



PAKISTAN
STOCK EXCHANGE

ALWAYS ON!

ANNUAL REPORT 2021





📍 Mazar-e-Quaid



ALWAYS ON!

The theme for this year's Annual Report centers around being "Always On". This theme is a reflection of what Pakistan Stock Exchange stands for – providing a fair and transparent marketplace that is moving forward, always on and consistently delivering on its stakeholders' expectations. Pakistan Stock Exchange strives to provide for excellence in its functions & services which positions PSX well in its endeavour to realise the vision of becoming a world class exchange.

As depicted in the images of this year's Annual Report, Pakistan Stock Exchange is a dynamic and constantly functioning conduit for capital raising and investment, similar to the vibrant and energetic roads & arteries of the economic hub of the country, Karachi. PSX's strength as a source of infinite opportunities can be juxtaposed with the endless sea touching the coastline of the port-city. Pakistan Stock Exchange's philosophy of providing reliable and best in-class services to its stakeholders despite the challenges it faced during the year is aptly represented by the strength and consistency of the foundations of the city which houses PSX.

The fiscal year 2020-21 was beset with several challenges faced by Pakistan and its economy. These challenges included the Coronavirus pandemic which resulted in lockdowns and relevant issues; however, despite the lockdowns, part of our employees and staff continued to work from the Exchange while others worked from home to deliver on their duties. We also faced the terrorist attack on the Exchange just when the fiscal year was about to start, yet the Exchange continued to function normally, proving its resilience on the back of our technologically advanced systems, trading and surveillance platforms, support from our capital market fraternity, apex regulator and frontline brokerage houses. Last, but not the least, were the torrential rains which flooded the city of Karachi; nevertheless, the Exchange continued to function without break, serving issuers, investors and market participants without any interruption.

It is a matter of great pride and significance for Pakistan and its economy that despite the numerous challenges faced throughout the year, Pakistan Stock Exchange was "Always On" -- continuously serving investors, issuers, market participants and other stakeholders, all of whom come first for Pakistan Stock Exchange.

CONTENTS

CORPORATE INFORMATION	08
VISION & MISSION	10
ABOUT PSX	12
PSX DEVELOPMENTS & ACTIVITIES	15
PRODUCTS AND SERVICES	24
MARKET PERFORMANCE (PERFORMANCE OF TOP 10 SECTORS BY MARKET CAP)	33
MARKET HIGHLIGHTS	36
ORGANIZATIONAL STRUCTURE	54
BOARD OF DIRECTORS' PROFILES	62
SENIOR MANAGEMENT - PROFILES	75
NOTICE OF ANNUAL GENERAL MEETING	84
CHAIRPERSON'S REVIEW REPORT	88
DIRECTORS' REPORT (ENGLISH)	91
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019	107
STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019	108
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS	114
FINANCIAL STATEMENTS	119
PATTERN OF SHAREHOLDING	164
CATEGORIES OF SHAREHOLDERS	166
AUDITORS' REPORT ON OPERATIONS & IT SYSTEMS	167
AUDITORS' REPORT ON REGULATORY FUNCTIONS	176
FORM OF PROXY	179
DIRECTORS' REPORT (URDU)	196



PERFORMANCE



📍 Main Shahrah-e-Faisal

CORPORATE INFORMATION

Board of Directors

Dr. Shamshad Akhtar (Chairperson of the Board)	Independent Director
Mr. Farrukh H. Khan (Chief Executive Officer)	Executive Director
Mr. Wang Baojun	Non-Executive Director
Mr. Ahmed Chinoy	Non-Executive Director
Mr. You Hang	Non-Executive Director
Dr. FU Hao	Non-Executive Director
Ms. Yu Huali	Non-Executive Director
Mr. Javed Kureishi	Independent Director
Mr. Mohammad Salahuddin Manzoor	Independent Director
Mr. Nadeem Naqvi	Non-Executive Director
Mr. Zubair Razzak Palwala	Non-Executive Director

Audit Committee

Mr. Javed Kureishi (Chairman)
Mr. Ahmed Chinoy (Member)
Mr. You Hang (Member)

Human Resources & Remuneration Committee

Dr. Shamshad Akhtar (Chairperson)
Mr. You Hang (Member)
Mr. Mohammad Salahuddin Manzoor (Member)
Mr. Zubair Razzak Palwala (Member)
Mr. Farrukh H. Khan (Member)

Regulatory Affairs Committee

Dr. Shamshad Akhtar (Chairperson)
Mr. Mohammad Salahuddin Manzoor (Member)
Mr. Nadeem Naqvi (Member)

Nomination Committee

Dr. Shamshad Akhtar (Member)
Mr. Javed Kureishi (Member)
Mr. You Hang (Member)
Mr. Zubair Razzak Palwala (Member)

Chief Operating Officer

Mr. Nadir Rahman

Company Secretary

Dr. Fakhara Rizwan

Chief Financial Officer

Mr. Ahmed Ali Mitha

Head of Internal Audit

Mr. Farhan Ansari

Chief Regulatory Officer

Mr. Ajeet Kumar

Auditors

Grant Thornton Anjum Rahman, Chartered Accountants

Legal Advisors

Mohsin Tayebaly & Co., Corporate Legal Consultants

Shariah Advisor

Alhamd Shariah Advisory Services (Private) Limited

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial & Commercial Bank of China Limited (Karachi Branch)
JS Bank Limited
MCB Bank Limited
United Bank Limited

Share Registrar

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

Registered Office

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

Regional Offices**Lahore Office**

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

Islamabad Office

Office # 712-714, 7th Floor, ISE Towers
55-B, Jinnah Avenue
Islamabad
Phone: (92 51) 2894500

Peshawar Office

2nd Floor, Lamsy Arcade, Fakhar-e-Alam Road,
Saddar Peshawar, Khyber Pakhtunkhwa
Phone: (92 21) 35274673

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 Karachi Stock Exchange, Lahore Stock Exchange and Islamabad Stock Exchange were integrated to form a single national entity, Pakistan Stock Exchange Limited.



PSX FY 2021 AT A GLANCE

Fiscal year 2021 has been a year of relative stability, with the economy slowly but surely recovering from the initial shock of Covid-19 pandemic and the ensuing lockdowns which stopped the economic engine right in its tracks in the second half of the last fiscal year. Yet again, the country and its people have shown commendable resilience in these tough economic times battling a global pandemic with little resources.

Pakistan Stock Exchange, as the country's national bourse, widely used by investors as the yardstick for measuring the strength of the economy, saw its fair share of growth with KSE-100 index closing at 47,356 on June 30th 2021 (vs 34,422 on June 30th 2020) giving investors a 38% YoY return. By the end of the financial year, 532 companies were listed on the local bourse, with a total market capitalization of PKR 8.29 trillion.

During the fiscal year, PSX also achieved six listings in the equity segment comprising of five new company listings and one preference shares issuance. This included listings of The Organic Meat Company Limited, TPL Trakker Limited, Agha Steel Industries Limited, Panther Tyres Limited and Service Global Footwear Limited, raising an aggregate of PKR 10,249 million whereas Engro Polymer & Chemicals Limited raised PKR 375 million by issuing preference shares by way of public offering.

On the Debt side, a total of PKR 36 billion were raised through public issuance at the exchange which included K-Electric Limited Sukuk that raised PKR 25 billion and a Term Finance Certificate (TFC) of Bank Alfalah that raised PKR 11 billion.

PSX also added two (02) new Exchange Traded Funds (ETFs) in the last fiscal year namely Meezan Pakistan ETF and National Bank of Pakistan Growth ETF taking the overall number of ETFs available in the exchange to four (04).

In the coming fiscal year, PSX being a symbol of Pakistan's economy will continue being at the forefront of financial innovation in the country and plans to introduce world-class trading infrastructure and innovative investment products for the investors.

	June 30, 2021	June 30, 2020
No. of Listed Companies	532	530
Listed Capital (PKR Mn)	1,442,639	1,391,478
Trading Volume - Ready Mkt + DFC (Mn)	166,528	68,359
Trading Value - Ready Mkt + DFC (PKR Mn)	6,920,666	2,573,593
Market Capitalization (PKR Mn)	8,297,305	6,529,707
KSE 100 Index	47,356	34,422
KSE 30 Index	18,962	14,862

PSX DEVELOPMENTS AND ACTIVITIES

Key Achievements Organization Wide

Pakistan Stock Exchange as a frontline regulator proved its mettle by continuing to further the capital market development plan and enhancement of the capital market for the benefit of investors, issuers and other stakeholders. PSX has undertaken significant number of activities in FY2021. Several equity & debt listings were achieved, E-IPO portal was launched, 90 Day DFC regime & regulatory enhancements were introduced, and numerous investor education sessions & Gong ceremonies were held.

Fiscal year 2021 has been a volatile year for the capital markets mostly due to the disruptions in the economy following multiple waves of Covid – 19 outbreak that were witnessed in the country. However, Pakistan Stock Exchange overcame these obstacles and witnessed record number of IPOs, raising the highest sum mobilized by corporates in many years.

During the period under review, the benchmark KSE-100 index improved from 34,889.41 points to 47,356.02 points.

On the debt side, Pakistan Stock Exchange Limited successfully listed six (06) debt securities this year out of which two (02) were publicly issued and four (04) were privately placed with a combined issue size of PKR 251.967 billion.

Despite Covid-19 disruptions, PSX also successfully launched two more Exchange Traded Funds (ETFs) in October, namely the NBP Pakistan Growth Exchange Traded Fund (NBPGETF) and Meezan Pakistan Exchange Traded Fund (MZNPI).

The bourse witnessed record Average Daily Traded Volume of 528 million shares in FY21. The Average Traded Value was around \$120 million in FY21 (highest after FY17).

Some of the key achievements of the various departments are development of the E-IPO portal to facilitate and encourage swift online subscriptions of shares in IPOs, holding of multiple awareness sessions on financial literacy and investor education to spread awareness amongst the youth, professionals, and potential investors as well as introduction of the 90-day futures contract.

Pakistan Stock Exchange has been at the forefront of financial innovation with the implementation of world-class trading and surveillance architecture. In addition, record breaking IPO market activity seen during the year and extensive financial education sessions through webinars has pushed the national bourse towards a new benchmark of success.

Product Management & Research

Despite facing many Covid related restrictions, PSX managed to list two (02) new ETFs namely Meezan Pakistan Exchange Traded Fund and NBP Pakistan Growth Exchange Traded Fund. For this purpose, PSX launched two (02) new indices namely Meezan Pakistan Index (MZNPI) and NBP Pakistan Growth Index (NBPGI) that the aforementioned ETFs would be tracking respectively.

On the derivatives front, PSX also introduced Deliverable Future Contracts with 90-day maturity and discontinued the 30-day maturity contracts that accompanied a mandatory rollover period. This is in line with the international standards and a very positive development for the Exchange and all capital market stakeholders. In addition, new futures eligibility criteria have been introduced i.e. stocks shall now be selected based on certain quantitative factors to capture liquidity. In addition, ETFs shall also be eligible if certain conditions are met. The new selection parameters are dynamic, and can be adapted to suit the needs of an evolving market. As a result, a greater selection of companies for trading on the futures counter will now be offered.

In order to enhance accessibility of market data, PSX also launched various new Market Data redistribution licenses such as for display of stock information across video channels, websites and mobile application. This will broaden the revenue opportunity of our data product suite and allow us to build new partnerships with local as well as international clients.

Listing

Equity Listings

Pakistan Stock Exchange Limited (PSX) successfully listed five (5) new companies, namely The Organic Meat Company Limited, TPL Trakker Limited, Agha Steel Industries Limited, Panther Tyres Limited and Service Global Footwear Limited. The five newly listed companies in aggregate raised PKR 10,249 million from the capital market.

Moreover, during the FY 2020-21 Power Cement Limited issued 244,585,320 preference shares by way of right issue. Engro Polymer & Chemicals Limited raised PKR 375 million by issuing preference shares by way of public offering.

Debt Security Listings

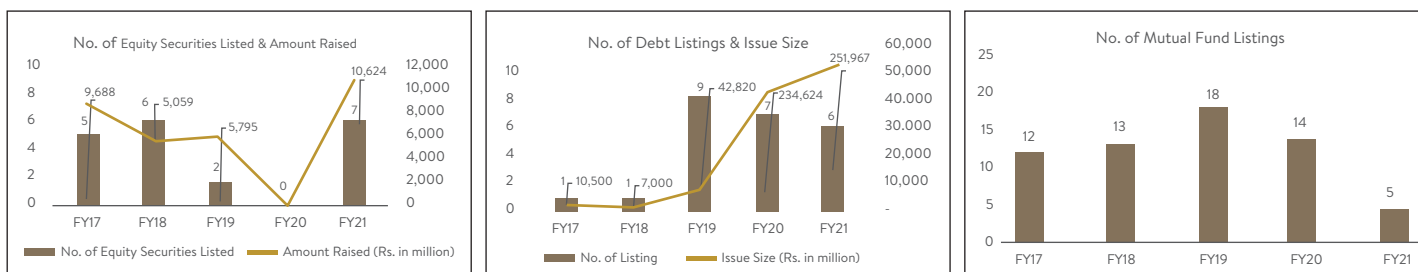
Pakistan Stock Exchange Limited successfully listed six (6) debt securities this year out of which two (2) were publicly issued and four (4) were privately placed. The debt securities have a combined issue size of PKR 251,967 million.

Exchange Traded Funds (ETFs)

The Exchange listed 2 ETFs, i.e. Meezan Pakistan Exchange Traded Fund and NBP Pakistan Growth Exchange Traded Fund during FY 2020-21.

Open-end Mutual Funds

5 Open-end Mutual Funds were listed on PSX in FY 2020-21, having total fund size of PKR 2,726 million



Human Resource

Sourcing & Employer Branding:

HR's focus remained on sourcing top talent from the campuses of leading business and IT schools. These fresh graduates were inducted across departments to build a talent pipeline to ensure continuity and succession planning. PSX HR introduced Mentorship/ Buddy Program for these new recruits for their initial days which will help them during their settling-in period and provide coaching for pursuing the right career path as well as building on their self-development and personal growth. Apart from these fresh hires, mid and senior level hires were also on-boarded which were qualified professionals like Chartered Accountants, LLBs, MSs and MBAs. To provide our high potential staff members with an opportunity to indulge in meaningful dialogue with the CEO, 'Partners in Progress' Program has been introduced where the CEO and participants share ideas on future growth.

Learning and Development:

A learning and development strategy aims to develop a workforce's capabilities, skills and competencies to create a sustainable, successful organization, and it constitutes an important part of PSX's overall business strategy. To strengthen the skillsets and knowledge-base in respective domains, over 75% employees were trained on various governance, compliance, risk, operational and soft skills related programs which were mostly virtual due to COVID restrictions/ lockdowns. A three days Orientation Program on Capital Market has been launched in which CDC and NCCPL are also invited to present along with PSX's core functions, where introduction of core business units as well overall working of the Capital Markets is explained to newly hired staff. This program is run on a quarterly basis. Moreover, a lot of work has been done on diversity and inclusion and for gender equality which is in line with UNDP's Sustainable Development Goals (SDG) under the guidance of SECP.

Workplace Health and Well Being:

For the safety and well-being of staff, PSX remained vigilant during 3rd and 4th wave of COVID-19. Based on our Covid-19 safety protocols, 50% of work population was encouraged to work remotely (work from home) and those attending office were mandated to follow the laid out SOPs defined under guidelines of NCOG, Government of Sindh and Federal Government. PSX also arranged a 5 days vaccination camp at premises with the support of District Health Office South, Government of Sindh where 1670 jabs were performed. We also facilitated Indus Hospital in their Blood Donation Drive and our staff generously participated and donated for the noble cause.

Risk Management & Information Security

During the year, PSX managed to successfully clear the surveillance audit to retain the ISO/IEC 22301:2012 Business Continuity Management System (BCMS) Certification for PSX Head Office. Furthermore, PSX confirmed its resilience during the COVID-19 pandemic by smoothly executing its operations while ensuring necessary information security protocols and resource management.

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

As part of building risk culture and implementation of the risk management policy of PSX in letter and spirit, a Risk Champion Programme was initiated during the year and a training on Enterprise Risk Management (ERM) was conducted for PSX Risk Champions. The training, in addition to building PSX's risk management capacity, aimed to develop more focused and informed risk identification, assessment and treatment process at departmental level.

Information Technology

New Trading System

PSX is implementing a New Trading System to replace its 20 years old KATS trading system. The system, after customization for Pakistani market, has been deployed and is operating in parallel execution with the existing trading system for the last quarter of FY20-21.

New trading system acquired from SZSE provides the safest and most advanced securities trading system with the utmost reliability, superior performance and low latency along with strong scalability. SZSE has an astounding safe-operation record of 17 years without trading interlude in Shenzhen Stock Exchange. The trading system has been tested for 2000 orders per second and 4m transactions per day which is more than 10 times the current volume. The system can easily be scaled up with addition of more servers if required in future.

New Surveillance System

The new surveillance system has been deployed successfully. It is integrated with new trading system and PUCARS (announcement portal for listed companies). The surveillance system provides real-time ability to analyze indicators and identify abnormal trading behaviors, as well as illegal trades such as insider trading, market manipulation, and front running, in a timely and effective manner.

Market and IT Infrastructure Uptime

At the time when some of the regional and Asian stock markets halted their trading activities due to the outbreak of COVID-19 pandemic and other unforeseen scenarios, PSX ITD managed to continue the operations of trading and associated services each day and the uptime for trading was 100% during the FY20-21. Record for highest number of trades in a single day was broken multiple times and market crossed the volume of 2.5 billion in a single day.

Integration with Payment Gateways

PSX ITD integrated the web services of e-payment gateways (NIFT, 1-Link). It enables the TREC Holders and Banks to collect the subscription requests, subscription fees, register clients, and make online payments.

Development of E-IPO Portal

Three e-IPO events of SGF, CPL and PABC were executed successfully in FY20-21. Electronic Initial Public Offering (e-IPO) software was developed in-house by PSX ITD. It facilitated the general public including individuals and corporate clients to submit the applications online for the subscription of shares. The portal keeps the record of the data and provides a centralized, secure and integrated platform. It also facilitates the individual clients either local or foreign residents to get the subscription for the available offerings across the globe. E-IPO also provides the ability to the registrar to announce the balloting results, successful applicants, and process refunds.

Upgradation of Network Infrastructure

PSX ITD upgraded the network infrastructure by deploying the new state-of-the-art equipment (routers, switches, and firewalls) which enabled to achieve a speed up to 40Gbps, increasing it to 40 times than the previous speed of datacenter connectivity. In addition to this, the broker's network connectivity was also upgraded 10 times i.e. from 1Gbps to 10Gbps. This upgradation is in line with the requirements of the new trading system. Previous network equipment was based on old technology and was also incurring the SLA cost, which was increasing every year. This upgradation will enable PSX ITD to provide smooth and seamless end-to-end delivery of the trading data to the customers and allied companies.

Upgradation of Hot DR Site

Hot Disaster Recovery site has been upgraded as per the requirement of the new trading and surveillance system. This DR site gets synchronized on real time and in event of failure at PSX primary site, trading services will be resumed from DR site. The activity was imitated with successful results within the stipulated time.

Govt. Debt Securities Continuous Trading

All eligible and authorized market makers are getting access to the PSX trading system for market making activities without the involvement of Securities Broker/ TREC Holders. Eligible participants are able to execute the trades by using BATS (Bond Automated Trading System). These non-TREC Holders are assigned unique BATS' ID to perform market making activities. Market makers are providing daily quotes on the exchange trading system. Market makers of debt securities are performing market making activities directly without the involvement of the securities brokers.

Digital Transformation of the Process of Public Offerings

An online portal has been developed by PSX ITD to automate the process of public offerings at PSX. The portal is based on modern technologies. It enables the companies' consultants, PSX listing, and SECP personnel to participate effectively through the listing process. The feature of the electronic library will manage all the documents submitted by the company consultants and the actions taken by the stakeholders. The portal can be accessed by authorized users having digital devices and internet access.

Establishment of Data Warehouse and Business Intelligence System

A data warehouse has been established accompanied by the cutting-edge ETL tool Pentaho and SAP BODS. This initiative will enable to store and extract the data in an efficient manner to support the BI activities and analytics. Tableau a modern BI tool has also been incorporated to provide real-time analytics and visual insights of the data.

Marketing & Business Development

The Marketing and Business Development team carried out activities to improve the image and build business for the Stock Exchange in fiscal year 2020-21. As a result of its efforts and excellence in digital marketing, the PSX team won the Digital Marketing Award. Moreover, PSX had the privilege of being a Twitter Trend which is an achievement in its own right amidst the marketing and brand giants like MNCs and Banks in Pakistan.

Business Development:

The Business Development team undertook direct marketing to potential issuers through companies' databases, identifying Chambers of Commerce & Industries for holding sessions on capital raising through listing. Events and seminars were held in all regional Chambers of Commerce & various Industry Associations. The BD team worked to facilitate listing readiness by creating a conducive environment through engaging with consultants, start-ups and other stakeholders such as SMEDA & National Incubation Center.

For debt market development, a major step forward this year was market maker onboarding. The Business Development team reached out to banks for signing on as market makers and facilitated them in the process until Agreement signing and activation of price quotes on Bond Automated Trading System (BATS). Furthermore, direct outreach for debt issuer listing was also undertaken by the BD team. The team played key role in connecting with Corporate & Investment Banking units of banks and CTIs. Moreover, it persuaded and provided support to issue debt via PSX, pursued to list previous debt issues, and remained engaged with warm leads.

An Agreement was signed with Pakistan Software Export Board (PSEB) whereby PSEB will introduce 40 companies on GEM Board. The listing expenses for these companies will be partly funded by PSEB. MoU and follow up meetings with potential companies and Consultants to the Issue have been held to initiate the listing process for IT companies. With the Start-up ecosystem taking off in Pakistan, there is a lot of activity and growth expected in the technology sphere and PSX is rightly poised for take-off and build on this momentum.

The Business Development team invited National Incubation Center to introduce high potential companies that are within the eligibility criteria for GEM Board to come and pitch their businesses to Consultants for listing evaluation. Moreover, a meet up between IT Start-ups and Lead Advisors for listing was organized twice during the year whereby many potential leads were generated.

Events/ Brand Marketing & Product Launch:

Branding activities were carried out including Gong ceremonies for onboarding of market makers, International Women's Day, congratulating the three listed Pakistani companies making it to the Forbes 'Asia's Best Under a Billion' list, as well as for announcing the equity listings, amongst other activities. Brand Collaterals were designed and distributed such as investor education basics flyers, presentations and corporate giveaways. Annual activities such as publication of diaries and calendars was also undertaken. PSX brand was further strengthened through the Top 25 Companies Awards for the year 2019 announcement. This announcement was promoted through exclusive Top 25 Companies Awards supplements which were published in major English & Urdu newspapers. Furthermore, social media and other media channels were engaged to disseminate this announcement which positions PSX as a robust frontline regulator having a strong brand image.

The 3rd & 4th Exchange Traded Funds (ETFs), namely Meezan Pakistan ETF (MZNP-ETF) and NBP Pakistan Growth ETF (NBPG-ETF), were launched in October 2020. An extensive ceremony for the announcement of the four ETFs was held amidst media fanfare to ensure that the news of the ETF launch reaches the public at large. Furthermore, a campaign on digital media was carried out to create awareness of ETFs as an asset class and a series of webinars were held with the ETF introducing Asset Management Companies to reach out to the masses. The ETFs have been promoted as an important asset class for the overseas Pakistanis who are not familiar with the stock market within the Roshan Digital Account campaigns and webinar.

Public Relations & Media:

The media was continuously engaged throughout the year. Efforts were made to ensure that Pakistan Stock Exchange remains in the news to create a positive word-of-mouth and to build brand familiarity and association. Multiple Press Releases and Announcements were issued for circulation of Exchange related development and activities amongst market participants and general public. Interviews of PSX spokespersons with different media channels were facilitated. Articles were published to promote the Exchange and market offerings. These articles covering various topics and subjects related to the capital market which were printed or uploaded included basic information regarding investing, benefits of listing, Introduction of the GEM Board, Roshan Digital Account - Stock investments and Exchange Traded Funds.

Media monitoring and news updates continued throughout the year. PR strength was leveraged to get PSX's viewpoint across regarding various aspects of the market in addition to reputation building and management efforts. Educational sessions with small groups of capital market journalists were held for educating them to build capacity and to provide basic knowledge for improved reporting.

Investor Education:

Investor awareness sessions were regularly held for students and faculty members of various academic institutions. Moreover, investor awareness sessions were also held for Chambers of Commerce, Associations and Professional bodies across different regions of the country. Joint sessions with market entities were carried out to reach out to mass audiences. Many of these

sessions were carried out on digital platforms to increase the outreach to a larger audience without putting the health of the participants at risk on account of the Coronavirus pandemic and for expanding the geographic reach. Listed companies were facilitated in organizing their Corporate Analyst Briefings online and hybrid versions were also held nationwide.

Digital Marketing:

On the digital front, there is an ongoing digital education campaign through animated tutorials with hashtag Think Investments and Stock Investments. Furthermore, there have been social media campaigns, webinars, blogs, events coverage and dedicated posts to promote the PSX brand and digital education in the fiscal year 2021.

Corporate Social Responsibility & Sustainability Update

Corporate Social Responsibility (CSR) activities focused on promotion of greenery and protection of environment through Hara Bhara Pakistan campaign were carried out. The Hara Bhara campaign was started off from the PSX Head Office with the participation of the CEO, COO & Management of PSX along with representatives of leading brokerage houses and the Pakistan Stock Brokers Association. The plantation was held at the PSX regional offices level as well. Moreover, seeds were distributed to the stakeholders during the year. PSX has been at the forefront in its efforts for the sustainability of the environment in that in 2018-19, PSX held a Mangrove plantation drive whereby 2000 Mangrove saplings were planted and a support program was subscribed to in order to ensure that the Mangroves are cared for until they reach a point of self-sustainability after the 3-year period has passed in 2022.

PSX participated with FFC in the dialogue on Sustainable Development Goals to highlight the business case and importance of reporting and how it reflects in a company's bottom-line growth.

Furthermore, contributions were made for the hearing impaired students with the Deaf Reach Foundation and education support to five students was extended. Distribution of rations were made to the deserving in the community through Orange Tree Foundation. Moreover, a dorm room was sponsored by PSX for Akhuwat Girls College. Many deserving and needy patients were provided financial support through Patients' Behbud Society for Aga Khan University Hospital.

In terms of Sustainable Development Goals (SDGs), Pakistan Stock Exchange practices gender equality across all organizational segments. Being a frontline regulator, PSX strongly believes in Gender Equality and Women Empowerment. There are formal policies devised in this regard to ensure the execution at every level and in every department within PSX. To ensure that there is no gender bias, women are employed at all levels that includes Management positions and even on the PSX board. Currently, the female employment ratio is 15% at the total workforce level. At the senior management level, 50% of CEO's direct reports are women who are managing critical positions at the Exchange and 20% of the PSX Board is comprised of able female professionals, including the Chairperson. There is Equal Pay notion in practice without any discrimination as this is the basic step towards Gender Equality at corporate level. PSX remains an Equal Opportunity Employer for both genders and nurtures its female talent to take up senior positions not only at Exchange level but also across the capital and financial markets.

For sustainability in terms of water usage, proactive steps were taken to reduce water wastage by reutilising water used in prayer hall for Wudhu by storing the same safely and reusing it in entire landscaping area and gardens to maintain greenery. Moreover, occupants of PSX premises, including janitorial staff, were educated on regular intervals to safely use water. During the year, taps were also set to reduced pressure in order to limit wastage. Furthermore, consistent coordination was carried out with Provincial Coordination Implementation Committee (PCIC) team for disaster management and control of the nullah outside PSX as well as for drainage works within PSX premises for the benefit of all in the vicinity including the surrounding community living near Wazir Mansion.

Initiatives by Regulatory Affairs Division [RAD]

The RAD is responsible for framing and updating the PSX Regulations, devising policies, monitoring compliance, taking enforcement actions against non-compliant securities 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. The RAD is headed by the Chief Regulatory Officer (CRO).

During the year 2020-21, the RAD took following major steps in line with international best practices, which aim to promote ease of doing business for market participants, protect interests of investing public and develop capital market:

Introduction of Broker Categorization Regime which Segregates Trading, Custodial and Clearing Functions and Professional Clearing Member (PCM):

After thorough deliberations among SROs and SECP, PSX Regulations were holistically reviewed and amended in relation to introduction of segregation of securities brokers into three categories, concept of PCM and a new Customer Relationship Form (CRF) for customers of a Trading Only Securities Broker which will maintain custody of securities with either PCM or Trading and Clearing Securities Broker, defaulting proceedings etc.

Introduction of New Chapter Governing 'Trading System' and Consequential Changes in PSX Rulebook Pursuant to Deployment of New Trading System at PSX:

As a result of deployment of new Trading System at PSX, various amendments have been made in PSX Regulations in conformity with the specifications of new Trading System. Moreover, the previous Chapters 8A relating to Karachi Automated Trading System Regulations and Chapter 8B relating to Bonds Automated Trading System Regulations have been merged to form a unified Chapter 8 governing the Trading System. This merger has ensured standardization and removal of various duplicate clauses of Chapters 8A and 8B. Also, having a unified chapter for trading system brings PSX at par with other jurisdictions where only one set of regulations exist for their trading system.

Introduction of Regulations Governing Market Misconduct:

RAD has proposed to put in place a comprehensive regulatory framework governing Market Abuses and Insider Trading as a dedicated Chapter 7A titled as 'Market Misconduct Regulations' in PSX Regulations in order to ensure fair trading, orderly market, market integrity and enhance investors' confidence. The regulatory framework proposes to obtain surveillance, investigation and enforcement related powers to detect and prevent unfair trading activities. While drafting the said framework, RAD took into consideration the relevant sections of the Securities Act, 2015 and practices of other jurisdictions.

Introduction of Basic Framework Governing Trading of Single Stock Options Contracts:

Globally, the underlying assets for which option contracts are offered include single stocks, commodities and renowned market indices. The options have become an indispensable tool for the securities industry globally and used extensively by the mutual funds, brokers, speculators, hedgers and various other institutions. With the view to promote trading activities and provide investors with diversified range of investment/ hedging alternatives, it has been envisaged to launch options on stocks based on European Exercise Style in conjunction with the already existing option contracts on index also based on European Exercise Style in the new Trading System. RAD has drafted regulatory framework governing Single Stock Options Contract (SSOC) in the light of international practices as a new Chapter 15A in the PSX Regulations.

Introduction of Framework Governing Listing of Securities Through Direct Listing Method:

Direct Listing is an alternative way of listing of an eligible company at the Exchange which does not involve capital/ fund raising by the company as the existing shareholders can sell their shares to the eligible investors on the Exchange from the date of Direct Listing. This new set of regulations has been framed and implemented as Chapter 5D [Direct Listing Regulations] in PSX Regulations in close coordination with SECP and taking into account the international practices.

Allowing Opening of Trading Account of A Local Customer Based on KYC Information Shared by Designated Bank in Pakistan:

Presently, the securities brokers are required to perform KYC verification check of new customers as part of account opening process, unless otherwise specified in the PSX Regulations. In order to make the account opening process swift and easy, minimize duplication of work and increase customer base in securities market, KYC information of a local customer available with banks is proposed to be utilized by securities brokers while opening trading account of that customer.

Enhancement of Futures Markets of PSX:

With a view to enhance liquidity in trading of securities in the Futures Market, RAD, in conjunction with relevant departments of PSX, holistically re-visited its Regulations in light of international best practices and recommendations of SECP's constituted committee on enhancing liquidity. Following key changes have been implemented in Futures Market Regulations of PSX Regulations:

- (a) Introduction of 90-day DFC in replacement of 30-day DFC, providing diversity of options to traders to take positions in near-term or farther term contracts of same scrip with more diversified options to roll-over their existing open positions;
- (b) Removal of mandatory roll-over period; and
- (c) Introduction of a new futures eligibility criteria for selection of securities eligible for trading in DFC & CSF Markets.

Simplification of CRF:

To facilitate ease of opening of trading account, the length of CRF and Sahulat Form has been reduced by shifting the Terms & Conditions from CRF and Sahulat Form to an annexure, which is made available by securities brokers to customers at the time of filing of CRF/ Sahulat Form.

Enhancement of Scrip-Based Circuit Breakers and Index-Based Market Halt:

In the interest of allowing efficient price discovery of securities, RAD has carried out amendments to PSX Regulations to enhance Scrip-Based Circuit Breakers (SBCB) and introduce tiered Index-Based Market Halt (IBMH) in the following manner:

- (a) Enhancement of SBCB from 7.5% to 10% in a phased manner post go-live of new trading system; and
- (b) Introduction of tiered IBMH at 5% and 7.5% once the SBCB reaches level of 10%.

Introduction of Compliance Calendar for Listed Companies:

RAD, in order to facilitate Listed Companies in ensuring timely compliance with the applicable PSX Regulations, developed a Compliance Calendar which has been made available in PUCARS. The Compliance Calendar provides multiple benefits to the Listed Companies, including the following:

- (a) Tracks and centralizes applicable requirements of PSX Regulations at one place;
- (b) Facilitates Listed Companies in keeping track of the requirements falling due along with their associated deadlines;
- (c) Highlights the type of form to be used from the Correspondence Manual for dissemination/submission of a particular information; and
- (d) Notifies regarding the regulatory action that may be triggered in case of breach of PSX Regulations.

The Compliance Calendar contains both periodic requirements such as holding of annual general meeting, submission of free float information etc. as well as situational requirements such as holding of extra-ordinary general meeting (EOGM), submission of minutes of EOGM, intimation and credit of dividend/bonus shares etc.

Concept of Allowing Securities Brokers to Establish Customer Facilitation/Help Centers' and Market Brokerage Business/ Products Through Sales Force and Distribution Channels of Their Associated/ Holding Companies:

To enhance customer base and capital market outreach, RAD explored the idea of allowing securities brokers to open 'customer facilitation/help centers' and utilize the sales force and distribution channel of their associated/holding companies for marketing their business/ products across the country. In this regard, a concept paper was prepared which outlined the objectives and expected benefits of this initiative, thereby introducing certain control measures to be adopted by securities brokers when engaged in such activities.

Prime Minister's Performance Delivery Unit [PMDU]:

PMDU is a nation-wide complaints and grievances redressal mechanism, which is operated from the Prime Minister's Office, to address complaints lodged by the citizens on Pakistan Citizen's Portal. The SECP assigned PMDU dashboards to all its SROs, and the one assigned to CRO-PSX is handled by RAD. It is worth mentioning that all complaints received by PSX during the review period on its dashboard have been resolved in a timely manner, with no escalations.

Trading & TREC Affairs Department

In a major move forward, Pakistan Stock Exchange (PSX) has launched the 90-day maturity Deliverable Futures Contracts (DFC) regime along with favourable modus operandi for investors such as introduction of a new criteria of securities eligible for futures contracts, removal of segregation of A and B futures contracts categories, and elimination of mandatory one week roll-over period whereas investors can roll-over their existing positions any time before expiry as per their desire and liquidity positions.

In order to further strengthen the Securities Brokers in line with international best practices and to reduce the risk of clearing/custody defaults, PSX has participated as development & implementation partner for the Categorization of Securities Brokers and Professional Clearing Member as per the Securities Brokers (Licensing and Operations) Regulations, 2016 and the Professional Clearing Members (PCM) Regulations, 2020 respectively. This initiative will expand market outreach through introduction of concept of the 'trading only broker' so as to encourage new participants to start brokerage business at lower preliminary and operational costs.

PSX has implemented comprehensive Market Making framework for Listed Debt Securities including Government Debt Securities (GDS). In this regard, Designated Market Maker (DMM) agreements have been signed with ten (10) major Banks/Investment Companies to provide liquidity in the Fixed Income securities. Moreover, PSX has rolled out two (02) more Exchange Traded Funds (ETFs); Meezan Pakistan ETF, offered by Al Meezan Investment Management Limited, and NBP Pakistan Growth ETF, offered by NBP Funds Management Ltd and has also on boarded two (02) more market makers to provide continuous quotes for ETFs.

To broaden the investor base in the capital market, PSX closely collaborated with the other SROs, participating banks and the brokerage firms on landmark developments such as Investment in stock market by overseas Pakistanis through Roshan Digital Account and the implementation of Online Account opening process for brokerage firms.

Legal & Corporate Affairs Department

Reconstitution of the Board upon Election of Directors

During the financial year, Pakistan Stock Exchange Limited (PSX or the Exchange) prudently concluded the process of Election of Shareholder Directors, followed by nomination of Independent Directors to the Securities and Exchange Commission of Pakistan (SECP), in compliance with applicable requirements.

The size of the new Board was kept at ten (10) Directors (excluding the Chief Executive Officer), which comprised of seven (7) Shareholder Directors and three (3) Independent Directors and the Extraordinary General Meeting for conducting the Election was convened on April 19, 2021, wherein, the contesting candidates were elected un-opposed for a term of 3 years, with requisite clearance of SECP. Moreover, subsequent to the election of 7 Shareholder Directors, SECP, upon recommendation of the Board, approved the appointment of 3 Independent Directors on the Board, effective April 19, 2021.

The overall process of Board Election, together with evaluation of contested and/or nominated candidates in the light of applicable 'Fit & Proper Criteria', was judiciously carried out by the Exchange, in a timely manner.

After reconstitution of the Board, Dr. Shamshad Akhtar (Independent Director) was elected as Chairperson on the Board of the Exchange for a term of 3 years. It was for the first time in the 73-year history of the Exchange, that a woman Chairperson has been elected on the Board.

Acquisition of Additional Stake in NCCPL

In order to acquire additional equity stake of 2.65% in National Clearing Company of Pakistan Limited (NCCPL), an associated company of PSX, the Exchange, with the approval of the Board of Directors, conducted an Extraordinary General Meeting in the third quarter of the financial year, wherein, the proposal for further investment in the shares of NCCPL, amounting to PKR 69.4 Million, to be acquired from Pakistan Kuwait Investment Company (Private) Limited (one of the shareholders of NCCPL), at a price of PKR 26 per share, was approved by the Shareholders of PSX. All the formalities associated with the transaction were effectively completed by the Exchange, resultantly, the aggregate shareholding of PSX in NCCPL has increased to 49.71%.

PRODUCTS AND SERVICES

PSX Products

- Equity Segments, known as Ready Market (T+2)
- Bills & Bonds (for trading in government debt securities & corporate debt)
- Futures Counter (Deliverable Futures Contracts, Cash Settled Futures, & Stock Index Futures)
- Negotiated Deal Market
- REIT
- Exchange Traded Fund
- GEM Board

Investor Services

PSX is a FIX protocol compliant system offering:

- Trading
- Information Services
- Market Data Feed
- Internet Routed Trading Facility
- Automated Trading, Clearing and Settlement system
- Order Driven System
- Easy Access via Display Only Terminals
- Investors Complaints Management Systems
- Gateway trading (Order Management System)

Upcoming products and services:

Dividend Index for benchmarking portfolio performance of structured dividend-focused products.

Index & Equity Options would increase options available for investors. PSX is in the process of procuring a new trading platform to support index and stock options, among other features.

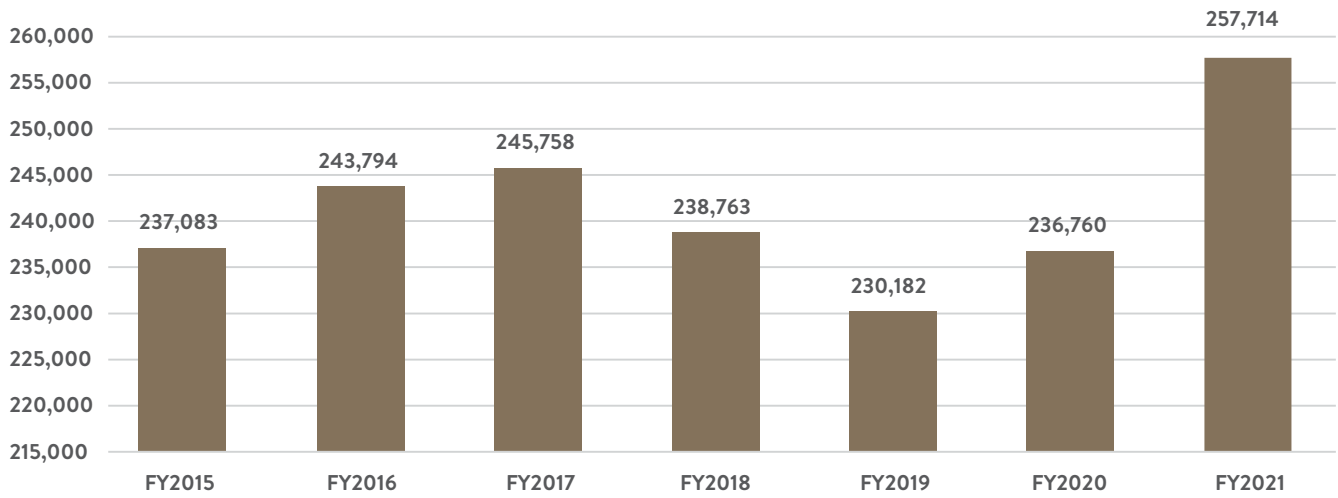
Fixed Income Products will be increased to offer greater diversity in tradeable debt instruments.

