 22301 BCMS Certification Audit, that will enable PSX (Karachi Head Office) to be ISO 22301 BCMS certified, gaining international recognition.

Information Technology

In terms of Information Technology, FY19 may best be described as a year of transformation for the PSX. Some major feats are achieved in the areas of Information Technology, which are as follows.

DR Site Relocation

PSX successfully relocated the DR site from Lahore to Karachi in order to minimize the latency and increase performance of data replications to DR site in real time. A successful DR connection test was conducted with all remote users in Karachi, Lahore and Islamabad together with real time database replication carrying zero data loss in case of disaster, following the best international practices.

Network Upgrade

The complete IT network infrastructure at PSX was upgraded and replaced with state-of-the-art network technology

- Core switches at both primary and DR site and each member's floor switches with redundancies were upgraded, increasing the network capacity to over ten times.
- Wireless LAN controllers (routers) were installed including access points of up to 10 times higher capacity and throughput as compared to the previous controllers installed.
- Cabling in the Member building was upgraded to improve uptime and increase redundancy.
- The new network is capable to go up to 40G to handle the network growth in the next 5-10 years.

Monitoring Screens:

Development of monitoring screens was done for the screens at the Parking Lot, SOC and NOC room with updated graphs and statistics.

Automated Workflow System:

An Automated Work Flow is launched which automates the paper based processes of the organization. This system will be replicated next year in the whole organization helping us to move to a paperless environment.

Enhancements in KATS, KITS and PUCARS

We made significant enhancements in the Trading System making it more robust and compliant. A Trading Performance Monitoring System was implemented to help understand the detailed operation of the components of the application. It also helps in increasing the system's uptime by proactively notifying the relevant users of critical issues so that remediation can be done immediately.

System Uptime Improvement

A new SOC (System Operating Center) was introduced which allowed the different IT Teams to effectively monitor all the systems and resulted in reduced complaint resolution time, allowing the ITD to achieve the goal of 99.99% availability of the systems throughout the FY18-19.

Other additions

Adapting to the latest trends, a new state-of-the-art PSX TV Channel Application is introduced which is a platform for everyone to view the Exchange's public information in real-time. The newly developed application works on client-server model and access is provided in Intranet and through the Internet.

Marketing & Business Development

Major focus of marketing activities remained on Investor Education whereby a Financial Literacy Program outline was created and implementation of the same started. In addition to this, brand building activities were undertaken with the primary objective to increase the PSX brand awareness and not only improve the perception of the brand among potential and existing customers but also to build the brand equity.

With the increase in usage of digital channels, there was a dire need to create a positive digital footprint of PSX. This objective led to numerous actions including but not limited to a redesign effort of the corporate website and dedicated portal for companies & market data. This was further enhanced by creating a social media identity & channels for PSX. At the same time, a focused effort has been made to close down the fake pages operating under PSX logo & name. Research has been initiated to identify the root cause of low investor base in the stock market.

Public & Media relations are utilized to improve PSX image & reach out to the potential investors. Multiple articles were published throughout the year in leading newspapers to gain public attention towards stock investments as an asset class. PSX events and activities were also covered in Media as press releases so as to create awareness.

Financial Literacy Program:

Potential investors were identified nationwide and provided with basic awareness and education for investing in the stock market, under the Financial Literacy Initiative of the Exchange. PSX is proud to have held more than 150 sessions in Karachi, Lahore and Islamabad regions with Educational Institutes, Chambers of Commerce & Industries, Banks, Insurance companies and other Organizations. Prominent amongst these are Institute of Business Management, Karachi; IBA, Karachi; University of Sindh, Jamshoro campus; FBR Inland Revenue, Karachi; FPS Officers of 38th Specialized Diplomatic Course, Karachi; OGDCL, Islamabad; PPL, Karachi; ACCA; Gilgit Chamber of Commerce & Industry, Gilgit; FPCCI, Lahore; National Highway & Motorway Police, Islamabad; United Bank Limited, Karachi, Lahore, Islamabad; TCS, Karachi, Lahore, Islamabad; Lahore Chamber of Commerce & Industry, Lahore and Hyderabad Chamber of Commerce & industry.

Corporate Business Development:

On the listing front, many efforts have been made to increase the pool of securities on the Stock Exchange. PSX provides a two-tiered equity capital raising platform, which includes the Main Board and SME Board, while those Corporates that are not looking to give away equity can list their debt securities on the Exchange.

Efforts are being made to increase the listings on the Main Board of the Stock Exchange and to revamp and activate the SME Board as well. A dedicated unit has been set up to develop the listing pipeline. A full corporate suite was launched, offering several beneficial services to our corporate clients including internal and third party offerings.

After an industry wide analysis, the Business development team identifies companies based on their paid-up capital, sectoral expansion plans and growth opportunities. With offices in Karachi, Lahore and Islamabad, the BD team aggressively pursues new listings across the country. Potential companies are contacted and provided with the relevant information and collateral to fully apprise them with the benefits of being part of the Exchange.

PSX also provides post listing services which include assistance in arranging General Meetings, briefings, sessions and trainings, Media briefings, product launches among other services in our Corporate Suite.

Furthermore, the BD team also actively engages with all stakeholders e.g. consultants to the issue, SECP, Investment Banks, Associations and Trade Bodies etc. to identify new challenges, discover opportunities and continuously improve the Exchange offerings.

New Website & Data Portal:

PSX launched the new website with a fresh look and salient features to enhance user friendliness for people accessing the website. Substantial material was added for investor education and financial literacy for the general public, the new investor and the regular investor. Furthermore, educational material on listing and steps to list a company were also added to the website to attract more companies to list themselves on the bourse.

Green Initiatives & CSR:

Pakistan Stock Exchange also played its due part in sustainability through its Corporate Social Responsibility initiatives in the period under review FY2019. The Exchange is proud to have contributed to our ecosystem through association with WWF by planting saplings and providing funds for the growth and upkeep of mangroves in the coastal areas of Karachi.

Pakistan Stock Exchange also conducted a blood collection drive for the benefit of patients and those affected by medical emergencies. Furthermore, PSX contributed to the welfare and education of the hearing impaired children under the Deaf Reach program, Pakistan. PSX was also a substantial contributor to the Supreme Court's & Prime Minister's fund for Diamir-Bhasha & Mohmand Dams in 2018.

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 FY2018-19, the RAD performed following core activities:

i. Synchronization of PSX Regulations With Futures Market Act, 2016 and Futures Exchanges (Licensing and Operations) Regulations, 2017:

Pursuant to the promulgation of Futures Market Act, 2016 and Futures Exchanges (Licensing and Operations) Regulations, 2017, PSX has consequentially amended its entire Regulations to ensure synchronization with the above referred regulatory frameworks. The amended PSX Regulations have been submitted for approval of SECP.

ii. Introduction of 'Per Customer' Disbursement Limit from Centralized Customer Protection Compensation Fund (CCPF):

To provide greater relief to aggrieved small investors and as per the international practices, PSX has replaced 'per-broker' pay-out limit of up to PKR 25 million with 'per-customer' pay-out limit of up to PKR 500,000 to be paid from CCPF for settling investors' claims in the event of default of a broker.

Additionally, PSX has implemented measures to dispatch complaint/claim forms at the registered address of each customer of a defaulter broker and also issue reminder notice(s) during the claim invitation period to ensure maximum response and timely filing of claims.

lii. Dissemination of Significant Related Party Transactions by Listed Companies:

In line with international practices and to ensure greater transparency, PSX has required every listed company to disseminate to PSX the information about Related Party Transaction(s) which, individually or taken together with previous transactions with a Related Party during a financial year, is of a value equal to or more than 10% of total assets or annual total turnover, as per last year's audited financial statements of the company, immediately upon entering into such transaction.

Iv. Introduction of Customer Relationship Form (CRF) and Online Account Opening:

With a view to avoid duplication and simplify account opening process, Standardized Account Opening Form (SAOF) prescribed by PSX and Sub-Account Opening Form prescribed by CDC were merged and a unified form named as CRF has been introduced separately for individual and corporate customers desirous of opening an account for trading/investing/dealing in the capital market of Pakistan.

Moreover, in order to increase the investor base and reduce printing cost of brokers, PSX has updated its regulatory framework to allow online account opening facility for customers.

V. Mandatory Requirement of Holding Corporate Briefing Session by Listed Companies once in a Financial Year:

In order to improve the Code of Corporate Governance, strengthen the compliance and disclosure requirements for Listed Companies and improve the flow of information to the investors, PSX has submitted a regulatory proposal to SECP to make it mandatory for listed companies to hold at least one Corporate Briefing Session during a financial year for shareholders and analysts.

Vi. Imposition of Trading Halt on a Security upon Release of Price-sensitive Information by the Issuer:

To ensure a fair and orderly market by providing investors an equal opportunity to assess the material information, a proposal relating to application of trading halt in a security upon release of material information by the issuer is submitted to SECP for approval in line with international practices.

Trading Halt is a temporary halt/ break in the trading of a particular security used as a tool, when necessary, to ensure that markets operate in a fair, orderly and transparent manner. During a trading halt, market participants are able to place, amend or cancel orders but matching of orders is NOT allowed in halted security.

Vii. Revised Regulations Governing Market Makers:

In order to enhance liquidity in equity and debt securities as well as futures contracts, the entire regulatory framework governing Market Makers has been redrafted with a view to attract and promote market making in these securities and contracts after extensive consultation with market participants.

Viii. Guidelines for 'Public Advertisement of Business of Securities Brokers':

In compliance with the requirement contained in clause 12(7) of the Securities Brokers (Licensing and Operations) Regulations, 2016, RAD has notified 'Guidelines for Public Advertisement of Business of Securities Brokers'.

Ix. Development of 'Defaulting Companies Profile Portal':

In order to make the public aware of the companies quoted on the Defaulters' Segment of PSX along with their corporate information and compliance history, a portal named as 'Defaulting Companies Profile Portal' has been developed on PSX Website.

X. Introduction of Form 29 & 30 In the Correspondence Manual of PSX:

With a view to ease the disclosure of trading by Directors, CEO, Executives and Substantial Shareholders (regulated persons), new Form 29 has been introduced in the Correspondence Manual of PSX. Such information shall also be helpful to PSX in having the shareholding of Directors, Sponsors and Senior Management frozen in CDC in the event of any regulatory breach by the company. Moreover, Form 30 has also been introduced for easing the disclosure requirements subsequent to the execution of trades by the regulated persons.

Xi. Establishment of an Entity Level Compliance function:

A new function has been set-up in RAD which monitors compliance of PSX with applicable regulatory, operational and statutory obligations prescribed under Securities Act, 2015, Securities Exchanges (Licensing & Operations) Regulations, 2016, PSX Regulations and other applicable regulatory frameworks. The finding reports prepared by this function are shared with higher authorities for taking necessary corrective measures in case any deviation is identified.

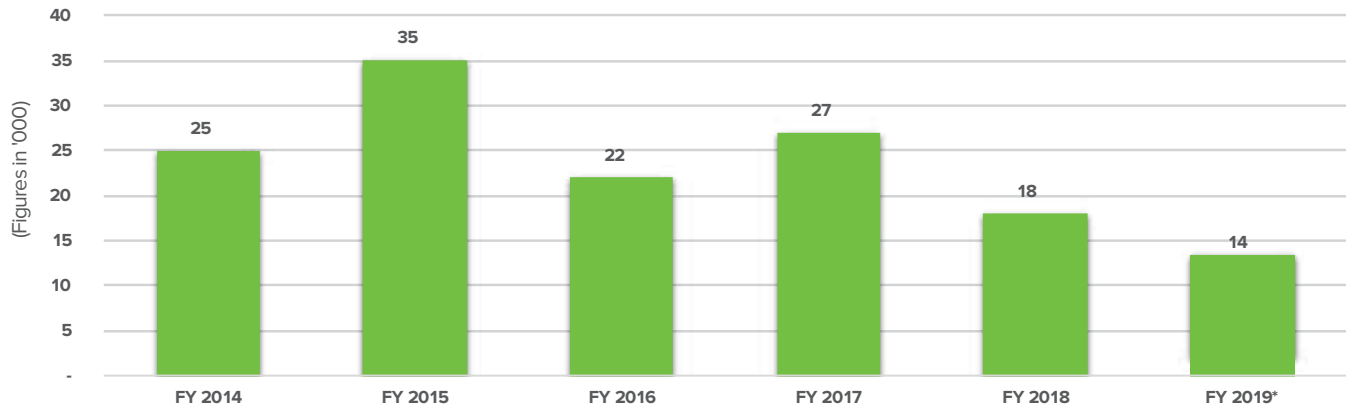
HIGHLIGHTS

Key Financial Highlights (Six Years at a Glance)

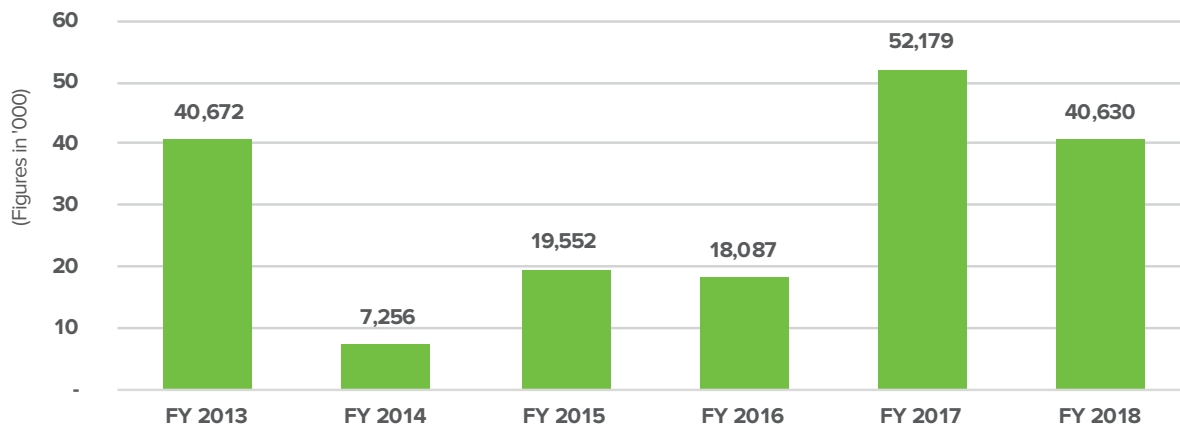
	2014	2015	2016	2017	2018	2019
				Restated	Restated	
	------(Rupees in millions)-----					
Share Capital	8,015	8,015	8,015	8,015	8,015	8,015
Reserves	61	134	174	133	(11)	61
Surplus on Revaluation of Assets - Net of Tax	-	-	-	740	709	815
Total Equity	8,076	8,149	8,189	8,888	8,713	8,891
Long Term Liabilities	42	53	147	1,822	421	301
Current Liabilities	4,018	5,903	554	1,251	1,042	1,104
Liabilities related to assets held for distribution to shareholders / disposal						323
Total Liabilities	4,060	5,956	701	3,073	1,463	1,728
Fixed Asset	4,246	4,169	4,104	4,885	4,883	411
Other Long Term Assets	3,118	3,463	3,574	2,110	2,510	2,758
Current Assets	4,772	6,473	1,211	4,966	2,783	2,753
Assets held for distribution to shareholders / disposal						4,697
Total Assets	12,136	14,105	8,890	11,961	10,176	10,619
Operational Results						
Total Income	1,183	1,469	1,450	1,477	1,240	1,280
Total Expenses	959	1,107	1,193	1,158	1,127	1,188
Profit Before Tax	224	362	257	319	113	92
Profit After Tax	180	317	132	277	62	88
Ratios						
Current Ratio	1.19	1.10	2.19	3.97	2.67	2.53*
Quick Ratio	1.04	1.00	1.02	2.17	0.60	0.42*
Net Profit Margin	15%	22%	9%	19%	5%	7%
Expenses as a percentage of Revenue	81%	75%	82%	78%	91%	93%
Profit Before Tax as a percentage of Revenue	19%	25%	18%	22%	9%	7%

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

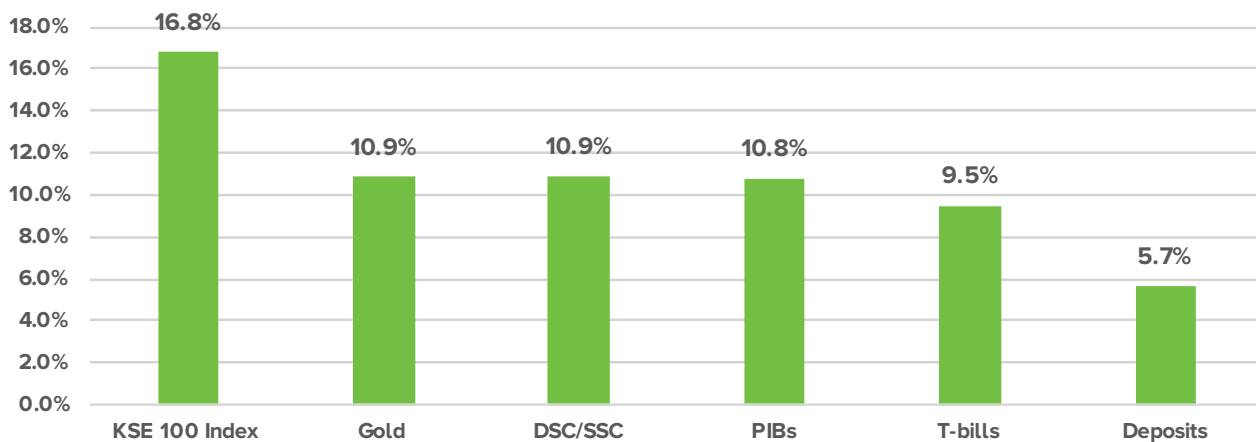
New Direct Investor UIN's



Increase in Open End Mutual Fund Unit Holders



Historical Asset Class Returns in Pakistan - CY 2009 - 2019



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

Deletion of TRE Certificate During the Period from July 01, 2018 to June 30, 2019					
Location	TREC As On July 1, 2018	Forfeited / Expelled/cancelled	Lapsed	Relinquishment /surrender	TREC As On June 30, 2019
Karachi	172	5	1	2	164
Lahore	107	1	17	3	86
Islamabad	66	0	7	9	50
Total	345	6	25	14	300

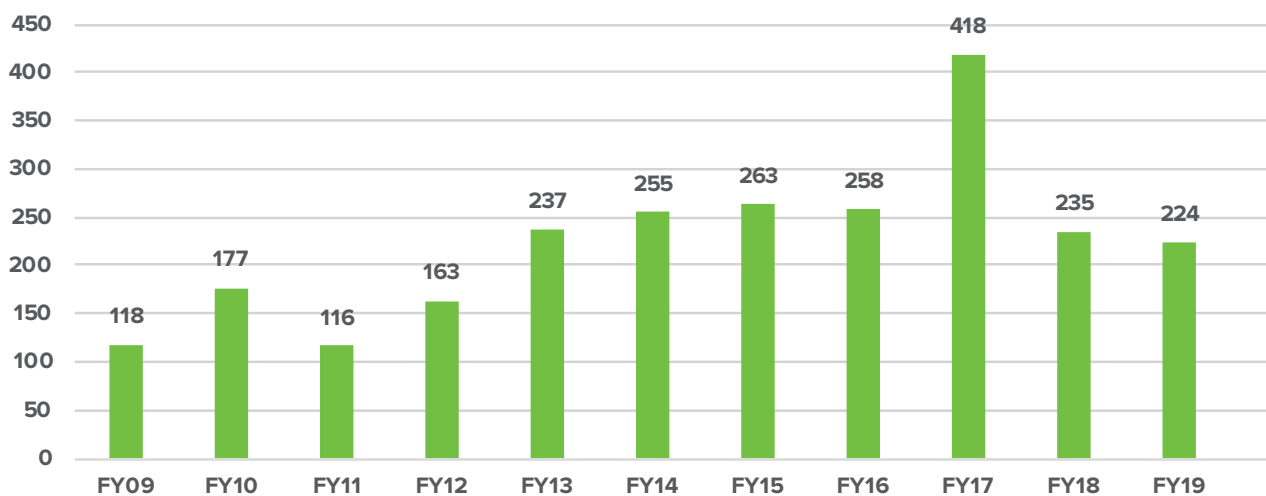
MONTH-WISE TRADE VOLUMES & VALUE IN EACH MARKET SEGMENT

Ready Market			Deliverable Futures Market	
Month	Trade Volume	Trade Value	Trade Volume	Trade Value
JUL-2018	3,895,911,700	158,557,801,817	1,430,358,500	63,711,839,650
AUG-2018	3,602,679,910	160,392,097,863	1,406,589,000	64,631,748,685
SEP-2018	2,480,474,500	97,653,310,887	1,324,859,000	53,008,148,480
OCT-2018	5,023,142,090	178,119,296,932	2,011,105,000	73,738,958,125
NOV-2018	4,157,465,149	197,456,181,532	1,759,847,000	75,363,638,275
DEC-2018	2,616,236,374	122,773,042,412	1,195,878,500	48,392,336,240
JAN-2019	3,133,434,669	139,036,124,699	1,485,824,000	61,334,844,620
FEB-2019	2,861,031,750	128,854,922,958	1,273,306,000	55,999,988,435
MAR-2019	2,235,260,050	90,756,499,911	1,140,646,000	43,196,141,935
APR-2019	3,113,997,420	103,383,153,527	1,468,842,000	53,347,914,225
MAY-2019	2,587,781,930	101,097,506,296	1,124,961,500	38,942,871,885
JUN-2019	2,162,660,340	74,626,599,526	1,085,758,000	39,881,813,590

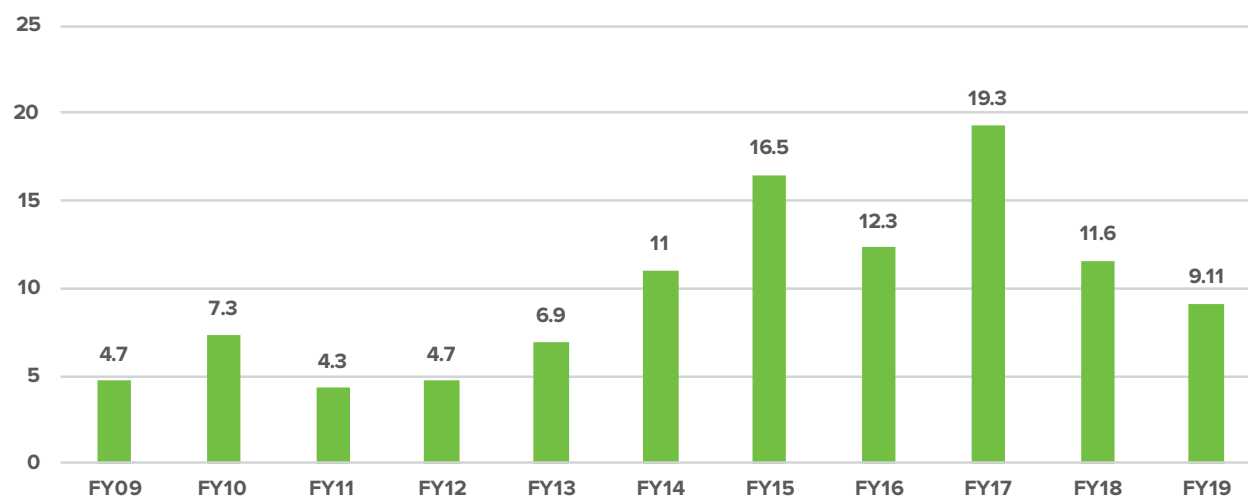
Foreign Investors Net Inflows/Outflows (USD million)



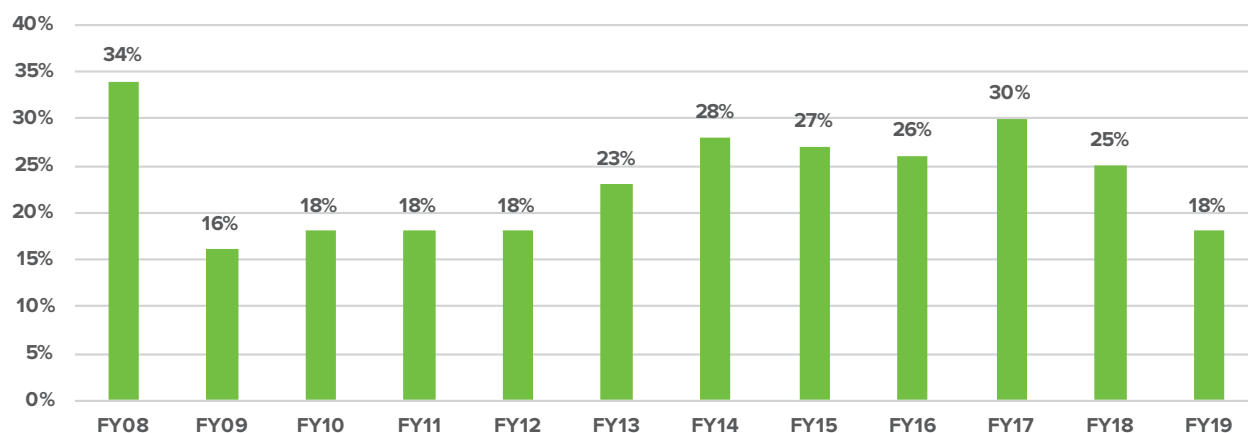
Average Daily Traded Volume (Ready + Futures) - No. of shares in Million



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, 2019 (unaudited)"	
Particulars	Amount (Rupees)
Opening Balance July , 2018	3,260,540,656
Contribution during the year	343,063,975
Amounts Utilized during the year	(69,643,184)
Audit Fee	(150,000)
Others	(16,327)
Fund position as at June 30, 2019	3,533,795,120

Enforcement Actions Against Non-Compliant Securities Brokers:

During FY2018-19, the Market Surveillance Department (MSD) of RAD investigated total 1,032 cases consisting of the following:

- (i) Total 341 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 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 341 cases, the brokers were identified as non-compliant in 64 cases. As a result, hearings in 60 cases were conducted resulting in the following enforcement actions whereas the hearing against the remaining 4 cases are to be conducted:

Summary of Enforcement Actions Taken During the Year 2018-19					
Description (Clause of PSX Regulations)	No. of Hearings	Enforcement Actions			
		Advised	Warned	Penalty	Pending
Clause 10.15 [Blank Sale under Ready Delivery Contract Market]	48	-	23	17	8
Clause 13.5 [Blank Sale under DFC Market]	9	-	7	2	-
Delivery Defaults	3	1	1	0	1
Total	60	1	31	19	9

Summary of Penalties Imposed & Recovered During the Year 2018-19			
Penalty Imposed (PKR)	Penalty Recovered (PKR)	Penalty Waived by the Sub-Committee of the RAC	Penalty Due [Appeal filed]
692,064	692,064	Nil	Nil

Further, around 691 cases were highlighted through (i) Price/Volume Alert Report Mechanism (ii) Book Closure/Circuit Breakers Mechanism and (iii) Wash Trade 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 102 cases were referred for onward investigation. Out of 102 cases, 57 cases were thoroughly investigated amongst which 39 cases were closed as market abuse could not be established and 18 preliminary investigation reports were forwarded to SECP for necessary action at their end.

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

- (i) A total of 216 reports were received and enforcement actions were taken against non-compliant securities brokers, which were identified through the following mechanisms:
 - a. System Audit;
 - b. Joint Inspection;
 - c. Internet Based Trading System Audit;
 - d. Client Assets Segregation related inspections;
 - e. Other regulatory monitoring procedures including the following:
 - i. Net Capital Balance Statements (Monthly and Bi-Annual Audited);
 - ii. Monthly Liquid Capital Statements;
 - iii. Clients' Assets Segregation Statements (Fortnightly and Annual Audited);
 - iv. Thematic Review of Trade Confirmations;
 - v. Website Monitoring of all active Brokerage Houses with respect to placement of Financial Statements.

Based on the findings of such reports, 139 enforcement actions were taken against 123 non-compliant brokers, as summarized in table below:

Summary of Enforcement Actions during the Year 2018-19								
Nature of Activities	No. of Actions	No. of Warning / Advice	No. of Penalties	Restriction/ Condition Imposed	Trading Terminals Suspended	Amount of Penalty Imposed	Amount of Penalty Recovered	Amount of Penalty Unrecovered
								(Amount in PKR)
System Audits	16	13	3	-	-	130,000	130,000	
Internet Based Trading System Audits	6	6	-	-	-	-	-	-
Joint Inspections	75	48	27	-	-	5,200,000	4,525,000	675,000
Thematic of Trade Confirmation	16	16	-	-	-	-	-	-
Other Regulatory Enforcements	26	-	-	1	25	-	-	-
Total	139	83	30	1	25	5,330,000	4,655,000	675,000

RAD has taken stern action of suspending the trading terminals of 25 brokers and imposed penalties on 31 brokers.

In addition to regular monitoring of monthly Net Capital Balance, Liquid Capital Statements and Fortnightly Clients' Assets Segregation Statement (CASS), this office also conducted CASS on-site inspection of 83 Brokers during the period, the details of which are tabulated below:

Summary of Penalties Imposed & Recovered During the Year 2018-19				
Nature of Activities	No. of Inspections Conducted	No. of Non-Compliant Brokers	Evidence Submitted / Subsequently Compliant	Amount of Penalty Imposed
On-Site CAS	83	26	23	115,854

It may be noted that RAD has conducted 336 total on-site and off-site inspections of Brokers during the period to check their compliance status with trade confirmations, clients' assets segregation and placement of financial statements on website.

- ii. 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)	
Stock Street (Private) Limited	184	132.54	80	83.51	20.72
MAM Securities (Private) Limited	68	159.98	5	8.98	2.98
S. Z. Securities (Private) Limited	172	142.39	102	109.73	31.00
MR Securities (SMC-Pvt.) Ltd.	1,078	2,481.01	936	1,217.40	31.00
AWJ Securities (Private) Limited	258	415.08	209	283.47	-
Total	1,760	3,331.00	1,332	1,703.09	85.7

iii. 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
11	43	40	3	11

Out of the eleven (11) complaints outstanding, five (05) cases have been referred to arbitration by the complainants and proceedings are underway.

iv. During the year, RAD exercised maximum 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)
Invest Capital Markets Limited	21-Feb-2019	Inability to fulfill shortfall in clients' assets	Nil

v. During the period under review, RAD has initiated monitoring of multiple complaints referred to CRO-PSX on the Prime Ministers' Performance Delivery Unit (PMDU).

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

I. Enforcement Actions Against Non-Compliant Listed Companies:

A total number of over 1,300 investigations were conducted and explanations were sought from the listed companies in respect of the following non-compliances:

- Late/Non-submission of annual or quarterly financial accounts;
- Non-holding of Annual General Meeting;
- 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.

As a result, RAD issued warnings/advice in 951 cases and imposed penalties in 23 cases.

Further, total 35 companies were placed in the Defaulters' Segment of which trading in the shares of 7 companies were suspended whereas 7 companies were shifted to Normal Counter upon rectification of default(s) and 1 company was shifted to Normal Counter pursuant to Stay Order of the Honorable High Court. During the year, 11 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:

Penalties Imposed & Recovered During The Year 2018-19 (Amount In PKR)	
Penalties Imposed 1,243,000	Penalties Recovered (including previous years) 4,248,100

ii. Joint Inspection Regime:

During the year 2018-19, the Joint Inspection Team (JIT) inspected 35 brokers of Karachi, Lahore and Islamabad region. During the course of inspection, the JIT detected various regulatory non-compliances including non-segregation of clients' assets, incorrect calculation of net capital balance, unregistered branches of the brokers etc. JIT has reported the non-compliances to the relevant Self-Regulatory Organizations for taking necessary enforcement actions against the non-compliant brokers in accordance with their respective regulatory frameworks.

In addition to the above, the JIT also conducted Thematic Review of 23 brokers to assess their compliance with SECP (Anti Money Laundering & Countering Financing of Terrorism) Regulations, 2018. The JIT also conducted Limited Scope Review on Brokers' AML Policies & Procedures of 70 brokers.

During the year 2018-19, JIT performed Limited Scope Inspections of 25 brokers wherein JIT has observed that the brokers have significantly rectified their non-compliances reported in their initial inspection. Such significant improvement indicates that the inspections are considerably contributing in improving compliance culture among brokers.

MARKET PERFORMANCE

Sector	Market Capitalisation				Number of Companies	Weightage in KSE-100 Index
	28-Jun-19		29-Jun-18	Growth		
	Value in Rs.	Weightage in Total Market Cap	Value in Rs.			
COMMERCIAL BANKS	1,284,983,506,887	18.66%	1,476,840,842,522	-12.99%	20	21.0%
OIL & GAS EXPLORATION COMPANIES	1,130,640,638,408	16.42%	1,417,997,691,868	-20.26%	4	19.0%
TOBACCO	860,224,660,641	12.49%	746,293,506,222	15.27%	3	15.0%
FOOD & PERSONAL CARE PRODUCTS	537,140,295,514	7.80%	834,440,113,979	-35.63%	22	6.0%
FERTILIZER	440,313,209,125	6.39%	563,365,522,453	-21.84%	6	7.0%
CEMENT	306,192,396,974	4.45%	460,799,371,592	-33.55%	21	5.0%
POWER GENERATION & DISTRIBUTION	304,047,138,840	4.41%	389,269,751,417	-21.89%	18	4.0%
CHEMICAL	273,461,235,800	3.97%	342,983,528,249	-20.27%	28	4.0%
AUTOMOBILE ASSEMBLER	247,717,080,610	3.60%	377,652,260,019	-34.41%	12	4.0%
TEXTILE COMPOSITE	242,099,655,862	3.52%	195,854,738,880	23.61%	57	1.0%
TOTAL	5,626,819,818,661		6,805,497,327,201		191	86.0%

INNOVATIVE EXCELLENCE





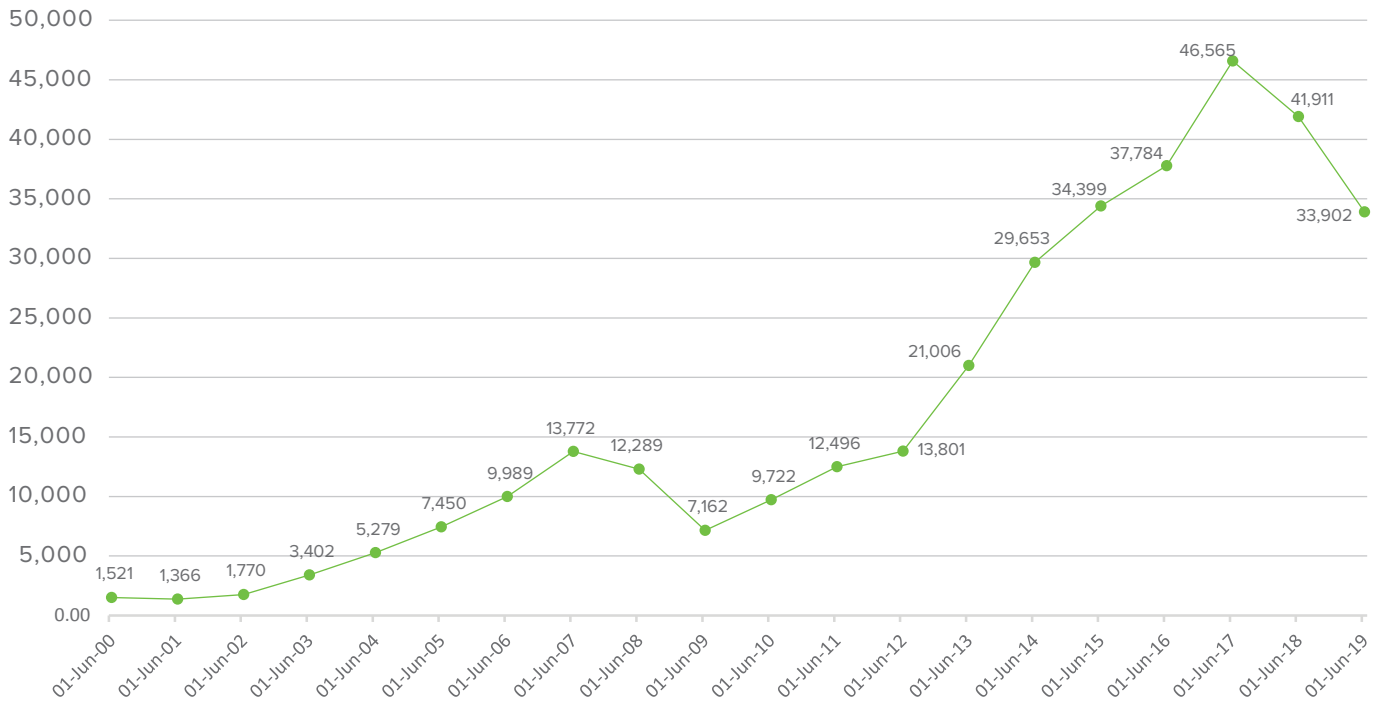
MARKET HIGHLIGHTS

Description	2015	2016	2017	2018	2019
Total Listed Companies	560	559	560	558	544
Total Listed Capital (Rs. in million)	1,189,519	1,289,081	1,317,220	1,297,375	1,340,270
Total Market Capitalization (Rs. in million)	7,421,032	7,588,472	9,522,358	8,665,045	6,887,301
New Companies Listed	9	4	5	6	2
Listed Capital of New Companies (Rs. in million)	38,140	6,046	13,376	6,719	10,161
New Debt Instruments Listed	4	2	1	1	9
Total Issue Size of New Debt Instruments (Rs. in million)	31,000	13,000	10,500	7,000	42,820
Total Shares Volume (in million)	57,204	55,430	88,599	46,532	39,943
Average Daily Share Volume (in million)	233	221	363	187	164
Average Daily Traded Value (Rs. in million)	11,102	9,505	15,337	8,141	6,362
KSE Indices					
KSE – 100 Index					
Year End	34398.86	37783.54	46565.29	41910.90	33901.58
High	34826.51	38776.94	52876.46	47084.34	43556.63
Low	27774.43	30564.50	37966.76	37919.42	33166.62
KSE – All Share Index					
Year End	24036.72	25313.12	32494.30	30582.91	24986.05
High	25031.12	25632.17	36234.20	33313.23	31304.20
Low	20417.53	21268.58	25451.59	28210.60	24582.48
KSE – 30 Index					
Year End	21573.42	21653.02	24250.84	20568.57	15892.99
High	22614.13	22506.60	28173.24	24510.20	21728.88
Low	18371.59	17807.82	21807.08	18875.48	15733.71
KMI – 30 Index					
Year End	57271.34	66162.77	78598.22	71060.34	54118.51
High	58730.32	67519.80	91145.45	81259.68	73910.98
Low	45236.12	51626.03	66544.32	64491.29	51963.15

Notes:

- (i) The figures are from July to June.
- (ii) The total number of listed companies have been stated after 4 companies delisted in 2015, 9 companies delisted in 2016, 2 companies delisted in 2017, 5 companies delisted in 2018 and 15 companies delisted in 2019 and 2 companies merged in 2015, 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, 2019 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, was introduced w.e.f. September 01, 2006.
- (vii) The KMI – 30 Index was introduced w.e.f. September 01, 2008.

