

PERSPECTIVE

MATTERS

ANNUAL REPORT 2022



PAKISTAN
STOCK EXCHANGE





PAKISTAN
STOCK EXCHANGE

PERSPECTIVE MATTERS

This year we have chosen the theme of 'Perspective Matters' because it is perspective that enhances our understanding of the world around us. It enables us to see the relationship of the parts of a whole from a certain standpoint.

In essence, perspective is an important part of our lives which enables us to see things from different angles allowing us to comprehend matters as a whole and empowering us to take decisions. With the diversity of our experiences, backgrounds, and achievements, each one of us views things from a different perspective and that brings colour, variation and dynamism in our collective lives. As the importance of perspective is weaved into our existence, so is perspective also at the heart of our financial decisions. In capital markets, perception based on information that we receive leads us to take financial decisions, valuation shapes our investment decisions, ambition helps us to build a suitable portfolio for our financial growth, and vision facilitates our future course of action in the stock market.

At PSX, our vision is based on the perspective that by providing best in-class regulatory, operational, and technological support and services, along with a robust governance structure, we can provide a consummate experience to all our stakeholders and market participants. PSX welcomes you in celebrating the importance of perspective in the FY 2021-22 edition of the Annual Report.

CONTENTS

08	CORPORATE INFORMATION	113	STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019
10	VISION & MISSION	118	INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS
12	ABOUT PSX	122	FINANCIAL STATEMENTS
15	PSX DEVELOPMENTS & ACTIVITIES	165	PATTERN OF SHAREHOLDING
24	PRODUCTS AND SERVICES	167	CATEGORIES OF SHAREHOLDERS
34	MARKET PERFORMANCE (PERFORMANCE OF TOP 10 SECTORS BY MARKET CAP)	168	AUDITORS' REPORT ON OPERATIONS & IT SYSTEMS
38	MARKET HIGHLIGHTS	177	AUDITORS' REPORT ON REGULATORY FUNCTIONS
56	ORGANIZATIONAL STRUCTURE	180	FORM OF PROXY
64	BOARD OF DIRECTORS' PROFILES	194	DIRECTORS' REPORT (URDU)
77	SENIOR MANAGEMENT PROFILES		
86	NOTICE OF ANNUAL GENERAL MEETING		
94	CHAIRPERSON'S REVIEW REPORT		
98	MD & CEO REVIEW 2022		
102	DIRECTORS' REPORT (ENGLISH)		
112	REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019		



A full-page background image featuring a large iceberg floating in a deep blue ocean. The iceberg's tip is visible above the water surface, while its much larger, jagged base is submerged below. The word "VIS" is written in a large, white, serif font, positioned on the right side of the image and partially overlapping the submerged part of the iceberg.

VIS

ION MATTERS



CORPORATE INFORMATION

Board of Directors

Dr. Shamshad Akhtar (Chairperson of the Board)	Independent Director
Mr. Farrukh H. Khan (Chief Executive Officer)	Executive Director
Mr. Ahmed Chinoy, H.I., S.I.	Non-Executive Director
Mr. You Hang	Non-Executive Director
Dr. FU Hao	Non-Executive Director
Ms. Yu Huali	Non-Executive Director
Mr. Jiang Ketao	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, H.I., S.I. (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 Advisor

Mohsin Tayebaly & Co., Corporate Legal Consultants

Shariah Advisor

Alhamd Shariah Advisory Services (Private) Limited

Bankers

Allied 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, South Tower Ground Floor,
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

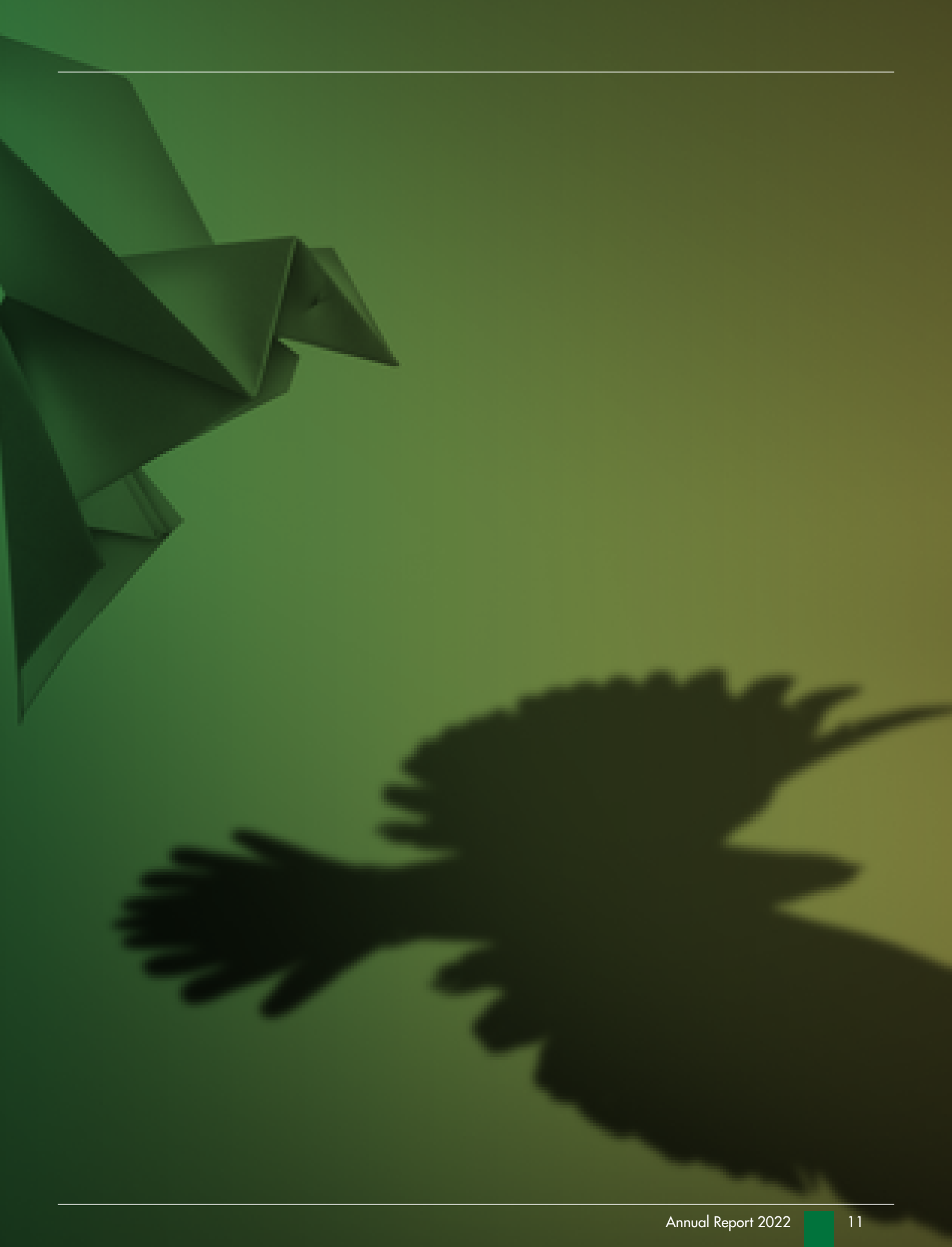
www.psx.com.pk

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) 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.

Pakistan Stock Exchange has now progressed as an Exchange that provides best in-class services and offerings to all our stakeholders, investors, issuers and market participants.

THIS PAGE IS LEFT INTENTIONALLY BLANK

PSX FY 2022 AT A GLANCE

Fiscal year 2022 has been a year of great highs and lows, with the economy continuing the upward momentum at the start of the year followed by a downward trend on account of the instability in the government because of the vote of no confidence, leading to precarious economic conditions.

Pakistan Stock Exchange, as the country's national bourse, widely used by investors as the yardstick for measuring the strength of the economy, saw the KSE-100 index closing at 40,540 on June 30th 2022 (vs 47,356 on June 30th 2021) decreasing by 12%. By the end of the financial year, 530 companies were listed on the local bourse, with a total market capitalization of PKR 6.95 trillion.

During the fiscal year, PSX also achieved seven listings including two (Class A and convertible) preference shares issues in the equity segment on the Main Board raising an aggregate of PKR 15,172 million. The listings were of Citi Pharma Limited, Pakistan Aluminium Beverage Cans Limited, Air Link Communications Limited, Octopus Digital Limited, Adamjee Life Assurance Company Limited, Jahangir Siddiqui & Co. Limited (Class A – Preference Shares) and Husein Sugar Mills Limited (Convertible Preference Shares). Three new listings on the GEM Board took place raising a total of PKR 1,118.705 million. These listings were of Pak Agro Packaging Limited, Universal Network Systems Limited, and Supernet Limited.

On the debt side, a total of PKR 11.6 billion were raised through public issuance at the Exchange which included Sukuks by Hub Power Holdings Limited and Mughal Iron Steel Limited, Commercial Paper by Next Capital Limited, and TFC by JS bank Limited.

PSX also added two (02) new Exchange Traded Funds (ETFs) in the last fiscal year namely Alfalah Consumer Index ETF and JS Momentum Factor ETF, taking the overall number of ETFs available in the Exchange to six (06).

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 with plans to introduce world-class trading infrastructure from technological perspective as well as innovative investment products for the investors.

	June 30, 2022	June 30, 2021
No. of Listed Companies	530	532
Listed Capital (PKR Mn)	1,525,899	1,442,639
Trading Volume - Ready Mkt + DFC (Mn)	101,657	166,528
Trading Value - Ready Mkt + DFC (PKR Mn)	3,567,317	6,920,666
Market Capitalization (PKR Mn)	6,956,507	8,297,305
KSE 100 Index	41,540	47,356
KSE 30 Index	15,805	18,962

PSX DEVELOPMENTS AND ACTIVITIES

Key Achievements Organization Wide

Pakistan Stock Exchange as a frontline regulator continued to perform robustly with regard to the capital market development plan and to enhance the capital market for the benefit of investors, issuers, market participants and other stakeholders. In FY2022, PSX continued to make headway in listings, regulatory and other departments with new offerings and products brought to the market.

In the current period under review, several equity & debt listings were achieved. Moreover, Shariah trading platform for Roshan Equity investors, 90 Day DFC regime, and regulatory enhancements were introduced. Numerous investor and issuer awareness sessions as well as gong ceremonies were held. Partnerships were developed with various organisations including Small & Medium Enterprises Development Authority (SMEDA) and National Incubation Center (NIC) to promote GEM listings. In the tech sector, an MoU was signed with Pakistan Software Export Board (PSEB) whereby they would cover 70% of the costs of listing of tech companies opting to list on the GEM Board of PSX.

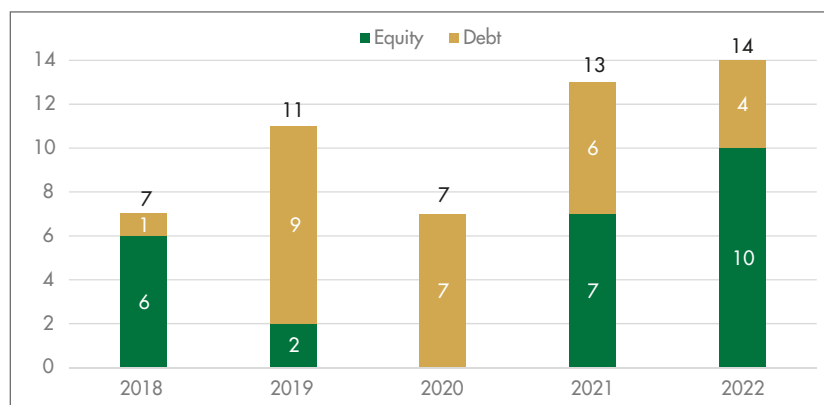
In a milestone development, Pakistan Stock Exchange joined the Sustainable Stock Exchanges (SSE) Initiative to build capacity for promotion of responsible investment in sustainable development, signed an Agreement with Deutsche Börse AG for market data services, and held the World Investor Week in collaboration with World Federation of Exchanges (WFE) of which PSX is an Affiliate Exchange. Furthermore, on account of its exceptional performance in terms of offering Shariah compliant products, debt and equity listings, PSX was awarded the Best Islamic Stock Exchange Award 2021 presented by Global Islamic Finance Awards (GIFA).

We have successfully reopened the IPO window. Excellent momentum and greater awareness has been created. During the fiscal year, PSX achieved seven (7) listings in the equity segment on the Main Board. These listings comprised of five (5) new company listings and two (2) (Class A and convertible) preference shares issues. The listings were those of Citi Pharma Limited, Pakistan Aluminium Beverage Cans Limited, Air Link Communications Limited, Octopus Digital Limited, Adamjee Life Assurance Company Limited, Jahangir Siddiqui & Co. Limited (Class A – Preference Shares) and Husein Sugar Mills Limited (Convertible Preference Shares), raising an aggregate of PKR 15,172 million.

On the new and innovative GEM Board of PSX, three (3) new listings were added. These were Pak Agro Packaging Limited, Universal Network Systems Limited, and Supernet Limited. The capital raised, thereby, was PKR 1,118.705 million.

On the debt side, a total of PKR 11.6 billion were raised through public issuance at the Exchange which included Sukuks by Hub Power Holdings Limited and Mughal Iron Steel Limited, Commercial Paper by Next Capital Limited, and TFC by JS bank Limited.

In essence, so far, trading in three (3) GEM Board companies has commenced out of which two (2) issues were oversubscribed leading to new funding raised from accredited investors of PKR 1.12 billion. Five (5) Equity IPOs took place this year leading to new funding raised of PKR 15.2 billion. Further, two (2) listings of preference shares and four (4) debt issuances also took place during this year. In addition, 14 right issues were announced, raising PKR 29.1 billion.



PSX also added two (02) new Exchange Traded Funds (ETFs) in the last fiscal year namely Alfalah Consumer Index ETF and JS Momentum Factor ETF taking the overall number of ETFs available in the exchange to six (06). PSX has launched two (2) new equity indices to serve as the benchmark of new ETFs.

The bourse witnessed record Average Daily Traded Volume (Ready + Futures) of 408 million shares in FY22. The Average Traded Value (Ready + Futures) was around PKR 14.3 billion in FY22.

The successful relaunch of Sahulat Account witnessed significant increase in UIN population during FY2021-22 resulted from introducing an ease in digital on-boarding process and Sahulat Accounts. 65% of the new accounts opened digitally in the recent months. Moreover, PES (PSX's e-IPO System) continued to contribute to increase in UINs while providing retail investors an avenue to participate in IPOs.

Reduced rate of 3% on services extended to REIT Management services and National Clearing Company of Pakistan Limited have been introduced.

Listing revenue have increased by over 80%, from PKR 378 million in FY 2018-19 to PKR 682 million in FY 2021-22. Data vending revenue have doubled from PKR 44 million to PKR 87 million in the same period.

PSX is proactively working with the SECP, State Bank of Pakistan (SBP), and SROs etc., to structurally improve the GDS secondary market trading mechanism, whereby clearing, settlement and risk management roles shall be performed by NCCPL. The proposal is in the final stages.

PSX facilitated Wallet accounts opening via one-to-one Shared KYC arrangement. These developments hold great promise for future growth of UINs:

- a. 1,107 accounts opened by two brokers as of July 26, 2022
- b. SIT in progress with two brokers - Expected August 2022
- c. Virtual trading platform launched - Expected October 2022

CEOs forum was introduced with representation of CEOs, COOs and Operations heads of SROs, for regular oversight of projects and initiatives across all SROs.

After two decades, the voluntary delisting regulations were holistically reviewed and redrafted. All the members of the Voluntary Delisting Committee unanimously approved the proposed amendments to the VD Regulations.

Risk Registers were prepared for each department and overall the PSX as an Institution.

Pakistan Stock Exchange has been at the forefront of financial innovation, offering new products and services to market participants and stakeholders. In addition, market activity seen during the year and extensive investor & issuer awareness sessions through webinars and in-person sessions has advanced the national bourse towards a new benchmark of success. As an example, the Business Development team introduced a course outline for Public Listing and spearheaded efforts in collaboration with the Institute of Financial Markets of Pakistan (IFMP) to offer the workshop to CFOs, Finance Managers, and Advisors.

New CRO and CIO have have been appointed which are critical in strengthening the PSX senior team in key areas.

A number of trainings were conducted on information security, business continuity and risk management for PSX staff, to improve awareness and understanding of such risks.

PSX aims to achieve the objective of adding value to our human resources. As it is, a happy, committed and hardworking team at PSX has improved resilience of the Exchange. So much so that smooth market operations continued despite monsoon rain flooding and a stressful operating environment. Measures have also been taken to improve the physical security of the PSX compound.

Product Management & Research

PSX introduced 90 days' futures contracts and revised the futures eligibility criteria for selection of securities eligible for trading in DFC market. PSX is also aligned to introduce single stock options for the market participants as the regulatory framework for deliverable single stock options has also been approved by SECP.

PSX signed an agreement with the leading marketplace organizer Deutsche Börse AG, to address new data needs, identify opportunities, and increase the visibility of data from Pakistan's capital markets internationally. Currently, the transitioning of our existing international client portfolio is in process. Through this agreement, PSX will develop new user base by leveraging access to an extensive network of data vendors, broker-dealers, asset managers, institutional investors, and banking groups. On the domestic front, PSX is reaching out to more customers with tailored fee schedules and customized service offerings while developing new licenses for partnerships with commercial banks. This highly reliable connectivity platform is being scaled for further expansion as PSX intends to introduce a variety of licenses for issuers and other corporate clients.

PSX is in final stage to launch PSX Dividend 20 index which is designed to track the performance of top 20 dividend paying companies on the basis of trailing 12-months dividend yield. This Index shall also serve as a benchmark for dividend-based strategies i.e., the market participants would be able to compare the performance of their dividend paying funds/portfolios with the benchmark.

PSX is working with asset management companies to develop and list additional Exchange Traded Funds (ETF), focusing on the new asset class strategies. Work on Pakistan's first fixed income ETF is underway. It will provide investors a low risk product and a diversification avenue in the capital markets.

PSX is also in process to introduce a new "Property" sector to inform investors about the performance of listed companies operating in the Real Estate segment of the economy.

In order to cater to the demands of Shariah conscious Roshan Digital Account (RDA) holders, PSX, in collaboration with Meezan Bank, has provided a dedicated Shariah trading platform on KiTS. RDA clients of any Islamic Bank can now avail a dedicated Shariah compliant trading platform using increased number of brokers thereby getting access to a more competitive service. PSX hopes that this will generate interest and confidence in the Non-Resident Pakistanis to securely invest in the capital market in Shariah compliant manner. Furthermore, now with development in KiTS, the service can be offered by many interested TREC-Holders.

PSX is also working towards the promotion of responsible investment in sustainable development and help improve corporate performance on Environmental, Social and Governance (ESG) issues. In addition to joining the Sustainable Stock Exchanges (SSE) Initiative of UN, PSX is also working towards the development of sector wide ESG standards for adoption by listed companies.

Listing

Equity Listings

Pakistan Stock Exchange Limited (PSX) successfully listed five (5) new companies, namely Citi Pharma Limited, Pakistan Aluminium Beverage Cans Limited, Air Link Communication Limited, Octopus Digital Limited and Adamjee Life Assurance Company Limited. The five newly listed companies in aggregate raised PKR 15,172 million from the capital market.

The Prospectus of International Packaging Films Limited and Secure Logistics Group Limited were approved by both Pakistan Stock Exchange Limited as well as Securities & Exchange Commission of Pakistan during the FY 22; however, due to local, unstable political conditions as well as the volatile global equity markets, both the Issuers decided not to go public in the second half of FY 22. The Prospectus of Regal Automobiles Industries Limited was also approved by PSX in FY 22 but SECP approval to the same is awaited.

Moreover, during the FY 2021-22 Jahangir Siddiqui & Co. Limited issued 183,188,477 Class "A" preference shares and Husein Sugar Mills Limited issued 14,445,000 preference shares by way of right issues.

Debt Security Listings

Pakistan Stock Exchange Limited successfully listed four (4) debt securities during FY 2021-22. The debt securities had a combined issue size of PKR 11,600 million.