HIGHLIGHTS

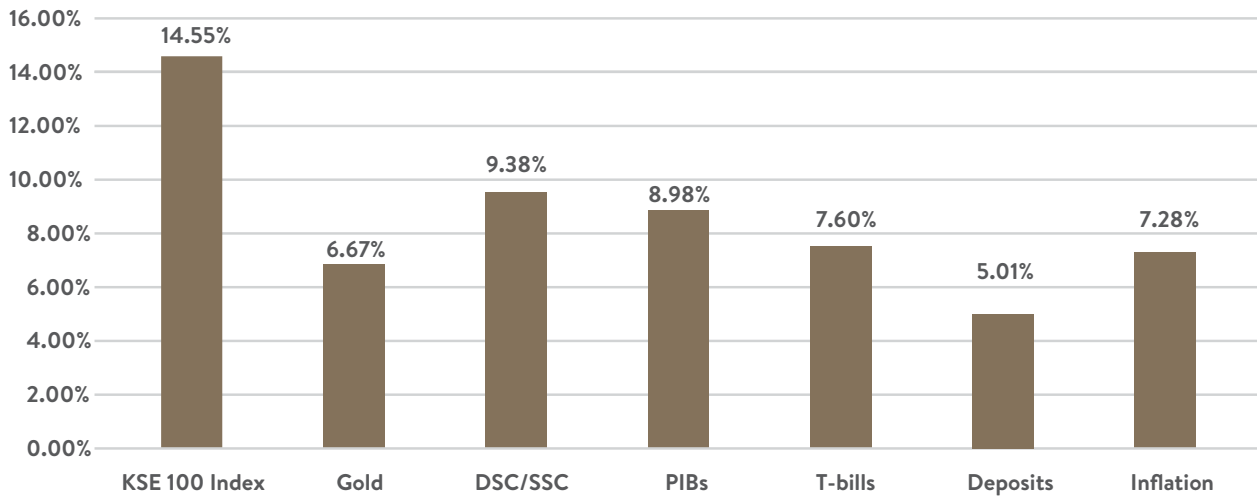
Key Financial Highlights (Six Years at a Glance)

	2016	2017	2018	2019	2020	2021
		Restated	Restated			
	------(Rupees in millions)-----					
Share Capital	8,015	8,015	8,015	8,015	8,015	8,015
Reserves	174	133	(11)	61	232	954
Surplus on Revaluation of Assets - Net of Tax	-	740	709	815	815	762
Total Equity	8,189	8,888	8,713	8,891	9,062	9,731
Long Term Liabilities	147	1,822	421	301	640	578
Current Liabilities	554	1,251	1,042	1,104	1,610	1685
Liabilities related to assets held for distribution to shareholders / disposal	-	-	-	323	323	-
Total Liabilities	701	3,073	1,463	1,728	2,573	2,263
Fixed Asset	4,104	4,885	4,883	411	1,000	4,987
Other Long Term Assets	3,574	2,110	2,510	2,758	3,139	3,942
Current Assets	1,211	4,966	2,783	2,753	2,767	3,064
Assets held for distribution to shareholders / disposal	-	-	-	4,697	4,729	-
Total Assets	8,890	11,961	10,176	10,619	11,634	11,993
Operational Results						
Total Income	1,450	1,477	1,240	1,280	1,373	2,101
Total Expenses	1,193	1,158	1,127	1,188	1,182	1,378
Profit Before Tax	257	319	113	92	191	723
Profit After Tax	132	277	62	88	194	696
Ratios						
Current Ratio	2.19	3.97	2.67	2.53	1.49	1.81
Quick Ratio	1.02	2.17	0.60	0.42	1.12	1.80
Net Profit Margin	9%	19%	5%	7%	14%	33%
Expenses as a percentage of Revenue	82%	78%	91%	93%	86%	66%
Profit Before Tax as a percentage of Revenue	18%	22%	9%	7%	14%	34%

Total UIN's



Historical Asset Class Returns in Pakistan - CY 2011 - 2021



*Data as of 30TH June 2021

*Returns are shown on compounded annualized basis

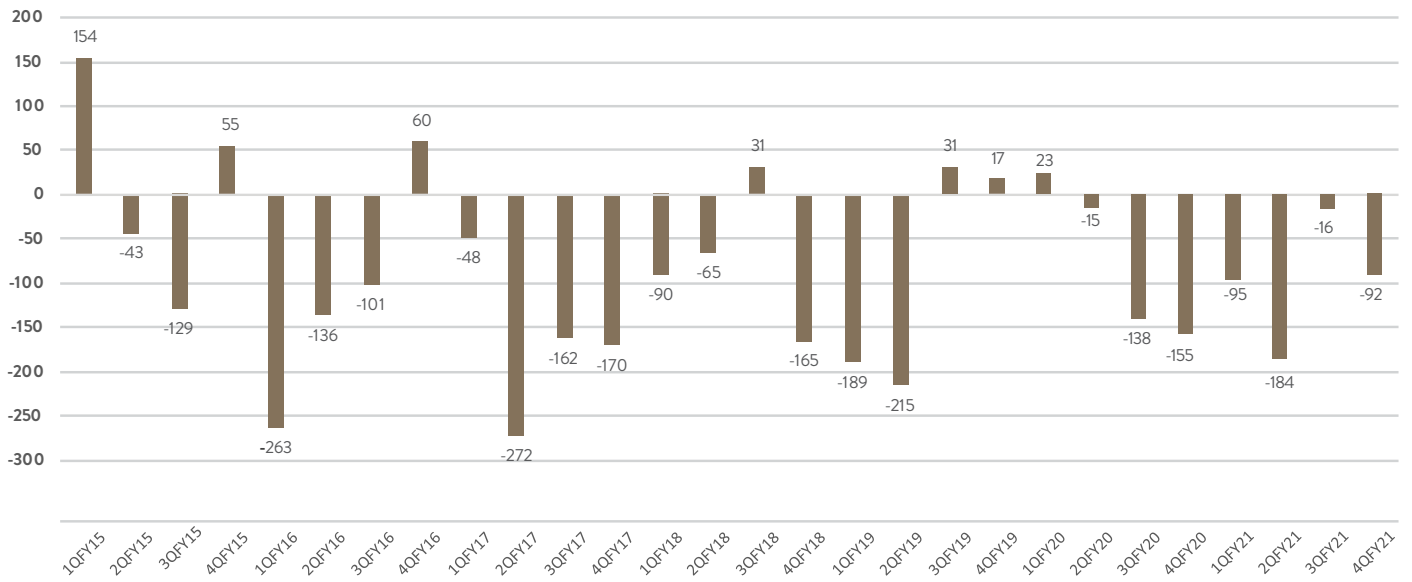
SUMMARY OF TRADING RIGHT ENTITLEMENT (TRE) CERTIFICATE HOLDERS OF PAKISTAN STOCK EXCHANGE LIMITED (PSX)

Deletion of TRE Certificate During the Period from July 01, 2020 Trec as on July 01, 2021						
Location	Trec As On July 1, 2020	Issued TRE Certificate	Forfeited / Expelled/cancelled	Lapsed	Relinquishment /surrender	Trec As On June 30, 2021
Karachi	159	1	0	0	2	158
Lahore	80	0	0	0	1	79
Islamabad	45	0	0	0	0	45
Total	284	1	0	0	3	282

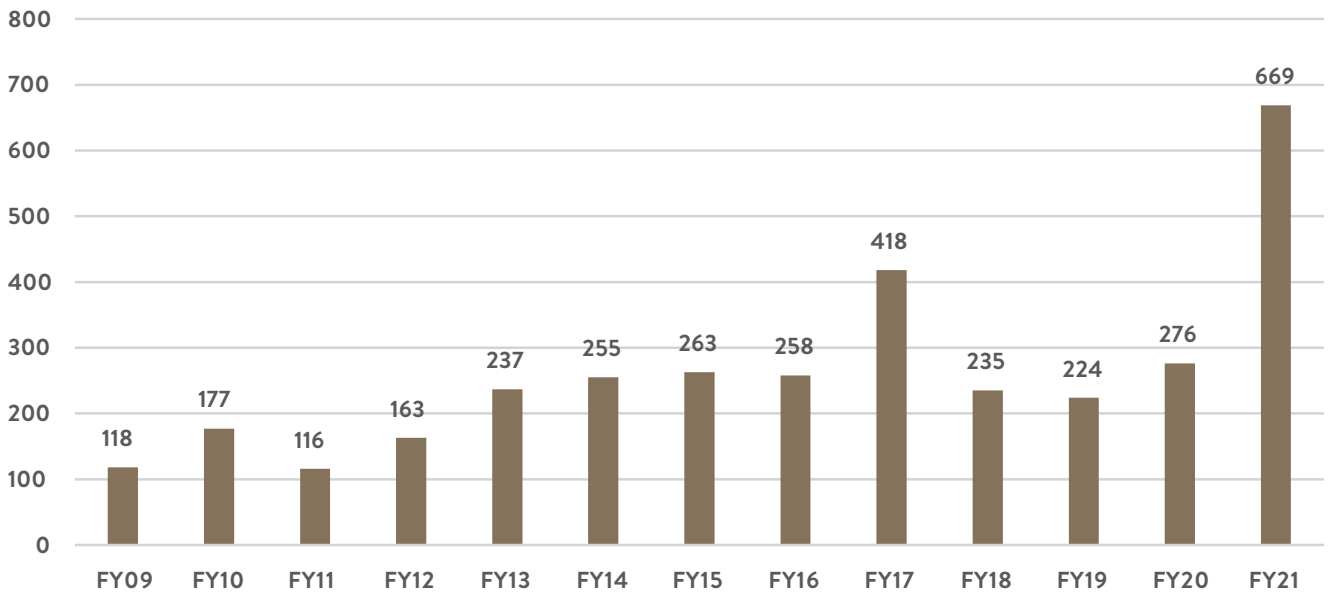
MONTH-WISE TRADE VOLUMES & VALUE IN EACH MARKET SEGMENT

Month	Volume (No. Mn)		Value (PKR Mn)		No. of Trading Days	Avg. Daily Traded Volumes (Mn)		Avg. Daily Traded Value (PKR Mn)	
	DFC	Ready	DFC	Ready		DFC	Ready	DFC	Ready
Jun-21	3,910	20,093	199,200	516,348	22	177.72	913.32	9,054.56	23,470.38
May-21	2,343	11,612	151,808	319,909	15	156.19	774.14	10,120.54	21,327.24
Apr-21	2,580	7,791	224,441	360,324	22	117.27	354.12	10,201.86	16,378.37
Mar-21	3,499	9,664	289,320	492,120	22	159.05	439.29	13,150.93	22,369.11
Feb-21	2,972	11,812	250,182	497,222	19	156.41	621.70	13,167.50	26,169.55
Jan-21	3,118	13,097	205,165	483,626	21	148.46	623.66	9,769.77	23,029.82
Dec-20	3,365	10,847	201,586	472,887	22	152.98	493.03	9,163.00	21,494.88
Nov-20	2,374	5,933	101,532	217,215	21	113.06	282.54	4,834.84	10,343.56
Oct-20	2,995	8,490	119,722	295,774	21	142.62	404.29	5,701.04	14,084.46
Sep-20	3,187	13,275	138,694	404,485	22	144.88	603.39	6,304.27	18,385.69
Aug-20	2,478	10,368	142,273	397,431	20	123.88	518.41	7,113.64	19,871.55
Jul-20	2,354	8,372	115,656	323,746	22	106.98	380.54	5,257.08	14,715.73
Total	35,175	131,354	2,139,579	4,781,087	249				

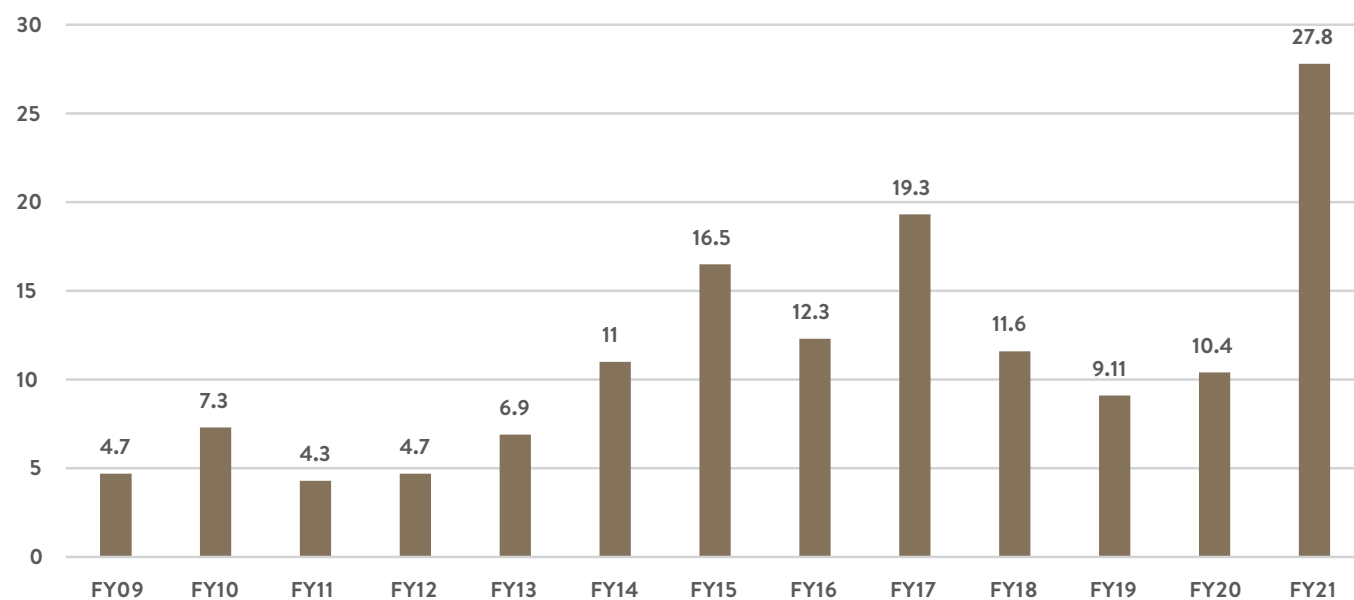
Foreign Investors Net Inflows/Outflows (USD million)



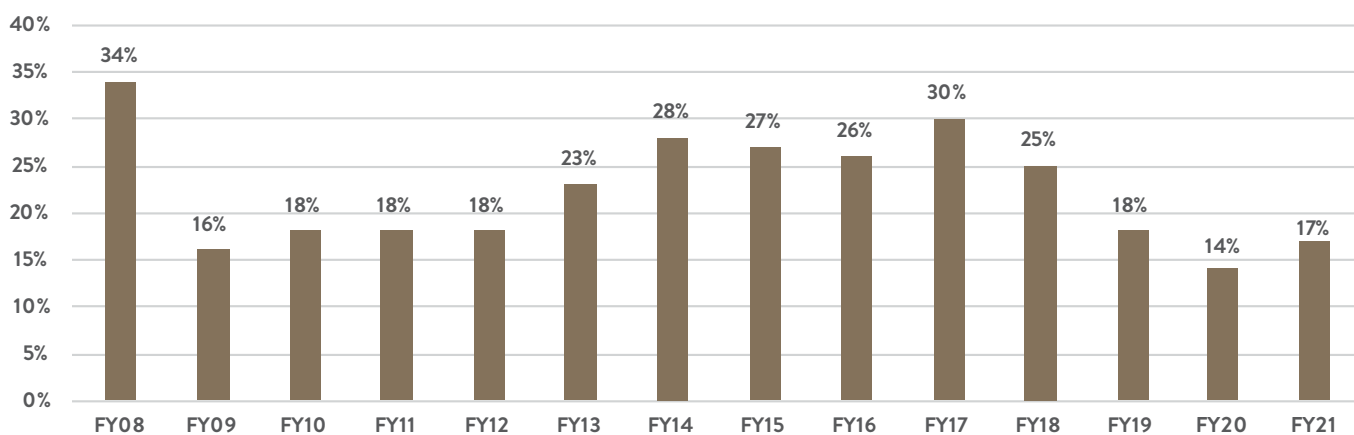
Average Daily Traded Volume (Ready + Futures) - No. of shares in Million



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, 2021 (unaudited)"

Particulars	Amount (Rupees)
Opening Balance July , 2020	3,985,384,043
Contribution during the year	437,854,078
Amounts Utilized during the year	(534,050)
Audit Fee	(150,000)
Others	(818,755)
Fund position as at June 30, 2021	4,421,735,316

Enforcement Actions Against Non-Compliant Securities Brokers:

During FY 2020-21, the Market Surveillance Department of RAD investigated total 875 cases consisting of the following:

- (i) Total 822 cases were investigated in relation to the following:
 - (a) Prohibition of Blank Sale in Ready Delivery Contract Market.
 - (b) Usage of normal sale order window in Deliverable Futures Contract Market in case of non-holding of shares or pre-existing interest.
 - (c) Blank Sale resulting into Delivery Defaults.

Out of 822 cases, hearings in 67 non-compliant cases were conducted resulting in the following enforcement actions:

Summary of Enforcement Actions Taken During the Year 2020-21				
Description (Clause of PSX Regulations)	No. of Hearings	Enforcement Actions		
		Advised	Warned	Penalty
Clause 10.15 [Blank Sale under Ready Delivery Contract Market]	18	-	09	09
Clause 13.5 [Blank Sale under DFC Market]	11	-	-	11
Blank Sale resulting into Delivery Defaults	04	-	04	-
Misuse of Blank Sale F-8 window under Deliverable Futures Contract Market	34	02	32	-
Total	67	02	45	20

- (ii) Out of 53 cases, 18 potential cases were scrutinized to identify potential element of insider trading or market manipulation in securities. Among 18 cases, 5 cases were concluded with no adverse findings, 7 were concluded with adverse findings and 6 of the cases are under investigation. Among concluded cases, 3 investigation reports were forwarded to SECP for further inquiry and action in accordance to the relevant laws and 4 investigation reports are in progress.

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

- (i) A total of 145 reports were received and reviewed and enforcement actions were taken against non-compliant brokers which were identified through the following mechanisms:
 - (a) System Audits;
 - (b) Joint Inspection;
 - (c) Internet Based Trading Services Audit;
 - (d) Regulatory Actions and Penalties.

Summary of Enforcement Actions Taken During the Year 2020-2021						
Nature of Activities	No. of Hearings / Explanation	No. of Actions	Type of Enforcement Action			
			No. of Warning / Advice	No. of Penalties Imposed	Restriction/ Condition Imposed	Trading Terminals Suspended
System Audits	23	22	17	5	-	-
IBTS Audits	02	05	05	-	-	-
Joint Inspection	68	18	16	02	-	-
Regulatory Actions and Penalties	-	13	-	02	1	10
Total	93	58	38	9	1	10

In addition to above, RAD conducted total 417 on-site and off-site inspections of securities brokers during the year to check their compliance status with respect to various PSX Regulations such as Mandatory Tariff Structure, Mandatory Provision of Quarterly Account Statement to Clients, Minimum Contents of Website and Segregation of Trading Terminals, profit sharing with clients, trading by employees, clients' assets segregation and placement of financial statements on website.

The details of inspections of eighty-six (86) securities brokers conducted pertaining to clients' assets segregation during the aforesaid period are tabulated below:

Nature of Activities	No. of Inspections Conducted	No. of Compliant Brokerage	No. of Non-Compliant Brokerage	Inspection in progress	No. of Hearings/ Explanations	Evidence Submitted / Subsequently Compliant on the basis of corrective action
On-Site CAS	86	69	15	2	15	15

A summary of the number of complaints registered against active securities brokers, during the aforesaid period is given below:

Complaints Against Existing Securities Brokers				
Opening no. of complaints	Received during the period	Resolved through mediation	Resolved through arbitration and appeal	Closing complaints
15	109	115	5	14

A summary of complaints received on the PMDU Dashboard and resolved during the review period is given below:

Complaints Received on PMDU				
Opening	Received during the period	Resolved	Dropped	Closing
15	110	91	24	10

Enforcement Actions Against Non-Compliant Listed Companies:

Over 800 cases of non-compliances were identified and explanations were sought from the listed companies. The non-compliances of common nature are listed below:

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

As a result, RAD took appropriate enforcement actions including imposition of fine.

Further, a total of 12 companies/securities were placed in the Defaulters' Segment, trading in the shares of 04 companies/securities was suspended whereas 14 companies/securities were shifted to Normal Counter upon rectification of default(s) and restored trading in the shares of 05 companies/securities. One company is delisted pursuant to merger/amalgamation.

Joint Inspection Regime:

During the year 2020-21, the Joint Inspection Team ["JIT"] conducted Thematic Reviews of 60 securities brokers of Karachi, Lahore and Islamabad region wherein the JIT covered limited areas of Securities & Exchange Commission of Pakistan (Anti Money Laundering & Countering Financing of Terrorism) Regulations, 2020 ["AML / CFT Regulations"] and scope mentioned in Joint Inspection Regulations, 2015 ["JI Regulations"]. During the review, the JIT has detected various regulatory non-compliances including non-segregation of clients' assets, incorrect calculation of net capital balance, discrepancies of SAOFs, non-compliances relating to the AML / CFT Regulations etc. JIT has reported the non-compliances to the relevant Self-Regulatory Organizations and SECP for taking necessary enforcement actions against the non-compliant securities brokers in accordance with their respective regulatory frameworks.

In addition to the above, the JIT has also performed Follow Inspection on Thematic Reviews on the instructions of Oversight Committee and SECP, of 27 securities brokers to review compliance status of the observation(s) highlighted in the relevant SECP Enforcement Orders relating to AML / CFT Regulations, and reported the detected non-compliances to the SECP.

Further, the JIT has also conducted Thematic Review of 02 securities brokers based on the customers' complaint submitted with SECP. The JIT initiated the Thematic Review on the instructions of Oversight Committee and SECP, and covered relevant areas of scope mentioned in JI Regulations to address the issues highlighted by their customers. The JIT has submitted the detected non-compliances to the SECP.

MARKET PERFORMANCE

Performance of Top 10 Sectors by Market Cap

Top 10 Sectors by MCAP	Market Capitalization				No. of Companies in KSE 100	% in KSE 100 Index
	30-Jun-21	% of Total MCAP	30-Jun-20	Growth		
COMMERCIAL BANKS	1,308,754,053,697	15.8%	1,070,354,212,498	22.3%	13	20.5%
OIL & GAS EXPLORATION COMPANIES	960,135,446,281	11.6%	969,427,076,156	-1.0%	4	10.5%
FOOD & PERSONAL CARE PRODUCTS	744,128,427,139	9.0%	595,057,925,670	25.1%	5	3.3%
CEMENT	702,506,455,124	8.5%	408,176,152,901	72.1%	7	10.5%
FERTILIZER	509,383,642,872	6.1%	472,487,699,045	7.8%	5	11.5%
TOBACCO	432,246,123,252	5.2%	512,591,233,434	-15.7%	1	0.9%
CHEMICAL	404,117,207,523	4.9%	307,193,438,056	31.6%	5	2.7%
AUTOMOBILE ASSEMBLER	361,448,426,203	4.4%	241,244,957,457	49.8%	5	3.5%
POWER GENERATION & DISTRIBUTION	316,235,560,525	3.8%	245,707,114,264	28.7%	3	5.4%
PHARMACEUTICALS	314,189,809,547	3.8%	272,870,676,233	15.1%	5	3.5%

SERVICE



📍 Karachi Port Trust Building

MARKET HIGHLIGHTS

DESCRIPTION	2017	2018	2019	2020	2021
Total Listed Companies	560	558	544	530	532
Total Listed Capital (Rs. in million)	1,317,220	1,297,375	1,340,270	1,391,478	1,442,639
Total Market Capitalization (Rs. in million)	9,522,358	8,665,045	6,887,301	6,529,707	8,297,305
New Companies Listed	5	6	2	-	5
Listed Capital of New Companies (Rs. in million)	13,376	6,719	10,161	-	17,642
New Debt Instruments Listed	1	1	9	7	6
Total Issue Size of New Debt Instruments (Rs. in million)	10,500	7,000	42,820	234,624	251,967
Total Shares Volume (million)	88,599	46,532	39,943	52,382	137,341
Average Daily Share Volume (million)	363	187	164	211	552
Average Daily Trade Value (Rs. in million)	15,337	8,141	6,364	7,214	19,201
KSE Indices					
KSE – 100 Index					
Year End	46565.29	41910.90	33901.58	34421.92	47356.02
High	52876.46	47084.34	43556.63	43218.67	48726.08
Low	37966.76	37919.42	33166.62	27228.80	34889.41
KSE – All Share Index					
Year End	32494.30	30582.91	24986.05	24660.31	32479.82
High	36234.20	33313.23	31304.20	30058.44	33103.22
Low	25451.59	28210.60	24582.48	20043.89	24959.44
KSE – 30 Index					
Year End	24250.84	20568.57	15892.99	14862.25	18961.90
High	28173.24	24510.20	21728.88	20032.51	19731.43
Low	21807.08	18875.48	15733.71	11833.83	15121.75
KMI – 30 Index					
Year End	78598.22	71060.34	54118.51	54995.25	76621.54
High	91145.45	81259.68	73910.98	70790.23	80168.03
Low	66544.32	64491.29	51963.15	41364.54	56459.32

Notes:

- (i) The figures are from July to June.
- (ii) The total number of listed companies have been stated after 2 companies delisted in 2017, 5 companies delisted in 2018, 15 companies delisted in 2019 and 14 companies delisted in 2020 and 2 companies delisted in 2021 and 2 companies merged in 2017, 3 companies merged in 2018 and 1 company merged in 2019 and 1 company merged in 2021.
- (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, 2021 closing statistics.
- (v) The KSE All Share Index based on the prices of August 29, 1995 = 1000, commenced w.e.f. September 18, 1995.
- (vi) The KSE – 30 Index based on the prices of June 30, 2005 = 10000, introduced w.e.f. September 01, 2006.
- (vii) The KMI – 30 Index introduced w.e.f. September 01, 2008.

INDICES PERFORMANCE

KSE 100 INDEX 2000 TO 2021



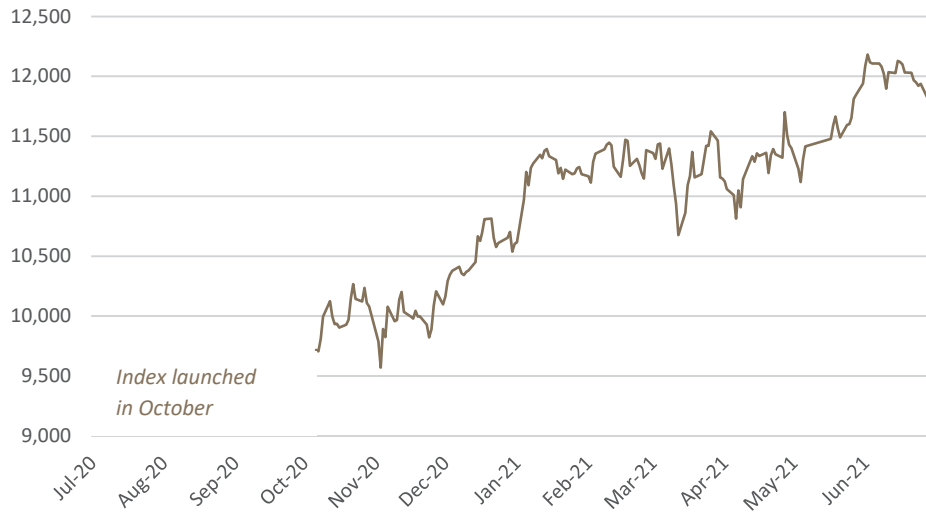
KSE 30 INDEX 2006 TO 2021



KMI 30 INDEX 2008 TO 2021



NBPPGI - NBP Pakistan Gateway Index



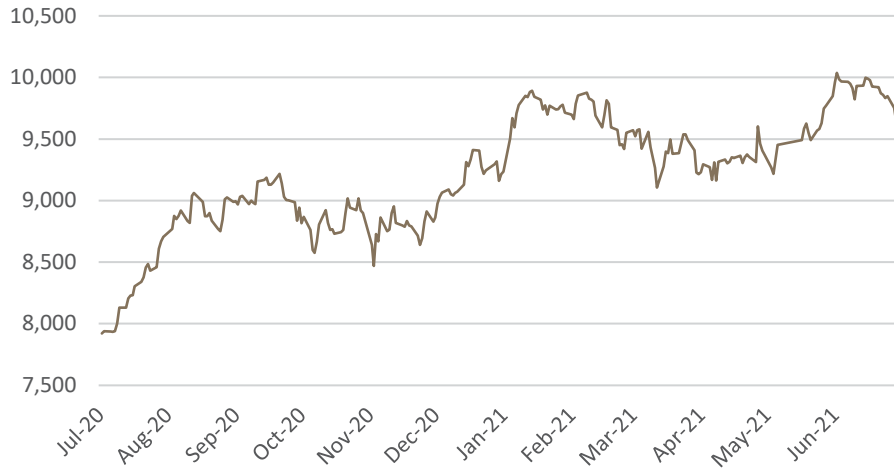
UPP9 - UBL Pakistan Index



BKTI - Banking Tradeable Index



NITPG - NIT Pakistan Gateway Index



MZNPI - Meezan Pakistan Gateway Index



OGTI - Oil & Gas Tradeable Index



Listing of New Companies – Equity

Rs. in million

Sr.No.	Name of Company	Date of Listing	Paid up Capital	Total Amount Offered Including Premium		Subscription Received Including Premium	
				Book Building	General Public	Book Building	General Public
1	The Organic Meat Company Limited (At a premium of PKR 10 per share)	03-Aug-2020	1,118	600	200	1,371	316
2	TPL Trakker Limited (At a premium of PKR 2 per share)	10-Aug-2020	1,873	-	802	-	802
	Power Cement Limited * (Preference shares of already listed company)	21-Sep-2020	2,446	-	-	-	-
3	Agha Steel Industries Limited (At a premium of PKR 22 per share)	02-Nov-2020	5,761	2,880	960	4,401	1,226
	Engro Polymer & Chemicals Limited ** (Preference shares of already listed company)	31-Dec-2020	3,000	-	375	-	2,020
4	Panther Tyres Limited (At a premium of PKR 55.80 per share)	22-Feb-2021	1,400	1,974	658	8,215	1,263
5	Service Global Footwear Limited (At a premium of PKR 43.20 per share)	28-Apr-2021	2,044	1,631	544	8,946	2,712
	TOTAL		17,642	7,085	3,539	22,933	8,339

* The Preference Share is being listed without public offering of already listed company (Power Cement Limited) by way of Right issue.

** The Preference Share of already listed company (Engro Polymer & Chemicals Limited) is being listed by way of Public Offering.

Listing of New Debt Instruments

Rs. in million

Sr.No.	Name	Date of Listing	Amount Offered			Subscription Received			Amount Listed
			General Public	Others	Total Issue	General Public	Others	Total	
1	Power Holdings Limited - Pakistan Energy Sukuk - II (PP Sukuk)	28-Jul-2020	-	-	-	-	-	-	199,967
2	K-Electric Limited - (Sukuk 5)	24-Aug-2020	1,292	23,708	25,000	3,165	23,708	26,873	25,000
3	Askari Bank Limited (PPTFC)	25-Aug-2020	-	-	-	-	-	-	6,000
4	The Hub Power Company Limited (PP Sukuk 5th Issue)	15-Dec-2020	-	-	-	-	-	-	5,000
5	Bank Alfalah Limited (Tranche Series - A) (i)	28-Jan-2021	1,000	9,000	11,000	2,770	9,000	11,770	11,000
6	Samba Bank Limited (PPTFC)	29-Jun-2021	-	-	-	-	-	-	5,000
	TOTAL		2,292	32,708	36,000	5,935	32,708	38,643	251,967

(i) Bank Alfalah Limited has exercised the Green Shoe Option of PKR 1,000 million.

Listing of Open-end Mutual Fund

Rs. in million

Sr. No.	Name of Fund	Date of Listing	Total Issue Size
1	NIT Asset Allocation Fund	01-Oct-2020	536
2	NBP Islamic Income Fund	22-Oct-2020	450
3	Alfalah Islamic Rozana Amdani Fund	23-Nov-2020	1,140
4	Atlas Islamic Money Market Fund	25-Jan-2021	439
5	JS Islamic Daily Dividend Fund	18-Feb-2021	160

Listing of Exchange Traded Funds (ETFs)

Sr. #	Name of Fund	Date of Listing
1	Meezan Pakistan Exchange Traded Fund	06-Oct-2020
2	NBP Pakistan Growth Exchange Traded Fund	06-Oct-2020

Companies Applied for Listing

Sr. #	Name of Security
1	Octopus Digital Limited

Prospectus / Offer for Sale Cleared by the Exchange

Sr. #	Name of Security
1	Air Link Communication Limited

Delisting of Companies

Rs. in million

Sr. No.	Name of Company	Date of Delisting	Paid-up Capital
1	Sajjad Textile Mills Limited	06-Jul-2020	213
2	Akzo Nobel Pakistan Limited	10-Aug-2020	464

Merger of Companies

Rs. in million

Sr. No.	Name of Company	Merged with	Date of Merger	Paid-up Capital
1	(Colony) Sarhad Textile Mills Limited	Suhail Jute Mills Limited	07-Jun-2021	40

Delisting of Debt Securities

Sr. No.	Name of Security	Date of De-Listing
1	Bank Alfalah Limited (5th Issue of TFC)	10-Jul-2020
2	Engro Corporation Limited (2nd Issue of Sukuk)	25-Sep-2020
3	Dawood Hercules Corporation Limited (1st Issue of Sukuk)	04-Mar-2021
4	Habib Bank Limited (PPTFC – Tier II)	15-Mar-2021
5	Dawood Hercules Corporation Limited (2nd Issue of Sukuk)	29-Mar-2021

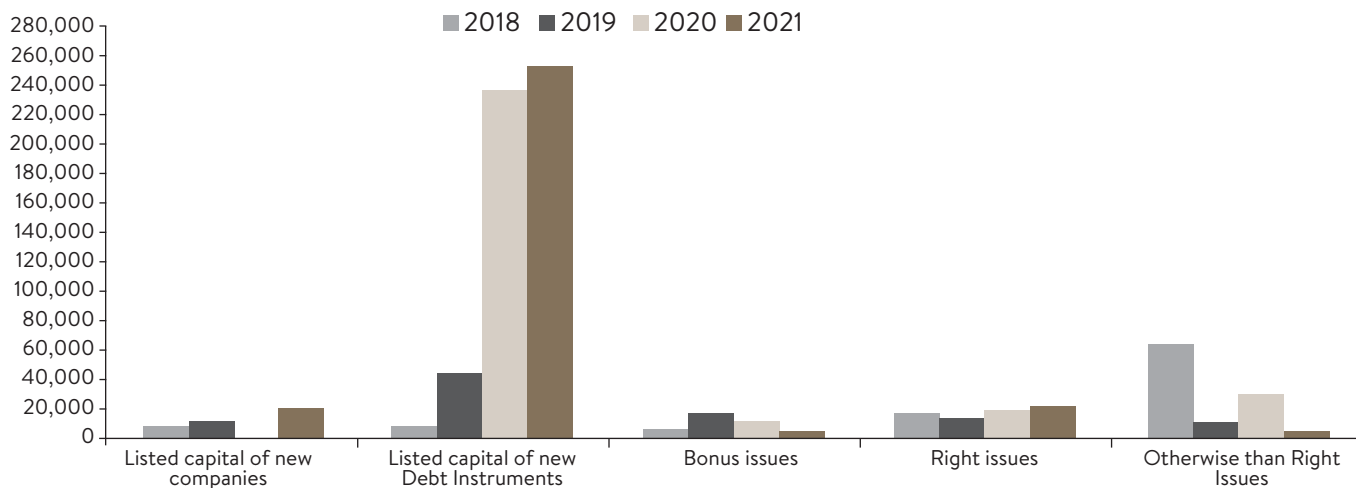
Delisting of Open-End Mutual Funds

Sr. No.	Name of Funds	Date of De-Listing
1	ABL Islamic Principal Preservation Fund – I	28-May-2021
2	ABL Islamic Principal Preservation Fund – II	28-May-2021
3	NAFA Islamic Principal Protected Fund – II	10-Jun-2021

Change of Name of Companies

Sr. No.	Old Name	New Name	Effective Date
1	ICC Textiles Limited	ICC Industries Limited	25-Aug-2020
2	Imperial Sugar Mills Limited	Imperial Limited	18-Nov-2020
3	D. M. Industries Limited	D. M. Textile Mills Limited	24-Feb-2021
4	Tri-Star Polyester Limited	Image Pakistan Limited	06-Apr-2021
5	Capital Asset Leasing Corporation Limited	CALCORP Limited	29-Jun-2021

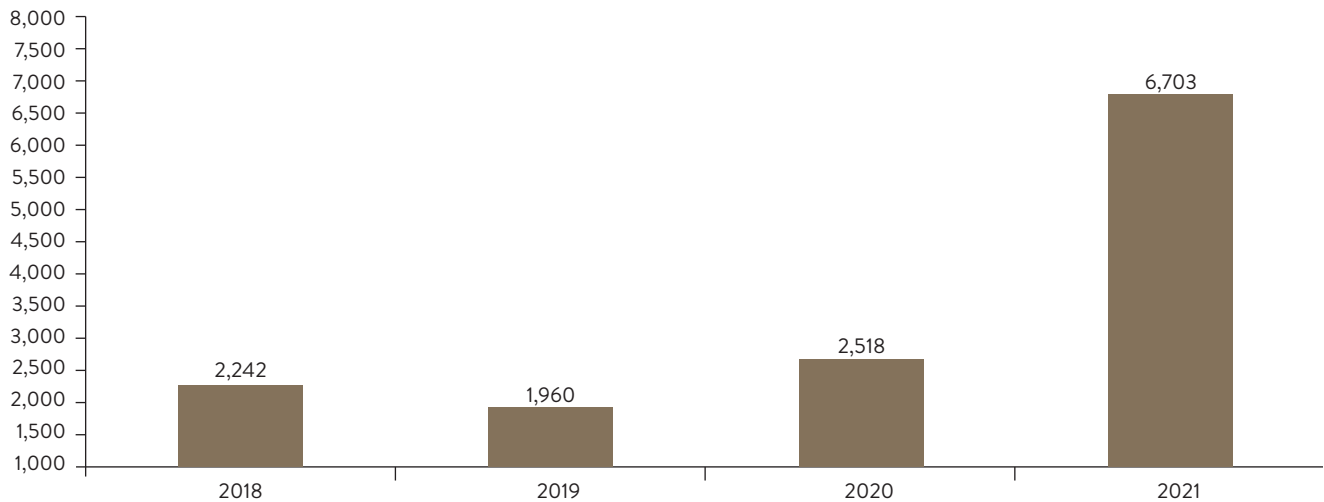
BREAK-UP OF LISTED CAPITAL



Average Monthly Turnover of Shares (Ready)

Rs. In million

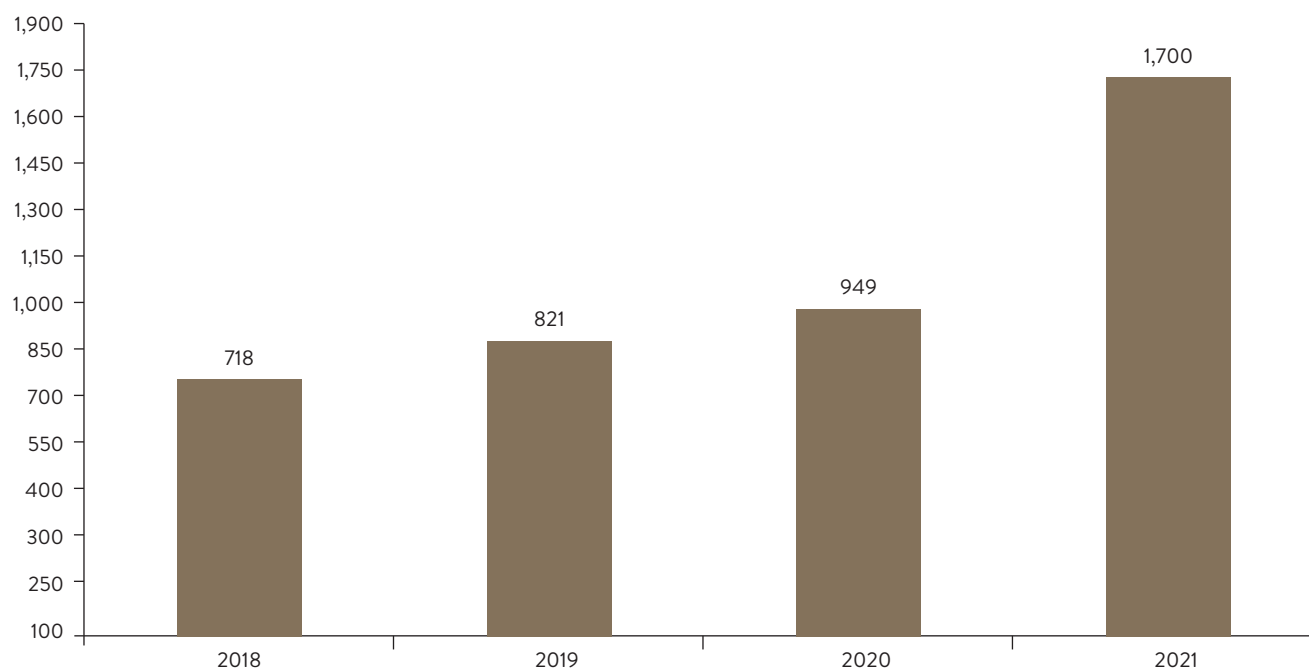
	2018	2019	2020	2021
July	185.524	195.636	92.114	405.599
August	207.098	195.383	123.276	529.083
September	165.938	149.240	122.059	620.488
October	158.862	222.685	198.334	411.234
November	122.987	200.439	316.489	311.126
December	172.244	139.171	333.771	523.495
January	251.611	140.721	266.795	640.820
February	216.731	153.821	170.244	630.161
March	209.103	120.307	230.663	481.310
April	221.188	149.701	219.626	368.259
May	140.998	132.131	219.968	831.043
June	189.454	160.482	224.621	950.552
Total	2,241.739	1,959.716	2,517.959	6,703.171



Average Monthly Turnover of Shares (Futures Counter)

Rs. In million

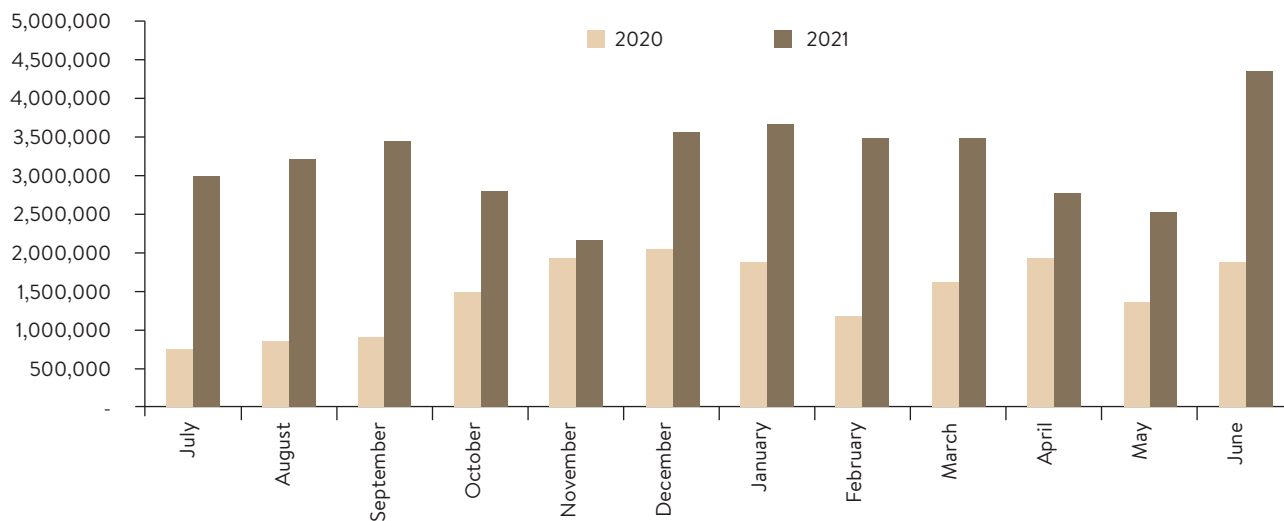
	2018	2019	2020	2021
July	57.167	68.126	54.840	106.995
August	65.609	74.043	72.455	123.913
September	57.402	73.608	74.363	144.911
October	57.286	87.441	90.766	142.649
November	52.213	83.803	109.339	113.066
December	56.684	59.799	115.713	152.998
January	67.589	64.604	91.889	148.512
February	65.850	67.023	88.560	156.456
March	60.375	54.322	84.345	159.089
April	62.822	66.769	55.366	117.275
May	53.116	53.593	59.732	156.195
June	61.478	67.866	51.516	177.726
Total	717.592	820.996	948.884	1,699.786



Ready Market Trades on Karachi Automated Trading System (KATS)

Month	2020		2021	
	No. of Trades	Daily Average	No. of Trades	Daily Average
July	725,175	31,529	3,007,132	136,688
August	813,096	45,172	3,233,764	161,688
September	880,577	46,346	3,462,132	157,370
October	1,459,441	63,454	2,781,287	132,442
November	1,943,324	92,539	2,142,174	102,008
December	2,049,779	97,609	3,563,917	161,996
January	1,850,990	80,478	3,673,468	174,927
February	1,156,819	60,885	3,484,921	183,417
March	1,606,452	76,498	3,481,971	158,271
April	1,910,958	86,862	2,750,317	125,014
May	1,321,819	82,614	2,499,671	166,645
June	1,839,300	83,605	4,355,545	197,979
TOTAL	17,557,730		38,436,299	
Average Daily		70,632		154,871

Ready Market Trades on Karachi Automated Trading System (KATS)



Sector-wise Capital Listed on the Exchange

Rs. in million

Sector Name	June 30, 2021	
	No. of Companies	Paid up Capital
Close-End Mutual Fund	6	5,936.250
Modarabas	30	14,184.209
Leasing Companies	9	4,051.312
Inv. Banks / Inv. Cos / Securities Cos	30	52,359.546
Commercial Banks	20	390,803.290
Insurance	28	30,234.366
Real Estate Investment Trust	1	22,237.000
Textile Spinning	67	22,217.623
Textile Weaving	11	3,121.109
Textile Composite	51	45,421.883
Woollen	1	95.062
Synthetic & Rayon	10	10,189.409
Jute	2	280.963
Sugar & Allied Industries	28	10,615.654
Cement	20	82,772.545
Tobacco	3	3,218.813
Refinery	4	61,464.675
Power Generation & Distribution	17	147,877.542
Oil & Gas Marketing Companies	8	34,359.283
Oil & Gas Exploration Companies	4	74,391.679
Engineering	18	32,282.328
Automobile Assembler	12	8,725.008
Automobile Parts & Accessories	10	6,407.609
Cable & Electrical Goods	6	9,083.198
Transport	4	72,618.203
Technology & Communication	13	89,740.022
Fertilizer	6	69,833.285
Pharmaceuticals	12	12,569.559
Chemical	25	45,102.824
Paper & Board	10	6,081.926
Vanaspati & Allied Industries	5	135.754
Leather & Tanneries	6	2,703.850
Food & Personal Care Products	24	39,854.742
Glass & Ceramics	9	17,600.647
Miscellaneous	22	14,008.661
Exchange Traded Funds (ETFs)	4	59.070
TOTAL	532	1,442,638.899