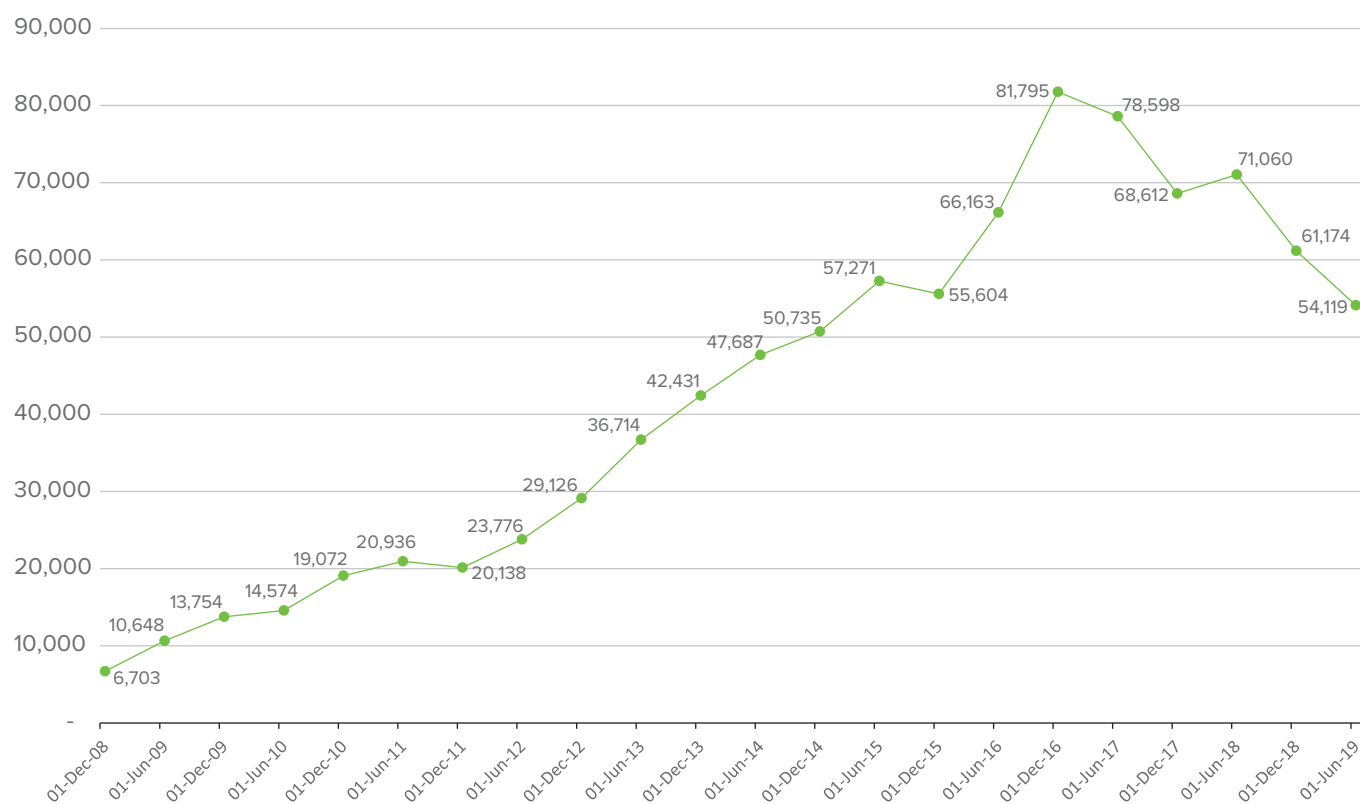
KSE 100 Index 2000 to 2019



KSE 30 Index 2007 to 2019



KMI 30 Index 2009 To 2019



STATISTICS

SINCE JULY 2018 TO JUNE 2019

Listing of New Companies – Equity

Rs. in million

Name of Company	Date of Listing	Paid up Capital	Present Issue offered to		Subscription Received	
			General Public / Employees	Premium	General Public / Employees	Premium
At-Tahur Limited (i) (At a premium of Rs.11 per share)	30-Jul-2018	1,467	92	101	161	177
Interloop Limited (ii) (At a premium of Rs.36.10 per share)	05-Apr-2019	8,694	273	984	410	1,482
TOTAL		10,161	365	1,085	571	1,659

- (i) The issue consists of 36,667,000 Ordinary Shares (25% of the total post-IPO paid up capital of the Company) and the entire issue is offered through Book Building at a floor price of PKR 20 per share. However, the successful bidders are provisionally allotted only 75% of the issue size i.e. 27,500,000 shares.
- (ii) The issue consists of 109,000,000 Ordinary Shares (12.5% of the total post-IPO paid up capital of the Company) and the entire issue is offered through Book Building at a floor price of PKR 45 per share. However, the successful bidders are provisionally allotted only 75% of the issue size i.e. 81,750,000 shares.

Listing of New Debt Instruments

Rs. in million

Name	Date of Listing	Amount Offered			Subscription Received			Amount Listed
		General Public	Others	Total Issue	General Public	Others	Total	
Jahangir Siddiqui & Co. Limited (PPTFC)	31-Aug-2018	-	-	-	-	-	-	1,500
Byco Petroleum Pakistan Limited (PP Sukuk)	05-Sep-2018	-	-	-	-	-	-	3,120
Askari Bank Limited (PPTFC)	02-Nov-2018	-	-	-	-	-	-	6,000
Dawood Hercules Corporation Limited (PP Sukuk 1)	13-Nov-2018	-	-	-	-	-	-	5,200
Dawood Hercules Corporation Limited (PP Sukuk 2)	13-Nov-2018	-	-	-	-	-	-	6,000
Soneri Bank Limited	31-Dec-2018	400	3,600	4,000	278	3,600	3,878	4,000
United Bank Limited	26-Feb-2019	1,000	9,000	10,000	1,615	9,000	10,615	10,000
JS Bank Limited (PPTFC – Tier2)	21-Mar-2019	-	-	-	-	-	-	2,000
Agha Steel Industries Limited (PP Sukuk)	30-May-2019	-	-	-	-	-	-	5,000
TOTAL		1,400	12,600	14,000	1,893	12,600	14,493	42,820

Listing of Open-end Mutual Fund

Rs. in million

Sr. No.	Name of Fund	Date of Listing	Total Issue Size
1	Alfalah Capital Preservation Fund – II	02-Jul-2018	1,132
2	NAFA Islamic Money Market Fund	24-Jul-2018	127
3	HBL Growth Fund – Class B	10-Sep-2018	5,444
4	HBL Investment Fund – Class B	10-Sep-2018	2,853
5	NAFA Islamic Active Allocation Fund – III	28-Sep-2018	793
6	ABL Islamic Asset Allocation Fund	17-Oct-2018	448
7	First Dawood Mutual Fund	05-Dec-2018	427
8	NBP Aitemaad Mahana Amdani Fund	10-Jan-2019	100
9	JS Islamic Dedicated Equity Fund	11-Jan-2019	30
10	UBL Dedicated Equity Fund	21-Jan-2019	31
11	UBL Special Savings Fund	29-Jan-2019	202
12	NBP Aitemaad Regular Payment Fund	08-Feb-2019	101
13	Atlas Islamic Fund of Funds	15-Feb-2019	335
14	NIT Money Market Fund	20-Feb-2019	1,322
15	Allied Finergy Fund	08-Mar-2019	432
16	NIT Islamic Income Fund	09-Apr-2019	549
17	NBP Government Securities Fund – I	15-Apr-2019	380
18	First Habib Asset Allocation Fund	22-May-2019	250

Applied for Listing

Sr. #	Name of Company
1	Sadaqat Limited
2	Renacon Pharma Limited
3	The Organic Meat Company Limited
4	Engro Polymer & Chemicals Limited (Privately Placed Sukuk)
5	JS Bank Limited (Privately Placed TFC – ADT 1)
6	Treet Corporation Limited (Perpetual Sukuk)

Prospectus Cleared by the Exchange

Sr. #	Name of Company
1	Hi-Tech Alloy Wheels Limited

Delisting of Companies

Rs. in million

Sr. No.	Name of Company	Date of Delisting	Paid-up Capital
1	Adil Textile Mills Limited	15-Oct-2018	77
2	Globe Textile Mills (OE) Limited	16-Nov-2018	47
3	First Dawood Mutual Fund	05-Dec-2018	581
4	Mehr Dastgir Textile Mills Limited	21-Dec-2018	92
5	Saleem Denim Industries Limited	21-Dec-2018	39
6	Genertech Pakistan Limited	21-Dec-2018	198
7	Noor Silk Mills Limited	21-Dec-2018	4
8	Brothers Textile Mills Limited	21-Dec-2018	98
9	(Colony) Thal Textile Mills Limited	21-Dec-2018	56
10	Saleem Sugar Mills Limited (Ordinary & Preference)	21-Dec-2018	11
11	Pangrio Sugar Mills Limited	21-Dec-2018	109
12	Al-Azhar Textile Mills Limited	21-Dec-2018	86
13	Al-Qaim Textile Mills Limited	21-Dec-2018	75
14	The Climax Engineering Company Limited	19-Feb-2019	33
15	Sunshine Cotton Mills Limited	15-May-2019	79

Merger of Companies / Securities

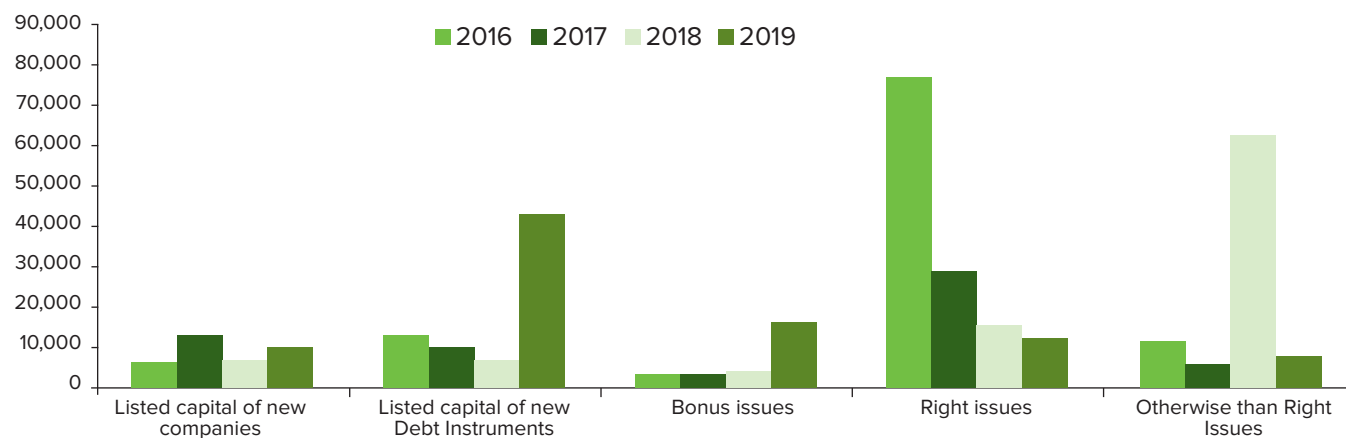
Sr. No.	Name of Company	Date of Merger	Merger with
1	Crescent Standard Modaraba	20-Jun-2019	B. R. R. Guardian Modaraba

Break-up of Listed Capital

Rs. in million

	2016	2017	2018	2019
Listed Capital of New Companies	6,046	13,376	6,719	10,161
Listed Capital of New Debt Instruments	13,000	10,500	7,000	42,820
Bonus Issues	3,212	3,627	4,215	16,040
Right Issues	77,013	29,109	15,660	12,356
Otherwise than Right	11,961	5,583	63,184	7,895
Increase in Capital due to Integration	4,050	-	-	-
Additional Issues / Adjustments	(455)	(2,078)	(725)	(745)

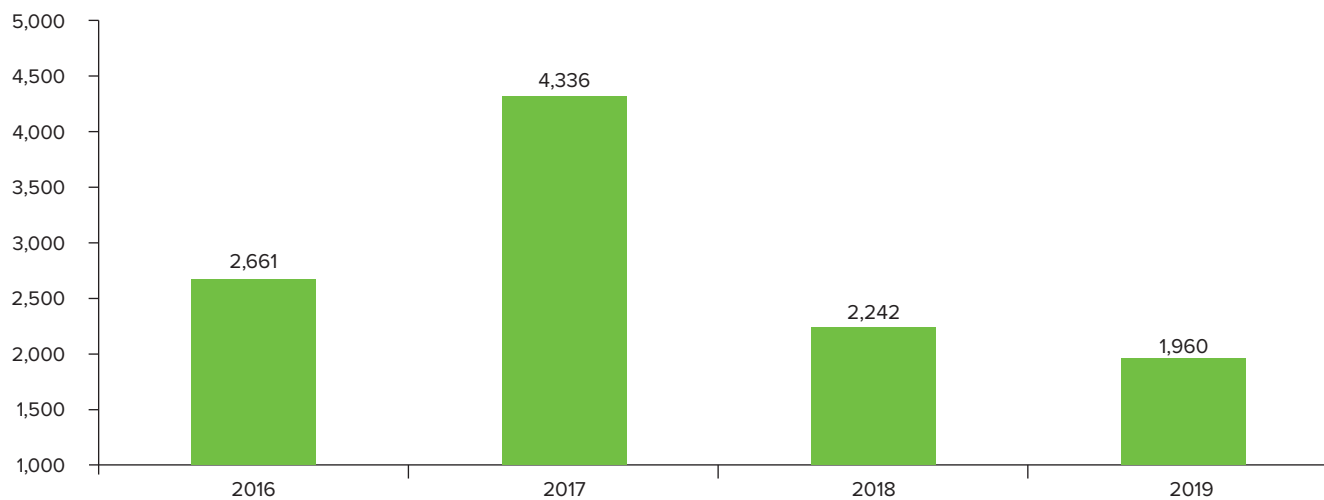
Average Monthly Turnover of Shares



Average Monthly Turnover of Shares (Ready)

In million

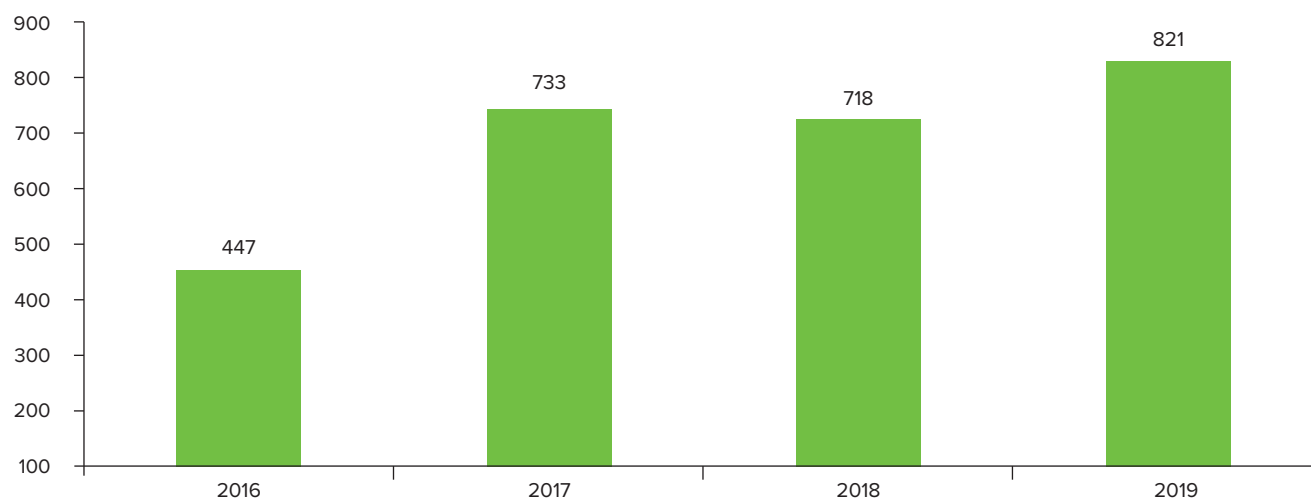
	2016	2017	2018	2019
July	454.586	196.855	185.524	195.636
August	312.395	265.620	207.098	195.383
September	187.336	573.887	165.938	149.240
October	180.219	456.631	158.862	222.685
November	174.769	497.857	122.987	200.439
December	161.679	373.163	172.244	139.171
January	151.470	451.668	251.611	140.721
February	144.682	363.966	216.731	153.821
March	160.238	257.936	209.103	120.307
April	242.686	246.056	221.188	149.701
May	286.505	354.598	140.998	132.131
June	204.307	297.683	189.454	160.482
Total	2,660.872	4,335.919	2,241.739	1,959.716



Average Monthly Turnover of Shares (Futures)

In million

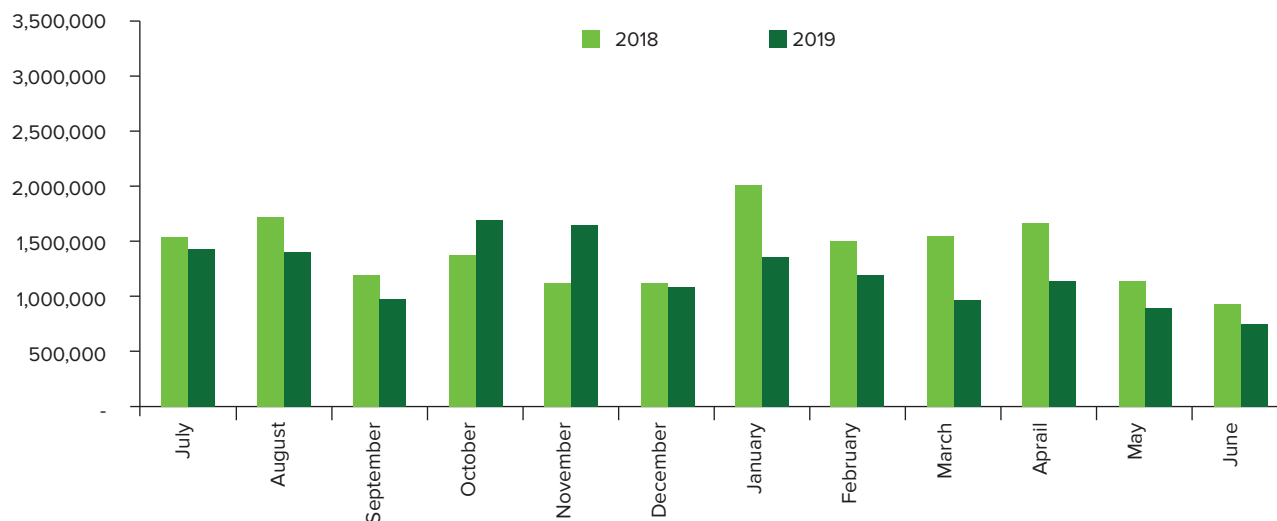
	2016	2017	2018	2019
July	38.909	50.936	57.167	68.126
August	42.255	44.179	65.609	74.043
September	38.275	58.325	57.402	73.608
October	34.492	74.526	57.286	87.441
November	28.294	76.049	52.213	83.803
December	30.571	59.005	56.684	59.799
January	27.583	73.869	67.589	64.604
February	27.800	73.628	65.850	67.023
March	31.384	59.604	60.375	54.322
April	47.825	56.099	62.822	66.769
May	54.002	56.397	53.116	53.593
June	45.449	50.345	61.478	67.866
Total	446.839	732.960	717.592	820.996



Ready Market Trades on Karachi Automated Trading System (KATS)

Month	2018		2019	
	No. of Trades	Daily Average	No. of Trades	Daily Average
July	1,478,345	70,397	1,360,034	64,764
August	1,654,171	75,190	1,331,268	70,067
September	1,148,390	60,442	924,064	51,337
October	1,316,563	59,844	1,629,251	70,837
November	1,085,996	49,363	1,581,262	75,298
December	1,061,502	55,869	1,036,043	51,802
January	1,932,598	84,026	1,298,440	56,454
February	1,431,593	75,347	1,154,487	60,762
March	1,473,885	70,185	906,672	43,175
April	1,595,811	75,991	1,092,816	49,673
May	1,091,335	49,606	854,431	40,687
June	889,543	49,419	727,793	45,487
Total	16,159,732		13,896,561	
Average Daily		64,640		56,695

Ready Market Trades on Karachi Automated Trading System (KATS)



Sector-wise Capital Listed on the Exchange

Rs. in million

Sector Name	2019 No. of Companies	Paid up Capital
Close-End Mutual Fund	7	6,696.742
Modarabas	30	14,036.895
Leasing Companies	9	3,967.785
Inv. Banks / Inv. Cos / Securities Cos	30	49,016.160
Commercial Banks	20	388,009.080
Insurance	29	27,808.442
Real Estate Investment Trust	1	22,237.000
Textile Spinning	74	21,704.478
Textile Weaving	11	3,086.124
Textile Composite	53	43,630.810
Woollen	2	608.948
Synthetic & Rayon	10	9,909.209
Jute	2	275.085
Sugar & Allied Industries	30	11,625.308
Cement	20	73,474.747
Tobacco	3	3,218.813
Refinery	4	58,314.675
Power Generation & Distribution	18	149,244.300
Oil & Gas Marketing Companies	8	24,506.705
Oil & Gas Exploration Companies	4	69,735.459
Engineering	17	25,999.125
Automobile Assembler	12	8,433.763
Automobile Parts & Accessories	10	3,921.387
Cable & Electrical Goods	6	7,900.478
Transport	4	49,052.768
Technology & Communication	12	83,993.860
Fertilizer	6	66,715.607
Pharmaceuticals	12	12,166.949
Chemical	27	40,293.032
Paper & Board	10	5,749.247
Vanaspati & Allied Industries	6	5,576.254
Leather & Tanneries	5	339.960
Food & Personal Care Products	21	23,081.337
Glass & Ceramics	9	12,373.489
Miscellaneous	22	13,565.824
Total	544	1,340,269.845

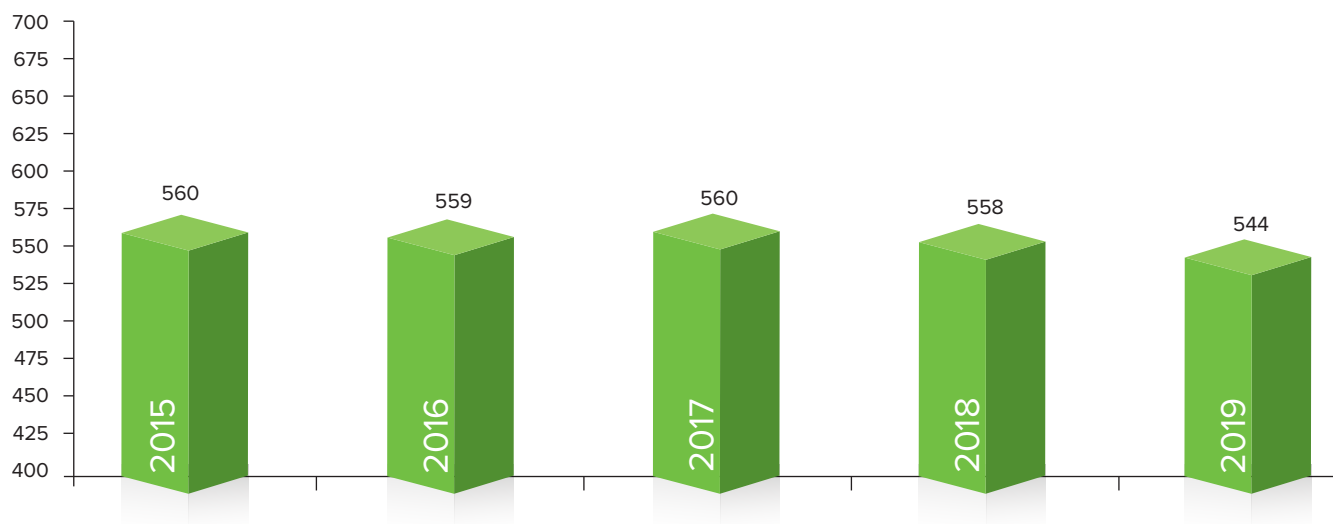
Sector Wise Performance of Companies Listed on the Exchange - 2018

Name of Sector	Number of Companies	2018				
		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	31	28	17	3	20	8
Leasing Companies	9	7	2	2	4	3
Inv. Banks / Inv. Cos / Securities Cos	29	24	5	8	13	11
Commercial Banks	20	19	12	7	19	-
Insurance	29	26	15	5	20	6
Real Estate Investment Trust	1	1	1	-	1	-
Textile Spinning	75	67	24	9	33	34
Textile Weaving	11	8	3	1	4	4
Textile Composite	52	41	23	9	32	9
Woollen	2	2	2	-	2	-
Synthetic & Rayon	10	9	4	2	6	3
Jute	2	2	-	-	-	2
Sugar & Allied Industries	30	27	13	2	15	12
Cement	20	19	13	4	17	2
Tobacco	3	3	2	1	3	-
Refinery	4	4	2	2	4	-
Power Generation & Distribution	18	15	10	1	11	4
Oil & Gas Marketing Companies	8	7	7	-	6	1
Oil & Gas Exploration Companies	4	4	4	-	4	-
Engineering	17	16	9	2	11	5
Automobile Assembler	12	12	8	2	10	2
Automobile Parts & Accessories	10	9	5	2	7	2
Cable & Electrical Goods	7	7	3	2	5	2
Transport	4	3	2	-	2	1
Technology & Communication	12	12	5	3	8	4
Fertilizer	7	7	7	-	7	-
Pharmaceuticals	12	12	12	-	11	1
Chemical	27	26	17	3	20	6
Paper & Board	10	9	6	-	5	4
Vanaspati & Allied Industries	6	4	3	-	3	1
Leather & Tanneries	5	5	2	1	3	2
Food & Personal Care Products	21	20	12	3	15	5
Glass & Ceramics	9	8	5	1	6	2
Miscellaneous	22	20	10	3	13	7
Total	546	485	265	78	340	145
Percentage		88.83%	48.53%	14.29%	62.27%	26.56%
2017 Total	559	508	260	98	358	150
Percentage		90.88%	46.51%	17.53%	64.04%	26.83%

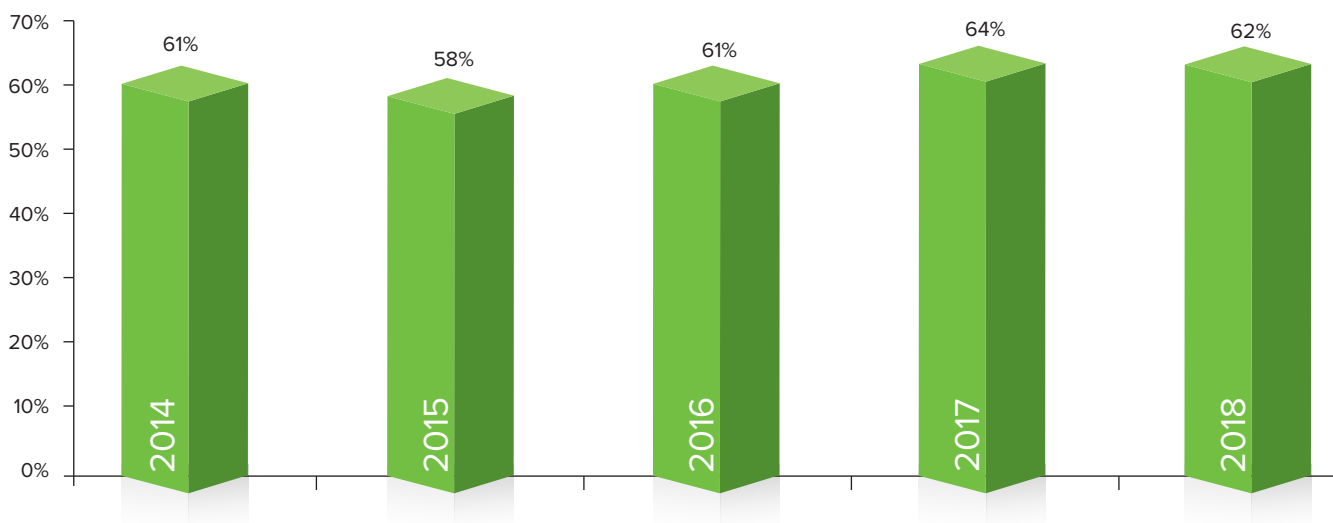
Notes:

- 1 Based on the financial results of the companies up to December 31, 2018.
- 2 Companies omitted dividends are those companies, which have shown profit during the year but not declared dividend.
- 3 Dividend includes Cash / Stock Dividend.

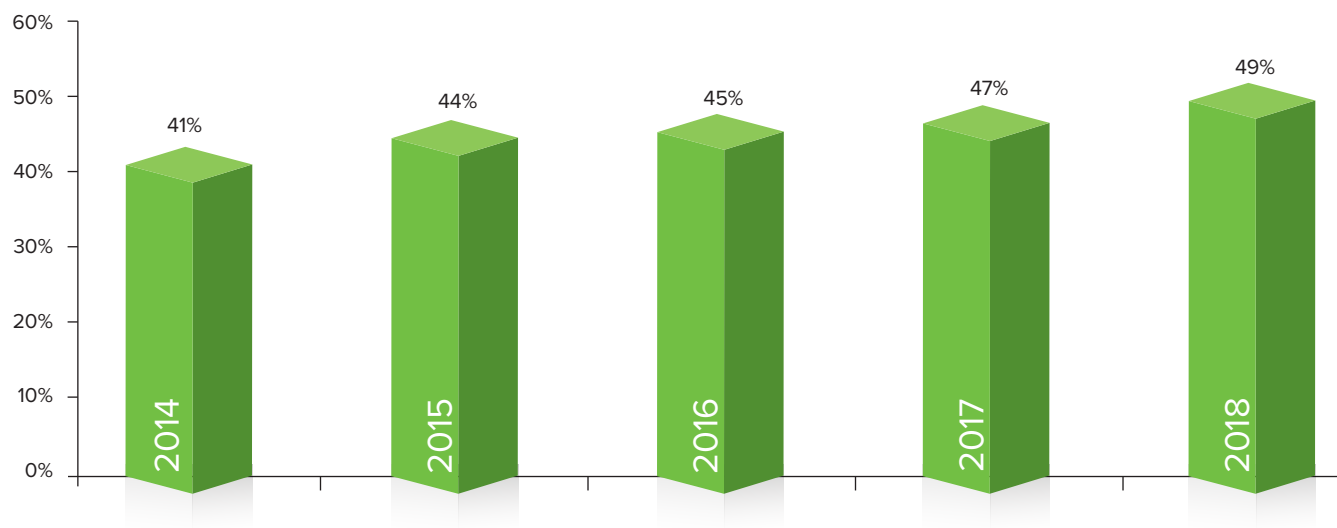
Number of Listed Companies



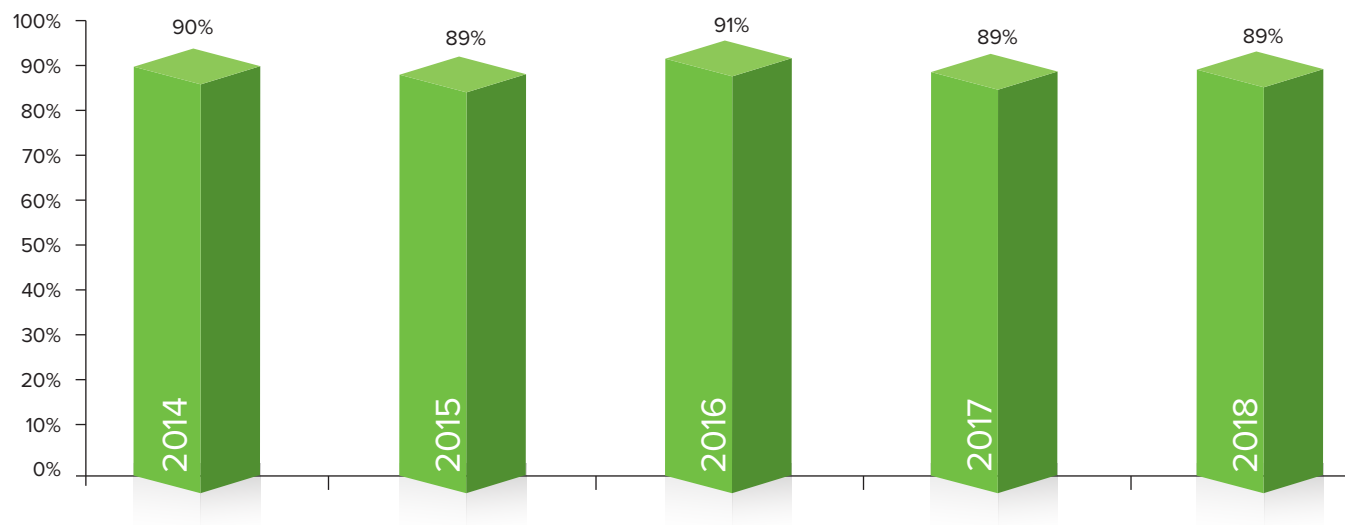
Percentage of Companies Making Profit



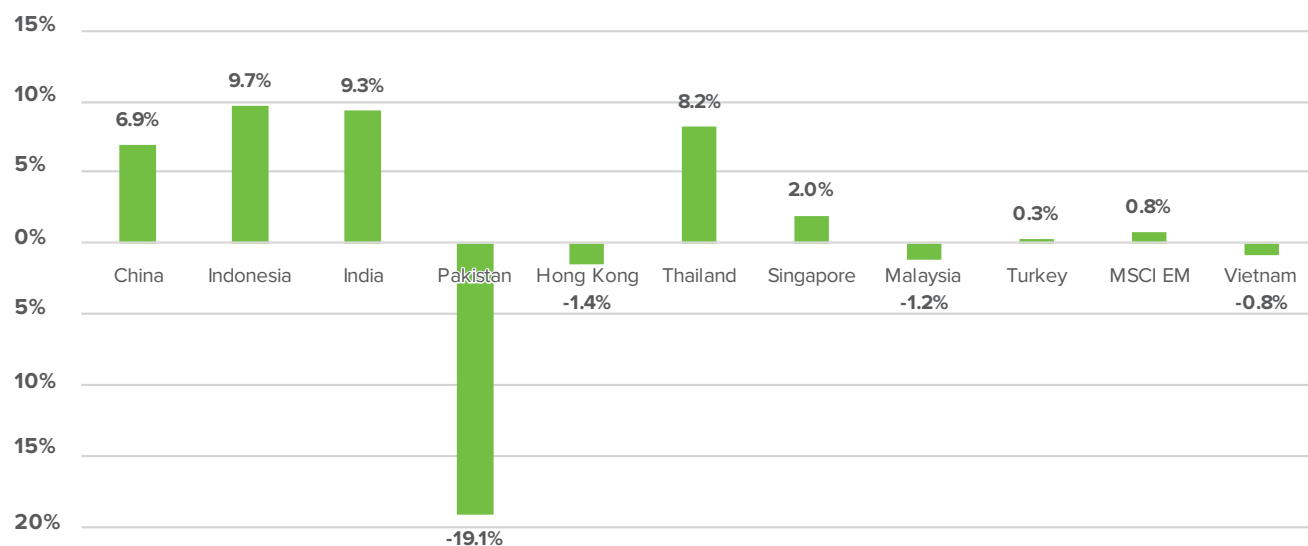
Percentage of Companies Paying Dividends



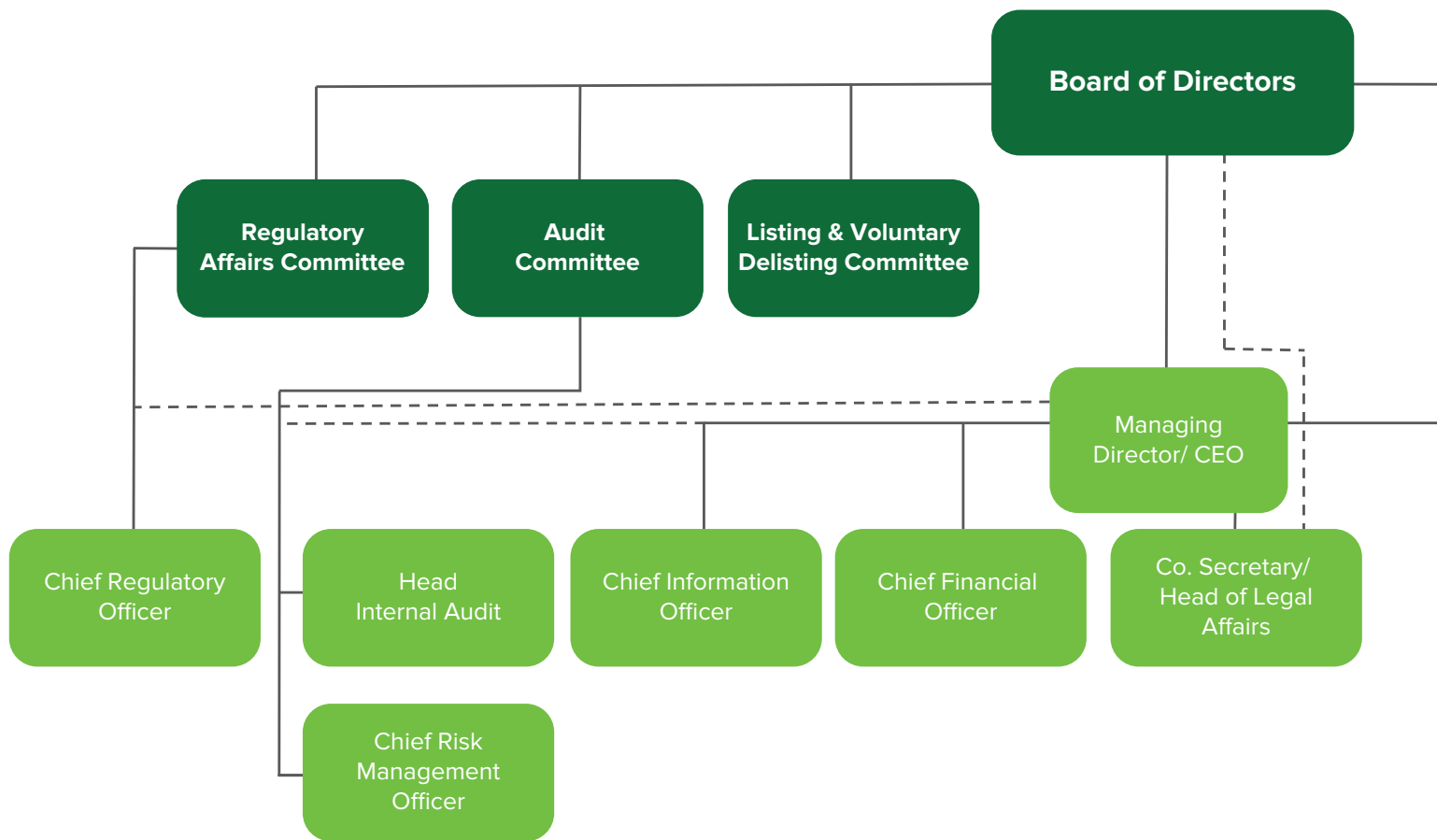
Percentage of Companies that Announced Annual Results