Growth Enterprise Market (GEM)

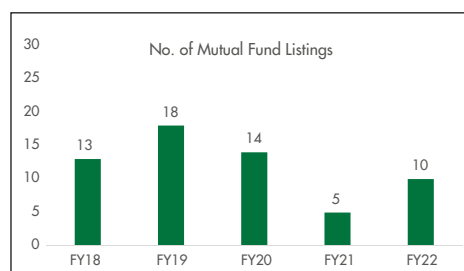
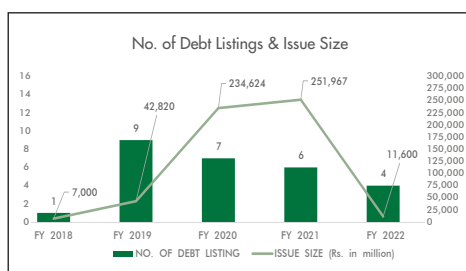
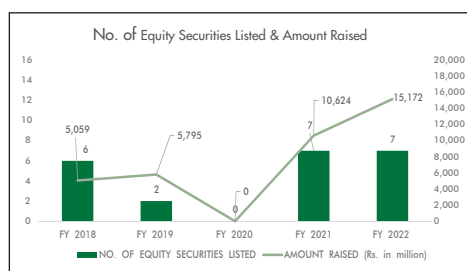
In the FY 2021-22, the GEM Board took off with three successful listings witnessed in the Transport, Technology & Communication, and Paper & Board sectors. The growth companies namely Pak Agro Packaging Limited, Universal Network Systems Limited, and Supernet Limited, together raised PKR 1,119 million from the capital market.

Exchange Traded Funds (ETFs)

The Exchange listed 2 ETFs, namely JS Momentum Factor Exchange Traded Fund and Alfalah Consumer Index Exchange Traded Fund during FY 2021-22. JS Momentum Factor ETF is tracking JS Momentum Factor Index, and Alfalah Consumer ETF is tracking Alfalah Consumer Index.

Open-end Mutual Funds

The Exchange successfully listed ten (10) Open-end Mutual Funds during FY 2021-22, which was twice the number that was listed during the previous financial year. The funds listed during the year constituted a total fund size of PKR 4,663 million.



Launching of PRIDE

The Exchange achieved a major milestone when it launched an online portal devised to automate the listing process from end-to-end by allowing Lead Managers/Advisors/Consultants to submit all listing documentation electronically. The portal has been named "PRIDE" which is short for "Public-offerings Revolutionized through an Integrated and Digitized Experience." PRIDE shall improve work flow and shall enable listing applications to be processed on a fast track basis.

Human Resource

Sourcing & Employer Branding:

HR kept its focus on building and promoting PSX as a preferred brand in the market. Recruitment drives in top tier universities were conducted. Fresh graduates and interns were handpicked from IBA and FAST to nurture and strengthen our talent pipeline. PSX, recently, in collaboration with CDC and NCCPL, has launched the 'Capital Market Future Leaders Program'. It is the first one of its kind with the idea to provide a holistic view of the Capital Market to the trainees but more importantly, to give them a head start on their path to establish their career within the Pakistan's Capital Market. We were able to attract a great talent pool through this combined initiative and we aim on making this even better in the coming years. In addition, for the fresh recruits, Mentorship/ Buddy Program is running as a regular feature which helps them in their initial days and provide coaching for personal growth as well as their self-development. Furthermore, our high potential staff get an opportunity to indulge themselves in a meaningful dialogue with the CEO, vide our 'Partners in Progress' Program where the CEO and participants share ideas on future growth.

Learning & Development:

At PSX, we consider our employees as our biggest asset and we strongly believe in continuously grooming and developing them both at the personal and professional levels. A learning and development strategy is fruitful for sustainable growth and long term success. We aim to develop a workforce which is equally capable, skillful and competent for better results. To strengthen the skillset, multiple operational trainings were conducted which were domain specific and helped us achieve our aim of greater productivity and increased efficiency. In addition to this, to highlight the importance of a healthy work environment and collaborative culture, PSX worked with one of the leading training companies on leadership, teamwork and

culture building workshops. A quarterly three days Orientation Program on Capital Market to our new hires is another key feature which happens regularly where, along with our core business areas, SECP, CDC and NCCPL also participates and share their overall working and its linkage with Capital Market growth. Moreover, the Exchange is rigorously following UNDP's Sustainable Development Goals (SDG) initiatives and taking impactful steps to achieve success. Along with all that, we kept our focus on importance of sports, for which a cricket match was organized among various internal teams and a table tennis table and foosball got permanently placed in cafeteria.

Workplace Health and Well-being:

During the pandemic, we closely monitored the situation and remained vigilant throughout the multiple waves of COVID, where we facilitated our staff to work from the safety of their homes for their health and wellbeing. In addition to this we also arranged a free of cost vaccination camp at PSX's premises for employees, support staff and their dependents. Furthermore, HR department collaborated with OMI Hospital and arranged 'Health Awareness Sessions' with their highly experienced and renowned doctors on two of the very commonly occurring problems; 'Cardiovascular Disease' led by Dr. Syed Nadeem Rizvi, and on 'Orthopedics' where Dr. Muhammad Raja Shahzad gave some insight on the subject. Another session was held to familiarize our staff with free online 24/7 medical service known as the 'Sehat Kahani Corp App' which can be used by employees and their families (including parents) in case of emergency or for normal consultation. Hence it is safe to say that as one PSX family, we were able to combat these tough times together by following the right protocols and strategies.

Information Technology

90 Days Future Contracts

PSX ITD successfully implemented 90 Days Future Contracts regime in Trading System. 90-day DFC open each month such that the market will have three different maturities (current month expiry, next month expiry and last month expiry) at the start of each contract month.

E-IPO

E-IPO is an automated system connecting investors and share registrars using a PSX facilitated platform. Investors are enabled with electronic payment and settlement via their respective banks through payment gateways including NIFT and 1Link. Investors' accounts are additionally verified with their CDC accounts wherever present. The PSX ITD has developed the system to digitally transform the IPO process through the E-IPO project.

PRIDE

PRIDE is a state-of-the-art web portal aimed at achieving the Exchange's target of "Public Offerings Revolutionized through an Integrated and Digitized Experience". PRIDE employs the cutting-edge technology and enables a comprehensive, digitized and secure workflow and document control mechanism. The experience is a smooth and interactive process, assisting both PSX and the client company proceeding through the listing process.

GEM Board

The PSX ITD developed The GEM Board, a listing platform created to facilitate growth enterprises whether small, medium or greenfield businesses for their capital raising needs. The GEM Board will support the financing needs of the hugely important and vibrant SME sector by enabling them to raise debt and equity capital at a low cost and with ease. The new Board will also help in the full value chain of early stage financing as such investors will now have a viable exit mechanism via listing on the GEM Board.

Shariah-compliant trading platform for RDA clients

New Shariah-compliant trading platform has been developed in-house by PSX ITD. New platform enables Non-Resident Pakistanis (NRPs) to securely invest in their homeland's capital market in a shariah-compliant manner. Trading platform will be available through the online trading system provided by PSX called Karachi Internet Trading System (KiTS).

Marketing & Business Development

The Marketing & Business Development team carried out key activities responsible for propagating a positive image of the Stock Exchange with the objective of developing further business for the Exchange. Events were organized, gong ceremonies held, sessions for investor education & issuer awareness were conducted, press releases issued, and digital marketing efforts, among other activities, continued in full swing in fiscal year 2021-22 to promote the Exchange as an efficient and transparent platform for building wealth and raising capital.

Business Development:

The Business Development team targeted potential issuers by holding events and seminars for regional Chambers of Commerce & Industry, Trade Associations and other professional bodies. Efforts were made to solidify a listing pipeline and increase the number of listings for the Main as well as the Growth Enterprise Market (GEM) Board while focusing on debt market development. Awareness sessions for the GEM Board and existing products were conducted in all the regions of Pakistan with the aim of apprising companies about the benefits, regulatory structure and other opportunities of listing on the GEM Board. Partnerships were developed and signed with various organizations including SMEDA and National Incubation Center, to promote GEM listing. In the tech sector, to encourage companies to list on the GEM Board, an MoU was signed with Pakistan Software Export Board (PSEB) whereby they would cover 70% of the costs of listing of tech companies opting to list on GEM Board. Karandaaz was also reached out to in an effort to support listing of SMEs whereby they agreed to provide grant for the coverage of listing expenses of ventures opting to list on the GEM Board. TREC Holders, banks, accounting firms and relevant parties were also briefed on GEM Advisory.

In terms of the debt market, Bond Automated Trading System (BATS) was promoted to securities brokers. Moreover, Habib Bank Limited was persuaded to build innovative debt structures, introduce more asset classes and issue debt through PSX.

A total of four new debt listings, seven Main Board and three GEM Board listings were added on PSX in the fiscal year 2021-22. Two market makers for debt securities were also on-boarded on PSX in the current period under review.

Brand Communication and Events:

Branding activities were carried out through multifarious activities. Gong ceremonies were held for onboarding market makers, celebrating International Women's Day and welcoming dignitaries & distinguished guests. World Investor Week in collaboration with World Federation of Exchanges (WFE) was launched through an elaborate gong ceremony held at the Exchange.

Annual Report FY2021, PSX diary 2022 and calendar 2022 were completed within the stipulated timelines. Moreover, as a goodwill gesture, PSX sent New Year Assortments to senior professionals, decision makers, and stakeholders on the advent of the New Year 2022.

PSX brand was further strengthened through the announcement of PSX Top 25 Companies Awards 2020. PSX was also the proud recipient of the Best Islamic Stock Exchange Award 2021 presented by Global Islamic Finance Awards (GIFA). The PSX Newsletter was launched by the PSX team to keep stakeholders and others abreast of the activities at the Exchange. A landmark achievement was PSX joining the Sustainable Stock Exchanges (SSE) Initiative which is a partnership program under the auspices of the UN organized by UN supported platforms like United Nations Conference on Trade and Development (UNCTAD), the UN Global Compact, United Nations Environment Programme Finance Initiative (UNEP-FI) and the Principles for Responsible Investment (PRI). PSX's joining of the SSE Initiative was publicized elaborately through press release, PSX website and social media posts.

Investor Education:

The MBD team regularly held investor education sessions for students and faculty members of various academic institutions as well as for various Chambers of Commerce & Industry, professional bodies and Associations. More than 240 such sessions and meetings were held nationwide throughout the fiscal year.

Online sessions were also held to increase PSX's outreach. Corporate Analyst Briefings were held online or on hybrid basis nationwide. For investor education, the MBD team went a step further and engaged a professional of the capital markets from a leading university of Pakistan to teach a course named 'Investing 101: Stock Market for Beginners' through the digital platform for the benefit of (prospective) investors nationwide.

Articles were published for investor education and increasing awareness of market participants. These articles focused on informative and educational topics such as Sahulat Account, Online Account Opening, and Investor Protection. Animated tutorials were also published and promoted for investor education and awareness.

Public Relations & Media:

Media monitoring was carried out throughout the year and media relationship was leveraged to reflect a positive image and for reputation management of the Exchange. The rollout and rollback of the New Trading System (NTS) was effectively managed for damage control through press releases and interviews of PSX spokesperson(s) in the media. A press release was also issued in various newspapers to announce the recipients of the PSX Top 25 Companies Awards 2020. A special supplement was issued in a leading English newspaper on PSX's winning of the Global Islamic Stock Exchange Award 2021 presented by GIFA. Furthermore, numerous press releases and announcements were issued to the media such as PSX's roundtable with Khyber Pakhtunkhwa (KP) Finance Minister and key industry leaders, PSX's signing of exclusive data licensing agreement with Deutsche Börse AG (DBAG), and PSX's joining of Sustainable Stock Exchanges (SSE) Initiative. The Sahulat Account was also promoted via press releases in numerous newspapers nationwide. Overall, a total of 28 press releases were issued in major English and Urdu dailies in the current period under review FY 2021-22.

Digital Marketing:

On the digital front, the PSX website was continuously utilized to announce and promote new product offerings, new listings, SDGs, and learning & development with regard to the capital market. A new digital offering, 'My Portfolio', was launched to help promote the understanding of the stock market whereby users can invest on real time basis but with virtual money on this web-based application. This was a significant development towards disseminating practical investor awareness and education. Various social and multi-media channels were utilized to promote the Stock Exchange through posts and tweets. Webinars totaling 27 were held on standalone basis or with third party collaboration on numerous products and offerings of the Stock Exchange. Moreover, third party trainings and workshops were also promoted digitally by the MBD team.

Corporate Social Responsibility & Sustainability Update

Corporate Social Responsibility activities focused on SDG activities in terms of contributions for the betterment of the society in spheres of health and education. In health and social welfare CSR category, PSX made significant contribution for the healthcare needs of ailing patients through Patients' Behbud Society for Aga Khan University Hospital. In the same category, PSX initiated and carried out a ration drive in collaboration with Orange Tree Foundation. This initiative had the sole purpose of supporting the underprivileged and the needy in the holy month of Ramzan. 94 families were sponsored under this program and were successfully provided sufficient rations during the month of March, 2022.

In terms of educational activity, in line with its CSR commitment, PSX provided educational support to five children of the Deaf Reach School for a period of one year. The Deaf Reach School is an initiative of Family Educational Services. Pakistan Stock Exchange also sponsored a book named, 'Economy of Modern Sindh' as part of its efforts to increase the literacy on the economy of Sindh amongst the students of universities and the general public. PSX also contributed to the Arts by presenting funds to the Biennale Trust in order to support Pakistani artists and arts performers.

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.

During the year 2021-22, 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:

Implementation of New Broker Categorization Regime:

With an aim to minimize custody risk and safeguard interests and assets of investors, new broker regime and concept of PCM have been introduced. In order to ensure smooth transition, RAD played an instrumental role in devising the SOPs for operationalization of PCM, new category of TO broker with limited custody and customization of audit scope according to the different broker categories. The new regime also necessitated compliance with new Financial Resource Requirements [FRR] applicable on each broker category. RAD effectively managed to ensure timely compliance by all brokers with their respective FRR within stipulated time.

Introduction of Regulations Allowing Securities Brokers to Open Account Facilitation/ Customer Help Centers:

RAD has implemented a new regulatory framework to allow brokers to open Account Facilitation/ Customer Help Centers, in addition to Branch Offices and use sales staff and offices of designated financial institutions such as banks, mutual funds etc. to market their brokerage business and products. Opening such center would offer various benefits, including but not limited to increasing capital market outreach, attracting more investment by increasing customer base particularly from remote areas and creating ease of entry due to lower requirements than opening and maintaining branch offices.

Allowing Brokers to Open Trading Account of a Local Customer Based on KYC Information Shared by Designated Local Banks:

In addition to providing enabling regulatory environment for opening online accounts through multiple sources, PSX Regulations have been additionally updated to enable the securities brokers to open trading accounts of customers based on KYC information shared by designated banks in Pakistan and open online account by utilizing the services of any other authorized entity.

Enhancement of Format of Clients' Assets Segregation Statement:

The format of Clients' Asset Segregation Statement, which is filed with PSX every fortnight by every broker, had been broadened with an aim to enhance transparency and clarity on status of segregation of clients' assets from the assets held by employees and shareholders in addition to house account of broker.

Automation of Compliance and Monitoring:

As part of RAD's drive to promote paperless and swift filing of regulatory reports and information, RAD has ensured e-filings by brokers in the following areas in THIMS:

- Submission of Monthly Liquid Capital Statement;
- Submission of Monthly Net Worth Statement;
- Quarterly Submission of Website Compliance Report;
- Quarterly Submission of Customer Grievances Report;
- Fortnightly Submission of CAS Statement on Enhanced Format; and
- Collateral Management Database.

Targeted Thematic Reviews in High-Priority Areas:

In order to enhance regulatory awareness and promote compliance culture among securities brokers, RAD shortlisted high priority areas which directly affects the customer of securities brokers such as transmission of clients' trade confirmation, quarterly account statements, call recordings and charging of minimum brokerage commission etc. In this regard, Thematic Reviews of securities brokers were conducted in those areas and enforcement actions against non-compliant securities brokers were taken.

Revival of Companies Placed on Defaulters' Segment:

RAD constantly engages with companies placed in the Defaulters' Segment in order to facilitate them in ensuring regulatory compliances and restore their normal listing and trading status in the larger interests of the shareholders and market. As a result, 13 companies were shifted to Normal Counter during the year, including revival of 05 companies through change of management.

Investor Education and Regulatory Awareness:

As part of RAD's mandate to safeguard the rights and interest of investor, RAD initiated investor literacy and regulatory awareness drive. In this regard, webinars, sessions, regular notifications, clarifications, interpretations and investor bulletins were issued from time to time. RAD has ensured creation of dedicated space on PSX website where relevant information is displayed.

Trading & TREC Affairs Department

In a major move forward, Pakistan Stock Exchange (PSX) launched another trading platform i.e. Growth Enterprise Market (GEM) Board to facilitate trading of growth companies in the secondary market. So far, trading in three (03) GEM Board companies has commenced; Pak Agro Packaging Limited (GEMPAPL), Universal Network Systems Limited (GEMUNSL) and Supernet Limited (GEMSPNL). In this regard, PSX has also issued a clear and convenient criteria regarding eligibility of Accredited Individual Investor (AII) and ease in requirement of self-declaration. The process of maintaining the eligibility is further eased by introducing an automated UIN marking mechanism.

Moreover, PSX has launched 90-days maturity Deliverable Futures Contracts (DFC) 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.

Further, in continuation to the ongoing efforts of capital market development, PSX has actively participated in the implementation of new Brokers regime introduced by the SECP. So far 35 Securities Brokers have been successfully converted to Trading Only (TO) category and most of them signed up with the Professional Clearing Member (PCM) for clearing and custody services. PSX has also facilitated limited custody model variant under the TO category.

In order to further strengthen and leverage on the relationship between Banks and Brokerage firms, PSX facilitated the implementation of KYC sharing between Banks and the Brokers. This is a landmark initiative in improving the client on-boarding process for opening brokerage account and is expected to contribute significantly to the investor base and to improve the overall on-boarding experience of the investors. Furthermore, PSX continued its efforts to expand its outreach and become accessible, particularly to retail investors, through implementation of simplified account opening procedures and documentation for Sahulat accounts and improvements in online account opening facility.

Legal & Corporate Affairs Department

During the financial year, the Legal and Corporate Affairs Department (the Legal Department) of Pakistan Stock Exchange Limited (PSX or the Exchange) regulated & facilitated the efficient conduct of meetings of the Board, relevant Committees and the General Body in a timely basis; completed necessary filings; and ensured compliance with all legal and regulatory requirements. Besides, the shareholders of PSX were served on various matters related to their shareholding in a timely manner.

The Legal Department ensured that PSX's interests are safeguarded from a legal perspective when it enters into business relationships with outsiders or takes any action having legal consequences through the timely provision of legal opinions to the Board, its Committee(s) or any department(s) of the Exchange. The Legal Department managed a significant proportion of the legal work internally (in-house) to save the organisation cost. All legal documents were vetted properly, and suggestions/comments thereon were conveyed to the concerned departments within a reasonable period. The contingencies in respect of legal matters of PSX which stood at PKR 11.3 billion as of June 30, 2019, were reduced to PKR 420 million as of June 30, 2022, with continuous efforts made by the Legal Department.