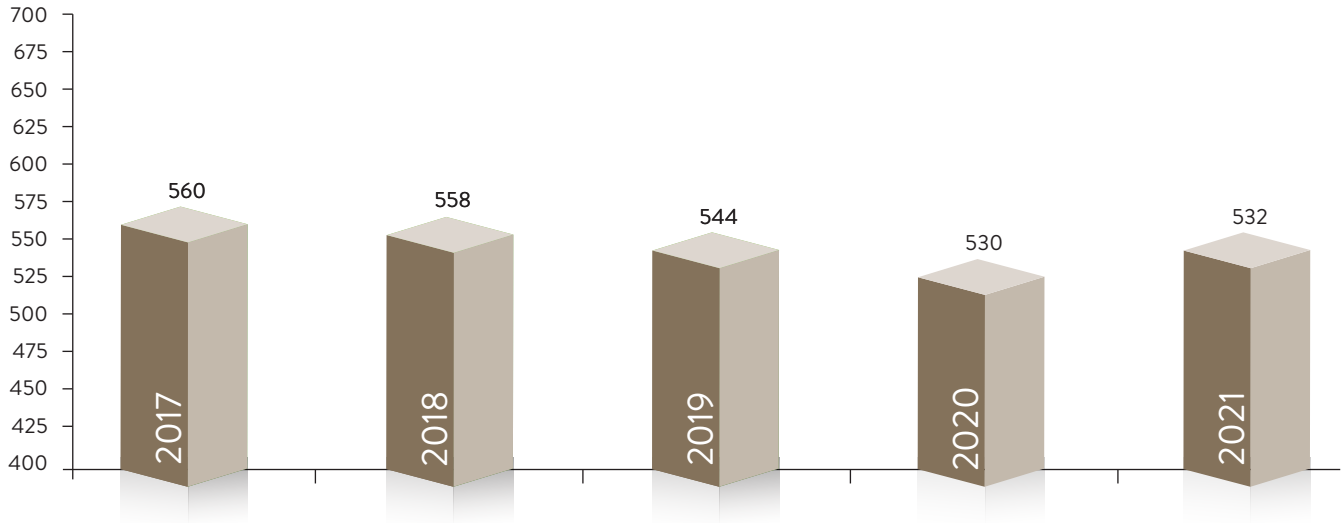
Sector Wise Performance of Companies Listed on the Exchange - 2020

Name of Sector	2020					
	Number of Companies	Companies that Announced Annual Results	Dividend Paying Companies	Profit Making Companies that Omitted Dividend	Profit Making Companies	Loss Making Companies
Close-End Mutual Fund	6	1	-	-	-	1
Modarabas	30	27	16	1	17	10
Leasing Companies	9	7	2	1	3	4
Inv. Banks / Inv. Cos / Securities Cos	28	24	4	14	18	6
Commercial Banks	20	18	14	4	18	-
Insurance	28	25	15	3	18	7
Real Estate Investment Trust	1	1	1	-	1	-
Textile Spinning	68	61	6	22	28	33
Textile Weaving	11	8	2	2	4	4
Textile Composite	52	41	15	14	29	12
Woollen	2	2	-	1	1	1
Synthetic & Rayon	10	9	1	3	4	5
Jute	2	2	-	-	-	2
Sugar & Allied Industries	29	28	11	2	13	15
Cement	20	19	2	3	5	14
Tobacco	3	3	2	1	3	-
Refinery	4	4	-	-	-	4
Power Generation & Distribution	17	16	7	5	12	4
Oil & Gas Marketing Companies	8	6	3	-	2	4
Oil & Gas Exploration Companies	4	4	4	-	4	-
Engineering	18	15	1	2	3	12
Automobile Assembler	12	12	6	-	6	6
Automobile Parts & Accessories	9	9	4	-	2	7
Cable & Electrical Goods	6	6	1	2	3	3
Transport	4	4	2	-	2	2
Technology & Communication	13	12	3	4	7	5
Fertilizer	6	6	5	-	5	1
Pharmaceuticals	12	12	10	1	11	1
Chemical	25	25	15	6	21	4
Paper & Board	10	8	6	-	6	2
Vanaspati & Allied Industries	6	3	-	3	3	-
Leather & Tanneries	5	5	1	2	3	2
Food & Personal Care Products	22	21	13	1	14	7
Glass & Ceramics	9	8	3	2	5	3
Miscellaneous	22	20	3	8	11	9
TOTAL	531	472	178	104	282	190
PERCENTAGE		88.89%	33.52%	19.59%	53.11%	35.78%
2019 TOTAL	534	481	233	90	323	158
PERCENTAGE		90.07%	43.63%	16.85%	60.49%	29.59%

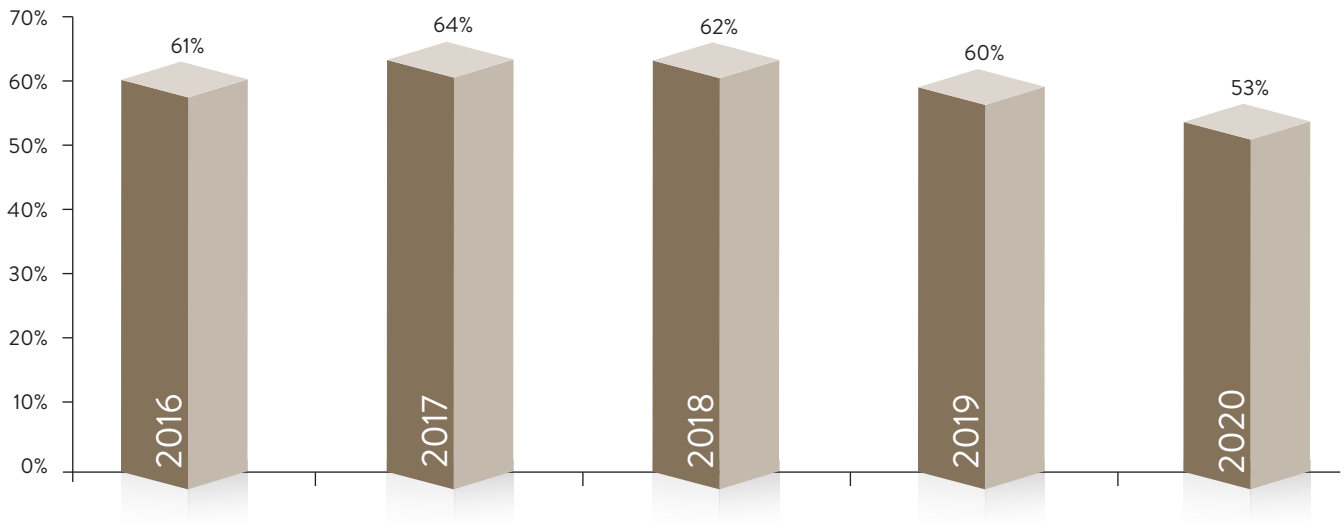
Notes:

- 1 Based on the financial results of the companies up to December 31, 2020.
- 2 Companies omitted dividends are those companies, which have shown profit during the year but not declared dividend.
- 3 Dividend includes Cash / Stock Dividend.

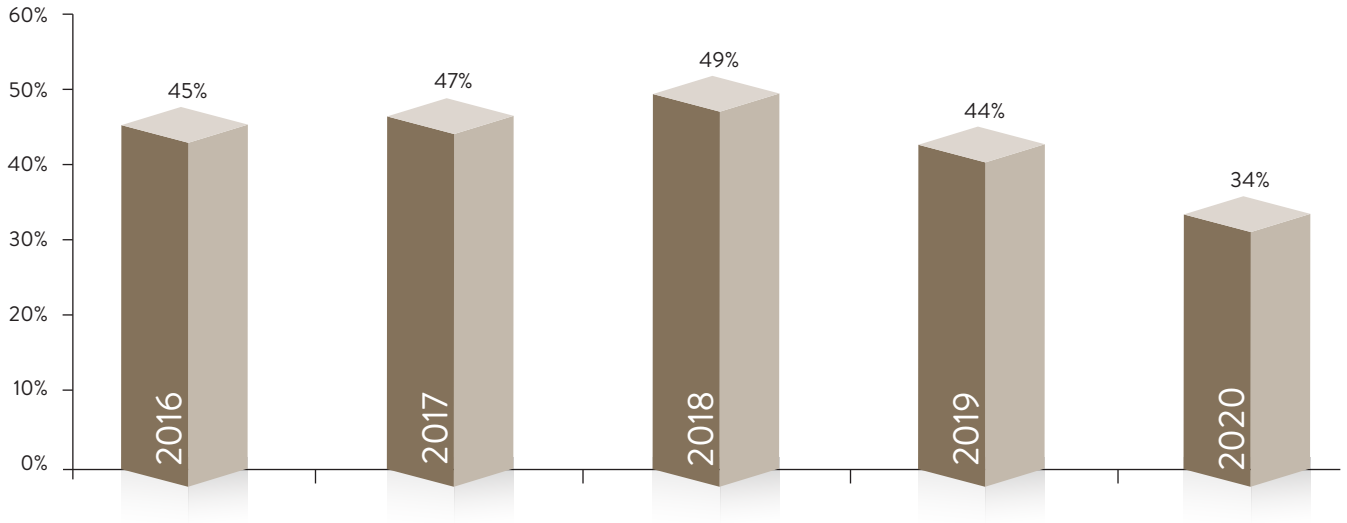
Number of Listed Companies



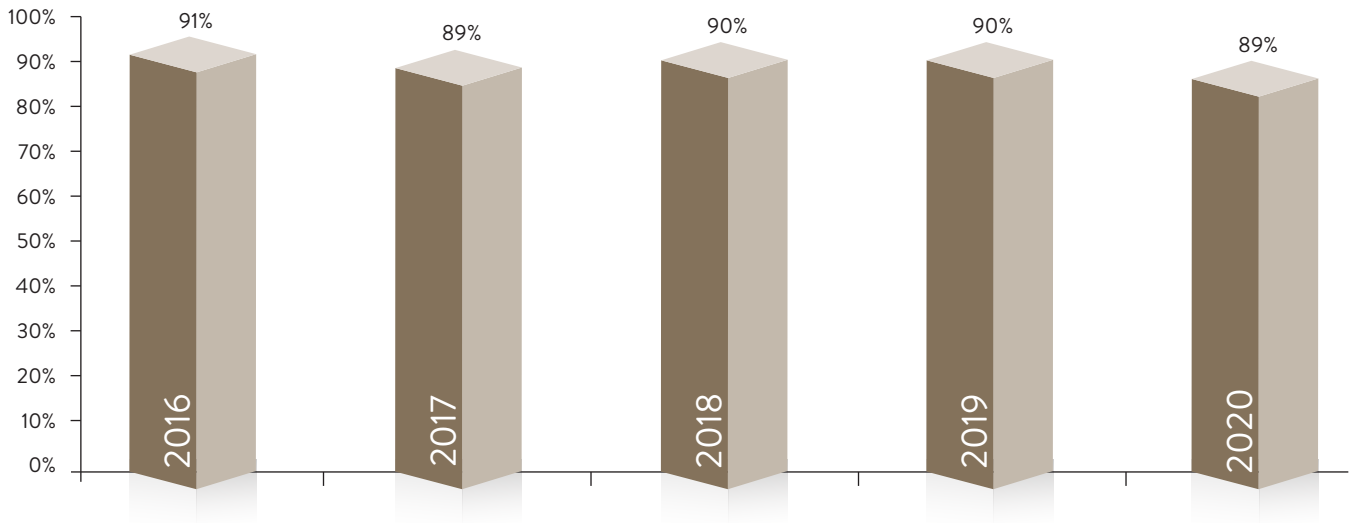
Percentage of Companies Making Profit



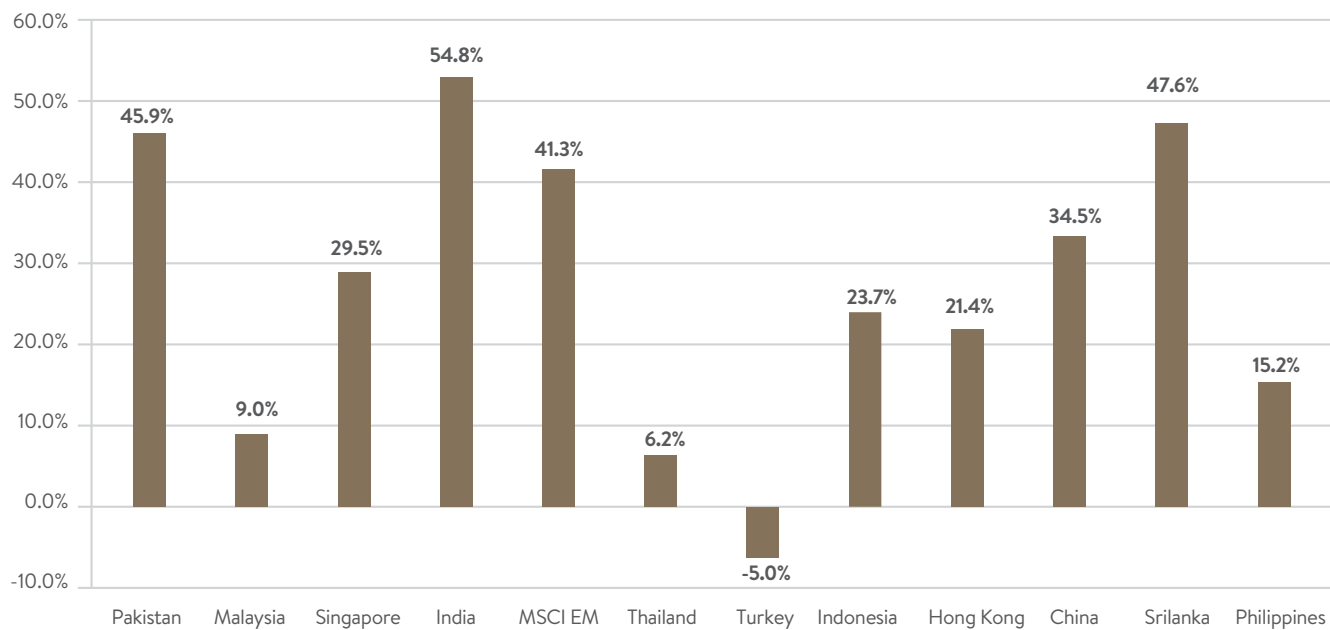
Percentage of Companies Paying Dividends



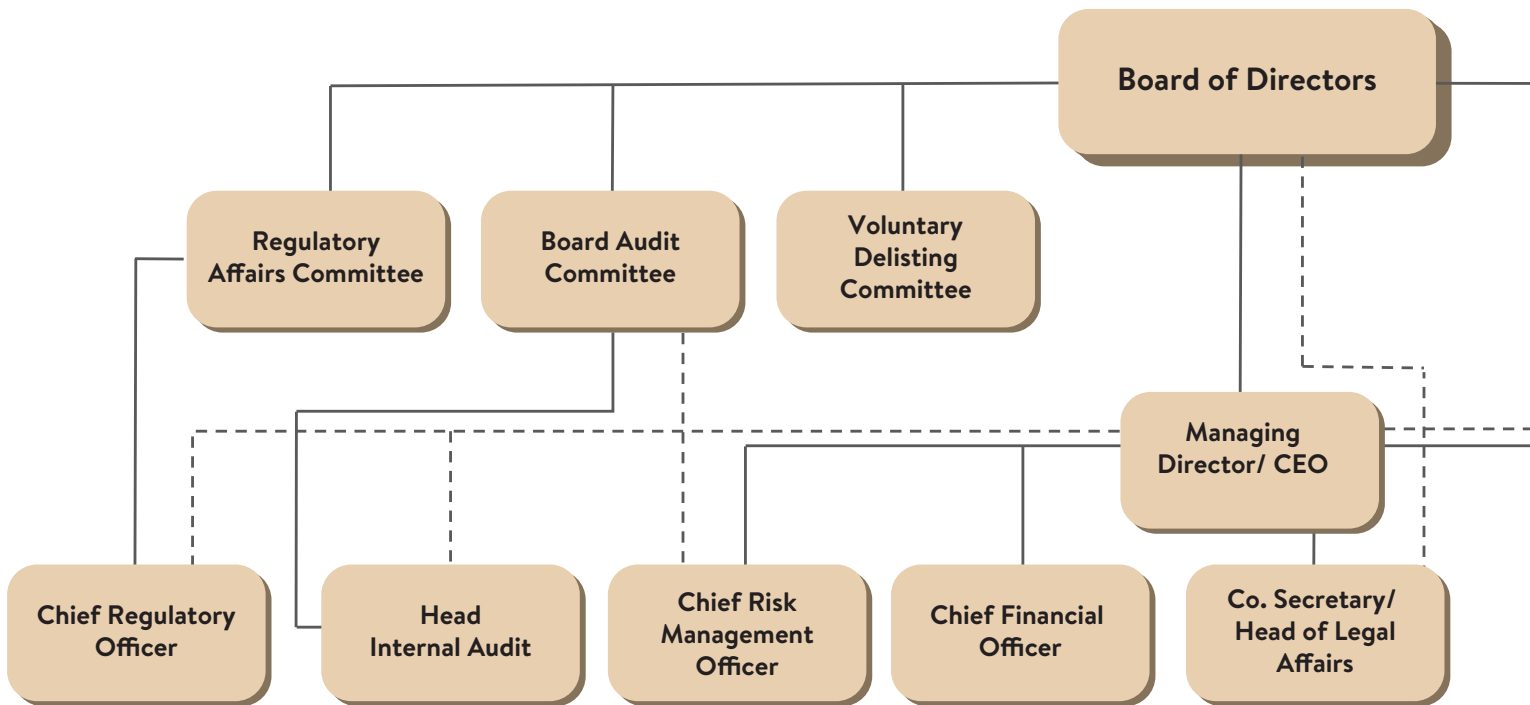
Percentage of Companies that Announced Annual Results

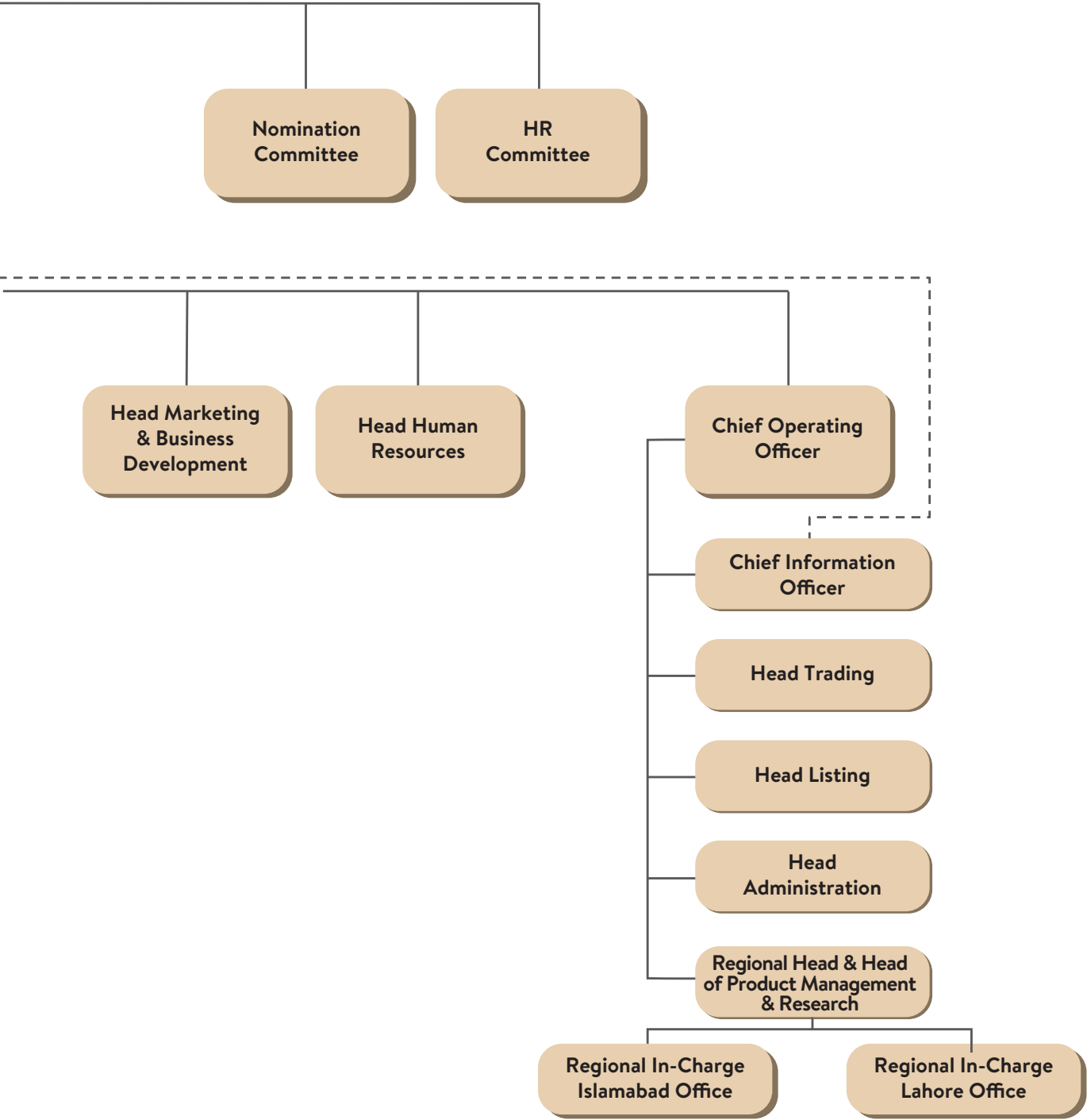


Performance of Global Stock Indices in USD during FY2021



ORGANIZATIONAL STRUCTURE





GOVERNANCE



BOARD OF DIRECTORS

From Left to Right

▼ **MR. NADEEM NAQVI**
Non-Executive Director

▼ **MR. ZUBAIR RAZZAK PALWALA**
Non-Executive Director

▼ **MR. FARRUKH H. KHAN**
Chief Executive Officer

▼ **DR. SHAMSHAD AKHTAR**
Chairperson & Independent Director



Note: The above group photo of PSX's Board excludes the photograph of Mr. Wang Baojun

▼ **MR. AHMED CHINOY**
Non-Executive Director



From Left to Right

▼ **MR. YOU HANG**
Non-Executive Director

▼ **MS. YU HUALI**
Non-Executive Director

▼ **DR. FU HAO**
Non-Executive Director

▼ **MR. M. SALAHUDDIN MANZOOR**
Independent Director



▼ **MR. JAVED KUREISHI**
Independent Director



BOARD OF DIRECTORS' PROFILES



DR. SHAMSHAD AKHTAR

Chairperson & Independent Director

Dr. Shamshad Akhtar, an economist, has had broad based development experience and held a range of senior positions at the national and multilateral organizations.

She served as the Care-Taker Finance Minister of Pakistan holding multiple economic portfolios in the caretaker government and as the Governor, State Bank of Pakistan.

As the Under-Secretary General of the Economic and Social Commission of the Asia and Pacific (UNESCAP) and the UN Secretary General's Senior Special Advisor on Economics and Finance, she oversaw the development and implementation of the 2030 sustainable development, finance and climate agenda. For five years, she was UN Secretary General's Sherpa for Development and the Finance and Central Bank tracks.

Dr. Akhtar served as the Vice President, Middle East and North Africa at the World Bank, and the Director General of Asian Development Bank (ADB). She also served as the Special Sr. Advisor to the President of ADB.

Dr. Akhtar has doctorate, and a post-doctorate degree in economics from University of Harvard.

Presently, she is a member of the PM Economic Advisory Council; the Chairperson of the Boards of the Pakistan Stock Exchange Limited, the Pakistan Institute of Corporate Governance, Karandaaz (the DFID-Bill Melinda and Gates Foundation, a joint venture to promote financial and digital financial inclusion) and the Sui Southern Gas Company Limited; and an Independent Director on the Board of Engro Fertilizers Limited. She is a member of advisory board of Sustainable Finance Center (SOAS) in UK. She remains engaged in both global and national policy dialogues and is the Global Advisor for the Belt and Road Initiative and Policy Sherpa for Boao Asia Forum and Advisor to Shanghai Forum.



MR. FARRUKH H. KHAN

Chief Executive Officer

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

With over 30 years of senior management and board-level experience, Farrukh is an experienced entrepreneur, and leading business and financial advisor who has advised on many landmark transactions. Previously he has held senior positions with Acumen in Pakistan & the UK, including Country Director & CEO, Pakistan, Senior Director Business Development, Chief Business Development Officer and member of the Management Committee. Mr. Khan was the founding partner and CEO of BMA Capital Management Limited. Under his stewardship, BMA established itself as the leading investment banking group in Pakistan and received several international awards, including the 2010 Euromoney award for the best investment bank in Pakistan. His experience includes lead managing the US\$813 million GDR offering and London listing of OGDCL, Pakistan's largest listed company, and successfully advising Etisalat on their \$2.6 billion acquisition of Pak telecom, the largest mergers and acquisition transaction and the largest foreign direct investment in Pakistan's history. Other historical transactions include the US\$ 1.5 billion privatisation of Kot Addu Power Company and the US\$898 million GDR offering for Pak Telecom. He has advised, either on the buy or sell side, on almost 50% of all successful privatisations in Pakistan,

totalling over \$4 billion in value. He has also worked with American Express Bank in Pakistan and Deloitte in London.

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

Other Directorships/Offices:

- Non-Executive Director, Acumen Pakistan
- Trustee, Acumen Academy, UK
- Trustee/Director, Pakistan Environment Trust, UK
- 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
- Member of Board of Governors, The Institute of Business Management (*Ex-Officio Position held in terms of The Institute of Business Management Act, 1998*)



MR. WANG BAOJUN

Non-Executive Director

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

Mr. Wang assumed the office of Managing Director/ Executive Director of PCICL in May, 2018. He brings 23+ years experience of working in Development Financial Institutions, with diversified exposure in the areas of Credit Management, Finance, Research, Information Technology and Planning. Before joining PCICL, he was Head of Australian Group as Senior Commissioner of China Development Bank (CDB). During his affiliation with CDB, he lately held positions of Division Director of Credit Management and Division Director of International Cooperation & Study in International Finance Department, while he also served as Deputy Division Director of Confidential Affairs and Deputy Division Director of General Affairs in General Office.

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

Other Directorships:

- Managing Director, Pak China Investment Company Limited
- Director, Central Depository Company of Pakistan Limited



MR. AHMED CHINOY

Non-Executive Director

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

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

Mr. Chinoy is a prominent business and social figure in Pakistan. He has served the society in different capacities in the areas of business, education, health, crime prevention and other social services and has rendered invaluable services to the nation in these fields. He has successfully served as Chief of Citizen Police Liaison Committee, Sindh (a citizens' body for prevention of crimes) from the year 2010 to 2015. He has also been actively serving on the Boards of various hospitals and educational institutions and has been heading the Memon Community as the President of All Pakistan Memon Federation. Previously, he has served on the Managing Committee of Federation of Pakistan Chamber of Commerce & Industry for many years and has also remained as Chairman of Pakistan Cloth Merchants' Association (the apex body of textile exporters). For his services to the people of Pakistan,

he has been awarded prestigious national awards of **Hilal-e-Imtiaz (H.I.) and Sitara-e-Imtiaz (S.I.)**.

Mr. Chinoy is nominated by PSX to serve as Director on the Boards of Central Depository Company of Pakistan Limited, National Clearing Company of Pakistan Limited and Pakistan Mercantile Exchange Limited.

Other Directorships/Offices:

- Managing Partner, Arch Sons
- Managing Partner, Arch Industries
- Director, AKD REIT Management Company Limited
- Director, Creek Developers (Private) Limited
- Director, Kissan Support Services (Private) Limited
- Director, Sir Adamjee Institute
- 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. YOU HANG

Non-Executive Director

Mr. You Hang is serving as Non-Executive Director on the Board of Pakistan Stock Exchange Limited (PSX), being a nominee of China Financial Futures Exchange (CFFEX).

Mr. You, being one of the inaugurators of 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 14 years and has served it in the capacity of Chief Representative in Pakistan, Managing Director, International Business Development Department/Executive office/ Equity Index Derivatives Department / FX Derivatives Department and Executive Director- Market Data Department.

Other Directorship:

- Nominee Director of PSX, National Clearing Company of Pakistan Limited



DR. FU HAO

Non-Executive Director

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

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

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

Other Directorships:

- Director, Astana International Exchange
- Member of Supervisory Board, China Europe International Exchange



MS. YU HUALI
Non-Executive Director

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

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



MR. JAVED KUREISHI

Independent Director

Mr. Kureishi is a career Banker with a rich and diverse experience of more than 34 years with Citibank both in Pakistan and across 5 countries in Europe, the Middle East, Africa and Asia, where he worked for 9 years. His various roles have included Senior leadership roles in Country Management, Risk, Corporate and Institutional Banking, strategy, and managing Multinational Subsidiaries and Public Sector businesses at the country and regional levels. Mr. Kureishi is presently working for the International Finance Corporation (IFC) as a consultant responsible for business development. He has a BA (Hons) from the University of Sussex UK.

Aside from his professional career, Mr. Kureishi has also been a keen cricketer. He played first-class cricket for PIA and Karachi 1977-81 and for Sussex Under 25 1982-84. He was also captain of Pakistan Under 19 cricket team on its tour of India and Sri Lanka 1978-79. Mr. Kureishi has also been a University level field hockey player.

Mr. Kureishi is married with 2 children. His other interests include Reading and Music.

Other Directorships:

- Independent Director, Pakistan Cricket Veterans Cricket Association
- Independent Director, Pakistan Cricket Board
- Independent Director, Power Cement Limited
- Chairman & Independent Director, Pakistan Corporate Restructuring Company Limited
- Independent Director, Fauji Foods Limited
- Chairman & Independent Director, Sindh Infrastructure Development Company Limited



MR. MOHAMMAD SALAHUDDIN MANZOOR

Independent Director

Mr. Mohammad Salahuddin Manzoor is a seasoned financial market professional with over 35 years of experience mostly in major global centres 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 to contribute to Pakistan's financial markets at the grassroots 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 developing Pakistan's financial markets through Training & Consulting. Mangrove Markets has so far held two Risk Management Training sessions in Karachi and Lahore, well attended by a cross-section of banking and corporate professionals looking to upgrade their knowledge in the use of Forex & Interest Rate Derivatives for Risk Management.

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

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

Other Directorship:

- Chief Executive Officer, Mangrove Markets



MR. NADEEM NAQVI

Non-Executive Director

Mr. Nadeem Naqvi is the President/CEO of Capital Markets International Advisors Inc. [CMIA] – a Toronto, Canada based financial, investment and management consultancy. He is also the President/CEO of Hocroft group Inc., in Toronto which is a real estate research and investment consultancy.

Mr. Naqvi holds the degrees of MBA in Finance and B.Sc. with Honours in Banking and International Finance from The City University, CASS Business School in London, United Kingdom and completed his High School (GCE A-Levels) from Dover College, Dover, England. He has passed CFA Level II Exams. He brings with him 40 years of work experience in global financial services, operating in diverse environments of the North America, Europe and Middle East, besides that of Pakistan.

Mr. Naqvi was Managing Director of Pakistan Stock Exchange Limited (PSX) from 2011 till 2017, when he took early retirement and resettled in Toronto, Canada. During his tenure at PSX he oversaw and guided massive transformation of the stock exchange and Pakistan's Capital Market. Some of his key accomplishments included: implementation of demutualization of the stock exchange; integration of three stock exchanges of Karachi, Lahore and Islamabad and emergence of the Pakistan Stock Exchange as the single capital market in the country; launch of internet/wireless trading platform; advocating with MSCI and international portfolio investors for Pakistan inclusion into MSCI Emerging Market Index and successfully managing the process; playing a key role in divestment of 40% equity stake of PSX to institutional foreign investors. Under his tenure the revenue and profits of the Exchange grew from Rs.692 million and Rs.50 million, respectively in 2011, to Rs.1,477 million and Rs.277 million in 2017.

During this period, he was also the Chairman of the National Clearing Company of Pakistan (NCCPL) and guided the transformation of NCCPL into a full Central Counter Party (CCP) with its own risk management capability as well as introduction of electronic capital gains tax calculation and recovery for the Federal Board of Revenue of the Government.

Prior to joining PSX, Mr. Naqvi was the Chief Executive Officer of a leading asset management company. Earlier, he served as CEO of AKD Securities Ltd., a leading corporate stock brokerage firm in Pakistan which he helped transform from a proprietary business into a full-scale investment banking and brokerage firm. The Company gained recognition by the CFA Association of Pakistan as the best domestic brokerage firm for two consecutive years in 2006 and 2007. Mr. Naqvi also served as Chairman of the first technology venture capital fund of Pakistan (TMT Ventures) and oversaw the completion of several ventures by successful exits at I.R.R. ranging from 35-40%.

Economic & market analyses and research have been the hallmark of Mr. Naqvi's career. He led an independent investment research firm in USA/Canada, Investology Inc., which was ranked by 'Business Week' in 2004 as the third best out of 300 independent research firms in North America. Before that, he headed the Merrill Lynch Pakistan research team. He was also the Head of Research of the investment advisory company of Morgan Stanley Asset Management's Pakistan Investment Fund for four years from 1996 – 2000.

Mr. Naqvi has been involved in landmark investment banking transactions in Pakistan, including the privatizations of Kot Addu Power Plant, National Refinery and United Bank Limited. He was a member of the Capital Markets Committee, Economic Advisory Council of the President of Pakistan in late 1990's and has served as Vice-Chairman, South Asian Federation of Exchanges (SAFE); Director, Institute of Financial Markets; and Director, JCR-VIS Credit Rating Agency, besides NCCPL and CDC.

Other Directorships:

- CEO, Capital Markets International Advisors Inc. (Financial Consultancy)
- CEO, Hocroft Group Inc.
- Nominee Director of PSX, Central Depository Company of Pakistan Limited



MR. ZUBAIR RAZZAK PALWALA

Non-Executive Director

Mr. Zubair Razzak Palwala was born in March 1964 at Karachi. He completed his basic education from BVS Parsi High School and D.J. Science College. After completing Bachelor's in Commerce from University of Karachi, he joined A.F. Ferguson & Co. Chartered Accountants. He completed the article ship in 1991 and passed the intermediate examination from ICAP. Further, he completed his MBA in 2003.

Presently, Mr. Palwala is serving as Company Secretary and Group Director Banking Relations & Corporate Affairs in The Searle Company Limited.

Mr. Palwala has exposure of dealing with the international agencies and international investment funds. He executed sharia compliant income note agreement of US\$ 10 million with IFC in Washington DC, USA. He also attracted around US\$ 6 million in 2015 from sales of shares of a public unlisted company to an international investment fund.

Mr. Palwala has actively participated in one of the biggest acquisitions in the history of pharmaceutical industry, on leverage buy out (LBO) basis, whereby, borrowings were arranged at Rs. 11 Billion.

He served 3 years in Philips Electrical Industries of Pakistan after which he joined IBL group in 1994 and since then he is affiliated with the said group. Mr. Palwala led the First UDL Modaraba and had also supervised the retail business i.e. Habitt, Dunkin Donuts and carried variable portfolios such as Chief

Financial Officer, Company Secretary of The Searle Company Limited, Group Director Finance for various group companies & Managing Director of United Distributors Pakistan Limited.

He had been the Member, Vice Chairman and Chairman of Modaraba Association of Pakistan and attended various national/international investor conferences including Pakistan Investment Conference.

Mr. Palwala is a Certified Director having completed the Directors Training program conducted by the ICAP.

Other Directorships/Offices:

- Director & Company Secretary, The Searle Company Limited
- Director, United Brands Limited
- Director, IBL HealthCare Limited
- CEO, Searle Pharmaceutical (Private) Limited
- CEO, Searle Laboratories (Private) Limited
- Director & Company Secretary, Searle BioSciences (Private) Limited
- Director, IBL Future Technologies (Private) Limited
- Director, IBL Operations (Private) Limited
- Director, IBL Unisys (Private) Limited
- Director, MyCart (Private) Limited
- Director, IBL Frontier Markets (Private) Limited
- Director, Searle Pakistan Limited [Formerly as OBS Pakistan (Private) Limited]

THIS PAGE IS LEFT INTENTIONALLY BLANK

PSX MANAGEMENT TEAM



Sitting (At the centre)

Mr. Farrukh H. Khan

Chief Executive Officer/Managing Director

Sitting (From left to right)

Ms. Asmaa Saleem Malik

Head of Listing

Ms. Sanam Kohati Faiz

Head of Human Resources

Mr. Nadir Rahman

Chief Operating Officer

Mr. Ahmed Ali Mitha

Chief Financial Officer

Ms. Raeda Latif

Head of Marketing & Business Development

Mr. Mahmood Siddique

Chief Information Officer

Standing (From left to right)

Dr. Fakhara Rizwan

Company Secretary and Head of Legal & Corporate Affairs

Mr. Sarmad Hussain

Regional In-Charge Lahore

Mr. Nisar Ahmed Qazi

Head of Administration

Syed Abbas Haider Zaidi

Chief Risk Management Officer

Mr. Jawad Haider Hashmi

Head of Trading

Mr. Ajeet Kumar

Chief Regulatory Officer

Mr. Farhan Ansari

Head of Internal Audit

Mr. Asghar Abbas Naqvi

Regional In-Charge Islamabad

Mr. Hassan Raza

Regional Head & Head of Product Management & Research

SENIOR MANAGEMENT - PROFILES



MR. NADIR RAHMAN

Chief Operating Officer (COO)

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

Prior to joining PSX, his last appointment was with BMA Capital Management Limited as Chief Executive Officer. He has previously been the Chief Executive Officer of five diverse companies in the financial services and logistics industries (including being the founder at Foundation Securities), and has served on a number of both listed and unlisted company boards. He has worked in Pakistan, Hong Kong, and UAE, covering a number of different countries in Asia and North Africa. Nadir began his career with Citibank in 1990, where he was part of a team which launched Pakistan's first equity fund for international investors.

Academically, Nadir holds dual Bachelor's degrees from the University of Pennsylvania's Wharton School and The College of Arts and Sciences. In addition, he has attended a number of professional trainings over his thirty year career, and is a Certified Director by Institute of Business Administration.



DR. FAKHARA RIZWAN

**Company Secretary and
Head of Legal & Corporate Affairs**

Dr. Fakhara Rizwan is a certified director, a qualified corporate lawyer, an author and doctoral scholar (PhD in Corporate Laws from International Islamic University Malaysia), and distinguished as the only Pakistani with a doctorate on the subject of Corporate Laws governing takeovers and mergers.

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

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

In 2014, she returned to Pakistan and joined AlBaraka Bank Pakistan as Company Secretary and Head of Legal Department. She played an instrumental role in the acquisition of Burj Bank Limited by AlBaraka Bank. In 2017, she joined ORIX Leasing Pakistan Limited as Company Secretary and Head of the Legal Department. She had been the

Vice-Chairperson of Non-Banking Financial Institutions and Modaraba Association and representative of the Leasing Industry in FPCCI.

Currently, Dr. Fakhara is a director of the Pakistan Institute of Corporate Governance and a member of BAC, BHR&RC and Research Strategy & Advocacy Committee. She is an HEC Approved Supervisor to supervise the PhD candidates. She is a member of the Board of Advance Studies and Research of the Shaheed Zulfiqar Ali Bhutto University of Law and visiting faculty member in various reputable institutions, including Karachi University. She is a member of the International Bar Association and its Committee on Corporate Mergers & Acquisitions, Sindh High Court Bar Association and Malaysian Corporate Counsels Association.

In addition to several research papers and articles, she has authored a book on 'Corporate Takeovers and Mergers –A Study on the Banks Role as Adviser', which is a founding work on the subject and two editions of the same are already published. She is a martial artist, but poetess by nature –three editions of her book 'Adhuri Takmeel' have already been published.



MR. AHMED ALI MITHA

Chief Financial Officer

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

He started his career in the year 1994 from PWC as an Assistant Manager then remained associated with various industries. He joined PSX in 2006 as Chief Financial Officer and brought with him over 27 years of leadership experience in the fields of Audit and Finance, in both public and private sectors, including insurance, cement and textile industries. Mr. Mitha has previously held the position of Executive Director Finance and Company Secretary of National Insurance Company Limited (NICL).

Currently he holds the position of Secretary PSX Centralized Customers Protection Compensation Fund (PSX CCPCF) and PSX Clearing House Protection Fund (PSX CHPF), Trustee PSX Employees Gratuity Fund and also a member of various other senior management

committees at PSX. He is also member of the Consultative Committee on Capital Markets Tax Reforms as appointed by Federal Board of Revenue, Government of Pakistan in January 2021. His areas of responsibility, besides managing the Finance department, also includes strategic & corporate planning, preparation of PSX tax proposals for annual Federal Budget, budgeting and revenue remodeling, treasury and funds management, and medium term financial projections for the development of the Exchange.



MR. AJEET KUMAR

Chief Regulatory Officer

Mr. Ajeet Kumar has professional work experience of 12 years with securities market and heads the Regulatory Affairs Division of PSX inter alia responsible for policy & regulations development, monitoring regulatory compliance of PSX, securities brokers and listed companies and taking enforcement actions. Mr. Kumar is also performing the role of Secretary of Regulatory Affairs Committee (RAC) of the Board of Directors and Oversight Committee constituted by SECP under the Joint Inspection Regulations, 2015 and representing PSX on the Risk Committee of NCCPL. Prior to joining PSX, he worked in SECP for over 4 years in Securities Market Division.

He is well versed with the local capital market dynamics and international practices of securities market regulations and is considered as dedicated professional who is analytical, detail and target oriented. He has expertise in policy making and played a key role in formulating effective regulations and strategies for the development of capital market of Pakistan.

He remained instrumental in various PSX projects where major ones on his credit are Integration and Self-listing of PSX; Framing of regulatory and operational modalities for Market Makers, Index Options, ETF, SLB, SME Listing, introduction of Index/ Market Halts; Listing of Privately Placed Debt

Instruments, Margining Regime; Establishment of first-ever on-site joint inspection regime for brokers jointly by PSX, CDC and NCCPL; Consolidation of different sets of regulations into first-ever PSX Rulebook with improvements and Devising of fortnightly reporting framework for effective segregation of clients' assets by brokers.

Mr. Kumar is an MBA in Finance from IBA Karachi and has cleared Level II of CFA program.



MR. FARHAN ANSARI

Head of Internal Audit

Mr. Farhan Ansari is a Fellow member of the Institute of Chartered Accountants of Pakistan. He is also a Certified Internal Auditor from the Institute of Internal Auditors-USA. He has with him around 22 years' of 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 30 years of experience in IT domain of Banking and Financial sector out of which 23 years as CIO / Head of IT, his core competencies being in the fields of Infrastructure Architecture, Service Delivery, Project Management, Strategic Planning, BCP & DR Planning & Implementation, Team Management & Development, Budgeting and Planning.

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

He is an 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. Siddique also remained a director at NIFT and 1-link.

THIS PAGE IS LEFT INTENTIONALLY BLANK

TECHNOLOGY



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that seventy-fourth (74th) Annual General Meeting (AGM) of Pakistan Stock Exchange Limited (the Company) will be held on Thursday, October 28, 2021, at 4:00 p.m. through video-conferencing facility, 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, 2021, together with the Directors' and Auditors' Reports thereon.
2. To approve, as recommended by the Board of Directors, payment of Final Cash Dividend @ 2%, i.e. Re. 0.20 per share for the financial year ended June 30, 2021.
3. To appoint auditors of the Company for the year ending June 30, 2022, till the conclusion of next AGM and fix their remuneration. The retiring auditors, M/s. Grant Thornton Anjum Rahman, Chartered Accountants, being eligible, have offered themselves for re-appointment.