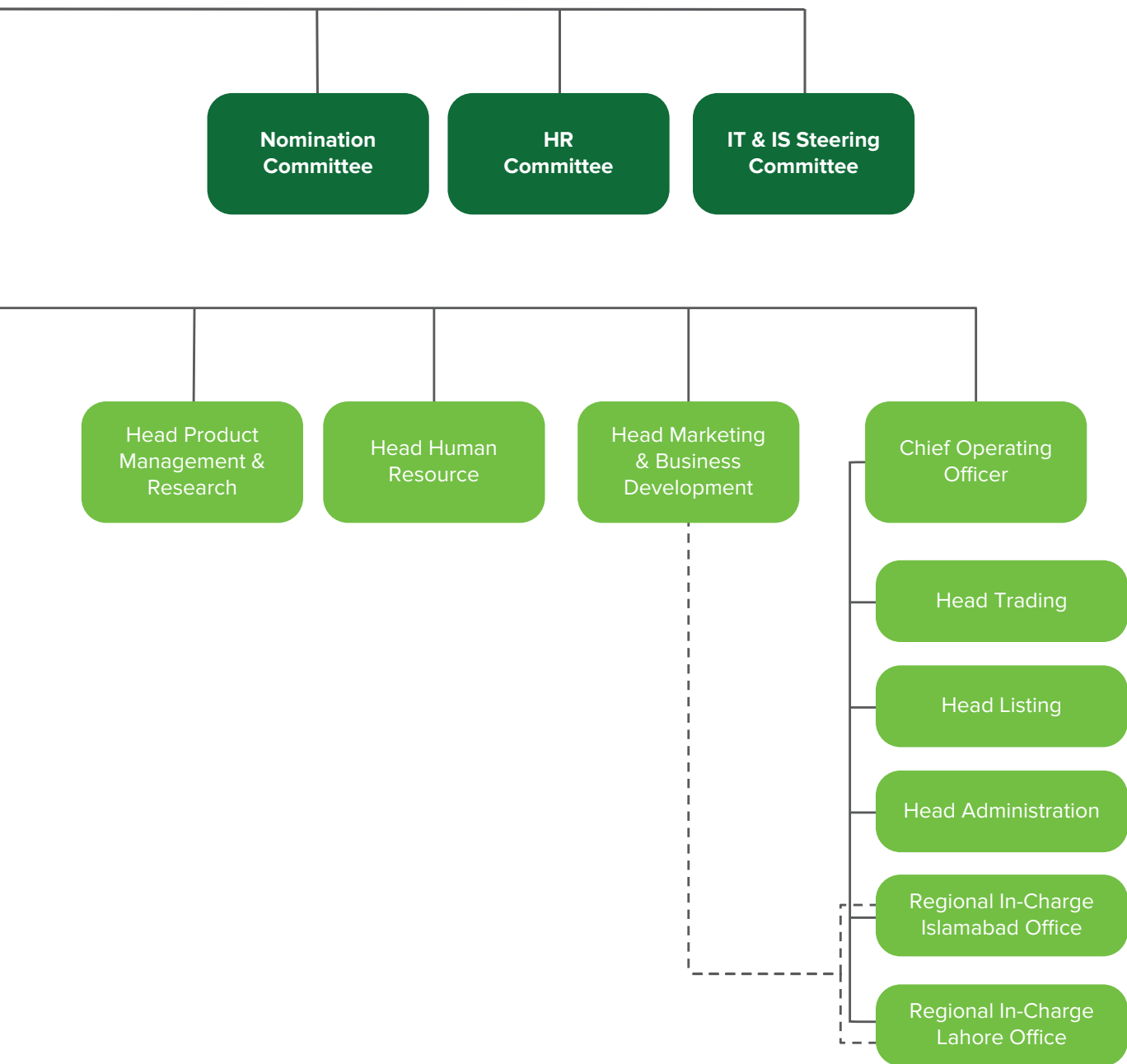


Performance of Global Stock Indices during July 2018 - June 2019



ORGANIZATIONAL STRUCTURE





PROGRESSIVE TECHNOLOGY





BOARD OF DIRECTORS



From Left to Right:

Syed Masoud Ali Naqvi
Independent Non-Executive Director

Mr. Shahnawaz Mahmood
Non-Executive Director

Mr. Mohammad Salahuddin Manzoor
Independent Non-Executive Director

Ms. Naz Khan
Independent Non-Executive Director

Mr. Ahmed Chinoy
Non-Executive Director

Mr. Abid Ali Habib
Non-Executive Director

Mr. QUE Bo
Non-Executive Director

Mr. Muhammad Rafique Umer
Acting Managing Director, Company Secretary &
Head of Legal Affairs



From Left to Right:

Mr. Sulaiman S. Mehdi

Chairman & Independent Non-Executive Director

Mr. Muhammad Ashraf Bawany

Non-Executive Director

Mr. Zhiping Rong

Non-Executive Director

Mr. Saad Amanullah Khan

Independent Non-Executive Director

Mr. Amjad Pervez

Independent Non-Executive Director

Ms. Yu Huali

Non-Executive Director

Mr. Shehzad Chamdia

Independent Non-Executive Director

Mr. You Hang

Alternate Director of Mr. Zhiping Rong
Non-Executive Director



Board of Directors' Profiles

Mr. Sulaiman S. Mehdi

Chairman & Independent Non-Executive Director

Mr. Sulaiman S. Mehdi, the Chairman of Pakistan Stock Exchange Limited (PSX), holds a Master's degree and is a FCIS. He is a Certified Director from the Pakistan Institute of Corporate Governance (PICG). He has 17 years of experience working with leading Financial Services Groups in senior positions in the areas of investments, operations, marketing, legal and corporate affairs.

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

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

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

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

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

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

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

Other Directorships:

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



Mr. Muhammad Rafique Umer

Acting Managing Director, Company Secretary &
Head of Legal Affairs

Mr. Muhammad Rafique Umer has been associated with Pakistan Stock Exchange since 2001 and currently holds the position of Acting Managing Director in addition to the role of Secretary to the Board and Head of Legal Affairs.

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

Mr. Rafique has local and foreign experience of more than four decades in the field of finance, banking &

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

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



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.

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

Other Directorships and Office:

- CEO, China Financial Futures Exchange Limited



Mr. Muhammad Ashraf Bawany

Non-Executive Director

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

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

Mr. Bawany is Chairman Pakistan German Business Forum (PGBF) and a Director on the Board of German Pakistan Chamber of Commerce & Industry (GPCCI), Trustee - Help International Welfare Trust (HIWT) and

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

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

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

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

Other Directorships:

- CDC Share Registrar Services Limited [Formerly: CDC Trustee Company Limited]
- Ghani Global Group of Companies
- Help International Welfare Trust
- IT Minds Limited
- Central Depository Company of Pakistan Limited
- Emerging Indus Partners Limited
- National Clearing Company of Pakistan Limited
- VIS Credit Rating Company Limited (formerly JCR-VIS Credit Rating Company Limited)
- Pakistan Institute of Corporate Governance
- German Pakistan Chamber of Commerce and Industry
- Aziz Tabba Foundation & Tabba Heart Institute



Syed Masoud Ali Naqvi

Independent Non-Executive Director

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

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

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

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

Mr. Naqvi has contributed articles in professional

journals, conducted training sessions on Corporate Governance, delivered key-note addresses and conducted seminars, presentations and TV talk-shows on subjects of economy and tax reforms.

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

Other Directorship;

- Independent Director, Central Depository Company of Pakistan Limited
- Director, Transformation Professionals (Private) Limited
- Director, Tech Exons (Private) Limited



Mr. QUE Bo
Non-Executive Director

Mr. QUE Bo graduated from the Law School of East China University of Political Science and Law with an L.L.M. in 1994. In 2002, he was awarded a Doctorate in International Law.

Mr. QUE Bo is also serving as member of Listing & Voluntary Delisting Committee of PSX.

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

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



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 Citizens 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 Chairman of Pakistan Cloth Merchants' Association (the apex body of textile exporters). For his services to the people of Pakistan, he has been awarded prestigious national awards of Hilal-e-Imtiaz (H.I.) and Sitara-e-Imtiaz (S.I.).

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

Other Directorships and Offices:

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



Mr. Shehzad Chamdia

Independent Non-Executive 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 also the Chairman of IT Procurement Committee and the member of Audit Committee and Listing & Voluntary De-Listing Committee.

Other Directorships and Offices:

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



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.

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



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 (KSE) [now PSX] 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 Listing & Voluntary De-Listing Committee. At Central Depository Company of Pakistan Limited (CDC) where he is nominated as Director by PSX's Board, Mr. Habib is appointed by the Board of CDC as the Vice-President of Disciplinary Tribunal and member of Investment Committee.

Other Directorship:

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



Mr. Saad Amanullah Khan

Independent Non-Executive 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 founding board member of Pakistan Innovation Foundation (PIF), I Am Karachi Consortium, South East Asia Leadership Academy (SEALA), as well as Agha Khan Hospital's Patient Welfare Committee. He also served four years as the President of Public Interest Law Authority of Pakistan (PILAP), a civil rights organization. Saad is an active social worker, sitting on the board of over a dozen NGO's and an advisor to another dozen social enterprises. His involvements range from hospitals, schools, health insurance for the poor, solar solution to villages with no transmission, street kids, grassroots capacity building, etc.

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 is the visionary and joint owner of Big Thick Burgerz, a restaurant chain in Karachi. He is an active writer in newspapers, articles focused on economic growth, democracy, entrepreneurship, social development and leadership.

As per Mr. Saad, his goal of life is to be a good human being and a good corporate citizen of Pakistan. When 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).

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
- Chairman, Pakistan Innovation Foundation



Mr. Shahnawaz Mahmood

Non-Executive Director

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

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

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

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

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

Other Directorships:

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



Ms. Naz Khan

Independent Non-Executive Director

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

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

Ms. Naz has also served on the Boards of Mutual Fund Association of Pakistan (MUFAP), Young Presidents' Organization (YPO) and several of the Engro company boards, including publicly listed companies and is currently on the Boards of Shell Pakistan Limited, UBL Fund Managers Limited and IGI Life Insurance Limited. Moreover, she has served as a member of various task

forces and committees, including the Debt committees of the SECP and the KSE.

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

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

Other Directorships:

- Managing Director, X-Petroleum Limited
- Director, X-Co Partners (Private) Limited
- Director, Shell Pakistan Limited
- Director, UBL Fund Managers Limited
- Director, IGI Life Insurance Limited
- Director, Fauji Fertilizer Bin Qasim Limited



Mr. Amjad Pervez

Independent Non-Executive Director

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

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

Mr. Pervez joined the Bank of Khyber in 1992 as Deputy Director and ascended to the position of Senior Vice President. In 2004, he joined First National Equities Ltd as its Chief Operating Officer and later was promoted as Chief Executive Officer. He was also the Financial Advisor to the Government of Khyber Pakhtunkhwa Pension & Provident Funds from 2002 to 2015 and provided advisory services to Pearl Securities Ltd from

September 2012 to April 2018. He has attended several national & international courses. Mr. Pervez 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



Mr. Mohammad Salahuddin Manzoor

Independent Non-Executive Director

Mr. 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 Pakistani & British national and lives in Karachi with his wife who works at Lady Dufferin Hospital.

Other Directorship:

- Chief Executive Officer, Mangrove Markets



Mr. You Hang

Alternate Director for Mr. Zhiping Rong
Non-Executive Director

Mr. You Hang is serving as alternate director for Mr. Zhiping Rong on the Board of Pakistan Stock Exchange Limited (PSX). Mr. You, being one of the inaugurators of China Financial Futures Exchange (CFFEX), is currently serving as the Chief Representative of CFFEX in Pakistan. He also held the position of Deputy Managing Director of PSX from August 2017 to August 2018. He is a seasoned expert who has strategically fulfilled the responsibility of domestic and international financials, marketing and operational functions. He is specialized in Exchange operations, designing / management of financial derivatives as well as data marketing. He has solid experience in equity, fixed income, and FX derivatives and 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 has completed his Master of Public Policy concentrated in Finance on Dean's Fellowship from The University of Chicago, USA and Bachelor of Engineering from East China University of Technology, Shanghai, from where he Graduated with honors.

Mr. You Hang is currently associated with CFFEX for last 13 years and has served them in the capacity of Chief Representative in Pakistan, Director, International Business Development Department/Executive Office/Equity Index Derivatives Department / FX Derivatives Department and Deputy Director- Market Data Department.

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

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

Other Directorship:

- Nominee Director of PSX, Pakistan Institute of Corporate Governance

PSX MANAGEMENT TEAM



Sitting (At the centre)

Mr. Muhammad Rafique Umer

Acting Managing Director,
Company Secretary & Head of Legal Affairs

Sitting (From left to right)

Ms. Raeda Latif

Head of Marketing & Business Development

Mr. Hassan Raza

Head of Product Management & Research

Mr. Jawad Haider Hashmi

Head of Trading

Mr. Muhammad Abbas Mirza

Acting Chief Regulatory Officer

Mr. Ahmed Ali Mitha

Chief Financial Officer

Mr. Mahmood Siddique

Chief Information Officer

Ms. Sanam Kohati Faiz

Head of Human Resources

Ms. Asmaa Saleem Malik

Head of Listing

Standing (From left to right)

Mr. Sarmad Hussain

Regional In-Charge Lahore

Mr. Nisar Ahmed Qazi

Head of Administration

Mr. Farhan Ansari

Head of Internal Audit

Mr. Muhammad Ghufraan

Advisor to Trading and Listing

Syed Abbas Haider Zaidi

Chief Risk Management Officer

Mr. Asghar Abbas Naqvi

Regional In-Charge Islamabad

SENIOR MANAGEMENT - PROFILES



Mr. Ahmed Ali Mitha

Chief Financial Officer

Currently he holds the position of Secretary of 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 25 years of leadership experience in the field of Audit and Finance, in both public and private sectors, including cement and textile industries. Mr. Mitha has previously held the position of Executive Director Finance and Company Secretary of National Insurance Company Limited (NICL).



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 over 20 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

Mr. Mahmood Siddique 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 held CIO / Head of IT positions in banks since 1999 including National Bank, State Bank, Barclays Pakistan, KASB and Saudi Pak Commercial (now Silkbank). From 1992 to 1999, he has held senior management positions with Cupola Pakistan (GM-IT), Unisys Pakistan (Head of Information Services) and Fujitsu-ICL Pakistan (project manager). He has successfully delivered a number of multi-million dollar (\$25-50m) projects at NBP, SBP and Barclays.

Mr. Siddique also served on the BoD for 1-link and NIFT from 2011 to 2016. He was chairman of IT steering committee and played a key part in the development of payment system infrastructure in Pakistan.

Mr. Siddique has been member of various task force under Ministry of Information Technology and has represented Pakistan at AFACT.

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. Muhammad Abbas Mirza
Acting Chief Regulatory Officer

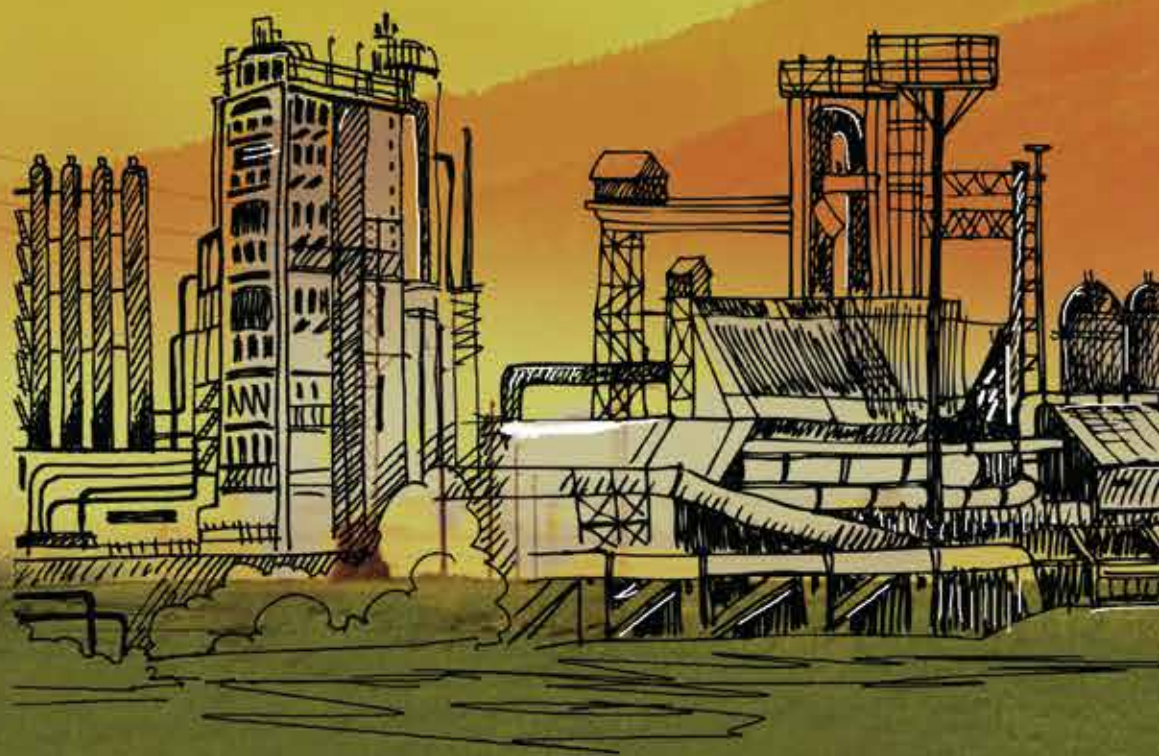
Mr. Abbas Mirza has professional working experience of over 23 years in diversified business sectors including Capital Markets, Banking, Development Financial Institutions, Telecom, Advertising & Marketing. He has served in different capacities, leading to senior management level roles including as General 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 reforms to effectively and stringently regulate the Stock Market for ensuring efficient, fair and orderly market for all, and to promote compliance culture among regulated entities. He supervises areas of brokers' on-site inspections and off-site monitoring, regulatory compliances, brokers' default handling, investor education and advocacy, independent claim valuation, claim verification & settlements. 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 has been a member of multiple significant nature committees of Capital Market formed by Securities and Exchange Commission of Pakistan (SECP). Presently, he is Acting Chairman of Oversight Committee constituted by SECP under Joint Inspection Regulations, 2015 and also a core member of Risk Management Committee of National Clearing Company of Pakistan.

Currently, 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.

INDUSTRIAL EXCELLENCE





PRODUCTS AND SERVICES

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

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

PSX Investor Services Include:

PSX is a FIX Protocol Compliant system offering:

- Trading
- 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)

Upcoming Products and Services:

Exchange Traded Funds (ETF)

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

Index and Equity Options and Futures

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

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

Financial Futures

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

Shariah Compliant Products

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

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). The project is at the testing phase and is expected to be launched in the first half of fiscal 2020.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that seventy-second (72nd) Annual General Meeting [AGM] of Pakistan Stock Exchange Limited [the Company] will be held on Thursday, October 10, 2019 at 4:00 p.m. at the Registered Office of the Company, Stock Exchange Building, Stock Exchange Road, Karachi to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2019 together with the Directors' and Auditors' Reports thereon.
2. To appoint auditors of the Company for the year ending June 30, 2020 and fix their remuneration. The present auditors, M/s. EY Ford Rhodes, Chartered Accountants, shall stand retired on the conclusion of AGM. The Board of Directors, based on the recommendation of Audit Committee, has recommended the appointment of M/s. Grant Thornton Anjum Rahman, Chartered Accountants, as auditors of the Company, for the year ending June 30, 2020 till conclusion of the next AGM.

Other Business:

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

By Order of the Board of Directors

Muhammad Rafique Umer
Company Secretary

Karachi
Dated: September 17, 2019

Note:

1. The Annual Report containing the Annual Audited Financial Statements for the year ended June 30, 2019 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:

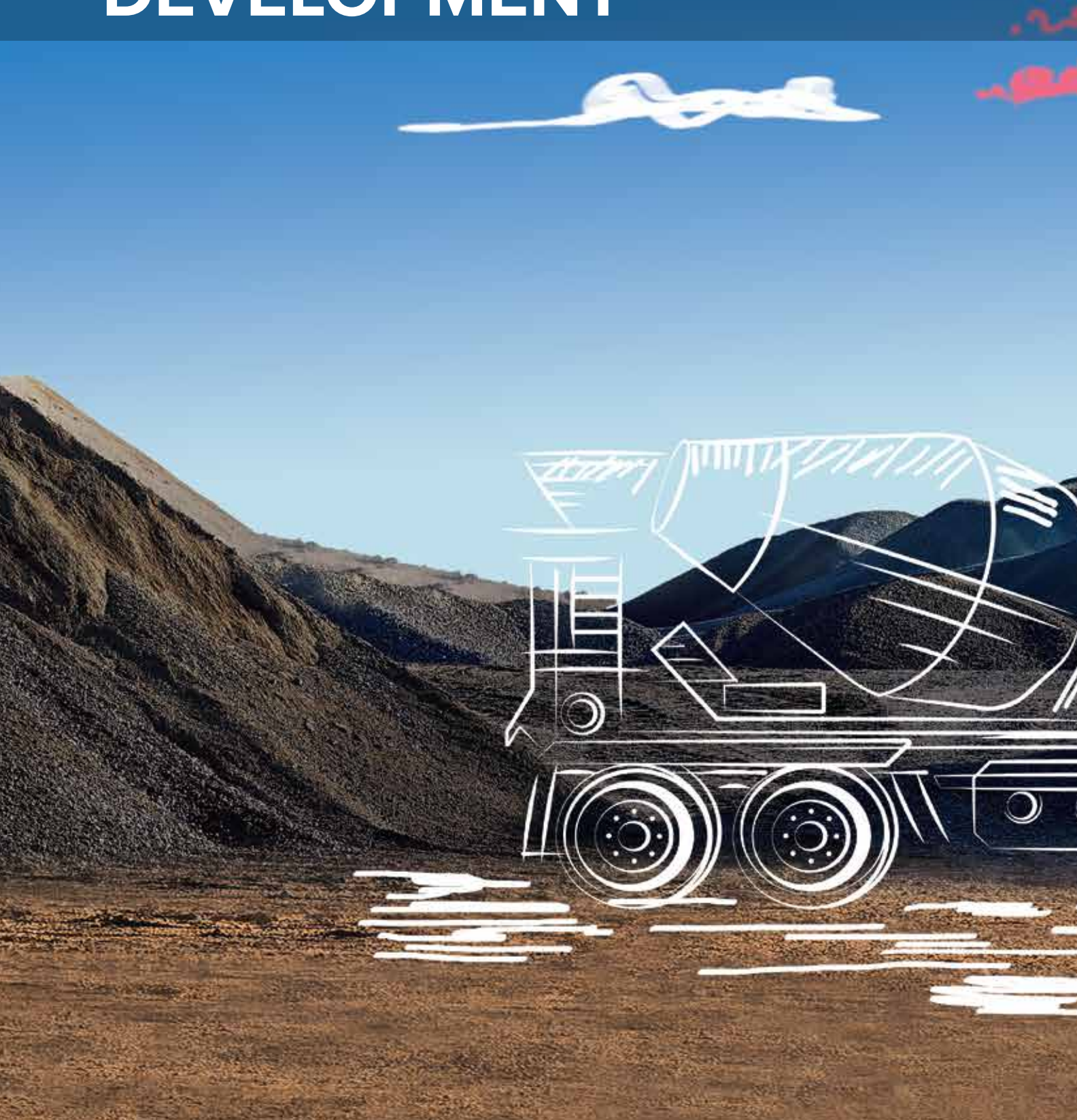
1. The Register of Members will remain closed from October 4, 2019 to October 10, 2019 (both days inclusive). The Members whose names appear on the Register of Members as on October 3, 2019 shall be entitled to attend and vote at the AGM.
2. A member entitled to attend, speak and vote at the meeting shall also be entitled to appoint another member as his/her proxy to attend, speak and vote instead of him/her and a proxy so appointed shall have such rights with respect to attending, speaking and voting at the meeting as are available to the member appointing him/her as proxy. The Instrument of Proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarized certified copy of that Power of Attorney or authority, in order to be effective, must be received by the Company at least 48 hours before the meeting. A proxy 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 authorized officers, authorize any of its officials or any other person to act as its representative at the meeting and the person so authorized shall be entitled to exercise the same powers as if he/she were an individual member of the Company.

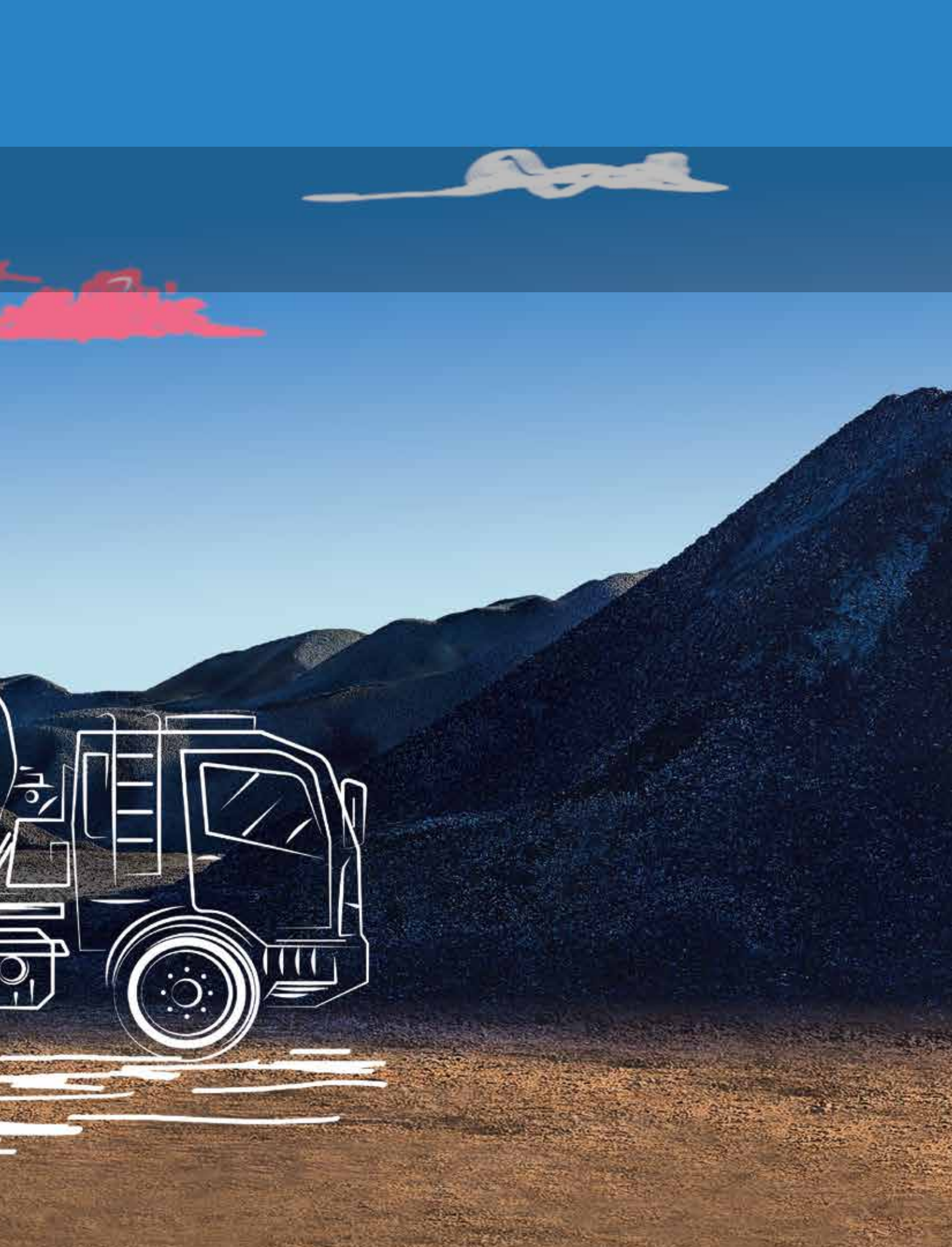
4. Since all shares issued to members are in dematerialized format in their respective Central Depository Company of Pakistan Limited [CDC] accounts, the individual members desiring to attend the meeting are requested to bring their original Computerized National Identity Cards (CNICs) along with the Investor Account or Participant ID and House Account/ Sub-Account numbers, for identification purposes, whereas, in case of corporate member, the resolution of Board of Directors / Power of Attorney with specimen signature of the nominee may preferably be provided to the Company well in advance or otherwise produced at the time of meeting.
5. Members are requested to notify the change of their registered address, if any, immediately but before the first day of book closure, to their Participant/CDC Investor Account Services which maintains their CDC account.
6. E-Dividend
Pursuant to Section 242 of the Companies Act, 2017 [the Act] read with relevant provisions of the Companies (Distribution of Dividends) Regulations, 2017 [the Regulations], all listed companies have been mandated to pay dividend only by way of electronic mode, directly into the bank accounts of entitled shareholders designated by them. Accordingly, all shareholders of the Company who have not yet provided their bank account details (including IBAN) to their participant/CDC Investor Account Services which maintains their CDC account, are requested to provide the same at the earliest, otherwise, the Company would be constrained to withhold their amount of dividend, if any, in accordance with the requirements of the Act and the Regulations.
7. Consent for Video Conference Facility
In term of SECP's Circular No. 10 of 2014 dated 21 May 2014 read with provisions contained under Section 134(1)(b) of the Act, members of the Company may also attend and participate in the AGM through video conference facility in a city other than Karachi, if members residing in the vicinity, collectively holding 10% or more shareholding, demand in writing, to participate in the AGM through video conference (as per the format appended below) at least seven (7) days prior to the date of AGM.

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

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

PROGRESSIVE DEVELOPMENT







Chairman's Review Report

Dear Shareholders,

Assalam-u-aleikum,

It is an honor for me to address you who have invested in Pakistan Stock Exchange Limited (PSX). I would like to share with you an overview of our activities during the last financial year and our continuous efforts to become one of the leading Stock Exchanges in the region. We are working on a multi-pronged strategy to realize our vision to become a leading exchange, offering an efficient, fair and transparent securities market in the region. The strategy which saw its conceptualizing in the previous year includes efficient, transparent and value-added services to the capital market, making available state-of-the-art technology and automated trading operations, protecting and safeguarding the interests of our stakeholders and finally playing a key role in the growth, development and prosperity of Pakistan.

FY 2019 saw major changes taking place in the economic and political scenarios of Pakistan. With the new government taking power in the first half of FY 2018 - 2019, many developments came to the fore in subsequent months which directly affected the economy. The country wide steps of announcing the mini-budget, empowerment of FBR, increasing the tax base, implementing the asset declaration scheme, announcing of the mini budget, raising of interest rates, devaluation of the rupee, falling of foreign currency reserves, and stringent measures to bring to book non-declarers of large number of assets & benami account holders has caused significant impact on macro-economic as well as political situation of the country.

On the other hand, the rising current and trade account deficits, 29% devaluation in rupee since last July has also contributed to rapid inflation. The huge amount of debt servicing on excessive foreign & local loans have had substantial negative affect on the economy.

The stock market is the reflection of a country's economic and political environment. Uncertainty on the matter of procuring the IMF bailout package together with the other depressing macro-economic indicators of rising current account and trade deficits raised a pall of negativity on the stock market and the investor confidence. This is reflected in the stock markets seeing historic lows over the current year under review. That said, however, the stock market also witnessed a stable and slightly improved index level towards the end of the fiscal year.

The KSE 100 Index saw a decline of around 19% during the year with the index declining from the level of 41,700 to 32,352 within the fiscal year 2019. It then recovered slightly to around 33,902 at the end of the year. This decline can be attributed to many uncertainties that cropped up with the emergence of the new political and economic situation developing in the country. Foreign investment in the stock market decreased by USD 355 million whereas local investment in the stock market increased by about the same amount during the year under review.

In wake of the changing economic conditions, it has been an uphill battle for the stock market to keep its head above water. A development that augured well for the economy in general and the stock market in particular was the announcement of the second mini-budget in January 2019, where tax of 0.02% on transaction value of trade was abolished. This step was taken to ensure liquidity & volumes in the capital market and to support brokerage firms to provide better services to investors for greater participation in the market. Another positive from this budget was permissibility of adjustment of un-adjusted losses on disposal of securities for a period of three years. This adjustment for income tax purposes bodes well in providing relief to big businesses and small investors.

While the situation has been fluid with regards to the economy of the country and its subsequent impact on the stock market, many steps were taken by the stock exchange as per the guidelines of its Board to continue its efforts to try to materialize its vision and mission of making it one of the better stock exchanges of the region. A revamping of the website was undertaken and the new website was launched in record time. The website contains dedicated sections on investor education for the novice investors. Focus has been to bring Pakistani individuals to the stock market. The website also contains substantial material on listing and how companies can list themselves on the stock exchange. Furthermore, a dedicated portal for market data, companies' information and other reports was created for the ease of the Institutional, HNWI and savvy individual investors.

Simultaneously, significant steps were taken by Marketing & Development team to increase financial literacy and awareness of the general public whereby several educational sessions were held for corporates, salaried persons, government and defence services officers, students and others throughout the country. In these sessions, avenues of investment, importance of savings and investing in the stock market was explained to the audiences.

On the listing front, many efforts have been made to increase the listing of companies on PSX. Efforts have been made to activate an SME Board to facilitate small and medium enterprise companies to list themselves on the bourse. It is understandable that given the economic conditions, many enterprises have been hesitant to join PSX by way of listing; nevertheless, it was in this very year that we held the largest IPO (Interloop Limited) in the history of the Exchange. Moreover, PSX has also worked aggressively on the listing of debt securities & mutual funds, where several were listed along with TFCs & Sukuks from FIs and companies.

Our Product team is working on introducing new products to further enhance the offerings. This will include ETFs, index & equity option futures & financial futures.

The team is working in collaboration with Asset Management Companies, brokers and SECP, CDC & NCCPL to bring to reality the first ETF in Pakistan. To improve liquidity, a comprehensive market maker program will be rolled out for our Ready and Futures markets. In addition to Equity ETFs, PSX is actively working with market participants to launch of Bond/Fixed Income ETFs.

The market data business has been reorganized to focus on utilizing international best practices and increasing the global reach of our data products and live market feeds. As a result of this effort, PSX has added several new local and foreign data clients in past year. Efforts are also underway towards revamping the index business and providing an expanded suite of indices, and explore the potential in the area of sustainability.

During the year, major feats were accomplished on the Technology and Information security front, including DR Site relocation, Network update, Infrastructure upgrade, enhancements in KITS, KATS and PUCARS to facilitate information transmission for the respective stakeholders. All these have also resulted in a system uptime improvement. On lines of the go green initiatives, the IT team introduced an automated Work Flow System for procurements and requisitions.

Information Security was further enhanced whereby the ISO team developed and implemented comprehensive information security program including information security policy framework, security operations, business continuity plan, risk management, training & awareness programs.

We successfully achieved the key milestone we had set out for this year by meeting the requirements for ISO 22301 BCMS Certification Audit, which means that PSX (Karachi Head Office) will be ISO 22301 BCMS certified. This milestone achievement which will endorse the Exchange as ISO certified as it comes with many benefits, and brings international recognition.

The Regulatory Affairs Division also consolidated its responsibilities with improved rules and regulations put in place while making efforts to reduce redundancies and complications in the regulatory process. A few initiatives on the regulatory front include synchronization of PSX regulations with Futures Market Act 2016 and futures exchanges regulations, Introduction of per customer disbursement limit from CCP Fund, dissemination of significant related party transactions by listed companies, Introduction of the CRF and update in regulatory framework to allow online accounts to be opened, imposition of trading halt on a security, revised regulations governing market makers, guidelines for brokers public advertisements, addition of defaulting companies section on the website along with the enforcement actions for brokers and listed companies, inspections, grievance handling and complaints handling and regulatory monitoring tasks. This in effect has led to efficiency in managing the stakeholders i.e. the brokerage firms and the listed companies and safeguarding the investors.

It is our belief that a strong and happy human resource is a key element to the success of the Stock Exchange as a company. On the Human Resources front, major efforts undertaken were on areas of Recruitment, Employer branding, Employee Welfare and Inclusion and learning and development process initiation. Talent Management remained one of the key areas of focus for the Exchange whereby a talent pool from the entire financial industry was made available for hiring at critical positions. 200+ participants were trained during the year which covered technical trainings, soft skills training and diversity related sessions. Employee Engagement remained a critical area for HR and events like 'Employee Beach Picnic' and 'PSX Employee Club Focus Group sessions' proved to be the most successful 'happenings' of the year.

PSX also played an important role in Corporate Social Responsibility initiatives and in adding to the progress and prosperity of the country. PSX contributed significantly to the Supreme Court's & Prime Minister's fund for Diamir-Bhasha & Mohmand Dams in 2018. Pakistan Stock Exchange had two blood collection drives for the benefit of patients. The Exchange also contributed to the betterment of our ecosystem in association with WWF by planting saplings and committing for maintenance & growth of mangroves in the coastal areas of Karachi.