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

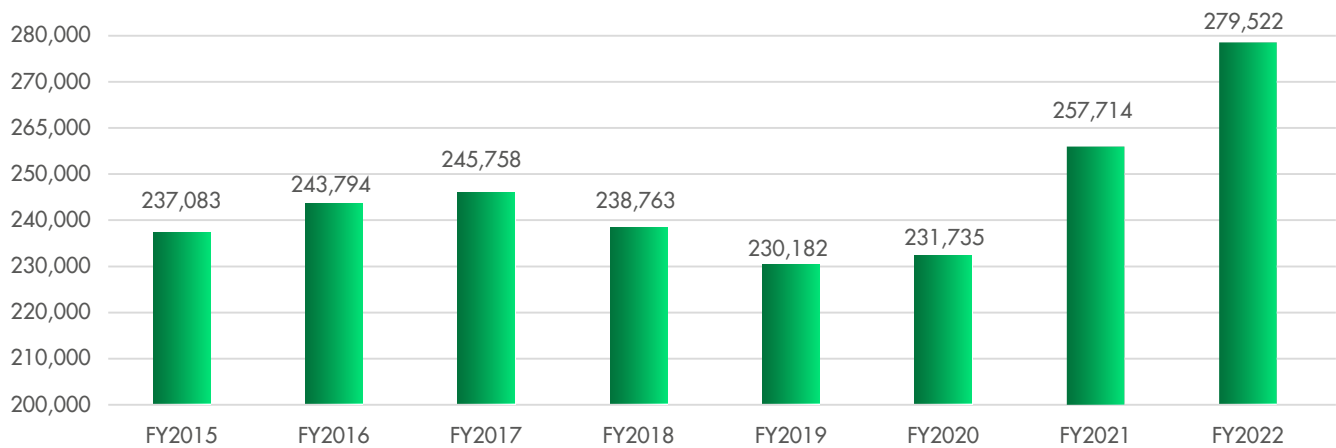
Key Financial Highlights (Six Years at a Glance)

2017 2018 2019 2020 2021 2022

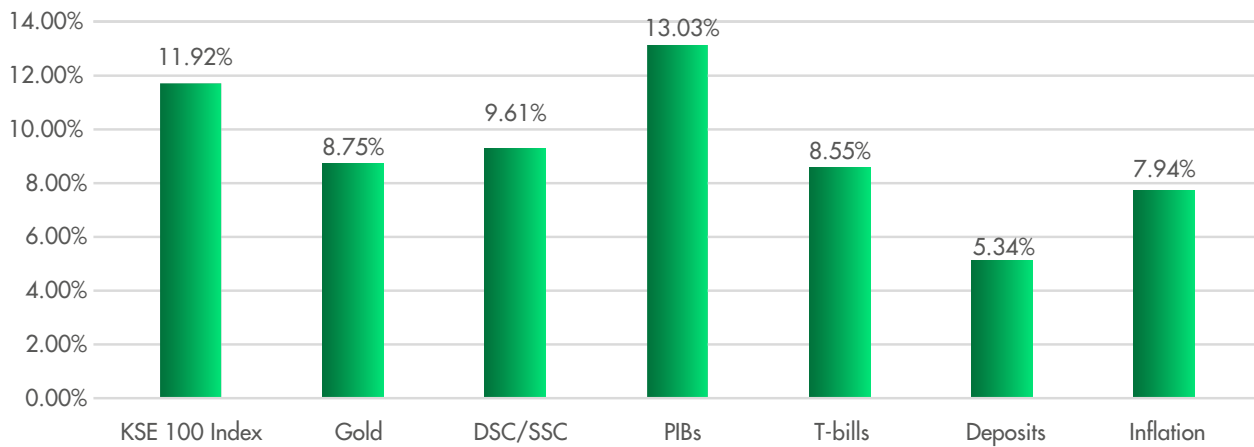
------(Rupees in millions)-----

Share Capital	8,015	8,015	8,015	8,015	8,015	8,015
Reserves	133	(11)	61	232	954	1,217
Surplus on Revaluation of Assets - Net of Tax	740	709	815	815	762	968
Total Equity	8,888	8,713	8,891	9,062	9,731	10,200
Long Term Liabilities	1,822	421	301	640	578	836
Current Liabilities	1,251	1,042	1,104	1,610	1,685	1,613
Liabilities related to assets held for distribution to shareholders / disposal	-	-	323	323	-	-
Total Liabilities	3,073	1,463	1,728	2,573	2,263	2,449
Fixed Asset	4,885	4,883	411	1,000	4,987	5,861
other Long Term Assets	2,110	2,510	2,758	3,139	3,942	3,531
Current Assets	4,966	2,783	2,753	2,767	3,064	3,257
Assets held for distribution to shareholders / disposal	-	-	4,697	4,729	-	-
Total Assets	11,961	10,176	10,619	11,634	11,993	12,648
Operational Results						
Total Income	1,477	1,240	1,280	1,373	2,095	1,887
Total Expenses	1,158	1,127	1,188	1,182	1,372	1,427
Profit Before Tax	319	113	92	191	723	460
Profit After Tax	277	62	88	194	696	399
Ratios						
Current Ratio	3.97	2.67	2.53	1.49	1.81	2.02
Quick Ratio	2.17	0.60	0.42	1.12	1.80	2.01
Net Profit Margin	19%	5%	7%	14%	33%	21%
Expenses as a percentage of Revenue	78%	91%	93%	86%	66%	76%
Profit Before Tax as a percentage of Revenue	22%	9%	7%	14%	34%	24%

Total UIN's



Historical Asset Class Returns in Pakistan - FY 2011 - 2022



*Data as of 30th June 2022

*Returns are shown on compounded annualized basis

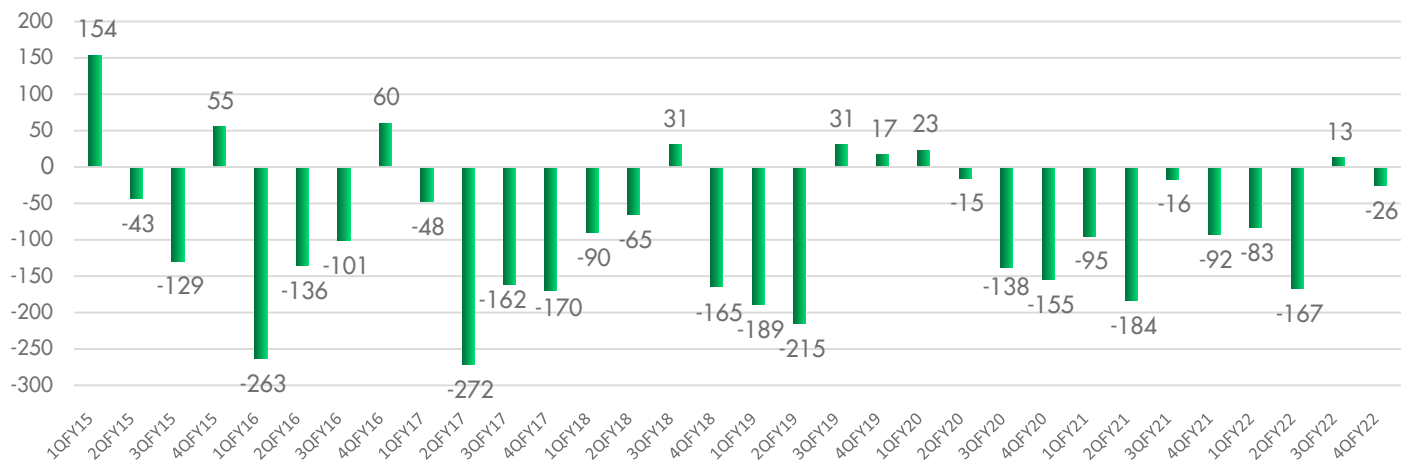
SUMMARY OF TRADING RIGHT ENTITLEMENT (TRE) CERTIFICATE HOLDERS OF PAKISTAN STOCK EXCHANGE LIMITED (PSX)

Deletion of TRE Certificate During the Period from July 01, 2021 to June 30, 2022						
Location	TREC As On July 1, 2021	Issued TRE Certificate	Forfeited / Expelled/Cancelled	Lapsed	Relinquishment /Surrender	Trec As On June 30, 2022
Karachi	158	2	0	0	5	155
Lahore	79	0	0	0	0	79
Islamabad	45	0	0	0	0	45
Total	282	2	0	0	5	279

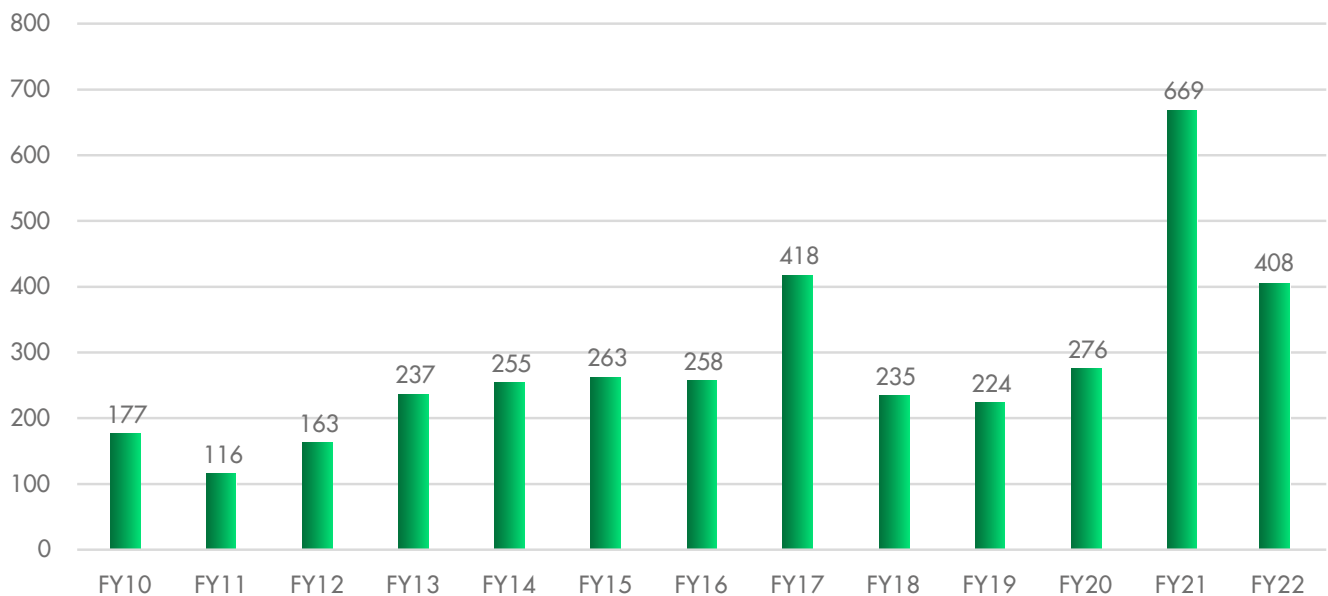
MONTH-WISE TRADE VOLUMES & VALUE IN EACH MARKET SEGMENT

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
Jul-21	2,459	8,747	131,825	282,895	19	129.41	460.39	6,938.16	14,889.21
Aug-21	2,943	7,288	131,643	255,807	20	147.17	364.38	6,582.17	12,790.37
Sep-21	3,665	9,115	150,527	308,118	22	166.60	414.34	6,842.14	14,005.35
Oct-21	2,411	5,508	99,695	200,295	20	120.57	275.40	4,984.77	10,014.75
Nov-21	2,604	6,955	114,191	275,109	22	118.38	316.13	5,190.50	12,504.95
Dec-21	2,448	5,427	105,912	191,128	23	106.43	235.95	4,604.86	8,309.90
Jan-22	2,190	5,563	93,332	175,177	21	104.30	264.93	4,444.36	8,341.77
Feb-22	2,033	4,537	72,238	145,635	20	101.65	226.83	3,611.90	7,281.73
Mar-22	2,004	4,542	67,962	137,730	22	91.08	206.44	3,089.20	6,260.43
Apr-22	2,364	5,791	72,342	165,783	20	118.21	289.53	3,617.10	8,289.17
May-22	1,935	4,540	59,876	130,113	18	107.50	252.23	3,326.47	7,228.50
Jun-22	1,918	4,639	61,868	138,116	22	87.19	210.87	2,812.20	6,277.98
Total	28,975	72,652	1,161,413	2,405,905	249				

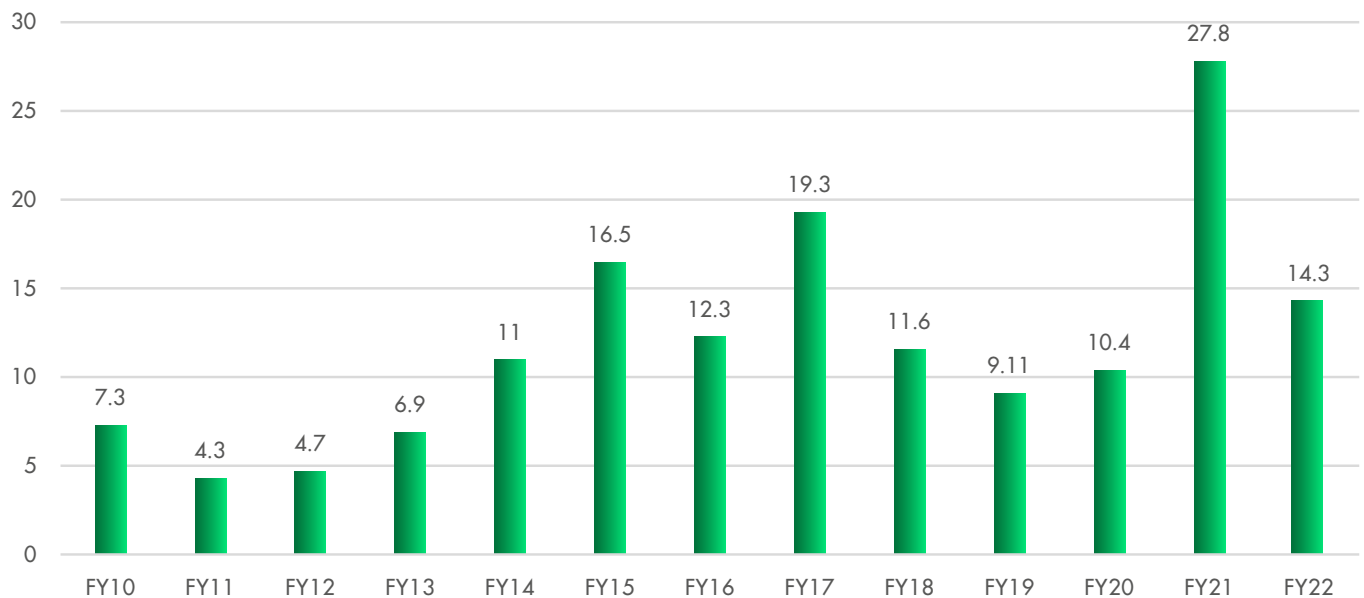
Foreign Investors Net Inflows/Outflows (USD million)



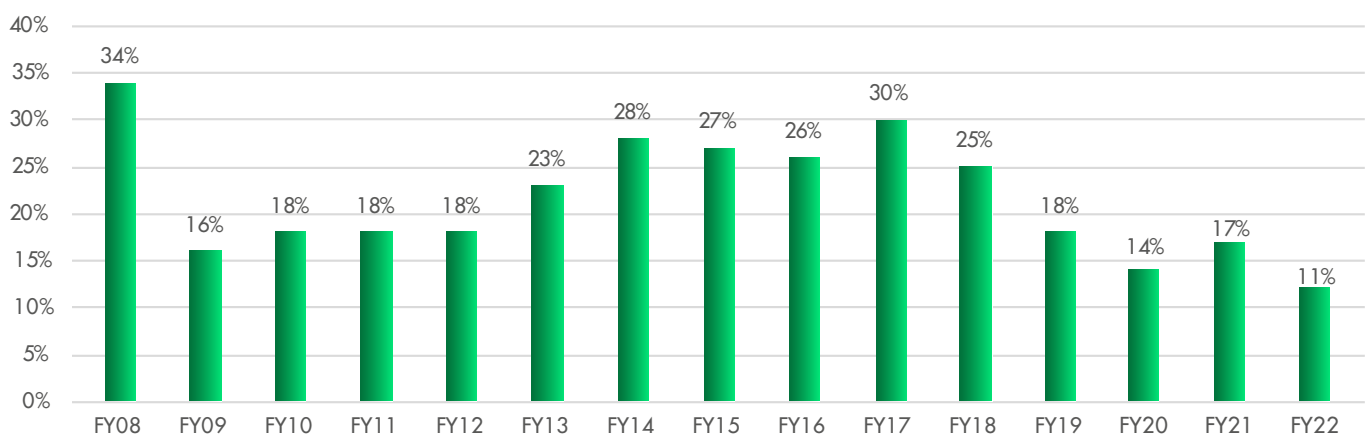
Average Daily Traded Volume (Ready + Futures) - No. of shares in Million



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, 2022 (unaudited)"	
Particulars	Amount (Rupees)
Opening Balance July , 2021	4,421,715,316
Contribution during the year	414,433,706
Audit Fee	(200,000)
Others	(156,545)
Fund position as at June 30, 2022	4,835,792,477

Enforcement Actions Against Non-Compliant Securities Brokers:

During FY 2021-22, the RAD through surveillance activities investigated total 402 cases wherein 343 cases were in relation to areas mentioned under points (a) to (h) below and 59 cases were pertaining to insider trading or market manipulation.

- (a) Non-reporting of trades executed by substantial shareholders and other directors of a securities broker u/s 16.7 of the Securities Brokers (Licensing and Operations) Regulations, 2016;
- (b) Unusual deals recorded in NDM;
- (c) Matched Trades;
- (d) Wash Trades;
- (e) Frequent Queued and Cancelled Orders;
- (f) Prohibition of Blank Sale in Ready Delivery Contract Market;
- (g) Usage of normal sale order window in Deliverable Futures Contract Market in case of non-holding of shares or pre-existing interest; and
- (h) Blank Sale resulting into Delivery Defaults.

As a result, the following enforcement actions were taken:

Summary of Enforcement Actions Taken During the Year 2021-22				
Description (Clause of PSX Regulations)	Total No. of Actions	Enforcement Actions		
		Advised	Warned	Penalty
Clause 10.15 [Blank Sale under Ready Market]	28	0	11	17
Clause 13.5 [Blank Sale under DFC Market]	6	0	2	4
Blank Sale resulting into Delivery Defaults	3	0	2	1
Non-reporting of trades executed by substantial shareholders and other directors of a securities broker u/s 16.7 of the Securities Brokers (Licensing and Operations) Regulations, 2016	5	0	5	0
Wash Trades	10	10	0	0
Total	52	10	20	22

Furthermore, out of 59 cases, 30 cases were scrutinized to identify potential element of insider trading or market manipulation in securities, out of which 13 were concluded with adverse findings which were referred to SECP for further enquiry and action in accordance with relevant laws.

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

- (i) A total of 203 reports were received and reviewed and enforcement actions were taken against non-compliant brokers which were identified through the following sources:
 - (a) System Audits;
 - (b) Joint Inspection/ AML/ CFT Thematic reviews; and
 - (c) Internet Based Trading Services Audit.

Summary of Enforcement Actions Taken During Year 2021-2022							
Sr.#	Activities	No. of Hearings/ Explanation	No. of Actions	Type of Enforcement Action			
				No. of Warning/ Advice	No. of fine imposed	Restriction Condition Imposed	Trading Terminals Suspended
1	System Audit	29	29	26	03	0	0
2	IBTS Audit	03	03	03	0	0	0
3	Joint Inspection / AML CFT Thematic	23	66	53	13	0	0
4	Other Regulatory Actions	1	15	0	2	0	13
5	Thematic / off-site Inspections	30	77*	68	09	0	0
	Total	86	190	150	27	0	13

* This includes enforcement actions against 62 securities brokers which were reported non-compliant during preceding year and explanations were sought in the same period.

RAD conducted 283 special purpose thematic reviews pertaining to Segregation of Client's Assets, maintenance of Telephone Recording, Confirmation of Clients' Orders, Minimum Brokerage Commission, CRF/Sahulat Form, Profit Sharing, Execution of Agreements before entering in Leverage Market and Mandatory Provision of Quarterly Accounts Statements during the year to ascertain compliance status of securities brokers.

Further, RAD performed the off-site monitoring of the following periodic reports filed by brokers:

- (a) Annual Verified Clients Assets Segregation Statements;
- (b) Reviewed Net Capital Balance and Liquid Capital Statements;
- (c) Monthly NCB and LC and Fortnightly CASS Reporting;
- (d) Monthly Net Worth Statements;
- (e) Bi-annual undertaking from compliance officers of Securities Brokers;
- (f) Quarterly Compliance Report of Functional and Accessible Website;
- (g) Quarterly Customer Grievances Details; and
- (h) Mandatory submission of Financial Statements.

COMPLAINT RESOLUTION, DEFAULT AND ARBITRATIONS:

- (i) A summary of the number of complaints registered against active securities brokers during the aforesaid period is given below:

Complaints Against Active TRE Certificate Holders				
Complaints at the start of the year	Received during the year	Resolved through mediation	Settled through arbitration	Complaints at year end
16	304	212	6	102

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

Complaints Received on PMDU				
Opening Balance	Received	Resolved	Dropped	Closing Balance
13	115	96	28	4

Enforcement Actions Against Non-Compliant Listed Companies:

(i) Over 1,200 cases were processed for potential non-compliances by seeking explanations from the listed companies. Various operational issues of the companies were addressed and disciplinary actions were taken against those found in breach of regulations including imposition of fine where applicable. The common natures of non-compliances are shown below:

- (a) Late/ Non-transmission of annual or quarterly financial accounts;
- (b) Non-holding of Annual General Meeting/ Annual Review 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 change of beneficial ownership in the listed companies by the directors and other persons;
- (g) Late/ incomplete disclosure of price-sensitive / material information;
- (h) Late intimation/credit of dividend/bonus shares in shareholders' accounts; and
- (i) Late submission of Notice / Minutes of AGM/ ARM / EOGM.