Other Business:

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

By Order of the Board of Directors

Dr. Fakhara Rizwan
Company Secretary

Karachi
Dated: October 05, 2021

Notes:

1. *The Annual Report containing the Annual Audited Financial Statements for the year ended June 30, 2021, is also available on the Company's website.*
2. *A member may submit a request at the registered office of the Company for certified copies of the minutes of previously held general meetings.*

NOTES

1. The Register of Members will remain closed from October 22, 2021, to October 28, 2021 (both days inclusive). The members whose names appear on the Register of Members as on October 21, 2021, shall be entitled to attend and vote at the AGM.
2. A member entitled to attend, speak and vote at the meeting shall also be entitled to appoint any person as his/her proxy to attend, speak and vote instead of him/her. A proxy so appointed shall have such rights with respect to attending, speaking and voting at the meeting as are available to the respective member. The Company must receive the Instrument of Proxy and the Power of Attorney under which it is signed or a notarised certified copy of that Power of Attorney, at least 48 hours before the meeting. A proxy need not be a member of the Company. The Form of Proxy is annexed to the Annual Report.
3. Any company or other body corporate which is a member of the Company may, by resolution of its Directors, or proxy signed by authorised officers, authorise any of its officials or any other person to act as its representative at the meeting and the person so authorised shall be entitled to exercise the same powers as if he/she were an individual member of the Company.
4. Members are requested to notify the change of their registered address, if any, immediately to their Central Depository Company of Pakistan Limited (CDC) Participant/CDC Investor Account Services which maintains their CDC account.

5. Mode of Attending the AGM in view of threat posed by Coronavirus

In the light of threat posed by the existing coronavirus (COVID-19) situation, the Securities & Exchange Commission of Pakistan (SECP), vide its Circular No. 6 of 2021 dated March 03, 2021 (to be read with Circular No. 4 of 2021 dated February 15, 2021), has allowed the companies to hold their general meetings through electronic mode. Therefore, in the wake of prevailing situation due to pandemic and government's restrictions on public gatherings, the AGM of the Company will be conducted only through video-conference facility, to protect the well-being of the shareholders of the Company.

Accordingly, the shareholders who are interested in attending the AGM through video-conferencing facility, are hereby requested to get themselves registered with the Company Secretariat by providing the requisite details at the earliest but not later than 48 hours before the time of the AGM (i.e. by 4:00 p.m. on Tuesday, October 26, 2021) through e-mail to be sent at shareholders.affairs@psx.com.pk.

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

Name of Shareholder*	CNIC/NTN No.	CDC Account No.	Cell No.	E-mail address
----------------------	--------------	-----------------	----------	----------------

** Where applicable, please also give the above particulars of proxy-holder or nominee of the shareholder.*

Upon receipt of the above information from the interested shareholders, the Company will send relevant video-link and the login credentials at their e-mail addresses. Accordingly, the shareholders will be able to participate in AGM proceedings through their smartphones or computer devices. In addition to above, the shareholders can also provide their comments and/or suggestions in connection with the agenda items of the AGM by using the aforesaid means.

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

6. E-Dividend

Pursuant to Section 242 of the Act, to be read with relevant provisions of the Companies (Distribution of Dividends) Regulations, 2017 (the Regulations), all listed companies have been mandated to pay the 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 updated their bank account details (including IBAN) under their participant/CDC Investor Account Services which maintains their CDC account, are requested to update the same at the earliest but prior to the commencement of book closure. Otherwise, the Company would be constrained to withhold their amount of dividend, if any, in accordance with the requirements of the Act and the Regulations.

7. Tax Implication on Dividend

The deduction of income tax from dividend payments shall be made in pursuance of the applicable provisions of Income Tax Ordinance, 2001. In case of joint shareholdings, the tax will be deducted as per shareholding proportions intimated by the shareholders to the Company's Share Registrar, M/s. FAMCO Associates (Private) Limited, prior to the commencement of book closure, otherwise the shareholding will be treated in equal proportion. In addition, the withholding tax exemption from dividend income shall only be allowed if a copy of valid tax exemption certificate or stay order from a competent court of law is made available to the Company's Share Registrar, prior to the commencement of book closure.

GROWTH



CHAIRPERSON'S REVIEW REPORT



**DR. SHAMSHAD
AKHTAR**

Chairperson & Independent Director

Dear Shareholders,

During the fiscal year 2020-21, Pakistan was on the road to recovery after consecutive waves of Covid 19 – a global pandemic with no respect for boundaries. As in other parts of the world, balancing lives and livelihoods remains a priority for the nation. The impact of the pandemic has been steered and managed well despite a lack of resources and vaccines. While there was an output loss for 2019-20, the economy grew by 3.94% in the fiscal year 2021, and the Government is continuing to pursue inclusive pro-growth policy initiatives going forward.

Comprehensive, swift and unprecedented monetary and fiscal stimulus mitigated adverse consequences of the pandemic. Besides fiscal incentives (by way of tax and industrial incentives), monetary policy accommodation spurred industry and services while easing liquidity constraints. Among others, the State Bank of Pakistan cut the policy rate to 7% in June 2020, and concessionary refinancing schemes were introduced to boost the manufacturing sector, promote housing, health care services, and employment. Additionally, regulatory changes allowed for rescheduling/restructuring of loans and relief to virtually all key products and services sectors. After a brief bout of volatility, the financial markets exhibited resilience and launched a broad based initiative to enhance their asset base and outreach.

To its credit, Pakistan remains committed to the IMF stabilization program. The country benefitted from incremental foreign exchange inflows generated from a combination of quick disbursing multilateral development assistance and the G20 debt relief program. More recently, SBP reserves were further boosted (reaching \$ 17,231 billion as of June 30 2021) as Pakistan received an additional quota of SDRs following agreement on IMF's issuance of \$650 billion additional SDR allocations for its membership. The external financing space eased the balance of payments, but macroeconomic pressures re-emerged as economic activity spurred and businesses started to invest in new opportunities ranging from exports to import substitution avenues and investment in digital and tech platforms.

During the outgoing year, the resilience of Pakistan Stock Exchange Limited (PSX or the Exchange) stood out in the face of macroeconomic challenges. The interest of investors and issuers in the market did not wane. In 2020/21, the KSE-100 Index saw a rise of 12,934 points, generating a remarkable return of 38% in PKR terms (47% in USD Terms), exhibiting a seven-year high performance. The increasing interest of investors and issuers in PSX can be further gauged by the record six equity listings on PSX 2020/21 and two debt issues - all of which were oversubscribed. Besides growth in IPOs to the tune of PKR 10.625 Billion and debt issues during the fiscal year 2020/21, PSX has been at the forefront of bringing financial innovation, including Exchange Traded Funds (ETFs) and Islamic Products such as Modarabas and Sukuks, which account for 6.06 per cent of market capitalization.

PSX won the Global Islamic Finance Award 2021. The Exchange was also rated as the best performing Asian stock market and the fourth-best performing market in the world in September 2020, as reported by marketcurrentswealthnet.com, a New York-based global financial markets research firm. PSX attracted the highest trading volumes in September 2020, breaking the previous 15-years record and crossing the mark of 2.5 billion shares traded in a single day.

Market confidence in PSX has benefited from a mature governance model of the exchange that attracted a combination of selected foreign and domestic leading institutional investors. This demonstrated confidence in a transformed corporate structure that has now been in place for few years. During the last fiscal year, PSX enhanced its shareholding in the National Clearing Company of Pakistan Limited (NCCPL) to 49.7% and fostered a stronger business relationship with the Central Depository Company of Pakistan Limited (CDC). Being a listed company, PSX strives to safeguard the interest of its shareholders as well as market participants.

This year PSX Board was consolidated and restructured with the induction of independent Chair and Board Members who aim to encourage further openness, transparency and accountability of the Exchange and strengthen PSX oversight in several areas, including market surveillance and risk management capacities and explore new alliances and new products.

The PSX Board has encouraged management to launch a more aggressive strategy incorporating next-generation reforms for the Exchange to enhance its business and investor base, offer greater investor protection and attract more diversified market participants while encouraging the observance of fair market practices.

Longer-term economic prospects look promising. PSX will benefit from Pakistan's positioning to focus on promoting higher, sustainable and inclusive growth backed by macroeconomic stability. This will be supported by improvements in fiscal management via enhanced domestic resource mobilization by broadening the tax base through raising the number of tax filers and removal of exemptions and tax evasion opportunities. At the same time, the large scale manufacturing sector is beginning to invest in modernization and expansion while diversifying its industrial base.

As we move forward on restoring growth, skilful management of the external current account deficit, continued buildup of foreign exchange reserves by adopting flexible market-determined exchange rate and extending the “Roshan Digital Account” initially offering competitive and guaranteed returns on government securities, should provide confidence to investors, including non-resident Pakistanis, to access investments in the stock market.

Going forward, PSX is poised to gain from:

- Jump start of the Growth Enterprise Market (GEM) Board for smaller firms;
- More activity in Exchange Traded Funds (ETFs);
- Implementation of the revised PSX Rulebook that expunges redundancies and streamlines procedures;
- Trading in the primary markets and banks’ activation as market makers for debt securities;
- Opening up of online brokerage accounts by (resident and non-resident) investors;
- Implementation of the regulatory sandbox for tech start-ups;
- Operationalization of a state-of-the-art trading & surveillance system at PSX;
- Introduction of securities brokers categorization to enhance the security of investors’ assets;
- Further enhancement of E-IPO system to facilitate electronic subscription of shares in IPOs;
- Introduction of compliance calendars for listed companies; and
- Launch of 90-day Deliverable Futures Contracts and new Futures Eligibility Criteria

These and other initiatives are expected to increase activity at the Exchange. The Board and Management look forward to these enhancements and improved performance of the capital market.

Government support for PSX is evident from the recent reduction of capital gains tax (CGT) from 15% to 12.5% and the removal of the 10% withholding tax on margin financing collected by NCCPL in the coming year. Furthermore, concessional tax regimes have been introduced for Small & Medium Enterprises in order to encourage them to get listed on the Exchange. These steps taken by the Government are constructive and effective for actively promoting the capital market.

There are substantial opportunities and scope for foreign investors to tap the window of PSX as it offers competitive returns. Raising capital from PSX would help the Government and corporate managers to raise funding and finance sustainable investment in the corporate sector. For instance, PSX could help raise funding for Government’s circular debt through the state-of-the-art book building system of the Exchange. It has the potential to attract a large number of investors and facilitate competitive price discovery to raise capital through debt issuance in a fair and transparent method. PSX’s platform has the potential to serve tech companies and digital banking platforms/transactions. Such facilities will help not only the end-consumer but facilitate the banking sector whilst adding momentum to the growing e-commerce sector in Pakistan. Expanding digitization of the economy and increasing e-commerce outreach across the population will help grow the economy.

PSX Board and Management are committed to the growth of the capital market for the benefit of the economy, market participants, investors, issuers and shareholders. There is potential to further increase the investor base by attracting new customers through innovative and digital means. The introduction of the Roshan Digital Account facility is a step in this direction, which has led to demonstrable success in bringing new investors to the local market from overseas. The Exchange is stepping up its efforts to enhance market outreach, retail participation, product diversification, new issuance and listings.

As a frontline regulator of the securities market, PSX is building upon its capacity to enhance its market oversight and supervision and take proactive measures to ensure smooth capital market operations. The segregation of regulatory functions from commercial activities has effectively strengthened our corporate governance practices and helped alleviate any perceived conflict of interest. The Regulatory Affairs Division has introduced various regulatory reforms aimed at greater investor protection, transparency and fair market practices in line with global best standards and taking into account the local market dynamics.

Our stakeholders are at the forefront. Despite the challenging market conditions during the year, PSX continued to create and deliver value for the stakeholders. Moving forward, the Exchange is committed to upholding the highest standards of corporate governance and levels of integrity in the company. PSX will continue to play its part in contributing to financial stability and supporting the growth and development of the economy.



Dr. Shamshad Akhtar
Chairperson of the Board

DIRECTORS' REPORT

The Board of Directors of Pakistan Stock Exchange Limited (PSX) are pleased to present the financial statements of PSX for the year ended June 30, 2021.

Economic Review & Outlook

FY 2021 ended on a positive note, characterized by improved business confidence and an optimistic growth outlook. Economic activity gained momentum as pandemic-imposed restrictions were gradually lifted with more than 17.4 million vaccination doses administered over a four and a half month period ending June 30th.

Greater support for public health initiatives – that communities, businesses and local governments have championed this past year - is crucial to maintaining growth, with provisional GDP growth estimates for FY 2021 set around 3.94 percent by the government. The proposed federal budget for 2021-2022 expects economic activity will be fueled by private consumption in the coming months. However, significant challenges are foreseeable if public health remains at risk; a rise in unemployment across multiple sectors would dampen consumer sentiment, and additional rounds of fiscal stimuli will escalate public expenditure and budget deficit to even higher levels.

Governments around the world were confronted with unanticipated economic and social challenges during the pandemic era, which worsened global inequality and eradicated significant progress made in the last decade to tackle extreme poverty. Pakistan's economic managers engaged actively with all stakeholders and took aggressive steps to support the economy and manage the social fall out. This was done successfully and programs like Ehsaas, which supported the poorest fifteen million families in the country with cash disbursements during the Covid lockdowns, have been globally appreciated. The aggressive monetary and fiscal measures taken supported the economy and ensured that it stayed on a growth trajectory. These measures were essential for business and capital markets growth.

Headline inflation remained high (9.7 percent YoY as of June 30th); food and energy expenditures for households also increased. Along with higher import bills of raw material inputs for use in manufacturing, the trade deficit increased by 33.4 percent during the year. Higher workers' remittances totaling over USD 29.3 billion, a 27 percent increase in FY21, success of RDAs and improved export performance improved the overall current account balance considerably, and foreign exchange reserves grew to USD 17.3 billion or by 42.5 percent.

The State Bank of Pakistan (the SBP) kept the monetary policy rate at 7% throughout FY20-21 to support the economy during the Covid-19 pandemic. However, considering the pace of the economic recovery, which has exceeded expectations since July 2021, pressure on the rupee and high inflation, SBP increased the benchmark policy rate by 25 basis points taking it to 7.25% effective from October 1, 2021.

Economic headwinds and challenges are emerging in the current year. The Chairperson's review addresses these comprehensively, as well as a review of the past year.

Aggressive steps were taken to attract new IPOs. We are pleased to report that despite the challenging operating environment six equity and two debt IPOs took place successfully, compared to zero and one respectively last year. Two new ETFs and four privately placed debt issues were also listed.

Other important initiatives include commencement of trading in government debt securities on the Exchange, regulatory efforts to digitize company registrations, capital gains tax reduction from 15 to 12.5 percent and removal of 10% withholding tax on margin financing collected by NCCPL in coming year. KSE-100 index recorded an annual gain of 38 percent and market capitalization increased by 25.5 percent to PKR 8.3 trillion.

Further, PSX has added 24,000 new investors as evidenced by the increase in UINs. This is a result of significant changes made to simplify the account opening forms, introducing online account opening, and for the first time enabling banks and brokerage

house to share customer and KYC information with each other for overseas Pakistanis through Roshan Digital Accounts (RDAs). This has now been extended for domestic investors also. We believe these measures will be transformational in increasing the investor base in the coming years.

We look forward to constructively working with all stakeholders to grow the capital markets, as we move into the new year.

PSX Financial and Market Performance During the Year

PSX recorded a pre-tax profit of PKR 723 million for the year ended June 30, 2021 vs. PKR 190 million for the year ended June 30, 2020, almost 279% higher than the corresponding year.

The operating profit reported by PSX during the year amounts to PKR 86 million against an operating loss of PKR 199 million for the year ended June 30, 2020. PSX has reported operating profit for the first time since FY2015-16.

During FY2020-21, the Board of Directors of the Company resolved that the real estate demerger shall be achieved by forming a wholly-owned subsidiary instead of creating a sister concern. Had there been no such change in the demerger model and the resultant accounting treatment, the operating profit, pre-tax profit before and after share of profit from associates would have been PKR 245 million, PKR 273 million and PKR 881 million respectively.

Total income of PSX for FY2020-21 was recorded at PKR 2.1 billion versus PKR 1.373 billion in the last year i.e. higher by 53%, mainly due to the following:

- During the year, PSX revised the Annual Listing fee and reduced subsidies on the facilities provided to the TREC & Non-TREC holders in order to optimize revenues and costs. These initiatives resulted in revenue increase of PKR 131 million in the year ended June 30, 2021.
- Despite the uncertain economic environment, average daily traded values increased in comparison to last year i.e. PKR 28.6 billion in FY20-21 vs. PKR 10.8 billion in FY19-20. This coupled with the long overdue revision of trading fees resulted in an increase in trading revenue by PKR 349 million.
- Markup income is lower by PKR 63 million compared to last year on account of lower interest rates.
- Share of Profit from Associates was higher by PKR 224 million in contrast to last year due to improved performance of NCCPL & CDC.

The Management is conscious of the difficult business environment and focused on effective cost management. Total operating expenses of PSX for FY2020-21 were recorded at PKR 1.378 billion versus PKR 1.182 billion in the comparative year i.e. higher by 17% on account of depreciation expense of PKR 169 million due to reclassification of non-current assets held for distribution to shareholders/disposal. Excluding the one off impact of depreciation, the increase in expenses is slightly over 2%, and is well below the rate of inflation.

PSX delivered a post-tax profit of PKR 696 million for FY20-21, versus PKR 194 million in FY19-20.

Dividend

Despite the ongoing investing activities of PSX, including implementation of the new Trading and Surveillance System, the Board of Directors are pleased to recommend final cash dividend of Rs. 0.20 per share for FY20-21, as follows:

	(Rupees in '000')
Profit for the year	<u>722,578</u>
Profit available for distribution	722,578
Final cash dividend (@ 2%)	<u>160,295</u>
Balance carried forward	<u>562,283</u>

Earnings Per Share (EPS)

The basic and diluted earnings per share is PKR 0.87 for the FY20-21 vs. PKR 0.24 for the FY19-20.

Market Performance

Particulars	Year ended	
	June 30, 2021	June 30, 2020
KSE-100 Index	47,356	34,422
Market Capitalization (PKR in billion)	8,297	6,530
Average daily value traded – Ready (PKR in billion)	19.9	7.6
Average daily value traded – Futures (PKR in billion)	8.6	3.2
Average daily volume traded – Ready (million)	555	212
Average daily volume traded – Futures (million)	142	80

Changes During the Financial Year

During the year, the Company, in the Extraordinary General Meeting, held on January 21, 2021 approved the proposal for additional equity investment in the National Clearing Company of Pakistan Limited, an associated company of PSX, amounting to PKR 69,411,706 divided into 2,669,681 ordinary shares of PKR 10 each to be acquired from Pakistan Kuwait Investment Company (Private) Limited, one of the shareholders of NCCPL, at a price of PKR 26 per share, including a premium of PKR 16 per share.

Further, another investment has been made by the Company during the year amounting to PKR 36 million in EClear Services Limited sponsored by Central Depository Company of Pakistan Limited (CDC). This is the first Professional Clearing Member, as envisaged in the regulations issued by the Securities and Exchange Commission of Pakistan (SECP).

In addition to the above, the Board of Directors of the Company in their meeting held on June 29, 2021 have resolved that the demerger transaction shall be achieved by forming PSX's wholly-owned subsidiary instead of creating a sister concern. This was in view of the changing real estate market dynamics and to provide better control of the iconic development of PSX's offices. PSX's immovable properties and related arrangements shall be transferred into the wholly-owned subsidiary against the issuance of its shares in PSX's favour, through a scheme of arrangement under the relevant provisions of applicable laws, subject to requisite legal and regulatory approvals, including the shareholders and SECP's approval.

Material Changes and Commitments Affecting Financial Position of PSX

There have been no material changes and commitments affecting the financial position of PSX which have occurred between the end of the financial year to which the financial statements relate to and the date of the report.

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

Business Continuity during COVID-19

PSX is committed to serving all its investors and stakeholders. We have ensured business continuity at PSX by successfully working through virtual platforms. PSX has continued to work seamlessly despite the challenging work environment created by the lockdowns due to COVID 19 virus situation. Implementation of the new trading system has continued despite the change from an onsite to a remote implementation, a real challenge for such a complex system implementation.

Developments and Initiatives in Trading & TREC Affairs Activities

In a major move forward, Pakistan Stock Exchange (PSX) has launched the 90-day maturity Deliverable Futures Contracts (DFC) regime along with favourable modus operandi for investors such as introduction of a new criteria of securities eligible for futures

contracts, removal of segregation of A and B futures contracts categories, and elimination of mandatory one week roll-over period whereas investors can roll-over their existing positions any time before expiry as per their requirement and liquidity positions.

PSX has participated as development & implementation partner for the Categorization of Securities Brokers and Professional Clearing Member as per the Securities Brokers (Licensing and Operations) Regulations, 2016 and the Professional Clearing Members (PCM) Regulations, 2020 respectively. This initiative will expand market outreach through introduction of concept of the 'trading only broker' so as to encourage new participants to start brokerage business at lower preliminary and operational costs.

PSX has implemented comprehensive Market Making framework for Listed Debt Securities including Government Debt Securities (GDS). In this regard, Designated Market Maker (DMM) agreements have been signed with ten (10) major Banks/Investment Companies and has also on boarded two (02) more market makers to provide continuous quotes for ETFs.

To broaden the investor base in the capital market, PSX closely collaborated with the other SROs and brokerage firms on landmark developments such as investing in stock market by overseas Pakistanis through Roshan Digital Accounts and implementation of Online Account opening process for brokerage firms.

IT Achievements and Initiatives

PSX is implementing a New Trading System to replace its 20 years old KATS trading system. The system after customization for Pakistani market has been deployed and is operating in parallel execution with the existing trading system for the last quarter of FY20-21. The new trading system acquired from SZSE provides the safest and most advanced securities trading system with the utmost reliability, superior performance and low latency along with strong scalability. SZSE has an astounding safe-operation record of 17 years without trading interlude in Shenzhen Stock Exchange. The new trading system has been tested for 2000 orders per second and 4m transactions per day which is more than 10 times the current volume. The system can easily be scaled up with addition of more servers if required in future. The new surveillance system has been deployed successfully and is integrated with new trading system and PUCARS (announcement portal for listed companies) providing real-time ability to analyze indicators and identify abnormal trading volumes and patterns.

Even in the outburst of COVID-19 pandemic and other unforeseen scenarios, PSX ITD managed to continue the operations of trading and associated services each day and the uptime for trading was 100% during the FY20-21. Record for highest number of trades in a single day was broken multiple times and market crossed the volume of 2.5 billion shares in a single day.

PSX ITD integrated the web services of e-payment gateways (NIFT, 1-Link). It enables the TREC Holders and Banks to collect subscription requests, subscription fees, register clients, and make online payments. An Electronic Initial Public Offering (e-IPO) software was developed in-house by PSX ITD to facilitate submission of applications online. The portal keeps the record of the data and provides a centralized, secure and integrated platform. It also provides the ability to the registrar to announce the balloting results, successful applicants, and process refunds.

PSX ITD has also upgraded the network infrastructure, broker's network connectivity and Hot Disaster Recovery site. This upgradation is in line with the requirements of the new trading system. All eligible and authorized market makers are getting access to the PSX trading system for market making activities without the involvement of Securities Broker/ TREC Holders. Eligible participants are able to execute the trades by using BATS (Bond Automated Trading System).

An online portal has been developed by PSX ITD to automate the process of public offerings at PSX. The portal is based on modern technologies. The electronic library will manage all the documents submitted by the company consultants and the actions taken by the stakeholders.

A data warehouse has been established accompanied by the cutting-edge ETL tool Pentaho and SAP BODS. This initiative will enable to store and extract data in an efficient manner to support the BI activities and analytics. Tableau, a modern BI tool, has also been incorporated to provide real-time analytics and visual insights of the data.

Listing Achievements and Activities

Pakistan Stock Exchange Limited (PSX) successfully listed six equity, namely The Organic Meat Company Limited, TPL Trakker Limited, Agha Steel Industries Limited, Panther Tyres Limited, Service Global Footwear Limited and Engro Polymer and Chemical Limited (preference shares). The six equity listing in aggregate raised PKR 10,624 million from the capital market. Moreover, during the FY 2020-21 Power Cement Limited issued 244,585,320 preference shares by way of right issue.

Pakistan Stock Exchange Limited successfully listed six (6) debt securities this year out of which two (2) were publically issued and four (4) were privately placed. The debt securities have a combined issue size of PKR 251,967 million.

The Exchange listed two ETFs, i.e. Meezan Pakistan Exchange Traded Fund and NBP Pakistan Growth Exchange Traded Fund during FY 2020-21. 5 Open-end Mutual Funds were listed on PSX in FY2020-21, having total fund size of PKR 2,726 million.

Developments in Product Management & Research

During the year, PSX launched two new indices that are used for Exchange Traded Fund (ETF) benchmarking in collaboration with AI Meezan Investments & NBP Fund:

- Meezan Pakistan Index (MZNPI): Tracks the performance of 12 companies with highest average daily traded values and free-float market capitalization within the KMI 30 Index universe
- NBP Pakistan Growth Index (NBPGI): Comprised of 15 companies with the highest free-float market capitalization within the KSE 100 Index

Pakistan's first Shariah-compliant ETF, the Meezan Pakistan ETF, tracking the performance of Shariah compliant equity securities by market capitalization and traded value was officially launched, and the NBP Pakistan Growth ETF following blue chip stocks across six sectors was also introduced - bringing the listed ETF number to four with diverse investment themes.

With respect to the introduction of new Futures eligibility criteria and 90-day Contracts, ETFs shall also be eligible if certain conditions are met. All eligible companies and ETFs shall be eligible for trading on Deliverable Futures and Cash Settled Futures Markets. A greater selection of companies for trading on the futures counter will be offered; the latest review yielded 85 company stocks and 1 ETF that met futures trading eligibility criteria.

PSX intends to launch cash-settled European-style index options and single stock options that will be deliverable and European-style. PSX Market Data launched new redistribution licenses for display of stock information across online video channels, websites and mobile application. Designed to meet the needs of all market participants in a global financial system, data from Pakistan Stock Exchange is delivered through proprietary feed networks to display terminals located all over the world.

Marketing and Business Development Initiatives

The Marketing and Business Development team implemented the action plan to promote, improve image and build business for the Stock Exchange in FY21. The Marketing team conducted different exercises and took numerous steps to not only promote the Exchange as an avenue for building wealth and raising capital but also to build and improve on the image of PSX as an efficient and transparent market for all investors, issuers and market participants.

The Business Development team worked to aggressively develop the issuer pipeline by direct marketing to potential issuers through companies' databases, identifying Chambers of Commerce & Industries for marketing and by targeting presence at corporate events. Events and seminars were held in all regional Chambers of Commerce & various industry Associations. The BD

team worked to facilitate listing readiness of companies by creating a conducive environment through engaging with consultants, start-ups and other stakeholders such as SMEDA & National Incubation Center.

For debt market development, a major step forward this year was market maker onboarding. The Business Development team reached out to banks for signing on as market makers and facilitated them in the process until Agreement signing. Furthermore, direct outreach for debt issuer listing was also undertaken by the BD team.

Branding activities were carried out including Gong ceremonies for onboarding of market makers, International Women's Day, congratulating the three listed Pakistani companies making it to the Forbes 'Asia's Best Under a Billion' list, as well as announcing new equity listings, amongst others. Brand Collaterals were designed and distributed such as investor education basics flyers, presentations and corporate giveaways. Annual activities such as publication of diaries and calendars was also undertaken by the Marketing department. PSX brand was further strengthened through the Top 25 Companies Awards for the year 2019 announcement. This announcement was promoted through exclusive Top 25 Companies Awards supplements which were published in major English & Urdu newspapers. Furthermore, social media and other media channels were engaged to disseminate this announcement which positions PSX as a robust frontline regulator having a strong brand image.

The media was continuously engaged throughout the year. Multiple Press Releases and Announcements were issued for circulation of Exchange related development and activities amongst market participants and general public. Interviews of PSX spokespersons with different media channels were facilitated. Articles were published to promote the Exchange and market offerings. These printed or uploaded articles covered various topics and subjects related to the capital market, including basic information regarding investing, benefits of listing, Introduction of the GEM Board, Roshan Digital Account - Stock investments and Exchange Traded Funds.

Media monitoring and news updates continued throughout the year. PR strength was leveraged to get PSX's viewpoint across regarding various aspects of the market in addition to reputation building and management efforts.

Investor awareness sessions were regularly held for students and faculty members of various academic institutions. Moreover, investor awareness sessions were also held for Chambers of Commerce, Associations and Professional bodies across different regions of the country.

On the digital front, there is an ongoing digital education campaign with hashtag Think Investments and Stock Investments. Furthermore, there have been social media campaigns, webinars, blogs, events coverage and dedicated posts to promote the PSX brand and digital education in the fiscal year 2021.

Risk Management & Information Security

The Exchange continues to commit significant resources to implement, maintain, monitor and regularly update its systems and networks. The Exchange has a comprehensive information security program which includes information security policy framework, security assessments, training and awareness, deployment of Endpoint Detection & Response (EDR) solution and Advance Threat Protection system in PSX environment that provide greater visibility and monitoring for suspicious activities like malware and advanced cyberattacks.

As part of building risk culture and implementation of the risk management policy of PSX in letter and spirit, the Risk Management and Information Security Department initiated its Risk Champion Programme during the year and conducted a training on Enterprise Risk Management (ERM) for PSX Risk Champions. The training, in addition to building PSX's risk management capacity, aimed to develop more focused and informed risk identification, assessment and treatment process at departmental level. Upon successful completion of this training, PSX Risk champions have been empowered to serve as partners in continuous improvement of the Exchange's risk management practices.

PSX also managed to successfully clear its 2nd surveillance audit to retain ISO 22301:2012 Business Continuity Management System (BCMS) certification of its Head Office Karachi this year as well. The Exchange also confirmed its resilience during the COVID-19 pandemic by smoothly executing its operations while ensuring necessary information security protocols and resource management.

Risk of Broad Market Trends and Macroeconomic Factors

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

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

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

- Broad trends in business and finance, including industry-specific circumstances, capital market trends and the mergers and acquisitions environment;
- Social and civil unrest, terrorism and war;
- Concerns over inflation and the level of institutional or retail confidence;
- Changes in government monetary policy and foreign currency exchange rates;
- The availability of short-term and long-term funding and capital;
- The availability of alternative investment opportunities;
- Changes and volatility in the prices of securities;
- Changes in tax policy (including transaction tax) and tax treaties between 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 markets; and
- Unforeseen market closures or other disruptions in trading.

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

Risk of Future Initiatives

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

- Our ability to successfully introduce new services and products in a timely manner especially due to the impact of the COVID-19 pandemic.
- The general condition of the Pakistani, Asian and global economies;
- Our ability to successfully introduce new services and products; and
- Regulatory restrictions.

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

Risk of Market Fluctuations

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

Risk of Interest Rate Variation

We are exposed to the effects of fluctuations in the prevailing levels of market interest rates, which impact trading volumes, investment flows in the stock market and cash flows. Thus changes in interest rates may materially adversely affect our financial position and value of our investments and the return on them. 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, pricing, infrastructure or market development initiatives). In the event that the Commission exercises such powers, this could have a material adverse effect on our business, reputation, financial condition and results of operations.

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

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

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

Risk of Changes in Government Policies

Trading volumes on our markets could be affected by changes in:

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

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

Board of Directors

During the financial year 2020-21, the following changes occurred on the Board:

- Ms. Naz Khan resigned as Independent Director of the Exchange with effect from July 07, 2020 and to fill the casual vacancy so created, Ms. Nausheen Ahmad was appointed in her place on November 16, 2020 with approval of the Securities and Exchange Commission of Pakistan (SECP).
- Mr. Zhiping Rong resigned as Shareholder Director representing China Financial Futures Exchange (CFFEX) on the Board of the Exchange, with effect from November 18, 2020; resultantly, Mr. You Hang also ceased to hold the office of Alternate Director for Mr. Rong. Nevertheless, the Board appointed Mr. Hang as a Shareholder Director upon receiving the fresh nomination from CFFEX with effect from December 15, 2020, after seeking necessary clearance from SECP.
- Since the term of previous Board of the Exchange was due to expire in April 2021, the Board at its meeting held on February 26, 2021, fixed the size of the new Board at 10 Directors (excluding the Chief Executive Officer), which comprised of seven (7) Shareholder Directors and three (3) Independent Directors.
- Upon completion of the Board's term, fresh Election of Shareholder Directors was held on April 19, 2021 at an Extraordinary General Meeting of the Exchange in compliance with the requirements of the Companies Act, 2017 and the Securities and Exchange (Licensing and Operations) Regulations, 2016 (the Regulations), whereby, 7 Shareholder Directors were elected unopposed, with requisite clearance of SECP.
- Subsequent to the Election of Shareholder Directors, SECP, upon recommendation of the Board, approved the appointment of 3 Independent Directors on the Board of the Exchange, effective April 19, 2021.
- On May 04, 2021, Dr. Shamshad Akhtar, Independent Director, was elected as Chairperson of the Board, for the term of the new Board.

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

As at the end of financial year 2020-21, the Board of Directors of the Exchange consisted of eleven (11) Directors which included:

Male Directors 9
Female Directors 2

Moreover, the composition of the Board was as follows:

Shareholder Directors (Non-Executive)

- | | |
|---------------------------------|-----------------------|
| (i) Mr. Wang Baojun | (ii) Mr. Ahmed Chinoy |
| (iii) Mr. You Hang | (iv) Dr. FU Hao |
| (v) Ms. Yu Huali | (vi) Mr. Nadeem Naqvi |
| (vii) Mr. Zubair Razzak Palwala | |

Independent Directors (Non-Executive)

- (i) Dr. Shamshad Akhtar
- (ii) Mr. Javed Kureishi
- (iii) Mr. Mohammad Salahuddin Manzoor

Chief Executive Officer (Executive)

(i) Mr. Farrukh H. Khan

During the financial year, 11 meetings of the Board (7 scheduled and 4 emergent) were held, for which the Directors' attendance is enclosed as Annexure I to this report.

Board Committees

In compliance with the 'Plan for Segregation of Commercial and Regulatory Functions of Stock Exchanges', approved by SECP, the Securities Exchanges (Licensing and Operations) Regulations, 2016 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 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, Audit Committee, Human Resources & Remuneration Committee and Nomination Committee. Subsequent to the Election of the Board of Directors held on April 19, 2021, the Committees of the Board, were reconstituted by the Board.

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

Auditors

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

The Board, on the recommendation of Audit Committee, further recommends to the shareholders to re-appoint M/s. Grant Thornton Anjum Rahman, Chartered Accountants, as statutory auditors of the Exchange for the financial year ending on June 30, 2022.

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 Exchange remain committed to the principles of good corporate management practices with emphasis on transparency and disclosures. The Board and the 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 apprise that the Exchange has adopted the best corporate governance practices and complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019, as fully explained in the Statement of Compliance annexed to the Annual Report. The Exchange would further like to report as follows:

- Proper books of accounts have been maintained.
- The financial statements prepared by the management present fairly its state of affairs, the results of its operations and cash flows.
- Appropriate accounting policies have been consistently applied in preparation of financial statements which conform to the International Financial Reporting Standards, as applicable in Pakistan. The accounting estimates, wherever required, are based on reasonable and prudent judgment.

- The system of internal controls is sound in design. It has been effectively implemented by the management and is monitored by the internal and external auditors as well as the Board of Directors and the Audit Committee. The Board reviews the effectiveness of established internal controls through the Audit Committee and suggests, wherever required, further improvement in the internal control systems.
- There are no significant doubts upon the Exchange's ability to continue as a going concern.
- There is no reported instance of any material departure from the best practices of corporate governance.
- Significant deviations from last years' operating results, future plans and changes, if any, have been separately disclosed, as appropriate, in this report of the Directors.
- Value of investment of PSX Employees' Gratuity Fund is PKR 63.66 million based on unaudited accounts for the year ended June 30, 2021.
- Key operating and financial data of last 6 years has been included in this report.

Directors' Remuneration

In the last quarter of the financial year, the Board revised the remuneration policy for the Directors, effective June 29, 2021, in accordance with which, each Non-Executive Director of the Exchange shall be entitled to sum of PKR 100,000 and PKR 75,000 on account of meeting fees (subject to deduction of applicable tax) respectively for attending each meeting of the Board of Directors and the Board-level Committee(s), of which such Director is a member. In addition to the meeting fees, the Chairperson shall be entitled to 1800cc Company maintained car, along with driver and 200 liters of fuel per month. This revision was done after 5 years and at the start of the new board's three year term.

Prior to the aforementioned revision in the remuneration policy, the Directors were entitled to PKR 50,000 per meeting, for attending the meetings of the Board and its Committees.

For more information on remuneration derived by the Directors and the CEO in FY2020-21, please refer note 33 in the financial statements of the Exchange, annexed to the Annual Report.

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

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

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

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

Environmental Impact

The business of Exchange has no material 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, the Exchange 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, the Exchange contributed to the following initiatives:

- After the terrorist attack at PSX on June 29, 2020, PSX in recognition of the sacrifices made by the brave policemen and security personnel and in order to support the families of the martyrs, has contributed PKR 10 million to the facility that was set up for the welfare of the injured and families of the martyred. Moreover, TREC-holders and other market participants were also encouraged to back this cause. The total funds accumulated as at March 26, 2021 amounted to PKR 23.45 million which have been paid to the injured and the families of the martyrs. Out of this amount, PKR 4.425 million was paid to each of the two widows of the martyred Security 2000 guards that was invested in long term certificates with National Savings Organization in their names to provide consistent support to the martyrs over the years. It is noteworthy that the martyrs of the terrorist attack on PSX have been awarded Tamgha-e-Shujaat by the Government of Pakistan. A plaque in their honour has also been placed at a prominent location in the PSX compound.
- PSX held a meeting with the honorable President where the Governor Sindh was also present and committed to pay PKR 1 million to the family of a young girl who was assaulted in Karachi. Accordingly, PSX paid PKR 1 million to the father of the young girl in September 2020.
- In terms of activities for CSR, a voluntary blood donation drive was held at PSX under the aegis of Indus Hospital Blood Centre. Under this initiative, a mobile Blood Donation Camp was set-up and placed in the PSX premises/vicinity which made collections from Individuals donating blood voluntarily.
- A tree plantation campaign by the name of Hara Bhara Pakistan was launched to encourage greenery and tree plantation in line with the Government's objective to make Pakistan green.
- CSR activities also included donation to Deaf Reach Foundation in support of the hearing impaired students, and provision of rations to the deserving in the community through Orange Tree Foundation.
- CSR activities also included sponsoring a dorm room by PSX at Akhuwat Girls College and funds were provided to Patients' Behbud Society for Aga Khan University Hospital for the welfare of the needy and deserving patients.

Pattern of Shareholding

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

Categories of Shareholding

The categories of shareholding are annexed in the Annual Report.

Acknowledgement

The Board wishes to express its deep appreciation to all stakeholders of the Exchange for their ongoing commitment and enormous support to PSX, as well as the capital market. The Board places on record its gratitude 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 collaboration, support and guidance to the Exchange throughout the year.

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

For and on behalf of the Board of Directors



DR. SHAMSHAD AKHTAR
Chairperson

Karachi

Dated: September 23, 2021



FARRUKH H. KHAN
Chief Executive Officer

Board of Directors - Attendance at Meetings
Annexure I

Name of Director	From July 01, 2020 to April 19, 2021		From April 19, 2021 to June 30, 2021	
	Meetings entitled	Meetings attended	Meetings entitled	Meetings attended
Dr. Shamshad Akhtar (Chairperson) [1]	-	-	3	3
Mr. Farrukh H. Khan (CEO)	7	7	4	4
Mr. Wang Baojun [2]	7	6	4	4
Mr. Ahmed Chinoy [2]	7	7	4	4
Dr. FU Hao [2]	7	6	4	2
Ms. Yu Huali [2]	7	5	4	4
Mr. Nadeem Naqvi [2]	-	-	4	4
Mr. Zubair Razzak Palwala [2]	-	-	4	4
Mr. You Hang [3]	7	7	4	4
Mr. Javed Kureishi [4]	7	7	3	3
Mr. Mohammad Salahuddin Manzoor [4]	7	6	3	3
Mr. Sulaiman S. Mehdi (former Chairman) [5]	7	7	-	-
Mr. Muhammad Ashraf Bawany [5]	7	7	-	-
Mr. Shehzad Chamdia [5]	7	6	-	-
Mr. Abid Ali Habib [5]	7	7	-	-
Mr. Saad Amanullah Khan [5]	7	6	-	-
Mr. Amjad Pervez [5]	7	5	-	-
Ms. Nausheen Ahmad [6]	4	3	-	-
Ms. Naz Khan [6]	1	1	-	-

- [1] Appointed as Independent Director on the Board with approval of SECP, subsequent to the Election of Shareholder Directors effective April 19, 2021. Moreover, Dr. Shamshad was appointed as Chairperson of the Board on May 04, 2021.
- [2] Elected as Shareholder Director at an Extraordinary General Meeting held on April 19, 2021, upon expiry of the term of previous Board.
- [3] Ceased to be an Alternate Director for Mr. Zhiping Rong effective November 18, 2020, subsequent to which, appointed as Shareholder Director in place of Mr. Rong. Moreover, upon expiry of the term of previous Board, he was elected as Shareholder Director at an Extraordinary General Meeting held on April 19, 2021.
- [4] Appointed as Independent Director on the Board with approval of SECP, subsequent to the Election of Shareholder Directors effective April 19, 2021.
- [5] Retired as Director upon expiry of the previous Board's term, effective April 19, 2021.
- [6] Appointed as Independent Director on November 16, 2020 to fill a casual vacancy created due to resignation of Ms. Naz Khan on July 07, 2020. Moreover, on April 19, 2021, Ms. Ahmad retired as Independent Director of the Exchange.

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

Board of Directors - Attendance at Meetings
Annexure II
Regulatory Affairs Committee

Name of Committee Member	Meetings entitled	Meetings attended
	From July 01, 2020 to April 19, 2021	
Mr. Sulaiman S. Mehdi (Former Chairman)	8	8
Mr. Mohammad Salahuddin Manzoor	8	6
Mr. Amjad Pervez	8	8
From May 06, 2021 to June 30, 2021		
Dr. Shamshad Akhtar (Chairperson)	2	2
Mr. Mohammad Salahuddin Manzoor	2	2
Mr. Nadeem Naqvi	2	2

Audit Committee

Name of Committee Member	Meetings entitled	Meetings attended
	From July 01, 2020 to April 19, 2021	
Mr. Shehzad Chamdia (Former Chairman)	5	5
Mr. Ahmed Chinoy	5	5
Mr. You Hang	5	3
From May 06, 2021 to June 30, 2021		
Mr. Javed Kureishi (Chairman)	1	1
Mr. Ahmed Chinoy	1	1
Mr. You Hang	1	-

Human Resources & Remuneration Committee

Name of Committee Member	Meetings entitled	Meetings attended
	From July 01, 2020 to April 19, 2021	
Mr. Sulaiman S. Mehdi (Former Chairman)	3	3
Mr. Mohammad Ashraf Bawany	3	3
Mr. Abid Ali Habib	3	3
Mr. You Hang	3	3
Mr. Saad Amanullah Khan	3	3
Mr. Farrukh H. Khan	2	2
From May 06, 2021 to June 30, 2021		
Mr. Mohammad Salahuddin Manzoor (Chairman)	1	1
Dr. Shamshad Akhtar	1	1
Mr. You Hang	1	1
Mr. Zubair Razzak Palwala	1	-
Mr. Farrukh H. Khan	1	1

[1] Subsequent to year-end, Dr. Shamshad Akhtar was appointed as Chairperson of Human Resources and Remuneration Committee of the Board, effective September 09, 2021

Nomination Committee

Name of Committee Member	Meetings entitled	Meetings attended
	From July 01, 2020 to April 19, 2021	
Mr. Sulaiman S. Mehdi (Former Chairman)	1	1
Mr. Mohammad Ashraf Bawany	1	1
Mr. You Hang	1	1
Mr. Saad Amanullah Khan	1	1
From May 06, 2021 to June 30, 2021		
Dr. Shamshad Akhtar	-	-
Mr. Javed Kureishi	-	-
Mr. You Hang	-	-
Mr. Zubair Razzak Palwala	-	-

Note: Subsequent to the Election of Directors held on April 19, 2021, the Committees of the Board were reconstituted on May 06, 2021, the compositions of which, are also available at 'Corporate Information' section of the Annual Report.