The Board of PSX has also been instrumental in successfully navigating the path of the performance of the Exchange through choppy waters. In an economic environment where the government is engaged in taking corrective actions on multiple fronts, the Board team has been pro-actively playing its role in guiding the Exchange management team to balance the effects of the economic turmoil and minimize its impact on the overall operations which are majorly dependent upon external factors. The focus has been on increased efforts to cushion the drastic impact, strengthen the foundations whilst achieving the outlined strategic improvements, investor awareness and education, building on the listing business pipeline through business outreach and conducting operational activities in a sustainable manner.

PSX posted a balance sheet footing of PKR 10.7 billion and a net income of PKR 88.2 million for the financial year ended June 30th, 2019.

In the coming year, PSX is hopeful of the emergence of a strong and stable economy as the consolidation process continues at the financial and economic fronts. This in turn should bid well for the stock market of the country and the related activities of the capital market. As Pakistan and its economy grows from strength to strength, I would like to take this opportunity to invite discerning Pakistani investors to come to Pakistan Stock Exchange and invest in equities as it is the ideal long term asset class which can yield a potentially higher share-holder value in the form of dividends and expected capital gains as the market presents itself at attractive multiples and price to earning potential at the current levels.



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 Third Annual Report of PSX as a public listed entity for the financial year ended June 30, 2019.

Economic Review & Outlook

With Pakistan's economy entering a critical crossroad, the past fiscal year has been full of challenges for all participants of our Capital Market. The 34% decline in the rupee's value since last July has contributed to rampant inflation, with headline CPI coming in at 8.9% in June 2019.

The ongoing pains have long been in the making. But more importantly, the bold and necessary steps being implemented to bring long-term structural changes will set the base for robust and sustainable growth in the years to come.

The SBP has responded to rising prices with a steady hike in the policy rate, now at 13.25%. As a result, economic activity and business confidence has dampened, with GDP growth in fiscal 2020 now expected to come around 3%. Concern over the currency regime, a weak external position and climbing debt has kept the global investment community on the sidelines.

Nonetheless, there are signs of a turnaround in sight - the International Monetary Fund has recently approved a \$6 billion support program for Pakistan. While some tough structural measures are being taken, the IMF program is expected to allay some of the immediate liquidity concerns, and lead additional foreign investment in the country. The current account deficit in May was \$1.1 billion, a 29% improvement from last year.

The government's fiscal policies continue to focus on the long run: implementing widespread tax compliance and business reform, encourage manufacturing, and discourage unnecessary imports. Much 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.

We are encouraged by improved regulation to facilitate investment in the country, and the government's effort to drive fiscal discipline, document the informal sector, and shore up revenues through effective tax reform. Steps taken towards ensuring FATF compliance is expected to increase flow of remittances from official channels. Pakistan has received record \$21.8 billion inflow of remittance during FY19 compared to last year's \$19.9 billion.

With reduced uncertainty in the coming months, foreign investment inflows are expected to pick up. The growth and emergence of a large middle class will be essential to develop our Capital Market and PSX remains committed to building the capacity and public trust – a key pillar for capital formation and prosperity.

PSX Financial and Market Performance During the Year

The KSE 100 Index closed at 33,902 on June 28, 2019, with a market capitalization of Rs.6,887 billion. The average daily value traded (T+2 & DFM) was Rs.9.5 billion and the average daily turnover was 234 million shares.

The KSE 100 Index however declined by over 19% from June 30, 2018 and the KSE 30 Index closed at 15,893 indicating a decline of around 23% from June 30, 2018, which was a result of weakening of the macroeconomic situation including increased risk to Pakistan's economic and financial outlook and instability in the political front of the country.

PSX recorded a pre-tax profit of Rs.92 million for the year ended June 30, 2019 vs. Rs.113 million for the year ended June 30, 2018 i.e. 19% lower than last year.

Total revenue of PSX for the FY2018-19 was recorded at Rs.1.28 billion versus Rs.1.24 billion in the comparative year i.e. higher by 3%.

Increase in the revenue compared to last year was a result of higher income generated from the following revenue streams:

- Annual Listing Fee - PSX had implemented revised fee structure (which was last revised in the year 2011),
- Facilities including IT services provided to TREC & Non-TREC holders and Companies - in order to optimize the cost base PSX had reduced the subsidies on the facilities provided,
- Mark-up Income – higher income generated due to better rate of return compared to last year.

However, the impact of the above mentioned incremental revenue was mitigated due to the following:

- Trading fee - low activity in the market had negative effect on the traded values i.e. Rs.9.5bn (Rs.6.7bn – Ready market and Rs.2.8bn – DFM) in FY18-19 vs Rs.12.1bn (Rs.8.7bn – Ready market and Rs.3.4bn – DFM) in FY17-18.
- Initial Listing fee - although during the year, one-time additional listing fee of Rs.24 million was received on account of increase in paid-up capital, mitigating the adverse impact on revenues, however last year one-time initial listing fee of Rs.51mn received on account of merger/amalgamation was not available this year and lower income from new listing and right issues.
- Income from LAN Connectivity charges received from NCCPL was lower as NCCPL only paid the LAN administrative costs incurred by PSX (under an agreement) which was earlier paid @1% on the exposure margin of TREC holders maintained by NCCPL.

Total operating expenses of PSX for the FY2018-19 was recorded at Rs.1.19 billion versus Rs.1.13 billion in the comparative year i.e. higher by 5%.

The Management adopted a cost conscious approach by incurring expenses on need only basis which resulted in saving in the business routine expenses. However, the increase in operating expenses (excluding depreciation & amortization) of Rs.32 million is mainly due to one-time expenses incurred by the company with respect to payments made on account of ex-gratia/redundancy cost, subscription fee paid to international associations (IOSCO, WFE), etc.

Further, depreciation & amortization expense increased over the year by Rs.28mn mainly due to additions made during the year and full year depreciation charged on additions in the last quarter of FY2017-18 in order to upgrade the IT infrastructure in line with best practices.

PSX delivered a post-tax profit of Rs.88 million for the FY18-19 versus Rs.62 million in the FY17-18, as the tax charge was lower in current year i.e. Rs.4 million in FY18-19 vs. Rs.51 million in FY17-18 mainly due to:

- Tax on bonus shares was abolished and no dividend was received from NCCPL during the period, hence, bringing down the current tax charge
- Deferred tax expense showed a favorable variance due to deferred tax asset booked on carry forward losses to the extent of availability of future taxable profit.

Capital Market Review

Particulars	Year ended	
	June 30, 2019	June 30, 2018
KSE-100 Index	33,902	41,911
Market Capitalization (Rs. in billion)	6,887	8,665
Average daily value traded – Ready (Rs.in billion)	6.7	8.7
Average daily value traded – Futures (Rs.in billion)	2.8	3.4
Average daily volume traded – Ready (million)	165	188
Average daily volume traded – Futures (million)	69	60

The capital market comprises of local and foreign investors. Foreign investors offloaded securities worth USD 355.94 million during the fiscal year ended June 30, 2019 which was absorbed by domestic investors (insurance companies \$149 million; other companies \$110 million, etc). This strong buying by local investors has shown the confidence of the local investors in Pakistan equity market.

During the financial year, two (2) companies listed on equity segment of PSX with paid-up capital of over Rs.10,161 million and nine (9) securities were listed in the debt segment of PSX with a total issue size of Rs.42,820 million. As of June 30, 2019, 544 companies were listed on PSX with a total market capitalization of Rs.6,887 billion.

During the year, the Finance Supplementary (Second Amendment) Act, 2019 was enacted in March 2019 and some notable features favorable to the capital market includes abolishment of the advance tax @ 0.02% on purchase and sale value of shares traded in lieu of tax on commission applicable to members (TREC holders) of Stock Exchange, loss on disposal of securities would be allowed to carry forward to the next year and subsequent two tax years, to be offset against capital gain earned in those years and effective July 01, 2019, for companies availing group relief, tax on inter-corporate dividend has been reduced to the extent of percentage of shareholding the recipient of dividend has in the distributing company.

Dividend

The directors recommended no cash dividend, whether interim or final, for the financial year ended June 30, 2019.

	(Rupees in '000')
Profit for the year	<u>88,184</u>
Profit available for distribution	<u>88,184</u>
Balance carried forward	<u>88,184</u>

Earnings Per Share

The basic and diluted earnings per share is Re.0.11 for the FY18-19 vs. Re.0.08 for the FY17-18.

Changes Occurred During the Financial Year

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

Material Changes And Commitments Affecting Financial Position Of PSX

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 relates 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

Various developments are underway to promote Pakistan Stock Exchange as one of the best exchanges in the world. Broadly speaking, PSX aims to boost the investor base, increase the pool of securities/ listings, expand product and asset class offerings, and develop ancillary products and services to diversify revenue base. Many initiatives have been started in this regard and are in process. Other initiatives are planned for the near future and efforts are underway to materialize them at the earliest.

Further, in order to roll out the PSX strategic plan, the management team was strengthened with the addition of new Head of Marketing, Head of Human Resources, Head of Trading and Head of Products with a focus on Organizational Development.

In order to increase investor base, steps are being taken to facilitate online account opening process in a simple and speedy way. Also underway is the revamping of KITS online trading platform for end investors. A step which is already under implementation is providing retail investors awareness and education for investing in the stock market. This is part of our Financial Literacy Initiative, for which steps have been taken on the ground and in the digital sphere. On the ground, PSX has held many sessions in this regard for professionals, salaried individuals, corporate employees, government officers, defense/ services officers, business persons, and students throughout the country. The focus has been on salaried persons and those with available disposable income. Several sessions have also been held with corporate bodies such as chambers of commerce of different cities and other associations and organizations.

On the digital front, several educational posts and blogs have been uploaded on social media and the website. Furthermore, webinars series has been initiated to reach out to the general public. A note-worthy development on the digital landscape is the launch of the new website. PSX launched a new website with a revamped look and salient features for everyone accessing the website. Substantial material was added for investor education and financial literacy for the general public, existing and potential investors. Furthermore, a corporate services suite with educational material on listing and steps to list a company were also added to the website to reach out to more companies to list themselves on the bourse. The new website has a fresh layout, a dedicated data portal which provides details of corporate announcements & market analysis, and a wide range of graphs, charts & customizable windows and watch lists.

On the listing front, a formal sales process has been launched to increase the pool of securities on the Stock Exchange. Efforts are being made to increase the listings on the main board of the Stock Exchange and to initiate listings on the SME Board as well. A dedicated unit has been set up to develop listing pipeline and provide issuer services. This is helping not only in increasing awareness of the benefits of listing and providing advice to private companies for listing, but also providing value added services to listed companies, including awareness and education in the areas of investor relations and corporate governance.

PSX has made significant strides in attracting companies, debt securities and mutual funds for listing. Many companies in general and FIs in particular were approached for listing purposes.

Several debt securities were listed on PSX during the year, including TFCs & Sukuks from FIs/ companies. PSX also attracted a number of mutual funds to the board for listing in the year under review.

PSX is endeavouring to launch the first ETF in Pakistan and will continue to focus on collaboration with Asset Management Companies, brokers and SECP, CDC & NCCPL. To support our products and business development goals, major initiatives will be launched including a comprehensive market maker program to be rolled out for our Ready and Futures markets in order to improve liquidity. The system will feature clear obligations and incentives for participating Market Makers. ETF and Market Maker regulations have been approved by PSX Board and are under SECP review.

In addition to Equity ETFs, PSX is actively working with market participants to launch Bond/Fixed Income ETFs. To broaden investor base, the PSX also plans to set up mutual fund platform in collaboration with NCCPL, CDC and MUFAP.

Deliverable Futures market is being revamped and a number of changes have been proposed to bring the product at par with international standards. Work on the revival of Cash Settled Futures has also been initiated and in this respect market making activity is being looked into.

PSX has also initiated a project to provide liquidity in the secondary fixed income market. The trading of various fixed income securities such as PIB, Ijara, Sukuk and T-bills will also 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). The project is at the testing phase and is expected to be launched in the first half of fiscal 2020.

The market data business has been reorganized to focus on utilizing international best practices, increasing the global reach of our data products and live market feeds and improving accessibility and depth of research on PSX-listed companies on financial information platforms.

As a result, PSX has added several new local and foreign data clients in past year. Efforts are also underway towards revamping the index business and providing an expanded suite of indices, and explore the potential in the area of sustainability.

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

PSX considers it important to reform Investor Protection Fund so that investor base is broadened. PSX in order to align its structure with international standards and help increase the number of retail investors has amended its Centralized Customers Protection Compensation Fund Regulations whereby in case of default by a TREC Holder, approved claimants are now eligible for compensation of upto a ceiling of Rs. 500,000/- per claimant.

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

All these goals and initiatives have been undertaken and designed to further the progress and competency of Pakistan Stock Exchange so that it may grow and implement its vision of being a world class Stock Exchange. The initiatives to attract more investors and to reach out to more companies to list themselves along with a new and enhanced presence on the digital landscape are all steps taken by the Stock Exchange to look to the future with more confidence and stability. Looking ahead, PSX is hopeful that it will reach its objective and materialize its vision of being a world class Exchange in the near future.

Risk of Broad Market Trends and Macroeconomic Factors

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

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

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

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

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

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

Risk of Future Initiatives

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

- The general condition of the 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 product, as well as on a number of external factors, such as trading activity and price levels on our markets, our total revenue and profitability may fluctuate from one period to another. If our total revenue falls below expectations or cannot be increased to match increased expenses, our business, financial condition and results of operations for a given period may be materially adversely affected.

Risk of Interest Rate Variation

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

Regulatory Risk

PSX operates in a highly regulated industry and is subject to extensive regulation. The Securities & Exchange Commission of Pakistan [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 would 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 extra territorial effect of overseas regulations or otherwise.

Risk of Changes in Government Policies

Trading volumes on our market 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 exchange 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 FY2018-19, PSX paid an aggregate tax of Rs.989 million to the Government Exchequer (Rs.1,616 million in FY2017-18) on account of taxes collected from TREC holders on securities market transactions and on PSX revenues.

Board of Directors

During the financial year 2018-19, the following changes occurred on the Board:

- Mr. Husain Lawai resigned from his position as independent director and Chairman of the Board of the Exchange with effect from July 12, 2018. Accordingly, at the meeting of the Board held on July 19, 2018, the Board elected Mr. Sulaiman S. Mehdi as the Chairman of the Board in place of Mr. Lawai. Moreover, to fill the casual vacancy created due to resignation of Mr. Lawai, on the recommendation of the Board, the SECP granted its approval for the appointment of Mr. Saad Amanullah Khan as the independent director of PSX with effect from September 03, 2018.
- Mr. Moin M. Fudda resigned as independent director of PSX with effect from December 18, 2018. To fill casual vacancy so created, on the recommendation of the Board and with the approval of SECP, Mr. Mohammad Salahuddin Manzoor was appointed as the independent director of PSX with effect from June 20, 2019.
- Mr. Richard Morin tendered his resignation as Managing Director/Chief Executive Officer of PSX with effect from May 28, 2019 which was approved by the Board with immediate effect and in order to ensure smooth operation of the Exchange, the Board, with the approval of SECP, appointed, Mr. Muhammad Rafique Umer, Company Secretary & Head of Legal Affairs as the Acting Managing Director/Chief Executive Officer of PSX.

In addition to the above, Mr. You Hang, Country Representative of China Financial Futures Exchange Limited (CFFEX) in Pakistan, was appointed with effect from July 27, 2018, as the alternate director of Mr. Zhiping Rong, the nominee director of CFFEX on the Board of PSX.

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

In view of the above, the current Board of Directors of PSX consists of fifteen (15) directors (not including the alternate director) which includes:

Male Directors	13
Female Directors	2

As at the end of financial year 2018-19, 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. Mohammad Salahuddin Manzoor | (vi) Syed Masoud Ali Naqvi |
| (vii) Mr. Amjad Pervez | |

Other Non-Executive Directors / Shareholder Directors

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

Executive Director / Chief Executive Officer (Acting)

- (i) Mr. Muhammad Rafique Umer

During the financial year ended June 30, 2019, 15 Board meetings (11 scheduled and 4 emergent) were held in 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 SECP, Securities Exchanges (Licensing and Operations) Regulations, 2016 and Listed Companies (Code of Corporate Governance) Regulations, 2017 and in order to meet the specific requirements of the business of the Exchange as a frontline regulator and a commercial entity, the Board has constituted a number of committees out of which the main statutory committees are Regulatory Affairs Committee, Nomination Committee, Audit Committee and Human Resources & Remuneration Committee.

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

Auditors

The present auditors M/s EY Ford Rhodes Chartered Accountants have retired. The Board as suggested by the Audit Committee, in recognition of the fact that the present auditors have been engaged with the company for over 10 years, has recommended the appointment of Grant Thornton Anjum Rahman, Chartered Accountants as statutory auditors of the Company for the year ending June 30, 2020 for the approval of the members.

The Audit Firm have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP). They have confirmed that their firm is fully compliant with the Code as promulgated by the SECP and the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by the ICAP. The Auditors have provided their consent to act as Auditors.

The external auditors have not been appointed to provide any other service which may impair their independence and they have confirmed that they have observed IFAC guidelines in this respect.

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 emphasis on transparency and disclosures. The Board and management are cognizant of their responsibilities and monitor the capital market operations and performance to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information.

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

- Proper books of accounts of the Company have been maintained.
- The financial statements prepared by the management present fairly its state of affairs, the results of its operations and cash flows.
- Appropriate accounting policies have been consistently applied in preparation of financial statements which conform to the International Financial Reporting Standards, as applicable in Pakistan. The accounting estimates, wherever required, are based on reasonable and prudent judgement.
- The system of internal controls is sound in design. It has been effectively implemented by the management and is monitored by the internal and external auditors as well as the Board of Directors and the Audit Committee. The Board reviews the effectiveness of established internal controls through the Audit Committee and suggests, wherever required, further improvement in the internal control systems.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There is no reported instance of any material departure from the best practices of corporate governance.
- Significant deviations from last years' operating results, future plans and changes, if any, have been separately disclosed, as appropriate, in this report of the Directors.
- Value of investment of PSX Employees' Gratuity Fund is Rs. 88.935 million based on unaudited accounts for the year ended June 30, 2019.
- Key operating and financial data of last 6 years has been included in this report.

Directors' Training Program

During the year, three (3) directors on the Board were granted exemption by the Securities and Exchange Commission of Pakistan (SECP) from the requirements of Directors' Training program certification, whereas, four (4) directors had applied for the said exemption and their applications were pending with SECP, as at the end of financial year.

Directors' Remuneration

Each non-executive director on the Board of PSX is entitled to receive a sum of Rs. 50,000/-, subject to deduction of applicable tax, on account of fee (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 own name;
- receive the Meeting fee in the name of organization he/she is engaged with on permanent basis;
- instruct the management to donate the amount of Meeting fee to any charitable organization or cause; or
- waive the payment of Meeting fee at all.

Adequacy of Internal Financial Controls and Risk Management

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

Directors' Responsibility in Respect of Adequacy of Internal Financial Controls and Risk Management

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

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

Environmental Impact

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

Corporate Social Responsibility

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

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

- The directors, employees and PSX itself made donations towards the Supreme Court of Pakistan and the Prime Minister of Pakistan's Diامر-Bhasha and Mohmand Dam Funds. Moreover, TREC-holders and other market participants were also encouraged to back this cause.
- PSX joined hands with WWF-Pakistan for 'Mangrove Plantation Drive' under the project named "Rung Do Pakistan".
- Furthermore, PSX contributed to the welfare and education of the hearing impaired children under the Deaf Reach program, Pakistan.

These and other initiatives show that PSX has made significant efforts to contribute to the cause of Pakistani society and environment during the year under review.

Pattern of Shareholding

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

Categories of Shareholding

The categories of shareholding is annexed in the Annual Report

Acknowledgement

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

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

For and on behalf of the Board of Directors



SULAIMAN S. MEHDI
Chairman



MUHAMMAD RAFIQUE UMER
Acting Chief Executive Officer

Karachi
Dated: August 28, 2019

Board of Directors - Attendance at Meetings

Annexure I

Name of Director	From July 01, 2018 to June 30, 2019	
	Meetings entitled	Meetings attended
Mr. Sulaiman S. Mehdi	15	15
Mr. Muhammad Ashraf Bawany	15	15
Mr. QUE Bo	15	09
Mr. Shehzad Chamdia	15	15
Mr. Ahmed Chinoy	15	14
Mr. Abid Ali Habib	15	14
Ms. Yu Huali	15	09
Ms. Naz Khan	15	12
Mr. Shahnawaz Mahmood	15	15
Syed Masoud Ali Naqvi	15	15
Mr. Amjad Pervez	15	14
Mr. Zhiping Rong	03	01
Mr. Hussain Lawai [1]	01	-
Mr. You Hang [2]	12	12
Mr. Saad Amanullah Khan [3]	11	10
Mr. Moin M. Fudda [4]	07	06
Mr. Richard Morin [5]	14	12
Mr. Muhammad Rafique Umer [6]	01	01
Mr. Mohammad Salahuddin Manzoor [7]	-	-

[1] Resigned as Director on July 12, 2018.

[2] Appointed as alternate Director for Mr. Zhiping Rong on July 27, 2018.

[3] Appointed as Director on September 03, 2018.

[4] Resigned as Director on December 18, 2018.

[5] Resigned as Chief Executive Officer (CEO) on May 28, 2019.

[6] Appointed as Acting CEO on June 12, 2019.

[7] Appointed as Director on June 20, 2019.

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

Regulatory Affairs Committee

Name of Committee Member	From July 01, 2018 to June 30, 2019	
	Meetings entitled	Meetings attended
Mr. Sulaiman S. Mehdi	10	10
Ms. Naz Khan	10	09
Syed Masoud Ali Naqvi	10	07
Mr. Amjad Pervez	10	09
Mr. Moin M. Fudda [1]	05	04

[1] Resigned and ceased to be member on December 18, 2018.

Nomination Committee

Name of Committee Member	From July 01, 2018 to June 30, 2019	
	Meetings entitled	Meetings attended
Mr. Sulaiman S. Mehdi (Chairman)	03	03
Mr. Muhammad Ashraf Bawany	03	02
Syed Masoud Ali Naqvi	03	03
Mr. You Hang	03	03
Mr. Moin M. Fudda [1]	02	01
Mr. Saad Amanullah Khan [2]	-	-

[1] Resigned and ceased to be member on December 18, 2018.

[2] Appointed as member of the Committee on January 29, 2019.

Audit Committee

Name of Committee Member	From July 01, 2018 to June 30, 2019	
	Meetings entitled	Meetings attended
Syed Masoud Ali Naqvi (Chairman)	06	06
Mr. Shehzad Chamdia	06	06
Mr. Ahmed Chinoy	06	06
Ms. Naz Khan	06	04
Mr. Shahnawaz Mahmood	06	06
Mr. Abid Ali Habib [1]	05	05
Mr. QUE Bo [1]	05	03

[1] Ceased to be members on restructuring of the Committee on April 22, 2019.

Human Resources & Remuneration Committee

Name of Committee Member	From July 01, 2018 to June 30, 2019	
	Meetings entitled	Meetings attended
Mr. Sulaiman S. Mehdi (Chairman)	07	07
Mr. Muhammad Ashraf Bawany	07	06
Mr. Abid Ali Habib	07	07
Mr. Shahnawaz Mahmood	07	07
Mr. Moin M. Fudda [1]	03	03
Mr. Saad Amanullah Khan [2]	01	01
Mr. Shehzad Chamdia [3]	06	06
Mr. Ahmed Chinoy [3]	06	06

[1] Resigned and ceased to be member on December 18, 2018.

[2] Appointed as member on restructuring of the Committee on April 22, 2019.

[3] Ceased to be members on restructuring of the Committee on April 22, 2019.

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

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



EY Ford Rhodes
Chartered Accountants
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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, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Pakistan Stock Exchange Limited (the Company) for the year ended 30 June 2019 in accordance with the requirements of regulation 40 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2019.

Chartered Accountants

Place: Karachi

Date: 28 August 2019

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

For the year ended June 30, 2019

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

1. The Board consists of fifteen (15) directors (not including an alternate director) 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, 2019 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. Mohammad Salahuddin Manzoor (vi) Syed Masoud Ali Naqvi (vii) Mr. Amjad Pervez

Other Non-Executive Directors	Shareholder Directors
	<ul style="list-style-type: none"> (i) Mr. Muhammad Ashraf Bawany (ii) Mr. QUE Bo (iii) Mr. Ahmed Chinoy (iv) Mr. Abid Ali Habib (v) Ms. Yu Huali (vi) Mr. Shahnawaz Mahmood (vii) Mr. Zhiping Rong <ul style="list-style-type: none"> • Mr. You Hang (Alternate for Mr. Zhiping Rong)

Executive Director	Acting Managing Director
	<ul style="list-style-type: none"> (i) Mr. Muhammad Rafique Umer

3. The directors have confirmed that none of them is serving as a director on more than five (5) listed companies, including the Company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
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. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Companies Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

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. During the year, three (3) directors on the Board were granted exemption by the Securities and Exchange Commission of Pakistan [SECP] from the requirements of Directors' Training program certification, whereas, four (4) directors had applied for the said exemption and their applications were pending with SECP, as at the end of financial year.
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. However, there was no new appointment of CFO, Company Secretary and the Head of Internal Audit during the year.
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, 2019:

Name of Committee

Audit Committee

Composition

1. Syed Masoud Ali Naqvi (Chairman)
2. Mr. Shehzad Chamdia (Member)
3. Mr. Ahmed Chinoy (Member)
4. Ms. Naz Khan (Member)
5. Mr. Shahnawaz Mahmood (Member)

Human Resources and
Remuneration Committee

1. Mr. Sulaiman S. Mehdi (Chairman)
2. Mr. Muhammad Ashraf Bawany (Member)
3. Mr. Abid Ali Habib (Member)
4. Mr. Saad Amanullah Khan (Member)
5. Mr. Shahnawaz Mahmood (Member)

Nomination Committee

1. Mr. Sulaiman S. Mehdi (Chairman)
2. Mr. Muhammad Ashraf Bawany (Member)
3. Mr. Saad Amanullah Khan (Member)
4. Syed Masoud Ali Naqvi (Member)
5. Mr. Zhiping Rong (Member)
 - Mr. You Hang (Alternate for Mr. Zhiping Rong)

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 is as under:

Name of Committee

Regulatory Affairs Committee

Composition

1. Ms. Naz Khan (Member)
2. Mr. Sulaiman S. Mehdi (Member)
3. Syed Masoud Ali Naqvi (Member)
4. Mr. Amjad Pervez (Member)

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

14. The frequency of meetings (quarterly/half yearly/yearly) of the committees held during the year, were as follows:

Name of Committee	Number of Meetings
Audit Committee	06
Human Resources and Remuneration Committee	07
Nomination Committee	03
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), who were appointed during the year in place of Deloitte Yousuf Adil, Chartered Accountants (Deloitte-Pakistan), with effect from October 24, 2018. Internal Auditors are conversant with policies and procedures of the Company and are considered suitably qualified and experienced for the purpose. The internal resources are engaged in internal audit function on a full time basis.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan [ICAP] and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants [IFAC] guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with.

On behalf of the Board of Directors



SULAIMAN S. MEHDI
Chairman of the Board



MUHAMMAD RAFIQUE UMER
Acting Managing Director

Karachi
Dated: August 28, 2019

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PROGRESSIVE TRANSFORMATION





INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS



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INDEPENDENT AUDITOR'S REPORT

To the members of Pakistan Stock Exchange Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Pakistan Stock Exchange Limited (the Company), which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of the profit or loss and other comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the contents of note 26 to the financial statements in respect of contingencies. The ultimate outcome of the matters referred therein cannot 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.

Key Audit Matters

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

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Following are the Key audit matter(s):

Key audit matters	How the matter was addressed in our audit
1. Proposed carve-out of real estate assets and related liabilities	
<p>As referred to in note 5 to the financial statements, during the year the Board of Directors have principally approved a proposal to carve-out the real estate assets and related liabilities of the Company to a separate legal entity which would initially be owned by the existing shareholders of the Company. 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 shown separately on the face of the statement of financial position.</p> <p>The above proposed carve-out of the significant assets of the Company represent an event with a significant impact on the financial statements and hence, we have identified the same as a key audit matter.</p>	<ul style="list-style-type: none"> • We reviewed the minutes of the relevant meetings of the Board of Directors and also held discussions with the management to understand the structure of the proposed carve-out of real estate assets as envisaged by the Company. • We discussed with the management and the legal advisors of the Company, the legal requirements and the steps required to complete the proposed transaction including the required regulatory and shareholder approval and the time frame envisaged in this regard. • We assessed the financial reporting implications of the proposed carve-out of the real estate assets and related liabilities in accordance with the requirements of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", including the identification of the assets and liabilities subject to reclassification, the measurement of such assets and liabilities before and after reclassification and the presentation and disclosures in respect of the assets held for distribution to shareholders.
2. Adoption of IFRS 9 'Financial Instruments' during the year	
<p>IFRS 9 'Financial Instruments' has become effective for the current financial year as per the SECP vide its notification SRO 229(I)/2019.</p> <p>IFRS 9 sets out the new requirements for classification, measurement and impairment of financial instruments. The impacts of the adoption of the standard on the financial statements of the Company is disclosed in note 4.1.1.2 to the financial statements.</p> <p>The application of the new standard requires management to make significant estimates and judgements such as in relation to the fair valuation of its investments in unlisted equity securities and determination of impairment for certain financial assets using expected credit loss model. We focused on this area due to the significance of the accounting change and the involvement of significant management judgements in respect of the application of the new standard.</p>	<ul style="list-style-type: none"> • We evaluated the appropriateness of the new accounting policies for classification, measurement and impairment of financial assets adopted by the Company in accordance with the requirements of IFRS 9. • We considered the approaches used by the Company for classification and measurement of its Investments in debt and equity securities within the scope of IFRS 9. In this regard, we also assessed the methodologies used by the Company for fair valuation of unlisted equity investments and the business model linked to the investment in debt securities. • For fair valuation of unlisted equity investments which depend on unobservable inputs, we evaluated the assumptions and models used by the Company based on the available financial information. We also involved our valuation experts to assess the appropriateness of the methodologies and assumption used in respect of fair valuation of such investments. • We evaluated the adequacy of disclosures made regarding the application of IFRS 9 and its impact on the financial statements of the Company for the year.

Key audit matters	Addressed in our audit
3. Application of IFRS 15 'Revenue from contracts with customers'	
<p>IFRS 15 'Revenue from contracts with customers' has become effective for accounting periods beginning on or after 1 July 2018 as per the SECP vide its notification SRO 1007(I)/2017. The impacts of the adoption of the standard on the financial statements of the Company is disclosed in note 4.1.1.1 to the financial statements.</p> <p>The Company's revenue streams, amongst others, include initial listing fee (first year listing fee). Previously, the Company recognized initial listing fee relating to the listing of equity instruments on the date that listing occurred. On conversion to IFRS 15, the Company now recognizes the initial listing fee over the period the Company provides the listing services consistent with its performance obligations. We focused on this area due to the significance of the accounting change and the involvement of significant management judgements in respect of the application of the new standard.</p>	<ul style="list-style-type: none"> • We evaluated the appropriateness of the new accounting policies for recognition of revenue as adopted by the Company in accordance with the requirements of IFRS 15; • In respect of the change in accounting policy made on conversion to IFRS 15, we reviewed the nature of the fee and the related period of service based on the tariff structure of the stock exchange and also checked the financial impacts of the change in accounting policy as incorporated in the financial statements. • We evaluated the adequacy of disclosures made regarding the application of IFRS 15.
4. IT systems and controls over revenue recognition	
<p>The Company uses automated securities trading systems (known as 'KATS'), which process significant volumes of trading transactions on a real time basis.</p> <p>The trading fees generated from the transactions processed are the key drivers of the Company's revenue. Therefore, the revenue recognition of these fees rely on the KATS trading data processing which involves automated controls, system generated information and system interfaces, which are underpinned by the design and operating effectiveness of the IT general controls over the key IT systems and the automated application controls over the processes.</p> <p>Due to the significance of the impacts of the IT systems and controls over revenue process, we have identified this as a key audit matter.</p> <p>Please refer to note 28.1 to the financial statements.</p>	<p>Our key audit procedures in respect of IT systems and controls of revenue processing and GL application and reporting processes included the following:</p> <ul style="list-style-type: none"> • Obtained a front-to-end understanding of the revenue recognition and reporting processes and identified the automated controls and the corresponding key IT systems that support the processes. • We assessed the IT control environment, reviewed the IT governance framework and tested the IT general controls of the key IT application that support the revenue recognition and reporting to evaluate whether the system dependent controls and information could be relied on throughout the period. Our testing of IT general controls covered access management, change management and IT operations. • We have tested the identified automated application controls, which are critical to the revenue recognition processes. Our testing procedures included the testing of system logics, automated calculations and validations, testing of system generated information, system interfaces and reconciliations.

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Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Page 4



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

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

Chartered Accountants

Place: Karachi

Date: 29 August 2019

PAKISTAN STOCK EXCHANGE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

	Note	June 30, 2019	June 30, 2018 (Restated)	June 30, 2017 (Restated)
Assets				
Non-Current Assets				
Property and equipment	7	257,275	4,185,992	4,119,109
Intangible asset	8	153,984	148,690	140,335
Investment property	9	-	548,094	625,984
Investment in associates	10	2,422,302	2,147,677	1,990,417
Long term investments	11	179,565	309,583	77,318
Long term deposits	12	10,934	41,896	40,619
Long term loans	13	4,867	11,011	1,130
Deferred tax asset	14	139,517	-	-
		3,168,444	7,392,943	6,994,912
Current Assets				
Trade debts	15	90,099	57,581	46,485
Loans and advances	16	19,754	19,698	16,562
Prepayments	17	60,983	35,359	27,944
Other receivables	18	76,819	130,808	158,719
Short term investments	19	1,738,212	1,666,198	1,790,202
Taxation – net		523,975	460,738	430,240
Cash and bank balances	20	243,585	413,076	2,495,547
		2,753,427	2,783,458	4,965,699
Assets held for distribution to shareholders/ disposal	21	4,697,480	-	-
		7,450,907	2,783,458	4,965,699
Total Assets		10,619,351	10,176,401	11,960,611
Share Capital, Reserves and Liabilities				
Authorized Capital				
1,000,000,000 ordinary shares of Rs.10 each (June 30, 2018: 1,000,000,000)		10,000,000	10,000,000	10,000,000
Share capital	22	8,014,766	8,014,766	8,014,766
Reserves		60,643	(10,657)	132,602
Revaluation surplus on property and equipment	23	815,134	708,820	740,288
		8,890,543	8,712,929	8,887,656
Non-Current Liabilities				
Deferred tax liability	14	-	166,003	175,725
Dara F. Dastoor scholarship fund		2,000	2,000	2,000
Long term deposits	24	299,859	253,638	1,643,958
		301,859	421,641	1,821,683
Current Liabilities				
Unclaimed dividend		2,053	5,610	6,222
Trade and other payables	25	1,102,096	1,036,221	1,245,050
		1,104,149	1,041,831	1,251,272
Liabilities related to assets held for distribution to shareholders/ disposal	21	322,800	-	-
		1,426,949	1,041,831	1,251,272
Contingencies and Commitments	26			
Total Share Capital, Reserves and Liabilities		10,619,351	10,176,401	11,960,611

The annexed notes from 1 to 40 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Chairman

PAKISTAN STOCK EXCHANGE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2019

	Note	June 30, 2019	June 30, 2018 (Restated)
		----- (Audited)-----	----- (Rupees in '000) -----
Revenue			
Listing fee	27	378,259	336,029
Income from exchange operations	28	356,097	377,375
Mark-up / interest income	29	132,635	116,696
Rental income from investment property		55,617	60,954
		922,608	891,054
Operating Cost			
Administrative expenses	30	(1,187,580)	(1,126,400)
Other charges	31	(75)	(344)
		(1,187,655)	(1,126,744)
		(265,047)	(235,690)
Operating Loss			
Other income	32	13,658	5,529
Share of profit from associates	10.1	343,638	343,242
Net Profit Before Taxation		92,249	113,081
Taxation	33	(4,065)	(51,043)
Net Profit After Taxation		88,184	62,038
Basic and diluted earnings per share	34	0.11	0.08

The annexed notes from 1 to 40 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, 2019

	Note	June 30, 2019	June 30, 2018 (Restated)
		----- (Audited)-----	----- (Rupees in '000) -----
Net Profit for the Year		88,184	62,038
Other Comprehensive Income			
<i>Items not to be Reclassified to Profit and Loss in Subsequent Periods:</i>			
Actuarial loss on employees' gratuity fund			
- Company		(19,955)	(25,974)
- Associates		(6,743)	(25,891)
		(26,698)	(51,865)
Tax effect on actuarial loss on employees' gratuity fund			
- Company		5,787	7,792
- Associates		840	7,767
		6,627	15,559
Revaluation surplus on property and equipment - net of tax	23	137,152	-
Share of other comprehensive income from associates' in respect of revaluation on equity investments at fair value through OCI	10.1	238	-
		205,503	25,732
<i>Items to be Reclassified to Profit and Loss in Subsequent Periods:</i>			
Share of other comprehensive loss from associates' in respect of revaluation on available-for-sale equity investments	10.1	-	(90)
Total Comprehensive Income for the Year		<u>205,503</u>	<u>25,642</u>

The annexed notes from 1 to 40 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, 2019

	June 30, 2019	June 30, 2018 (Restated)
	----- (Audited)-----	
	----- (Rupees in '000) -----	
Cash Flows from Operating Activities		
Profit Before Taxation	92,249	113,081
Non-Cash Adjustments to Reconcile Income Before Tax to Net Cash Flows		
Depreciation on tangible assets	154,370	137,481
Amortisation on intangible assets	63,782	52,180
Dividend income from associates	(1,750)	-
Provision for gratuity	28,836	26,406
Mark-up / interest income	(130,659)	(116,476)
Provision for trade debts consider doubtful	4,552	3,217
Discount on Pakistan Investment Bonds	(1,976)	(220)
Reversal of provision against receivables on recovery	(1,164)	(448)
Gain on disposal of fixed assets - net	(1,099)	(357)
Share of profit of associates	(343,638)	(343,242)
	(228,746)	(241,459)
	(136,497)	(128,378)
Working Capital Adjustments:		
(Increase) / Decrease in Current Assets		
Trade debts	(35,906)	(13,865)
Loans and advances	(56)	(3,136)
Prepayments	(25,624)	(7,415)
Other receivables	(124,093)	(74,666)
	(185,679)	(99,082)
Increase / (Decrease) in Current Liabilities		
Trade and other payables	17,132	(241,178)
	(305,044)	(468,638)
Income tax paid	(79,059)	(68,200)
Gratuity paid	(35,832)	(20,645)
Increase / (decrease) in long term deposit	49,691	(1,390,320)
Mark-up / interest received	124,543	125,674
	59,343	(1,353,491)
Net Cash used in Operating Activities	(245,701)	(1,822,129)

PAKISTAN STOCK EXCHANGE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

	June 30, 2019	June 30, 2018 (Restated)
	----- (Audited) -----	----- (Rupees in '000) -----
Cash Flows from Investing Activities		
Capital expenditure	(41,148)	(46,610)
Capital work-in-progress	(173,778)	(141,526)
Proceeds from sale of fixed assets	4,719	1,316
Dividend received	63,348	167,768
Dividend income from associates	1,750	-
Investments sold	7,291,160	6,336,396
Investments purchased	(7,073,948)	(6,366,159)
Increase in long term deposits	(2,037)	(1,277)
Decrease / (increase) in long term loans	6,144	(9,881)
Net Cash Generated from / (used in) Investing Activities	76,210	(59,973)
Cash Flows from Financing Activities		
Dividend paid	-	(200,369)
Net Cash used in Financing Activities	-	(200,369)
Net Decrease in Cash and Cash Equivalents	(169,491)	(2,082,471)
Cash and cash equivalents at the beginning of the year	413,076	2,495,547
Cash and Cash Equivalents at the end of the Year	243,585	413,076

The annexed notes from 1 to 40 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, 2019

	Share Capital	Revenue Reserves Un-appropriated profit (Restated)	Capital Reserves Revaluation surplus on property and equipment (Restated)	Revaluation surplus on investments at FVOCI	Share of Associates' Reserves (Restated)	Total
(Rupees in '000)						
Balance as at July 01, 2017 as Previously Reported	8,014,766	159,739	744,199	-	259,931	9,178,635
Impact of change in accounting policy (note 4.2)	-	3,690	(3,911)	-	(290,758)	(290,979)
Balance as at July 01, 2017 - as Restated	8,014,766	163,429	740,288	-	(30,827)	8,887,656
Profit for the year	-	62,038	-	-	-	62,038
Other comprehensive loss	-	(18,182)	-	-	(18,214)	(36,396)
Total comprehensive income / (loss)	-	43,856	-	-	(18,214)	25,642
Dividend for the year ended June 30, 2017 @ Re. 0.20 per share	-	(160,295)	-	-	-	(160,295)
Dividend for the half year ended December 31, 2017 @ Re. 0.05 per share	-	(40,074)	-	-	-	(40,074)
Transfer from revaluation surplus on property and equipment incremental depreciation - net of tax	-	31,468	(31,468)	-	-	-
Balance as at June 30, 2018- Restated	8,014,766	38,384	708,820	-	(49,041)	8,712,929
Balance as at July 01, 2018 - Restated	8,014,766	38,384	708,820	-	(49,041)	8,712,929
Impact of adoption of IFRS 15 (refer note 4.1.1.1)	-	(36,036)	-	-	-	(36,036)
Impact of adoption of IFRS 9 (refer note 4.1.1.2)	-	-	-	8,147	-	8,147
Balance as at July 01, 2018	8,014,766	2,348	708,820	8,147	(49,041)	8,685,040
Profit for the Year	-	88,184	-	-	-	88,184
Other Comprehensive (Loss) / Income	-	(14,168)	137,152	-	(5,665)	117,319
Total Comprehensive Income / (Loss)	-	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

The annexed notes from 1 to 40 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, 2019

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 namely:

(i) 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

(ii) Shanghai Stock Exchange limited

Legal Status	It is a non-profit organization directly governed by the China Securities Regulatory Commission (CSRC).
Owners	Membership-based exchange
Chief Executive Officer	Jiang Feng

(iii) Shenzhen Stock Exchange Limited

Legal Status	It is a non-profit organization directly governed by the China Securities Regulatory Commission (CSRC).
Owners	Membership-based exchange
Chief Executive Officer	Wang Jianjun

PAKISTAN STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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

- 1.3.1** During the year, in order to put the company on a stronger financial footing and give it the resources required to invest in development initiatives, effective July 01, 2018 measures have been put in place i.e. the Annual Listing Fee has been increased with a revised fee structure and the subsidies provided have been reduced to optimize the cost base. Further as approved by the PSX board, the De-merger process of PSX under a scheme of arrangement i.e. splitting immovable properties and business operations to form two separate entities has been initiated with an expected date for the transaction to be completed in one year subject to legal and regulatory approvals (refer note 5).