(ii) Placement of Companies on the Defaulters' Segment, Suspension and De-Listing:

S.#	Description	No. of Companies
1	Placement of Companies in the Defaulters' Segment	06
2	Suspension in trading in shares	02
3	Shifted to Normal Counter upon rectification of default(s)	13
4	Restoration of trading in the shares of Companies quoted in the Defaulters' Segment	02
5	Delisted from the Exchange	02

Moreover, the shareholdings of Sponsors, Directors and Senior Management of listed companies placed on the Defaulters' Segment had been frozen in CDS as well as transfer of shares in physical form had also been restricted.

Joint Inspection Regime:

During the year 2021-22, the Joint Inspection Team ["JIT"] conducted Thematic Reviews of 51 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 liquid 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 ["OC"] and SECP, of 20 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 on the instructions of SECP performed Special Purpose Inspection of 01 Securities Broker and has submitted the findings report to the SECP.

Moreover, the JIT on the instructions of OC initiated Limited Scope Inspection of 11 securities brokers to review the status of non-compliances highlighted during the Joint Inspection. At present, the JIT has submitted the Final Report of the LSI of 03 securities brokers to the relevant SROs and SECP for taking necessary enforcement actions. Whereas, Inspections of the remaining 08 securities brokers are in process.

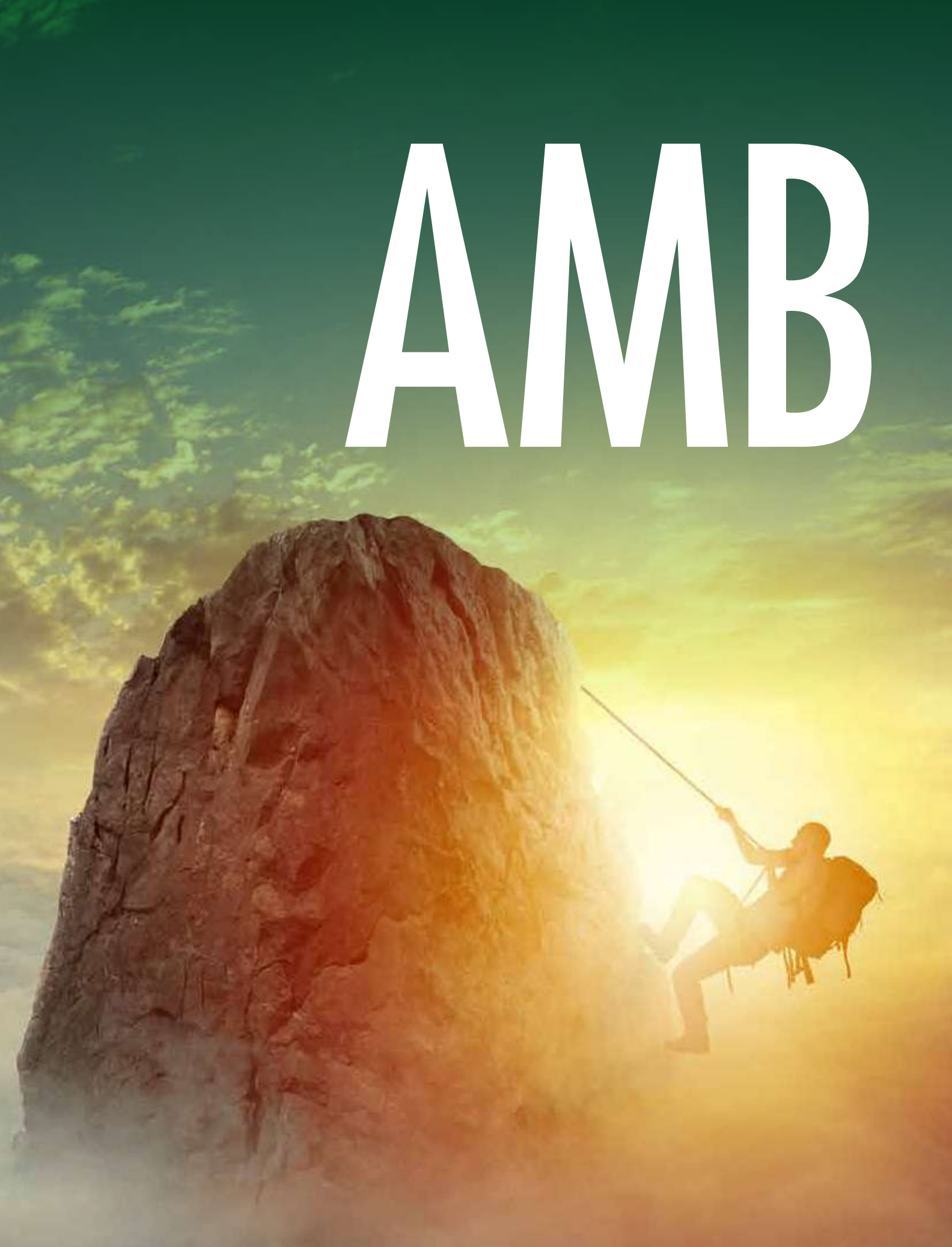
MARKET PERFORMANCE

Performance of Top 10 Sectors by Market Cap

Top 10 Sectors by MCAP	Market Capitalization				No. of Companies in KSE 100
	30-Jun-22	% of Total MCAP	30-Jun-21	Growth	
COMMERCIAL BANKS	1,121,931,666,608	16.1%	1,308,754,053,697	-14.3%	13
OIL & GAS EXPLORATION COMPANIES	869,323,461,498	12.5%	960,135,446,281	-9.5%	4
FOOD & PERSONAL CARE PRODUCTS	710,931,703,963	10.2%	744,128,427,139	-4.5%	5
FERTILIZER	527,337,662,789	7.6%	509,383,642,872	3.5%	5
CHEMICAL	413,891,383,806	6.0%	404,117,207,523	2.4%	5
CEMENT	411,883,326,885	5.9%	702,506,455,124	-41.4%	8
AUTOMOBILE ASSEMBLER	311,233,793,289	4.5%	361,448,426,203	-13.9%	5
TOBACCO	287,484,903,864	4.1%	432,246,123,252	-33.5%	1
TEXTILE COMPOSITE	272,426,615,088	3.9%	310,226,254,003	-12.2%	6
PHARMACEUTICALS	252,064,808,251	3.6%	314,189,809,547	-19.8%	5

THIS PAGE IS LEFT INTENTIONALLY BLANK

AMB



ITION MATTERS

MARKET HIGHLIGHTS

DESCRIPTION	2018	2019	2020	2021	2022
Total Listed Companies	558	544	530	532	530
Total Listed Capital (Rs. in million)	1,297,375	1,340,270	1,391,478	1,442,639	1,525,899
Total Market Capitalization (Rs. in million)	8,665,045	6,887,301	6,529,707	8,297,305	6,956,508
New Companies Listed	6	2	-	5	5
Listed Capital of New Companies (Rs. in million)	6,719	10,161	-	17,642	15,209
New GEM Companies Listed	-	-	-	-	3
Listed Capital of New Companies (Rs. in million)	-	-	-	-	1,597
New Debt Instruments Listed	1	9	7	6	4
Total Issue Size of New Debt Instruments (Rs. in million)	7,000	42,820	234,624	251,967	11,600
Total Shares Volume (million)	46,532	39,943	52,382	137,341	76,908
Average Daily Share Volume (million)	187	164	211	552	309
Average Daily Trade Value (Rs. in million)	8,141	6,364	7,214	19,201	9,662

KSE Indices

KSE – 100 Index

Year End	41910.90	33901.58	34421.92	47356.02	41,540.83
High	47084.34	43556.63	43218.67	48726.08	48,112.21
Low	37919.42	33166.62	27228.80	34889.41	40,879.93

KSE – All Share Index

Year End	30582.91	24986.05	24660.31	32479.82	28,582.29
High	33313.23	31304.20	30058.44	33103.22	32,821.75
Low	28210.60	24582.48	20043.89	24959.44	28,110.70

KSE – 30 Index

Year End	20568.57	15892.99	14862.25	18961.90	15,805.04
High	24510.20	21728.88	20032.51	19731.43	19,365.90
Low	18875.48	15733.71	11833.83	15121.75	15,567.96

KMI – 30 Index

Year End	71060.34	54118.51	54995.25	76621.54	68,766.37
High	81259.68	73910.98	70790.23	80168.03	78,521.49
Low	64491.29	51963.15	41364.54	56459.32	66,851.15

Notes:

- (i) The figures are from July to June.
- (ii) The total number of listed companies have been stated after 5 companies delisted in 2018, 15 companies delisted in 2019 and 14 companies delisted in 2020, 2 companies delisted in 2021 and 3 companies delisted in 2022 and 3 companies merged in 2018, 1 company merged in 2019, 1 company merged in 2021 and 4 companies merged in 2022.
- (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, 2022 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 2012 TO 2022



KSE 30 INDEX 2012 TO 2022*

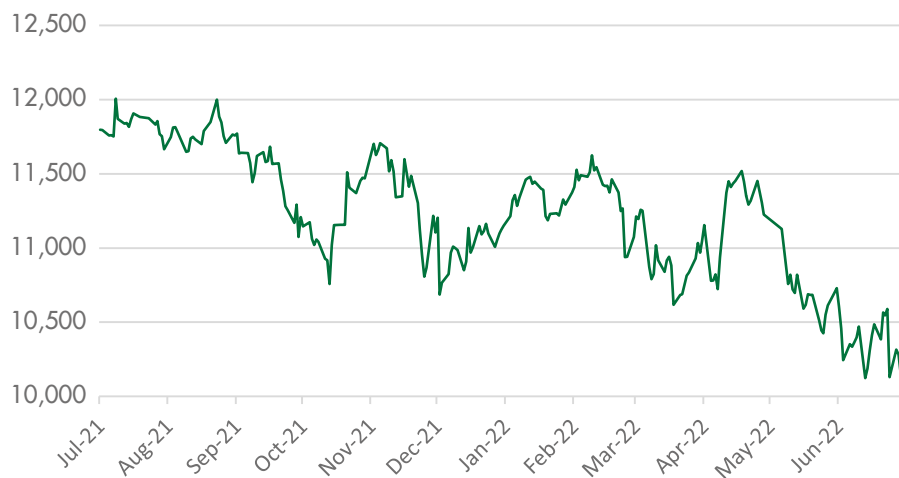


*KSE 30 is a price return index

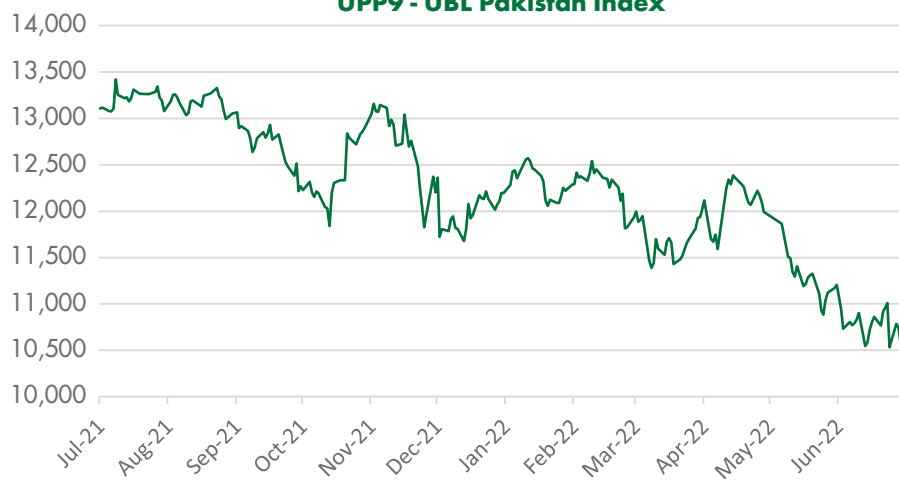
KMI 30 INDEX 2012 TO 2022



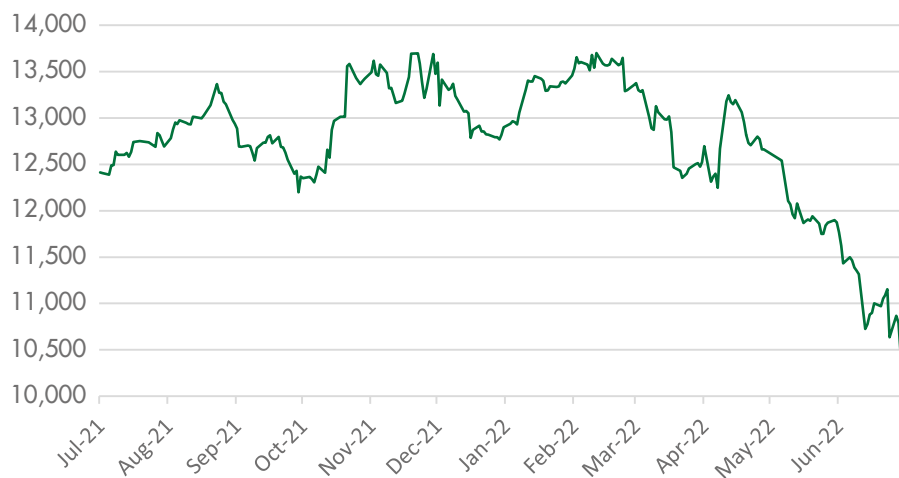
NBPGI - NBP Pakistan Gateway Index



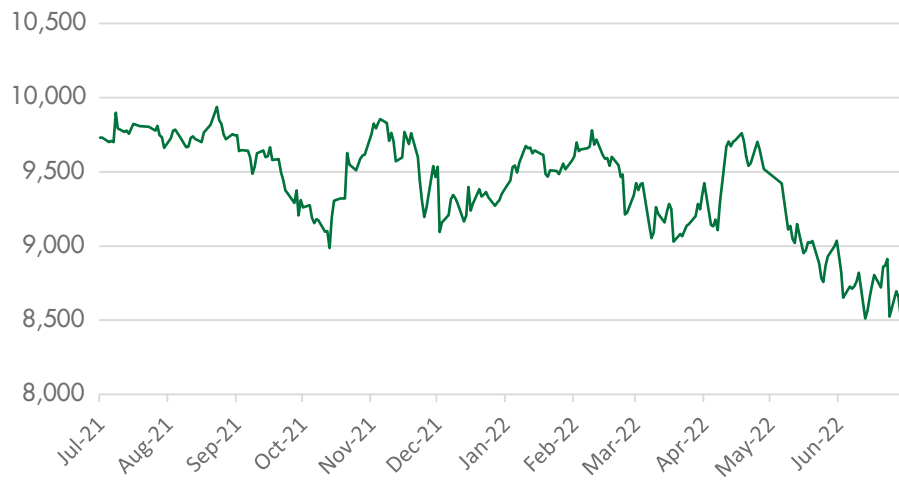
UPP9 - UBL Pakistan Index



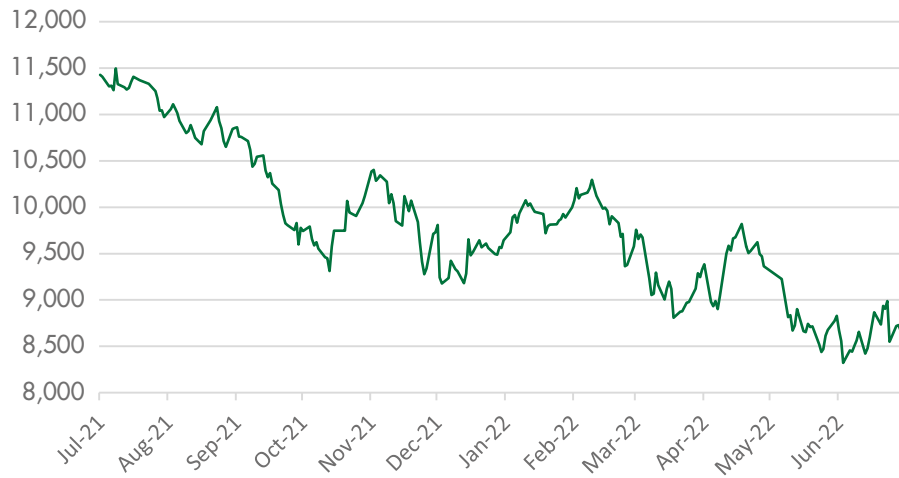
BKTI - Banking Tradeable Index



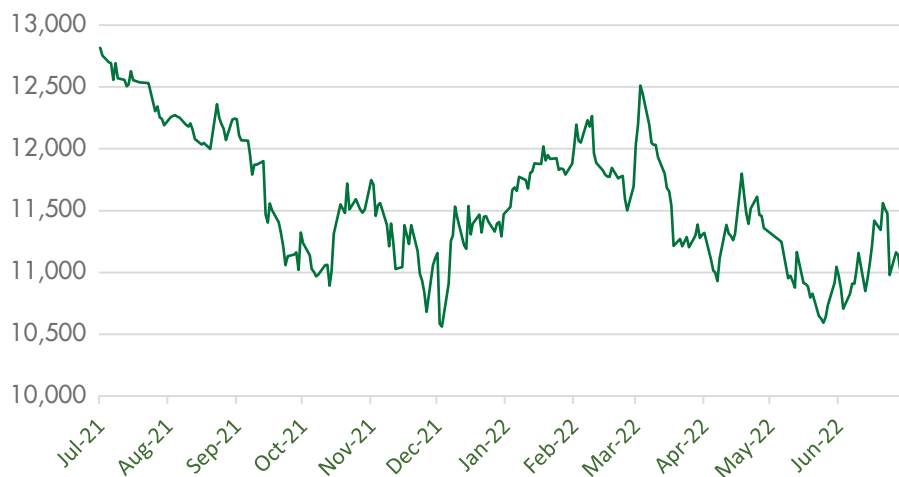
NITPGI - NIT Pakistan Gateway Index



MZNPI - Meezan Pakistan Gateway Index



OGTI - Oil & Gas Tradeable Index



STATISTICS

SINCE JULY 2021 TO JUNE 2022

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	Citi Pharma Limited (At a premium of PKR 22 per share)	09-Jul-2021	2,077	1,745	582	4,087	920
2	Pakistan Aluminium Beverage Cans Limited (At a premium of PKR 39 per share)	16-Jul-2021	3,611	3,450	1,150	10,764	2,127
	Jahangir Siddiqui & Co. Limited * (Preference shares of already listed company)	30-Jul-2021	1,832	-	-	-	-
3	Air Link Communication Limited ** (At a premium of PKR 61.50 per share)	22-Sep-2021	3,677	4,826	1,609	10,730	1,849
4	Octopus Digital Limited (At a premium of PKR 30.60 per share)	05-Oct-2021	1,368	833	278	30,249	1,219
	Husein Sugar Mills Limited *** (Preference shares of already listed company)	17-Feb-2022	144	-	-	-	-
5	Adamjee Life Assurance Company Limited (At a premium of PKR 18 per share)	04-Mar-2022	2,500	525	175	700	41
	TOTAL		15,209	11,379	3,794	56,530	6,156

* The Class A – Preference Share is being listed without public offering of already listed company (Jahangir Siddiqui & Co. Limited) by way of Right issue.

** The issue consists of 90 million shares, out of total issue size, 60 million shares are being issued by Air Link Communication Limited and 30 million shares are being offered by sponsor of Air Link Communication Limited i.e. Mr. Muzzaffar Hayat Piracha from his current shareholding. The Paid up Capital includes an amount of PKR 76.923 million as a result of conversion of TFCs into an ordinary share.