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



**Grant Thornton Anjum
Rahman**
1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

TO THE MEMBERS OF PAKISTAN STOCK EXCHANGE LIMITED T +92 21 35672951-56

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pakistan Stock Exchange Limited (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

Chartered Accountants
Place: Karachi
Date: 23 September 2021

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

FOR THE YEAR ENDED JUNE 30, 2021

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

1. The Board of Directors of the Exchange (the Board) consisted of eleven (11) directors as on June 30, 2021, as per the following categories:

Category	Number of Directors
Male Directors	09
Female Directors	02

2. The composition of the Board as on June 30, 2021, was as follows:

Category	Names
Independent Directors	(i) Dr. Shamshad Akhtar (Chairperson) (ii) Mr. Javed Kureishi (iii) Mr. Mohammad Salahuddin Manzoor

Other Non-Executive/ Shareholder Directors	(i) Mr. Wang Baojun (ii) Mr. Ahmed Chinoy (iii) Mr. You Hang (iv) Dr. FU Hao (v) Ms. Yu Huali (vi) Mr. Nadeem Naqvi (vii) Mr. Zubair Razzak Palwala
---	---

Executive Director	(i) Mr. Farrukh H. Khan (Chief Executive Officer)
---------------------------	---

The best practices of corporate governance entail having an optimal number and mix of Board members with core competencies, adequate skills and experience; and the current Board of the Exchange adequately meets the requirements. The fraction (2:3) was not rounded up for appointment of independent directors, to reflect true representation of the shareholders on the Board by having seven (7) shareholder directors, and three (3) independent directors, thereby keeping an overall size of the Board at 10 directors, excluding Chief Executive Officer of the Exchange.

3. The directors have confirmed that none of them is serving as a director on more than seven (7) listed companies, including the Exchange;
4. The Exchange has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Exchange along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Exchange. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Exchange;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Companies Act) and the Regulations;
7. All meetings of the Board were presided over by the Chairperson. The Board has complied with the requirements of the Companies Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board of directors have a formal policy and transparent procedures for remuneration of directors, in accordance with the Companies Act and the Regulations;
9. The newly elected/appointed directors during the financial year endeavour to obtain the prescribed certification under Directors' Training Program (DTP) within the timeframe allowable under the Regulations;
10. The Board approves the 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. Nevertheless, during the financial year, there was no new appointment of CFO, Head of Internal Audit and the Company Secretary;
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, 2021:

Name of Committee	Composition
Audit Committee	(i) Mr. Javed Kureishi (Chairman) (ii) Mr. Ahmed Chinoy (Member) (iii) Mr. You Hang (Member)
Human Resources and Remuneration Committee	(i) Mr. Mohammad Salahuddin Manzoor (Chairman) (ii) Dr. Shamshad Akhtar (Member) (iii) Mr. You Hang (Member) (iv) Mr. Zubair Razzak Palwala (Member) (v) Mr. Farrukh H. Khan (Member)
Nomination Committee	(i) Dr. Shamshad Akhtar (Member) (ii) Mr. Javed Kureishi (Member) (iii) Mr. You Hang (Member) (iv) Mr. Zubair Razzak Palwala (Member)

Note: Subsequent to the year-end, Dr. Shamshad Akhtar was appointed as Chairperson of the Human Resources and Remuneration Committee of the Board, effective September 09, 2021.

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

Name of Committee	Composition
Regulatory Affairs Committee	(i) Dr. Shamshad Akhtar (Chairperson) (ii) Mr. Mohammad Salahuddin Manzoor (Member) (iii) Mr. Nadeem Naqvi (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 of the committees held during the financial year, were as follows:

Name of Committee	Number of Meetings
Audit Committee	06
Human Resources and Remuneration Committee	04
Nomination Committee	01
Regulatory Affairs Committee	10

15. The Board has set up an effective internal audit function through a combination of internal resources and outsourced expertise procured from KPMG Taseer Hadi & Co. Internal Auditors are considered suitably qualified and experienced for the purpose and are conversant with policies and procedures of the Exchange. The internal resources are engaged in internal audit function on a full time basis;
16. The statutory auditors of the Exchange have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or Directors of the Exchange;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation with regard to non-mandatory requirements, i.e. other than regulations 3, 6, 7, 8, 27, 32, 33 and 36, are below:

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

On behalf of the Board of Directors



DR. SHAMSHAD AKHTAR
Chairperson of the Board

Karachi

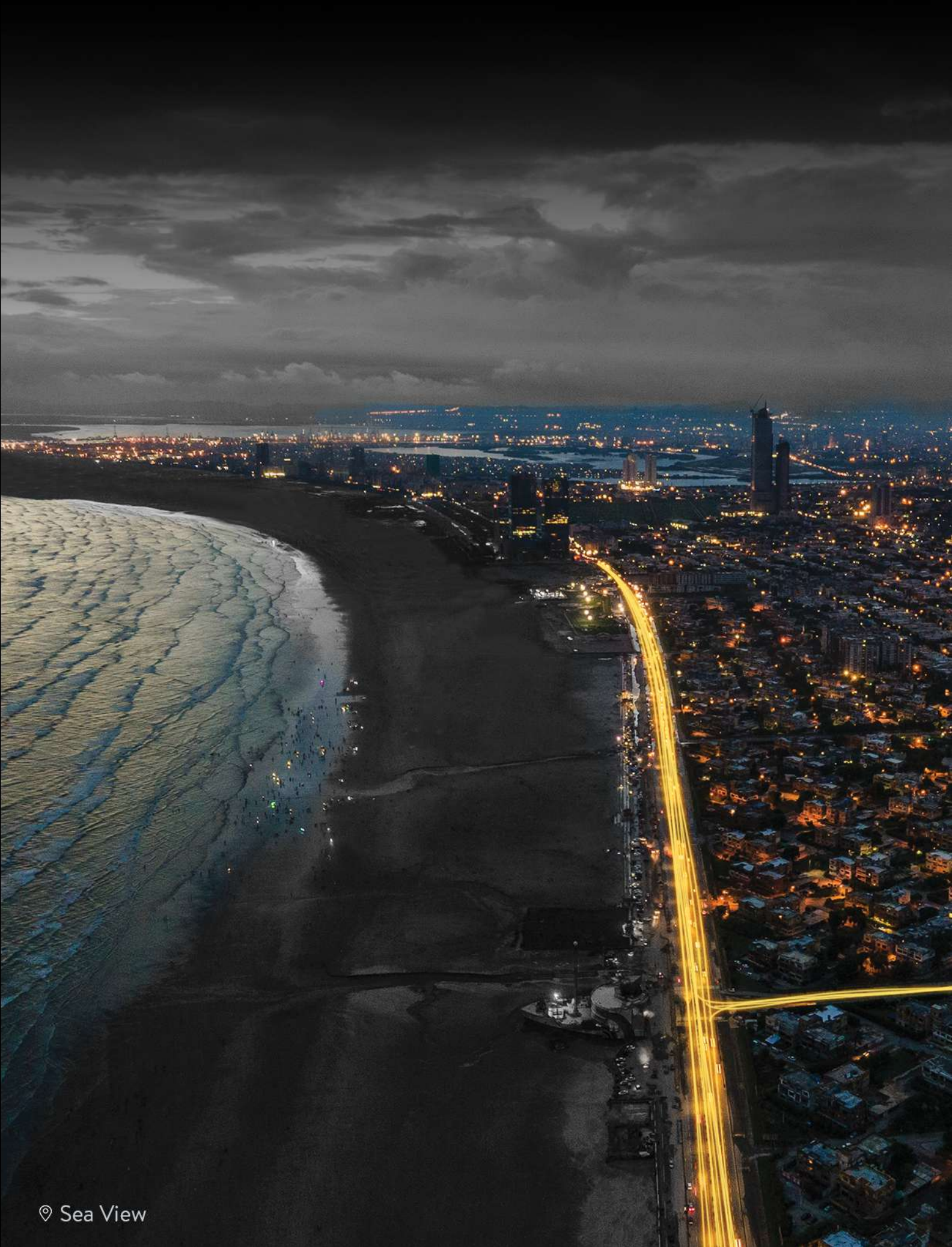
Dated: September 23, 2021



FARRUKH H. KHAN
Chief Executive Officer

THIS PAGE IS LEFT INTENTIONALLY BLANK

OPPORTUNITY



INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the members of Pakistan Stock Exchange Limited
Report on the Audit of the Financial Statements .

**Grant Thornton Anjum
Rahman**

1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

Opinion

T +9221 35672951-56

We have audited the annexed financial statements of Pakistan Stock Exchange Limited (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof confirm with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to the contents of note 25 to the financial statements in respect of contingencies. The ultimate outcome of the matters referred therein cannot be presently be determined with certainty and hence, no provision for any liability that may arise from such matters has been made in the financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key audit matters	How the matter was addressed in our audit
Reclassification of assets and liabilities held for distribution to shareholders	
<p>As referred to in note 20 to the financial statements, during the year ended June 30, 2019, the Company decided to carve out the real state assets and related liabilities to a separate legal entity and, classified the said assets and liabilities as held for distribution to shareholders. However, during the current year, the Board of Directors of the Company has decided to carve out the above assets/liabilities by forming a wholly-owned subsidiary 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 ceased to classify the assets and related liabilities held for distribution to shareholders / disposal and reclassified the same to the respective line items in the statement of financial position.</p> <p>The above represents an event with a significant impact on the financial statements and hence, we have identified this as a key audit matter.</p>	<p>Our audit procedures among others included:</p> <p>we assessed the financial reporting implications of the transaction in accordance with the requirements of IFRS 05 including the remeasurement of related assets and liabilities as of the year end.</p> <p>we reviewed the revaluation report of an independent valuer to understand the basis and methodology used for such valuation.</p> <p>we assessed the adequacy of related disclosures in the financial statements in accordance with applicable financial reporting standards.</p>
IT Systems and controls over revenue recognition	
<p>The Company uses automated securities trading system (known as KATS) which process significant volumes of trading transactions on a real time basis.</p> <p>The trading fees generated from the transactions processed are the key drivers of the Company's revenue. Therefore, the revenue recognition of these fees rely on the KATS trading data processing which involves automated controls, system generated information and system interfaces, which are underpinned by the design and operating effectiveness of the IT general controls over the key IT systems and the automated application controls over the processes.</p>	<p>Our audit procedures among others included:</p> <p>we 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.</p> <p>we assessed the IT controls environment, reviewed the IT governance framework and tested the IT general controls of the key IT application that support the revenue recognition and reporting to evaluate whether the system dependent controls and information could be relied on throughout the period.</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>we tested the identified automated application controls, which are critical to the revenue recognition processes.</p>
---	--

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

Management is responsible for the other information. The other information comprises the information included in the Annual report for the year ended June 30, 2021, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980

Other Matter

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



Chartered Accountants

Karachi

Date: 23 September 2021

PAKISTAN STOCK EXCHANGE LIMITED
STATEMENT OF FINANCIAL POSITION
 AS AT JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	4,261,876	352,351
Intangible assets	7	725,315	647,846
Investment property	8	548,095	-
Investment in associates	9	3,243,294	2,735,815
Long term investments	10	94,206	186,522
Long term deposits	11	42,639	11,471
Long term loans	12	13,884	15,082
Deferred tax asset	13	-	189,367
		8,929,309	4,138,454
CURRENT ASSETS			
Trade debts	14	114,652	120,163
Loans and advances	15	30,249	25,454
Prepayments	16	18,674	29,723
Other receivables	17	75,321	36,921
Short term investments	18	1,789,618	1,480,522
Taxation – net		573,153	550,737
Cash and bank balances	19	462,756	523,893
Assets held for distribution to shareholders/ disposal	20	3,064,423	2,767,413
		-	4,729,327
		3,064,423	7,496,740
		11,993,732	11,635,194
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital	21	10,000,000	10,000,000
Share capital	21	8,014,766	8,014,766
Reserves		954,303	231,981
Revaluation surplus on property and equipment - net		761,560	815,134
		9,730,629	9,061,881
NON-CURRENT LIABILITIES			
Dara F. Dastoor scholarship fund		2,005	2,000
Long term deposits	22	419,272	438,945
Long term payable	23	86,431	199,368
Deferred tax liability	13	69,902	-
		577,610	640,313
CURRENT LIABILITIES			
Unclaimed dividend		1,790	1,457
Current portion of long term payable	23	190,231	159,120
Trade and other payables	24	1,493,472	1,449,846
		1,685,493	1,610,423
Liabilities related to assets held for distribution to shareholders/ disposal	20	-	322,577
		1,685,493	1,933,000
CONTINGENCIES AND COMMITMENTS			
	25		
TOTAL EQUITY AND LIABILITIES		11,993,732	11,635,194

The annexed notes from 1 to 38 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Chairperson

PAKISTAN STOCK EXCHANGE LIMITED

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
Revenue			
Listing fee	26	554,074	403,558
Income from exchange operations	27	784,384	391,225
Mark-up / interest income	28	77,884	141,048
Rental income from investment property		48,268	47,094
		1,464,610	982,925
Operating cost			
Administrative expenses	29	(1,378,331)	(1,182,137)
		86,279	(199,212)
Operating profit / (loss)			
Other income	30	28,467	6,076
Share of profit from associates	9.1	607,832	383,622
Profit before taxation		722,578	190,486
Taxation	31	(26,202)	3,744
Net profit after taxation		696,376	194,230
Basic and diluted earnings per share	32	0.87	0.24

The annexed notes from 1 to 38 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Chairperson

PAKISTAN STOCK EXCHANGE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	----- (Rupees in '000) -----	
Net profit for the year	696,376	194,230
Other comprehensive income		
Items not to be reclassified to profit and loss in subsequent periods:		
Actuarial loss on employees' gratuity fund		
- Company	(41,827)	(40,306)
- Associates	132	2,859
	(41,695)	(37,447)
Tax effect on actuarial loss on employees' gratuity fund		
- Company	11,937	11,689
- Associates	(1,391)	179
	10,546	11,868
	(31,149)	(25,579)
Unrealized gain on revaluation of investment at FVOCI	4,142	3,161
- Tax effect on unrealized gain	(621)	(474)
	3,521	2,687
Total comprehensive income for the year	<u>668,748</u>	<u>171,338</u>

The annexed notes from 1 to 38 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Chairperson

PAKISTAN STOCK EXCHANGE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	722,578	190,486
Non-cash adjustments to reconcile income before tax to net cash flows		
Depreciation in tangible assets	239,505	73,137
Amortisation on intangible assets	53,092	63,330
Provision for gratuity	30,570	27,639
Mark-up / interest income	(77,884)	(141,048)
Provision for trade debts - net	220	5,642
Loss / (gain) on disposal of fixed assets - net	417	(647)
Share of profit of associates	(607,832)	(383,622)
	(361,912)	(355,569)
	360,666	(165,083)
Working capital adjustments:		
(Increase) / decrease in current assets		
Trade debts	5,291	26,065
Loans and advances	(4,795)	(5,700)
Prepayments	11,049	31,260
Other receivables	(39,656)	(36,150)
	(28,111)	15,475
Increase / (decrease) in current liabilities		
Current portion of long term payable	31,111	159,120
Trade and other payables	168,935	298,281
	200,046	457,401
Income tax paid	(96,494)	(65,322)
Gratuity paid	(35,922)	(19,295)
Mark-up / interest received	95,061	120,907
Long term deposit from members	(19,673)	139,086
Long term loans	1,198	(10,215)
Long term payable	(112,937)	199,368
	(168,767)	364,529
Net cash generated from operating activities	363,834	672,321

PAKISTAN STOCK EXCHANGE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	----- (Rupees in '000) -----	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(314,379)	(745,091)
Proceeds from sale of fixed assets	3,094	6,502
Dividend received	205,506	73,147
Proceeds from sale of investments	5,984,725	5,938,999
Investments made during the year	(6,272,749)	(5,665,033)
Long term deposits	(31,168)	(537)
Net cash used in investing activities	(424,971)	(392,013)
Net (decrease) / increase in cash and cash equivalents	(61,137)	280,308
Cash and cash equivalents at the beginning of the year	523,893	243,585
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	462,756	523,893

The annexed notes from 1 to 38 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Chairperson

PAKISTAN STOCK EXCHANGE LIMITED
STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED JUNE 30, 2021

	Share Capital	Revenue Reserves	Capital Reserves	Revaluation surplus on investments at FVOCI	Share of Associates' Reserves	Total
		Un-appropriated profit	Revaluation surplus on property and equipment			
----- (Rupees in '000) -----						
Balance as at July 01, 2019	8,014,766	107,202	815,134	8,147	(54,706)	8,890,543
Net profit for the year	-	194,230	-	-	-	194,230
Other comprehensive income / (loss)	-	(28,617)	-	2,687	3,038	(22,892)
Total comprehensive income for the year	-	165,613	-	2,687	3,038	171,338
Transfer from revaluation surplus on property and equipment incremental depreciation - net of tax						
Balance as at June 30, 2020	<u>8,014,766</u>	<u>272,815</u>	<u>815,134</u>	<u>10,834</u>	<u>(51,668)</u>	<u>9,061,881</u>
Balance as at July 01, 2020	8,014,766	272,815	815,134	10,834	(51,668)	9,061,881
Net profit for the year	-	696,376	-	-	-	696,376
Other comprehensive income / (loss)	-	(29,890)	-	3,521	(1,259)	(27,628)
Total comprehensive income for the year	-	666,486	-	3,521	(1,259)	668,748
Transfer from revaluation surplus on property and equipment incremental depreciation - net of tax	-	53,574	(53,574)	-	-	-
Balance as at June 30, 2021	<u>8,014,766</u>	<u>992,875</u>	<u>761,560</u>	<u>14,355</u>	<u>(52,927)</u>	<u>9,730,629</u>

The annexed notes from 1 to 38 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Chairperson

PAKISTAN STOCK EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

1. LEGAL STATUS AND NATURE OF OPERATIONS

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

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

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

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

China Financial Futures Exchange Company Limited

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

Chief Executive Officer	Huo Ruirong
-------------------------	-------------

Shanghai Stock Exchange limited

Legal Status	Non-profit organization directly governed by the China Securities Regulatory Commission.
--------------	--

Owners	Membership-based exchange
Chief Executive Officer	Jiang Feng

Shenzhen Stock Exchange Limited

Legal Status	Non-profit organization directly governed by the China Securities Regulatory Commission.
--------------	--

Owners	Membership-based exchange
Chief Executive Officer	Wang Jianjun

2. STATEMENT OF COMPLIANCE

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

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

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

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

3 BASIS OF MEASUREMENT

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

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

4 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS

4.1 Standards and amendments adopted during the current year

There are certain other new standards, interpretations and amendments that are mandatory for the Company's accounting period beginning on July 1, 2020, but are considered either to be not relevant or to not have any significant effect on the company's operations and are, therefore, not detailed in these financial statements.

4.2 Standards not yet effective

The following amendments with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective amendment:

New or Revised Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2023
IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2023
IAS 12 - 'Income taxes' (amendment)	January 1, 2023
IFRS 16 - 'Leases' (amendment)	April 1, 2021

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

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Operating fixed assets - tangible

All categories of operating fixed assets are carried at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any, except for leasehold land which is carried at cost less accumulated impairment losses, if any.

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

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

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

5.2 Capital work-in-progress

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

5.3 Intangible assets

These are stated at cost less accumulated amortisation. Amortisation is charged to income using the straight-line method.

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

5.4 Investment property

Investment property is stated at fair value, which reflects market conditions at the reporting date. Gain or loss on remeasurement of investment property at fair value is recognized in statement of profit or loss. Fair value is evaluated annually by an independent professional valuer. Investment property is derecognized when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized as income in the period of derecognition.

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

5.5 Investment in associates

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

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

5.6 Financial Instruments

5.6.1 Initial recognition and measurement

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

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

5.6.2 Classification and subsequent measurement

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

Financial assets

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

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

- Debt instruments at FVOCI

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

- **Equity instruments at FVOCI**

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

- **Financial assets at amortised cost**

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

Financial liabilities

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

5.6.3 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.

5.6.4 Impairment of financial assets

The Company holds trade debts and other receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade debts, loans and advances and other receivables. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date. The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature.

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

5.6.5 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.

5.7 Loans, advances and deposits

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

5.8 Cash and cash equivalents

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

5.9 Provisions

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

5.10 Revenue recognition

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

5.11 Taxation

Current

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

Deferred

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

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

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

5.12 Staff retirement benefit

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

5.13 Impairment

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

5.14 Foreign currency translation

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

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

5.15 Accounting estimates and judgements

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

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

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

	Note	June 30, 2021	June 30, 2020
----- (Rupees in '000) -----			
6. PROPERTY AND EQUIPMENT			
Operating fixed assets - tangible	6.1	4,077,846	220,971
Capital work-in-progress	6.2	184,030	131,380
		<u>4,261,876</u>	<u>352,351</u>

6.1 Operating Fixed Assets – Tangible

	June 30, 2021						
	Cost			Accumulated depreciation		Written Down Value	
	As at July 01, 2020	Additions / (Disposals)	Transfer from Assets held for distribution to shareholders	As at June 30, 2021	As at July 01, 2020	Charge for the year / (deletions) reclassifications*	As at June 30, 2021
Leasehold land	-	-	2,666,078	2,666,078*	-	-	2,666,078
Building on leasehold land	-	1,337	1,341,506	1,342,843*	-	133,831*	1,209,012
Lift, generators and electric installation	-	-	70,219	70,219	-	35,043*	35,176
Furniture and fixtures	17,690	313	-	18,003	10,363	1,497	6,143
Office equipment	123,661	4,100 (3,499)	-	124,262	65,728	11,429 (336)	47,441
Computers and related accessories	536,874	14,240 (189)	-	550,925	395,630	54,642 (189)	100,842
Vehicles	23,214	2,238 (716)	-	24,736	8,747	3,061 (226)	13,154
	701,439	22,228 (4,404)	4,077,803	4,797,066	480,468	239,503 (751)	4,077,846

6.1.1 * Represents operating fixed assets reclassified from asset held for distribution to shareholders/ disposal (note 20.2). The carrying amount of operating fixed assets amounts to Rs 3,902 million as of June 30, 2021.

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

June 30, 2020

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

6.1.2 Cost of fully depreciated assets amounts to Rs.313.95 (2020: Rs. 264.973) million.

6.2 Capital work-in-progress (CWIP)	Note	June 30, 2021	June 30, 2020
		----- (Rupees in '000) -----	
Advances against:			
- Computer hardware		167,974	130,600
- Others		16,056	780
		<u>184,030</u>	<u>131,380</u>

7 INTANGIBLE ASSETS

Operating intangibles	7.1	90,295	108,077
Intangibles under development (CWIP)	7.2	635,020	539,769
		<u>725,315</u>	<u>647,846</u>

7.1 Operating intangibles

	June 30, 2021							
	COST			Rate	ACCUMULATED AMORTISATION		WRITTEN DOWN VALUE	
	As at July 01, 2020	Additions	As at June 30, 2021		As at July 01, 2020	Charge for the year	As at June 30, 2021	As at June 30, 2021
	----- (Rupees in '000) -----			%	----- (Rupees in '000) -----			
Computer software	402,910	6,757	409,667	25	361,293	20,719	382,012	27,655
Internally developed software and market products	341,180	28,555	369,735	25	274,720	32,375	307,095	62,640
	<u>744,090</u>	<u>35,312</u>	<u>779,402</u>		<u>636,013</u>	<u>53,094</u>	<u>689,107</u>	<u>90,295</u>
	June 30, 2020							
	COST			Rate	ACCUMULATED AMORTISATION		WRITTEN DOWN VALUE	
	As at July 01, 2019	Additions	As at June 30, 2020		As at July 01, 2019	Charge for the year	As at June 30, 2020	As at June 30, 2020
	----- (Rupees in '000) -----			%	----- (Rupees in '000) -----			
Computer software	382,255	20,655	402,910	25	328,269	33,024	361,293	41,617
Internally developed software and market products	306,311	34,869	341,180	25	244,414	30,306	274,720	66,460
	<u>688,566</u>	<u>55,524</u>	<u>744,090</u>		<u>572,683</u>	<u>63,330</u>	<u>636,013</u>	<u>108,077</u>

7.1.1 Cost of fully amortised assets is Rs.573.385 (2020: Rs. 530.233) million for the year ended June 30, 2021.

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

	Note	June 30, 2021	June 30, 2020
----- (Rupees in '000) -----			
7.2 Intangibles under development (CWIP)			
Internally developed software		122,175	53,656
Computer softwares	7.2.1	512,845	486,113
		<u>635,020</u>	<u>539,769</u>

7.2.1 These include a new Trading and Surveillance System acquired from Shenzhen Stock Exchange (a related party) amounting to Rs 461.267 million . The new trading system will replace the existing trading system (KATS).

	Note	June 30, 2021	June 30, 2020
----- (Rupees in '000) -----			
8 INVESTMENT PROPERTY			
Building on leasehold land		548,095	-

8.1 This represents office spaces in PSX's building reclassified from assets held for distribution to shareholders/ disposal (note 20.2). The Company carries the investment property at fair value and the latest fair valuation was carried out by Iqbal A.Nanjee & Company (Pvt) Limited as at June 30, 2021.

	Note	June 30, 2021	June 30, 2020
----- (Rupees in '000) -----			
9 INVESTMENT IN ASSOCIATES - Under equity method			
Unquoted companies			
Central Depository Company of Pakistan Limited (CDC) 99,525,000 (2020: 79,620,000) shares having face value Rs. 995.25 (2020: Rs. 796.2) million	9.1	2,083,183	1,915,520
National Clearing Company of Pakistan Limited (NCCPL) 50,131,809 (2020: 47,462,128) shares having face value Rs. 501.31 (2020: Rs. 474.62) million	9.1	1,124,111	820,295
EClear Services Limited 3,600,000 shares having face value Rs. 36 million	9.2	36,000	-
		<u>3,243,294</u>	<u>2,735,815</u>

9.1 Reconciliation of changes in carrying value of investment in associate

	Note	June 30, 2021		
		CDC	NCCPL	Total
----- (Rupees in '000) -----				
Opening balance		1,915,520	820,295	2,735,815
Addition during the year	9.1.1	-	69,412	69,412
Share of profit for the year		303,642	304,190	607,832
Actuarial (loss) / gain on employees' gratuity fund		(1,715)	456	(1,259)
Dividend received during the year		(134,264)	(70,242)	(204,506)
Closing balance		<u>2,083,183</u>	<u>1,124,111</u>	<u>3,207,294</u>
		June 30, 2020		
		CDC	NCCPL	Total
----- (Rupees in '000) -----				
Opening balance		1,717,448	704,854	2,422,302
Share of profit for the year		265,044	118,578	383,622
Actuarial gain / (loss) on employees' gratuity fund		6,175	(3,137)	3,038
Dividend received during the year		(73,147)	-	(73,147)
Closing balance		<u>1,915,520</u>	<u>820,295</u>	<u>2,735,815</u>

9.1.1 During the year, the Company acquired additional equity in the NCCPL amounting to Rs. 69 million divided into 2,669,681 ordinary shares of Rs. 10 each from Pakistan Kuwait Investment Company (Private) Limited at a price of Rs. 26 per share, including a premium of Rs. 16 per share. As of June 30, 2021, the carrying value of the Company's investment in NCCPL amounts to Rs 1,124 million against the break up value of Rs 1,094 million. However, in accordance with its accounting policy, the Company has assessed the recoverable amount of investment in NCCPL using the income approach and determined that the recoverable amount is higher than its carrying value. Accordingly, no impairment is required in this respect.

9.2 During the year, the Company acquired 24.5% shareholding in EClear Services Limited which has been formed to provide services as a professional clearing member under the Professional Clearing Members Regulations, 2020. However, the company has not yet commenced its business operations.

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

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

Name of associate	June 30, 2021					Interest held %
	Country of incorporation	Total assets	Total liabilities	Profit	Revenue	
----- (Rupees in '000) -----						
CDC Break-up value of each ordinary share of Rs.10 is Rs.21.85 based on the latest unaudited financial statements available for the year ended June 30,2021.	Pakistan	6,366,274	904,114	762,727	1,974,819	39.81
NCCPL Break-up value of each ordinary share of Rs.10 is Rs 21.83 based on the audited financial statements for the year ended June 30, 2021.	Pakistan	29,606,546	27,404,829	611,930	1,438,247	49.71
		<u>35,972,820</u>	<u>28,308,943</u>	<u>1,374,657</u>	<u>3,413,066</u>	

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

10 LONG TERM INVESTMENTS

	Note	June 30, 2021	June 30, 2020
----- (Rupees in '000) -----			
At fair value through OCI			
VIS Credit Rating Company Limited, a related party		19,388	15,246
250,000 ordinary shares of Rs.10 each, representing, 12.50% shareholding. The break-up value of each ordinary share is Rs.77.55 (2020: 60.98) based on unaudited financial statements for the year ended 2021.			
Pakistan Mercantile Exchange Limited (PMEX), a related party	10.1	74,818	74,818
8,909,052 ordinary shares of Rs.10 each, representing 28.41% (2020: 28.41%) shareholding. The break-up value of each ordinary share is Rs. 1.58 (2020: 1.13) based on unaudited financial statements for the year ended June 30, 2021.			
At amortised cost			
Pakistan Investment Bonds		-	96,458
		<u>94,206</u>	<u>186,522</u>

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

	Note	June 30, 2021	June 30, 2020
----- (Rupees in '000) -----			
11 LONG TERM DEPOSITS			
Earnest money		33,819	820
Utilities		2,791	2,791
Others		6,029	7,860
	11.1	<u>42,639</u>	<u>11,471</u>

11.1 These include deposits of Rs 32.9 million reclassified from assets held for distribution to shareholders/ disposal (note 20.2).

	Note	June 30, 2021	June 30, 2020
----- (Rupees in '000) -----			
12 LONG TERM LOANS			
Employees - Considered good, secured	12.1	25,698	27,888
Current portion of long term loans to employees	15	(11,814)	(12,806)
		<u>13,884</u>	<u>15,082</u>

12.1 These personal loans are sanctioned for the purchase of motorcycles and other domestic purposes. These are secured against the outstanding balances in the Employees' Gratuity Fund. These are recoverable in monthly instalments over a period, with original maturity between 3 and 5 (2020: 3 and 5) years and are interest free. All outstanding long term loans at the year end will mature within two to four years.

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

13	DEFERRED TAX (LIABILITY) / ASSET	Note	June 30, 2021	June 30, 2020
	Deductible temporary differences arising from:		----- (Rupees in '000) -----	
	Carry forward tax losses		300,332	240,974
	Provision for debts considered doubtful		14,521	14,457
	Provision for defined benefit liability		57,609	45,479
	Others		-	192
			372,462	301,102
	Taxable temporary differences arising from:			
	Differences between written down value and tax base of assets"		(413,662)	(97,896)
	Surplus on revaluation of investment at FVOCI		(2,533)	(1,912)
	Investment in associates		(26,169)	(11,927)
			(442,364)	(111,735)
			(69,902)	189,367
13.1	Movement of deferred tax (liability) / asset			
	Opening balance		189,367	139,517
	Charged to profit and loss		44,778	38,635
	Charged to comprehensive income		11,316	11,215
	Transfer from liabilities related to assets held for distribution to shareholders / disposal		(315,363)	-
	Closing balance		(69,902)	189,367
14	TRADE DEBTS			
	Unsecured			
	Considered good			
	Due from members		49,912	41,097
	Due from companies		46,309	65,687
	Due from a related party	14.1	18,431	13,379
			114,652	120,163
	Considered doubtful			
	Due from companies		48,872	48,652
			163,524	168,815
	Provision for doubtful debts	14.2	(48,872)	(48,652)
			114,652	120,163

14.1 This represents receivable from NCCPL on account of Margin Trading System fee and LAN connectivity charges. The maximum aggregate amount outstanding during the year amounted to Rs. 19.931 (2020: Rs. 20.040) million. As of June 30,2021, the aging analysis of receivables from NCCPL is as follows;

	Note	June 30, 2021	June 30, 2020
----- (Rupees in '000) -----			
Past due			
Upto 90 days		1,293	10,413
More than 90 days		18,638	4,466
		19,931	14,879
14.2 Reconciliation of provision for doubtful debts			
Opening balance		48,652	43,010
Provision for the year	29	6,338	6,630
Amount recovered / reversed	30	(6,118)	(988)
Closing balance		48,872	48,652
15 LOANS AND ADVANCES			
Loans - secured, considered good			
- Current portion of long term loans to employees	12	11,814	12,806
Advances, considered good			
- Employees		15,662	9,466
- Suppliers		2,773	3,182
		18,435	12,648
		30,249	25,454
16 PREPAYMENTS			
Maintenance of information technology equipment / software		11,102	20,932
Others		7,572	8,791
		18,674	29,723
17 OTHER RECEIVABLES			
Due from non-members	17.1	24,021	3,792
Due from an ex-member	17.2	6,574	6,574
Interest / profit accrued on bank accounts		1,132	1,271
Others		44,794	26,484
		76,521	38,121
Less: Provision for doubtful receivable	17.3	(1,200)	(1,200)
		75,321	36,921

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

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

17.2 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, 2021 amounted to Rs. 46.787 (2020: Rs.22.009) million. Further, as disclosed in note 19.2, bank balances include dividend/bank profit of Rs.14.441 and 14.703million (2020: 13.537 and 13.607 million) respectively.

17.3 These include receivables of Rs 47.4 million reclassified from assets held for distribution to shareholders/ disposal.(note 20.2).

	Note	June 30, 2021	June 30, 2020
----- (Rupees in '000) -----			
18	SHORT TERM INVESTMENTS		
	At amortised cost		
	Market Treasury Bills	18.1	1,688,959
	Pakistan Investment Bonds	18.2	100,659
		<u>1,789,618</u>	<u>1,480,522</u>

18.1 These represent Market Treasury Bills having cost of Rs. 1,663.832 (2020: Rs.1,433.593) million and interest accrued thereon of Rs.25.127 (2020: Rs.46.928) million. The effective rate of return 7.35% (2020: 10.09%) per annum. These will mature latest by October 7, 2021. These include Rs.762.604 million from defaulter / expelled / suspended members and Rs. 358.584 million pertaining to base minimum capital.

18.2 Pakistan Investment Bonds (PIBs) having cost of Rs. 93.157 (June 30, 2020: 89.361) million, interest accrued thereon of Rs. 3.3 (June 30, 2020: Rs. 3.301) million and amortization of discount of Rs. 4.203 (June 30, 2020: Rs.3.795) million. The effective rate of return is 12.00% per annum (June 30, 2020 : 12%). These will mature latest by July 12, 2021.

	Note	June 30, 2021	June 30, 2020
----- (Rupees in '000) -----			
19	CASH AND BANK BALANCES		
	With banks on:		
	Current accounts	769	738
	PLS accounts in		
	foreign currency	44,556	33,624
	local currency	417,354	489,464
		461,910	523,088
	In hand	77	67
		<u>462,756</u>	<u>523,893</u>

19.1 Rate of return on PLS accounts varies from 5.50% to 5.75% (2020: 6.25% to 12%) per annum. However, the effective rate for the year is 5.61% (2020: 10.9%) per annum.

19.2	These include the following balances:	Note	June 30, 2021	June 30, 2020
----- (Rupees in '000) -----				
	Dividend / bank profit	17.2	29,144	27,144
	Members basic deposits		53,915	100,427
	Deposits against arbitration	24.1	8,586	8,574
	Proceeds from divestments/ Membership card	24.2	85,230	92,435
	Dara F. Dastoor scholarship fund		2,005	2,245
	Unclaimed Dividend		1,790	1,457
			<u>180,670</u>	<u>232,282</u>

20 ASSETS AND LIABILITIES HELD FOR DISTRIBUTION TO SHAREHOLDERS / DISPOSAL

Assets held for distribution to shareholders / disposal	-	4,729,327
Liabilities related to assets held for distribution to shareholders / disposal	-	(322,577)
Net assets subject to demerger / carve-out	<u>-</u>	<u>4,406,750</u>

20.1 During the year ended June 30, 2019, the Company decided to carve out the real state assets and related liabilities to a separate legal entity and classified the said assets and liabilities as held for distribution to shareholders. However, during the current year the Board of Directors has decided to carve-out the above assets/ liabilities by forming a wholly owned subsidiary of the Company. Accordingly, the related assets and liabilities will be transferred to the subsidiary against the issuance of shares. The said agreement will be executed through a scheme of arrangement under the relevant provisions of applicable laws, 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 ceased to classify the assets and related liabilities held for distribution to shareholders / disposal and reclassified the same to the respective line items in the statement of financial position.

20.2	The summary of the assets and liabilities reclassified is as follows:	Note	June 30, 2021
			(Rupees in '000)
Non - current assets			
	Property and equipment	6.1.1	3,924,239
	Investment property	8.1	548,094
	Long term deposits	11.1	32,999
			<u>4,505,332</u>
Current assets			
	Other receivables	17.3	47,495
	Taxation - net		20,938
			<u>68,433</u>
	Total assets		<u>4,573,765</u>

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

	Note	June 30, 2021	
		(Rupees in '000)	
Non current liabilities			
Deferred tax liability - net	13.1	318,461	
Long term deposits		3,470	
		321,931	
Current liabilities			
Total liabilities		6,165	
Net assets reclassified		328,096	
		4,245,669	
21. SHARE CAPITAL			
		June 30, 2021	June 30, 2020
		----- (Number of Shares) -----	
		June 30, 2021	June 30, 2020
		----- (Rupees in '000) -----	
Authorised capital			
1,000,000,000	1,000,000,000	Ordinary shares of Rs.10/- each	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
21.1	This includes shares issued against surplus on revaluation of the assets of the Company of Rs.3.288 million (net of tax) in accordance with the requirements of Stock Exchanges (Corporatization, Demutualization and Integration) Act 2012. This treatment regarding the surplus has also been approved by the Securities and Exchange Commission of Pakistan.		
21.2	The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.		
22	LONG TERM DEPOSITS	Note	June 30, 2021
			June 30, 2020
			----- (Rupees in '000) -----
	Clearing house deposits from members	22.1	419,272
			438,945
22.1	These include Rs 405.603 million (2020: Rs 428.904 million), cash deposit placed by TREC holders against the Base Minimum Capital requirement with the Exchange in accordance with the Rule Book of PSX.		
23	LONG TERM PAYABLE	Note	June 30, 2021
			June 30, 2020
			----- (Rupees in '000) -----
	Long term payable	23.1	276,662
	Less: current portion of long term payable		(190,231)
			86,431
			358,488
			(159,120)
			199,368
23.1	It represents USD 1.823 million (including tax) against the purchase of Trading and Surveillance System from Shenzhen Stock Exchange (a related party). The amount is payable in 4 yearly installments latest by 2024.		

24	TRADE AND OTHER PAYABLES	Note	June 30, 2021	June 30, 2020
----- (Rupees in '000) -----				
	Creditors - capital expenditure		20,208	183,102
	Accrued expenses		183,282	163,539
	Deposits against arbitration	24.1	8,586	8,574
	Amount held against defaulter / expelled / suspended members	24.2	847,834	789,157
	Interest payable on BMC deposits	24.3	7,100	12,506
	Provision for Wealth Tax	24.4	1,684	1,684
	Employees' Gratuity Fund	24.5	209,309	172,834
	Provision for staff bonus		80,677	19,049
	Fees and rent received in advance		52,967	38,620
	Tax deducted at source		4,283	714
	SECP supervision and transaction fees		9,867	5,490
	Centralized Customer Protection Fund (CCPF) 1% of total revenue		14,691	10,679
	Others		52,984	43,898
			<u>1,493,472</u>	<u>1,449,846</u>

24.1 This represents amount deposited with the Company by members with respect to certain arbitration cases pending settlement.

24.2 This represents amount obtained on disposal of membership cards and sale proceeds received from sale of 40% divestment and 20% from public offering of PSX shares of defaulter / expelled / suspended members, from LSE Financial Services Limited and ISE tower REIT Management Company Limited including profit accrued thereon, deposited in a separate bank account amounting to Rs 85.230 million to be utilised for the settlement of dues of the defaulter members, including investors claim, if any. The remaining amount of Rs.762.604 million is invested in Market Treasury Bills.

24.3 This represents interest payable on amount deposited with the Company on account of Base Minimum Deposits by TREC holders.

24.4 Included herein are (a) a sum of Rs. 500,000 (2020: Rs. 500,000), representing provision in respect of the assessed liability for the assessment year 1999-2000 and (b) a sum of Rs. 1.184 (June 30, 2020: 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.

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020
	----- (Rupees in '000) -----	
24.5 Employees' Gratuity Fund	<u>209,309</u>	<u>172,833</u>
24.5.1 Principal actuarial assumptions		
Significant actuarial assumptions used in the valuations are as follows:	----- (% Per annum) -----	
Discount rate	10.00%	8.50%
Increase in salaries	9.00%	5.75%
Expected return on plan assets	10.00%	8.50%
Demographic Assumptions		
Mortality rates	SLIC 2001-05	SLIC 2001-05
Rate of employee turnover	Moderate	Moderate
24.5.2 Liability recognised in the statement of financial position:		
Present value of obligations	273,051	246,890
Fair value of plan assets	(63,742)	(74,056)
	<u>209,309</u>	<u>172,834</u>
24.5.3 Expense recognised in statement of profit or loss		
Current service cost	17,414	17,414
Interest cost	18,741	15,447
Expected return on plan assets	(5,578)	(5,222)
	<u>30,577</u>	<u>27,639</u>
24.5.4 Movement in the liability recognised in the statement of financial position:		
Opening balance	172,834	124,184
Charge for the year	30,577	27,639
Actuarial loss recognised in other comprehensive income	41,827	40,306
Contribution	(35,929)	(19,295)
Closing balance	<u>209,309</u>	<u>172,834</u>
	----- (% Per annum) -----	
24.5.5 Actual return on plan assets	<u>8.86%</u>	<u>26.25%</u>

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

	June 30, 2021	June 30, 2020
----- (Rupees in '000) -----		
24.5.5.2 Movement of present value of defined benefit obligations		
Opening balance	246,890	205,990
Current service cost	17,414	17,414
Interest cost	18,741	15,447
Total benefits paid	(52,805)	(48,523)
Actuarial loss on obligation	42,811	56,562
Closing balance	<u>273,051</u>	<u>246,890</u>

24.5.6 Movement of fair value of plan assets

Opening balance	74,056	81,806
Return on plan assets	5,578	5,222
Contributions	35,929	19,295
Benefits paid by the fund	(52,805)	(48,523)
Actuarial gain on assets	984	16,256
Closing balance	<u>63,742</u>	<u>74,056</u>

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

Actuarial loss on obligation	(42,811)	(56,562)
Actuarial gain on assets	984	16,256
	<u>(41,827)</u>	<u>(40,306)</u>

24.5.7 Constituents of plan assets

	Fair Value as at June 30, 2021		Fair Value as at June 30, 2020	
	(Rupees in '000)	%	(Rupees in '000)	%
Government securities	11,918	18.70%	62,263	84.08%
Cash and net current assets	51,824	81.30%	11,793	15.92%
	<u>63,742</u>	<u>100%</u>	<u>74,056</u>	<u>100%</u>

Historical information

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
----- (Rupees in '000) -----					
Present value of defined benefit obligation	273,051	246,890	205,990	233,403	234,390
Fair value of plan assets	(63,742)	(74,056)	(81,806)	(122,178)	(154,900)
Funding surplus	<u>209,309</u>	<u>172,834</u>	<u>124,184</u>	<u>111,225</u>	<u>79,490</u>
Experience adjustment on plan liabilities	(42,811)	(56,562)	(8,976)	(23,648)	(15,494)
Experience adjustment on plan assets	984	16,256	(10,978)	(2,326)	5,089

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

24.5.8 Maturity profile of the defined benefit obligation

Distribution of timing of benefit payments
 within the next 12 months (next annual reporting period)
 between 2 and 5 years
 between 6 and 10 years
 Beyond 10 years

	June 30, 2021	June 30, 2020
	----- (Rupees in '000) -----	
	8,251	20,850
	70,303	61,086
	161,414	141,298
	668,858	632,698

**24.5.9 Sensitivity Analysis on significant actuarial assumptions:
 Actuarial Liability**

Discount Rate +1%
 Discount Rate -1%
 Long Term Salary Increases +1%
 Long Term Salary Increases -1%

	Present value of Defined Benefit Obligation (Rupees in '000)	Percentage change
	262,054	-4.03%
	284,912	4.34%
	284,912	4.34%
	261,858	-4.10%

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

25 CONTINGENCIES AND COMMITMENTS

25.1 Tax related contingencies

25.1.1 Contingency relating to wealth tax amounts to Rs.19.184 (2020: Rs 19.184) million is discussed in detail in note 24.4. Pending resolution of this matter, no provision has been made in these financial statements for any liability that may arise on this account.