2. STATEMENT OF COMPLIANCE

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

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

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

3. BASIS OF MEASUREMENT

- 3.1** These financial statements have been prepared under the historical cost convention except for operating fixed assets and investment property classified as assets held for distribution to shareholders and certain investments which are valued on a fair value basis as stated in note 4.2 below.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1.1 New / revised standards, interpretations and amendments

The Company has adopted the following International Financial Reporting Standard which became effective for the current period:

4.1.1.1 IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The principal revenue streams of the Company include initial listing fee and annual listing fee charged from the companies for which such companies remain listed on the stock exchange. Trading Fee is charged in relation to the securities traded on a stock exchange and other services such as technology solutions and network connections provided to TREC holders.

Under IAS 18, initial fees (first year fees) were recognised at the time of admission to listing. On conversion to IFRS 15, with the effect from 1 July 2018, the Company treated the initial listing fee based on discharge of its performance obligation and recognised revenue from initial listing and further issues over the period the Company provides the listing service. As a result, the Company has recognised Rs.36.036 million of deferred revenue by adjusting opening retained earnings as at 1 July 2018 as allowed under transitional approach of IFRS 15.

Given the requirement of IFRS 15, the Company has concluded that the revenue from other services would continue to be recognized in the same manner as the current accounting policies of the company for the reason that underlying revenue recognition patterns reflect the manner of discharge of underlying performance obligation.

4.1.1.2 IFRS 9 "Financial Instruments"

The Company adopted IFRS 9 Financial Instruments on its effective date of 1 July 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and introduces new requirements for classification and measurement, impairment and hedge accounting.

(a) Classification and measurement

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as of the date of initial application on 1 July 2018. However, the Company has chosen to take advantage of the option not to restate comparatives. Therefore, the 2018 figures are presented and measured under IAS 39. The following table shows the original measurement categories in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Company's financial assets and financial liabilities as at 1 July 2018:

PAKISTAN STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

Financial assets

1 July 2018	IAS 39 Classification	IAS 39 Measurement (Rupees in '000)	IFRS 9 Classification	IFRS 9 Measurement (Rupees in '000)
Equity investments	Available for sale	77,318	Fair value through other comprehensive income*	86,903
Debt investments	Held to maturity	1,898,463	Amortised Cost	1,898,463
Trade debts	Loans and receivables	57,581	Amortised Cost	57,581
Loans and advances	Loans and receivables	16,323	Amortised Cost	16,323
Other receivable	Loans and receivables	125,235	Amortised Cost	125,235
Cash and cash equivalents	Loans and receivables	413,076	Amortised Cost	413,076

*The Company has elected to classify its non-trading equity securities at fair value through other comprehensive income. The fair value of such investment is Rs. 86.903 (cost of Rs. 77.318) million as result of fair value exercise carried out by the management of the Company upon adoption of IFRS 9. Accordingly, the revaluation surplus on investment at FVOCI as at July 01, 2018 has been adjusted by Rs. 8.147 (net of tax Rs. 1.439) million.

Financial liabilities

Financial liabilities continue to be carried at amortised cost.

(b) Impairment

IFRS 9 requires the Company to record expected credit losses (ECLs) on all of its debt securities and trade and other receivables, either on a 12-month or lifetime basis. The management has made an assessment of impairment under expected credit loss model of IFRS 9 for financial assets and concluded that ECL on such instruments is not significantly different from existing provision held.

4.1.2 In addition to above IFRSs, certain other IFRSs, amendments to IFRSs and IFRIC interpretations have become applicable during the period. However, such IFRSs, amendments to IFRSs and IFRIC interpretations are not considered relevant for the business of the entity.

4.2 Change in accounting policy of property and equipment

As referred to in note 5 to the financial statements, the Company has reclassified its real estate assets from "Operating Fixed Assets" to "Assets Held for Distribution to the Shareholders". Consequent to such reclassification, the remaining fixed assets of the Company comprise of furniture and fixtures, office equipment, computer and related accessories and motor vehicles. As the fair value of such assets is not considered much volatile, the Company has decided to change its accounting policy in respect of such assets from the 'revaluation model' to the 'cost model' as allowed under the applicable financial reporting standards. Such change in accounting policy has been applied retrospectively and the impacts on the financial statements are summarized below :

	June 30, 2018	June 30, 2017
	----- (Rupees in '000) -----	
Effect on statement of financial position		
Non Current Assets		
Decrease in property and equipment	(13,848)	(5,668)
Decrease in investment in associates	(284,731)	(287,068)
Non Current Liabilities		
Decrease in deferred tax liability	(4,107)	(1,757)
Capital And Reserves		
Decrease in surplus on revaluation of property and equipment	(3,911)	(3,911)
Increase in un-appropriated profit	1,499	3,690
Decrease in share of associates' reserves	(292,060)	(290,758)
Effect on profit and loss account		June 30, 2018
Decrease in profit for the year		(2,191)
Effect on other comprehensive income		
Decrease in other comprehensive income for the year		(1,302)

4.3 Operating fixed assets - tangible

- 4.3.1** 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.
- 4.3.2** The depreciation is charged to profit and loss account applying the diminishing balance method over its estimated useful life of the respective assets, except for "Computers and related accessories" which are depreciated using straight-line method. The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end. In respect of additions and disposals of assets, depreciation is charged from the month in which asset is available to use and continue depreciating it until it is derecognised i.e. up to the month preceding the disposal, even if during that period the asset is idle. Useful lives are determined by the management based on expected usage of asset, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of assets and other similar factors.
- 4.3.3** 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.

PAKISTAN STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

4.3.4 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 profit and loss account in the year the asset is derecognised.

4.4 Capital work-in-progress

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

4.5 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.

4.6 Financial instruments - Policy effective from 1 July 2018

In the current period, the Company has adopted IFRS 9 Financial Instruments. See note 4.1.1.2 for an explanation of the impact. Comparative figures for the year ended 30 June 2018 have not been restated as allowed by IFRS 9. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

4.6.1 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.

4.6.2 Classification

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

4.6.2.1 Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

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

4.6.2.1.1 Financial assets measured at fair value through other comprehensive income (FVOCI)

a) Debt instruments at FVOCI

FVOCI debt instruments 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.

b) 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.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

4.6.2.1.2 Financial assets measured 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.

PAKISTAN STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

4.6.2.1.3 Financial assets measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding
or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell
or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

4.6.2.2 Financial liabilities

4.6.2.2.1 Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss, if any.

4.6.3 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.

4.6.4 Impairment of financial assets

Financial assets at fair value through profit or loss are not subject to impairment under IFRS 9.

The ECL allowance on financial assets (other than trade debts, loans and advances and other receivables) is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. In order to determine appropriate staging for financial assets (other than trade debts, loans and advances and other receivables) under IFRS 9, the Company applies the Low Credit Risk (LCR) expedient. The Company considers only those balances as LCR that have investment grade rating from an External Rating Agency (BBB- or equivalent or higher) at the reporting date. The LCR balances are considered as stage 1. The Company considers a financial instrument defaulted and therefore, Stage 3 (credit-impaired) for ECL calculations in all cases when there is an objective evidence of impairment of financial assets and Company believes that the counter party will not be able to make its contractual payments. All other balances are considered as stage 2 as at reporting date. For measurement of ECL, PD, EAD and LGD are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in earlier year) on annual basis. This effectively calculates an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in ECL computation is the original effective interest rate or an approximation thereof. Forward looking economic information is also included in determining the 12 month and lifetime ECL and economic variables (the "base economic scenario") are obtained from external sources. For ECL estimation, the PDs associated with each rating grade are determined based on realized default rates as published by the rating agency.

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. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

4.6.5 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.

4.7 Financial instruments - Policy effective before 1 July 2018

4.7.1 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time

PAKISTAN STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to profit and loss account currently.

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

4.7.2 Investments

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

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

a) Investments at fair value through other comprehensive income

Investments which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity are classified as available for sale. After initial recognition, these are stated at fair values with any resulting gains or losses being taken to comprehensive income until the investment is disposed or impaired, at which time the respective surplus or deficit is transferred to profit and loss account.

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

b) Investments at fair value through profit or loss

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

c) Investments at amortised cost

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

4.7.3 Trade debts and other receivables

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

4.7.4 Impairment

The carrying amounts of 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.

4.8 Investment in associates

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

4.9 Loans, advances and deposits

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

4.10 Cash and cash equivalents

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

4.11 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.

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4.12 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;
- 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.

4.13 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.

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category short-term payables.

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

enacted at the balance sheet date.

4.14 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.

4.15 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.

4.16 Foreign currency translation

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

4.17 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.

4.18 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.

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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	4.2, 4.3, 4.4, 7 and 8
- Investment property	9
- Classification of investments	4.6, 10, 11 and 19
- Provisions and contingencies	4.11, 25 and 26
- Impairment of financial assets (expected credit loss)	4.6.4
- Taxation and Deferred tax	4.13 and 14
- Staff retirement benefits	4.14
- Revenue recognition	4.12

5. ASSETS AND LIABILITIES HELD FOR DISTRIBUTION TO SHAREHOLDERS

During the year, the Board of Directors of the Company in their meeting held on 12 December, 2018 and subsequently on 19 June, 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.

The summary of the assets and liabilities reclassified is as follows:

	Note	June 30, 2019 (Rupees in '000)
Non - current assets		
Property and equipment (including capital work in progress)	7.1 & 7.2	4,068,607
Investment property	9	548,094
Long term deposits	12	32,999
		4,649,700
Current assets		
Other receivables	18	36,550
Taxation - net		11,230
		47,780
Total assets subject to demerger / carve-out		4,697,480

	Note	June 30, 2019 (Rupees in '000)
Non current liabilities		
Deferred tax liability	14	315,365
Long term deposits	24	3,470
Current liabilities		
Trade and other payables	25	3,965
Total liabilities subject to demerger / carve-out		322,800
Net assets subject to demerger / carve-out		4,374,681

- 5.1** The revaluation surplus in respect of such properties amounting to Rs.815.134 million shall also be transferred upon demerger/ carve-out.

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

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

- 6.1** The following standards, amendments and interpretations with respect to the approved accounting standards would be effective from the dates mentioned there against:

6.1.1 Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
- IFRS 3 - Definition of a Business (Amendments)	January 01, 2020
- IFRS 9 - Prepayment Features with Negative Compensation – (Amendments)	January 01, 2019
- IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its	
Associate or Joint Venture (Amendment)	Not yet finalized
- IFRS 16 - Leases	January 01, 2019
- IFRIC 23 - Uncertainty over Income Tax Treatments	January 01, 2019
- IAS 1/ IAS 8 - Definition of Material (Amendments)	January 01, 2020
- IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
- IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)	January 01, 2019

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6.1.2 The above standards, amendments and interpretations are not expected to have any material impact on the Company's financial statements in the period of initial application, except for IFRS 16 for which the company is currently assessing the impact.

6.1.3 In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2019. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards

- IFRS 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

7. PROPERTY AND EQUIPMENT

		June 30, 2019	June 30, 2018 (Restated)
	Note	----- (Rupees in '000) -----	
Operating fixed assets - tangible	7.1	213,322	4,173,723
Capital work-in-progress	7.2	43,953	12,269
		<u>257,275</u>	<u>4,185,992</u>

7.1

7.1

FOR THE YEAR ENDED JUNE 30, 2019

June 30, 2018

June 30, 2018												
	Cost/Revalued Amount						Accumulated depreciation			Written Down Value		
	As at July 01, 2017	Additions / (Disposals)	Transfer from investment property - net	Adjustment	Adjustment of Accumulated Depreciation	Revaluation Surplus	As at June 30, 2018	Rate / period	As at July 01, 2017	Charge for the year / (deletions)	Adjustment of Accumulated Depreciation	As at June 30, 2018
	(Rupees in '000)											(Rupees in '000)
Leasehold land	2,546,642	-	-	-	-	-	2,546,642	99 years	-	-	-	2,546,642
Building on leasehold land	1,311,390	26,138	77,890	-	-	-	1,415,418	5%	-	66,337	-	1,349,081
Lift, generators and electric installation	87,080	13,699	-	-	-	-	100,779	25%	-	23,421	-	77,358
Furniture and fixtures	12,498	1,134 (14)	-	-	-	-	13,618	20%	6,115	1,388 (10)	-	6,125
Office equipment	67,924	30,165	-	-	-	-	98,089	20%	30,737	9,708	-	57,644
Computers and related accessories	346,123	71,956 (193)	-	-	-	-	417,886	20% & 33.33%	255,421	34,711 (153)	-	127,907
Vehicles	13,613	4,318 (2,120)	-	-	-	-	15,811	20%	6,135	1,916 (1,206)	-	8,966
	4,385,270	147,410 (2,327)	77,890	-	-	-	4,608,243		298,408	137,481 (1,369)	-	4,773,723

7.1.1 In accordance with the Company's accounting policy, property and equipment were revalued, by an independent valuer, Iqbal A. Nanjee & Co. (Private) Limited on the basis of professional assessment of market values, which resulted in a surplus of Rs. 151.873 million and Rs. 976.943 million (see note 21.1) on December 31, 2018 and June 30, 2017 respectively, over the book value of the respective assets at the time of revaluation.

7.1.2 Cost of fully depreciated assets is Rs.640.184 (June 30, 2018: Rs. 612.238) million for the year ended June 30, 2019.

7.1.3 Disposal of property and equipment

Type of Asset	Cost / Revalued Cost	Accumulated Depreciation	Net Book Value	Sale Proceed	Gain / (loss)	Mode of disposals / settlement	Relationship	Particulars of Buyers / purchasers
Motorbike	103,400	20,364	83,036	80,839	(2,197)	Company Policy	Employee	Junaid Hussain
Motorbike	103,400	23,179	80,221	80,221	-	Company Policy	Employee	Munir Memon
Motorbike	103,400	23,179	80,221	80,221	-	Company Policy	Employee	Aslam Younus
Motorbike	102,400	36,864	65,536	65,536	-	Company Policy	Employee	Shaheen Jamal
Motorbike	102,900	23,324	79,576	79,576	-	Company Policy	Employee	Mudassir Saeed
Motorbike	102,400	36,864	65,536	65,536	-	Company Policy	Employee	Mohsin Siraj
Motorbike	102,400	36,864	65,536	65,536	-	Company Policy	Employee	Abdul Rafay
Motorbike	102,400	31,402	70,998	70,998	-	Company Policy	Employee	Imran Ahmed
Motorbike	88,000	57,712	30,288	32,734	2,446	Company Policy	Employee	Gazi Iqbal Hussain
500 KVA Generator	1,978,442	494,611	1,483,831	2,200,000	716,169	Scrap	Third Party	M/s Three Brothers
UPS 1 KVA (Qty:3)	125,801	73,384	52,417	95,000	(115,517)	Scrap	Third party	M/s. Bhatti Traders
Haier 1.5 Ton AC	9,180	4,333	4,847					
Cisco catalyst switches 2960 POE with racks	43,593	25,429	18,164					
LCD 40"	25,923	12,236	13,687					
Acson 2.0 Ton AC	10,500	4,956	5,544					
Centre Table	9,070	4,281	4,789					
Executive office chairs	38,095	17,981	20,114					
IBM/APC 42U Rack (Qty:2)	99,321	57,937	41,384					
Acson wall mounted AC (Qty:2)	81,087	31,516	49,571					
Toyota Corolla Altis	2,054,290	1,066,770	987,520	1,500,000	512,480	Negotiations	Ex-Chairman PSX	Muneer Kamal
Motorbike	50,000	11,722	38,278	33,795	(4,483)	Company Policy	Employee	Azmat Shakeel
Motorbike	50,000	11,722	38,278	33,795	(4,483)	Company Policy	Employee	Arif Sattar
Motorbike	50,000	11,722	38,278	33,795	(4,483)	Company Policy	Employee	Afzal Haroon
Motorbike	56,410	2,821	53,589	52,240	(1,349)	Company Policy	Employee	Kabir Mirza
Motorbike	89,000	59,634	29,366	29,366	-	Company Policy	Employee	Muhammad Younus
Laptop	187,000	67,521	119,479	119,479	-	Company Policy	Ex-MD PSX	Richard Morin
Total - June 30, 2019	5,868,412	2,248,328	3,620,084	4,718,667	1,098,583			
Total - June 30, 2018	2,327,271	1,368,652	958,619	1,315,974	357,355			

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			June 30, 2019	June 30, 2018
7.2	Capital work-in-progress	Note	----- (Rupees in '000) -----	
	Advances against:			
	- Computer hardware		43,953	3,152
	- Lift generator and electric installation		277	8,812
	- Civil works		2,114	-
	- Vehicle		-	279
	- Furniture and fixtures		-	26
			46,344	12,269
	Less: Transfer to assets held for distribution to shareholders		(2,391)	-
			43,953	12,269

8. INTANGIBLES

Operating intangibles	8.1	115,883	118,688
Intangibles under development	8.2	38,101	30,002
		153,984	148,690

8.1 Operating Intangibles

June 30, 2019								
	COST			Rate	ACCUMULATED AMORTISATION		WRITTEN DOWN VALUE	
	As at July 01, 2018	Additions	As at June 30, 2019		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
	627,589	60,977	688,566		508,901	63,782	572,683	115,883
June 30, 2018								
	COST			Rate	ACCUMULATED AMORTISATION		WRITTEN DOWN VALUE	
	As at July 01, 2017	Additions	As at June 30, 2018		As at July 01, 2017	Charge for the year	As at June 30, 2018	As at June 30, 2018
	----- (Rupees in '000) -----			%	----- (Rupees in '000) -----			
Computer software	330,511	34,668	365,179	25	257,081	32,628	289,709	75,470
Internally developed software and market products	241,339	21,071	262,410	25	199,640	19,552	219,192	43,218
	571,850	55,739	627,589		456,721	52,180	508,901	118,688

	Note	June 30, 2019	June 30, 2018
8.2 Intangibles under development		----- (Rupees in '000) -----	
Internally developed software		30,228	20,698
Internally developed market products		5,565	6,163
Computer software		12,458	13,291
		48,251	40,152
Less: Provision for impairment	8.2.1	(10,150)	(10,150)
		38,101	30,002

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

	Note	June 30, 2019	June 30, 2018
9. INVESTMENT PROPERTY		----- (Rupees in '000) -----	
Opening balance		548,094	625,984
Transfer from investment property to operating fixed assets	7.1	-	(77,890)
Transfer to assets held for distribution to shareholders		(548,094)	-
Closing balance		-	548,094

9.1 Represents office spaces in PSX's building, the latest fair value of this property was carried out by Iqbal A. Nanjee & Company (Private) Limited, independent valuers as at December 31, 2018. The valuation was carried out in accordance with the commercial rates for sale of office spaces prevailing in the market. This resulted in no material change in the fair value of investment property compared to the previous fair value of investment property as at June 30, 2018

9.2 The rental income during the year ended from the investment property amounted to Rs. 55.617 (June 30, 2018: Rs. 60.954) million.

9.3 Details of the Company's immovable investment property

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

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	Note	June 30, 2019	June 30, 2018 (Restated)
		----- (Rupees in '000) -----	
10. INVESTMENT IN ASSOCIATES - under equity method of accounting			
Unquoted companies			
Central Depository Company of Pakistan Limited [(CDC) (59,715,000 shares having face value Rs. 597,150,000)]	10.1	1,717,448	1,535,997
National Clearing Company of Pakistan Limited [(NCCPL) (35,596,608 shares having face value Rs. 355,966,080)]	10.1	704,854	611,680
		<u>2,422,302</u>	<u>2,147,677</u>
		June 30, 2019	
		CDC	NCCPL
		Total	
		----- (Rupees in '000) -----	
10.1 Reconciliation of changes in carrying value of investment in associate			
Opening balance		1,535,997	611,680
Share of profit for the year		248,408	95,230
Surplus on revaluation of associates' available-for-sale investments		238	-
Actuarial loss on employees' gratuity fund		(3,847)	(2,056)
Dividend received during the year		(63,348)	-
Closing balance		<u>1,717,448</u>	<u>704,854</u>
		June 30, 2018	
		CDC	NCCPL
		Total	
		----- (Rupees in '000) -----	
Opening balance		1,350,200	640,217
Share of profit for the year		271,310	71,932
Deficit on revaluation of associates' available-for-sale investments		(90)	-
Actuarial loss on employees' gratuity fund		(12,580)	(5,544)
Dividend received during the year		(72,843)	(94,925)
Closing balance		<u>1,535,997</u>	<u>611,680</u>

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

	June 30, 2019					
Name of associate	Country of incorporation	Total assets	Total liabilities	Profit	Revenue	Interest held %
----- (Rupees in '000) -----						
Central Depository Company of Pakistan Limited	Pakistan	5,350,154	787,281	623,984	1,851,827	39.81
Break-up value of each ordinary share of Rs.10 is Rs.30.42 based on the latest unaudited financial statements available for the year ended June 30,2019.						
National Clearing Company of Pakistan Limited	Pakistan	13,445,080	11,952,253	202,358	925,032	47.06
Break-up value of each ordinary share of Rs.10 is Rs 19.74 based on the latest unaudited financial statements available for the year ended June 30, 2019.						
		18,795,234	12,739,534	826,342	2,776,859	

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

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

	Note	June 30, 2019	June 30, 2018
		----- (Rupees in '000) -----	
11. LONG TERM INVESTMENTS			
At fair value through other comprehensive income			
VIS Credit Rating Company Limited, a related party		12,085	-
250,000 (June 30, 2018: 250,000) ordinary shares of Rs.10 each, representing, 12.50% (June 30, 2018: 12.50%) shareholding. The break-up value of each ordinary share is Rs.50.66 (based on latest available unaudited financial statements for the year ended June 30, 2019).(June 30, 2018 : 47.56).			
Pakistan Mercantile Exchange Limited (PMEX), a related party	11.1	74,818	-
8,909,052 (June 30, 2018: 8,909,052) ordinary shares of Rs.10 each, representing 28.41% (June 30, 2018: 28.41%) shareholding. The break-up value of each ordinary share is positive Rs.0.43 (based on latest available unaudited financial statements for the year ended June 30, 2019).(June 30, 2018: Negative Rs. 1.22).			
At amortised cost			
Pakistan Investment Bonds (PIBs)	11.2	92,662	-
		179,565	-
Available for sale - unquoted			
VIS Credit Rating Company Limited, a related party		-	2,500
250,000 (June 30, 2018: 250,000) ordinary shares of Rs.10 each, representing, 12.50% (June 30, 2018: 12.50%) shareholding. The break-up value of each ordinary share is Rs.50.66 (based on latest available unaudited financial statements for the year ended June 30, 2019).(June 30, 2018 : 47.56).			
Pakistan Mercantile Exchange Limited (PMEX), a related party	11.1	-	74,818
8,909,052 (June 30, 2018: 8,909,052) ordinary shares of Rs.10 each, representing 28.41% (June 30, 2018: 28.41%) shareholding. The break-up value of each ordinary share is positive Rs. 0.43 (based on latest available unaudited financial statements for the year ended June 30, 2019). (June 30, 2018: Negative Rs. 1.22).			
Held to maturity			
Pakistan Investment Bonds (PIBs)	11.2	-	232,265
		-	309,583

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

However during the year, the PMEX management has informed that based on the legal opinion sought on the matter of the un-subscribed portion of the right shares offered, due to legal complications, PMEX will not proceed to allocate the un-subscribed right shares.

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.

- 11.2** Pakistan Investment Bonds (PIBs) having cost of Rs. 88.102 million and interest accrued thereon of Rs 3.30 (June 30, 2018: Rs. 0.81) million and amortization of discount of Rs.1.260 (June 30, 2018: Rs.0.002) million. The effective rate of return is 12.03% per annum (June 30, 2018 : 8.97%).These will mature latest by July 12, 2021.

	Note	June 30, 2019	June 30, 2018
12. LONG TERM DEPOSITS		----- (Rupees in '000) -----	
Earnest money	12.1	33,819	33,819
Utilities		2,790	2,790
Others		7,324	5,287
Transfer to Assets Held for Distribution to shareholders		(32,999)	-
		<u>10,934</u>	<u>41,896</u>

- 12.1** This includes 10% of the bid amount, amounting to Rs.32.999 (June 30, 2018: Rs.32.999) million, paid by the Company to Pakistan Railways during the year ended June 30, 1993 as earnest money against the purchase of land. However, as a result of initiation of certain legal proceedings by one of the bidders, further action for purchase of land could not take place. Subsequently, Pakistan Railways cancelled the sale of railway land to the Company and requested the Company to apply for the refund of the above-referred amount. The Court has dismissed the suit on merit, which was filed by above-referred bidder.

During the year ended June 30, 2002, based upon the legal advice obtained, the Company filed a counter suit against Pakistan Railways for specific performance of the agreement which, if decided in favour of the Company, may require the Company to purchase the land and pay the balance of the purchase consideration, amounting to Rs.296.995 (June 30, 2018: Rs.296.995) million. The said case is pending adjudication in High Court of Sindh.

	Note	June 30, 2019	June 30, 2018
13. LONG TERM LOANS		----- (Rupees in '000) -----	
Employees - Considered good, secured	13.1	11,815	19,467
Recoverable within one year shown under current assets		(6,948)	(8,456)
		<u>4,867</u>	<u>11,011</u>

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- 13.1** 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 2 and 5 (June 30, 2018: 2 and 5) years and are interest free. All outstanding long term loans at the year end will mature within one to four years.

	Note	June 30, 2019	June 30, 2018 (Restated)
----- (Rupees in '000) -----			

14. DEFERRED TAX ASSET / (LIABILITY) - NET

Deductible temporary differences arising from:

Provision for debts considered doubtful	11,818	12,392
Carry forward tax losses	251,024	212,308
Provision for defined benefit liability	33,790	28,003
Minimum tax	2,081	39,403
	298,713	292,106

Taxable temporary differences arising from:

Differences between written down value and tax base of assets	(276,784)	(244,787)
Revaluation of property and equipment	(185,160)	(201,277)
Surplus on revaluation of investment at fair value through OCI	(1,438)	-
Others	(11,179)	(12,045)
	(474,561)	(458,109)

Transfer to assets held for distribution to shareholders

- Carry forward tax losses	(42,283)	-
- Differences between written down value and tax base of assets	174,888	-
- Minimum tax	(2,081)	-
- Revaluation of property and equipment	184,841	-
	139,517	(166,003)

	Note	June 30, 2019	June 30, 2018
----- (Rupees in '000) -----			

14.1 Movement of tax asset / (liability) - net

Opening balance		(166,003)	(175,725)
Impact of adoption of IFRS 9	4.1.1.2	(1,439)	-
Restated opening balance after IFRS 9 adoption		(167,442)	(175,725)
Charged to profit and loss		528	1,930
Charged to other comprehensive income		5,787	7,792
Deferred tax on revaluation of property and equipment		(14,721)	-
Transfer to assets held for distribution to shareholders		315,365	-
		139,517	(166,003)

- 14.2** The carried forward tax losses (including tax depreciation / amortization) amounted to Rs.1,069 million. The Company has recognised deferred tax asset of Rs 251 million to extent of carried forward tax depreciation / amortization losses. Unrecognized deferred tax asset on carried forward business losses as at June 30, 2019 amounted to Rs. 59 million.

	Note	June 30, 2019	June 30, 2018
----- (Rupees in '000) -----			
15. TRADE DEBTS			
Unsecured			
Considered good			
Due from members		40,879	27,311
Due from companies		49,220	30,270
		90,099	57,581
Considered doubtful			
Due from companies		40,869	37,966
		130,968	95,547
Provision for doubtful debts	15.1	(40,869)	(37,966)
		90,099	57,581
15.1 Reconciliation of provision for trade debts			
Opening balance		37,966	35,573
Provision for the year	30	4,552	3,217
Amount recovered / reversed		(1,649)	(824)
Closing balance		40,869	37,966
16. LOANS AND ADVANCES			
Loans - secured, considered good			
- Current portion of long term loans to employees	13	6,948	8,456
Advances, considered good			
- Employees		9,349	7,867
- Suppliers		3,457	3,375
		12,806	11,242
		19,754	19,698
17. PREPAYMENTS			
Maintenance of information technology equipment / software		52,929	20,606
Insurance		1	1
Others		8,053	14,752
		60,983	35,359

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	Note	June 30, 2019	June 30, 2018
----- (Rupees in '000) -----			
18. OTHER RECEIVABLES			
Due from members		11,403	5,546
Due from non-members	18.1	17,942	12,911
Interest / profit accrued on PLS savings accounts		1,200	2,340
Due from an ex-member	18.2	6,574	6,574
Others	18.3	79,591	106,778
		116,710	134,149
Less: Provision for doubtful receivable		(3,341)	(3,341)
Transfer to assets held for distribution to shareholders			
- Due from members		(9,499)	-
- Due from non-members		(15,797)	-
- Others		(11,254)	-
		76,819	130,808

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

18.2 This represents amount due from an ex-member upon the cancellation of his membership and declaration as a defaulter. As a result thereof, certain shares of the ex-member were taken over by the Company in order to square up the ex-member's position and are held pending the outcome of a law suit brought against the Company by him in the Honourable High Court of Sindh. The market value of these shares (including bonus shares) as at June 30, 2019 amounted to Rs. 17.113 (June 30, 2018: Rs.40.485) million. Further, as disclosed in note 20.5 included in bank balances Rs. 13.010 and Rs.10.846 (June 30, 2018: Rs 11.584 and Rs 9.469) million received as dividend and bank profit respectively.

18.3 This includes receivable from NCCPL (a related party) amounting to Rs. 14.219 million (June 30, 2018: Rs.16.866 million) on account of Margin Trading System fee and LAN connectivity charges. The maximum aggregate amount outstanding during the year amounted to Rs. 24.174 (June 30, 2018: Rs. 31.351) million.

18.4 As of June 30,2019, the age analysis of receivables from NCCPL (a related party) is as follows;

	June 30, 2019	June 30, 2018
----- (Rupees in '000) -----		
Past due		
Upto 90 days	12,273	8,071
More than 90 days	1,946	8,795
	14,219	16,866

	Note	June 30, 2019	June 30, 2018
19. SHORT TERM INVESTMENTS		----- (Rupees in '000) -----	
At amortised cost			
Market Treasury Bills	19.1	1,497,907	-
Pakistan Investment Bonds (PIBs)	19.2	240,305	-
		<u>1,738,212</u>	<u>-</u>
Held to maturity			
Market Treasury Bills	19.1	-	1,666,198
		<u>-</u>	<u>1,666,198</u>

19.1 These represent Market Treasury Bills having cost of Rs. 1,477.411 (June 30, 2018: Rs.1,643.72) million and interest accrued thereon of Rs.20.496 (June 30, 2018: Rs.22.47) million. This also includes Rs.673.328 million from defaulter / expelled / suspended members which are shown under trade and other payables (note 25.2). This also includes 236.752 million pertaining to base minimum capital as shown under long term deposits (non-current liabilities). The effective rate of return 11.85% (June 30, 2018: 6.05%) per annum. These will mature latest by September 12, 2019.

19.2 These represent Pakistan Investment Bonds (PIBs) having cost of Rs. 231.407 million and interest accrued thereon of Rs.8.181 (June 30, 2018: Rs. 0.81) million and amortization of discount of Rs.0.717 (June 30, 2018: Rs.0.002) million. The effective rate of return 7.34% per annum (June 30, 2018: 8.97%). These will mature latest by December 29, 2019.

	Note	June 30, 2019	June 30, 2018
20. CASH AND BANK BALANCES		----- (Rupees in '000) -----	
In hand		70	3
With banks on:	20.3		
Current accounts		96	102
PLS accounts in:			
foreign currency		20,250	14,224
local currency	20.1 to 20.10	223,169	398,747
	20.6	<u>243,585</u>	<u>413,076</u>

20.1 Rate of return on PLS accounts varies from 4.55% to 11.00% (June 30, 2018: 1.73% to 5.50%). However, the effective rate for the year is 7.40% (June 30, 2018: 5.08%).

20.2 Included herein are funds earmarked by the Company against the outstanding balance in the Dara F. Dastoor Scholarship Fund, amounting to Rs. 2.167 (June 30, 2018: Rs. 2.130) million.

20.3 Included herein are balances, aggregating to Rs. 8.553 (June 30, 2018: Rs. 8.501) million, deposited with the Company by members and an ex-member with respect to certain arbitration cases pending settlement which are shown under trade and other payables (note 25.1).

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- 20.4** Included herein is Rs. 97.616 (June 30, 2018: Rs. 83.175) million held by the Company on account of disposal of membership cards and sale proceeds from divestment of 40% shares and 20% shares through public offering and funds received from LSE financial services limited and ISE tower REIT management company limited of defaulter / expelled / suspended members which are shown under trade and other payables (note 25.2).
- 20.5** Included herein Rs 23.856 (June 30, 2018: Rs.21.053) million related to bank profit and dividends received on the shares of an ex-member as disclosed in note 18.2.
- 20.6** Included herein interest on amount deposited with the Company on account of divestment of 40% shares of PSX shareholders Rs. Nil (June 30, 2018:Rs.0.34) million which are shown under trade and other payables (note 25.3)
- 20.7** Included herein are an unclaimed dividends amounting to Rs. 2.052 (June 30, 2018:Rs.5.610) million.
- 20.8** Included herein are the Government taxes with the clearing house amounting to Rs.1.957 (June 30, 2018: Rs.14.814) million.
- 20.9** Included herein are the PSX members basic deposits amounting to Rs. 66.577 (June 30, 2018:Rs. 203.305) million. which is shown in note 24.1.
- 20.10** Included herein Rs. 0.283 (June 30, 2018: 0.475) million deposited with a related party - Habib Bank Limited.