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

Listing of New Companies – GEM

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	Pak Agro Packaging Limited (At a premium of PKR 14.75 per share)	26-Nov-2021	200	198	-	366	-
2	Universal Network Systems Limited (At a premium of PKR 55 per share)	06-Dec-2021	274	-	446	-	751
3	Supernet Limited (At a premium of PKR 12.50 per share)	28-Apr-2022	1,122	475	-	641	-
	TOTAL		1,596	673	446	1,007	751

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	Hub Power Holdings Limited (Privately Placed Sukuk)	09-Jul-2021	-	-	-	-	-	-	6,000
2	Mughal Iron & Steel Industries Ltd. (Privately Placed Sukuk)	28-Sep-2021	-	-	-	-	-	-	3,000
3	Next Capital Limited (Privately Placed Commercial Paper)	26-Oct-2021	-	-	-	-	-	-	100
4	JS Bank Limited (Privately Placed TFC – Tier 2)	14-Jun-2022	-	-	-	-	-	-	2,500
	TOTAL		-	-	-	-	-	-	11,600

Listing of Open-end Mutual Fund

Rs. in million

Sr. No.	Name of Fund	Date of Listing	Total Fund Size
1	Meezan Daily Income Fund	December 17, 2021	2,062
2	Atlas Liquid Fund	December 22, 2021	100
3	AL Habib Islamic Cash Fund	February 3, 2022	225
4	AL Habib Islamic Savings Fund	February 3, 2022	225
5	AL Habib Money Market Fund	February 3, 2022	225
6	HBL Financial Sector Income Fund	February 16, 2022	258
7	Pak Oman Daily Dividend Fund	March 25, 2022	550
8	ABL Islamic Dedicated Stock Fund	April 1, 2022	763
9	Alfalah GHP Islamic Prosperity Planning Fund - 2	April 28, 2022	154
10	JS Microfinance Sector Fund	June 24, 2022	100

Listing of Exchange Traded Funds (ETFs)

Sr. #	Name of Fund	Date of Listing
1	JS Momentum Factor Exchange Traded Fund	07-Jan-2022
2	Alfalah Consumer Index Exchange Traded Fund	17-Jan-2022

Companies Applied for Listing

Sr. #	Name of Security
1	Faysal Halal Amdani Fund (Open-end Mutual Fund)
2	HBL Total Treasury Exchange Traded Fund (ETF)

Prospectus / Offer for Sale Approved by the Exchange

Sr. #	Name of Security
1	Pakistan Reinsurance Company Limited
2	International Packaging Films Limited
3	Regal Automobile Industries Limited
4	Secure Logistics Group Limited

Delisting of Companies

Rs. in million

Sr. No.	Name of Company	Date of De-Listing	Paid up Capital
1	Morafco Industries Limited	13-Jul-2021	6
2	Balochistan Particle Board Limited	12-Nov-2021	30
3	Wyeth Pakistan Limited	04-Apr-2022	142

Merger of Companies

Rs. in million

Sr. No.	Name of Company	Merged with	Date of Merger	Paid up Capital
1	Salfi Textile Mills Limited	Tata Textile Mills Limited	27-Jul-2021	33
2	Island Textile Mills Limited	Tata Textile Mills Limited	27-Jul-2021	5
3	Ghani Automobile Industries Limited	Ghani Value Glass Limited	30-Dec-2021	500
4	Babri Cotton Mills Limited	Janana De Malucho Textile Mills Limited	04-Apr-2022	37

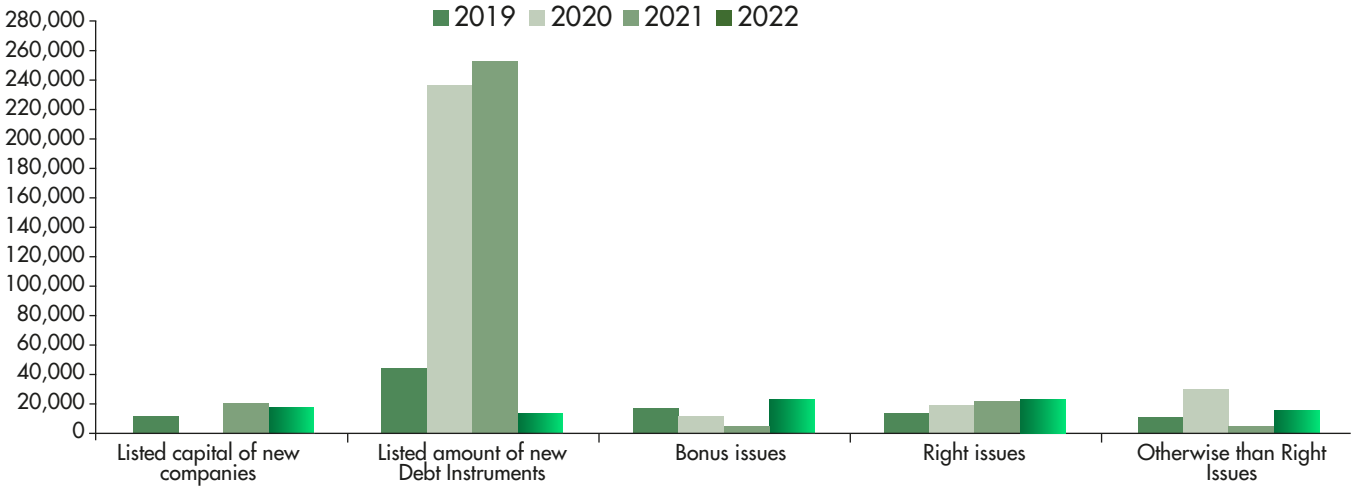
Delisting of Debt Securities

Sr. No.	Name of Security	Date of De-Listing
1	Azgard Nine Limited (TFC 2)	31-Dec-2021
2	Fatima Fertilizer Company Limited (Sukuk)	31-Jan-2022
3	Next Capital Limited (Commercial Paper)	25-May-2022

Change of Name of Companies

Sr. No.	Old Name	New Name	Effective Date
1	AKD Capital Limited	AKD Hospitality Limited	09-Jul-2021
2	Ravi Textile Mills Limited	Beco Steel Limited	04-Aug-2021
3	Mian Textile Industries Limited	Cordoba Logistics & Ventures Limited	06-Sep-2021
4	Service Fabrics Limited	G3 Technologies Limited	22-Nov-2021
5	Byco Petroleum Pakistan Limited	Cnergyico PK Limited	21-Dec-2021
6	Byco Petroleum Pakistan Limited – Sukuk	Cnergyico PK Limited – Sukuk	21-Dec-2021
7	The General Tyre & Rubber Company of Pakistan Limited	Ghandhara Tyre and Rubber Company Limited	12-Jan-2022
8	Drekhar Kingsway Limited	Oilboy Energy Limited	12-Jan-2022
9	Orix Leasing Pakistan Limited	OLP Financial Services Limited	12-Jan-2022
10	Orix Modaraba	OLP Modaraba	24-Mar-2022
11	Khurshid Spinning Mills Limited	Arctic Textile Mills Limited	26-May-2022
12	Arshad Energy Limited	AEL Textiles Limited	01-Jun-2022

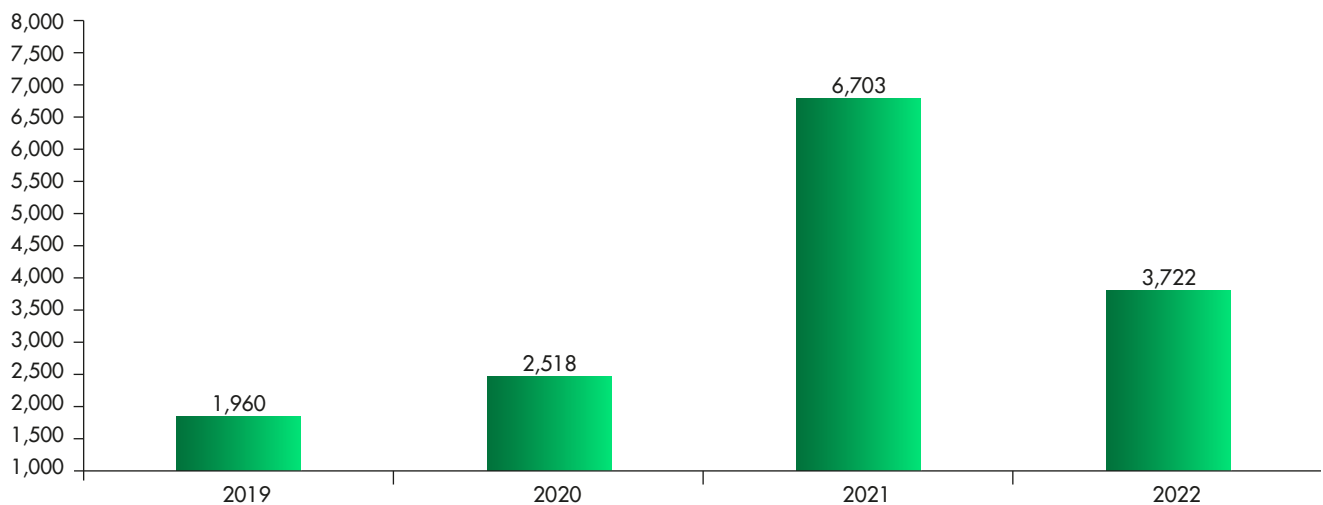
BREAK-UP OF LISTED CAPITAL



Average Monthly Turnover of Shares (Ready)

In million

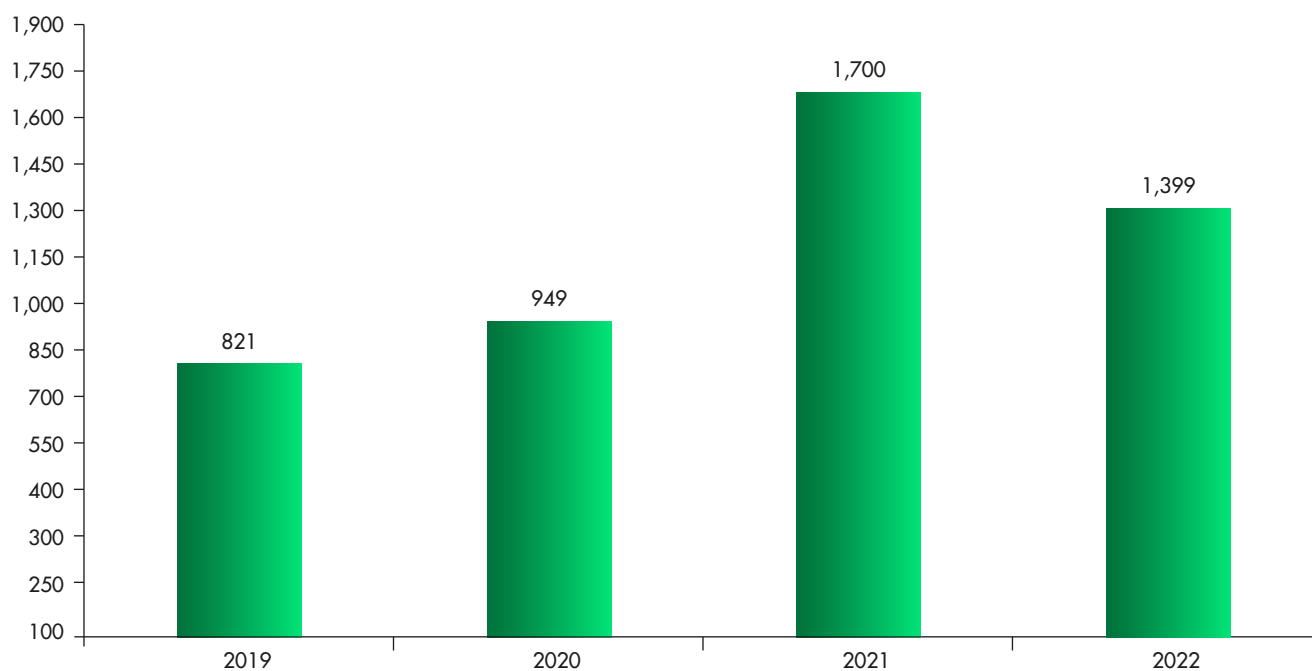
	2019	2020	2021	2022
July	195.636	92.114	405.599	497.379
August	195.383	123.276	529.083	372.137
September	149.240	122.059	620.488	435.700
October	222.685	198.334	411.234	288.461
November	200.439	316.489	311.126	326.320
December	139.171	333.771	523.495	254.120
January	140.721	266.795	640.820	277.336
February	153.821	170.244	630.161	233.048
March	120.307	230.663	481.310	221.488
April	149.701	219.626	368.259	312.570
May	132.131	219.968	831.043	264.487
June	160.482	224.621	950.552	239.400
Total	1,959.716	2,517.959	6,703.171	3,722.448



Average Monthly Turnover of Shares (Futures Counter)

In million

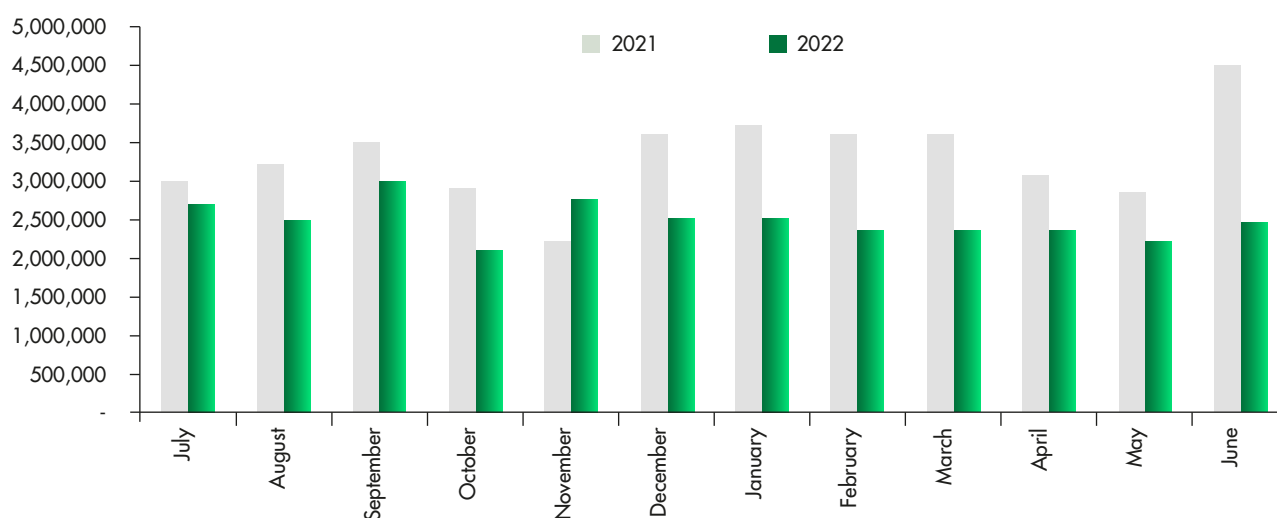
	2019	2020	2021	2022
July	68.126	54.840	106.995	129.406
August	74.043	72.455	123.913	147.176
September	73.608	74.363	144.911	166.610
October	87.441	90.766	142.649	120.564
November	83.803	109.339	113.066	118.387
December	59.799	115.713	152.998	106.438
January	64.604	91.889	148.512	104.313
February	67.023	88.560	156.456	101.648
March	54.322	84.345	159.089	91.096
April	66.769	55.366	117.275	118.226
May	53.593	59.732	156.195	107.500
June	67.866	51.516	177.726	87.198
Total	820.996	948.884	1,699.786	1,398.561



Ready Market Trades on Karachi Automated Trading System (KATS)

Month	2021		2022	
	No. of Trades	Daily Average	No. of Trades	Daily Average
July	3,007,132	136,688	2,694,161	141,798
August	3,233,764	161,688	2,537,849	126,892
September	3,462,132	157,370	2,899,726	131,806
October	2,781,287	132,442	2,104,706	105,235
November	2,142,174	102,008	2,711,237	123,238
December	3,563,917	161,996	2,322,869	100,994
January	3,673,468	174,927	2,272,089	108,195
February	3,484,921	183,417	2,005,256	100,263
March	3,481,971	158,271	2,024,915	92,042
April	2,750,317	125,014	2,041,819	102,091
May	2,499,671	166,645	1,862,047	103,447
June	4,355,545	197,979	2,104,980	95,681
TOTAL	38,436,299		27,581,654	
Average Daily		154,871		110,973

Ready Market Trades on Karachi Automated Trading System (KATS)



Sector-wise Capital Listed on the Exchange

Rs. in million

Sector Name	June 30, 2022	
	No. of Companies	Paid up Capital
Close-End Mutual Fund	6	5,936.250
Modarabas	30	21,714.110
Leasing Companies	7	2,189.794
Inv. Banks / Inv. Cos / Securities Cos	32	54,274.670
Commercial Banks	20	396,755.190
Insurance	29	39,381.756
Real Estate Investment Trust	1	22,237.000
Textile Spinning	63	22,350.991
Textile Weaving	10	3,002.040
Textile Composite	51	46,746.510
Woollen	1	95.062
Synthetic & Rayon	10	10,700.070
Jute	2	280.963
Sugar & Allied Industries	28	11,020.810
Cement	20	88,128.640
Tobacco	3	3,218.813
Refinery	4	61,464.675
Power Generation & Distribution	16	147,797.550
Oil & Gas Marketing Companies	9	34,841.296
Oil & Gas Exploration Companies	4	74,391.679
Engineering	18	35,723.170
Automobile Assembler	11	8,772.312
Automobile Parts & Accessories	10	6,724.150
Cable & Electrical Goods	6	12,666.500
Transport	5	72,839.260
Technology & Communication	15	111,217.830
Fertilizer	6	69,833.285
Pharmaceuticals	12	15,645.050
Chemical	26	48,467.065
Paper & Board	9	7,509.580
Vanaspati & Allied Industries	4	130.070
Leather & Tanneries	6	2,703.850
Food & Personal Care Products	24	50,268.235
Glass & Ceramics	9	17,225.490
Miscellaneous	23	19,577.664
GEM Board	3	1,596.500
Exchange Traded Funds (ETFs)	6	67.560
TOTAL	539	1,527,495.440

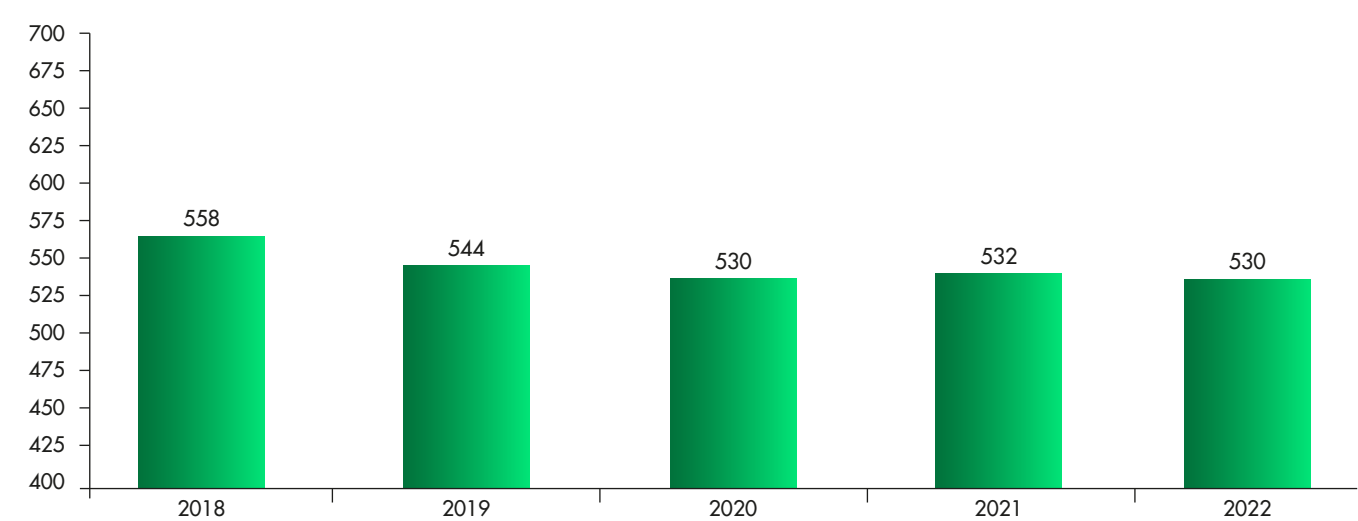
Sector Wise Performance of Companies Listed on the Exchange - 2021

Name of Sector	2021					
	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	1	-
Modarabas	30	28	19	6	25	3
Leasing Companies	8	6	1	2	3	3
Inv. Banks / Inv. Cos / Securities Cos	31	26	11	13	24	2
Commercial Banks	20	19	15	3	18	1
Insurance	28	27	15	5	20	7
Real Estate Investment Trust	1	1	1	-	1	-
Textile Spinning	64	54	18	17	35	19
Textile Weaving	10	7	4	1	5	2
Textile Composite	50	40	22	13	35	5
Woollen	1	1	-	1	1	-
Synthetic & Rayon	10	9	4	3	7	2
Jute	2	2	-	1	1	1
Sugar & Allied Industries	28	26	13	4	17	9
Cement	20	19	8	7	15	4
Tobacco	3	3	1	1	2	1
Refinery	4	4	1	2	3	1
Power Generation & Distribution	17	16	8	2	10	6
Oil & Gas Marketing Companies	8	6	4	1	5	1
Oil & Gas Exploration Companies	4	4	4	-	4	-
Engineering	19	16	6	6	12	4
Automobile Assembler	11	11	7	2	9	2
Automobile Parts & Accessories	10	10	5	2	7	3
Cable & Electrical Goods	6	5	3	1	4	1
Transport	5	5	2	1	3	2
Technology & Communication	15	15	6	5	11	4
Fertilizer	6	6	5	1	6	-
Pharmaceuticals	13	13	12	1	13	-
Chemical	26	25	17	3	20	5
Paper & Board	9	8	5	1	6	2
Vanaspati & Allied Industries	4	2	2	-	1	1
Leather & Tanneries	6	6	3	-	3	3
Food & Personal Care Products	24	23	13	5	18	5
Glass & Ceramics	9	8	4	4	8	-
Miscellaneous	23	21	6	5	11	10
TOTAL	531	473	245	119	364	109
PERCENTAGE		89.08%	46.14%	22.41%	68.55%	20.53%
2020 TOTAL	531	478	178	103	281	197
PERCENTAGE		90.02%	33.52%	19.40%	52.92%	37.10%