25.1.2 Contingencies relating to income tax

S.no	Case Number	Name of the Court/ Agency/ Authority	Date Instituted	Principal Parties	Description
1	C.P. # 3601	High Court of Sindh	2018	PSX vs SRB	PSX received show cause notice from Sindh Revenue Board dated 13th April,2018 pertaining to Tax year 2012 claiming Sindh Sales Tax (SST) amounting to Rs.50,516,800/- along with default surcharge. SRB has served these notices on the understanding that PSX has provided/rendered taxable services covered under tariff heading 9825.0000 and 98.13 of Second Schedule to the Sindh Sales Tax Act, 2011 and therefore such services should have been taxed and deposited accordingly. In view of the same, case has been filed against the above notice received by SRB, however, PSX's legal advisor is of the view that the Honourable High Court has granted an interim order and the said interim order is operating. Hence, no provision in this respect has been made in the financial statements.
2	C.P. # 3602	High Court of Sindh	2018	PSX vs SRB	PSX received show cause notice from Sindh Revenue Board dated 25th April,2018 pertaining to Tax year 2013 claiming Sindh Sales Tax (SST) amounting to Rs.56,204,640/- along with default surcharge. SRB has served these notices on the understanding that PSX has provided/rendered taxable services covered under tariff heading 9825.0000 and 98.13 of Second Schedule to the Sindh Sales Tax Act, 2011 and therefore such services should have been taxed and deposited accordingly. In view of the same, case has been filed against the above notice received from SRB, however, PSX's legal advisor is of the view that the Honourable High Court has granted an interim order and the said interim order is operating. Hence, no provision in this respect has been made in the financial statements.
3	C.P. # 3421	High Court of Sindh	2019	PSX vs SRB	PSX received show cause notice from Sindh Revenue Board dated 11th May,2019 pertaining to Tax year 2014 claiming Sindh Sales Tax (SST) amounting to Rs.76,955,040/- along with default surcharge. SRB has served these notices on the understanding that PSX has provided/rendered taxable services covered under tariff heading 9825.0000 and 98.13 of Second Schedule to the Sindh Sales Tax Act, 2011 and therefore such services should have been taxed and deposited accordingly. In view of the same, case has been filed against the above notice received from SRB, however, PSX's legal advisor is of the view that on 02.03.2021 the Honourable High Court was pleased to dismiss the above petition. PSX has challenged judgement dated 02.03.2021 before the Honourable Supreme Court of Pakistan passed by the Honourable High Court of Sindh in CP. 3421 of 2019 whereby the PSX challenged the show cause notice dated 11.05.2019 issued by the SRB. The case is still pending before the Honourable Supreme Court of Pakistan.
4	C.P. # 3422	High Court of Sindh	2019	PSX vs SRB	PSX received show cause notice from Sindh Revenue Board dated 11th May,2019 pertaining to Tax year 2018 claiming Sindh Sales Tax (SST) amounting to Rs.4,644,868/- along with default surcharge. SRB has served these notices on the understanding that PSX has provided/rendered taxable services covered under tariff heading 9825.0000 and 98.13 of Second Schedule to the Sindh Sales Tax Act, 2011 and therefore such services should have been taxed and deposited accordingly. In view of the same, case has been filed against the above notice received from SRB, where, PSX's legal advisor is of the view that the Honourable High Court has granted an interim order and the said interim order is operating. Hence, no provision in this respect has been made in the financial statements.
5	C.P. # 3302	High Court of Sindh	2019	PSX vs SRB	PSX received show cause notice from Sindh Revenue Board dated 25th April ,2019 pertaining to Tax year 2017 claiming Sindh Sales Tax (SST) amounting to Rs.5,278,158/- along with default surcharge. SRB has served these notices on the understanding that PSX has provided/rendered taxable services covered under tariff heading 9825.0000 and 98.13 of Second Schedule to the Sindh Sales Tax Act, 2011 and therefore such services should have been taxed and deposited accordingly. In view of the same, case has been filed against the above notice received from SRB, where, PSX's legal advisor is of the view that the Honourable High Court has granted an interim order and the said interim order is operating. Hence, no provision in this respect has been made in the financial statements.

25.1.3 The cumulative financial impact of income tax related contingencies is estimated to be Rs. 193 (2020: Rs. 193) million.

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

25.2 Contingencies relating to PSX's operations

S.no	Case Number	Name of the Court/ Agency/ Authority	Date Instituted	Principal Parties	Description	Relief Sought
1	Suit # 950/97	High Court of Sindh	09-08-1997	Naeem Rana & 5 Others vs. 1. M. Rashid Jamal (MRJ) 2. Faisal Jamal 3. PSX	A lawsuit was filed by five investors against the Company and an ex-member for declaration, injunction and recovery of damages, aggregating to Rs.70.00 (2020: 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. The matter was fixed on 25.09.2020 for argument, discharged and adjourned to date in office.
2	Suit # 749/2000	High Court of Sindh	01-06-2000	Mohammad Hanif Moosa vs. 1. PSX 2. CDC 3. SECP	An ex-member filed a lawsuit against the Company, CDC and the SECP, in the Honourable High Court of Sindh, for cancelling his membership and declaring him as a defaulter for a claim of Rs.300 (2020: 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 (2020: Rs.351.392) million. A sum of Rs.302.882 (2020: Rs.302.882) million, including Rs 6.574 (2020: 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 and arbitrary, without jurisdiction. He has further claimed damages of Rs. 300 million each against PSX and SECP (def. No. 3).
3	C.P.# 786/2008	High Court of Sindh	30-04-2008	PSX Vs Fed. Of Pakistan Competition Commission of Pak.	The Islamabad Stock Exchange (Guarantee) Limited filed a complaint with the Competition Commission of Pakistan (CCP) against the Company alleging abuse of its dominant position in securities market in contravention of Section 3 of the Competition Ordinance, 2007. The CCP passed directed the Company to take corrective measures along with the other exchanges of Pakistan and in case of failure to comply with the direction of the CCP, the Company will be liable to pay a penalty of Rs. 50 (2019: Rs.50) million and additional penalty of Rs.250,000 per day for each day of non-compliance. The Company has filed an appeal before the Supreme Court against the CCP's Order. As per the legal advisor, the Company has a reasonable case in respect of the above. Hence, no provision for any liability which may arise in this regard has been made in the financial statements.	Islamabad Stock Exchange had filed a complaint with Competition Commission against PSX alleging abuse of its dominant position in securities market in contravention of Section 3 of the Competition Ordinance, 2007. PSX filed its reply to the Commission. However, the Commission, without giving due consideration to the PSX's reply, issued a Show Cause Notice to PSX for taking action under the Ordinance. Thereupon, PSX filed this Petition in the Court seeking its order, among others, for declaring the Show Cause Notice as unlawful.
4	Suit No. 735/ 2000	High Court of Sindh	02/6/2000	Pak Emerging Venture Limited (PEVL) vs. 1) Mohammad Hanif Moosa 2) PSX	Subsequently, a fund management and investment company filed a lawsuit in the Honourable High Court of Sindh against the above mentioned ex-member, CDC, SECP and the Company. The petitioners, alleged that the company had unlawfully taken the delivery of shares for which the petitioners had entered into that the Company had unlawfully taken the delivery of shares for which the petitioners had entered into contracts for purchase with the ex-member. The petitioners claimed declaration, injunction and delivery of the undelivered shares and damages of Rs.500 (2020: 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.

S.no	Case Number	Name of the Court/ Agency/ Authority	Date Instituted	Principal Parties	Description	Relief Sought
5	Suit No. 1086 /2017	High Court of Sindh	26/4/2017	PSX Vs. KW&SB & Others	During the year 2016-17, the Company has received a demand notice amounting to Rs. 32.19 million from Karachi and Water Sewerage Board (KWSB) in respect of water, sewerage, conservancy and fire charges. However, the Company is of the view, that since the Company is not receiving any sort of utilities from KWSB therefore, such demand is not valid. In view of the same, a case has been filed by the Company in the court of law against the above demand of KWSB. The matter is currently pending adjudication and based on the view of the legal advisor of the Company positive outcome is expected in favour of the Company and hence no provision has been made by the management against the above demand in these financial statements.	After, disposal of case in Supreme Court, KW&SB again demanded Rs.32,167,196/- from the Exchange on account of water and sewerage service charges and stated that in case of failure to pay they will disconnect the existing service pipelines of water and sewerage connections of the Exchange. Consequently, the Exchange filed Suit No.1086/2017 for Declaration, Permanent Injunction & Other Relieves in the Sindh High Court.
6	Suit No. 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 mala fide 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.

25.2.1 The cumulative financial impact of contingencies related to PSX's operations is estimated to be Rs. 1002 (2020: Rs. 2,686) million.

25.3 Other contingencies

In addition to the above stated litigations, there are various other lawsuits filed by ex-members and / or their customers and penalties imposed by the CCP 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.50 (2020: Rs.177.39) million.

25.4 The total cumulative impact of above contingencies amounts to Rs 1,264 (2020: Rs.3,057) 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.

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

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

		June 30, 2021	June 30, 2020
		----- (Rupees in '000) -----	
25.6	Commitments		
	IT maintenance charges	98,940	105,000
26	LISTING FEE		
	Annual fee	490,729	360,167
	Initial / first year fee	63,345	43,391
		<u>554,074</u>	<u>403,558</u>
27	INCOME FROM EXCHANGE OPERATIONS		
	Trading fee	525,509	176,301
	Facilities and equipment fee	166,624	152,205
	Income from non-trading facilities	63,289	57,790
	Regulatory fee	20,907	-
	Membership fee	2,840	3,010
	Other fee	5,215	1,919
		<u>784,384</u>	<u>391,225</u>
28	MARK-UP / INTEREST INCOME		
	Government securities	64,487	121,979
	PLS saving accounts	13,397	19,069
		<u>77,884</u>	<u>141,048</u>
29	ADMINISTRATIVE EXPENSES		
	Salaries and other benefits	29.1	655,557
	Rent, rates and taxes		541,486
	Fuel and power		15,505
	Repairs and maintenance		17,180
	Computer maintenance and related expenses		60,775
	Insurance		53,390
	Telephone, courier and postage		61,673
	Printing and stationery		61,386
	Donations	29.2	129,070
	Auditors' remuneration	29.3	157,701
	Legal and professional charges		17,461
	Demerger expense		20,989
	Depreciation	6.1 & 29.4	6,217
	Amortisation	7.1	5,959
			3,485
			2,037
			12,750
			2,750
			2,339
			19,262
			31,351
			-
			9,900
			239,505
			73,137
			53,092
			63,330

	Note	June 30, 2021	June 30, 2020
----- (Rupees in '000) -----			
Travelling and conveyance		1,610	4,542
General office expense		5,055	5,265
Receptions, meetings and functions		12,312	14,558
Advertisement, marketing and development		9,249	35,699
Contribution to IPF 1%		19,196	13,726
SECP supervision fee		13,385	7,948
Provision for trade debts considered doubtful - net	14.2	6,338	6,630
Penalty and fine		4,000	-
Security expenses		22,918	20,726
Subscription fee		9,370	9,212
Training and development		1,775	2,341
Others		6,734	5,994
		<u>1,378,331</u>	<u>1,182,137</u>

29.1 Included herein is a sum of Rs.30.577 (2020: Rs.27.639) million in respect of retirement benefits.

29.2 Donations are paid to Family Educational Services Foundation, Umer Saadiq, Aano Bags and Orange tree foundation as per the policy approved by Board of Directors, in which none of the directors of the Company is interested in any capacity.

29.3 Auditors' remuneration

	June 30, 2021	June 30, 2020
----- (Rupees in '000) -----		
Annual audit	845	845
Half yearly review	268	268
Review of code of corporate governance	55	55
Certification for agreed upon procedure	1,172	850
Dividend remittance certification	60	60
Free float of shares certification	81	81
Certification on reconciliation with CDC register	50	50
Out of pocket expenses	219	130
	<u>2,750</u>	<u>2,339</u>

29.4 Depreciation

Includes depreciation charge of Rs. 168.874 million on fixed assets reclassified from assets held for distribution to shareholders / disposal during the year (note 20.2).

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

30	OTHER INCOME	Note	June 30, 2021	June 30, 2020
----- (Rupees in '000) -----				
	Exchange gain		17,910	1,748
	Bad debts recovered	14.2	6,118	988
	(Loss) / gain on sale of fixed assets		(417)	647
	Dividend income		1,000	500
	Others		3,856	2,193
			<u>28,467</u>	<u>6,076</u>

31	TAXATION		June 30, 2021	June 30, 2020
	Current		70,980	34,891
	Deferred		(44,778)	(38,635)
		31.1	<u>26,202</u>	<u>(3,744)</u>

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

32	BASIC AND DILUTED EARNINGS PER SHARE		June 30, 2021	June 30, 2020
	Profit after taxation		696,376	194,230
	Weighted average number of ordinary shares outstanding during the year		801,476	801,476
	Basic and diluted earnings per share (Rupees)		<u>0.87</u>	<u>0.24</u>

33 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	June 30, 2021			
	Chief Executive Officer	Directors	Executives	Total
----- (Rupees in '000) -----				
Managerial remuneration	45,529	-	337,644	383,173
Annual performance payout	32,271	-	-	32,271
Gratuity	-	-	14,681	14,681
Fees	-	9,700	-	9,700
	<u>77,800</u>	<u>9,700</u>	<u>352,325</u>	<u>439,825</u>
Number	<u>1</u>	<u>10</u>	<u>72</u>	

	June 30, 2020			
	Chief Executive Officer	Directors	Executives	Total
	----- (Rupees in '000) -----			
Managerial remuneration	28,499	-	303,331	331,830
Annual performance payout	678	-	-	678
Gratuity	-	-	13,822	13,822
Fees	-	11,450	-	11,450
	<u>29,177</u>	<u>11,450</u>	<u>317,153</u>	<u>357,780</u>
Number	<u>1</u>	<u>15</u>	<u>65</u>	

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

34 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.

	June 30, 2021	June 30, 2020
34.1 Following are the details of transactions with related parties:	----- (Rupees in '000) -----	
Listing Fee		
Common Directorship		
Power Cement Limited	2,745	3,514
Fauji Foods Limited	4,006	-
Sui Southern gas Company Limited	2,010	-
Engro Fertilizers Ltd.	3,008	-
The Searle Company Limited	2,995	-
United Brands Limited	681	-
IBL Healthcare Limited	793	-
Associate Company		
Habib Bank Limited	5,498	2,430
	<u>21,736</u>	<u>5,944</u>
Facilities and Equipment Fee		
Common Directorship		
Power Cement Limited	12	12
Fauji Foods Limited	12	-
Arch Sons	229	119
Sui Southern gas Company Limited	12	-

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020
	----- (Rupees in '000) -----	
Engro Fertilizers Ltd.	12	-
The Searle Company Limited	12	-
United Brands Limited	12	-
IBL Healthcare Limited	12	-
Associate Company		
Habib Bank Limited	424	412
	<u>737</u>	<u>543</u>
Other income		
Associate		
Central Depository Company of Pakistan Limited	-	120
National Clearing Company of Pakistan	-	23
	<u>-</u>	<u>143</u>
LAN Connectivity Charges		
Associate		
National Clearing Company of Pakistan	5,052	4,932
	<u>5,052</u>	<u>4,932</u>
Dividend income		
Associate		
Central Depository Company of Pakistan Limited	134,264	73,147
National Clearing Company of Pakistan	70,242	-
	<u>204,506</u>	<u>73,647</u>
Income from Marginal Trading System		
Associate		
National Clearing Company of Pakistan	37,397	13,448
CDC Fee		
Associate		
CDC fee - Central Depository Company of Pakistan Limited	3,408	3,028
Retirement benefit plan		
Payment made to gratuity fund during the year	35,929	19,295
	<u>35,929</u>	<u>19,295</u>
Profit bank accounts		
Associate		
Habib Bank Limited	4	10
	<u>4</u>	<u>10</u>

	June 30, 2021	June 30, 2020
	----- (Rupees in '000) -----	
Rental income from investment property		
Associate		
Central Depository Company of Pakistan Limited	5,820	5,291
National Clearing Company of Pakistan	17,006	17,006
Habib Bank Limited	16,004	16,320
	<u>38,830</u>	<u>38,617</u>
Contribution		
Common directorship		
Centralized Customer Protection Fund (CCPF) 1% of total revenue	19,196	13,726
	<u>19,196</u>	<u>13,726</u>
Reimbursement of Expenses		
Associate		
China Financial Futures Exchange	2,530	8,496
	<u>2,530</u>	<u>8,496</u>

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

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

Facilities and Equipment Receivable

Common Directorship

Engro Fertilizers Ltd.	12	-
The Searle Company Limited	12	-
United Brands Limited	12	-
IBL HealthCare Limited	12	-
Associate		
Habib Bank Limited	12	-
	<u>60</u>	<u>-</u>

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020
	----- (Rupees in '000) -----	
LAN Connectivity Charges Receivable		
Associate Company		
National Clearing Company of Pakistan Limited	7,533	2,481
Trade debts		
Associate Company		
National Clearing Company of Pakistan Limited	12,397	12,397
Retirement benefit plan		
Payable to gratuity fund	6,499	11,840
Contribution payable 1% of Revenue		
Common Directorship		
Centralized Customer Protection Fund (CCPF) 1% of total revenue	14,691	10,679
Receivable against Expenses		
Associate Company		
China Financial Futures Exchange	5,835	8,496

35 FINANCIAL RISK MANAGEMENT

The Company is exposed to the following risks.

35.1 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.

35.2 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 statement of financial position date, the interest rate profile of the Company's interest-bearing financial instruments is as follows:

		June 30, 2021			
		Interest / mark-up bearing			
	Effective yield / mark-up rate %	Upto six months	More than six months	Total	
					----- (Rupees in '000) -----
Financial assets					
Government securities	7.35 - 12.00	1,789,618	-	1,789,618	
Cash and bank balances	5.50 - 5.75	461,910	-	461,910	
		<u>2,251,528</u>	<u>-</u>	<u>2,251,528</u>	

		June 30, 2020			
		Interest / mark-up bearing			
	Effective yield / mark-up rate %	Upto six months	More than six months	Total	
					----- (Rupees in '000) -----
Financial assets					
Government securities	7.85 - 13.71	1,480,522	96,458	1,576,980	
Cash and bank balances	6.25 - 12.00	523,088	-	529,088	
		<u>2,003,610</u>	<u>96,458</u>	<u>2,106,068</u>	

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

	Effect on profit	
	June 30, 2021	June 30, 2020
	----- (Rupees in '000) -----	
Change in basis point		
+ 100	22,515	21,001
- 100	(22,515)	(21,001)

35.3 Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of change in foreign exchange rates mainly relates to long term payable to Shenzhen Stock Exchange amounting to Rs. 276.662 million [US dollars 1.823 million] and the bank balance in saving accounts maintained in US dollars amounting to Rs. 44.64 million [US dollars 0.282 million] (2020: Rs 33.624 million) [US dollars 0.2 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.

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

	Change in US dollar rate	Effect on profit before tax	Effect on reserves
		----- (Rupees in '000) -----	
Assets as at June 30, 2021	+10%	4,464	4,464
	-10%	(4,464)	(4,464)
Assets as at June 30, 2020	+10%	3,362	3,362
	-10%	(3,362)	(3,362)
Liabilities as at June 30, 2021	+10%	27,666	27,666
	-10%	(27,666)	(27,666)

35.4 Credit risk

35.4.1 Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The table below shows the maximum exposure to credit risk:

	June 30, 2021	June 30, 2020
	----- (Rupees in '000) -----	
Bank balances	462,679	523,826
Trade debts	114,652	58,392
Loans and advances	30,249	25,454
Long term deposits	42,639	11,471
Other receivables	75,321	98,692
	<u>725,540</u>	<u>717,835</u>

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

Ratings *	June 30, 2021	June 30, 2020
	----- (%) -----	
AAA	76.66	50.26
AA+	20.84	49.74
AA-	2.50	-
	<u>100.00</u>	<u>100.00</u>

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

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

	Financial assets at amortized cost	Financial assets FVOCI	Financial liabilities at amortized cost	Total
----- (Rupees in '000) -----				
Financial assets				
Cash and bank balances	462,756	-	-	462,756
Investments	1,789,618	94,206	-	1,883,824
Loans and advances	41,360	-	-	41,360
Trade debts	114,652	-	-	114,652
Other receivables	68,815	-	-	68,815
Financial liabilities				
Long term deposits	-	-	419,272	419,272
Long term payable	-	-	86,431	86,431
Current portion of long term payable	-	-	190,231	190,231
Other liabilities	-	-	1,300,297	1,300,297

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

35.5 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, 2021				
	On demand	Upto three months	Upto 12 months	More than one year	Total
----- (Rupees in '000) -----					
Long term deposits	415,802	-	-	3,470	419,272
Trade and other liabilities	1,493,472	-	-	-	1,493,472
Long term payable	-	-	190,231	86,431	276,662
Total	1,909,274	-	190,231	89,901	2,189,406

PAKISTAN STOCK EXCHANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2020				Total
	On demand	Upto three months	Upto 12 months	More than one year	
	----- (Rupees in '000) -----				
Long term deposits	438,945	-	-	3,470	442,415
Trade and other liabilities	1,449,846	-	-	-	1,449,846
Long term payable	-	-	159,120	199,368	358,488
Total	1,888,791	-	159,120	202,838	2,250,749

35.6 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.

35.7 Fair value hierarchy

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

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

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

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

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:

Financial and non-financial assets measured at fair value	June 30, 2021			Total
	Level 1	Level 2	Level 3	
	----- (Rupees in '000) -----			
Financial assets at 'fair value through OCI	-	-	94,206	94,206

As at June 30, 2021, the Company's long term investments are in unquoted securities (see note 10), which are carried at fair value. The fair value of such investments is determined by using level 3 techniques. The Company has used income approach (i.e. a present value technique) to value its investment in PMEX. For this purpose, the financial projections have been derived from the business plans prepared by the management and duly approved by PMEX Board of Directors. The key assumptions used are terminal growth rate 3% and discount rate 16%. 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.

36 NUMBER OF EMPLOYEES

36.1 The number of employees as at June 30, 2021 were 237 (June 30, 2020: 239).

36.2 Average number of employee during the year as at June 30, 2021 were 240 (June 30, 2020: 245).

37 GENERAL

37.1 The Board of Directors in their meeting held on September 23, 2021 proposed a final cash dividend at the rate of 2% (June 30, 2020: Nil) i.e. Re 0.20 (June 30, 2020: Nil) per share, for the financial year ended June 30, 2021, amounting to Rs.160.295 million (June 30, 2020: Nil) for the approval of the shareholders in the Annual General Meeting to be held on October 28, 2021.

37.2 Corresponding figures have been re-arranged and re-classified for the purpose of better presentation. Major reclassifications are as follows:

Description	Reclassified from	Reclassified to	Rupees in '000'
Due from members	Other receivables	Trade debts	7,741
Due from companies	Other receivables	Trade debts	40,651
Due from NCCPL	Other receivables	Trade debts	13,379

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

38 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on September 23, 2021 by the Board of Directors of the Company.



Chief Financial Officer



Chief Executive Officer



Chairperson

PATTERN OF SHAREHOLDING

As at June 30, 2021

Number of Shareholders	Shareholdings	Total Shares Held	Number of Shareholders	Shareholdings	Total Shares Held
177	1 to 100	3,836	3	205001 to 210000	624,369
358	101 to 500	172,578	1	210001 to 215000	213,000
320	501 to 1000	316,525	2	215001 to 220000	440,000
528	1001 to 5000	1,644,056	1	225001 to 230000	227,500
180	5001 to 10000	1,541,721	2	230001 to 235000	467,528
54	10001 to 15000	723,500	5	245001 to 250000	1,250,000
47	15001 to 20000	875,000	1	250001 to 255000	253,000
53	20001 to 25000	1,257,501	1	260001 to 265000	263,591
27	25001 to 30000	793,570	1	270001 to 275000	274,000
10	30001 to 35000	345,476	1	275001 to 280000	280,000
16	35001 to 40000	616,546	1	285001 to 290000	290,000
12	40001 to 45000	526,000	14	295001 to 300000	4,198,000
28	45001 to 50000	1,396,000	4	310001 to 315000	1,251,500
11	50001 to 55000	592,194	1	325001 to 330000	330,000
5	55001 to 60000	296,000	1	330001 to 335000	330,058
4	60001 to 65000	258,000	3	345001 to 350000	1,046,908
6	65001 to 70000	412,000	3	350001 to 355000	1,056,159
6	70001 to 75000	439,728	1	355001 to 360000	356,908
4	75001 to 80000	318,000	1	375001 to 380000	379,083
4	80001 to 85000	330,500	5	395001 to 400000	2,000,000
7	85001 to 90000	624,993	2	400001 to 405000	806,477
1	90001 to 95000	93,500	1	425001 to 430000	425,453
45	95001 to 100000	4,482,552	1	445001 to 450000	450,000
6	100001 to 105000	608,626	1	475001 to 480000	478,238
11	105001 to 110000	1,189,710	5	495001 to 500000	2,491,166
5	110001 to 115000	567,110	1	520001 to 525000	525,000
3	115001 to 120000	350,646	1	525001 to 530000	527,199
2	120001 to 125000	250,000	1	550001 to 555000	552,953
1	125001 to 130000	129,000	2	570001 to 575000	1,147,000
2	130001 to 135000	268,500	1	595001 to 600000	600,000
2	135001 to 140000	280,000	1	600001 to 605000	602,953
1	140001 to 145000	140,746	1	665001 to 670000	669,000
6	145001 to 150000	900,000	1	740001 to 745000	740,500
2	150001 to 155000	307,000	3	745001 to 750000	2,249,500
4	155001 to 160000	632,000	1	795001 to 800000	800,000
1	165001 to 170000	166,000	2	800001 to 805000	1,602,993
2	170001 to 175000	346,594	1	840001 to 845000	844,953
2	175001 to 180000	356,994	1	870001 to 875000	870,400
2	185001 to 190000	375,500	1	880001 to 885000	881,953
1	190001 to 195000	195,000	1	890001 to 895000	895,000
12	195001 to 200000	2,391,872	2	900001 to 905000	1,803,053
1	200001 to 205000	202,959	1	915001 to 920000	916,953

Number of Shareholders	Shareholdings	Total Shares Held	Number of Shareholders	Shareholdings	Total Shares Held
1	920001 to 925000	922,453	1	1750001 to 1755000	1,752,953
1	945001 to 950000	950,000	1	1765001 to 1770000	1,769,940
1	950001 to 955000	951,476	1	1795001 to 1800000	1,800,000
1	960001 to 965000	963,853	1	1800001 to 1805000	1,802,953
1	970001 to 975000	971,453	1	1825001 to 1830000	1,825,920
1	990001 to 995000	991,166	1	1870001 to 1875000	1,872,953
5	995001 to 1000000	5,000,000	1	1895001 to 1900000	1,900,000
2	1000001 to 1005000	2,002,906	18	1900001 to 1905000	34,253,154
1	1020001 to 1025000	1,021,953	1	1955001 to 1960000	1,957,953
1	1025001 to 1030000	1,029,953	2	1995001 to 2000000	4,000,000
1	1035001 to 1040000	1,036,453	1	2000001 to 2005000	2,002,953
5	1080001 to 1085000	5,406,238	1	2060001 to 2065000	2,061,500
2	1100001 to 1105000	2,205,906	1	2105001 to 2110000	2,106,194
2	1160001 to 1165000	2,328,453	1	2200001 to 2205000	2,202,953
1	1200001 to 1205000	1,202,953	1	2375001 to 2380000	2,380,000
1	1265001 to 1270000	1,265,553	1	2395001 to 2400000	2,399,194
1	1300001 to 1305000	1,302,953	1	2495001 to 2500000	2,500,000
1	1310001 to 1315000	1,311,953	1	2535001 to 2540000	2,535,500
1	1320001 to 1325000	1,320,183	1	2700001 to 2705000	2,704,380
2	1325001 to 1330000	2,654,453	1	3300001 to 3305000	3,303,887
1	1380001 to 1385000	1,381,194	1	3345001 to 3350000	3,350,000
1	1395001 to 1400000	1,400,000	1	3365001 to 3370000	3,369,965
1	1400001 to 1405000	1,402,953	1	3560001 to 3565000	3,563,777
1	1415001 to 1420000	1,418,444	1	4575001 to 4580000	4,577,500
1	1420001 to 1425000	1,423,264	1	5125001 to 5130000	5,130,000
1	1425001 to 1430000	1,427,953	1	6810001 to 6815000	6,813,000
2	1430001 to 1435000	2,865,953	1	7345001 to 7350000	7,346,000
2	1445001 to 1450000	2,892,953	1	7745001 to 7750000	7,746,953
1	1450001 to 1455000	1,452,953	1	8670001 to 8675000	8,672,198
1	1485001 to 1490000	1,486,500	1	9050001 to 9055000	9,051,500
1	1500001 to 1505000	1,502,953	1	9595001 to 9600000	9,600,000
2	1550001 to 1555000	3,105,906	1	11780001 to 11785000	11,782,223
1	1555001 to 1560000	1,560,000	1	13115001 to 13120000	13,115,500
1	1570001 to 1575000	1,572,953	1	13885001 to 13890000	13,890,000
1	1580001 to 1585000	1,585,000	1	15125001 to 15130000	15,125,500
12	1585001 to 1590000	19,079,336	1	15910001 to 15915000	15,914,621
45	1600001 to 1605000	72,132,785	1	39805001 to 39810000	39,805,018
1	1610001 to 1615000	1,610,453	3	40070001 to 40075000	120,221,490
1	1615001 to 1620000	1,615,953	1	64115001 to 64120000	64,118,128
1	1640001 to 1645000	1,644,500	1	136250001 to 136255000	136,251,022
1	1675001 to 1680000	1,676,620			
1	1690001 to 1695000	1,690,500			
			2225		801,476,600

CATEGORIES OF SHAREHOLDERS

As at June 30, 2021

Categories of Shareholders	No. of Shareholders /Folios	Shares Held	Percentage
Directors, Chief Executive Officer, their spouse(s) and minor children			
Mr. Ahmed Chinoy	2	6,600	0.00%
Mr. Nadeem Naqvi	1	1,000	0.00%
Mr. Zubair Razzak Palwala	1	100	0.00%
Associated Companies, Undertakings and Related Parties			
Pak China Investment Company Limited	1	40,073,830	5.00%
NIT and ICP	-	-	0.00%
Banks, Development Financial Institutions, Non-Banking Financial Institutions	3	46,747,682	5.83%
Insurance Companies	1	356,908	0.05%
Modarabas and Mutual Funds	7	30,355,272	3.79%
General Public			
Local	1979	87,781,670	10.95%
Foreign	1	71	0.00%
Others			
Joint Stock Companies & Trusts	215	235,001,469	29.32%
Foreign Companies	14	361,151,998	45.06%
Total	2225	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



Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

Tel: +92 (0) 21 3454 6494-7
Fax: +92 (0) 21- 3454 1314
www.yousufadil.com

Independent Reasonable Assurance Report on the Operations and IT Systems

1. Introduction

We were engaged by Pakistan Stock Exchange (the Exchange or PSX) through engagement letter no. PSX / 1669 dated March 18, 2021, in pursuance to the requirements of Regulation 16 of the Securities Exchanges (Licensing & Operations) Regulations, 2016 (the Regulations), to carry out independent assurance engagement under ISAE 3000 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' (ISAE 3000), in respect of Regulatory Functions and ISAE 3402 "Assurance Reports on Controls at a Service Organization", in respect of Operations and Information Technology (IT) Systems of the Exchange for the year ended June 30, 2021.

We are pleased to submit our reasonable assurance report under ISAE 3402. This report describes the design and operating effectiveness of the internal controls placed on Exchange's Operations and Information Technology (IT) Systems for the year ended June 30, 2021, in accordance with the criteria stipulated in the Regulations.

2. Scope

Our scope of services was to report on the design and operating effectiveness of controls related to the control objectives stated in the 'descriptions of the Operations and IT Systems of the Exchange for electronic trading services throughout the period' (the Description) (annexed herewith in Section 2). The Description indicates that certain control objectives specified therein are only be achieved if complementary Participant Controls, contemplated in the design of the controls of the Exchange, are suitably designed and operating effectively, along with related controls at the Exchange.

We have not evaluated the suitability of the design and/or operating effectiveness of such Participant Controls.

3. Management's Responsibilities

The management of the Exchange is responsible for:

- Preparing the Description (Section 2) and accompanying Management Assertions (Section 1), including the completeness, accuracy and method of presentation of the Description;
- Providing the services covered by the Description;
- Developing and maintaining the Control Objectives;
- Designing, implementing and effectively operating controls to achieve the stated Control Objectives; and
- Ensuring that the staff involved in managing the compliance of the applicable statutory and regulatory requirements are adequately trained to prevent and detect fraud(s) at the Exchange.

4. Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

based on fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behavior.

The firm applies International Standards on Quality Control 1 "Quality Control for the Firm's That Perform Audits and Reviews of Historical Information, and other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our Responsibilities

Our responsibility is to express an opinion on the Description providing management statements on the design, operating efficacy of controls and the control objectives stated in the Description and accompanying Management Assertions, based on our procedures.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3402 "Assurance Reports on Controls at a Service Organization". The standard requires that we plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the description is fairly presented and the controls are suitably designed and operating effectively.

A Type II assurance engagement as defined in ISAE 3402 reports on the description, design and operating effectiveness of controls at a service organization which involves performing procedures to obtain evidence about the disclosures in the service organization's description of its system, and the design and operating effectiveness of controls. The procedures selected depend on our judgment, including the assessment of the risks that the description is not fairly presented, and that controls are not suitably designed or operating effectively.

Our procedures included testing the operating effectiveness of those controls, on a sample basis which we consider necessary to provide reasonable assurance that the control objectives stated in the description were achieved. We evaluated the overall presentation of the description, the suitability of the objectives stated therein, and the suitability of the criteria specified by the Exchange (Section 1).

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

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



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

6. Inherent limitations

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

Certain controls in the Description with accompanying Management Assertions can be achieved if complementary Participant Controls at National Clearing Company (NCCPL), Central Depository Company (CDC) and Clearing Member Controls, contemplated in the design of the controls of the Company, are suitably designed and operating effectively, along with related controls at the Exchange. We have not evaluated the suitability of the design and/or operating effectiveness of such NCCPL, CDC, and Clearing Member Controls.

Further, no responsibility is taken for changes in the PSX Rule Book, Systems and Operations, and no obligation is assumed to revise this report to reflect these or any other changes, which have occurred subsequent to June 30, 2021, i.e. after the engagement period.

7. Opinion

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

In our opinion, in all material respects:

- i. The description fairly presents the Operations and IT systems as designed and implemented throughout the period from 1 July 2020 to 30 June 2021;
- ii. The control objectives were suitably designed throughout the period from 1 July 2020 to 30 June 2021; and
- iii. The controls tested, which were those necessary to provide reasonable assurance that the control objectives stated in the description were achieved, operated effectively throughout the period from 1 July 2020 to 30 June 2021.

8. Intended Users and Purpose

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


Chartered Accountants

Engagement Partner: Zafar Hussain Memon

Date: September 24, 2021

Place: Karachi



PAKISTAN STOCK EXCHANGE LIMITED

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

Ref. No. PSX/ Gen - 1874

Section 1

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

Dear Sir,

We have prepared the description of Pakistan Stock Exchange Limited ("the Exchange") Control Framework referred to in this assertion statement as the 'system' including controls operated by the Exchange for user entities of the system during the period from 1 July 2020 to 30 June 2021. We confirm, to the best of our knowledge and belief, that;

- A. The description fairly presents the system made available to user entities of the system during some or all of the period under review for processing their transactions and management of their service. The criteria we used in making this assertion were that the accompanying description:
1. Presents how the systems made available to user entities were designed and implemented to process relevant transactions, including:
 - The types of services provided and classes of transactions processed;
 - The procedures, within both automated and manual systems, by which those transactions are initiated, authorized, recorded, processed, corrected as necessary, and transferred to the reports presented to user entities of the system.
 - The related records, supporting information, and specific accounts that are used to initiate, authorize, record, process, and report transactions; this includes the correction of incorrect information and how information is transferred to the reports presented to user entities of the system.
 - How the system captures significant events and conditions, other than transactions.
 - The process used to prepare reports provided to user entities of the system.
 - Specified control objectives and controls apart from where identified in this report are designed to achieve those objectives.
 - The process used to prepare reports or other information provided to the user entities;
 - Other aspects of our control environment, risk assessment process, information and communication systems (including the related business processes), control activities, and monitoring controls other than those requiring further improvement based on the observations identified in this report that are relevant to processing and reporting transactions of user entities of the system.
 2. Does not omit or distort information relevant to the scope of the Systems being described, while acknowledging that the controls related to the control objectives (stated in Annexure II of this letter) were suitably designed and operated effectively throughout the period under review to



PAKISTAN STOCK EXCHANGE LIMITED

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

Ref. No. PSX/ _____

achieve those control objectives except for those matters within the service auditor's assurance report.

- B. The description of Operations and IT Systems (stated in Section 2 of this letter) includes relevant details of changes to the Exchange's system during the audit period covered.
- C. The controls related to the control objectives stated in the accompanying description were suitably designed and operated effectively throughout the period under review to achieve those control objectives.

Criteria used in making assertions

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

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

NR



PAKISTAN STOCK EXCHANGE LIMITED

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

Ref. No. PSX/ Gen-1875

Section 2

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

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

The Exchange maintains a high standard of good governance and has implemented governance arrangements which are consistent with the Listed Companies (Code of Corporate Governance) Regulations, 2019. An overview of those components of the Exchange's Code of corporate governance which are relevant to the operation of securities exchange is set out below.

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

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

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

- 1 Nomination Committee
- 2 Regulatory Affairs Committee
- 3 Audit Committee
- 4 Human Resource & Remuneration Committee
- 5 Voluntary De-Listing Committee

Internal Audit, currently co-sourced with an audit firm, reports to the Audit Committee. Internal audits of all operational areas of the Exchange are individually scoped with due consideration of the relevant risks for that area, and approved by the Audit Committee. The Board relies on the inputs and recommendations of the Internal Audit function through its Audit Committee on the adequacy and effectiveness of internal controls in the organization and take appropriate measures.

The Exchange is also required by SECP to go through a regulatory audit by independent auditors.

Operational Governance

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

Operations is headed by Chief Operating Officer and is responsible for Listing, Trading and TREC Holders Affairs.



PAKISTAN STOCK EXCHANGE LIMITED

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

Ref. No. PSX/ _____

Information Technology Division also reports to Chief Operating Officer with matrix reporting to the Managing Director and 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 main operational site is located at the Exchange Buildings in Karachi. Disaster recovery site is maintained for its technology systems where disaster recovery plans are tested periodically in accordance with a centrally managed testing schedule.

Control Objectives and Control Procedures

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

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

- Initiatives are taken to maintain adequate structure of IT department. Emphasis is given to maintain IT strategy, a forum is maintained for supporting key IT decisions and required documentation is maintained for efficient and effective functioning of information systems.
- Information security office has been established, measures have been taken to strengthen security of information systems and underlined policies & procedures have been developed based on the risk assessment performed.
- Adequate documentation is maintained for IT department, information systems, information systems management and architecture.
- Measures related to service delivery have been taken which includes establishment of helpdesk, implementation of helpdesk application, turnaround time of services, implementation of problem management processes and measures for continuous improvement of information systems & related services.
- Adequate measures are in place to review and monitor the IT systems on timely basis, perform periodic assessments, security reviews / compliance, audit from independent individuals and adequate measures have been taken to maintain cybersecurity.
- Changes to information systems are subject to a controlled process including formal requests, approvals, authorizations, analysis, development in segregated environments by developers (not involved in administration of systems), testing for Quality Assurance (QA), User Acceptance Testing (UAT) in testing environment, changes to production and logging.
- Changes to access are logged, approved and authorized for creation, modification / privilege assignment and revocation of users along with periodic review of users' access rights.
- Operating systems, databases, virtual machines, network devices, security devices are configured to restrict access, provide required services and security parameters are configured to maintain confidentiality, integrity and availability of information systems.



PAKISTAN STOCK EXCHANGE LIMITED

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

Ref. No. PSX/ _____

- 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 and that the tick size will be 1 (one) paisa for orders.
- The trading limits and broker exposures are controlled.
- The short sale is only permissible on up-tick or zero-plus tick under ready delivery contract market with conditional exception as per regulations based on UIN-wide position, securities broker-wide position and market-wide position.
- 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 broker transactions are maintained.

Participant Controls

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

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

3



PAKISTAN STOCK EXCHANGE LIMITED

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

Ref. No. PSX/ _____

- 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.

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

NT

AUDITORS' REPORT ON REGULATORY FUNCTIONS



Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

Tel: +92 (0) 21 3454 6494-7
Fax: +92 (0) 21-3454 1314
www.yousufadil.com

Independent Limited Assurance Report on the Statutory and Regulatory Compliance

1. Introduction

We were engaged by the Pakistan Stock Exchange (the Exchange or PSX) through engagement letter no. PSX / 1669 dated March 18, 2021, in pursuance to the requirements of Regulation 16 of the Securities Exchanges (Licensing & Operations) Regulations, 2016 (the Regulations), to carry out independent assurance engagement under ISAE 3000 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' (ISAE 3000), in respect of Regulatory Functions and ISAE 3402 "Assurance Reports on Controls at a Service Organization", in respect of Operations and Information Technology (IT) Systems of the Exchange for the year ended June 30, 2021.

We are pleased to submit our limited assurance report under ISAE 3000. The report describes the Exchange's compliance with the applicable statutory and regulatory requirements for the year ended June 30, 2021, in accordance with the criteria stipulated in Annexure III of the Regulations.

2. Applicable Criteria

The criteria for the limited assurance engagement to assess the Exchange's compliance with the applicable statutory and regulatory requirements for the year ended June 30, 2021, comprises of the following, as stipulated in the Annexure III of the Regulations:

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

3. Management's Responsibilities

Management is responsible:

- To ensure that the Exchange complies with all the applicable statutory and regulatory requirements and relevant internal controls that management considers are essential to achieve compliance in relation to the Regulatory Functions;

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

- To prevent and detect fraud at the Exchange; and
- To ensure that the staff involved in managing the compliance activity are properly trained.

4. Our Independence and Quality Control

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

The firm applies International Standard on Quality Control 1 called "Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

5. Our Responsibility and Summary of the Work Performed

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

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

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

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

- Reviewed existing policies and procedures to check that the Exchange's operations are in compliance with the Memorandum of Association, the Articles of Association and the relevant regulatory framework.
- Performed inquiries and walkthroughs on a sample basis to check the existence of and compliance with policies and procedures relating to Regulatory Functions.
- Reviewed policies and procedures to check that policies and procedures are formulated to identify and prevent conflict of interest of directors with the interest of the capital market, investors, and the Exchange.



- Reviewed relevant requirements of applicable laws as mentioned in applicable criteria (in section 2 of this report) and checked compliance with them.

6. Inherent Limitations

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

Certain controls specified in PSX Rule Book could only be achieved if complementary Pakistan Stock Exchange (PSX), National Clearing Company (NCCPL), Central Depository Company (CDC) and Clearing Member Controls, contemplated in the design of the controls of the Company, are suitably designed and operating effectively, along with related controls at the Exchange. We have not evaluated the suitability of the design and/or operating effectiveness of such NCCPL, CDC, and Clearing Member Controls.

Further, no responsibility is taken for changes in the PSX Rule Book, Systems and Operations, and no obligation is assumed to revise this report to reflect these or any other changes, which have occurred subsequent to June 30, 2021, i.e. after the engagement period.

7. Conclusion

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

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


Chartered Accountants

Engagement Partner: Zafar Hussain Memon

Date: September 24, 2021

Place: Karachi

FORM OF PROXY

74th Annual General Meeting

I/We, _____ of _____, holding Computerized National Identity Card (CNIC)/Passport No. _____ and being a member of Pakistan Stock Exchange Limited (the Company), 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 74th Annual General Meeting of the Company, to be held on the 28th day of October 2021 and at any adjournment thereof.