21. ASSETS AND LIABILITIES HELD FOR DISTRIBUTION TO SHAREHOLDERS / DISPOSAL

	Note	June 30, 2019	June 30, 2018
		----- (Rupees in '000) -----	
Non - Current Assets held for Disposal	21.1	-	-
Assets and liabilities held for Distribution to Shareholders	5	4,374,681	-
		<u>4,374,681</u>	<u>-</u>

21.1 Non - Current Assets held for Disposal

Transfer of sub-lease of properties	21.1.1	18,170	18,170
Less: Provision for impairment against transfer of sub-lease of properties	21.1.1	(18,170)	(18,170)
		<u>-</u>	<u>-</u>

- 21.1.1** 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.

22. SHARE CAPITAL

June 30, 2019	June 30, 2018		June 30, 2019	June 30, 2018
----- (Rupees in '000) -----			----- (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

22.1 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.

22.2 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.

	Note	June 30, 2019	June 30, 2018
		----- (Rupees in '000) -----	
23. SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT - NET			
Opening balance as at July 01		708,820	740,288
Surplus during the year		137,152	-
Transfer to retained earnings for incremental depreciation - net of tax		(30,838)	(31,468)
Balance of surplus as of 30 June		815,134	708,820

24. LONG TERM DEPOSITS

Clearing house deposits from members	24.1	299,859	250,158
Other security deposits		3,470	3,480
Transfer to Assets Held for Distribution to Shareholders			
- Other security deposits		(3,470)	-
		299,859	253,638

24.1 This includes Rs 289.509 million (June 30, 2018: Rs 239.208 million), cash deposit placed by TREC holders against the Base Minimum Capital requirement with the Exchange in accordance with the Rule Book of PSX.

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	Note	June 30, 2019	June 30, 2018
		----- (Rupees in '000) -----	
25. TRADE AND OTHER PAYABLES			
Deposits against Arbitration	25.1	8,553	8,501
Accrued expenses		73,826	55,586
Provision for staff bonus		6,611	11,763
		88,990	75,850
Other liabilities			
Due to members		2,325	2,250
Due to non-members		526	648
Retention money		535	535
Fees and rent received in advance	4.1.1.1	25,310	11,659
Amount held against defaulter / expelled / suspended members	25.2	770,944	703,883
Employees' Gratuity Fund	25.6 & 25.7	124,184	111,225
Tax deducted at source		747	339
Various taxes collected from members		10,650	62,144
SECP supervision fee		1,840	1,689
SECP transaction fee		892	1,492
Payable to members against divestment proceeds	25.3	-	340
Provision for Wealth Tax	25.4	1,684	1,684
Others	25.5	77,434	62,483
		1,017,071	960,371
Less: Transfer to Assets Held for Distribution to Shareholders			
- Fees and rent received in advance		(925)	-
- Others		(3,040)	-
		1,102,096	1,036,221

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

25.2 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 to be utilised for the settlement of dues of the defaulter members, including investors claim, if any (notes 20.4 and 19.1).

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

25.4 Included herein are (a) a sum of Rs. 0.500 (June 30, 2018: Rs. 0.500) million, representing provision in respect of the assessed liability for the assessment year 1999-2000 and (b) a sum of Rs. 1.184 (June 30, 2018: Rs. 1.184) million, representing provision for the assessment year 2000-2001 the assessment of which is currently pending finalisation by the relevant tax authorities.

Further, the Inspecting Additional Commissioner raised an additional demand of Rs.19.184 million in respect of assessment years 1996-97 to 1999-2000 against which various appeals have been filed by the Company with the Income Tax Appellate Tribunal (ITAT). During the year ended June 30, 2002, the ITAT on appeals filed by the Company allowed relief to the Company by cancelling the wealth tax orders and allowing exemption under the Wealth Tax Act 1963. Against this decision of the ITAT, during the year ended June 30, 2007, the Income Tax Department filed an appeal with the Honourable High Court of Sindh against the order issued by the ITAT. Pending the resolution of these matters, no provision has been made in these financial statements for a sum of Rs.19.184 (June 30, 2018: Rs.19.184) million (note 26.1.1).

- 25.5** This includes an amount of Rs.3.364 (30 June 2018: 7.339) million with respect to 1% of the total revenue of the Company. The said amount is booked as liability as required under clause 5(iii)(b) of the Centralized Customer Protection Fund Regulations 2016 promulgated in April, 2017 .

	June 30, 2019	June 30, 2018
	----- (Rupees in '000) -----	
25.6 Employees' Gratuity Fund	124,184	111,225

25.6.1 Principal actuarial assumptions

Significant actuarial assumptions used in the valuation are as follows:

	June 30, 2019	June 30, 2018
	----- (% Per annum) -----	
Discount rate	14.25%	9.00%
Increase in salaries	8.20%	4.35%
Expected return on plan assets	14.25%	9.00%

Demographic Assumptions

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

25.6.2 Liability recognised in the balance sheet:

Present value of obligation	205,990	233,403
Fair value of plan assets	(81,806)	(122,178)
	124,184	111,225

25.6.3 Expense recognised in profit and loss account:

Current service cost	20,438	21,046
Interest cost	17,655	15,783
Expected return on plan assets	(9,257)	(10,423)
	28,836	26,406

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25.6.4 Movement in the liability recognised in the balance sheet:

	June 30, 2019	June 30, 2018
	----- (Rupees in '000) -----	
Opening balance	111,225	79,490
Charge for the year	28,836	26,406
Actuarial loss recognised in other comprehensive income	19,955	25,974
Contribution	(35,832)	(20,645)
Closing balance	124,184	111,225

----- (% Per annum) -----

25.6.5 Actual return on plan assets

-1.41%	5.23%
--------	-------

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

25.6.6.1 Movement of present value of defined benefit obligation

	June 30, 2019	June 30, 2018
	----- (Rupees in '000) -----	
Opening balance	233,403	234,390
Current service cost	20,438	21,046
Interest cost	17,655	15,783
Total benefits paid	(74,482)	(61,464)
Actuarial loss on obligation	8,976	23,648
Closing balance	205,990	233,403

25.6.6.2 Movement of fair value of plan assets

Opening balance	122,178	154,900
Return on plan assets	9,257	10,423
Contributions	35,832	20,645
Benefits paid by the fund	(74,482)	(61,464)
Actuarial gain / (loss) on assets	(10,978)	(2,326)
Closing balance	81,806	122,178

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

Actuarial loss on obligation	(8,976)	(23,648)
Actuarial (loss) / gain on assets	(10,978)	(2,326)
	(19,954)	(25,974)

25.6.8 Constituents of plan assets

	Fair Value as at June 30, 2019		Fair Value as at June 30, 2018	
	(Rupees in '000)	%	(Rupees in '000)	%
Government securities	81,450	99.57%	109,706	89.79%
Cash and net current assets	356	0.43%	12,472	10.21%
	<u>81,806</u>	<u>100%</u>	<u>122,178</u>	<u>100%</u>

25.6.9 Historical information

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
	----- (Rupees in '000) -----				
Present value of defined benefit obligation	205,990	233,403	234,390	221,006	189,170
Fair value of plan assets	(81,806)	(122,178)	(154,900)	(153,377)	(130,940)
Funding surplus	<u>124,184</u>	<u>111,225</u>	<u>79,490</u>	<u>67,629</u>	<u>58,230</u>
Experience adjustment on plan liabilities	(8,976)	(23,648)	(15,494)	(10,541)	(21,819)
Experience adjustment on plan assets	(10,978)	(2,326)	5,089	(1,802)	8,207

25.6.10 Maturity profile of the defined benefit obligation

	June 30, 2019	June 30, 2018
	----- (Rupees in '000) -----	
Distribution of timing of benefit payments within the next 12 months (next annual reporting period)	26,681	29,823
between 2 and 5 years	52,397	57,253
between 6 and 10 years	136,075	585,741
Beyond 10 years	535,045	108,330

25.6.11 Sensitivity Analysis on significant actuarial assumptions: Actuarial Liability

	Present value of Defined Benefit Obligation (Rupees in '000)	Percentage change
Discount Rate +1%	196,684	-4.52%
Discount Rate -1%	216,168	4.94%
Long Term Salary Increases +1%	216,662	5.18%
Long Term Salary Increases -1%	196,101	-4.80%

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25.7 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.

26. CONTINGENCIES AND COMMITMENTS

26.1 Tax related contingencies

26.1.1 Contingency relating to wealth tax amounts to Rs.19.184 (June 30, 2018: Rs 19.184) million is discussed in detail in note 25.4. Pending resolution of this matter, no provision has been made in these financial statements for any liability that may arise on this account.

26.1.2 Contingencies relating to 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	During the previous year, PSX received show cause notice from Sindh Revenue Board dated 13th April, 2018 pertaining to Tax year 2012 claiming Sindh Sales Tax (SST) amounting to Rs.50,516,800/- along with default surcharge. SRB has served these notices on the understanding that PSX has provided/rendered taxable services covered under tariff heading 9825.0000 and 98.13 of Second Schedule to the Sindh Sales Tax Act, 2011 and therefore such services should have been taxed and deposited accordingly. In view of the same, case has been filed against the above notice received by SRB, however, PSX's legal advisor is of the view that show cause notice issued from SRB is time barred and the period for calling such information in terms of Section 23 of Sindh Sales Tax On Service Act, 2011 is five years. Hence, no provision in this respect has been made in the financial statements.
2	C.P. # 3602	High Court of Sindh	2018	PSX vs SRB	During the previous year, PSX received show cause notice from Sindh Revenue Board dated 25th April, 2018 pertaining to Tax year 2013 claiming Sindh Sales Tax (SST) amounting to Rs.56,204,640/- along with default surcharge. SRB has served these notices on the understanding that PSX has provided/rendered taxable services covered under tariff heading 9825.0000 and 98.13 of Second Schedule to the Sindh Sales Tax Act, 2011 and therefore such services should have been taxed and deposited accordingly. In view of the same, case has been filed against the above notice received from SRB, however, PSX's legal advisor is of the view that show cause notice issued by SRB is time barred and the period for calling such information in terms of Section 23 of Sindh Sales Tax On Service Act, 2011 is five years. Hence, no provision in this respect has been made in the financial statements.
3	C.P. # 3421	High Court of Sindh	2019	PSX vs SRB	During the year, 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	During the year, 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	During the year, 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.

26.2 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	08-09-97	Naeem Rana & 5 Others vs. 1. M. Rashid Jamal (MRJ) 2. Faisal Jamal 3. PSX	A lawsuit was filed by five investors against the Company and an ex-member for declaration, injunction and recovery of damages, aggregating to Rs.70.00 (June 30, 2018: 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	06-01-00	Mohammad Hanif Moosa vs. 1. PSX 2. CDC 3. SECP	An ex-member filed a lawsuit against the Company, CDC and the SECP, in the Honourable High Court of Sindh, for cancelling his membership and declaring him as a defaulter for a claim of Rs.300 (June 30, 2018: Rs.300) million, from each. The Company is of the view that the ex-member was declared as a defaulter in accordance with its regulations as the said member had not made payments to settle his liability to the Company for the ready clearing dues and exposure and losses aggregating to Rs.351.392 (June 30, 2018: Rs.351.392) million. A sum of Rs.302.882 (June 30, 2018: Rs.302.882) million, including Rs 6.574 (June 30, 2018: 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	Suit # 735/2000	High Court of Sindh	06-02-00	Pak Emerging Venture Limited (PEVL) vs. 1. Mohammad Hanif Moosa 2. PSX	Subsequently, a fund management and investment company filed a lawsuit in the Honourable High Court of Sindh against the above mentioned ex-member, CDC, SECP and the Company. The petitioners, alleged that the company had unlawfully taken the delivery of shares for which the petitioners had entered into that the Company had unlawfully taken the delivery of shares for which the petitioners had entered into contracts for purchase with the ex-member. The petitioners claimed declaration, injunction and delivery of the undelivered shares and damages of Rs.500 (June 30, 2018: 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.

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S.no	Case Number	Name of the Court/ Agency/ Authority	Date Instituted	Principal Parties	Description	Relief Sought
4	Suit No. 1388/ 2008	High Court of Sindh	30/9/2008	M/s. Investec Securities (Pvt) Ltd Vs. PSX, SECP & CDC	As a result of a dispute between the Company and a member (suspended), whereby the member (suspended) was not sharing certain information relating to trading of shares, the Company complained to the SECP and the member (suspended) fearing about any coercive action by the Company and SECP, filed a suit against the Company in the Honourable High Court of Sindh. However, the SECP before filing the law suit by the member, had already suspended the license of the brokerage of the member. The member (suspended) has filed the above law suit for declaration, permanent injunction, mandatory injunction and damages of Rs.2,000 (June 30, 2018: Rs.2,000) million against the Company. The legal advisor of the Company considers that above mentioned lawsuit is expected to be decided in favour of the Company. Hence, no provision has been made in the financial statements for any liability that may arise as a result of these lawsuits.	The Plaintiff has claimed in the suit damages as follows: - i) Damages against PSX to the amount of Rs.100,000,000/- ii) Damages against PSX and SECP to the amount of Rs.1,900,000,000/- due to keeping the Plaintiff's membership suspended beyond the scope of Order dated 9-10-2003.
5	C.P. # 786/2008	High Court of Sindh	30/4/2008	PSX Vs Fed. Of Pakistan Competition Commission of Pak.	The Islamabad Stock Exchange (Guarantee) Limited filed a complaint with the Competition Commission of Pakistan (CCP) against the Company alleging abuse of its dominant position in securities market in contravention of Section 3 of the Competition Ordinance, 2007. The CCP passed directed the Company to take corrective measures along with the other exchanges of Pakistan and in case of failure to comply with the direction of the CCP, the Company will be liable to pay a penalty of Rs. 50 (June 30, 2018: Rs.50) million and additional penalty of Rs.250,000 per day for each day of non-compliance. The Company has filed an appeal before the Supreme Court against the CCP's Order. As per the legal advisor, the Company has a reasonable case in respect of the above. Hence, no provision for any liability which may arise in this regard has been made in the financial statements.	Islamabad Stock Exchange had filed a complaint with Competition Commission against PSX alleging abuse of its dominant position in securities market in contravention of Section 3 of the Competition Ordinance, 2007. PSX filed its reply to the Commission. However, the Commission, without giving due consideration to the PSX's reply, issued a Show Cause Notice to PSX for taking action under the Ordinance. Thereupon, PSX filed this Petition in the Court seeking its order, among others, for declaring the Show Cause Notice as unlawful.
6	Suit No.1086 /2017	High Court of Sindh	26/4/2017	PSX Vs. KW&SB & Others	During the 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.
7	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, mala fide 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;

S.no	Case Number	Name of the Court/ Agency/ Authority	Date Instituted	Principal Parties	Description	Relief Sought
8	Suit # 480/2003	High Court of Sindh	2003	M/s. Diamond Industries Ltd. vs. Mr. Arif Habib Mr. Salim Chamdia Mr. Aqeel Karim Dhedhi Mr. A. Ghaffar Usman Moosani Mr. Shahid Ghaffar PSX, SECP & CDC	This is a suit for Declaration, Injunction and Damages amounting to about Rs. 10.0 billion. The Plaintiff has alleged that he was carrying out shares trading through Mr. Hanif Moosa who was declared defaulter due to illegal act of PSX and its office bearers/management and thereby they suffered heavy losses. Written statement has been filed by us. The case fixed for hearing of application is being adjourned from time to time on the request of Plaintiff's advocate.	However, a decree of only Rs. 743.026 million has been sought against the PSX.
9	Suit # 481/2003	High Court of Sindh	2003	Mr. Iftikhar Ahmed Shafi vs. Mr. Arif Habib Mr. Salim Chamdia Mr. Shahid Ghaffar PSX, SECP & CDC	This is a suit for Declaration, Injunction and Damages for about Rs. 5.0 billion. It has been alleged in the suit that the Defendants manipulated the prices of securities, as a result Mr. Hanif Moosa, Member-PSX who was holding his shares defaulted 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.	In addition, a decree for about Rs. 306 million has also been sought against the PSX.
10	Suit # 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.
11	Suit # 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.

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S.no	Case Number	Name of the Court/ Agency/ Authority	Date Instituted	Principal Parties	Description	Relief Sought
12	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>

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

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

The cumulative financial impact of these various litigations is estimated to be Rs. 45.190 (June 30, 2018 restated : Rs. 45.190) million. .

The total cumulative impact of contingencies stated in note 26.2 and 26.2.1 amounts to Rs 11,345 (June 30, 2018 : Rs. 9,846,101) 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

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

26.3 Commitments

Aggregate commitments for capital expenditure at June 30, 2019 were Rs. Nil (June 30, 2018: Rs 7.589) million.

	Note	June 30, 2019	June 30, 2018
----- (Rupees in '000) -----			
27. LISTING FEE			
Annual fees		294,427	213,888
Initial / first year fee		83,832	122,141
		<u>378,259</u>	<u>336,029</u>
28. INCOME FROM EXCHANGE OPERATIONS			
Trading fee	28.1	163,401	208,759
Facilities and equipment fee		141,730	115,934
Income from non-trading facilities		44,615	44,755
Membership fee		3,211	3,700
Other fee		3,140	4,227
		<u>356,097</u>	<u>377,375</u>
28.1	The Company uses automated securities trading systems (known as 'KATS'), which process significant volumes of trading transactions on a real-time basis. the revenue recognition of these fees rely on the KATS trading data processing which involves automated controls, system generated information and system interfaces. The Company operates under IT Governance framework and follows well defined policies in relation to controls over IT applications and related processes such policies and controls are subject to review of IT Steering Committee and the Audit Committee of the exchange.		
28.2	During the period, the performance of the stock market presented a downwards trend as compared to comparative period, having an adverse impact on the traded value and volumes and consequently the trading fee revenue declined by 22%.		
29. MARK-UP / INTEREST INCOME		June 30, 2019	June 30, 2018
----- (Rupees in '000) -----			
Return on:			
Government securities		109,158	82,808
PLS saving accounts		23,477	33,888
		<u>132,635</u>	<u>116,696</u>

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 FOR THE YEAR ENDED JUNE 30, 2019

	Note	June 30, 2019	June 30, 2018 (Restated)
----- (Rupees in '000) -----			
30. ADMINISTRATIVE EXPENSES			
Salaries and other benefits	30.1	506,039	478,016
Rent, rates and taxes		26,250	26,592
Fuel and power		47,682	60,345
Repairs and maintenance		53,148	51,127
Computer maintenance and related expenses		122,694	117,158
Insurance		17,989	18,027
Telephone, courier and postage		6,117	6,511
Printing and stationery		5,657	10,528
Donations	30.2	1,817	-
Auditors' remuneration	30.3	4,534	6,477
Legal and professional charges		33,653	33,297
Demerger expense		4,096	-
Depreciation	7.1	154,370	137,481
Amortisation	8.1	63,782	52,180
Travelling and conveyance		15,525	22,860
General office expense		5,556	6,409
Receptions, meetings and functions		21,586	20,431
Advertisement, marketing and development		14,987	10,231
SECP supervision fee		7,068	6,685
Provision for trade debts considered doubtful - net	15.1	4,552	3,217
Security expenses		21,967	22,943
Subscription fee		15,774	4,359
Training and development		3,813	1,542
Other expenses		28,924	29,984
		<u>1,187,580</u>	<u>1,126,400</u>

30.1 Included herein is a sum of Rs.28.836 (June 30, 2018: Rs.26.406) million in respect of retirement benefits.

30.2 Donations are paid to Diamer Bhasha and Mohmand Dam Fund, World Wide Fund and Family Educational Services as per the policy approved by Board of Directors, in which none of the directors of the Company is interested in any capacity.

	Note	June 30, 2019	June 30, 2018
		----- (Rupees in '000) -----	
30.3 Auditors' remuneration			
Special audit		854	-
Annual audit		962	777
Half yearly review		291	267
Review of code of corporate governance		55	55
Certification for agreed upon procedure		884	1,754
Dividend remittance certification		54	54
Free float of shares certification		81	81
Certification on reconciliation with CDC register		43	43
Taxation and special certification		1,180	3,316
Out of pocket expenses		130	130
		<u>4,534</u>	<u>6,477</u>
31. OTHER CHARGES			
Bank charges		75	344
		<u>75</u>	<u>344</u>
32. OTHER INCOME			
Bad debts recovered		1,164	448
Gain on sale of fixed asset		1,099	357
Exchange Gain		5,229	1,479
Income from sale of debris and scrap		1,395	2,957
Dividend from associates		1,750	-
Others		3,021	288
		<u>13,658</u>	<u>5,529</u>
33. TAXATION			
Current		24,028	53,994
Prior		(19,435)	(1,021)
Deferred		(528)	(1,930)
	33.1	<u>4,065</u>	<u>51,043</u>
33.1	The numerical reconciliation is not provided as the tax charge of the Company is mainly comprise of minimum tax and tax at reduced rates under the relevant sections of Income Tax Ordinance, 2001.		

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FOR THE YEAR ENDED JUNE 30, 2019

- 33.2** The company computes tax based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available which can be analysed as follows:

	June 30, 2019	
	Provision for taxation	Tax assessed
	----- (Rupees in '000) -----	
2018	53,994	53,994
2017	82,734	77,713
2016	77,138	77,138
	June 30, 2019	June 30, 2018
	----- (Rupees in '000) -----	

34. BASIC AND DILUTED EARNINGS PER SHARE

Profit after taxation	88,184	62,038
	(Numbers in '000)	
Weighted average number of ordinary shares outstanding during the year	801,476	801,476
	(Rupees)	
Basic and diluted earnings per share (Rupees)	0.11	0.08

35. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

	June 30, 2019			
	Chief Executive Officer	Directors	Executives	Total
	----- (Rupees in '000) -----			
Managerial remuneration	37,855	-	238,788	276,643
Annual performance payout	4,500	-	-	4,500
Gratuity	6,823	-	10,478	17,301
Fees	-	18,800	-	18,800
	49,178	18,800	249,266	317,244
Number	*2	15	60	

	June 30, 2018 (Restated)			
	Chief Executive Officer	Directors	Executives	Total
	----- (Rupees in '000) -----			
Managerial remuneration	17,806	-	216,372	234,178
Annual performance payout (see note 35.2)	-	-	8,056	8,056
Ex-Gratia	855	-	-	855
Gratuity	6,940	-	9,668	16,608
Fees	-	15,750	-	15,750
	<u>25,601</u>	<u>15,750</u>	<u>234,096</u>	<u>275,447</u>
Number	<u>*2</u>	<u>14</u>	<u>51</u>	

- 35.1** The Managing Director of the Company was also provided with the free use of Company owned and maintained car along with furnished accommodation.

*During the year i.e. July 2018 - June 2019, Company Secretary was appointed in the capacity of Acting Managing Director from June 12, 2019.

- 35.2** 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, 2018 and therefore, it has been reflected in the corresponding figures now.

36. 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.

- 36.1** Following are the details of transactions with related parties during the year ended June 30, 2019 and June 30, 2018:

	June 30, 2019	June 30, 2018
	----- (Rupees in '000) -----	
Listing Fee		
Common Directorship		
Shell Pakistan Limited	1,055	704
IGI Life Insurance	743	-
Cyan Limited	554	434
Ghani Global Glass Limited	489	-
Ghani Value Glass	427	-
Ghani Automobile	309	-
Ghani Gases Limited	764	-
Ghani Glass Mills Limited	2,269	-

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	June 30, 2019	June 30, 2018
	----- (Rupees in '000) -----	
ZIL Corporation Limited	363	-
Fauji Fertilizer Company Limited	1,287	-
National Bank of Pakistan	-	1,005
National Refinery Limited	-	700
Engro Corporation Limited	-	1,079
Pak Suzuki Motor Company Limited	-	688
Archroma Pakistan Limited	-	617
KSB Pumps Limited	-	435
Standard Chartered Bank (Pakistan) Limited	-	823
Merit Packaging Limited	-	724
Summit Bank Limited	-	9,820
GlaxoSmithkline Pakistan Limited	-	1,381
Wyeth Pakistan Limited	-	439
The Searle Company Limited	-	1,136

Associate Company

Habib Bank Limited (HBL)	1,844	1,500
	<u>10,104</u>	<u>21,485</u>

Facilities and Equipment Fee:

Common Directorship

Shell Pakistan Limited	8	8
IGI Life Insurance	8	-
Cyan Limited	8	8
Ghani Global Glass Limited	8	-
Ghani Value Glass	8	-
Ghani Automobile	8	-
Ghani Gases Limited	8	-
Ghani Glass Mills Limited	8	-
ZIL Corporation Limited	8	-
Fauji Fertilizer Company Limited	8	-
Shehzad Chamdia Securities (Pvt.) Limited	123	24
Engro Corporation Limited	-	8
Standard Chartered Bank (Pakistan) Limited	-	8
Archroma Pakistan Limited	-	8
KSB Pumps Limited	-	8
National Refinery Limited	-	8
National Bank of Pakistan	-	104
Pak Suzuki Motor Company Limited	-	8

	June 30, 2019	June 30, 2018
	----- (Rupees in '000) -----	
Merit Packaging Limited	-	8
Wyeth Pakistan Limited	-	8
The Searle Company Limited	-	8
GlaxoSmithkline Pakistan Limited	-	15
Summit Bank Limited	-	238
Associate Company		
Habib Bank Limited (HBL)	249	275
	<u>452</u>	<u>744</u>
Miscellaneous Income (Diary Advertisement)		
Common Directorship		
Fauji Fertilizer Company Limited	100	-
Pak Suzuki Motor Company Limited	-	100
	<u>100</u>	<u>100</u>
LAN Connectivity Charges		
Associate Company		
National Clearing Company of Pakistan Limited (NCCPL)	6,402	44,885
	<u>6,402</u>	<u>44,885</u>
Dividend income		
Associate Company		
Central Depository Company of Pakistan Limited (CDCPL)	63,348	72,843
National Clearing Company of Pakistan Limited (NCCPL)	-	94,925
VIS- Credit Rating Company Limited	1,750	-
	<u>65,098</u>	<u>167,768</u>
Income from investment property		
Associate Company		
Central Depository Company of Pakistan Limited (CDCPL)	4,810	5,917
National Clearing Company of Pakistan Limited (NCCPL)	17,006	15,460
Habib Bank Limited (HBL)	14,837	13,488
	<u>36,653</u>	<u>34,865</u>
Miscellaneous Income (Auditorium rent)		
Associate Company		
Central Depository Company of Pakistan Limited (CDCPL)	38	-
National Clearing Company of Pakistan Limited (NCCPL)	48	-
	<u>86</u>	<u>-</u>

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	June 30, 2019	June 30, 2018
	----- (Rupees in '000) -----	
Associate Company		
Income from Marginal Trading System - NCCPL	24,330	27,699
Associate Company		
CDC fees - CDCPL	987	6,690
Retirement benefit plan		
Payment made to gratuity fund during the year	35,832	26,406
	35,832	26,406
Profit received on PLS Accounts		
Associate Company		
Habib Bank Limited (HBL)	6	3
	6	3
Dividend Paid		
Associate Company		
Shanghai Stock Exchange	-	16,030
Shenzhen Stock Exchange	-	10,018
China Financial Futures Exchange	-	34,064
Pak China Investment Company Limited	-	10,018
Habib Bank Limited (HBL)	-	10,018
	-	80,148
Reimbursement of Expenses		
Associate Company		
China Financial Futures Exchange	16,661	-
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	
Afsheen Khan	Acting Head of Information Security	

36.2 Following are the details of outstanding balances with related parties for the year ended June 30, 2019 and for the year ended June 30, 2018:

	June 30, 2019	June 30, 2018
----- (Rupees in '000) -----		
Facilities and Equipment Receivable		
Common Directorship		
UBL Fund Managers Limited	52	-
Ghani Global Glass Limited	7	-
	<u>59</u>	<u>-</u>
LAN Connectivity Charges Receivable		
Associate Company		
National Clearing Company of Pakistan Limited (NCCPL)	<u>1,152</u>	<u>-</u>
Facilities & Equipment receivable		
Associate Company		
Habib Bank Limited (HBL)	<u>-</u>	<u>1</u>
Associate Company		
Receivable from Margin Trading System - NCCPL	<u>13,066</u>	<u>16,866</u>
Retirement benefit plan		
Payable to gratuity fund	<u>3,144</u>	<u>10,492</u>
Receivable against Expenses		
Associate Company		
China Financial Futures Exchange	<u>3,691</u>	<u>-</u>

37. FINANCIAL RISK MANAGEMENT

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

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

37.1 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.

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37.2 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, 2019				
Interest / mark-up bearing				
Effective yield / mark-up rate %	Upto six months	More than six months	Total	
----- (Rupees in '000) -----				
Financial assets				
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
June 30, 2018				
Interest / mark-up bearing				
Effective yield / mark-up rate %	Upto six months	More than six months	Total	
----- (Rupees in '000) -----				
Financial assets				
Government Securities	6.04 - 8.97	1,666,198	232,265	1,898,463
Cash and bank balances	1.73 - 5.50	412,971	-	412,971
		2,079,169	232,265	2,311,434

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.

Change in basis point	Effect on profit	
	June 30, 2019	June 30, 2018
----- (Rupees in '000) -----		
+ 100	20,743	23,114
- 100	(20,743)	(23,114)

37.3 Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of change in foreign exchange rates relates only to the bank balance in saving accounts maintained in US dollars amounting to Rs. 20.250 (June 30, 2018: Rs.14.224) million [US dollars 0.123 (June 30, 2018: US dollars 0.117) 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) -----	
June 30, 2019	+10%	2,025	2,025
	-10%	(2,025)	(2,025)
June 30, 2018	+10%	1,422	1,422
	-10%	(1,422)	(1,422)

37.4 Credit risk

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

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

	Note	June 30, 2019	June 30, 2018
		----- (Rupees in '000) -----	
Financial assets			
Government Securities			
- Market treasury bills		1,497,907	1,666,198
- Pakistan Investment Bonds (PIBs)		240,305	-
Cash at bank		243,515	413,073
Trade debts	37.4.2	90,099	57,581
Loans and advances		19,754	19,698
Long term deposits		43,933	41,896
Other receivables		113,369	130,808
		<u>2,248,882</u>	<u>2,329,254</u>

PAKISTAN STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

37.4.2 This includes trade debts of Rs. 0.477 million which are past due but not impaired.

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

	June 30, 2019	June 30, 2018
	----- (%) -----	
Ratings *		
AAA	13.13	11.12
AA+	85.23	84.24
AA-	1.64	4.64
	<u>100.00</u>	<u>100.00</u>

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

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

	Financial assets (other than investments) - At amortized cost	Debt investments at amortized cost	Equity investments at fair value through OCI	Financial liabilities at amortized cost	Total
	----- (Rupees in '000) -----				
Financial assets					
Cash and bank balances	243,585	-	-	-	243,585
Investments - net	-	1,830,874	86,903	-	1,917,777
Loans and advances	21,164	-	-	-	21,164
Trade debts	90,099	-	-	-	90,099
Other receivables	106,334	-	-	-	106,334
Financial liabilities					
Long term deposits	-	-	-	299,859	299,859
Other liabilities	-	-	-	926,652	926,652

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

37.5 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, 2019			
	On demand	Upto three months	More than one year	Total
	(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

	June 30, 2018 (Restated)			
	On demand	Upto three months	More than one year	Total
	(Rupees in '000)			
Long term deposits	250,158	-	3,480	253,638
Trade and other liabilities	1,036,221	-	-	1,036,221
Total	1,286,379	-	3,480	1,289,859

37.6 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.

37.7 Fair value hierarchy

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

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

PAKISTAN STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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, 2019			Total
	Level 1	Level 2	Level 3	
	(Rupees in '000)			
Financial and non-financial assets measured at fair value				
Property and equipment	-	4,066,216	-	4,066,216
Investment property	-	548,094	-	548,094
Financial assets at 'fair value through OCI'				
Investments *	-	-	86,903	86,903

*As at June 30, 2019, the Company's long term investments are in unquoted securities (see note 11), 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 Pakistan Mercantile Exchange Limited (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 5% and discount rate 23.14%. 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.

38. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on August 28, 2019 by the Board of Directors of the Company.

39. NUMBER OF EMPLOYEES

39.1 The number of employees as at June 30, 2019 were 238 (June 30, 2018: 263).

39.2 Average number of employee during the year as at June 30, 2019 were 253 (June 30, 2018 :269).

40. GENERAL

- 40.1** The Board of Directors in their meeting held on August 28, 2019 proposed no final cash dividend for the financial year ended June 30, 2019 (June 30, 2018: Nil%) i.e. Re Nil (June 30, 2018: Re Nil) per, amounting to Rs Nil (June 30, 2018 : Rs Nil) for the approval of the shareholders in the Annual General Meeting to be held on October 10, 2019.
- 40.2** Figures have been rounded off to the nearest thousand rupees.
- 40.3** There are no significant reclassifications / restatements of corresponding figures other than as disclosed in note 4.2 to the financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

PATTERN OF SHAREHOLDING

As at June 30, 2019

Number of Shareholders	Shareholdings	Total Shares Held	Number of Shareholders	Shareholdings	Total Shares Held
154	1 to 100	3,238	6	230000 to 235000	1,392,051
407	101 to 500	198,693	1	240001 to 245000	241,500
347	501 to 1000	341,812	1	250000 to 255000	250,000
444	1001 to 5000	1,316,183	2	270000 to 275000	543,000
144	5001 to 10000	1,177,743	1	280001 to 285000	282,587
48	10001 to 15000	628,401	10	300000 to 305000	3,004,231
41	15001 to 20000	771,852	3	305001 to 310000	922,500
31	20001 to 25000	746,500	2	310001 to 315000	626,000
20	25001 to 30000	569,500	2	320000 to 325000	640,000
10	30001 to 35000	339,000	2	330000 to 335000	660,058
7	35001 to 40000	272,117	1	345001 to 350000	346,908
8	40001 to 45000	356,000	1	350001 to 355000	353,846
19	45001 to 50000	946,500	1	355001 to 360000	356,908
5	50001 to 55000	269,500	1	360001 to 365000	360,785
5	55001 to 60000	292,500	1	365001 to 370000	367,500
6	60001 to 65000	380,500	1	375001 to 380000	379,083
8	70000 to 75000	577,228	1	390001 to 395000	393,500
2	75001 to 80000	158,000	1	400000 to 405000	400,000
4	80001 to 85000	332,500	1	475001 to 480000	478,238
3	85001 to 90000	266,665	2	495001 to 500000	991,166
2	90001 to 95000	188,500	1	515001 to 520000	517,528
36	95001 to 100000	3,576,254	4	520001 to 525000	2,087,027
2	100001 to 105000	200,679	1	530001 to 535000	530,528
11	105001 to 110000	1,179,306	1	550001 to 555000	552,953
3	110001 to 115000	338,486	2	600000 to 605000	1,200,000
4	115001 to 120000	466,216	1	625001 to 630000	629,460
1	120001 to 125000	122,670	1	660001 to 665000	662,285
1	125001 to 130000	129,500	1	705001 to 710000	707,693
2	135000 to 140000	271,000	1	740001 to 745000	740,500
2	140001 to 145000	281,987	1	750000 to 755000	750,000
5	150000 to 155000	754,500	4	800000 to 805000	3,202,993
2	160000 to 165000	321,617	1	870001 to 875000	870,400
1	165001 to 170000	165,500	1	900001 to 905000	902,953
3	170001 to 175000	519,053	1	930000 to 935000	930,000
3	175001 to 180000	533,422	1	990001 to 995000	991,166
1	185001 to 190000	186,000	1	1020001 to 1025000	1,024,991
8	195000 to 200000	1,588,872	3	1070001 to 1075000	3,217,275
1	200001 to 205000	200,369	1	1075001 to 1080000	1,077,184
3	205001 to 210000	625,264	34	1080001 to 1085000	36,770,148
1	210001 to 215000	213,000	3	1085001 to 1090000	3,261,953
2	215001 to 220000	433,000	4	1100001 to 1105000	4,411,812
1	220001 to 225000	222,967	1	1110001 to 1115000	1,113,453

Number of Shareholders	Shareholdings	Total Shares Held
1	1140001 to 1145000	1,142,953
2	1150001 to 1155000	2,305,453
1	1155001 to 1160000	1,159,458
1	1165001 to 1170000	1,166,121
2	1200001 to 1205000	2,406,147
1	1215001 to 1220000	1,219,941
1	1250001 to 1255000	1,252,953
1	1255001 to 1260000	1,256,453
2	1300001 to 1305000	2,607,406
1	1320001 to 1325000	1,320,183
1	1325001 to 1330000	1,326,453
1	1350001 to 1355000	1,350,619
1	1375001 to 1380000	1,377,953
1	1380001 to 1385000	1,381,194
1	1395001 to 1400000	1,397,453
1	1400001 to 1405000	1,402,953
2	1415001 to 1420000	2,837,943
1	1430001 to 1435000	1,431,500
1	1445001 to 1450000	1,446,953
1	1490001 to 1495000	1,494,184
2	1500000 to 1505000	3,002,953
1	1540001 to 1545000	1,542,553
2	1550000 to 1555000	3,102,953
2	1570001 to 1575000	3,145,906
19	1585001 to 1590000	30,209,007
1	1590001 to 1595000	1,591,500
1	1595001 to 1600000	1,597,953
56	1600001 to 1605000	89,765,268
1	1610001 to 1615000	1,613,953
1	1625001 to 1630000	1,627,953
2	1640001 to 1645000	3,287,387
1	1645001 to 1650000	1,649,953
1	1750001 to 1755000	1,752,953
1	1765001 to 1770000	1,769,940
1	1785001 to 1790000	1,788,953
3	1800000 to 1805000	5,403,406
1	1850001 to 1855000	1,852,953
18	1900001 to 1905000	34,254,154
1	1965001 to 1970000	1,965,953
2	2000001 to 2005000	4,005,906
1	2010001 to 2015000	2,014,953
1	2080001 to 2085000	2,081,194

Number of Shareholders	Shareholdings	Total Shares Held
1	2105001 to 2110000	2,106,194
1	2115001 to 2120000	2,117,853
1	2160001 to 2165000	2,162,772
2	2200001 to 2205000	4,405,906
1	2500000 to 2505000	2,500,000
1	2515001 to 2520000	2,515,953
1	2700001 to 2705000	2,704,380
1	2900000 to 2905000	2,900,000
1	2935000 to 2940000	2,935,000
1	3000001 to 3005000	3,001,000
1	3300001 to 3305000	3,303,887
1	3350000 to 3355000	3,350,000
1	3365001 to 3370000	3,369,965
1	4500000 to 4505000	4,500,000
1	4845001 to 4850000	4,849,198
1	7200000 to 7205000	7,200,000
1	8115001 to 8120000	8,116,600
2	9600000 to 9605000	19,200,000
1	12800000 to 12805000	12,800,000
1	15125001 to 15130000	15,125,500
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
2089		801,476,600

CATEGORIES OF SHAREHOLDERS

As at June 30, 2019

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, their spouse(s) and minor children(s)			
Mr. Muhammad Ashraf Bawany	1	1,000	0.00%
Mr. Shehzad Chamdia	1	500	0.00%
Mr. Ahmed Chinoy	1	100	0.00%
Mr. Muhammad Abid Ali Habib	1	100	0.00%
Associated Companies, Undertakings and Related Parties			
China Financial Futures Exchange Company Limited	1	136,251,022	17.00%
Pak China Investment Company Limited	1	40,073,830	5.00%
Shehzad Chamdia Securities (Private) Limited	1	1,081,953	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	9,958,389	1.24%
General Public			
Local	1788	40,229,605	5.02%
Foreign	-	-	0.00%
Others			
Joint Stock Companies	263	300,119,297	37.45%
Foreign Companies	19	224,690,261	28.03%
Total	2089	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



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

Independent Reasonable Assurance Report to Pakistan Stock Exchange Limited on the Operations and IT Systems

Introduction

We were engaged by Pakistan Stock Exchange Limited (the Exchange) in accordance with the requirement of regulation 16 (7) of the Securities Exchanges (Licensing and Operations) Regulations, 2016 (the Regulations) to carry out annual Operations and IT systems audit for the year beginning 1 July 2018 and ending 30 June 2019 (the period) in compliance with the requirements as stipulated in para 1 of Annexure III of the Regulations.