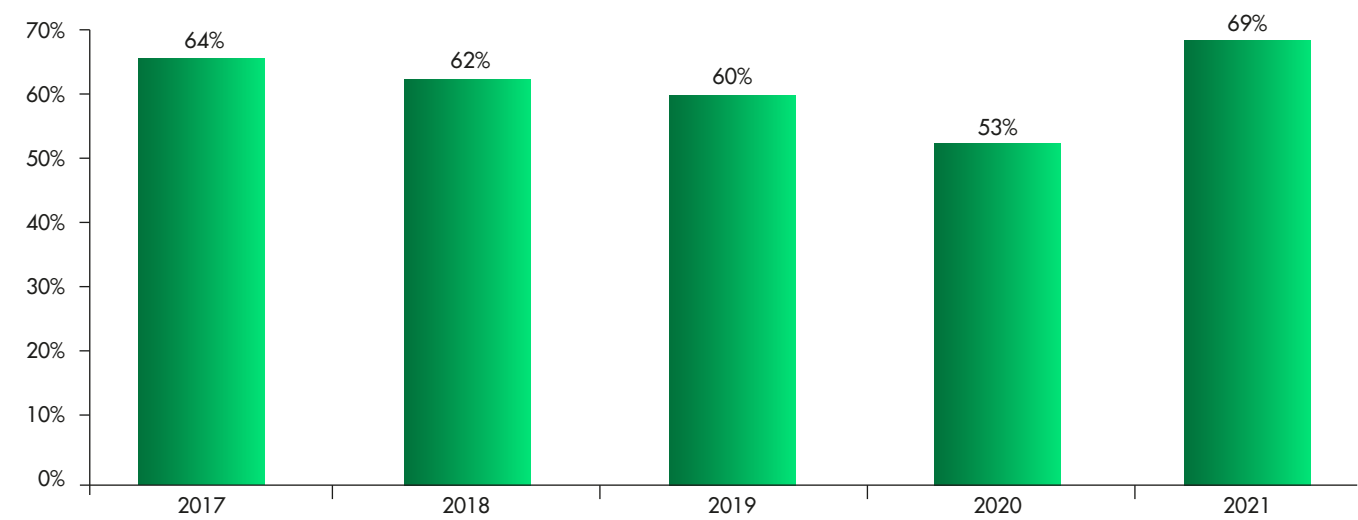
Notes:

- 1 Based on the financial results of the companies up to December 31, 2021.
- 2 Companies omitted dividends are those companies, which have shown profit during the year but not declared dividend.
- 3 Dividend includes Cash / Stock Dividend.

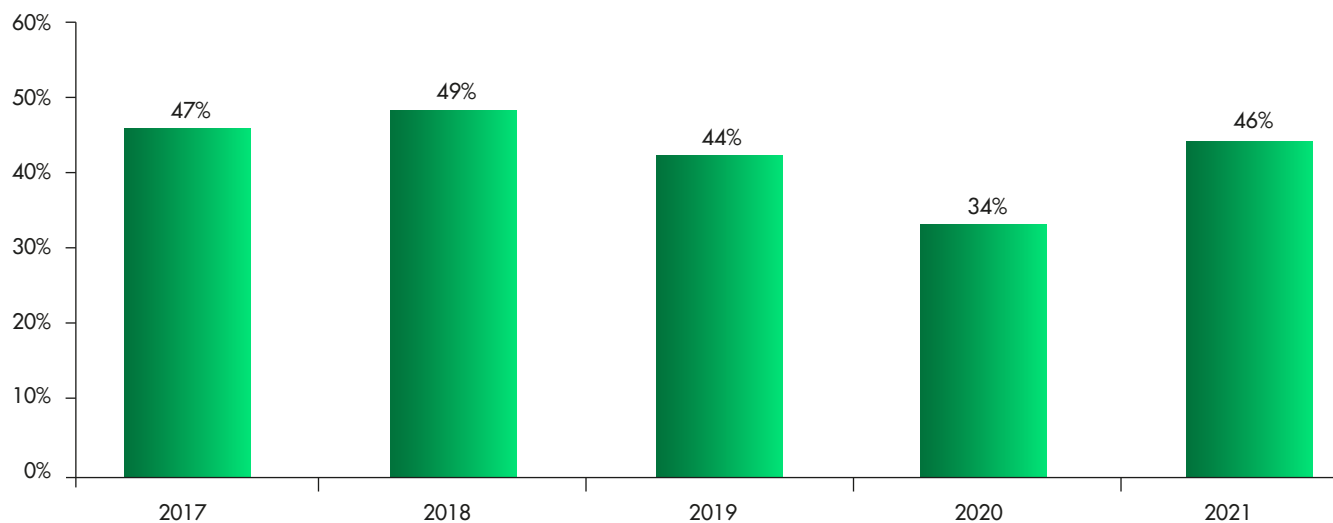
Number of Listed Companies



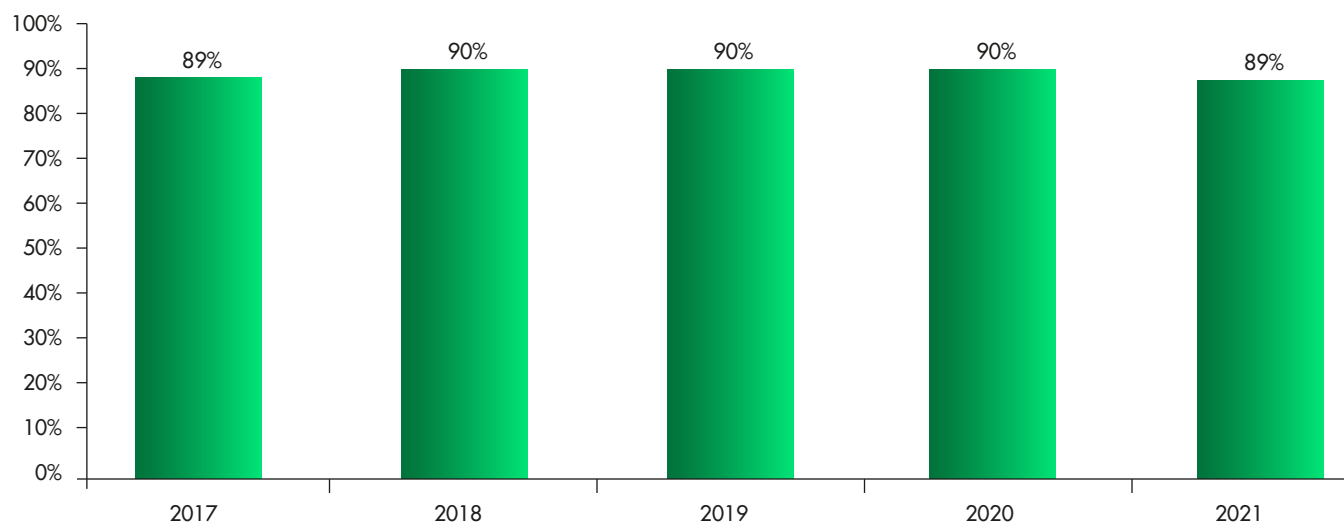
Percentage of Companies Making Profit



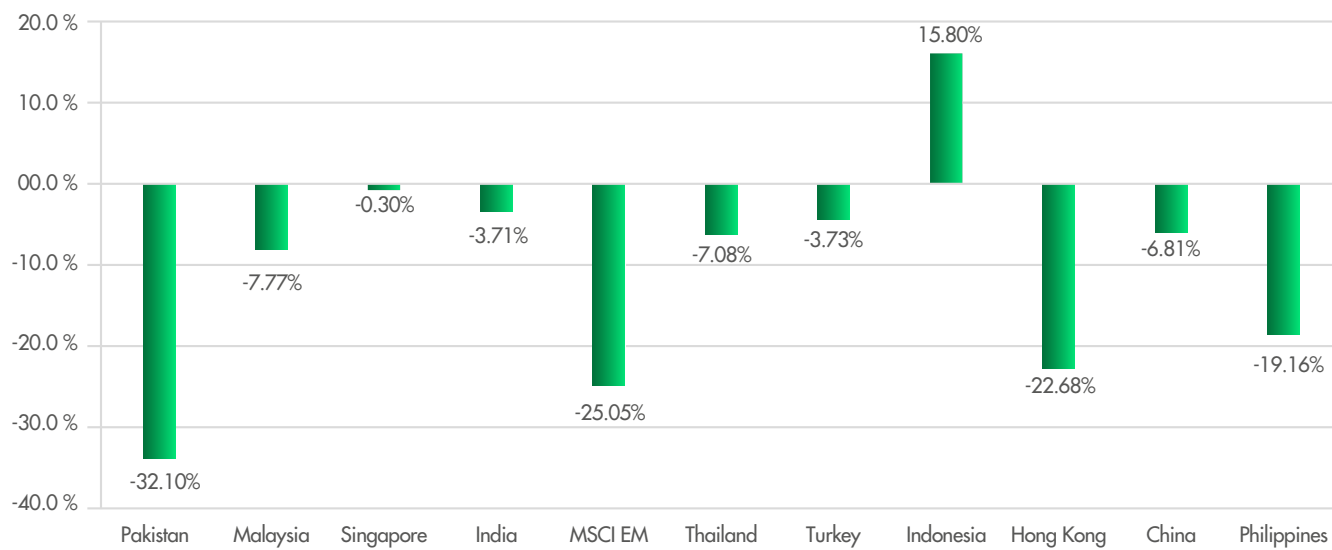
Percentage of Companies Paying Dividends



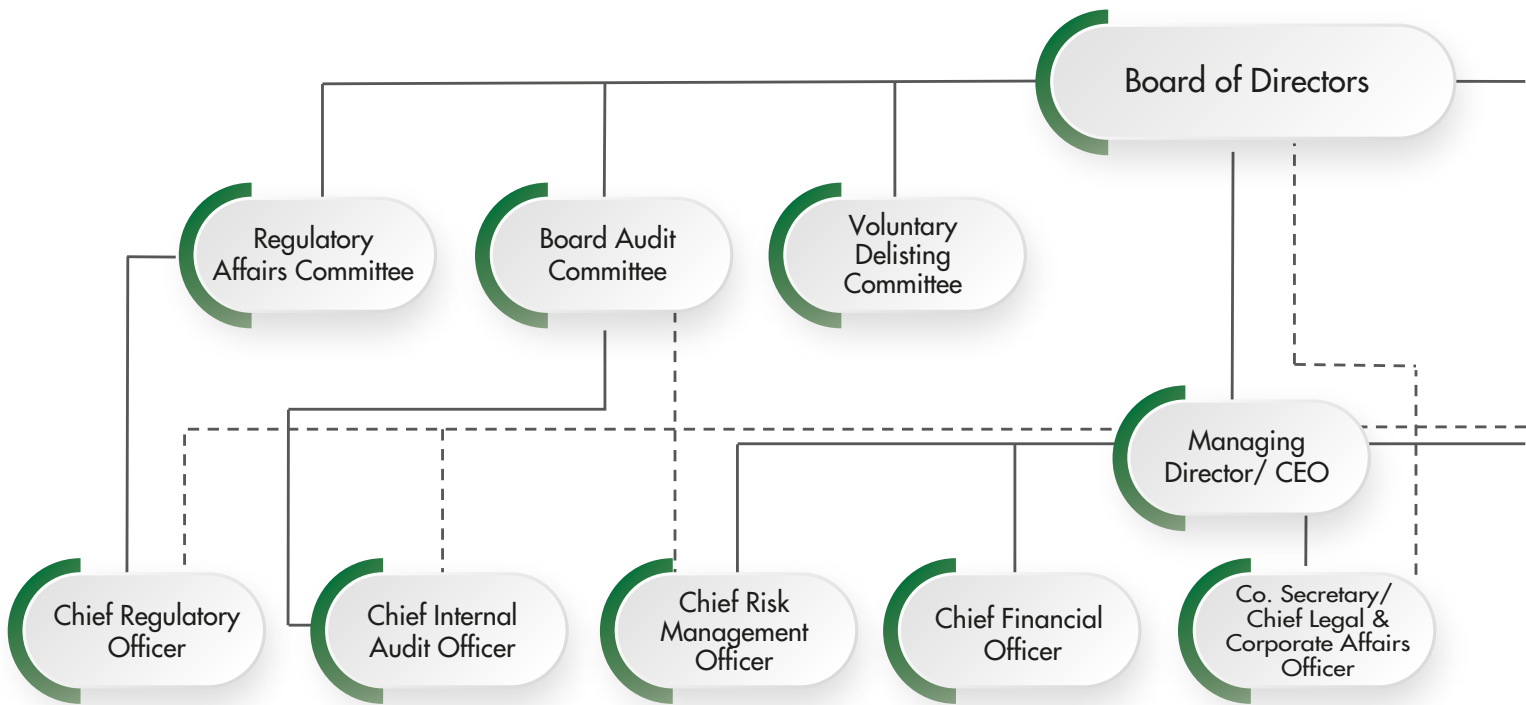
Percentage of Companies that Announced Annual Results

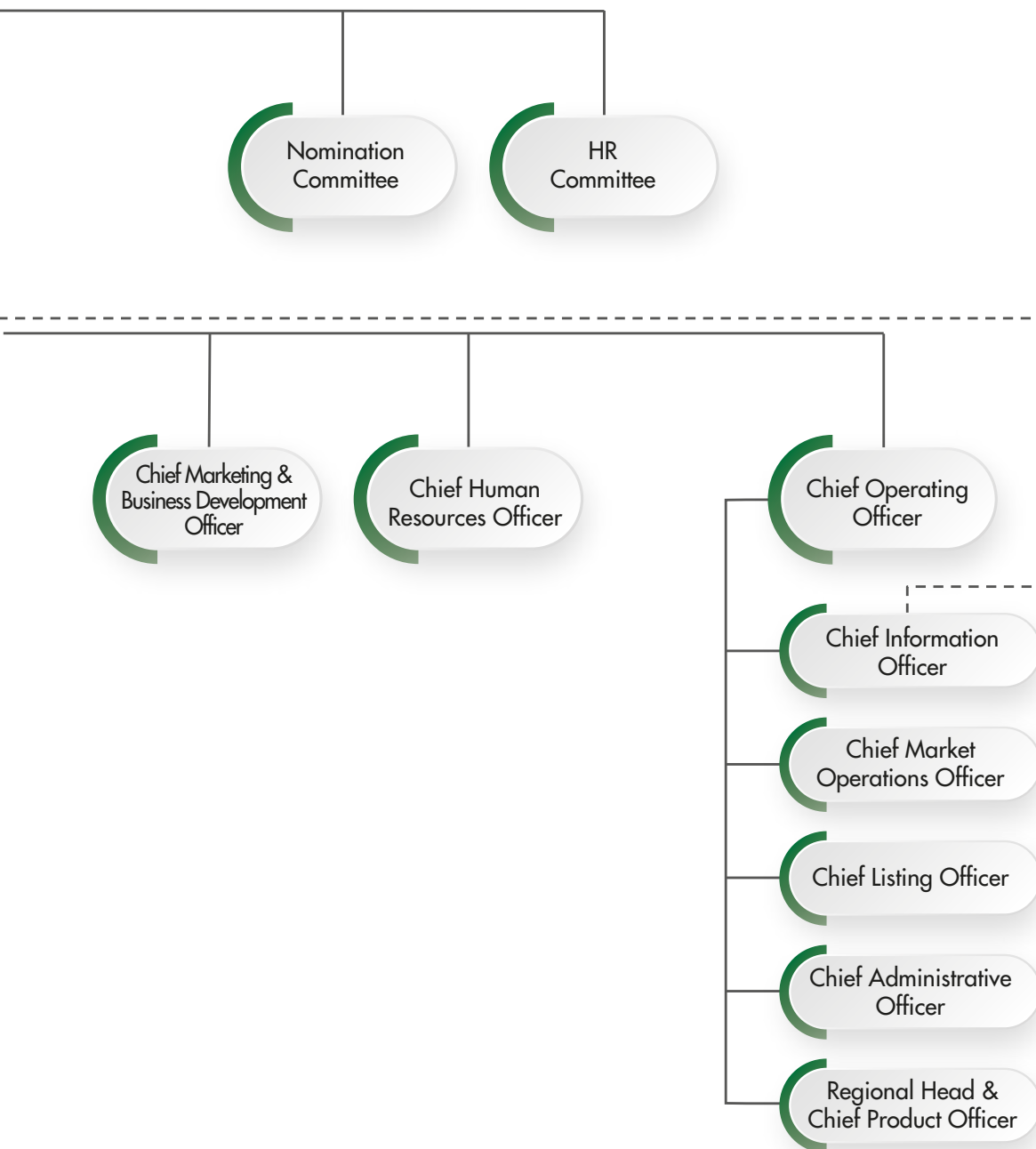


Performance of Global Stock Indices in USD during July 2021 - June 2022



ORGANIZATIONAL STRUCTURE





GOVER



NANCE MATTERS

BOARD_{OF} DIRECTORS

From Left to Right

▼ **MR. JIANG KETAO**

Non-Executive Director

▼ **DR. FU HAO**

Non-Executive Director

▼ **MR. FARRUKH H. KHAN**

Chief Executive Officer

▼ **DR. SHAMSHAD AKHTAR**

Chairperson & Independent Director



▼ **MR. AHMED CHINOY H.I., S.I.**
Non-Executive Director



From Left to Right

▼ **MR. YOU HANG**

Non-Executive Director

▼ **MS. YU HUALI**

Non-Executive Director

▼ **MR. M. SALAHUDDIN MANZOOR**

Independent Director

▼ **MR. ZUBAIR RAZZA**

Non-Executive Director



▼ **MR. JAVED KUREISHI**
Independent Director

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

AK PALWALA



BOARD OF DIRECTORS' PROFILES



DR. SHAMSHAD AKHTAR

Chairperson & Independent Director

Dr. Shamshad Akhtar served as Federal 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 United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and the United Nations Secretary General's Senior Special Advisor on Economics and Finance, Dr. Akhtar oversaw the implementation of the sustainable development agenda including economic, social, environmental and finance work of the UN Department of the Economic and Social Affairs. During her term at UN, she was UN Secretary General's Sherpa for Development and the Finance and Central Bank tracks. Among others, she was closely involved in the development and implementation of the 2030 Sustainable Development Agenda (SDG), the Addis Ababa Financing frameworks and work on the Paris Climate Accord and ensured closer alignment of G20 development agenda with the 2030 SDG agenda.

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

Dr. Akhtar is recipient of Asia's Best Central Bank Governor from Emerging Markets and the Banker's Trust awards. In 2008, The WALL STREET JOURNAL ASIA recognized her as one of Asia's top ten professional women. Recently in 2020, she has been awarded

the HUM Women's Leadership Global Award.

Dr. Akhtar is now serving as the Chairperson of few Boards in Pakistan: Chairperson of the Pakistan Stock Exchange Limited, Chairperson on the Board of Sui Southern Gas Company Limited - gas transmission and distribution company, Chairperson of the Karandaaz - an innovative nonprofit company—grant funded by DFID/Bill & Melinda Gates Foundation to promote financial and digital inclusion, Chairperson, Pakistan Institute of Corporate Governance and as Independent Director, Engro Fertilizer Company Limited and Advisor on Pakistan Environment Trust Fund.

Dr. Akhtar is Member of the Advisory Council of the Sustainable Finance Centre at the SOAS at London University, Member of UN Global Women Leaders Group, served on G20 Task Force member of the Think Tank on Infrastructure during the Presidency of Japan, Saudi and Italian Government. She served as an Advisor of SG Food Security and Financing for Development Group, one of the 12 Global Advisors to the Ministry of Foreign Affairs on China on Belt and Road, Council of Advisor and Policy Sherpa for the Boao Forum for Asia and Advisor to the Shanghai Forum. She has conducted analytical work as Chair of the Pakistan Reform Insurance Committee, Capital Markets reforms and the Special Economic Zones etc. She serves as speaker on diverse set of international and national panel.