As witness my/our hand/seal this _____ day of _____, 2021.

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

میں / ہم _____ ساکن _____ حامل کمپیوٹرائزڈ شناختی کارڈ (CNIC) / پاسپورٹ نمبر _____ اور بطور رکن پاکستان اسٹاک ایکسچینج لمیٹڈ (کمپنی) _____ حامل CNIC / پاسپورٹ نمبر _____ یا اس کی عدم موجودگی میں _____ حامل CNIC / پاسپورٹ نمبر _____ کو مورخہ 28 اکتوبر 2021 کو کمپنی کے منعقد ہونے والے 74 ویں سالانہ اجلاس عام اور اس کے کسی ملتوی شدہ اجلاس کے لیے میری / ہماری جانب سے ووٹ ڈالنے کے لیے بطور نمائندہ (پراکسی) تقرر کرتا ہوں / کرتے ہیں۔ گواہان کی موجودگی میں میرے / ہمارے دستخط / ممبر روز _____ 2021 کو ثبت کیے گئے / کی گئی۔

گواہان:

- 1- دستخط _____
نام _____
پتہ _____
CNIC / پاسپورٹ نمبر _____
- 2- دستخط _____
نام _____
پتہ _____
CNIC / پاسپورٹ نمبر _____

سی ڈی سی اکاؤنٹ نمبر

پانچ روپے کاربونیو اسٹپ

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 این آئی سی نمبر درج ہونے چاہیے۔
- 3- پراکسی فارم کے ساتھ تقرر کرنے والے اور پراکسی کے حامل فرد کے سی این آئی سی کی تصدیق شدہ نقول جمع کی جائیں گی۔
- 4- کارپوریٹ ادارے کی صورت میں، ادارے کے بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد / پاور آف اٹرنی بشمول نمونہ دستخط پراکسی فارم کے ساتھ جمع ہوگی۔

ہیومن رسورسز اینڈ ریویو نیریشن (اجرتی) کمیٹی

کیم، جولائی 2020 سے 19 اپریل 2021 تک		
کمیٹی ممبر کا نام	مجموعی اجلاس	اجلاس میں شرکت
جناب سلیمان ایس مہدی (سابق چیئر مین)	3	3
جناب محمد اشرف باوانی	3	3
جناب عابد علی حبیب	3	3
جناب یو ہنگ (Mr. You Hang)	3	3
جناب سعد امان اللہ خان	3	3
جناب فرخ ایچ خان	2	2
06 مئی 2021 سے 30 جون 2021 تک		
جناب محمد صلاح الدین منظور (چیئر مین)	1	1
ڈاکٹر شمشاد اختر	1	1
جناب یو ہنگ (Mr. You Hang)	1	1
جناب زبیر رزاق پلوالا	1	-
جناب فرخ ایچ خان	1	1

[1] سال کے اختتام پذیر ہونے کے بعد ڈاکٹر شمشاد اختر کو بورڈ کی ہیومن رسورسز اینڈ ریویو نیریشن (اجرتی) کمیٹی کا چیئر پرسن مقرر کیا گیا، جو کہ 09 ستمبر 2021 سے موثر ہے۔

نامزدگی (نومینیشن) کمیٹی

کیم، جولائی 2020 سے 19 اپریل 2021 تک		
کمیٹی ممبر کا نام	مجموعی اجلاس	اجلاس میں شرکت
جناب سلیمان ایس مہدی (سابق چیئر مین)	1	1
جناب محمد اشرف باوانی	1	1
جناب یو ہنگ (Mr. You Hang)	1	1
جناب سعد امان اللہ خان	1	1
06 مئی 2021 سے 30 جون 2021 تک		
ڈاکٹر شمشاد اختر	-	-
جناب جاوید قریشی	-	-
جناب یو ہنگ (Mr. You Hang)	-	-
جناب زبیر رزاق پلوالا	-	-

نوٹ: 19 اپریل 2021 کو ہونے والے ڈائریکٹرز کے انتخاب کے بعد، 06 مئی، 2021، کو بورڈ کی کمیٹیوں کو دوبارہ سے تشکیل دیا گیا، جن کی ترتیب سالانہ رپورٹ کے 'کارپوریٹ انفارمیشن' سیکشن میں بھی دستیاب ہے۔

ضمیمہ نمبر ۱۱

بورڈ کمیٹیز

ریگولیری افیئر کمیٹی

یکم، جولائی 2020 سے 19 اپریل 2021 تک		
کمیٹی ممبر کا نام	مجموعی اجلاس	اجلاس میں شرکت
جناب سلیمان ایس مہدی (سابق چیئر مین)	8	8
جناب محمد صلاح الدین منظور	8	6
جناب امجد پرویز	8	8
06 مئی 2021 سے 30 جون 2021 تک		
ڈاکٹر شمشاد اختر (چیئر پرسن)	2	2
جناب محمد صلاح الدین منظور	2	2
جناب ندیم نقوی	2	2

آڈٹ کمیٹی

یکم، جولائی 2020 سے 19 اپریل 2021 تک		
کمیٹی ممبر کا نام	مجموعی اجلاس	اجلاس میں شرکت
جناب شہزاد چانڈیا (سابق چیئر مین)	5	5
جناب احمد چنائے	5	5
جناب یو ہنگ (Mr. You Hang)	5	3
06 مئی 2021 سے 30 جون 2021 تک		
جناب جاوید قریشی (چیئر مین)	1	1
جناب احمد چنائے	1	1
جناب یو ہنگ (Mr. You Hang)	1	-

ڈائریکٹر کا نام		یکم، جولائی 2020 سے 19 اپریل 2021 تک		19 اپریل، 2021 سے 30 جون، 2021 تک	
		مجموعی اجلاس	اجلاس میں شرکت	مجموعی اجلاس	اجلاس میں شرکت
ڈاکٹر شمشاد اختر (چیئر پرسن) [1]		-	-	3	3
جناب فرخ ایچ خان (سی ای او)		7	7	4	4
جناب وانگ باؤ جن (Mr. Wang Baojun) [2]		7	6	4	4
جناب احمد چنائے [2]		7	7	4	4
ڈاکٹر فو ہاؤ (Dr. FU Hao) [2]		7	6	2	4
محترمہ یو ہوالی (Ms. Yu Huali) [2]		7	5	4	4
جناب ندیم نقوی [2]		-	-	4	4
جناب زبیر رزاق پلوالا [2]		-	-	4	4
مسٹر یو ہنگ (Mr. You Hang) [3]		7	7	4	4
جناب جاوید قریشی [4]		7	7	3	3
جناب محمد صلاح الدین منظور [4]		7	6	3	3
جناب سلیمان ایس مہدی (سابق چیئر مین) [5]		7	7	-	-
جناب محمد اشرف بادانی [5]		7	7	-	-
جناب شہزاد چانڈیا [5]		7	6	-	-
جناب عابد علی حبیب [5]		7	7	-	-
جناب سعد امان اللہ خان [5]		7	6	-	-
جناب امجد پرویز [5]		7	5	-	-
محترمہ نوشین احمد [6]		4	3	-	-
محترمہ ناز خان [6]		1	1	-	-

- [1] ایس ای سی پی کی منظوری کے تحت بورڈ میں خود مختار ڈائریکٹر کے طور پر تقرری عمل میں آئی، جو شیئر ہولڈرز ڈائریکٹرز کے انتخاب کے بعد 19 اپریل، 2021 سے موثر ہے۔ مزید یہ کہ 04 مئی 2021 کو ڈاکٹر شمشاد کو بورڈ کا چیئر پرسن مقرر کیا گیا۔
- [2] پچھلے بورڈ کی مدت اختتام پذیر ہونے پر 19 اپریل، 2021 کو منعقد ہونے والے غیر معمولی اجلاس عام میں شیئر ہولڈرز ڈائریکٹر کے طور پر منتخب کیا گیا۔
- [3] جناب ژینگ روگنگ کے لیے متبادل ڈائریکٹر کے عمل کو ترک کر دیا گیا جو کہ 18 نومبر، 2020 سے موثر ہوا، اس کے بعد، جناب روگنگ کی جگہ شیئر ہولڈرز ڈائریکٹر کا تقرر عمل میں آیا۔ مزید یہ کہ پچھلے بورڈ کی میعاد اختتام پذیر ہونے پر، انھیں 19 اپریل، 2021 کو منعقد ہونے والے غیر معمولی اجلاس عام میں شیئر ہولڈرز ڈائریکٹر منتخب کیا گیا۔
- [4] ایس ای سی پی کی منظوری کے تحت بورڈ میں خود مختار ڈائریکٹر کے طور پر تقرری عمل میں آئی، جو شیئر ہولڈرز ڈائریکٹرز کے انتخاب کے بعد 19 اپریل، 2021 سے موثر ہے۔
- [5] پچھلے بورڈ کی مدت اختتام پذیر ہونے پر بحیثیت ڈائریکٹر ریٹائر ہوئے، جو 19 اپریل، 2021 سے موثر ہے۔
- [6] 16 نومبر 2020 کو انڈیپنڈنٹ ڈائریکٹر کے طور پر تقرری عمل میں لائی گئی تاکہ 07 جولائی، 2020 کو محترمہ ناز خان کے استعفیٰ کے باعث پیدا ہونے والی ایک عارضی اسامی کو پُر کیا جاسکے۔ مزید یہ کہ 19 اپریل، 2021 کو محترمہ زوجہ احمد کی جگہ کے انڈیپنڈنٹ ڈائریکٹر کی حیثیت سے ریٹائر ہوئیں۔

بورڈ کے کچھ اجلاسوں میں شرکت سے قاصر رہنے والے ڈائریکٹرز کی رخصت منظور کر دی گئی۔

- سی ایس آر کی سرگرمیوں کے تحت پی ایس ایکس کی جانب سے اخوت گزٹ کالج کو ایک ڈارم روم اسپانسر کرنا بھی شامل تھا اس کے علاوہ ضرورت مندوں اور مستحق مریضوں کی فلاح و بہبود کے سلسلے میں آغا خان یونیورسٹی ہسپتال کے مریضوں کی بہبود سوسائٹی کو فنڈز بھی فراہم کیے گئے۔

شیر ہولڈنگ کا نمونہ

پی ایس ایکس کے شیر ہولڈنگ کا نمونہ سالانہ رپورٹ میں ضم کیا گیا ہے۔

شیر ہولڈنگ کی اقسام

شیر ہولڈنگ کی اقسام سالانہ رپورٹ میں ضم کی گئی ہیں۔

اعتراف

بورڈ آف ایگزیکٹو کے تمام اسٹیک ہولڈرز سے ان کی مسلسل استقامت اور پی ایس ایکس کے ساتھ ساتھ کیپٹل مارکیٹ کے سلسلے میں بھی بے پناہ تعاون کے لیے انتہائی اظہار تشکر کرتا ہے۔ بورڈ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فیڈرل بورڈ آف ریونیو اور وزارت خزانہ، ریونیو اینڈ اکنامک افیئرز اور حکومت پاکستان کا بھی شکریہ ادا کرتا ہے جنہوں نے ایکسچینج کو سارا سال فعال تعاون، مدد اور رہنمائی فراہم کی۔

بورڈ تمام ڈائریکٹرز کی رہنمائی اور تعاون کے لیے ان کا بھی شکریہ ادا کرتا ہے، اور پی ایس ایکس کے تمام اسٹاف ممبران کو اپنے فرائض مستعدی اور وابستگی کے ساتھ انجام دینے، خاص طور پر حالیہ غیر معمولی مشکل ماحول میں ان کی شراکت اور لگن کے اعتراف میں انکی کاوشوں کو سراہتا ہے۔

بورڈ آف ڈائریکٹرز کے لیے اور ان کی جانب سے



فرخ خان
چیف ایگزیکٹو آفیسر



ڈاکٹر شمشاد اختر
چیر پرسن

کراچی

مؤرخہ 23 ستمبر، 2021

اندرونی مالیاتی کنٹرول اور رسک مینجمنٹ کی موزوعیت

اندرونی کنٹرول اور رسک مینجمنٹ پالیسیاں پی ایس ایکس کے آپریشنز کی افادیت اور کارکردگی، مالی معلومات کے معتبر ہونے اور قابل اطلاق قوانین اور قواعد و ضوابط کی تعمیل کے حوالے سے معقول یقین دہانی کی فراہمی کے لیے بنائی گئی ہیں۔ مینجمنٹ کی جانب سے ایک موثر اور کارگر داخلی کنٹرول اور رسک مینجمنٹ سسٹم کو یقینی بنایا گیا ہے جو خطرے کی تشخیص، کنٹرول کی شناخت، متعلقہ پالیسیوں / طریقہ کار کا جائزہ لے کر، اور متعلقہ کنٹرول کے طریقہ کار اور نگرانی کے نظام کو قائم کر کے موثر کارکردگی کو یقینی بناتا ہے۔ اندرونی کنٹرول اور رسک مینجمنٹ سسٹم حصص یافتگان اور بورڈ آف ڈائریکٹرز کو معقول یقین دہانی فراہم کرنے کے لیے بنایا گیا ہے۔ مینجمنٹ سمجھتی ہے کہ موجودہ اندرونی کنٹرول اور رسک مینجمنٹ سسٹم کافی ہے، جسے موثر طریقے سے نافذ کرنے کے ساتھ ساتھ اس کی نگرانی بھی کی گئی ہے۔

اندرونی مالیاتی کنٹرول اور رسک مینجمنٹ کی موزوعیت کے سلسلے میں ڈائریکٹرز کی ذمہ داری

بورڈ آف ڈائریکٹرز کی یہ ذمہ داری ہے کہ وہ اس بات کو یقینی بنائیں کہ مستحکم اندرونی کنٹرول اور رسک مینجمنٹ کا ایک نظام قائم کیا جائے، جو کہ موثر طریقے سے کمپنی کے اندر ہر سطح پر نافذ اور برقرار رکھا جائے۔

مزید برآں، بورڈ کی جانب سے تشکیل دی جانے والی آڈٹ کمیٹی جو دیگر معاملات کے ساتھ اسے رپورٹ بھی کرتی ہے، اسے یہ معلوم کرنا بھی لازمی ہے کہ اندرونی کنٹرول سسٹم بشمول مالیاتی اور آپریشنل کنٹرولز، اس کی حدود کے متعلقہ خطرات، بروقت اور مناسب طریقے سے آمدنی اور اخراجات، رسیدوں اور ادائیگیوں کے ساتھ ساتھ اثاثوں اور واجبات کی مناسب ریکارڈنگ کے لیے اکاؤنٹنگ سسٹم، جو کہ رپورٹنگ کے ڈھانچے کے ساتھ ہو، یہ مناسب اور موثر ہیں۔ سالانہ رپورٹ میں ضم شدہ سیکورٹیز ایکسچینج (لائسنسنگ اور آپریشنز) ریگولیشنز 2016 کے تحت ضرورت کے مطابق ان کا، آڈیٹرز رپورٹس کے ساتھ مینجمنٹ ایسٹیمینٹس ڈسکریپشن (Management Assertions and Description) میں تفصیل سے ذکر کیا گیا ہے۔

ماحول پر اثرات

آپیکس کے کاروبار کا ماحول پر کوئی مادی (material) منفی اثر مرتب نہیں ہوتا۔

کارپوریٹ سماجی ذمہ داری

پاکستان اسٹاک ایکسچینج، بحیثیت ایک قومی ادارہ اور ذمہ دار کارپوریٹ شہری ہونے کے ناطے، معاشرے کے حوالے سے اپنے فرائض سے بخوبی آگاہ ہے۔ اس کے پیش نظر، آپیکس کی کارپوریٹ سماجی ذمہ داری (CSR) کے حوالے سے ایک متعین پالیسی ہے، جس کے تحت، ٹیکس سے قبل خالص منافع کے 2 فیصد کے برابر رقم ان سرگرمیوں کے لیے استعمال کی جاسکتی ہے۔

زیر جائزہ سال کے دوران، آپیکس نے مندرجہ ذیل اقدامات میں حصہ ڈالا:

- 29 جون، 2020 کو پی ایس ایکس پر ہونے والے دہشت گردانہ حملے کے بعد، پی ایس ایکس نے بہادری کا مظاہرہ کرنے والے پولیس اہلکاروں اور سیکورٹی اہلکاروں کی قربانیوں کے اعتراف میں اور شہداء کے اہلخانہ کی مدد کے لیے قائم کیے گئے امدادی فنڈ میں 10 ملین روپے کا تعاون کیا، جو کہ زخمیوں اور شہیدوں کے خاندانوں کی فلاح و بہبود کے لیے قائم کیا گیا تھا۔ مزید برآں کہ، TREC ہولڈرز اور مارکیٹ کے دیگر شرکاء کو بھی اس مقصد میں تعاون کرنے کے سلسلے میں ترغیب دی گئی۔ 26 مارچ، 2021 تک جمع ہونے والے مجموعی فنڈ 23.45 ملین روپے تھے جو زخمیوں اور شہداء کے لواحقین کو ادا کیے گئے ہیں۔ اس رقم میں سے، سیکورٹی 2000 کے شہید ہونے والے گارڈز کی دو بیواؤں میں سے ہر ایک کو 4.425 ملین روپے ادا کیے گئے جو کہ قومی بچت کے اداروں کے ساتھ طویل مدتی سٹریٹگیٹس میں ان کے ناموں پر لگائے گئے تھے تاکہ آئندہ سالوں میں شہیدوں کو مسلسل مدد فراہم کی جاسکے۔ یہ بات بھی قابل ذکر ہے کہ پی ایس ایکس پر دہشت گرد حملے کے شہداء کو حکومت پاکستان نے تمغہ شجاعت سے نوازا ہے۔ پی ایس ایکس کپانڈ میں ایک نمایاں مقام پر ان کے اعزاز میں ایک تختی بھی نصب کی گئی ہے۔

- پی ایس ایکس کی جانب سے معزز صدر کے ساتھ ایک اجلاس کا انعقاد کیا گیا جس میں گورنر سندھ بھی موجود تھے، جہاں انھوں نے کراچی میں حملے کا نشانہ بننے والی نوجوان لڑکی کے خاندان کو 10 لاکھ روپے ادا کرنے وعدہ کیا۔ اسی طرح، پی ایس ایکس کی جانب سے ستمبر 2020 میں نوجوان لڑکی کے والد کو 10 لاکھ روپے دیے گئے۔

- سی ایس آر کے سلسلے میں ہونے والی سرگرمیوں کے تحت، انڈس ہسپتال بلڈ سینٹر کے زیر اہتمام پی ایس ایکس میں رضا کارانہ خون عطیہ کرنے کی ایک مہم کا بھی انعقاد کیا گیا۔ اس سلسلے میں ہونے والے اقدام کے تحت، پی ایس ایکس کے احاطے / حدود میں ایک موبائل بلڈ ڈونیشن کمپ لگایا گیا تھا، جہاں رضا کارانہ طور پر خون عطیہ کرنے والے افراد سے عطیات جمع کیے گئے۔

- ہر ابھر پاکستان کے عنوان سٹیج کاری کی مہم کا آغاز کیا گیا تاکہ پاکستان کو سرسبز بنانے کے حکومتی مقصد کے مطابق ہریالی اور درخت لگانے کے عمل کی حوصلہ افزائی کی جاسکے۔

- سی ایس آر کی سرگرمیوں کے پیش نظر سماعت سے محروم طلباء کو تعاون فراہم کرنے کے سلسلے میں ڈیف ریج فاؤنڈیشن کو بھی عطیہ دیا گیا، جبکہ اورنج ٹری فاؤنڈیشن کے ذریعے کیونٹی میں مستحق افراد کو راشن کی فراہمی ممکن بنائی گئی۔

خود مختار آڈیٹرز کی رپورٹ کا نظر ثانی شدہ مواد

انٹرنیشنل آڈیٹنگ اینڈ ایٹورنس اسٹینڈرڈز بورڈ (IAASB) کے آڈیٹنگ کے معیارات کے سیٹ میں کوئی تبدیلی نہیں ہوئی ہے جو کہ آڈیٹرز کی رپورٹنگ کی ضروریات سے متعلق ہیں جنہیں ایس ای سی پی نے اپریل 2018 میں جاری کردہ آڈیٹرز کی رپورٹنگ کی ذمہ داریوں کے حوالے سے اپنے ضابطوں میں اپنایا تھا۔

کارپوریٹ گورننس

بورڈ آف ڈائریکٹرز اور ایکسچینج شفافیت اور تشہیر پر زور دیتے ہوئے کارپوریٹ گورننس کے عمدہ طریقوں کے اصولوں کے پابند ہیں۔ بورڈ اور مینجمنٹ اپنی ذمہ داریوں سے آگاہ ہیں اور مالیاتی اور غیر مالیاتی معلومات کی درستگی، جامعیت اور شفافیت کو بڑھانے کے لیے کیپٹل مارکیٹ کے آپریٹرز اور کارکردگی کی نگرانی کرتے ہیں۔

بورڈ کو اس بات سے آگاہ کرتے ہوئے خوشی محسوس ہو رہی ہے کہ ایکسچینج نے کارپوریٹ گورننس کے بہترین طریقوں کو اپنایا ہے اور لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی ضروریات کی تعمیل کی ہے، جیسا کہ سالانہ رپورٹ سے منسلک تعمیل کے بیان میں مکمل طور پر وضاحت کی گئی ہے۔ ایکسچینج مزید مندرجہ ذیل رپورٹ کرنا چاہے گی:

- اکاؤنٹس کے مناسب کھاتوں (بکس) کو برقرار رکھا گیا ہے۔
- مینجمنٹ کی جانب سے تیار کردہ مالیاتی گوشوارے اس کے معاملات کی صورتحال، اس کے آپریشن کے نتائج اور کیش فلو کو منصفانہ طور پر پیش کرتے ہیں۔
- اکاؤنٹنگ کی مناسب پالیسیوں کو مالیاتی گوشواروں کی تیاری کے سلسلے میں مسلسل استعمال کیا جاتا رہا ہے جو کہ بین الاقوامی مالیاتی رپورٹنگ کے معیارات کے مطابق ہیں جیسا کہ پاکستان میں لاگو ہوتا ہے۔
- اکاؤنٹنگ کے تخمینے، جہاں بھی ضرورت ہو، معقول اور دانشمندی سے کیے گئے فیصلے پر مبنی ہوتے ہیں۔
- اندرونی کنٹرول کا نظام مستحکم طریقے سے ڈیزائن کیا گیا ہے۔ اسے مینجمنٹ کی جانب سے موثر طور پر نافذ کیا گیا ہے جبکہ اندرونی اور بیرونی آڈیٹرز کے ساتھ ساتھ یہ بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی کی نگرانی میں ہے۔ بورڈ آڈٹ کمیٹی کے ذریعے قائم کردہ اندرونی کنٹرول کے موثر ہونے کا جائزہ لیتا ہے اور جہاں کہیں بھی ضرورت پیش آتی ہے اندرونی کنٹرول کے نظام میں مزید بہتری کے حوالے سے تجویز پیش کرتا ہے۔
- ایکسچینج کی بطور چلتے ہوئے کاروبار جاری رہنے کی صلاحیت پر کوئی خاص شبہات نہیں ہیں۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کسی مادی رخصتی (material departure) کے عوامل جیسی کوئی اطلاع نہیں ہے۔
- پچھلے سالوں کے آپریٹنگ نتائج، مستقبل کے منصوبوں اور تبدیلیوں سے متعلق اہم انحرافات، اگر کوئی ہیں تو، ڈائریکٹرز کی مذکورہ رپورٹ میں، مناسب طریقے سے، اس حوالے سے الگ الگ انکشاف کیا گیا ہے۔
- پی ایس ایکس ایمپلائز گریجویٹ فنڈ کی سرمایہ کاری کی مالیت 30 جون، 2021 کو اختتام پذیر ہونے والے سال کے لیے غیر آڈٹ شدہ (unaudited) کھاتوں پر مبنی 63.66 ملین روپے ہے۔
- اس رپورٹ میں پچھلے 6 سالوں کا اہم آپریٹنگ اور مالیاتی ڈیٹا بھی شامل کیا گیا ہے۔

ڈائریکٹرز کا مشاہرہ

مالی سال کی آخری سہ ماہی کے دوران، بورڈ کی جانب سے ڈائریکٹرز کے لیے مشاہرہ پالیسی پر نظر ثانی کی گئی، جو 29 جون، 2021 سے نافذ العمل ہے، جس کے تحت، ایکسچینج کا ہر نان-ایگزیکٹو ڈائریکٹر، بورڈ آف ڈائریکٹرز اور بورڈ-لیول کمیٹی کے ہر اجلاس میں شرکت کے سلسلے میں بالترتیب 100,000 روپے اور 75,000 روپے (قابل اطلاق ٹیکس کی کٹوتی سے مشروط) فیس کی مدد میں حاصل کرنے کا حقدار ہوگا، جن میں ایسے ڈائریکٹر ممبر ہیں۔ مینٹنگ فیس کے علاوہ، چیئر پرسن کو 1800 سی سی، کارفرماہم کی جائیگی جس کی دیکھ بھال کمیٹی کی ذمہ داری ہوگی جبکہ وہ ڈرائیور اور 200 لیٹر فیول فی ماہ کے بھی حقدار ہوں گے۔ یہ نظر ثانی 5 سال کے بعد اور نئے بورڈ کی تین سالہ مدت کے آغاز پر کی گئی ہے۔

مشاہرے کی پالیسی میں مذکورہ بالا نظر ثانی سے پہلے، بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے ڈائریکٹرز 50,000 روپے فی اجلاس کے حساب سے حقدار تھے۔

مالی سال 2020-21 میں ڈائریکٹرز اور سی ای او کو حاصل ہونے والے مشاہرے کے بارے میں مزید معلومات کے لیے، برائے مہربانی سالانہ رپورٹ سے منسلک ایکسچینج کے مالی گوشوارے میں موجود نوٹ 33 کو ملاحظہ کریں۔

9	مرد ڈائریکٹرز
2	خاتون ڈائریکٹرز

مزید یہ کہ بورڈ کی تشکیل مندرجہ ذیل طور پر کی گئی:

شیر ہولڈرز ڈائریکٹرز (ان-ایگزیکٹو)

(i)	جناب وانگ باؤ جن (Wang Baojun)	(ii) جناب احمد چنائے
(iii)	جناب یو ہنگ (You Hang)	(iv) ڈاکٹر فو ہاؤ (Dr. FU Hao)
(v)	محترمہ یو ہاؤ لی (Yu Huali)	(vi) جناب ندیم نقوی
(vii)	جناب زبیر رزاق پٹوالا	

خود مختار ڈائریکٹرز (ان-ایگزیکٹو)

(i)	ڈاکٹر شمشاد اختر
(ii)	جناب جاوید قریشی
(iii)	جناب محمد صلاح الدین منظور

چیف ایگزیکٹو آفیسر (ایگزیکٹو)

(i)	جناب فرخ ایچ خان
-----	------------------

مالی سال کے دوران، بورڈ کی 11 میٹنگز (7 شیڈول اور 4 ہنگامی) منعقد کی گئیں، جس کے لیے ڈائریکٹرز کی حاضری اس رپورٹ کے ضمیمہ 1 کے ساتھ منسلک ہے۔

بورڈ کمیٹیاں

ایس ای سی پی کی طرف سے منظور کردہ اسٹاک ایکسچینج کے تجارتی اور ریگولیٹری افعال کو الگ کرنے کے منصوبے کی تعمیل میں، سیکورٹیز ایکسچینج (لائسنسنگ اور آپریشنز) ریگولیشنز 2016 اور سٹاک ایکسچینج (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور فرنٹ لائن ریگولیٹری اور تجارتی ادارے کے طور پر ایکسچینج کے کاروبار کی مخصوص ضروریات کو پورا کرنے کے لیے، بورڈ نے متعدد کمیٹیاں تشکیل دی ہیں جن میں سے اہم قانونی کمیٹیاں ریگولیٹری افیئرز کمیٹی، آڈٹ کمیٹی، ہیومن رسورسز اینڈ ریمو نیویشن (اجرٹی) کمیٹی اور نامزدگی (نومینیشن) کمیٹی ہیں۔ 19 اپریل 2021 کو منعقد ہونے والے بورڈ آف ڈائریکٹرز کے ایکشن کے بعد بورڈ کی کمیٹیوں کو بورڈ کی جانب سے دوبارہ تشکیل دیا گیا ہے۔

مذکورہ بالا چار (4) کمیٹیوں کے اجلاسوں میں ارکان کی تشکیل اور حاضری ڈائریکٹرز رپورٹ کے ساتھ ضمیمہ II کے طور پر منسلک ہے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز گرانٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس، سالانہ اجلاس عام کی تاریخ پر ریٹائرڈ ہونے کے جبکہ اہل ہونے کے بعد انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔

بورڈ، آڈٹ کمیٹی کی سفارش پر، حصص یافتگان کو مزید سفارش کرتا ہے کہ وہ میسرز گرانٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس کو 30 جون، 2022 کو اختتام پذیر ہونے والے مالی سال کے لیے، ایکسچینج کے قانونی آڈیٹرز کے طور پر دوبارہ تعینات کریں۔

- بیرون ملک مقیم ریگولیشنز کی طرف سے تسلیم کیا جانا ضروری ہے،
- معاہدوں پر دوبارہ بات چیت ہونی چاہیے،
- معاہدے کی شرائط کو نئے یا نئے لاگو قوانین، قواعد و ضوابط یا عدالتی فیصلوں کے نتیجے میں تبدیل کیا جانا چاہیے، چاہے وہ بیرون ملک قواعد و ضوابط کے بیرونی اثر کی وجہ سے ہو یا کسی دوسری وجہ سے ہو۔

حکومتی پالیسیوں میں تبدیلیوں کا خطرہ

- ہماری مارکیٹوں میں تجارتی حجم ان تبدیلیوں سے متاثر ہونے کا امکان ہے:
- حکومت پاکستان کی پالیسیاں،
- ٹیکس کا قانون یا پالیسی،
- غیر ملکی پورٹ فولیو سرمایہ کاروں کے حوالے سے ریگولیشنز کی تبدیلیاں،
- دیگر قواعد و ضوابط یا پالیسیاں جو پی ایس ایکس کے کاروبار کو متاثر کرتی ہیں، بشمول اس کی لسٹڈ کمپنیوں کے، ایسی تبدیلیاں جو پاکستان سے باہر پاکستانی سیکورٹیز کی پیشکش کو سہل بناتی ہیں،
- سرمایہ کاروں کی ہمارے اسٹیٹمنٹس میں آزادانہ تجارت کرنے کی صلاحیت،
- اس طرح کی تجارت سے حاصل (ٹیکسیشن) یا منافع کی ملک میں واپسی،
- وہ طور طریقے جس کے تحت ہمارے اسٹیٹمنٹس اور کلیئرنگ کارپوریشن میں سیکورٹیز کا تبادلہ کیا جاتا ہے، کلیئر کیا جاتا ہے اور طے کیا جاتا ہے۔

مذکورہ بالا وجوہات ہمارے کاروبار، مالی حالت، آپریشنز کے نتائج اور امکانات پر مادی طور پر منفی اثرات (material adverse) مرتب کرنے کا سبب بن سکتے ہیں۔

بورڈ آف ڈائریکٹرز

مالی سال 2020-21 کے دوران بورڈ میں درج ذیل تبدیلیاں وقوع پذیر ہوئیں۔

- محترمہ ناز خان نے آپیکس کی خود مختار ڈائریکٹرز کے حیثیت سے استعفیٰ دے دیا جو کہ 07 جولائی، 2020 سے موثر ہوا اور اس طرح پیدا ہونے والی عارضی آسامی کو پُر کرنے کے لیے، محترمہ نوشین احمد کو سیکورٹیز اینڈ آپیکس کمیشن آف پاکستان (ایس ای سی پی) کی منظوری سے 16 نومبر 2020 کو ان کی جگہ مقرر کیا گیا۔
- جناب ڈیپنگ روٹنگ نے بورڈ آف آپیکس میں چائنا فنانشل نیوچرز آپیکس (CFEX) کی نمائندگی کرنے والے شیئر ہولڈرز ڈائریکٹرز کے عہدے سے استعفیٰ دے دیا جو کہ 18 نومبر، 2020 سے موثر ہوا؛ اس کے نتیجے میں، جناب یو پیٹنگ نے جناب روٹنگ کے لیے متبادل ڈائریکٹرز کے عہدے پر فائز ہونا بھی ترک کر دیا۔ بہر حال، بورڈ نے ایس ای سی پی سے ضروری کلیئرنس ملنے کے بعد 15 دسمبر 2020 سے CFEX سے نئی نامزدگی حاصل کرنے پر جناب پیٹنگ کو شیئر ہولڈرز ڈائریکٹرز مقرر کیا۔
- چونکہ آپیکس کے پچھلے بورڈ کی مدت اپریل 2021، میں اختتام پذیر ہونے والی تھی، لہذا بورڈ نے 26 فروری، 2021، کو ہونے والے اپنے اجلاس میں نئے بورڈ کا حجم 10 ڈائریکٹرز (ماسوائے چیف ایگزیکٹو آفیسر) کے بقدر مقرر کیا، جس میں سات (7) شیئر ہولڈرز ڈائریکٹرز اور تین (3) خود مختار ڈائریکٹرز شامل ہیں۔
- بورڈ کی مدت مکمل ہونے پر کمپنیز ایکٹ، 2017 اور سیکورٹیز اینڈ آپیکس (لائسنسنگ اور آپریشنز) ریگولیشنز، 2016 (ریگولیشنز) کی تعمیل میں آپیکس کے ایک غیر معمولی اجلاس عام میں 19 اپریل، 2021 کو شیئر ہولڈرز ڈائریکٹرز کے نئے الیکشن کا انعقاد ہوا، جس کے تحت ایس ای سی پی کی مطلوبہ کلیئرنس کے ساتھ 7 شیئر ہولڈرز ڈائریکٹرز بلا مقابلہ منتخب ہوئے۔
- شیئر ہولڈرز ڈائریکٹرز کے الیکشن کے بعد، ایس ای سی پی نے بورڈ کی سفارش پر، آپیکس کے بورڈ میں 3 خود مختار ڈائریکٹرز کی تقرری کی منظوری دی، جو کہ 19 اپریل، 2021 سے موثر ہے۔
- 04 مئی، 2021، کو ڈاکٹر شمشاد اختر، خود مختار ڈائریکٹرز، کو نئے بورڈ کی مدت کے لیے بورڈ کا چیئر پرسن منتخب کیا گیا۔

بورڈ سبکدوش ہونے والے ڈائریکٹرز کی شراکت کے سلسلے میں ان کے لیے تحسین کو ریکارڈ پر لانا چاہتا ہے اور ان کی مستقبل کی کوششوں کے لیے نیک خواہشات کا اظہار کرتا ہے۔

مالی سال 2020-21 کے اختتام پر، آپیکس کے بورڈ آف ڈائریکٹرز گیارہ (11) ڈائریکٹرز پر مشتمل تھے جن میں شامل ہیں:

اگر پی ایس ایکس کی سرگرمیوں کی سطح اوپر بیان کردہ کسی بھی عوامل یا اس کے قابو سے باہر کے دیگر عوامل کے باعث مادی طور پر منفی طرح سے (materially adversely) متاثر ہوتی ہے تو ہمارا کاروبار، مالیاتی حالت اور آپریشنز کے نتائج بھی مادی طور پر منفی طرح سے متاثر ہو سکتے ہیں۔

مستقبل کے اقدامات کے حوالے سے خطرات

پی ایس ایکس نے ماضی میں کئی اقدامات کیے ہیں اور خوردہ اور ادارہ جاتی سرمایہ کاری کی شراکت کو بڑھانے اور اخذ شدہ مصنوعات کے سلسلے میں ٹریڈنگ کی مقدار کو بڑھانے کے لیے فخریہ طور پر اسے جاری رکھے ہوئے ہے۔ وہ عوامل جو ہماری کاروباری حکمت عملی پر اثر انداز ہو سکتے ہیں ان میں شامل ہیں:

- نئی خدمات اور مصنوعات کو کامیابی سے بروقت متعارف کرانے کی ہماری صلاحیت خاص طور پر کورونا کے وبائی مرض کے اثرات کے سبب۔
- پاکستانی، ایشیائی اور عالمی معیشتوں کی عمومی حالت؛
- نئی خدمات اور مصنوعات کو کامیابی سے متعارف کرانے کی ہماری صلاحیت؛ اور
- ریگولیٹری پابندیاں۔

ان میں سے اکثر عوامل ہمارے قابو سے باہر ہیں۔ ان وجوہات کی بنا پر، اس بات کی یقین دہانی کرنا مشکل ہے کہ ہم اپنے موجودہ اور مستقبل کے اسٹریٹجک منصوبوں کو نافذ کرنے میں کامیاب ہوں گے اور ایسا کرنے میں کسی بھی طرح کی ناکامی ہمارے امکانات اور مستقبل کی مالیاتی حالت اور آپریشنز کے نتائج پر مادی طور پر منفی اثر (material adverse) ڈال سکتی ہے۔

مارکیٹ میں اتار چڑھاؤ کے خطرات

جیسا کہ پی ایس ایکس کی کل آمدنی ایکویٹی پر جزوی طور پر منحصر ہے، ایک تاریخی طور پر غیر مستحکم اثاثہ کلاس، اور ساتھ ہی متعدد بیرونی عوامل، جیسے تجارتی سرگرمی اور ہماری مارکیٹوں میں قیمت کی سطح، ہماری کل آمدنی اور منافع ایک مدت سے دوسری مدت میں اتار چڑھاؤ کا شکار ہو سکتے ہیں۔ اگر ہماری کل آمدنی توقعات سے کم ہو جاتی ہے یا بڑھتے ہوئے اخراجات کو پورا کرنے کے لیے اس میں اضافہ ممکن نہیں ہوتا ہے تو ہمارا کاروبار، مالی صورتحال اور دی گئی مدت کے لیے آپریشنز کے نتائج مادی طور پر منفی طرح سے (materially adversely) متاثر ہو سکتے ہیں۔

شرح سود میں تبدیلی کا خطرہ

ہم مارکیٹ کی شرح سود کی موجودہ سطح میں اتار چڑھاؤ کے اثرات سے دوچار ہیں، جو تجارتی حجم، اسٹاک مارکیٹ میں سرمایہ کاری کے بہاؤ اور کیش فلو پر اثر انداز ہوتے ہیں۔ اس طرح شرح سود میں تبدیلی مادی طور پر ہماری مالی پوزیشن اور ہماری سرمایہ کاری کی قدر اور ان کے ریٹرن پر منفی اثر مرتب کرنے کا سبب بن سکتی ہے۔ شرح سود بہت سے عوامل کی بنیاد پر حساس ہوتی ہے، بشمول حکومتی، مالیاتی اور ٹیکس کی پالیسیاں، ملکی اور بین الاقوامی معاشی اور سیاسی تحفظات، مالی خسارے، تجارتی سرپلس یا خسارے، ریگولیٹری تقاضے اور دیگر عوامل جو ہمارے قابو سے باہر ہیں۔

ریگولیٹری رسک

پی ایس ایکس ایک انتہائی ریگولیٹڈ انڈسٹری میں کام کرتا ہے اور جامع ضابطے سے مشروط ہے۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان [کمیشن] پی ایس ایکس کو ریگولیٹ کرتا ہے اور ہمارے جانب سے پیش کردہ تجاویز کے حوالے سے منظوری یا رضامندی کو روکنے کے وسیع اختیارات رکھتا ہے (چاہے قواعد کی ترمیم، پروڈکٹ ریٹخ، قیمتوں کے تعین، انفراسٹرکچر یا مارکیٹ ڈیولپمنٹ اقدامات کے حوالے سے ہو)۔ اس صورت میں جب کمیشن اس طرح کے اختیارات استعمال کرتا ہے، تو اس سے ہمارے کاروبار، ساکھ، مالی حالت اور آپریشنز کے نتائج پر مادی منفی اثر پڑ سکتا ہے۔

مزید برآں، IPSX نے ضابطے، قانون اور ضمنی قوانین کے تحت کچھ ریگولیٹری افعال کے ذریعے مشق کرتا ہے، جس میں ہمارے پلیٹ فارم پر درج اداروں کے بعض سیکورٹیز قوانین کی تعمیل کے حوالے سے نگرانی بھی شامل ہے۔ نگرانی کی سطح میں کسی بھی طرح کا اضافہ جو ہمیں انجام دینے کی ضرورت ہے، بشمول ریگولیٹری تبدیلیوں کی وجہ سے، ہمارے لیے اضافی یا ضرورت سے زیادہ ریگولیٹری بوجھ اور تعمیل کے اخراجات عائد کرنے کا سبب بن سکتا ہے۔

پی ایس ایکس آپریشنل اخراجات میں اضافے یا نقصانات اٹھانے یا مالی نتائج کو برقرار رکھنے کی توقع بھی کر سکتا ہے اگر کوئی ہو؛

رسک منجمنٹ اور انفارمیشن سکیورٹی

آپ کے اپنے سسٹمز اور نیٹ ورکس کے نفاذ، انھیں برقرار رکھنے، مانیٹر کرنے اور باقاعدگی سے اپ ڈیٹ کرنے کے سلسلے میں اہم وسائل کو بروئے کار لانے کا عمل جاری رکھے ہوئے ہے۔ آپ کے اپنے جامع انفارمیشن سکیورٹی پروگرام ہے جس میں انفارمیشن سکیورٹی پالیسی فریم ورک، سکیورٹی کی تشخیص، ٹریڈنگ اور آگاہی، اینڈ پوائنٹ ڈیکلین ایشن ریسپانس (EDR) حل کی تعیناتی اور پی ایس ایکس کے ماحول میں ایڈوانس تھریٹ پروڈیکشن سسٹم، شامل ہے جو مشکوک سرگرمیوں جیسے مالمویز اور جدید سائبر حملوں کو زیادہ سے زیادہ واضح کرتا اور نگرانی فراہم کرتا ہے۔

رسک کلچر کی تعمیر کرنے اور پی ایس ایکس کی رسک منجمنٹ پالیسی پر اس کے مراحل اور روح کے مطابق عمل درآمد کے سلسلے میں، رسک منجمنٹ اینڈ انفارمیشن سکیورٹی ڈیپارٹمنٹ نے سال کے دوران اپنے رسک منجمنٹ پروگرام کا آغاز کیا اور پی ایس ایکس رسک منجمنٹ (ERM) پر ایک ٹریڈنگ بھی رکھی گئی۔ پی ایس ایکس کی رسک منجمنٹ کی صلاحیت کو بڑھانے کے علاوہ اس ٹریڈنگ کا مقصد حکمانہ سطح پر زیادہ توجہ اور باخبر طریقے سے خطرے کی شناخت، تشخیص اور علاج کے عمل کو مستحکم بنانا ہے۔ اس ٹریڈنگ کی کامیاب تکمیل پر، پی ایس ایکس رسک منجمنٹ کو اختیار دیا گیا کہ وہ آپ کے رسک منجمنٹ کے طریقوں کی مسلسل بہتری میں شراکت دار کے طور پر کام کریں۔

پی ایس ایکس اس سال بھی کراچی میں قائم اپنے ہیڈ آفس کے لیے آئی ایس او 22301:2012 برنس کنکریوٹی منجمنٹ سسٹم (BCMS) سرٹیفیکیشن کو برقرار رکھنے کے حوالے سے اپنا دوسرا سرٹیفیکیشن آڈٹ کامیابی سے کلیئر کرنے میں کامیاب رہا۔ آپ کے نے کورونا کے وبائی مرض کے دوران اپنے آپریشن کو آسانی سے انجام دیتے ہوئے ضروری معلومات کے تحفظ کے پروٹوکول اور وسائل کے انتظام کو یقینی بناتے ہوئے اپنی بہترین صلاحیتوں کو ثابت کیا۔

دستی مارکیٹ کے رجحانات اور بڑے اقتصادی عوامل کے حوالے سے خطرات

پی ایس ایکس ملک کے واحد اسٹاک آپ کے کی حیثیت رکھتا ہے۔ پی ایس ایکس کے کاروبار، مالیاتی حالت اور آپریشنز کے نتائج تجارت کے مالیاتی اثاثوں کے حجم، لٹھ سکیورٹیز کی تعداد، نئی لسٹنگ کی تعداد اور اس کے بعد اجراء، لیکویڈیٹی اور اسی طرح کے عوامل پر بہت زیادہ انحصار کرتے ہیں۔ پی ایس ایکس کی آمدنی کا ایک اہم حصہ، ٹریڈنگ اور لسٹنگ پر مبنی فیس پر براہ راست یا بالواسطہ طور پر انحصار کرتا ہے۔