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

Management's Responsibilities

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

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 and due care, confidentiality and professional behaviour.

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.

100M 370



KPMG Taseer Hadi & Co.

Our Responsibilities

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

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

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

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

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

Inherent limitations

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

KPMG



KPMG Taseer Hadi & Co.

Opinion

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

- a) the description fairly presents the Operations and IT systems as designed and implemented throughout the period from 1 July 2018 to 30 June 2019;
- b) the control objectives were suitably designed throughout the period from 1 July 2018 to 30 June 2019; and
- c) the controls tested, 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 2018 to 30 June 2019.

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.

30 AUG 2019

Date:
Karachi

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



PAKISTAN 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 3825

Section 1

Management Assertions - Independent Reasonable Assurance Report to Pakistan Stock Exchange Limited 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 1 July 2018 to 30 June 2019. We confirm, to the best of our knowledge and belief, that;

- A. The description fairly presents the system made available to user entities of the system during some or all of the period 1 July 2018 to 30 June 2019 for processing their transactions and management of their service. The criteria we used in making this assertion were that the accompanying description:
1. Presents how the systems made available to user entities was designed and implemented to process relevant transactions, including:
 - The types of services provided and classes of transactions processed;
 - The procedures, within both automated and manual systems, by which those transactions are initiated, authorized, recorded, processed, corrected as necessary, and transferred to the reports presented to user entities of the system.
 - The related records, supporting information, and specific accounts that are used to initiate, authorize, record, process, and report transactions; this includes the correction of incorrect information and how information is transferred to the reports presented to user entities of the system.
 - How the system captures significant events and conditions, other than transactions.
 - The process used to prepare reports provided to user entities' of the system.
 - Specified control objectives and controls apart from where identified in this report are designed to achieve those objectives.
 - The process used to prepare reports or other information provided to the user entities;
 - Other aspects of our control environment, risk assessment process, information and communication systems (including the related business processes), control activities, and monitoring controls other than those requiring further improvement based on the observations identified in this report that are relevant to processing and reporting transactions of user entities of the system.



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Ref. No. PSX/ _____

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 II of this letter) were suitably designed and operated effectively throughout the period 1 July 2018 to 30 June 2019 to achieve those control objectives except for those matters within the service auditor's assurance report.
- B. The description of Operations and IT Systems (stated in Section 2 of this letter) includes relevant details of changes to the Exchange's system during the audit period covered.
- C. The controls related to the control objectives stated in the accompanying description were suitably designed and operated effectively throughout the period from 1 July 2018 to 30 June 2019 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.

Muhammad Rafique Umer
Acting Managing Director
Pakistan Stock Exchange Limited



PAKISTAN STOCK EXCHANGE LIMITED

Stock Exchange Building, Stock Exchange Road, Karachi - 74000, Pakistan.
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Ref. No. PSX/

GEN 3826

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 Code of Corporate Governance, 2012. An overview of those components of the Exchange's Code of corporate governance which are relevant to the operation of securities exchange is set out below.

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

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

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

1. Nomination Committee
2. Regulatory Affairs Committee
3. Audit Committee
4. Human Resource & Remuneration Committee
5. IT & IS Steering Committee
6. Listing & Voluntary De-listing Committee

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

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



PAKISTAN STOCK EXCHANGE LIMITED

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Ref. No. PSX/ _____

Operational Governance

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

Operations function reports to Managing Director and is responsible for Trading & TREC Holders Affairs.

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

Operational resilience

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

Control Objectives and Control Activities

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.



PAKISTAN 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/ _____

- changes to access are logged, approved and authorized for creation, modification / privilege assignment and revocation of users along with periodic review of users' access rights.
- operating systems, databases, virtual machines, network devices, security devices are configured to restrict access, provide required services and security parameters are configured to maintain confidentiality, integrity and availability of information systems.
- physical access is restricted to prevent unauthorized access to the Exchange data centres and environmental controls facilitate continued operation of information systems.
- backup and restoration procedures are established which include media management, periodic testing and real-time data replication to support the business continuity and recovery from disaster during adverse events.
- in case of defaults, the UINs are restricted from taking new position in any market.
- trades cannot take place on suspended shares.
- the 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.
- 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.



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- 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.
- 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.

Muhammad Rafique Umer
Acting Managing Director
Pakistan Stock Exchange Limited

AUDITORS' REPORT ON REGULATORY FUNCTIONS



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

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

Introduction

We, KPMG Taseer Hadi & Co. (KPMGTH, we, us, our) were engaged by Pakistan Stock Exchange Limited (the Exchange) in accordance with the requirement of regulation 16 (7) of the Securities Exchanges (Licensing and Operations) Regulations, 2016 (the Regulations) to carry out annual Regulatory Compliance Review for the period beginning 1 July 2018 and ending 30 June 2019 (the review period) in compliance with the applicable statutory and regulatory requirements as stipulated in Para 2 of Annexure III of the Regulations.

Management's Responsibilities

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

Our Independence 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 and due care, confidentiality and professional behaviour.

The firm applies International Standard 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.

Our Responsibilities

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

KPMG 74



KPMG Taseer Hadi & Co.

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

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

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

In particular we carried out the following review procedures:

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

Inherent limitations

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

KPMG TH



KPMG Taseer Hadi & Co.

Conclusion

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

Emphasis of Matter

Without qualifying our conclusion we draw attention of the Board of Directors (the BOD) of the Exchange on the following matters:

Section 11 (3) of the Regulations requires that the Chief Regulatory Officer (CRO), being the head of the Regulatory Affairs Division (RAD) of the Exchange, shall be a dedicated position and must not have any other responsibilities except ensuring the efficient functioning of RAD. Functions of RAD as defined in the said Regulations also include development, implementation and monitoring of compliance related policies and procedures at the Exchange.

The acting CRO also holds the position of Chief Compliance Officer for the Exchange. However, this year again during our review, we did not observe any documented compliance framework to facilitate compliance activities and respective functions at the Exchange continued to carry out compliance activities randomly on need basis. We understand that RAD is a regulatory and monitoring function for the Exchange as well as other entities as stated in the Regulations. Assigning a compliance role to CRO may not be a substitute for the Exchange to have an effective compliance function capable of ensuring regulatory compliance. Further, compliance activities as embodied in the role of the CRO under the Regulations need to remain segregated from the internal compliance activities of the Exchange to avoid a self-review situation and keep the CRO position a dedicated one as required under the above said Regulations.

As per section 10 (2) of Listed Companies (Code of Corporate Governance) Regulations (COCG), 2017, the BOD is responsible for the governance of risk and for determining the company's level of risk tolerance by establishing risk management policies. Further, the BOD is required to undertake at least annually, an overall review of business risks to ensure that the management maintains a sound system of risk identification, risk management and related internal controls to safeguard assets, resources, reputation and interest of the company and shareholders.

KPMG TH



KPMG Taseer Hadi & Co.

We did not observe the existence of any such Risk Management policy or noted that a risk assessment has been carried out during the review period as required under the COCG.

KPMG Taseer Hadi & Co.

Date:
Karachi

30 AUG 2019

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

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FORM OF PROXY

72nd Annual General Meeting

I/We, _____ of _____, holding Computerized National Identity Card (CNIC)/Passport No. _____ and being a member of Pakistan Stock Exchange Limited, hereby appoint _____ of _____, holding CNIC/Passport No. _____, or failing him/her hereby appoint _____ of _____, holding CNIC/Passport No. _____, as my/our proxy to vote for me/us and on my/our behalf at the 72nd Annual General Meeting of the Company, to be held on the 10th day of October 2019 and at any adjournment thereof.

As witness my/our hand/seal this _____ day of _____, 2019

Witnesses:

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

CDC Account No.

Revenue Stamp of
PKR 5/-

To be signed by the above named shareholder

Notes:

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 to 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. The proxy-holder shall produce his/her original CNIC at the time of the meeting.
5. 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 10 اکتوبر 2019 کو منعقد ہونے والے بہترین
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 _____ 2019 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 کاربونیو 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 این آئی کی تصدیق شدہ نقول جمع کی جائیں گی۔
- 4- اجلاس کے وقت پراکسی کا حامل شخص اپنا اصل شناختی کارڈ فراہم کرے گا۔
- 5- کارپوریٹ ادارے کی صورت میں، ادارے کے بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد / پاور آف اٹارنی بشمول نمونہ دستخط پراکسی فارم کے ساتھ جمع ہونگی۔

01 جولائی 2018 سے لیکر 30 جون 2019 تک		
کمیٹی ممبر کا نام	انشائیہ اجلاس	اجلاس میں شرکت
سید مسعود علی نقوی (چیئر مین)	06	06
جناب شہزاد چاٹھہ	06	06
جناب احمد چنائے	06	06
محترمہ ناز خان	06	04
جناب شہنواز محمود	06	06
جناب عابد علی حبیب [1]	05	05
جناب چنابو (Mr. Que Bo) [1]	05	03

[1] 22 اپریل 2019 پر کمیٹی کی ریٹرننگ کے بعد ممبر نہیں رہے۔

ہیومن ریسورس اینڈ ریمپوٹریشن کمیٹی

01 جولائی 2018 سے لیکر 30 جون 2019 تک		
کمیٹی ممبر کا نام	انشائیہ اجلاس	اجلاس میں شرکت
جناب سلیمان الیس مہدی (چیئر مین)	07	07
جناب محمد اشرف باوانی	07	06
جناب عابد علی حبیب	07	07
جناب شہنواز محمود	07	07
جناب معین ایم فدا [1]	03	03
جناب سعد امان اللہ خان [2]	01	01
جناب شہزاد چاٹھہ [3]	06	06
جناب احمد چنائے [3]	06	06

[1] 18 دسمبر 2018 کو بطور ممبر استعفیٰ دیا اور ممبر نہیں رہے۔

[2] 22 اپریل 2019 کو کمیٹی کی ریٹرننگ کے بعد ممبر تعینات کیا گیا۔

[3] 22 اپریل 2019 کو کمیٹی کی ریٹرننگ کے بعد ممبر ان نہیں رہے۔

نوٹ: مذکورہ بالا کمیٹیوں کی مجودہ ساخت اس سالانہ رپورٹ کے کارپوریٹ انفارمیشن کے حصے میں موجود ہے۔

ضمیمہ نمبر II

بورڈ کمیٹیز - میٹنگز کی حاضری

ریگولیٹری آفیسرز کمیٹی

01 جولائی 2018 سے لیکر 30 جون 2019 تک		
کمیٹی ممبر کا نام	انٹرنلڈ اجلاس	اجلاس میں شرکت
جناب سلیمان ایس مہدی	10	10
محترمہ ناز خان (Ms. Naz Khan)	10	09
جناب سید مسعود علی نقوی	10	07
جناب امجد پرویز	10	09
جناب معین ایم فدا [1]	05	04

[1] 18 دسمبر 2018 سے مستعفی ہو گئے اور ممبر نہیں رہے۔

نامینشن کمیٹی

01 جولائی 2018 سے لیکر 30 جون 2019 تک		
کمیٹی ممبر کے نام	انٹرنلڈ اجلاس	اجلاس میں شرکت
جناب سلیمان ایس مہدی (چیئر مین)	03	03
جناب محمد اشرف باوانی	03	02
جناب سید مسعود علی نقوی	03	03
جناب یو ہنگ (You Hang)	03	03
جناب معین ایم فدا [1]	02	01
جناب سعد امان اللہ خان [2]	-	-

[1] 18 دسمبر 2018 کو مستعفی ہو گئے اور ممبر نہیں رہے۔

[2] 29 جنوری 2019 بطور کمیٹی ممبر کے تعینات کیا گیا۔

ضمیمہ نمبر 1

بورڈ آف ڈائریکٹرز - میٹنگز کی حاضری

01 جولائی 2018 سے لیکر 30 جون 2019 تک			ڈائریکٹر کا نام
اجلاس میں شرکت	انٹرنلٹل اجلاس		
15	15		جناب سلیمان الیس مہدی
15	15		جناب محمد اشرف باوانی
09	15		جناب چا بو (Mr. QUE Bo)
15	15		جناب شہزاد چاڈیہ
14	15		جناب احمد چنائے
14	15		جناب عابد علی حبیب
09	15		محترمہ یو ہوالی (Ms. Yu Huali)
12	15		محترمہ ناز خان (Ms. Naz Khan)
15	15		جناب شہناز محمود
15	15		جناب سید مسعود علی نقوی
14	15		جناب امجد پرویز
01	03		جناب زہینگ روگ (Mr. Zhiping Rong)
-	01		جناب حسین لوائی [1]
12	12		جناب یو ہنگ (You Hang) [2]
10	11		جناب سعد امان اللہ خان [3]
06	07		جناب معین ایم فدا [4]
12	14		جناب رچرڈ مورین (Richard Morin) [5]
01	01		جناب محمد رفیق عمر [6]
-	-		جناب محمد صلاح الدین [7]

- [1] 12 جولائی 2018 کو بطور ڈائریکٹر استعفیٰ ہو گئے۔
- [2] 27 جولائی 2018 کو جناب زہینگ روگ کے متبادل ڈائریکٹر تعینات کیا گیا۔
- [3] 03 ستمبر 2018 کو بطور ڈائریکٹر تعینات کیا گیا۔
- [4] 18 دسمبر 2018 بطور ڈائریکٹر استعفیٰ دیا۔
- [5] 28 مئی 2019 کو بطور چیف ایگزیکٹو آفیسر استعفیٰ دیا۔
- [6] 12 جون 2019 کو بطور کیٹنگ سی ای او تعینات کیا گیا۔
- [7] 20 جون 2019 بطور ڈائریکٹر تعینات کیا گیا۔
- جو ڈائریکٹر بورڈ کے اجلاس میں شریک نہیں ہوئے ان کو غیر حاضری کی چھٹی دی گئی۔

کارپوریٹ سوشل ریسپانسیبلٹی

پاکستان اسٹاک ایکسچینج کو بطور ایک قومی ادارے اور ایک ذمہ دار کارپوریٹ شہری کی حیثیت سے معاشرے کے لیے اپنی ذمہ داری کا بہت احساس ہے۔ اس نقطہ نظر میں، پی ایس ایکس نے اپنی کارپوریٹ سوشل ریسپانسیبلٹی کی پالیسی واضح کی ہے۔ جس کے تحت قبل از منافع کا 2 فیصد فلاحی سرگرمیوں پر خرچ کیا جاتا ہے۔ زیر جائزہ سال کے دوران پی ایس ایکس نے مندرجہ ذیل اقدامات میں اپنا حصہ ڈالا:

۔ ڈائریکٹرز، ملازمین اور پی ایس ایکس نے سپریم کورٹ آف پاکستان اور پرائم منسٹر آف پاکستان کے دیا میر بھاشا اور مہمند ڈیم فنڈ میں اپنے عطیات جمع کرائے۔ مزید برآں ٹریک ہولڈرز اور مارکیٹ کے دوسرے شرکاء کو بھی مہم میں حصہ لینے کی بھی حوصلہ افزائی کی گئی۔

پی سی ایکس نے ڈبلیو ڈبلیو ایف (WWF) پاکستان کے ساتھ مل کر رنگ دو پاکستان پروجیکٹ کے تحت مینگروز پلانٹیشن ڈرائیو میں بھی حصہ لیا۔

مزید، پی ایس ایکس نے ڈیف ری سرچ پاکستان پروگرام کے تحت سماعت سے محروم بچوں کی بھلائی اور تعلیم میں حصہ داری کی۔
یہ اور دوسرے اقدامات اس بات کی نشاندہی کرتے ہیں کہ پی ایس ایکس نے اس سال میں پاکستانی معاشرے اور انوائرمینٹ کی بھلائی کے مقصد میں شاندار کوشش کی ہے۔

شیر ہولڈنگ کا پیٹرن

پی ایس ایکس کی شیر ہولڈنگ کا پیٹرن سالانہ رپورٹ کے ساتھ مضمم ہے۔

شیر ہولڈنگ کی کیٹیگریاں

شیر ہولڈنگ کی کیٹیگریاں سالانہ رپورٹ کے ساتھ مضمم ہیں۔

اکٹا جمینٹ

بورڈ تمام شیر ہولڈرز کا ان کی پی ایس ایکس اور کمپنیل مارکیٹ سے جاری وابستگی اور سپورٹ پر ان شکریہ ادا کرنے کا خواہشمند ہے۔ بورڈ اسکیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان، دی اسٹیٹ بینک آف پاکستان، دی فیڈرل بورڈ آف ریونیو اور دی منسٹری آف فنانس، ریونیو اینڈ اکٹا مک آفیسرز، حکومت پاکستان کی ان کی تمام وقت متحرک سپورٹ اور رہنمائی پر شکرگزار ہے۔

مزید، بورڈ کیٹیٹی ممبران کا ان کی رہنمائی اور مدد پر ان کا شکریہ ادا کرتا چاہتا ہے۔ بورڈ پی ایس ایکس کے تمام اسٹاف ممبران کا تمام ٹاکس کو جانفشانی اور ذمہ داری سے ادا کرنے کا اعتراف کرتا ہے اور سہرتا ہے۔

بورڈ آف ڈائریکٹرز کی طرف سے، بورڈ آف ڈائریکٹرز کے لیے۔



محمد رفیق عمر

ایگزیکٹو چیف ایگزیکٹو آفسر



سلیمان ایس مہدی

چیئر مین

کراچی

بتاریخ: 28 اگست، 2019

- 30 جون 2019 پر ختم ہونے والے مالی سال کے بغیر آڈٹ شدہ اکاؤنٹس کے مطابق پی ایس ایکس کے ایمپلائز گریجویٹ فنڈ کی قدر 88.935 ملین روپے ہے۔

- پچھلے 6 سال کا اہم آپریٹنگ اور فنانشل ڈیٹا اس رپورٹ میں شامل کیا گیا ہے۔

ڈائریکٹرز کی تربیتی پروگراموں میں شرکت

بورڈ پر موجود 3 ڈائریکٹرز کو ایس ای سی پی کی جانب سے سرٹیفکیشن کی ضرورت سے استثناء مل گئی، جبکہ 4 ڈائریکٹرز نے استثناء کے لیے درخواستیں دی تھیں جو کہ مالی سال کے اختتام تک ایس ای سی پی کے پاس التواء میں تھیں

ڈائریکٹرز کا معاوضہ

پی ایس ایکس کے بورڈ پر ہر نان ایگزیکٹو ڈائریکٹر ہر بورڈ میٹنگ یا بورڈ لیول کمیٹی، جس کا / کی وہ ممبر ہے، کی میٹنگ میں حاضری کے عوض 50,000 روپے، جو کہ اس پراگمٹیکس سے منسلک ہے، بطور فیس (میٹنگ فیس) معاوضہ وصول کرنے کا حق رکھتا ہے۔ مزید ڈائریکٹر کو یہ اختیار ہے کہ وہ:

- میٹنگ کی فیس کو اپنے نام پر وصول کرے،

- اپنے ادارے کے نام جس سے وہ مستقل طور پر منسلک ہے پر وصول کرے،

- مینجمنٹ کو ہدایت کرے کہ وہ فیس کسی فلاحی ادارے یا کام کو بطور عطیہ جمع کرا دے، یا:

- میٹنگ فیس کو نہ لے

اندرونی فنانشل کنٹرولز کی موزیت اور رسک مینجمنٹ

اندرونی کنٹرولز اور مینجمنٹ پالیسیاں ایچ پی کے آپریشنز کے موثر اور متحرک ہونے، فنانشل انفارمیشن پر انحصار اور قوانین اور ریگولیشنز پر تعمیل کے معاملے میں مناسب اشورنس دینے کے لیے تیار کی گئی ہیں۔ مینجمنٹ رسک کا جائزہ، کنٹرولز کی نشاندہی، اہم پالیسیوں اور پروسیجرز کا جائزہ لیتے ہوئے اور متعلقہ کنٹرول پروسیجرز اور مانیٹرنگ کا نظام قائم کرتے ہوئے اندرونی کنٹرول اور رسک مینجمنٹ سسٹم کے موثر اور متحرک ہونے کو یقینی بناتی ہے۔ اندرونی کنٹرول اور رسک مینجمنٹ کا نظام اسٹیک ہولڈرز اور بورڈ آف ڈائریکٹرز کو مناسب اشورنس فراہم کرنے کے لیے تیار کیا گیا ہے۔ رسک مینجمنٹ اس بات کا جائزہ لیتی ہے کہ موجودہ اندرونی کنٹرول اور رسک مینجمنٹ کا نظام کافی ہے اور اس پر موثر طریقے سے عمل کیا جا رہا ہے۔

اندرونی فنانشل کنٹرول اور رسک مینجمنٹ کے موزیت کے حوالے سے ڈائریکٹرز کی ذمہ داری

یہ بورڈ آف ڈائریکٹرز کی ذمہ داری ہے کہ اس بات کو یقینی بنائیں کہ ایک ٹھوس اندرونی کنٹرول اور رسک مینجمنٹ قائم ہے جو کہ کمپنی میں تمام لیولز پر قائم ہے اور اس پر عملدرآمد کیا جا رہا ہے۔

مزید برآں بورڈ کی جانب سے بنائی گئی آڈٹ کمیٹی جو بورڈ ہی کو رپورٹ کرتی ہے کے پاس دوسرے معاملات کے علاوہ اس بات کا مینڈیٹ ہے کہ وہ اندرونی کنٹرول کے نظام جن میں فنانشل اور آپریشنل کنٹرول شامل ہیں، اس ایریا میں متعلقہ رسک کا جائزہ لیتے ہوئے، اور یونیورسٹی اور اخراجات، رسیدوں اور ادائیگیوں، ایسٹ اور ادائیگیوں کی بروقت اور مناسب ریکارڈنگ کا نظام رپورٹنگ کے ڈھانچے کا ساتھ موزوں اور موثر ہے۔ ان کا مینجمنٹ از ریشز اینڈ ڈسکرپٹیشن آڈیٹرز کی رپورٹ کے ساتھ ذکر کیا گیا جو کہ اسکیورٹیز ایکسچینج (لائسنسنگ اینڈ آپریشنز) ریگولیشنز 2016 سالانہ رپورٹ کے ساتھ مضمم ہے۔

ماحول پر اثرات

کمپنی کے کاروبار کا ماحول پر کوئی منفی اثرات مرتب نہیں ہوتے

آڈیٹرز

موجودہ آڈیٹرز ایم/ایس ای وائی فورڈ رھوڈز چارٹرڈ اکاؤنٹنٹس (M/s EY Ford Rhodes Chartered Accountants) ریٹائر ہو گئے ہیں، بورڈ کو، جیسا کہ آڈٹ کمیٹی نے تجویز کیا ہے، اس حقیقت کو جانتے ہوئے کہ موجودہ آڈیٹرز کمپنی کے ساتھ پچھلے 10 سال سے منسلک ہیں، گرانٹ تھورنٹن انجم رحمن چارٹرڈ اکاؤنٹنٹس (Grant Thornton Anjum Rahman Chartered Accountants) کو کمپنی کا 30 جون 2020 پر ختم ہونے والے سال کے لیے ممبران کی منظوری پر، اسٹیوٹری آڈیٹرز تعینات کرنے کی سفارش کی ہے۔

آڈٹ کمپنی کو کوالٹی کنٹرول پروگرام انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے تحت تسلی بخش ریٹنگ دی گئی ہے۔ انہوں نے یہ مطلع کیا ہے کہ ان کی کمپنی ایس ای سی پی کے کوڈ اور انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (آئی ایف اے سی) کی کوڈ آف پریکٹس پر گائیڈ لائنز جن کو آئی سی اے پی نے اپنایا ہے کے ساتھ مکمل طور پر مطابقت ہے۔ آڈیٹرز نے بطور آڈیٹرز کے کام کرنے پر رضامندی ظاہر کی ہے۔

بیرونی آڈیٹرز کو کوئی اور خدمت فراہم کرنے کے لیے تعینات نہیں کیا جا رہا جو کہ ان کی آزادی پر اثر انداز ہو سکتا ہے۔ اور انہوں نے یہ تصدیق کیا ہے کہ اس سلسلے میں وہ آئی ایف اے سی کے رہنما اصولوں پر عمل کرتے ہیں۔

آزاد آڈیٹرز کی رپورٹ کا نظر ثانی شدہ مواد

انٹرنیشنل آڈیٹنگ اینڈ اشرنس اسٹینڈرڈز بورڈ (آئی اے اے ایس بی) کے آڈیٹ کے اسٹینڈرڈز کے سیٹ، جو کہ ایس ای سی پی نے اپنے اپریل 2018 کو جاری کیے گئے آڈیٹرز رپورٹنگ اور پبلکیشنز پر ریگولیشنز اپنائے ہیں، میں کوئی تبدیلی نہیں ہوئی۔

کارپوریٹ گورننس

بورڈ آف ڈائریکٹرز اور کمپنی نے کارپوریٹ مینجمنٹ کے اقدامات کے اصولوں سے مکمل وابستگی رکھی ہے۔ اس کا زور ٹرانسپیرنسی اور ڈسکلوزر پر تھا۔

بورڈ اور مینجمنٹ اپنی ذمہ داریوں سے باخوبی واقف ہیں اور کمپنیل مارکیٹ کو مانیٹر کرتے ہیں تاکہ فنانشل اور نان فنانشل میں ایکویورنسی، جامعیت اور ٹرانسپیرنسی کو بڑھایا جائے۔

بورڈ کو یہ ایڈوائز کرتے ہوئے خوشی ہے کہ پی ایس ایکس نے، تمام میٹیریل زاویوں سے، لیسڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 (دی سی جی ریگولیشنز) پر عمل کی ہے، جس کی یہاں منسلک اسٹیمٹ آف کمپلائنس وضاحت کی گئی ہے۔ مزید، درج ذیل اسٹیمٹس دی جا رہی ہیں۔

- کمپنی کے اکاؤنٹس کا باقاعدہ ریکارڈ رکھا گیا ہے،
- مینجمنٹ کی تیار شدہ اسٹیمٹس کمپنی کے آفیسرز، آپریشنز کے نتائج اور کیش فلو کو موزوں طور پر پیش کیا گیا ہے،
- مالی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا تسلسل سے استعمال کیا گیا ہے جو کہ فنانشل رپورٹنگ کے عالمی معیار جو کہ پاکستان میں لاگو ہیں کے مطابق ہیں۔ اکاؤنٹنگ کے اندازے، جہاں بھی ان کی ضرورت تھی، مناسب اور محتاط اندازوں کی بنیاد پر ہیں۔
- اندرونی کنٹرول کا نظام اپنے ڈیزائن میں ٹھوس ہے۔ اس کو مینجمنٹ کی طرف سے موثر طریقے سے عمل میں لایا گیا اور اندرونی اور بیرونی آڈیٹرز کے علاوہ بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی کی جانب سے مانیٹر کیا گیا ہے۔ بورڈ آڈٹ کمیٹی کی ذریعے قائم اندرونی کنٹرول کے بااثر ہونے کا جائزہ لیتا ہے اور جہاں ضروری ہو اس میں مزید بہتری لانے کی تجویز پیش کرتا ہے۔
- کمپنی کو بطور موجودہ ادارے کی جاری رہنے کی صلاحیت میں کوئی شکوک نہیں ہیں۔
- کارپوریٹ گورننس کی رائج بہترین مشق سے کوئی مادی انحراف کا واقعہ رپورٹ نہیں ہوا۔
- پچھلے سال کے آپریشنز کے نتائج، مستقبل کے منصوبوں یا تبدیلیوں سے کوئی خاص دوری، اگر کوئی ہے، کو اس ڈائریکٹرز رپورٹ میں الگ مناسب طور پر ڈسکلوز کیا گیا ہے۔

بورڈ یہاں ریکارڈ پر جانے والے تمام ڈائریکٹرز کی حصہ داری کو سہااتا ہے۔

درج بالا کے نتیجے میں پی ایس ایکس کا حالیہ بورڈ آف ڈائریکٹرز 15 ڈائریکٹرز پر مشتمل ہے (اس میں متبادل ڈائریکٹر شامل نہیں ہے)، ان میں:

مرد ڈائریکٹرز 13

خواتین ڈائریکٹرز 2

19-2018 کے مالی سال کے اختتام پر بورڈ کی ساخت کچھ اس طرح تھی:

آزاد ڈائریکٹرز

- (1) جناب سلیمان الیس مہدی
- (2) جناب شہزاد چاٹھیہ
- (3) محترمہ ناز خان
- (4) جناب سعدا مان اللہ خان
- (5) جناب محمد صلاح الدین منظور
- (6) سید مسعود علی نقوی
- (7) جناب امجد پرویز

دوسرے نان ایگزیکٹو ڈائریکٹرز / شیئر ڈائریکٹرز

- (1) جناب محمد اشرف باوانی
- (2) جناب جی بو (Que Bo)
- (3) جناب احمد چنائے
- (4) جناب عابد علی حبیب
- (5) محترمہ یو ہوالی (Yu Huali)
- (6) جناب شہنواز محمود
- (7) جناب زہینگ روگ (Zhiping Rong)
- (8) جناب یو ہینگ (You Hang: Alternate of Mr. Zhiping Rong)

ایگزیکٹو ڈائریکٹر / چیف ایگزیکٹو آفیسر (ایکٹنگ)

- (1) جناب محمد رفیق عمر

30 جون 2019 پر ختم کونے والے مالی سال میں 15 بورڈ مینٹکنز ہوئیں (11 شیڈول اجلاس اور 4 ایمرجنسی اجلاس) منعقد ہوئے جن میں ڈائریکٹرز کے حاضری بطور ضمیمہ اڈائریکٹرز رپورٹ کے ساتھ منسلک ہے۔

بورڈ کمیٹیاں

ایس ای سی پی کے منظور کیے گئے پلان فار سیکریشن آف کمرشل اینڈ ریگولیٹری فنکشنز آف اسٹاک ایکسچینج (Plan for Segregation of Commercial and Regulatory Functions of Regulations) اسکیورٹیز ایکسچینج (لائسنسنگ اینڈ آپریشنز) ریگولیشنز 2016، سٹاک ایکسچینج (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 اور بطور فرنٹ لائن ریگولٹرز اور کمپنی اسٹاک ایکسچینج کے برنس کی دوسری ضروریات پوری کرنے کے لیے بورڈ نے کئی کمیٹیاں تشکیل دی ہیں۔ ان میں اہم اسٹیٹوری کمیٹیوں میں ریگولیٹری آفیزز کمیٹی، نامینیشن کمیٹی، آڈٹ کمیٹی اور ہیومن رسورس اینڈ رمیو نیشن کمیٹی ہیں۔

ان کمیٹیوں کے 14 اجلاس کی ساخت اور ممبران کی حاضری کا ریکارڈ بطور ضمیمہ II یہاں ڈائریکٹرز کی رپورٹ کے ساتھ منسلک ہے

- کنٹریکٹس کو دوبارہ طے کیا جاتا ہے؛
- نئے قوانین یا قوانین پر حالیہ عمل درآمد ہونے یا عدالتی فیصلوں جن کی وجہ سے کسی بیرونی ضابطے یا کوئی اور صورت ہو سکتی ہے، کی وجہ سے کنٹریکٹ کی شرائط پھر سے طے کی جاتی ہیں۔

حکومتی پالیسیوں میں تبدیلیوں کا رسک

- ہماری مارکیٹس کے ٹریڈنگ کا حجم درج ذیل میں کسی تبدیلی سے متاثر ہو سکتا ہے
- حکومت پاکستان کی پالیسیاں،
- ٹیکس کے قانون یا پالیسی
- بیرونی پورٹ فولیو سرمایہ کاروں کے متعلق ریگولیٹری تبدیلیاں
- دوسرے ریگولیٹرز اور پالیسیاں جو پی ایس ایکس کے کاروبار کا متاثر کرتی ہیں، ان میں اس کی لسٹ کمپنیاں شامل ہیں، ایسی تبدیلیاں پاکستانی اسکیورٹیز کی بیرون پاکستان آفرنگ کو آسان بناتی ہیں،
- سرمایہ کاروں کی ہماری ایسجینجوں پر آزادانہ ٹریڈنگ کرنے کی صلاحیت،
- اس سے ٹریڈنگ پریکٹسوں کا لاگو ہونا اور منافع نکالنا
- ہماری ایسجینجوں اور کلیئرنگ کمپنیوں پر اسکیورٹیز کے ٹریڈ، کلیئر اور سیٹل ہونے کے طریقے
- مندرجہ بالا کا ہمارے کاروبار، مالی حالت، آپریشنز کے نتائج اور مستقبل کے امکانات پر مادی طور پر برا اثر پڑ سکتا ہے۔

قومی خزانے میں حصہ داری

کمپیٹل مارکیٹس قومی خزانے کی بڑے حصہ داروں میں شامل ہیں، یہ وہ حقیقت ہے جس سے ہم مکمل طور پر آگاہ ہیں۔ مالی سال 2018-19 میں پی ایس ایکس نے 989 ملین روپے کا ٹیکس حکومتی خزانے میں جمع کر لیا ہے۔ (مالی سال 2017-18 میں 1,616 ملین روپے)۔ ٹیکس ٹریک ہولڈرز سے اسکیورٹیز مارکیٹ ٹرانز ایکشنز اور پی ایس ایکس کے ریونیو پر لیا گیا ہے۔

بورڈ آف ڈائریکٹرز

مالی سال 2018-19 میں بورڈ میں درج ذیل تبدیلیاں رونما ہوئیں۔

جناب حسین لوائی 12 جولائی 2018 بطور آزاد ڈائریکٹر اور چیئر مین آف ایسجینج بورڈ اپنی پوزیشن سے مستعفی ہو گئے۔ اس طرح بورڈ نے 19 جولائی 2018 کو ہونے والی میٹنگ میں جناب سلیمان ایس مہدی کو جناب لوائی کی جگہ بورڈ کا نیا چیئر مین منتخب کیا۔ بورڈ کی تجویز پر ایس ای سی پی نے جناب سعد امان اللہ خان کی پی ایس ایکس کے آزاد ڈائریکٹر کے بطور 03 ستمبر 2018 سے تعیناتی کی منظوری دی۔

18 دسمبر 2018 سے جناب معین ایم فدا پی ایس ایکس کے بطور آزاد ڈائریکٹر مستعفی ہو گئے۔ اس عارضی ویکینسی کو پر کرنے کے لیے بورڈ کی تجویز اور ایس ای سی پی کی منظوری سے جناب محمد صلاح الدین منظور کو 20 جون 2019 سے بطور آزاد ڈائریکٹر تعینات کیا گیا۔

جناب رچرڈ مورین نے 28 مئی 2019 سے پی ایس ایکس کے مینیجنگ ڈائریکٹر/چیف ایگزیکٹو آفیس کے طور پر اپنا استیغفی پیش کیا جس کو بورڈ نے فوری طور پر منظور کر لیا اور ایسجینج کے آپریشن کے لیے بورڈ نے ایس ای سی پی کی منظوری سے کمپنی اسکیئرٹری اور لیگل آفیسرز کے سربراہ جناب محمد رفیق عمر کو پی ایس ایکس کے ایگنٹ مینیجنگ ڈائریکٹر/چیف ایگزیکٹو آفیسر کے طور پر تعینات کیا۔

درج بالا کے علاوہ، پاکستان میں چائنہ فنانشل نیوچرز ایسجینج لمیٹڈ (سی ایف ایف ای ایس) کے کنفری نمائندہ جناب یو ہینگ (You Hang) کو 27 جولائی 2018 سے سی ایف ایف ای ایس کے نامزد ڈائریکٹر جناب زیپینگ روگ (Zhiping Rong) پی ایس ایکس کے بورڈ پر متبادل بطور ڈائریکٹر تعینات کیا۔

اگر پی ایس ایکس کی ایکٹیویٹی مندرجہ بالا یا دوسرے عناصر جو کہ اس کنٹرول سے باہر ہیں کی وجہ سے مادی طور پر بری طرح متاثر ہوتی ہے تو ہمارے بزنس، مالی حالت اور آپریشنز کے نتائج بھی مادی طور پر بری طرح متاثر ہو سکتے ہیں۔

مستقبل کے اقدامات کا ریسک

پی ایس ایکس نے ماضی میں کئی اقدامات اٹھائے ہیں اور ان کو جاری رکھنے پر فائز ہے تاکہ ریٹیل اور انسٹیٹیوٹنل سرمایہ کاری کی شرکت کو فروغ دیا جائے اور ڈیری ویڈ پروڈکٹس میں ٹریڈنگ کے حجم کو بڑھایا جائے۔ وہ عناصر جو کہ ہمارے بزنس کی حکمت عملی پر اثر انداز ہو سکتے ہیں ان میں دوسرے کے علاوہ:

- 1- پاکستانی، ایشیاء اور دنیا کے عام معاشی حالات؛
- 2- نئی سروسز اور پروڈکٹس کو کامیاب طور پر متعارف کرانے کی ہماری صلاحیت؛ اور
- 3- ریگولیٹری پابندیاں۔