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, totaling 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:

- Nominee Director of PSX, Central Depository Company of Pakistan Limited
- Nominee Director of PSX, National Clearing Company of Pakistan Limited
- Nominee Director of PSX, Pakistan Mercantile Exchange Limited
- Nominee Director of PSX, ECLEAR Services 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*)
- Non-Executive Director, Acumen Pakistan
- Trustee, Acumen Academy, UK
- Trustee/Director, Pakistan Environment Trust, UK



MR. AHMED CHINOY, H.I., S.I.

Non-Executive Director

Mr. Ahmed Chinoy, H.I., S.I. is an elected Director on the Board of Pakistan Stock Exchange Limited (PSX). He is the Managing Partner of Arch 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. He has also served several times on the Managing Committee of Federation of Pakistan Chamber of Commerce & Industry 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 officer/ 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 (SSE).

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

Dr. FU published a lot of papers and articles in major Chinese finance journals. He has served as the Chairman of Working Committee of Asia Oceanic Stock Exchange Federation from 2014 to 2016. He was awarded as "Shanghai Financial Innovative Figure" in 2014, "Shanghai Financial Leading Talent" in 2017. Under his leadership as the Managing Director of Global Business Development Department of SSE, his team 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. She also served as Vice CIO of SZSE from 2012 to 2017. Since 2017, Ms. Huali has been serving as CIO of SZSE.



MR. JIANG KETAO

Non-Executive Director

Mr. Jiang Ketao 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. Jiang is currently serving as Managing Director(A) of PCICL. He has 21 years' of affiliation with China Development Bank (CDB), where he served at various positions in Credit Management, Customer Relationship, International Finance business and Belt and Road Business management. He has also accomplished various international finance of CDB as Senior Appraisal Specialist and Senior Negotiator.

Before joining PCICL in August 2021, he was Director of Coordination Division, International Finance Department of CDB. Mr. Jiang received his degrees of Master's in Finance and Bachelor's in Economic Information Management from Jiangxi University of Finance & Economics, China.



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 & Chairman Audit Committee, Fauji Foods Limited
- Chairman & Independent Director, Sindh Infrastructure Development Company Limited
- Independent Director, Javedan Corporation Limited
- Independent Director, Tricon Boston Consulting Corporation (Private) 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 nationality.

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.

Mr. Naqvi holds the degrees of MBA in Finance and B.Sc. with Honours in Banking and International Finance from the City University 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 (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 (CPP) 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:

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



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 articleship 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 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]
- Trustee, The Recovery House

THIS PAGE IS LEFT INTENTIONALLY BLANK

PSX MANAGEMENT TEAM



Sitting (From left to right)

Mr. Ajeet Kumar
Chief Regulatory Officer

Ms. Sanam Kohati Faiz
Chief Human Resources Officer

Mr. Ahmed Ali Mitha
Chief Financial Officer

Mr. Farrukh H. Khan
Chief Executive Officer/Managing Director

Dr. Fakhara Rizwan
Co. Secretary/Chief Legal & Corporate Affairs Officer

Ms. Raeda Latif
Chief Marketing & Business Development Officer

Standing (From left to right)

Mr. Syed Abbas Haider Zaidi
Chief Risk Management Officer

Mr. Farhan Ansari
Chief Internal Audit Officer

Mr. Syed Adeel Javaid
Chief Information Officer

Mr. Nadir Rahman
Chief Operating Officer

Mr. Jawad Haider Hashmi
Chief Market Operations Officer

Ms. Asmaa Saleem Malik
Chief Listing Officer

Note: The above group photo of PSX's Management excludes the photograph of following profiles:

Mr. Nisar Ahmed Qazi
Chief Administrative Officer

Mr. Hassan Raza
Regional Head & Chief Product Officer

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 31 years, of which over 16 years have been in C level positions, including board level experience with listed, unlisted, and international companies. His core areas of expertise are business development, operations, investment management 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 experience to the senior team at PSX.

His last appointment was with BMA Capital Management for 3 years as CEO. Prior to that he has served as the Group CEO in Mega & Forbes, as Managing Director and CEO at KASB Securities, JS Global Capital and Mashreq Asset Management. He was also the founder member and first CEO of Foundation Securities. In addition, he has been

associated with Fauji Foundation, Standard Chartered Bank, ABN AMRO/Rothschild, Citibank and Bukhatir Investments Ltd in various junior, middle and senior management roles. In terms of geography, Nadir has travelled and done business in over 20 countries.

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



DR. FAKHARA RIZWAN

Co. Secretary/Chief Legal & Corporate Affairs Officer

Dr. Fakhara Rizwan is an Author, a Certified Director, a qualified corporate lawyer (Doctorate in Corporate Laws from International Islamic University Malaysia) and a Certified Financial Crime Specialist (ACFCS). She is distinguished as the only Pakistani with a doctorate in corporate laws governing takeover and merger activity in Pakistan. Her articles on corporate laws and social issues have been published in several law journals and newspapers. She has authored a book on 'Corporate Takeovers and Mergers –A Study on the Banks Role as Adviser', a founding work on the subject and two editions of the same are already published.

Dr. Fakhara is a member of the Association of Certified Financial Crime Specialists as well as a member of the Board of Pakistan Institute of Corporate Governance and its Human Resource, Audit and Research Committees. She is also a member of the Board of MIA Arbitration, Mediation & Conciliation Center. She is an HEC Approved supervisor to supervise the candidates for PhD. She is a member of the Board of Advance Studies and Research of the Shaheed Zulfiqar Ali Bhutto University of Law. She teaches law and governance as a visiting faculty at various prestigious institutions and universities.

She is the first Pakistani member of the Malaysian Corporate Counsels Association. She practiced law in Malaysia and provided

consultancy to Pakistan High Commission and numerous reputable corporate entities for almost five years. She was also engaged in the pro bono practice for the welfare of destitute Pakistani nationals residing in Malaysia.

In 2014, she returned to Pakistan and joined AlBaraka Bank Pakistan as its 'Company Secretary and Head of Legal Department.' She played an instrumental role in acquiring Burj Bank Limited by AlBaraka Bank, which its board of directors highly valued. In 2017, she joined ORIX Leasing Pakistan Limited as Company Secretary & Head of the Legal Department. She had been the Vice-Chairperson of the Non-Banking Financial Institutions & Modaraba Association and representative of the Leasing Industry in FPCCI.

Since January 2020, she has been associated with Pakistan Stock Exchange Limited as its Company Secretary and Chief Legal & Corporate Affairs Officer as General Manager. She is also a member of PSX's Listing Committee.

She is a motivational speaker with tremendous experience of participating in international forums, a Martial Artist (black belted) but poetess by nature. Three editions of her book Adhuri Takmeel have already been published.



MR. AHMED ALI MITHA

Chief Financial Officer

Mr. Ahmed Ali Mitha brings with him a rich and diverse background from the financial sector and is the key strategic resource skilled in leadership and finance. 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 as Chief Financial Officer, also include strategic & corporate planning and medium-term financial projection for the development of the Exchange, preparation of PSX tax proposals for annual Federal Budget, budgeting and revenue remodeling and treasury and funds management. As the top financial officer of PSX, he is responsible for forecasting the organisation's financial standing and advising the CEO and the Board on strategic direction. Mr. Mitha's role as CFO underscores the strategic importance of

his contribution for Pakistan Stock Exchange.

Mr. Mitha started his career in the year 1994 from PWC and joined PSX in 2006 as Chief Financial Officer. He brings with him over 28 years of rich & diverse leadership experience in the field of Audit and Finance, in both public and private sectors, including insurance, cement and textile industries. He has previously held the position of Executive Director Finance and Company Secretary of National Insurance Company Limited (NICL).

He 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).



MR. AJEET KUMAR

Chief Regulatory Officer

Mr. Ajeet Kumar has professional experience of over 12 years working for securities market and has remained a core team member of the Regulatory Affairs Division (RAD) since its formation pursuant to demutualization of the stock exchange. Currently, Mr. Ajeet is heading RAD and is also performing role of Secretary to the Regulatory Affairs Committee (RAC) of the Board of Directors and member of Oversight Committee constituted by SECP under the Joint Inspection Regulations, 2015 and Risk Committee of NCCPL. Prior to joining PSX, he was associated with SECP for over 4 years in Securities Market Division.

He is well versed with the local capital market dynamics and global practices governing securities market and is considered as dedicated professional who is analytical, detail and target oriented. He has expertise in advisory, policy making, research, compliance and enforcement and has been instrumental in formulating effective regulations

and strategies for the development of capital market of Pakistan.

He has played key role 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, GEM 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

Chief Internal Audit Officer

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 23 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. SYED ADEEL JAVAID

Chief Information Officer

Mr. Syed Adeel Javaid has 23 years of corporate experience and is well versed with the local and international technology and capital market dynamics. He has extensive experience of managing business critical systems & services involving multifunctional teams and large scale project portfolios through strategic technology planning and change management with special focus on digital transformation.

His last appointment was with Kounteq Limited (UK & PK) for 3 years as Chief Technology Officer. Prior to that he has served Bahrain Stock Exchange (Bahrain Bourse) for 15 years where he was serving as IT Director. Earlier, he remained associated with Wavetec Pakistan and APS Control Systems (The Netherlands) for 5 years in middle management roles.

Mr. Javaid holds a Bachelor's degree in Electrical

Engineering from NED University, Karachi and had also attained PRINCE2 Practitioner accreditation

THIS PAGE IS LEFT INTENTIONALLY BLANK

PERC



REPTION MATTERS



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the seventy-fifth (75th) Annual General Meeting (AGM) of Pakistan Stock Exchange Limited (the Company or PSX) will be held on Friday, October 28, 2022, at 04:00 p.m. at the Registered Office of the Company, Stock Exchange Building, Stock Exchange Road, Karachi and through the video-conferencing facility, to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2022, together with the Directors' and Auditors' Reports thereon.
2. To appoint Company's auditors for the year ending June 30, 2023, till the conclusion of the 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.

Special Business:

3. To approve the proposals for additional equity investment in Central Depository Company of Pakistan Limited (CDC), an associated company of PSX, amounting to PKR 48,749,875/- divided into 1,949,995 ordinary shares of PKR 10/- each and PKR 75,000,000/- divided into 3,000,000 ordinary shares of PKR 10/- each, to be acquired respectively from IGI Investments (Private) Limited (IGI) and Allied Bank Limited (ABL), the shareholders of CDC, at a price of PKR 25/- per share, including a premium of PKR 15/- per share, and for this purpose, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:

RESOLVED THAT approval be and is hereby granted under Section 199 of the Companies Act, 2017 that PSX makes additional equity investments of PKR 48,749,875/- (Pak Rupees Forty-Eight Million Seven Hundred Forty-Nine Thousand Eight Hundred and Seventy-Five Only) and PKR 75,000,000/- (Pak Rupees Seventy-Five Million Only) in CDC by respectively acquiring from IGI and ABL, 1,949,995 and 3,000,000 ordinary shares of PKR 10/- each, i.e. for 1.65% equity stake in CDC, at a price of PKR 25/- per share (the transaction), subject to all statutory and regulatory approvals, where required.

RESOLVED FURTHER THAT the Chief Executive Officer and the Company Secretary of PSX be and are hereby jointly and severally authorised to do all such things, acts, deeds, etc., which may be necessary to bring the transaction to a successful conclusion and give effect to the above resolution.

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, 2022

Note:

1. A statement under Section 134(3) of the Companies Act, 2017, setting out all material facts concerning the special business described in the above Agenda and the information as required under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, are annexed to this notice. This notice and the statement of material facts are also available on Company's website.
2. The Annual Report containing the Annual Audited Financial Statements for the year ended June 30, 2022, is also available on the Company's website.

-
3. A member may submit a request at the Company's registered office for certified copies of the minutes of previously held general meetings.

NOTES

1. The Register of Members will remain closed from October 22, 2022 to October 28, 2022 (both days inclusive). The Members whose names appear in the Register of Members as on October 21, 2022, shall be entitled to attend and vote at the AGM.
2. The members entitled to attend, speak and vote at the meeting shall also be entitled to appoint any person as their proxy to attend, speak and vote on their behalf. A proxy so appointed shall have such rights with respect to attending, speaking and voting at the meeting as are available to the respective member. The Company must receive the Instrument of Proxy and the Power of Attorney under which it is signed or a notarised certified copy of that Power of Attorney, at least 48 hours before the meeting. A proxy need not be a member of the Company. The Form of Proxy is enclosed with the Annual Report and also available on Company's website.
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. Since all shares issued to members are in dematerialised format in their respective CDC accounts, the individual members desiring to attend the meeting in person, are requested to bring their original Computerized National Identity Cards (CNICs) along with the Investor Account or Participant ID and House Account/ Sub-Account numbers, for identification purposes, whereas, in case of a corporate member, the resolution of Board of Directors/Power of Attorney with specimen signature of the nominee may preferably be provided to the Company well in advance or otherwise produced at the meeting.
5. Members are requested to notify the change of their registered address immediately but before the first day of book closure to their Participant/CDC Investor Account Services, which maintains their CDC account.
6. **Participation in AGM through Video-Conferencing Facility**

Pursuant to the clarification bearing reference no. SMD/SE/2(20)/2021/117 issued by the Securities & Exchange Commission of Pakistan (SECP) on December 15, 2021, the Company is facilitating the shareholders to attend the AGM via video-link, in addition to physical arrangements for the meeting. Therefore, the shareholders are encouraged to participate in the AGM through the video-conferencing facility and, accordingly get themselves registered with the Company Secretariat by providing the requisite details at their earliest but not later than 48 hours before the time of the AGM (i.e. by 04:00 p.m. on October 26, 2022) 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 the 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 the 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 login credentials to their e-mail addresses. Accordingly, the shareholders can participate in AGM proceedings through their smartphones or computer devices. In addition to the 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 Companies Act), about providing a video link facility to the members holding 10% or more shareholding (in aggregate) in the Company, residing at a geographical location.

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

This statement sets out the material facts concerning the Special Business, as specified in the Agenda of the notice, to be transacted at the AGM of PSX, to be held on October 28, 2022:

- (a) Central Depository Company of Pakistan Limited (CDC) was incorporated as a public limited company on January 21, 1993. The principal business activity of the CDC is to act as a depository for securities and open securities accounts. CDC, under trust deeds, acts as a trustee for various open-end funds and closed-end schemes under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and also provides custodialship to closed-end funds formed under the said regulations. CDC also provides custody and settlement services for Government securities to retail investors and Centralised Information Sharing Solution for Insurance Industry (CISSII).
- (b) PSX is one of the major shareholders of CDC, presently holding 119,424,000 shares, i.e. 39.81% of its total paid-up capital of PKR 3.0 billion. In accordance with the definition provided in Section 2(4) of the Companies Act, CDC and PSX are associated companies.
- (c) The latest shareholding structure of CDC is as follows:

Name of Shareholder	Shareholding	Percentage Holding
Pakistan Stock Exchange Limited	119,424,000	39.81%
MCB Bank Limited	45,000,000	15.00%
Habib Bank Limited	34,038,001	11.35%
LSE Financial Services Limited	30,000,000	10.00%
National Investment Trust Limited	19,038,000	6.35%
Industrial Development Bank Limited	15,000,000	5.00%
Pak China Investment Company Limited	15,000,000	5.00%
Crescent Steel and Allied Products Limited	8,250,000	2.75%
ISE Towers REIT Management Company Limited	7,500,000	2.50%
Allied Bank Limited	3,000,000	1.00%
IGI Investments (Private) Limited	1,949,995	0.65%
Innovative Investment Bank Limited	1,500,000	0.50%
Crescent Standard Business Management (Private) Limited	300,000	0.10%
Others	4	-
	300,000,000	100%

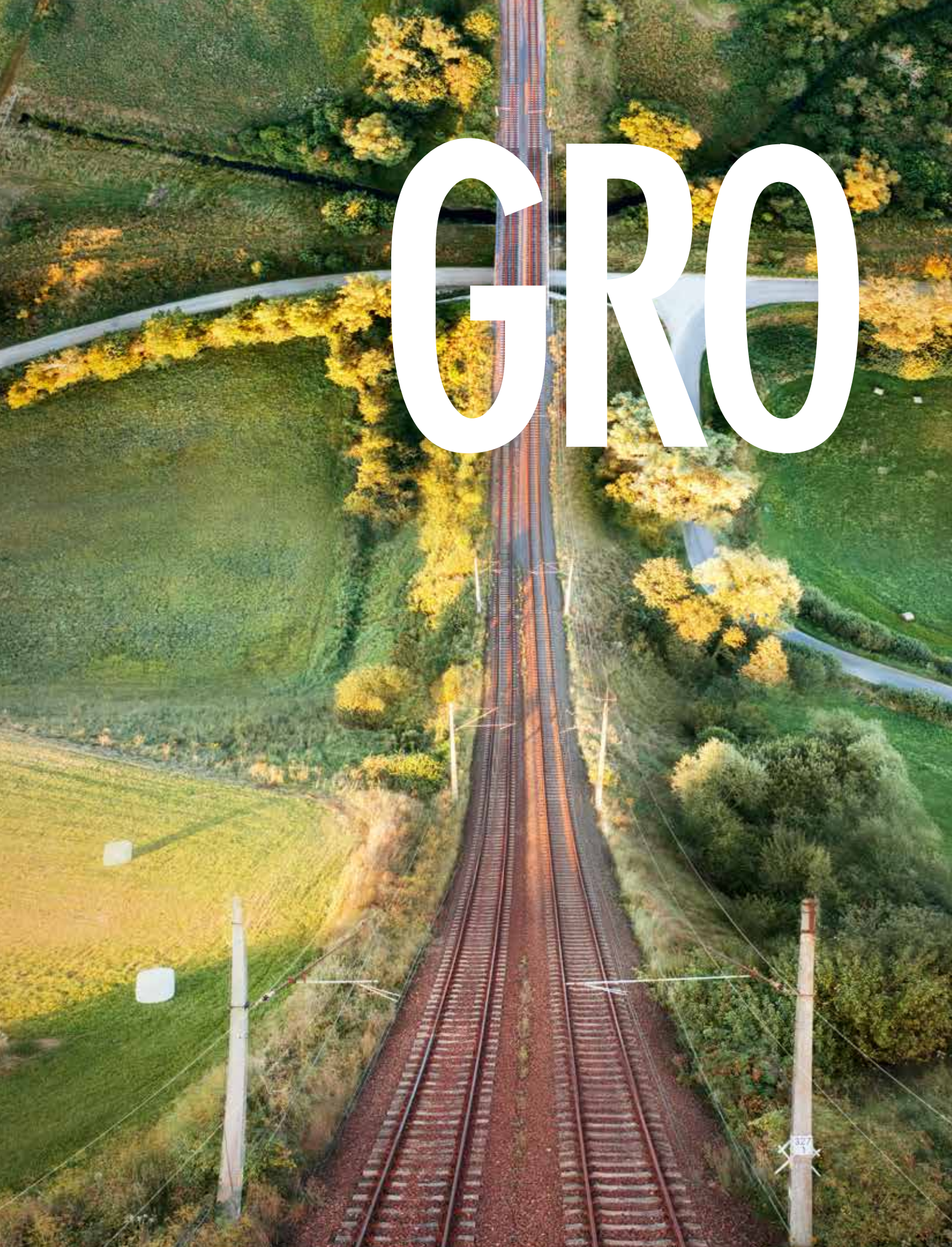
- (d) Pursuant to the requirements of the Securities Act, 2015, to be read with the Central Depositories (Licensing and Operations) Regulations, 2016 (the Central Depositories Regulations), only the specified eligible shareholders are allowed to hold shares in the central depository. Besides, the collective shareholding of all eligible shareholders (other than securities exchange, its connected company, its majority shareholder, or associate of majority shareholder) shall not exceed 49%.
- (e) In the given circumstances, PSX has executed two separate Sale and Purchase Agreements with IGI and ABL, whereby IGI and ABL have agreed to sell their equity stakes in CDC, being 0.65% (i.e. 1,949,995 shares) and 1% (i.e. 3,000,000 shares), respectively to PSX, at PKR 25/- per share, subject to all internal and regulatory approvals and other conditions to be agreed.
- (f) PSX's Board of Directors has approved the aforementioned equity investments in CDC, subject to the consent of PSX's shareholders as required under Section 199 of the Companies Act. In this respect, the Board certifies that the necessary due diligence on the proposal was carried out and accordingly, the Board recommends that the shareholders approve the same.