کسی ملک کے معروف اسٹاک آپ کے کی طرح، پی ایس ایکس کا انحصار آپ کے میں تجارت کے لیے استعمال کیے جانے والے مالیاتی اثاثوں کی متعلقہ کشش پر ہوتا ہے، اور ایک مارکیٹ کے طور پر آپ کے کی متعلقہ کشش پر بھی جس پر ان مالیاتی اثاثوں کی تجارت ہوتی ہے۔ یہ تمام متغیرات بنیادی طور پر پاکستان میں معاشی، سیاسی اور مارکیٹ کی صورتحال کے ساتھ ساتھ کم ڈگری تک متاثر ہوتے ہیں، باقی ایشیا، امریکہ، یورپ اور دنیا میں کہیں بھی جو پی ایس ایکس کے قابو سے باہر ہیں، ان حالات کے مقابلے میں۔ اگرچہ غیر مستحکم مارکیٹس ٹرانزیکشن کے حجم میں اضافہ کر سکتی ہیں، تاہم طویل المدتی کمزور معاشی حالات مادی اور منفی طور پر لسٹنگ اور تجارتی حجم کو متاثر کر سکتے ہیں۔

دوسرے عوامل جو مادی طور پر ہمارے کاروبار، مالیاتی حالت اور آپریشن کے نتائج پر منفی اثرات ڈال سکتے ہیں اور ہمارے قابو سے باہر ہیں ان میں شامل ہیں:

- کاروبار اور فنانس میں وسیع رجحانات، بشمول صنعت کے مخصوص حالات، کیپٹل مارکیٹ کے رجحانات اور انضمام اور حصول کا ماحول؛

- سماجی اور شہری بد امنی، دہشت گردی اور حالات جنگ؛

- افراط زر اور ادارہ جاتی یا خوردہ اعتماد کی سطح کے حوالے سے تشویش؛

- حکومتی مالیاتی پالیسی اور غیر ملکی کرنسی کے تبادلے کی شرح میں ہونے والی تبدیلیاں؛

- قلیل مدتی اور طویل مدتی فنڈنگ اور سرمائے کی دستیابی؛

- متبادل سرمایہ کاری کے مواقع کی دستیابی؛

- سکیورٹیز کی قیمتوں میں تبدیلی اور اتار چڑھاؤ؛

- ٹیکس پالیسی میں تبدیلی (بشمول ٹرانزیکشن ٹیکس) اور پاکستانی اور دوسرے ممالک کے درمیان ٹیکس معاہدے؛

- شرح سود کی سطح اور اتار چڑھاؤ؛

- قانون سازی اور ریگولیٹری تبدیلیاں، بشمول ریگولیٹڈ اور غیر ریگولیٹڈ مارکیٹوں میں ریگولیٹری ثالثی کے امکانات اگر مارکیٹس کے درمیان اہم پالیسی اختلافات سامنے آئیں۔

- پاکستانی کیپٹل مارکیٹس کے لیے محسوس کردہ کشش، یا کشش کی کمی؛ اور

- غیر متوقع طور پر مارکیٹ کی بندش یا تجارت میں دیگر رکاوٹیں۔

پی ایس ایکس کیش۔ سیٹلڈ یورپی طرز کے انڈیکس آپشنز اور سنگل اسٹاک آپشنز جو ڈیلیوریبل اور یورپی طرز کے ہوں گے انھیں لانچ کرنے کا ارادہ رکھتا ہے۔ پی ایس ایکس مارکیٹ ڈیٹا کی جانب سے آن لائن ویڈیو چینلز، ویب سائٹس اور موبائل ایپلی کیشنز میں اسٹاک کی معلومات کو ظاہر کرنے کے لیے نئے تقسیم کے لائسنس جاری کیے گئے ہیں۔ عالمی مالیاتی نظام میں مارکیٹ کے تمام شرکاء کی ضروریات کو پورا کرنے کے لیے ڈیزائن کیا گیا، پاکستان اسٹاک ایکسچینج کا ڈیٹا ملکیتی فیڈ نیٹ ورکس (proprietary feed networks) کے ذریعے دنیا بھر میں واقع ٹرمینلز پر نمائش کے لیے پہنچایا جاتا ہے۔

مارکیٹنگ اور بزنس ڈیولپمنٹ کے حوالے سے اقدامات

مارکیٹنگ اور بزنس ڈیولپمنٹ ٹیم کی جانب سے مالی سال 21 کے دوران اسٹاک ایکسچینج کے لیے کاروبار کو فروغ دینے، امیج کو بہتر بنانے اور ترقی کے لیے ایکشن پلان پر عملدرآمد کیا گیا۔ مارکیٹنگ ٹیم نے مختلف مشقیں کیں اور نہ صرف ایکسچینج کو سرمائے کی ترقی اور کیپٹل بڑھانے کے لیے ایک راہ کے طور پر متعارف کرنے کے حوالے سے متعدد اقدامات کیے بلکہ تمام سرمایہ کاروں، اجرائندگان اور مارکیٹ کے شرکاء کے لیے ایک موثر اور شفاف مارکیٹ کے طور پر پی ایس ایکس کے امیج کو بہتر بنانے کے لیے بھی اقدامات کیے۔

بزنس ڈیولپمنٹ ٹیم نے کمپنیوں کے ڈیٹا بیس کے ذریعے ممکنہ اجرائندگان کے لیے براہ راست مارکیٹنگ کے تحت اجرائندگان پائپ لائن (issuer pipeline) تیار کرنے کے لیے جارحانہ طریقے سے کام کیا، مارکیٹنگ کے لیے چیمبرز آف کامرس اینڈ انڈسٹریز کی نشاندہی کی گئی اور کارپوریٹ اینوش میں موجودگی کو ہدف بنایا گیا۔ تمام علاقائی چیمبرز آف کامرس اور متعدد انڈسٹری ایسوسی ایشنز میں تقریبات اور سیمینارز کا انعقاد کیا گیا۔ BD ٹیم نے کنسلٹنٹس، اشارت۔ ایس اور دیگر اسٹیک ہولڈرز جیسے SMEDA اور نیشنل انکوبیشن سینٹر کے تعاون کے ذریعے سازگار ماحول پیدا کر کے کمپنیوں کی لسٹنگ کی تیاری کو آسان بنانے کے لیے کام کیا۔

ڈیٹ مارکیٹ کی ترقی کے لیے اس سال ایک اہم اقدام مارکیٹ میکر کی آن بورڈنگ تھا۔ بزنس ڈیولپمنٹ ٹیم نے بینکوں کے ساتھ مارکیٹ میکرز کے طور پر معاہدہ کرنے کے لیے ان تک رسائی حاصل کی اور معاہدے پر دستخط ہونے تک انہیں اس عمل میں سہولت فراہم کی۔ اس کے علاوہ BD ٹیم کی جانب سے ڈیٹ ایٹور لسٹنگ کے سلسلے میں براہ راست رسائی بھی حاصل کی گئی۔

مارکیٹ میکرز کی آن بورڈنگ کے لیے گونگ تقریبات، خواتین کا عالمی دن منانے کے علاوہ، فوربز کی 'ایشیا بیٹ انڈر رائے بلین' فہرست میں شامل ہونے والی تین پاکستانی کمپنیوں کو مبارکباد دینے کے ساتھ ساتھ نئی ایکویٹی لسٹنگ کا اعلان کرنے سمیت دیگر برانڈنگ سرگرمیاں انجام دی گئیں۔ برانڈ کو لیڈرز ڈیزائن اور تقسیم کیے گئے، جیسے سرمایہ کاروں کی آگاہی کے لیے بنیادی فلائرز، لسٹنگ کٹ، پریزنٹیشنز کے ساتھ ساتھ کارپوریٹ تحائف تقسیم کیے گئے۔ مارکیٹنگ ڈیپارٹمنٹ کی طرف سے ڈائریوں اور کیٹلگروں کی اشاعت جیسی سالانہ سرگرمیاں بھی سرانجام دی گئیں۔ سال 2019 کے لیے اعلان کردہ ٹاپ 25 کمپنیوں کی ایس ایکس برانڈ کو مزید مستحکم بنیادوں پر استوار کیا گیا۔ اس اعلان کی خصوصی 25 کمپنیوں کے ایوارڈ سلیمنٹس کے ذریعے تشہیر کی گئی جو بڑے انگریزی اور اردو اخبارات میں شائع ہوئے۔ مزید یہ کہ، سوشل میڈیا اور دیگر میڈیا چینلز کی معاونت حاصل کرتے ہوئے اس اعلان کی تشہیر کی گئی جس کے ذریعے پی ایس ایکس کے ایک مضبوط فرنٹ لائن ریگولیٹر کے طور پر برانڈ امیج کو مزید نمایاں کیا گیا۔

سال بھر میڈیا سے مسلسل رابطہ برقرار رکھا گیا۔ مارکیٹ کے شرکاء اور عام لوگوں کے درمیان ایکسچینج سے متعلقہ ترقی اور سرگرمیوں کی آگاہی کے لیے متعدد پریس ریلیز اور اعلانات جاری کیے گئے۔ مختلف میڈیا چینلز کے ساتھ پی ایس ایکس کے ترجمانوں کے انٹرویوز میں سہولت فراہم کی گئی۔ ایکسچینج اور مارکیٹ آفرنگز کو فروغ دینے کے لیے آرٹیکلز شائع کیے گئے۔ یہ آرٹیکلز جن میں مختلف موضوعات اور کیپٹل مارکیٹ سے متعلق مضامین شامل ہیں انھیں شائع کروایا گیا یا اپ لوڈ کیا گیا، ان میں سرمایہ کاری، لسٹنگ کے فوائد، GEM بورڈ کا تعارف، روشن ڈیجیٹل اکاؤنٹ۔ اسٹاک انویسٹمنٹ اور ایکسچینج ٹریڈڈ فنڈز شامل ہیں۔

میڈیا مونیٹرنگ اور خبروں کی اپڈیٹ کا سلسلہ بھی سال بھر جاری رہا۔ ساکھ کو بہتر بنانے اور انتظامی کوششوں کے علاوہ مارکیٹ کے مختلف پہلوؤں کے حوالے سے پی ایس ایکس کے نقطہ نظر کے فروغ کے لیے پی آر کی صلاحیت سے استفادہ کیا گیا۔

مختلف تعلیمی اداروں کے طلباء اور فیکلٹی ممبران کے لیے باقاعدگی سے سرمایہ کار آگاہی سیشنز منعقد کیے جاتے رہے۔ مزید برآں، ملک کے مختلف حصوں میں چیمبرز آف کامرس، ایسوسی ایشنز اور پروفیشنل باڈیز کے لیے بھی سرمایہ کار آگاہی سیشنز کا انعقاد کیا گیا۔

ڈیجیٹل مہاڈ پر، پیش ٹیگ ٹھنک انویسٹمنٹس اور اسٹاک انویسٹمنٹس کے ساتھ ڈیجیٹل تعلیمی مہم جاری ہے۔ اس کے علاوہ، مالی سال 2021 میں پی ایس ایکس برانڈ اور ڈیجیٹل تعلیم کو فروغ دینے کے لیے سوشل میڈیا کمپینز، ویب سائٹس، بلاگز، اینوش کورس اور وقف شدہ پوسٹس سے بھی استفادہ حاصل کیا گیا۔

ادارے میں ہی تیار کیا گیا ہے۔ یہ پورٹل ڈیٹا کاریکارڈ رکھتا ہے اور مرکزی، محفوظ اور مربوط پلیٹ فارم مہیا کرتا ہے۔ یہ رجسٹرار کو بیلنگ کے نتائج، کامیاب درخواست دہندگان، اور رقم کی واپسی کے عمل کا اعلان کرنے کی صلاحیت بھی فراہم کرتا ہے۔

PSX ITD کی جانب سے نیٹ ورک انفراسٹرکچر، بروکر کی نیٹ ورک کنیکٹیوٹی اور ہاٹ ڈیزاسٹر ریکوری سائٹ کو بھی اپ گریڈ کیا گیا ہے۔ یہ اپ گریڈیشن نئے تجارتی نظام کی ضروریات کے عین مطابق ہے۔ تمام اہل اور بااختیار مارکیٹ میکرز سیکورٹیز بروکر TREC ہولڈرز کی شمولیت کے بغیر مارکیٹ میکنگ کی سرگرمیوں کے لیے PSX ٹریڈنگ سسٹم تک رسائی حاصل کر رہے ہیں۔ اہل شرکاء BATS (بانڈ آٹومیٹڈ ٹریڈنگ سسٹم) کا استعمال کر کے تجارت کرنے کے قابل ہیں۔

PSX ITD کی جانب سے پی ایس ایکس میں عوامی پیشکش کے عمل کو خود کار بنانے کے لیے ایک آن لائن پورٹل تیار کیا گیا۔ یہ پورٹل جدید ٹیکنالوجیز پر مبنی ہے۔ الیکٹرانک لائبریری کمپنی کنسلٹنٹس کی جانب سے پیش کردہ تمام دستاویزات اور اسٹیک ہولڈرز کی جانب سے کیے گئے اقدامات کا انتظام کرے گی۔

ایک ڈیٹا ویئر باؤس قیام عمل میں لایا گیا جس کے ساتھ جدید ETL آلے پیٹھا ہو (Pentaho) اور SAP BODS بھی موجود ہیں۔ یہ اقدام BI سرگرمیوں اور تجزیوں کی مدد کے سلسلے میں ڈیٹا کو موثر انداز میں ذخیرہ کرنے اور نکلنے کے قابل بنائے گا۔ ٹیبلو (Tableau) ایک جدید BI آلے کو بھی شامل کیا گیا ہے تاکہ اعداد و شمار کے ریل ٹائم تجزیات اور بصری سمجھ کی فراہمی ممکن بنائی جاسکے۔

لسٹنگ کی کامیابیاں اور سرگرمیاں

پاکستان اسٹاک ایکسچینج لمیٹڈ (پی ایس ایکس) کی جانب سے 16 یوٹیوٹی کی کامیابی سے لسٹنگ (اندراج) کی گئی، یعنی دی آرٹیک میٹ کمپنی لمیٹڈ، پی ای ایل ٹریڈر لمیٹڈ، آغا اسٹیل انڈسٹریز لمیٹڈ، ہینتھر ٹائرز لمیٹڈ، سروس گلوبل فنٹ ویئر لمیٹڈ اور اینگریو پو لیمبر اینڈ کیمیکل لمیٹڈ (ترجمی حصص)۔ مجموعی طور پر چھ نئی لسٹنگ نے کپٹل مارکیٹ سے 10,624 ملین روپے اکٹھے کیے۔ مزید برآں مالی سال 2020-21 کے دوران پاور سیمنٹ لمیٹڈ نے صحیح پیشکش (رائٹ ایٹو) کے ذریعے 244,585,320 ترجمی حصص جاری کیے۔

پاکستان اسٹاک ایکسچینج لمیٹڈ نے اس سال چھ (6) ڈیپٹ سیکورٹیز کی کامیابی سے لسٹنگ (اندراج) کی، جن میں سے دو (2) عوامی طور پر جاری کیے گئے جبکہ چار (4) نجی طور پر جاری کیے گئے تھے۔ ڈیپٹ سیکورٹیز کے مشترکہ ایٹو (اجرا) کا سائز 251,967 ملین روپے ہے۔

ایکسچینج نے مالی سال 2020-21 کے دوران دو ETFs، یعنی میزان پاکستان ایکسچینج ٹریڈڈ فنڈ اور این بی پی پاکستان گروتھ ایکسچینج ٹریڈڈ فنڈ کو درج کیا۔ مالی سال 2020-21 کے دوران پی ایس ایکس میں 5 اوپن-اینڈ میوچل فنڈز کا اندراج عمل میں آیا، جس کے مجموعی فنڈز کا حجم 2,726 ملین روپے تھا۔

پروڈکٹ منجمنٹ اور تحقیق میں پیش رفت

سال کے دوران، پی ایس ایکس نے دو نئے انڈیکس لانچ کیے جو ایکسچینج ٹریڈڈ فنڈ (ETF) منجمنٹ کے لیے استعمال کیے جاتے ہیں جو کہ ال میزان انویسٹمنٹس اور این بی پی فنڈ کے تعاون سے ہیں۔

- میزان پاکستان انڈیکس (MZNPI): KMI 30 انڈیکس یونیورس میں 12 کمپنیوں کی کارکردگی کو ٹریک کرتی ہے جن کی روزانہ کی اوسط تجارت زیادہ اور فری-فلوٹ مارکیٹ کپٹلا ٹریڈیشن ہوتی ہے
- این بی پی پاکستان گروتھ انڈیکس (NBPGI): کے ایس ای 100 انڈیکس میں سب سے زیادہ فری-فلوٹ مارکیٹ کپٹلا ٹریڈیشن والی 15 کمپنیوں پر مشتمل ہے۔

پاکستان کا پہلا شریعہ کمپلائنس ای ٹی ایف، میزان پاکستان ای ٹی ایف، مارکیٹ کپٹلا ٹریڈیشن اور تجارتی قدر کے ذریعے شریعہ کمپلائنس ایکویٹی سیکورٹیز کی کارکردگی کو سامنے رکھ کر باضابطہ طور پر لانچ کیا گیا، اور چھ شعبوں میں بلیو چپ اسٹاک کے بعد این بی پی پاکستان گروتھ ای ٹی ایف بھی متعارف کرایا گیا۔ جس سے مختلف سرمایہ کاری کے موضوعات کے ساتھ درج ای ٹی ایف نمبر کی تعداد چار ہو گئی۔

نئے فیوچرز اہلیت کے معیار اور 90 دن کے معاہدوں کے تعارف کے حوالے سے، اگر مخصوص شرائط پوری ہوتی ہیں تو ETFs بھی اہل ہوں گے۔ تمام اہل کمپنیاں اور ETFs ڈیلیوریبل فیوچرز اور کیش سیٹلڈ فیوچرز مارکیٹس میں ٹریڈنگ کے اہل ہوں گے۔ فیوچرز کا ڈنٹر پریڈنگ کے لیے کمپنیوں کو زیادہ انتخاب کی سہولت پیش کی جائے گی۔ تازہ ترین جائزے سے ظاہر ہوتا ہے کہ 85 کمپنی اسٹاک اور 11 ای ٹی ایف مستقبل کے تجارتی اہلیت کے معیار پر پورا اترے ہیں۔

پی ایس ایکس کی عمومی صورتحال۔ رجحانات اور عوامل جو مستقبل کی ترقی، کارکردگی اور کمپنی کی کاروباری پوزیشن کو متاثر کرنے کا سبب بن سکتے ہیں

کورونا کی وبا کے دوران کاروباری تسلسل

پی ایس ایکس اپنے تمام سرمایہ کاروں اور اسٹیک ہولڈرز کی خدمت کے لیے پرعزم ہے۔ ہم نے ورچوئل پلیٹ فارمز کے ذریعے کامیابی سے کام کرتے ہوئے پی ایس ایکس میں کاروباری تسلسل کو یقینی بنایا ہے۔ پی ایس ایکس نے کورونا وائرس کی صورتحال کی وجہ سے لاک ڈاؤن کے باعث پیدا ہونے والی مشکل صورتحال کے باوجود بغیر کسی رکاوٹ کے کام جاری رکھا ہے۔ نئے ٹریڈنگ سسٹم کا نفاذ آن سائٹ سے ریموٹ انٹیلیجنس (دور دراز نفاذ) میں تبدیلی کے باوجود جاری ہے، جو کہ اس طرح کے پیچیدہ نظام کے نفاذ کے لیے ایک حقیقی چیلنج ہے۔

تجارتی اور TREC امور کی سرگرمیوں میں پیش رفت اور اقدامات

ایک بڑی پیش رفت کے طور پر، پاکستان اسٹاک ایکسچینج (پی ایس ایکس) نے 90 دن کی میچورٹی ڈیلیوریبل فیوچر کانٹریکٹس (DFC) سسٹم کے ساتھ ساتھ سرمایہ کاروں کے لیے سازگار طریقہ کار کا آغاز کیا ہے، جیسے کہ مستقبل کے معاہدوں کے لیے اہل سیکورٹیز کے نئے معیار کا تعارف، اے اور بی فیوچر کانٹریکٹ کیٹیگریز کی علیحدگی کا خاتمہ، اور لازمی ایک ہفتے کے رول اوور پیریڈ کا خاتمہ جبکہ سرمایہ کار اپنی موجودہ پوزیشن کو کسی بھی وقت ختم ہونے سے پہلے اپنی ضروریات اور لیکویڈیٹی پوزیشن کے مطابق رول اوور کر سکتے ہیں۔

پی ایس ایکس نے سیکورٹیز بروکرز (لائسنسنگ اور آپریشنز) بالترتیب ریگولیشنز، 2016 اور پروفیشنل کلیئرنگ ممبرز (پی سی ایم) ریگولیشنز، 2020 کے مطابق سیکورٹیز بروکرز اور پروفیشنل کلیئرنگ ممبر کی درجہ بندی کے لیے ڈیولپمنٹ اور اپیلی منیشن شراکت دار کے طور پر حصہ لیا ہے۔ یہ اقدام ٹریڈنگ صرف بروکر (Trading only broker) کے تصور کے ذریعے مارکیٹ تک رسائی کو وسعت دے گا تاکہ نئے شرکا کو کم ابتدائی اور آپریشنل اخراجات پر بروکرنگ کا کاروبار شروع کرنے کی ترغیب ملے۔

پی ایس ایکس نے لسٹڈ بیٹ سیکورٹیز بشمول گورنمنٹ ڈیبٹ سیکورٹیز (جی ڈی ایس) کے لیے جامع مارکیٹ میکانگ کا فریم ورک نافذ کیا ہے۔ اس سلسلے میں، دس (10) بڑے بینکوں سرمایہ کار کمپنیوں کے ساتھ نامزد مارکیٹ میکر (ڈی ایم ایم) معاہدوں پر دستخط کیے گئے ہیں اور اس کے علاوہ ETFs کے لیے مسلسل قیمتیں فراہم کرنے کے لیے دو (02) مزید مارکیٹ میکرز کو بھی آن بورڈ کیا ہے۔

کیپٹل مارکیٹ میں سرمایہ کاری میں کو وسیع کرنے کے لیے، پی ایس ایکس نے دیگر SROs اور بروکرنگ فرمز کے ساتھ قریبی تعاون کیا، جیسے تاریخی پیش رفت میں روشن ڈیجیٹل اکاؤنٹس کے ذریعے پاکستانیوں کی اسٹاک مارکیٹ میں سرمایہ کاری اور بروکرنگ فرمز کے لیے آن لائن اکاؤنٹ کھولنے کے عمل کو نافذ کیا گیا۔

آئی ٹی کی کامیابیاں اور اقدامات

پی ایس ایکس اپنے 20 سال پرانے KATS تجارتی نظام (ٹریڈنگ سسٹم) کو تبدیل کرنے کے لیے ایک نیا تجارتی نظام نافذ کر رہا ہے۔ پاکستانی مارکیٹ کے لیے حسب ضرورت (Customization) نظام تعینات کیا گیا ہے اور جو مالی سال 20-21 کی آخری سہ ماہی کے لیے موجودہ تجارتی نظام کے ساتھ متوازی عملدرآمد میں کام کر رہا ہے۔ نیا تجارتی نظام SZSE سے حاصل کیا گیا ہے جو انتہائی قابل اعتماد، بہترین کارکردگی اور کم تاخیر کے ساتھ مضبوط اسکیل ایبلٹی کے ہمراہ محفوظ اور جدید ترین سیکورٹیز ٹریڈنگ سسٹم فراہم کرتا ہے۔ سینئر اسٹاک ایکسچینج میں بغیر کسی تجارتی وقفے کے SZSE کے پاس 17 سال کا ایک حیران کن محفوظ آپریشن ریکارڈ ہے۔ نئے تجارتی نظام کو 2000 آرڈرنی سیکنڈ اور فی دن 4 ملین ٹرانزیکشن کے لیے آزمایا گیا ہے جو کہ موجودہ حجم سے 10 گنا زیادہ ہے۔ اگر مستقبل میں ضرورت پیش آتی ہے تو مزید سرورز کے اضافے کے ساتھ نظام کو با آسانی وسعت دی جاسکتی ہے۔ مگرانی کے نئے نظام کی تعیناتی کے عمل کو کامیابی سے ممکن بنایا گیا ہے اور اسے نئے تجارتی نظام اور PUCARS (لسٹڈ کمپنیوں کے لیے اعلان کے حوالے سے پورٹل) کے ساتھ مربوط کیا گیا ہے۔ یہ نظام اشاریوں کا تجزیہ کرنے اور غیر معمولی تجارتی رویوں کے حجم اور نمونوں کی شناخت کرنے کی ریل۔ ٹائم صلاحیت فراہم کرتا ہے۔

یہاں تک کہ کورونا کی وبائی بیماری اور دیگر غیر متوقع صورتحال کے باوجود بھی، PSX ITD یومیہ بنیادوں پر ٹریڈنگ اور اس سے وابستہ خدمات کو جاری رکھنے میں کامیاب رہا اور مالی سال 20-21 کے دوران ٹریڈنگ کے لیے اپ ٹائم 100 فیصد رہا۔ ایک ہی دن میں سب سے زیادہ تجارت (ٹریڈنگ) کاریکارڈ کی بار توڑا گیا اور مارکیٹ نے ایک ہی دن میں 2.5 ارب حصص کا حجم عبور کیا۔

PSX ITD نے ای-ایمنٹ گیٹ ویز (این آئی ایف ٹی، 1- لنک) کی ویب سروسز کو مربوط کیا۔ یہ TREC ہولڈرز اور بینکوں کو سبسکریپشن کی درخواستیں، سبسکریپشن فیس وصول کرنے، کلائنٹ رجسٹر کرنے اور آن لائن ادائیگی کرنے کے قابل بناتا ہے۔ آن لائن درخواستیں جمع کرانے کی سہولت فراہم کرنے کے لیے PSX ITD کی جانب سے ایک الیکٹرانک ایٹیل پبلک آفرنگ (e-IPO) سافٹ ویئر

(روپے میں '000)

722,578

722,578

160,295

562,283

سال کے لیے منافع
تقسیم کے لیے دستیاب منافع
حتمی کیش ڈیویڈنڈ @2%
بیلنس کیری فارورڈ

فی حصص آمدنی (ای پی ایس):

بنیادی اور ملاوٹ شدہ فی حصص آمدنی مالی سال 20-19 میں 0.24 روپے کے مقابلے میں مالی سال 21-20 میں 0.87 روپے رہی۔

مارکیٹ کی کارکردگی:

سال کا خاتمہ		پارٹیکلرز
30 جون 2020	30 جون 2021	
34,422	47,356	کے ایس ای-100 انڈیکس
6,530	8,297	مارکیٹ میں سرمایہ بندی (کپٹلائزیشن) (ارب روپے میں)
7.6	19.9	اوسطاً یومیہ کی بنیاد پر قدر تجارت - تیار (ارب روپے میں)
3.2	8.6	اوسطاً یومیہ کی بنیاد پر قدر تجارت - آئندہ (ارب روپے میں)
212	555	اوسطاً یومیہ کی بنیاد پر تجارتی حجم - تیار (ملین)
80	142	اوسطاً یومیہ کی بنیاد پر تجارتی حجم - آئندہ (ملین)

مالی سال کے دوران ہونے والی تبدیلیاں

21 جنوری 2021 کو منعقد ہونے والے غیر معمولی اجلاس عام میں، کمپنی نے پی ایس ایکس کی ایسوسی ایٹ کمپنی، پبلسٹک کلائننگ کمپنی آف پاکستان لمیٹڈ میں اضافی ایکویٹی سرمایہ کاری کی تجویز منظور کی تھی۔ جس میں 69,411,706 روپے کی رقم کو 10 روپے فی شیئر مالیت کے حساب سے 2,669,681 آرڈری شیئرز میں تقسیم کیا گیا ہے، جو NCCPL کے حصص یافتگان میں سے ایک، پاکستان کویت انویسٹمنٹ کمپنی (پرائیویٹ) لمیٹڈ کی طرف سے ہوگا، جس میں ہر ایک حصص کی قیمت 26 روپے ہوگی جبکہ فی حصص 16 روپے کا پریمیم بھی اس میں شامل ہے۔

مزید یہ کہ سال کے دوران کمپنی کی جانب سے سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ (CDC) کے اسپانسر کردہ EClean سروسز لمیٹڈ میں 36 ملین روپے کی ایک اور سرمایہ کاری کی گئی۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے جاری کردہ ضابطوں کے مطابق، یہ پہلا پروڈیوٹس کلائننگ ممبر ہے۔

مذکورہ بالا کے علاوہ، 29 جون، 2021 کو منعقد ہونے والے اجلاس میں کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے یہ فیصلہ کیا گیا ہے کہ ضمنی ادارہ (sister concern) تخلیق کرنے کے بجائے ڈیرجر ٹرانزیکشن (demerger transaction) پی ایس ایکس کے مکمل ملکیتی ماتحت ادارہ (wholly-owned subsidiary) تشکیل دے کر حاصل کیا جائے گا۔ یہ ریئل اسٹیٹ مارکیٹ کی بدلتی ہوئی حرکیات اور پی ایس ایکس کے دفاتر کی شاندار ترقی کو بہتر اختیار (control) فراہم کرنے کے پیش نظر تھا۔ پی ایس ایکس کی غیر منقولہ جائیدادوں اور متعلقہ انتظامات کو پی ایس ایکس کے حق میں اس کے حصص کے اجرا کے لیے مکمل ملکیتی ماتحت ادارے میں منتقل کیا جائے گا، قابل اطلاق قوانین کی متعلقہ دفعات کے تحت انتظام کی اسکیم کے ذریعے، جس میں مطلوبہ قانونی اور ریگولیٹری منظوری بشمول شیئر ہولڈرز اور ایس ای سی پی کی منظوری شامل ہے۔

پی ایس ایکس کی مالی پوزیشن کو متاثر کرنے والی اہم تبدیلیاں اور وعدے

پی ایس ایکس کی مالی پوزیشن کو متاثر کرنے والی کوئی اہم تبدیلیاں اور وعدے نہیں ہوئے جو مالی سال کے اختتام کے دوران واقع ہوئے ہوں، جس سے مالی گوشواروں اور رپورٹ کی تاریخ کا تعلق ہے۔

مزید یہ کہ پی ایس ایکس نے 24 ہزار نئے سرمایہ کاروں کو شامل کیا ہے جو کہ UINs میں اضافے کا ثبوت ہے۔ یہ اکاؤنٹ اوپننگ فارم کو آسان بنانے، آن لائن اکاؤنٹ اوپننگ کو متعارف کرانے اور پہلی بار بینکوں اور بروکرز کو ہاؤس کوروشن ڈیجیٹل اکاؤنٹس (RDAs) کے ذریعے بیرون ملک مقیم پاکستانیوں کے لیے کسٹمر اور KYC معلومات ایک دوسرے کے ساتھ شیئر کرنے کے قابل بنائی گئی تبدیلیوں کا نتیجہ ہے۔ اس میں اب مقامی سرمایہ کاروں کے لیے بھی توسیع کی گئی ہے۔ ہمیں یقین ہے کہ یہ اقدامات آنے والے سالوں میں سرمایہ کاروں کی تعداد کو بڑھانے کے حوالے سے معاون ثابت ہوں گے۔ جیسا کہ ہم نئے سال کی جانب قدم بڑھا رہے ہیں، ہم تمام اسٹیک ہولڈرز کے ساتھ کیپٹل مارکیٹس کو وسعت دینے کے لیے تعمیری کام کرنے کے منتظر ہیں۔

دوران سال پی ایس ایکس کی مالیاتی اور مارکیٹ کارکردگی

پی ایس ایکس نے 30 جون، 2021 کو اختتام پذیر ہونے والے سال کے لیے 723 ملین روپے کا قبل از ٹیکس منافع ریکارڈ کیا، جو کہ 30 جون، 2020 کو اختتام پذیر ہونے والے سال کے لیے 190 ملین روپے کے مقابلے میں اسی مدت کے دوران تقریباً 279 فیصد زیادہ ہے۔

30 جون 2020 کو اختتام پذیر ہونے والے سال کے دوران 199 ملین روپے کے آپریٹنگ نقصان کے مقابلے میں، اس سال کے دوران پی ایس ایکس کی جانب سے رپورٹ کردہ آپریٹنگ منافع کی رقم 86 ملین روپے رہی۔ مالی سال 2015-16 کے بعد پی ایس ایکس کو پہلی بار آپریٹنگ منافع حاصل ہوا ہے۔

مالی سال 2020-21 کے دوران، کمپنی کے بورڈ آف ڈائریکٹرز نے فیصلہ کیا کہ ضمنی ادارہ (sister concern) تخلیق کرنے کے بجائے ایک مکمل ملکیتی ماتحت ادارہ (wholly-owned subsidiary) تشکیل دے کر ریل اسٹیٹ ڈیمرجر (real estate demerger) حاصل کیا جائے گا۔ اگر ڈیمرجر جرمائڈ اور حاصل شدہ اکاؤنٹنگ ٹریٹمنٹ میں اس طرح کی کوئی تبدیلی ظہور پذیر نہ ہوتی تو ایسوسی ایشن کی جانب سے منافع کے حصے (share of profit) سے پہلے اور بعد میں آپریٹنگ منافع، قبل از ٹیکس منافع بالترتیب 245 ملین روپے، 273 ملین روپے اور 881 ملین روپے ہوتا۔

مالی سال 2020-21 کے لیے پی ایس ایکس کی کل آمدنی 2.1 ارب روپے ریکارڈ کی گئی جو کہ پچھلے سال کے مقابلے میں 1.373 ارب یعنی 53 فیصد زیادہ ہے، جس کی بنیادی وجوہات مندرجہ ذیل ہیں:

- سال کے دوران، پی ایس ایکس کی جانب سے سالانہ لسٹنگ فیس پر نظر ثانی کی گئی جبکہ TREC اور نان TREC ہولڈرز کو فراہم کی جانے والی سہولیات پر سبسڈی بھی کم کی گئی تاکہ آمدنی اور اخراجات کو بہتر بنایا جاسکے۔ ان اقدامات کے نتیجے میں 30 جون، 2021 کو اختتام پذیر ہونے والے سال میں آمدنی میں 131 ملین روپے کا اضافہ ہوا۔
- غیر یقینی معاشی صورتحال کے باوجود، گزشتہ سال کے مقابلے میں اوسط یومیہ تجارتی اقدار میں اضافہ ہوا یعنی یہ مالی سال 19-20 میں 10.8 ارب روپے کے مقابلے میں مالی سال 20-21 میں 28.6 ارب روپے رہا۔ اسی کے ساتھ ٹریڈنگ فیس جس پر نظر ثانی طویل عرصے سے زیر التوا تھی، جس کے نتیجے میں تجارتی آمدنی میں 349 ملین روپے کا اضافہ ہوا۔
- کم شرح سود کے باعث مارک اپ کی آمدنی پچھلے سال کے مقابلے میں 63 ملین روپے کم ہوئی۔
- NCCPL اور CDC کی بہتر کارکردگی کے سبب ایسوسی ایشن کی جانب سے منافع کا حصہ پچھلے سال کے برعکس 224 ملین روپے زیادہ رہا۔

مینجمنٹ مشکل کاروباری ماحول سے آگاہ ہے اور موثر لاگتی انتظام (کاسٹ مینجمنٹ) پر اس کی توجہ مرکوز تھی۔ مالی سال 2020-21 کے لیے پی ایس ایکس کے مجموعی آپریٹنگ اخراجات 1.378 ارب روپے ریکارڈ کیے گئے جو کہ اسی کے مقابلے میں تقابلی سال میں 1.182 ارب روپے تھے، جو ڈسپوزل احصا یا فنانسنگ میں تقسیم کے لیے رکھے گئے نان-کرنٹ اثاثوں کی دوبارہ درجہ بندی کی وجہ سے 169 ملین روپے کے فرسودگی (Depreciation) کے اخراجات کے سبب یعنی 17 فیصد زیادہ رہے۔ فرسودگی کے اثر کو چھوڑ کر، اخراجات میں اضافہ 2 فیصد سے تھوڑا زیادہ ہے جبکہ یہ افراط زر کی شرح سے بہت کم ہے۔

پی ایس ایکس نے مالی سال 19-20 میں حاصل ہونے والے 194 ملین روپے کے مقابلے میں مالی سال 20-21، کے لیے 696 ملین روپے کا بعد از ٹیکس منافع حاصل کیا۔

ڈیویڈنڈ

پی ایس ایکس کی جانب سے جاری سرمایہ کاری کی سرگرمیوں کے باوجود، جس میں نئے ٹریڈنگ اور سروس پلیٹفم کے نظام کا نفاذ بھی شامل ہے، بورڈ آف ڈائریکٹرز مالی سال 20-21 کے لیے فی حصص 0.20 روپے کے حتمی کیش ڈیویڈنڈ کی سفارش کرتے ہوئے خوشی محسوس کر رہے ہیں، جو حسب ذیل ہے:

پاکستان اسٹاک ایکسچینج لمیٹڈ (پی ایس ایکس) کے بورڈ آف ڈائریکٹرز 30 جون، 2021 کو اختتام پذیر ہونے والے سال کے لیے پی ایس ایکس کے مالی گوشوارے پیش کرتے ہوئے نہایت خوشی محسوس کر رہے ہیں۔

معاشی جائزہ اور عمومی صورتحال

مالی سال 2021 کا اختتام ایک مثبت نوٹ پر ہوا، جس میں کاروباری اعتماد میں بہتری اور خوش کن ترقی کی امید واضح طور پر نظر آئی۔ معاشی سرگرمیوں میں بھی تیزی دیکھنے میں آئی کیونکہ کورونا کے وبائی مرض کے سبب عائد ہونے والی پابندیوں میں نرمی آئی جبکہ 30 جون کو ختم ہونے ساڑھے چار ماہ کی مدت کے دوران 17.4 ملین سے زائد ویکسین کی خوراکیں بھی لگائی گئیں۔

صحت عامہ کے اقدامات کے سلسلے میں زیادہ سے زیادہ تعاون ترقی کو برقرار رکھنے کے لیے اہم ہے، جس کا مظاہرہ کمیونٹیز، کاروباری اداروں اور مقامی حکومتوں نے گزشتہ سال بہترین طریقے سے کیا، جس کا مالی سال 2021 کے لیے عارضی جی ڈی پی نمو کا تخمینہ حکومت کی جانب سے 3.94 فیصد مقرر کیا گیا ہے۔ 2021-2022 کے مجوزہ وفاقی بجٹ سے توقعات ہیں کہ آنے والے مہینوں میں نجی کھپت کے باعث اقتصادی سرگرمیوں کو بڑھاوا ملے گا۔ تاہم، اگر عوامی سطح پر صحت کے حوالے سے خطرات برقرار رہے تو اہم چیلنجز متوقع ہیں، متعدد شعبوں میں بے روزگاری میں اضافے سے صارفین کے جوش میں کمی آئے گی، اور مالی محرکات کی اضافی گردش عوامی اخراجات اور بجٹ خسارے کو مزید بلند سطح تک بڑھانے کا باعث بنے گی۔

وبا کے اس عرصے کے دوران دنیا بھر کی حکومتوں کو غیر متوقع معاشی اور سماجی چیلنجز کا سامنا کرنا پڑا، جس نے عالمی عدم مساوات کی صورتحال کو مزید خراب کیا اور پچھلی وبائی میں انتہائی غربت سے نمٹنے کے لیے کی گئی اہم پیش رفت کو بھی شدید ترین نقصان پہنچایا۔ پاکستان کی اکانومی کا انتظام سنبھالنے والوں (اکنامک مینیجرز) نے تمام اسٹیک ہولڈرز کے ساتھ سرگرمی سے مل کر معیشت کو سہارا دینے اور سماجی زوال کو سنبھالنے کے لیے جارحانہ اقدامات کیے۔ اس عمل کو کامیابی کے ساتھ سرانجام دیا گیا اور احساس جیسے پروگرام، جس کے ذریعے کورونا وبا کے سبب ہونے والے لاک ڈاؤن کے دوران ملک کے غریب ترین پندرہ ملین خاندانوں کو نقد رقم کی فراہمی ممکن بنائی گئی، جسے عالمی سطح پر سراہا گیا۔ جارحانہ مانیٹری اور مالیاتی اقدامات نے معیشت کو سہارا دیا اور اس بات کو یقینی بنایا کہ یہ ترقی کی شاہراہ پر گامزن رہے۔ یہ اقدامات کاروبار اور کیپٹل مارکیٹس کی ترقی کے لیے بھی ضروری تھے۔

ہیڈ لائن افراط زر زیادہ رہا (30 جون تک 9.7 فیصد YoY)؛ خوراک اور توانائی کے اخراجات میں اضافہ ہوا۔ مینوفیکچرنگ میں استعمال کے لیے خام مال کے ان پٹ کے زیادہ درآمدی بلوں کے باعث، سال کے دوران تجارتی خسارے میں 33.4 فیصد اضافہ ہوا۔ اعلیٰ سطح کے کارکنان کی ترسیلات زر 29.3 ارب امریکی ڈالر سے زائد رہی، جس میں مالی سال 21 میں 27 فیصد اضافہ ہو، RDAs کی کامیابی اور برآمدات کے سلسلے میں بہتر کارکردگی نے کرنٹ اکاؤنٹ کے مجموعی توازن کو کافی حد تک بہتر کیا اور زرمبادلہ کے ذخائر بڑھ کر 17.3 ارب امریکی ڈالر یا 42.5 فیصد تک پہنچ گئے۔

اسٹیٹ بینک آف پاکستان (پی ایس بی پی) کی جانب سے کورونا کی وبا کے دوران معیشت کو سہارا دینے کے لیے مالی سال 20-21 کے دوران مانیٹری پالیسی کی شرح 7 فیصد رکھی گئی۔ تاہم، معاشی بحالی کی رفتار، جو کہ جولائی 2021 کے بعد سے توقعات سے تجاوز کر گئی، روپے پر پڑنے والے دباؤ اور افراط زر کو مد نظر رکھتے ہوئے، اسٹیٹ بینک نے بیبنج مارک پالیسی کی شرح میں 25 پبسس پوائنٹس کا اضافہ کرتے ہوئے اسے 7.25 فیصد کر دیا ہے، جو کہ یکم اکتوبر 2021 سے موثر ہے۔

موجودہ سال میں معاشی مشکلات اور چیلنجز سامنے آ رہے ہیں۔ چیئر پرسن کی جانب سے جائزہ، نیز پچھلے سال کا جائزہ ان کو جامع انداز میں حل کرتا ہے۔

نئے IPOs کو راغب کرنے کے لیے جارحانہ اقدامات کیے گئے۔ ہمیں یہ بتاتے ہوئے خوشی ہو رہی ہے کہ مشکل آپریٹنگ ماحول کے باوجود اور گزشتہ سال صفر اور ایک کے مقابلے میں اس سال چھ ایکویٹی اور دو ڈیٹ IPOs کامیابی کے ساتھ انجام پذیر ہوئے۔ دو نئے ETFs اور چار نجی حیثیت کے حامل ڈیٹ ایٹوکی اسٹنگ بھی عمل میں آئی۔

دیگر اہم اقدامات میں، ایکسچینج میں گورنمنٹ ڈیٹ سیکورٹیز میں ٹریڈنگ کا آغاز، کمپنی رجسٹریشن کو ڈیجیٹلائز کرنے کی ریگولیٹری کوششیں، کیپٹل گین ٹیکس 15 سے 12.5 فیصد تک کم کرنا اور NCCPL کے تحت جمع ہونے والے مارجن فنانسنگ پر 10 فیصد دو ہولڈنگ ٹیکس کو ہٹانا شامل ہیں۔ KSE-100 انڈیکس میں 38 فیصد سالانہ اضافہ ریکارڈ کیا گیا اور مارکیٹ کیپٹل ایزیشن 25.5 فیصد بڑھ کر 8.3 کھرب روپے تک پہنچ گئی۔



PAKISTAN
STOCK EXCHANGE

Stock Exchange Building, Stock Exchange Road, Karachi.
E-mail: info@psx.com.pk UAN: +92-21-111-00-11-22
www.psx.com.pk