ان میں سے کئی عناصر ہمارے کنٹرول سے باہر ہیں۔ اس کے نتیجے کے طور پر کوئی یقینی دہانی نہیں دی جاسکتی کہ ہم موجودہ اور مستقبل کے اسٹریٹجک منصوبوں پر عملدرآمد کرنے میں کامیاب ہونگے اور اس میں کوئی بھی ناکامی کا ہمارے مستقبل کے امکانات، مستقبل کی مالی حالت اور آپریشنز کے نتائج کو مادی طور پر بری طرح متاثر کر سکتی ہے۔

مارکیٹ کے اتار چڑھاؤ کا ریسک

چونکہ پی ایس ایکس کا کل ریونیو کچھ حصہ ایکٹیویٹیز، تاریخی طور پر غیر مستحکم پروڈکٹ اور کئی بیرونی عناصر جیسا کہ ٹریڈنگ کی سرگرمی اور پرائس لیول پر منحصر ہے ہمارا کل ریونیو اور منافع ایک عرصے سے دوسرے عرصے میں مختلف ہو سکتا ہے۔ اگر ہمارا کل ریونیو توقعات سے کم رہتا ہے یا اخراجات کی حد تک نہیں بڑھتا، ہمارا بزنس، مالی حالت اور آپریشنز کے نتائج ایک عرصے تک مادی طور پر بری طور متاثر ہو سکتے ہیں۔

سود کی شرح میں فرق کا ریسک

ہمیں مارکیٹ کی سود کی شرح میں اتار چڑھاؤ کے ان کی مالی پوزیشن اور کیش کی ترسیل کے اثرات کا سامنا رہتا ہے اور اس طرح سود کی شرح میں تبدیلیاں ہماری سرمایہ کاری کو مادی طور پر بری طرح متاثر کر سکتی ہیں۔ سود کی شرح کئی عناصر سے احساس ہوتی ہے جن میں حکومتی، مانیٹری اور ٹیکس پالیسیز، مقامی اور عالمی معاشی اور سیاسی تحفظات، مالی خسارے، ٹریڈ سرپلس اور خسارہ، ریگولیٹری ضروریات اور دوسرے عناصر جو ہمارے کنٹرول سے باہر ہیں شامل ہیں۔

ریگولیٹری ریسک

پی ایس ایکس ایک انتہائی طور پر ریگولیٹڈ انڈسٹری میں آپریٹ کرتی ہے اور وسیع ریگولیشن کے ماتحت ہے۔ اسکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (کمیشن) پی ایس ایکس کو ریگولیٹ کرتا ہے اور اس کے پاس وسیع اختیارات ہیں کہ وہ ہماری تجارت (قوانین میں ترامیم، پروڈکٹ ریٹخ یا بنیادی ڈھانچے یا مارکیٹ کی ترقی کے اقدامات) کو رد یا منظور کر دے۔ کمیشن کا ان اختیارات کا استعمال کرنا ہمارے بزنس، ساخت، مالی حالت اور آپریشنز کے نتائج کو مادی طور پر بری طرح متاثر کر سکتا ہے۔

اضافی طور پر پی ایس ایکس اپنے آپ کو ریگولیٹ کرنے کے لیے مخصوص رولز، بائی لاز اور ریگولیٹری فنکشنز کا استعمال کرتی ہے جس میں اس کے پلیٹ فارم پر لسٹڈ کمپنیوں کی جانب سے مخصوص اسکیورٹیز لاز پر تعمیل کو مانیٹر کرنا شامل ہے۔ مانیٹرنگ کی سطح میں کسی اضافے کی صورت میں جس کو ہمیں پر فارم کرنے کی ضرورت ہوتی ہے، اس میں ریگولیٹری تبدیلیوں کی صورت شامل ہے، اضافی اور زیادہ ریگولیٹری اور تعمیلی لاگت کا سبب بن سکتی ہے۔

پی ایس ایکس کی آپریشنل لاگت بڑھ سکتی ہے اور نقصانات اٹھا سکتی ہے یا مالی نتائج بھگت سکتی ہے اگر:

- بیرونی ریگولیٹری شناخت کی ضرورت پڑتی ہے؛

مزید بورڈ نے پی ایس ایکس کے اپنے آپریشن سے ریئل اسٹیٹ کے ڈی مرجر (De-merger) کے تصور کی منظوری دی ہے۔ اس کے نتیجے دو الگ کمپنیاں بنائی جائیں گی جن کے شیئرز آپکچنج کے موجودہ شیئرز ہولڈرز کو جاری کیئے جائیں گے۔ پی ایس ایکس کے ڈی مرجر کے مکمل ہونے پر منجمنٹ کمپنی کے مالی مفاد جن میں ایکویٹی پر زیادہ ریٹرن اور فی شیئر آمدنی میں اضافہ دیکھتی ہے۔

یہ تمام منازل اور اقدامات اس لیے تیار اور اٹھائے گئے ہیں کہ پاکستان اسٹاک آپکچنج کی ترقی اور مسابقت کے عمل کو آگے بڑھایا جائے تاکہ یہ ایک ورلڈ کلاس کے اپنے ویژن پر عملدرآمد کر سکے۔ مزید سرمایہ کار لانے اور زیادہ کمپنیوں کو لسٹنگ کے لانے کے لیے ان تک پہنچنے اور ڈیجیٹل فرنٹ پر زیادہ سے زیادہ موجودگی اور تمام دوسرے اقدامات اس لیے کیے گئے ہیں کہ اسٹاک آپکچنج مستقبل کی جانب زیادہ اعتماد اور استحکام کے ساتھ دیکھ سکے۔ پی ایس ایکس پر امید ہے کہ یہ اپنے مقصد کے حصول اور ورلڈ کلاس مارکیٹ بننے کے ویژن کو عملی جامہ پہنانے میں کامیاب ہوگی۔

مارکیٹ کے رجحانات اور بڑے معاشی عناصر کا رسک

پی ایس ایکس ملک کی واحد اسٹاک آپکچنج ہے۔ آپکچنج کے بزنس، مالی حالت اور آپریشنز کا زیادہ انحصار مارکیٹ میں ایکٹیویٹی کی سطح اور خاص طور پر ٹریڈ کئے جانے والے فنانشل ایسٹس، لسٹڈ اسکیوریٹیز کی تعداد، نئی لسٹنگ کی تعداد اور اس کے نتیجے میں ایڈونٹس، لیکویڈیٹی اور اس طرح کے دوسرے عناصر پر ہے کیونکہ آپکچنج کے ریونیو کا انحصار براہ راست اور بالواسطہ ٹریڈنگ اور لسٹنگ فیس پر ہے۔

کسی بھی ملک کی اچھی ساکھ رکھنے والی اسٹاک آپکچنج کی طرح پی ایس ایکس کا انحصار بھی اس پر ٹریڈ کیے جانے والے فنانشل ایسٹس کے پرکشش ہونے پر ہے اور آپکچنج کے بطور ایک مارکیٹ جس پر یہ ایسٹس ٹریڈ ہونے ہوتے ہیں کے پرکشش ہونے پر ہے۔ یہ تمام عوامل پاکستان کی معاشی، سیاسی اور ملکی منڈی کے حالات سے متاثر ہوتے ہیں۔ اس کے علاوہ کچھ کم حد تک ایسیا، امریکہ، یورپ اور باقی دنیا کے حالات جو کہ پی ایس ایکس کے کنٹرول میں نہیں ہیں سے بھی متاثر ہوتے ہیں۔ مارکیٹس کے اتار چڑھاؤ ٹرانزیکشنز کے حجم میں اضافہ ہو سکتا ہے لیکن لمبی مدت تک کے کمزور معاشی حالات مادی طور پر لسٹنگ اور ٹریڈنگ کے حجم کو بری طرح متاثر کر سکتے ہیں۔

دوسرے عناصر میں جو کہ ہمارے بزنس، فنانشل حالت اور آپریشنز کے نتائج کو بری طرح متاثر کر سکتے ہیں اور ہمارے کنٹرول سے باہر ہیں مندرجہ ذیل شامل ہیں:

- 1 بزنس اور فنانس کے وسیع رجحانات جن میں انڈسٹری کے مخصوص حالات، کمپیٹل مارکیٹ کے رجحانات اور مرکز اور ایکویٹیز کے حالات؛
- 2 سوشل اور رسول تناؤ، دہشت گردی اور جنگ؛
- 3 مہنگائی پر خدشات اور اداریاتی اور ریٹیل اعتماد؛
- 4 حکومتی مانیٹری پالیسی میں تبدیلیاں اور بیرونی کرنسی کی قیمت میں رد و بدل؛
- 5 مختصر اور طویل از مدت فنڈنگ اور سرمایہ کی دستیابی؛
- 6 متبادل سرمایہ کاری کے دستیاب مواقع؛
- 7 اسکیوریٹیز کی قیمتوں میں تبدیلیاں اور اتار چڑھاؤ؛
- 8 ٹیکس پالیسی میں تبدیلیاں (اس میں ٹرانزیکشن ٹیکس شامل ہے) اور پاکستان اور دوسرے ممالک کے درمیان ٹیکس کے معاہدے؛
- 9 سود کی شرح قیمت کی سطح اور اس میں کمی اور اضافہ؛
- 10 قانون سازی اور ریگولیٹری تبدیلیاں جن میں ریگولیٹڈ اور ان ریگولیٹڈ مارکیٹس میں پالیسی اختلاف ہونے کی صورت میں ریگولیٹری ثالثی کا امکان شامل ہے؛
- 11 پاکستانی کمپیٹل مارکیٹ کا پرکشش یا کم پرکشش ہونا؛ اور
- 12 نظر نہ آنے والی مارکیٹ کی بندش اور ٹریڈنگ میں دوسری تعطیلات۔

پی ایس ایکس کمپنیوں، ڈیٹ اسکیورٹیز اور میوچل فنڈز کولسٹنگ کے لیے ترغیب دینے میں خاطر خواہ آگے بڑھی ہے۔ کئی کمپنیاں عام طور پر اور ایف آئیز کو خاص طور پر کولسٹنگ کے لیے بلایا گیا۔ سال کے دوران کئی ڈیٹ اسکیورٹیز پی ایس ایکس پر لسٹ ہوئیں اس میں ٹرم فنانس سٹرٹیکٹس اور ایف آئیز اور کمپنیوں کے سکوکس شامل ہیں۔ زیر جائزہ سال کے دوران پی ایس ایکس نے چند ایک میوچل فنڈز کولسٹنگ کے بورڈ کی طرف متوجہ کیا گیا۔

پی ایس ایکس کوشش کر رہی ہے کہ پاکستان میں پہلا ای ٹی ایف فنڈ شروع کیا جائے اور ایسٹ مینجمنٹ کمپنیز، بروکروں، ایس ای سی پی، سی ڈی سی اور این سی سی پی ایل سے شراکت جاری رکھی جائے گی۔ اپنی پروڈکٹس اور بزنس کی ترقی کی منازل کے اسپیڈ میں بڑے اقدامات کیے جائیں گے۔ اس میں لیکویڈیٹی بہتر بنانے کی خاطر ریڈی اور فیوچر مارکیٹ کے لیے ایک مربوط مارکیٹ میکر پروگرام کی شروعات شامل ہے۔ ای ٹی ایف اور مارکیٹ میکر ریگولیشنز کو پی ایس ایکس کے بورڈ نے منظور کر دیا ہے اور اب ایس ای سی پی کے زیر جائزہ ہیں۔

ایکویٹی ای ٹی ایف کے علاوہ بانڈ اور فکسڈ انکم ای ٹی ایف کے آغاز کے لیے پی ایس ایکس مارکیٹ تمام شراکاء کے ساتھ مل کر کام کر رہی ہے۔ سرمایہ کاروں کی بنیاد وسیع کرنے کے لیے پی ایس ایکس این سی سی پی ایل، سی ڈی سی اور میوچل فنڈز ایسوسی ایشن کی شراکت سے میوچل فنڈ پلیٹ فارم قائم کرنے کا ارادہ رکھتی ہے۔

اس کے علاوہ ڈی لیور ایبل فیوچر مارکیٹ کی تجدید کی جارہی ہے اور انٹرنیشنل معیار کے مطابق چند ایک تبدیلیاں لانے کی تجویز کی گئی ہے۔ کیش سیٹلڈ فیوچرز (Cash Settled Futures) کی بحالی پر کام شروع کیا گیا اور اس سلسلے میں مارکیٹ میکنگ کی سرگرمی کو دیکھا جا رہا ہے۔

پی ایس ایکس نے سکیڈری فکسڈ انکم مارکیٹ کو لیکویڈیٹی فراہم کرنے کے لیے ایک منصوبہ شروع کیا ہے۔ پی ایس ایکس کے پلیٹ فارم پر پی آئی بی، اجارہ، سکوک اور ٹی بلز کی فکسڈ انکم سکیورٹیز کی ٹریڈنگ بھی کرائی جائے گی۔ اس کے لیے بانڈ آٹومیٹڈ ٹریڈنگ سسٹم (Bond Automated Trading System) کے موجودہ فنکشنلٹیز میں بڑے پیمانے پر بہتری لائی جارہی ہے۔ اس کے ساتھ مختص مارکیٹ میکر کے ٹریڈری کے نظام اور سینٹرل ڈیپاز بیوری سسٹم کے ساتھ لنک پیدا کیے جارہے ہیں۔ یہ منصوبہ ابھی ٹیسٹنگ کے عمل میں ہے اور توقع ہے کہ اس کو 2020 کے پہلے دہائی میں شروع کیا جائے گا۔

مارکیٹ ڈیٹا بزنس کی تنظیم نو کی گئی ہے جس کا فوکس انٹرنیشنل بہترین پریکٹسز ہیں۔ اس سے ہماری ڈیٹا پروڈکٹس اور لائیو مارکیٹ فیڈز کی عالمی طور پر رسائی بڑھے گی اور پی ایس ایکس پر لسٹ کمپنیوں کی فنانشل انفارمیشن پلیٹ فارمز پر رسائی بڑھے اور پھیلے گی۔

اس کے نتیجے میں پی ایس ایکس نے کئی نئے مقامی اور بیرونی ڈیٹا کلائنٹس کو شامل کیا ہے۔ انڈکس بزنس کی تجدید کے لیے بھی کوششیں کی جارہی ہیں جس میں انڈر سز کا ایک ایکسچینج ڈسکریٹ فرام کرنا اور ممکنہ استحکام کے ایریا کی چھان بین شامل ہے۔

دنیا کے بہترین اسٹاک مارکیٹوں میں پی ایس ایکس کو نمایاں مقام دینے کے لیے ہمارا اپنے ٹریڈنگ کے نظام کو تبدیل کرنے کا منصوبہ ہے۔ پی ایس ایکس نے ان-ہاؤس (In-House) سسٹمز کو تیار کرنا ترک دیا ہے اور اس کی جگہ انٹرنیشنل ونڈر سے بہترین کلاس کا نظام خریدنے کا فیصلہ کیا ہے۔ یہ ونڈرز انڈسٹری اسٹینڈرڈ کے فکس (FIX) گیٹ ویز مہیا کرتے ہیں جن کو شراکاء اپنے یا تیسری پارٹی کے پلیٹ فارمز سے کونیکٹ کرتے ہیں۔

پی ایس ایکس انوسٹر پریٹیکشن فنڈز میں رفاہی مرکز بہت اہم سمجھتی ہے تاکہ سرمایہ کاروں کی بنیاد وسیع کی جائے۔ پی ایس ایکس نے سینٹرلائزڈ کسٹمرز پریٹیکشن کمپنیشن فنڈ ریگولیشنز (Centralized Customers Protection Compensation Fund Regulations) کے ڈھانچے کو عالمی معیار کے مطابق لانے اور چھوٹے سرمایہ کاروں کی تعداد میں اضافے کے لیے اس میں ترامیم کی ہیں اب ایک ٹریک ہولڈر ڈیفالٹ کی صورت میں منظور شدہ درخواست کنندہ 500,000 فی کلیم کی سیلنگ تک معاوضہ کلیم کرنے کے اہل ہوں گے۔

فی شیئر آمدنی

مالی سال 2018-19 کی بنیادی اور ڈائیکوٹڈ فی شیئر آمدنی 0.08 روپے ہے۔ مالی سال 2017-18 میں یہ آمدنی 0.11 روپے فی شیئر تھی۔

مالی سال کے دوران رونما ہونے والی تبدیلیاں

اس مالی سال کے دوران پی ایس ایکس کے بزنس، یا اس کی ایسوسی ایٹس یا ایسی کمپنی جس میں پی ایس ایکس کا کوئی انٹرسٹ ہے، کے بزنس میں کوئی خاص تبدیلی رونما نہیں ہوئی۔

پی ایس ایکس کی مالی کارکردگی کو متاثر کرنے والی مادی تبدیلیاں اور وابستگیاں

اس مالی سال کے خاتمے اور مالی گوشوارے پیش کرنے کے درمیان پی ایس ایکس کی مالی پوزیشن متاثر کرنے والی کوئی مادی تبدیلیاں یا وابستگیاں نہیں تھیں جو کہ اس دوران رونما ہوئی ہوں۔

پی ایس ایکس کی اوٹ لک - کمپنی کی مستقبل کی ترقی، کارکردگی اور بزنس پوزیشن کو ممکنہ طور پر متاثر کرنے والے رجحانات اور عناصر

پاکستان اسٹاک ایکسچینج کو دنیا کی بہترین اسٹاک مارکیٹوں میں ایک بہترین اسٹاک مارکیٹ بنانے کے لیے کئی اقدامات کیے جا رہے ہیں۔ بڑے پیمانے پر پی ایس ایکس کو سرمایہ کاروں کی بنیاد کو بڑھانا ہے، لیسٹنگ اور اسیوریٹیز کے پول میں اضافہ کرنا ہے، پروڈکٹ اور ایسٹ کلاس آفرنگز کو پھیلانا ہے اور ریونیو کی بنیاد میں تنوع پیدا کرنے کے لیے ذیلی پروڈکٹس اور سروسز کو ترقی دینا ہے۔ اس سلسلے میں کئی اقدامات شروع کیے گئے ہیں اور پراسس میں ہیں۔ دوسرے اقدامات کی مستقبل قریب میں منصوبہ بندی کی گئی ہے اور کوشش کی جا رہی ہے کہ ان کو جلد از جلد پورا کیا جاسکے۔

مزید برآں پی ایس ایکس کے اسٹریٹیجک منصوبے پر عمل درآمد کرنے کے لیے مینجمنٹ ٹیم کو منظوم کیا گیا ہے اور نئے شعبوں سربراہان تعینات کئے گئے ہیں۔ ان میں مارکیٹنگ کے شعبے، ہیومن ریسورس کے شعبے اور ٹریڈنگ اور پروڈکٹس کے شعبے کے سربراہان شامل ہیں۔ ان کی توجہ تنظیمی ترقی پر مرکوز ہے۔

سرمایہ کاروں کی بنیاد کو وسیع کرنے کے لیے آن لائن اکاؤنٹ اوپننگ کے عمل کو انتہائی سادہ اور تیز بناتے ہوئے سہولت کاری کے لیے اقدامات کئے جا رہے ہیں۔ سرمایہ کاروں کے لیے کٹس (KITS) کے آن لائن ٹریڈنگ کے نظام کی تجدید نو کی جا رہی ہے۔ سرمایہ کاروں کی آگائی اور تعلیم کے لیے پہلے جاری شدہ قدم کو جاری رکھا جا رہا ہے تاکہ سرمایہ کاروں کو اسٹاک مارکیٹ میں سرمایہ کاری کی تعلیم دی جا سکے۔ یہ ہماری فنانشل لیٹرری انیشیو کا حصہ ہے اور اس کے لیے گراؤنڈ پر اور ڈیجیٹل سائبر پراڈکٹس شامل اٹھائے گئے ہیں۔ گراؤنڈ پر پی ایس ایکس پروفیشنلز، تنخواہ دار افراد، کارپوریٹ ملازمین، حکومتی افسران، ڈیفنس اور سروسز آفیسر، بزنس افراد اور طالب علموں کے لیے سیشنز کئے گئے ہیں۔ کئی سیشنز کارپوریٹ اداروں جن میں مختلف شہروں کے چیمبرز آف کامرس، ایسوسی ایشنز اور اداروں کے لیے منعقد کئے گئے ہیں۔

ڈیجیٹل سائبر پرائیویسیٹی تعلیمی پوسٹس اور بلاگز شوشل میڈیا اور ویب سائٹس پر اپ لوڈ کیے گئے ہیں۔ مزید برآں ویب سائٹ پر ایک سیریز کا انعقاد کیا گیا ہے تاکہ عام عوام تک پہنچا جاسکے۔ ڈیجیٹل سائبر پرائیویسیٹی اہم ڈیولپمنٹ پی ایس ایکس کی نئی ویب سائٹ کا متعارف کرایا جانا ہے۔ پی ایس ایکس نے تجدید اور مخصوص فچرز کے ساتھ اپنی نئی ویب سائٹ آن لائن کی ہے تاکہ ہر کسی کو معلومات تک آسانی سے رسائی حاصل ہو۔ اس میں موجودہ اور نئے سرمایہ کاروں کی تعلیم اور فنانشل لیٹرری کے لیے خاطر خواہ مواد شامل کیا گیا ہے۔ مزید برآں کارپوریٹ سروسز کا ایک سوٹ جس میں لیسٹنگ اور کمپنی کی لیسٹنگ کے لیے مختلف اقدامات پر مواد کو ویب سائٹ میں شامل کیا گیا تاکہ زیادہ کمپنیوں تک اسٹاک پر لیسٹنگ کے لیے رسائی حاصل ہو۔ ویب سائٹ کو مکمل نئی شکل دی گئی ہے۔ یہ ایک مختص ڈیٹا پورٹل ہے جو کارپوریٹ اعلانات اور مارکیٹ تجزیے اور گرافس، چارٹس اور کسٹمائزڈ ڈونڈوز اور وائچ لسٹس کی ایک وسیع رینج کی تفصیلات فراہم کرتی ہے۔

لیسٹنگ کے فرنٹ پر اسٹاک ایکسچینج پر اسیوریٹیز کے پول کو بڑھانے کے لیے ایک باقاعدہ سیلز پراسس کو شروع کیا گیا ہے۔ اسٹاک ایکسچینج کے مین بورڈ پر لیسٹنگ کو بڑھانے اور ایس ایم ای کے بورڈ پر لیسٹنگ کو شروع کرنے کے لیے کوششیں کی جا رہی ہیں۔ ایک مختص پوائنٹ قائم کیا گیا ہے جس کی ذمہ داری ایک لیسٹنگ پائپ لائن کو تیار کرنا ہے اور ایسوسی ایشنز سروس فراہم کرنا ہے۔ اس سے نہ صرف لیسٹنگ کے فائدوں کی آگائی بڑھانے اور پرائیویسیٹی کمپنیوں کو لیسٹنگ کے متعلق ایڈوائس فراہم کرنے میں مدد مل رہی ہے بلکہ اس سے لیسٹنگ کمپنیوں کو ایک ویلویو ایڈڈ سروس بھی فراہم کی جا رہی ہے جس میں انوسٹر ریلیشن اور کارپوریٹ گورننس کے حوالے سے تعلیم اور آگائی شامل ہے۔

ٹیبل Table to inserted here. Translation is below

کیپیٹل مارکیٹ کا جائزہ

سال کا خاتمہ		پارٹیکولرز
30 جون 2019	30 جون 2018	
33,902	41,911	کے ایس ای-100 انڈیکس
6,887	8,665	مارکیٹ کپھلاؤ (ارب روپے)
6.7	8.7	روزانہ کی اوسط تجارت کی قدر (ارب روپے)
2.8	3.4	روزانہ کی اوسط تجارت کی قدر (فیوچرز) (ارب روپے)
165	188	روزانہ کی اوسط تجارت کا حجم (ملین)
69	60	روزانہ کی اوسط تجارت کا حجم (فیوچرز) (ملین)

کیپیٹل مارکیٹ مقامی اور بیرونی سرمایہ کاروں پر مشتمل ہے۔ 30 جون 2019 پر ختم ہونے والے مالی سال کے دوران بیرونی سرمایہ کاروں نے 355.94 ملین ڈالر کی اسکیورٹیز فروخت کیں۔ جن کو مقامی سرمایہ کاروں نے خریدا (اس میں 149 ملین ڈالر کی خریداری انشورنس کمپنیوں اور 110 ملین ڈالر کی خریداری دوسری کمپنیوں نے کی) مقامی سرمایہ کاروں کی خریداری پاکستان کی ایکویٹی مارکیٹ میں ان کے اعتماد کا ثبوت ہے۔

اس مالی سال کے دوران پی ایس ایکس میں ایکویٹی سیگمنٹ میں دو کمپنیوں کی لسٹنگ ہوئی۔ اس کا پیڈ اپ کیپیٹل 10,161 ملین روپے سے زیادہ تھا اور 9 سکیورٹیز پی ایس ایکس کے قرضوں کے سیگمنٹ میں لسٹ ہوئیں جن کا کل پیڈ اپ کیپیٹل 42,820 ملین روپے تھا۔ 30 جون 2019 تک پی ایس ایکس پر 544 کمپنیاں لسٹ تھیں جن کا کل پیڈ اپ کیپیٹل 6,887 ارب روپے تھا۔

اس سال کے دوران دی فنانس سیلیمینٹری (سیکنڈ ایمنڈمنٹ) ایکٹ 2019، مارچ 2019 میں لاگو ہوا۔ اس کے کیپیٹل مارکیٹ کے مفاد میں چند نقاط میں ٹریڈڈ شیئرز کی خرید و فروخت کی قدر پر 0.02 فیصد کی شرح سے لاگو ٹیکس جو کہ اسٹاک ایکسچینج کے ممبران (ٹریک ہولڈرز) پر کمیشن پر ٹیکس کی صورت میں تھا کا خاتمہ ہے۔ اسکیورٹیز کی ڈسپوزل پر نقصان کو پہلے ایک سال اور پھر اگلے دو ٹیکس سال تک لے جانے کی اجازت دی گئی ہے تاکہ اس کو اگلے دو سالوں میں حاصل شدہ کیپیٹل کے مخالف آف سیٹ کیا جاسکے۔ اور یکم جولائی 2019 سے ان کمپنیوں کے لیے جو کہ گروپ ریلیف حاصل کرتی ہیں انٹرکارپوریٹ منافع پر ٹیکس اس منافع کو موصول کرنے والے کی ڈسٹریبیوٹری کمپنی کی میں شیئر ہولڈنگ کی شرح تک کم کر دی گئی ہے۔

منافع/Dividend

30 جون 2019 پر ختم ہونے والے مالی سال میں ڈائریکٹرز نے کسی نقد منافع کی سفارش نہیں کی، چاہے وہ عبوری ہو یا حتمی

(000 روپے)

88,184

سال کا منافع

88,184

تقسیم کے لیے موجود منافع

88,184

موجودہ بیلینس

پی ایس ایکس کا برائے مالی سال 2018-19 کا کل ریونیو 1.24 ارب روپے تھا جو کہ گزشتہ سال کے 1.28 ارب روپے کے ریونیو سے 3 فیصد زیادہ تھا۔ گزشتہ سال کے مقابلے میں ریونیو میں اضافہ کی وجہ زیادہ آمدنی تھی جو مندرجہ ذیل وسائل سے ہوئی:

۔ سالانہ لسٹنگ فیس - پی ایس ایکس نے ترمیم شدہ فیس کے ڈھانچے پر عمل درآمد کیا (جس کو اس سے پہلے 2011 میں ترمیم کیا گیا)

ٹریک اور نان ٹریک ہولڈرز اور کمپنیوں کو سہولیات کی فراہمی جس میں انفارمیشن ٹیکنالوجی کی سہولیات شامل ہیں۔ پی ایس ایکس نے سہولیات کی لاگت کی بنیاد کو بڑھانے کے لیے ان پر دی جانے والی امداد میں کمی کی۔

مارک اپ انکم: گزشتہ سال کے مقابلے میں بہتر ریٹ آف ریٹرن کی وجہ سے زیادہ آمدنی ہوئی
تاہم اضافی ریونیو کا اثر مندرجہ ذیل کی وجہ سے تخفیف ہوا

ٹریڈنگ فیس: مارکیٹ میں کم ٹریڈنگ سرگرمی کی وجہ سے ٹریڈنگ کی مقدار پر منفی اثر مرتب ہوا جو کہ 9.5 ارب روپے (6.7 ارب ریڈی مارکیٹ اور 2.8 ارب روپے ڈی ایف ایم) برائے مالی سال 18-19 تھا۔ اس کے برعکس یہ مالی سال 17-18 میں 12.1 ارب روپے (8.7 ارب روپے ریڈی مارکیٹ اور 3.4 ارب روپے ڈی ایف ایم) تھا۔

ابتدائی لسٹنگ فیس: اس سال کے دوران ایک وقت کی 24 ملین روپے کی اضافی لسٹنگ فیس کی آمدنی پیڈ اپ (paid-up) کپیٹل میں اضافے کی وجہ سے ہوئی۔ اس سے ریونیو پر منفی اثرات مرتب نہیں ہوئے۔ تاہم گزشتہ سال میں ایک وقت میں ہونے والی 51 ملین روپے کی ابتدائی لسٹنگ فیس سے ہونے والی آمدنی اس سال میں نہیں تھی۔ اس طرح اس سال نئی لسٹنگ اور رائٹس الیٹھ سے کم آمدنی ہوئی۔

این سی سی پی ایل (NCCPL) سے لین کوئٹیکو بیٹی (LAN Connectivity) کے چارجز کی مد میں حاصل ہونے والی آمدنی کم رہی کیونکہ ایک معاہدہ کے تحت این سی سی پی ایل نے پی ایس ایکس کی لین کی صرف انتظامی لاگت ادا کی۔ پہلے یہ این سی سی پی ایل کے پاس ٹریک (TREC) ہولڈرز کے ایکسپوزر مارجن (exposure margin) پر 1 فیصد شرح سے دی جاتی تھی۔

پی ایس ایکس کے آپریشن کے اخراجات برائے مالی سال 2018-19 گزشتہ سال کے 1.13 ارب روپے سے 5 فیصد بڑھ کر 1.19 ارب روپے ہو گئے۔ مینجمنٹ نے اخراجات کے معاملے میں قیمتی آگائی کی پالیسی اپنائی اور صرف ضرورت کی بنیاد پر اخراجات کیے۔ اس سے بزنس کے عمومی اخراجات میں بچت ہوئی۔ تاہم آپریشن کے اخراجات میں (اس میں ڈیپریسی ایشن اینڈ امورٹائزیشن شامل نہیں ہیں) 32 ملین اضافے کا اہم سبب کمپنی کی جانب سے ایک وقت کی ریڈی پر لاگت اور بین القوامی اداروں (IOSCO, WFE) کو سبز کرپشن فیس کی مد میں ادائیگیاں ہیں۔ مزید برآں ڈیپریسی ایشن اینڈ امورٹائزیشن اخراجات میں سال کے دوران 28 ملین روپے کا اضافہ ہوا جس کی اہم وجہ سال کے دوران کیے جانے والے ایڈیشنز اور ان ایڈیشنز پر انفارمیشن ٹیکنالوجی کے انفراسٹرکچر کو رائج عالمی معیار کے مطابق بنانے کے لیے 18-2017 مالی سال کی آخری سہ ماہی میں چارج کی جانے والی ڈیپریسی ایشن ہے۔

پی ایس ایکس کو مالی سال 2018-19 میں 88 ملین روپے بعد از ٹیکس کا منافع ہوا۔ مالی سال 17-18 میں یہ منافع 62 ملین روپے تھا۔ اس کی وجہ اس سال میں کم ٹیکس کی ادائیگی ہے۔ 2018-19 کے مالی سال میں 4 ملین کا ٹیکس ادا کیا گیا جبکہ 18-2017 کے مالی سال میں ٹیکس کی ادائیگی 51 ملین روپے تھی جس کی اہم وجوہات یہ ہیں:

۔ بونس شیئرز پر ٹیکس کو ختم کر دیا گیا۔ اس طرح اس دوران این سی سی پی ایل سے کوئی منافع موصول نہیں ہوا۔ اس سے حالیہ ٹیکس چارج میں کمی ہوئی۔

۔ مؤخر ٹیکس اخراجات نے کیری فورورڈ نقصانات پر بک اثاثوں کی وجہ سے مستقبل کے ٹیکس کے اہل منافع کی حد تک سازگار تغیر دکھایا۔

ڈائریکٹر رپورٹ

پاکستان اسٹاک ایکسچینج کے بورڈ آف ڈائریکٹرز کو پی ایس ایکس کی 30 جون 2019 پر ختم ہونے والے مالی سال کی تیسری سالانہ رپورٹ پیش کرنے پر خوشی ہے۔

معاشی جائزہ اور اوٹ لک

پاکستان کی معیشت ایک احساس موڑ میں داخل ہوئی ہے جس سے گزشتہ مالی سال کی پچھلے مارکیٹ کے تمام شرکاء کے لیے چیلنجز سے بھرپور تھا۔ گزشتہ جولائی سے روپے کی قدر میں 34 فیصد کمی ہوئی ہے جس سے مہنگائی میں بے انتہاء اضافہ ہوا ہے۔ ہیڈ لائن سی پی آئی جون 2019 تک 8.9 فیصد تک ہو گئی تھی۔

حالیہ مشکلات ایک عرصے سے بن رہی تھیں لیکن یہ اہم ہے کہ لمبے عرصے کے لیے ڈھانچے میں تبدیلیاں لانے کے لیے جو ضروری اور مضبوط اقدام کیے گئے ہیں وہ آئندہ سالوں میں تیز اور مستحکم ترقی کی بنیاد بنیں گے۔

اسٹیٹ بینک آف پاکستان نے بڑھتی ہوئی قیمتوں کے جواب میں پالیسی ریٹ میں مسلسل اضافہ کیا ہے جو کہ اب 13.25 فیصد ہے اس کے نتیجے میں کاروباری سرگرمیوں اور اعتماد میں کمی ہوئی ہے۔ اب سالانہ جی ڈی پی گرتا ہوا ہے، برائے سال 2020، 3 فیصد سے تھوڑی کم رہے گی۔ کرنسی کے حوالے سے خدشات، کمزور بیرونی پوزیشن اور بڑھتے ہوئے قرضوں نے بیرونی سرمایہ کار برادری کو سرمایہ کاری سے دور رکھا ہے۔

بہر حال تبدیلی کے آثار نظر آ رہے ہیں۔ عالمی مالیاتی فنڈ نے حال ہی میں پاکستان کے لیے 6 ارب روپے کے امدادی پروگرام کی منظوری دی ہے۔ جبکہ کچھ ڈھانچے میں بہتری کے اقدامات اٹھائے جا رہے ہیں۔ آئی ایم ایف کے پروگرام سے وقتی لیکویڈیٹی کے خدشات دور ہونے کی توقع ہے اور اس سے ملک میں بیرونی سرمایہ کاری آئے گی۔ مئی میں کرنٹ اکاؤنٹس کا خسارہ 1.1 ارب ڈالر تھا جو کہ گزشتہ سال سے 29 فیصد بہتر ہے۔ حکومتی مالی پالیسیوں کی توجہ طویل مدت پر مرکوز ہے اس میں ٹیکس کی وسیع پیمانے پر تعمیل، کاروباری اصلاحات، مصنوعات کی کاروباری حوصلہ افزائی اور غیر ضروری درآمدات کی حوصلہ شکنی شامل ہیں۔ کاروبار کرنے میں آسانی کو بڑھانے، جدت کے ذریعے معیشت کو ڈیجیٹائز کرنے اور برآمدی بنیاد کو مضبوط کرنے اور متنوع بنانے کے لیے ابھی بھی بہت سارا کام کرنا باقی ہے۔ ملک میں سرمایہ کاری کی حوصلہ افزائی کے لیے بہتر ضابطہ کاری، مالی ضبط کو بڑھانے، غیر رسمی شعبے کی دستاویز بندی اور موثر ٹیکس رفاہی کے ذریعے حاصل میں اضافے کے اقدامات سے ہماری حوصلہ افزائی ہوئی ہے۔ ایف اے ٹی ایف پر تعمیل کو یقینی بنانے کے لیے کیے گئے اقدامات سے سرکاری چینلز کے ذریعے ترسیلات زر میں اضافہ متوقع ہے۔ گزشتہ سال کے 19.9 ارب ڈالر کے مقابلے میں 2019 میں پاکستان کی ترسیلات زر ریکارڈ 21.8 ارب ڈالر رہیں۔ آئندہ مہینوں میں غیر یقینی صورت حال میں کمی کے ساتھ بیرونی سرمایہ کاری میں اضافے کی توقع ہے۔ ہماری پچھلے مارکیٹ کی ترقی کے لیے مڈل کلاس کی ترقی اور افزائش ضروری ہے اور پی ایس ایکس عوام کی صلاحیت اور اعتماد بڑھانے میں پرعزم ہے جو کہ پچھلے فارمیشن اور خوشحالی کا ایک اہم ستون ہے۔

پی ایس ایکس کی سال کے دوران مالی اور مارکیٹ کارکردگی

کے ایس ای 100 انڈیکس 28 جون 2019 پر 33,902 پوائنٹس پر بند ہوا۔ مارکیٹ میں سرمایہ کاری کا حجم 6,887 ارب روپے تھا۔ روزانہ کی اوسط ٹریڈنگ (ٹی پلس ٹو اور ڈی ایف ایم) کی قدر 9.5 ارب روپے تھی اور روزانہ کا اوسط ٹرن اوور 234 ملین شیئرز تھا۔

تاہم کے ایس ای 100 انڈیکس میں 30 جون 2018 سے 19 فیصد سے زیادہ کمی ہوئی اور کے ایس ای 30 انڈیکس 15,893 پر بند ہوا۔ اس میں 30 جون 2018 سے 23 فیصد کمی ہوئی جس کی وجہ کمزور معاشی حالت، جس میں پاکستان کی معیشت اور مالی مستقبل کو بڑھتے ہوئے خطرات، اور غیر مستحکم سیاسی حالات ہیں۔

پی ایس ایکس نے 30 جون 2019 پر ختم ہونے والے مالی سال کے لیے 92 ملین روپے قبل از ٹیکس منافع ریکارڈ کیا جو کہ 30 جون 2018 پر ختم ہونے والے گزشتہ مالی سال کے 113 ملین روپے کے مقابلے میں 19 فیصد کم ہے۔

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