-
- (g) As required under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, M/s. Reanda Haroon Zakaria & Co. was engaged by PSX to determine the fair market value of the share of CDC which came to PKR 24.78 to PKR 27.50. Since the price being offered for acquiring the CDC's shares is within the fair value range recommended by M/s. Reanda Haroon Zakaria & Co., and due to PSX's strategic nature in CDC, the shareholders may consider approving the proposed investment.
 - (h) PSX's directors do not have any other interest/conflict of interest in the proposed investments except that Mr. Farrukh H. Khan, Mr. Ahmed Chinoy and Mr. Nadeem Naqvi serve on CDC's Board of Directors as PSX's nominee directors.
 - (i) The information required under Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, is provided in the enclosed Annexure-A.

**INFORMATION REQUIRED UNDER REGULATION 3(1) OF COMPANIES
(INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017**

S. No.	Description	Information required		
i.	Name of associated company	Central Depository Company of Pakistan Limited (CDC).		
ii.	Basis of relationship	CDC is an associated company of PSX since Mr. Farrukh H. Khan, Mr. Ahmed Chinoy, and Mr. Nadeem Naqvi serve as directors on the Boards of both companies.		
iii.	Earning/(Loss) per share of the associated company in the last three years	June 30, 2022	PKR	2.70 (300 million shares)
		June 30, 2021	PKR	2.63 (250 million shares)
		June 30, 2020	PKR	2.66 (250 million shares)
iv.	Break-up value per share, based on the latest audited financial statements	PKR 20.92 per share as of June 30, 2022. Total no. of outstanding shares is 300 million.		
v.	Financial Position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	The Balance Sheet as of June 30, 2022, and the Profit or Loss Account of CDC for the year ended June 30, 2022 have been dispatched to the shareholders and are also available on PSX's website.		
vi.	In case of investment in securities of a project of the associated company that has not commenced operations: (i) description of the project and its history since conceptualisation; (ii) starting date and expected date of completion of work; (iii) time by which such project shall become commercially operational; (iv) expected time by which the project shall start paying return on investment; and (v) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	Not applicable.		
vii.	Maximum amounts of investment	(i) For acquisition of CDC's shares from IGI - PKR 48,749,875/- (Pak Rupees Forty-Eight Million Seven Hundred Forty-Nine Thousand Eight Hundred and Seventy-Five Only); and (ii) For acquisition of CDC's shares from ABL - PKR 75,000,000/- (Pak Rupees Seventy-Five Million Only).		
viii.	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	To consolidate shareholding in CDC to make it a subsidiary while facilitating compliance with applicable Regulations by CDC and its shareholders.		

S. No.	Description	Information required									
ix.	Sources of fund from which securities will be acquired	PSX intends to utilise its funds for the investment.									
x.	Salient features of the agreement(s), if any, with an associated company or associated undertaking with regards to the proposed investment	Not applicable.									
xi.	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	None of the directors of PSX, except Mr. Farrukh H. Khan, Mr. Ahmed Chinoy and Mr. Nadeem Naqvi (PSX’s nominee directors on CDC’s board), has any interest in the proposed investment.									
xii.	In case any investment in an associated company or associated undertaking has already been made, the performance review of such investment, including complete information /justification for any impairment or write-offs	PSX currently holds 39.81% of the shareholding in CDC, and during the FY 2022, profit attributable to PSX amounted to PKR 322,858,000. No impairment on investment in CDC has been recognised by the Company.									
		Performance of investment in CDC over the past three years:									
			Investment*	Share of Profit	Return						
		PKR in ‘000’	%								
		2022	2,217,063	322,858	14.6						
		2021	2,083,183	303,642	14.6						
2020	1,915,520	265,044	13.8								
		*Computed using the equity method of accounting.									
xiii.	Any other important details necessary for the members to understand the transaction	None.									
xiv.	Maximum price at which securities will be acquired	PKR 25/- per share.									
xv.	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not applicable.									
xvi.	Maximum number of securities to be acquired	(i) For acquisition of CDC’s shares from IGI - 1,949,995 ordinary shares of PKR 10/- each; and (ii) For acquisition of CDC’s shares from ABL - 3,000,000 ordinary shares of PKR 10/- each.									
xvii.	Number of securities and percentage thereof held before and after the proposed investment	<table><tr><td></td><td>Number of securities held</td><td>Percentage</td></tr><tr><td>Before</td><td>119,424,000</td><td>39.81%</td></tr><tr><td>After</td><td>124,373,995</td><td>41.46%</td></tr></table>		Number of securities held	Percentage	Before	119,424,000	39.81%	After	124,373,995	41.46%
	Number of securities held	Percentage									
Before	119,424,000	39.81%									
After	124,373,995	41.46%									
xviii.	Current and preceding twelve weeks’ weighted average market price where investment is proposed to be made in listed securities	Not applicable.									
xix.	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	As determined by the valuer, the fair value of a share of CDC, as of June 30, 2022, comes to PKR 24.78 to PKR 27.50.									

An aerial photograph of a railway track stretching through a lush green landscape. The track is composed of two parallel rails on a bed of reddish-brown gravel. On either side of the track, there are green fields and clusters of trees with bright yellow autumn foliage. A road is visible on the right side, curving around a bend. The word "GRO" is superimposed in large, white, sans-serif capital letters across the upper middle of the image.

GRO

WITH

MATTERS





Chairperson's Review Report

Dr. Shamshad Akhtar
Chairperson & Independent Director

Dear Shareholders,

Pakistan's economy recovered from the pandemic in 2021. The economic and monetary stimulus offered to mitigate the consequences of Covid19 helped support the growth trajectory as it is provisionally estimated to be in the range of 6% in FY22, slightly above FY21. Growth was broad-based as industry revived and agriculture and services performed well, backed by growth in private credit as well as central bank concessional refinancing and other incentives.

The economic outcome for FY22, however, was impacted by the heightened global economic and political uncertainty due to spillovers from Russia's war in Ukraine that led to fuel, food and other commodity crisis. Also, in the wake of the growing global inflationary pressures, the advanced countries tightened their monetary stance including through the upward adjustment in policy rates.

Adversities of the external environment and procyclical domestic policies complicated Pakistan's macroeconomic management as the fiscal and external deficits (despite robust export growth, which was more than offset by the 86% rise in fuel imports, both in terms of prices and volumes) reached unsustainable levels in FY22. A combination of global and domestic price pressures led to high and rising inflation that reached 21.3% in June 2022. Meanwhile, the balance of payment complication and debt repayments eroded reserve buffers. Gross FX reserves fell from US\$17.6 billion in end-December 2021 to US\$9.8 billion in end-June 2022.

Accommodative fiscal and monetary policies (with the real policy rate kept in negative territory) did generate broad-based growth but fueled demand pressures. Since December 2021, the phased cumulative policy rates adjustment by 525 bps along with the flexible exchange rate management (which depreciated by around 30 per cent in FY22) allowed for a degree of macroeconomic stability.

The domestic political transition did take a toll. However, renewed efforts have been launched through a host of measures (such as withdrawal of relief packages, removal of the untargeted power and post-tax fuel subsidy, restoration of the Petroleum Development Levy and a range of other domestic resource mobilization measures, etc.) to scale down the external current account deficit and the primary fiscal deficit while expanding social safety net programs.

The economic outlook for Pakistan depends on how effectively the Government steers the stabilization measures while dealing with the relief and rescue efforts of flood affectees. With one-third of the country affected by floods, there will be a need to launch a major effort to reconstruct homes and infrastructure.

On the macroeconomic front, the Government has committed to generate a primary surplus (0.4% of GDP) in FY2023, supported by the tight curb on spending and enhancing domestic resources through progressive taxation and timely adjustment of utilities tariff to reduce the country's circular debt. Monetary policy adjustment will be aligned to achieve inflation down to 5–7 per cent over the medium term. Exchange rate flexibility will help cushion and rebuild reserves to more prudent levels which are to benefit from the IMF's release of an extended and augmented tranche until 2023 besides bilateral flows.

Pakistan Stock Exchange (PSX) continues to play its role in supporting the financial markets. In 2022, PSX became the member of the Sustainable Stock Exchanges (SSE) Initiative, which aims to build capacities to promote responsible investment in sustainable development. PSX and the corporate sector are in parallel promoting Environmental, Social and Governance (ESG) and increasingly encouraging awareness and promoting the adoption of sustainable practices as well as reporting.

In January 2022, the KSE 100 Index was one of the best-performing markets in the region and, notably, there has been aggressive foreign buying in technology stocks. PSX had seven equity listings on the Main Board and three on the new & innovative GEM Board of the Stock Exchange. Moreover, new public debt issuances were structured, including Sukuks, a Commercial Paper, and a TFC. PSX enhanced investor and issuer awareness to increase the Exchange business.

PSX collaborated with banks and market participants to present the Roshan Equity Investment Account suite to attract investment into stocks and bonds. PSX has pursued the online account opening, KYC sharing, and relaunch of the Sahulat Account for small investors like students and housewives etc.

The Finance Bill for the quarter ending June 2022 introduced a level playing field between capital gains tax on securities and real estate by imposing the same tax slabs and holding period guidelines for both asset classes.

With competitive P/E ratios and attractive valuations, PSX stocks are competitively priced for investment across all categories of portfolios. PSX has the potential to facilitate the Government and the corporate sector to raise funds and finance sustainable investment. With the state-of-the-art book-building system on offer by the Exchange, the Government can utilize this platform to raise funding to address the circular debt. Moreover, IT and ITeS companies can make use of the PSX platform to raise capital, augmenting momentum in the e-commerce sector of the economy.

PSX continues to enhance the investor, issuer and market participant experience. As a link to this chain of development, efforts are underway to launch the New Trading & Surveillance System to enhance investor experience. PSX has closely interacted with the Ministry of Finance, SECP and FBR to enhance the policy environment for capital markets and benefit all the stakeholders and market participants.

As a frontline regulator, PSX is committed to advocating and promoting the highest standards of corporate governance and integrity as well as providing value for stakeholders. Despite the challenging economic environment, I am confident that, going forward, PSX, led by its Board and Management, will continue to deliver and engage all stakeholders for the enhancement of the capital markets, ensuring a positive impact for all market participants and members of the PSX ecosystem.



Dr. Shamshad Akhtar

Chairperson of the Board

THIS PAGE IS LEFT INTENTIONALLY BLANK



MD & CEO Review 2022

Mr. Farrukh H. Khan
Chief Executive Officer

CEO's Review Report

Dear Stakeholders,

PSX is one of the oldest exchanges in Asia. A number of significant reforms and developments have taken place over the years, however the Exchange remains relatively small, both in comparison to Pakistan's economy and regional peers.

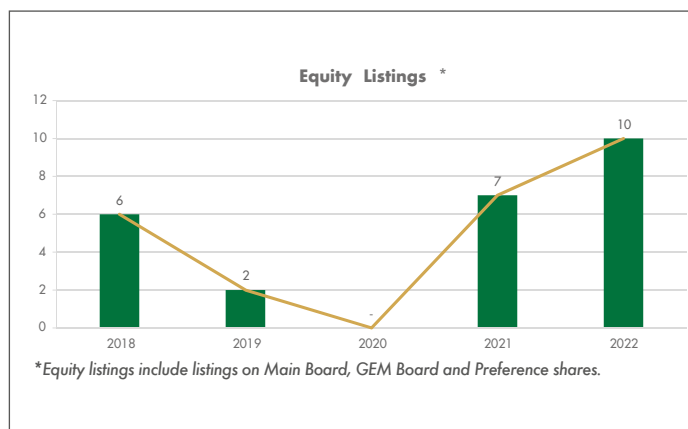
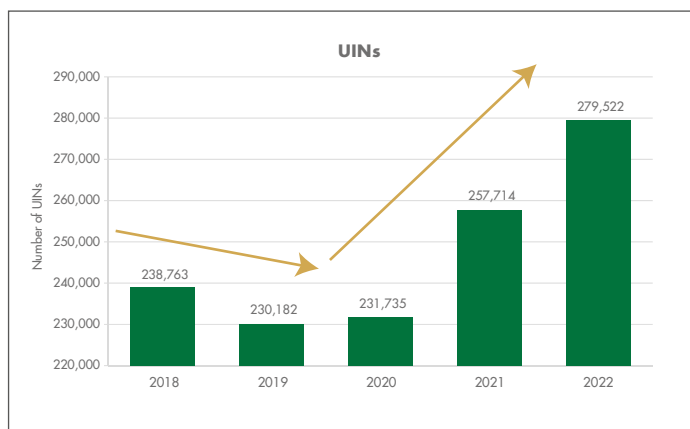
There are macro, market related and organisational challenges that have impacted the development of PSX. The present management has undertaken a thorough review of these factors and with the guidance and support of the board has developed a comprehensive three year strategic plan to address them.

The plan focuses on three key areas:

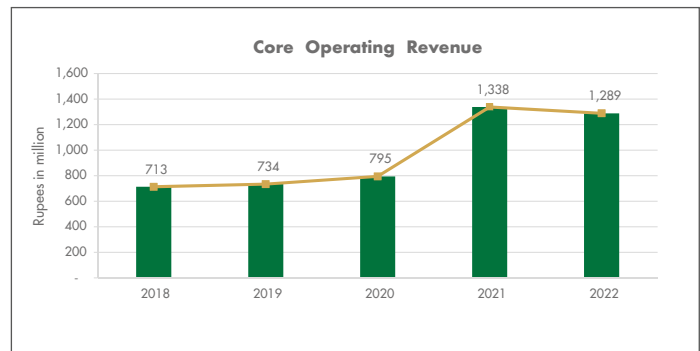
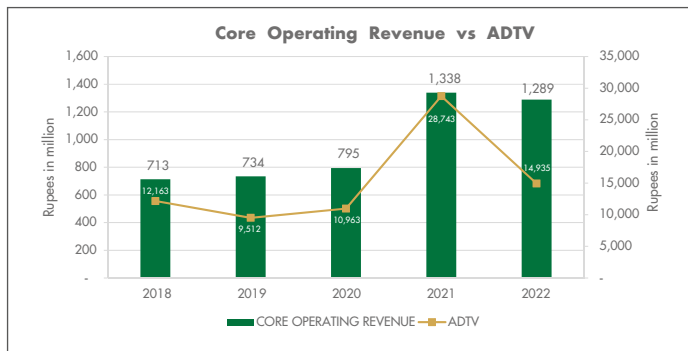
- Increasing supply of securities and products
- Fostering demand and knowledge of capital markets to increase the number of investors
- Strengthening the PSX organisation to deliver on this ambitious strategy

With respect to the current year under review, I am very pleased to report that in spite of a challenging operating environment and severe macro-economic and political headwinds, which has impacted profitability, PSX has continued to grow and deliver on its strategic plan, with increased UINs, IPOs and improvement in its financial sustainability. The roll back of the New Trading System (NTS) was a big disappointment and created significant management and team issues that were handled expeditiously and sensitively.

While still work in progress, many important building blocks have been developed and are in place, which bodes well for the future growth of PSX and Pakistan's capital markets. The following charts illustrate the progress made.

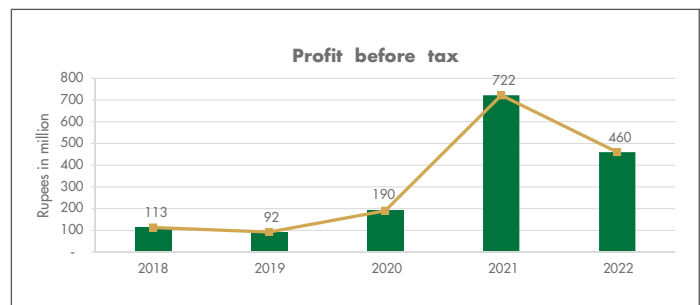
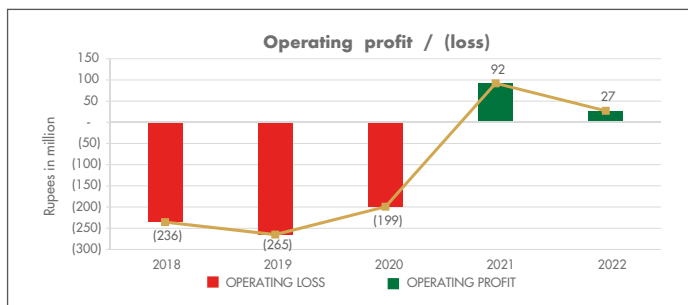


By nature of its business, PSX will always remain dependent on trading volumes. However, a concerted effort has been made to minimize the dependence on trading volumes by developing other revenue sources like data vending and a strong focus on listings, while at the same time making efforts to increase the number of investors by new products like Sahulat accounts, online account opening, 90 days futures and Equity RDAs, amongst others. The pricing of our different products was also rationalized after many years. This effort is starting to show results and the trading volumes are reasonable even in lean markets. In the outgoing year, despite a reduction in daily trading volumes by 48% YoY, i.e. from PKR 28.7 billion/day during FY20-21 to PKR 14.93 billion/day during FY21-22, PSX's core operating revenue declined by only 4% YoY.

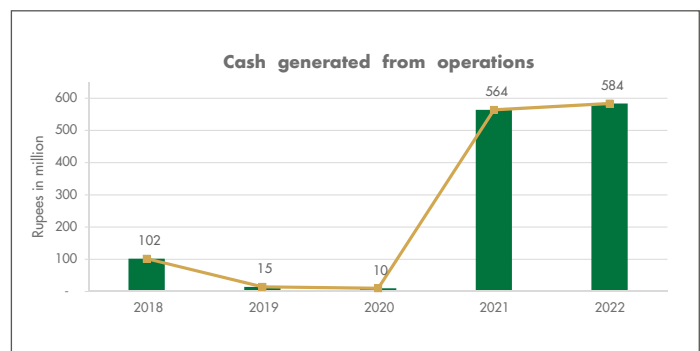
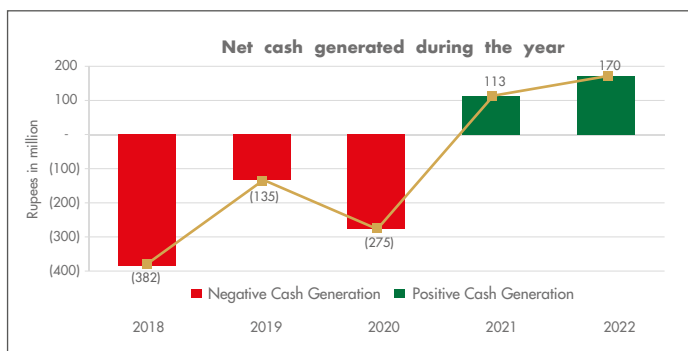


At the same time, PSX team has worked hard to almost double the core operating revenue, which was more or less flat for many years, from PKR 713 million in FY2017-18 to PKR 1.289 billion for FY2021-22, registering more than 80% increase, while keeping expense increases well below inflation rates.

PSX had been in operating losses for many years. As a result of the efforts outlined above, we have now successfully turned around the situation; although there is still work to do to become sustainably profitable. Previously, PSX had incurred losses in low and high volume markets. This year, even in a low volume market, we have broken-even at the operating level with contribution from areas like listing fees and data vending, while the PBT was PKR 460 million, compared to PKR 722 million for the year before. Graphs below further illustrate the trend in operating profit/(loss) and PBT during the past five years:



After being cash flow negative for many years, PSX is now finally cash flow positive after a concerted effort to improve cash flows. Despite the significant deterioration in the economic environment and reduction in the operating profit & profit before tax in comparison to last year, PSX has delivered a considerable increase in the cash balance during the year, which stands at PKR 1.1 billion (FY 2020-21: PKR 938 million), due to better cashflow and treasury management during the year as illustrated below:



Furthermore, annual cash generated from operational activities has also shown significant increase compared to prior years as illustrated above.

Creating a closer and collaborative working relationship with our associated companies has been another key achievement for the growth of PSX and the capital markets. Some important achievements due to such collaboration include RDA, online account opening and shared KYC. These seminal developments will, I believe, play an important role in the future development of the capital markets.

Many macro level challenges impact the capital markets, including a large informal sector, high interest rate environment, tax incentives given to other asset classes, particularly real estate, and KYC requirements in the stock market, that are not applicable when investing in other asset classes. There is now a KYC and tax driven distortion amongst asset classes, which is detrimental to efficient allocation of scarce resources in Pakistan.

We have worked hard to make the above case to the SECP, FBR, MoF and GoP. I am very happy to report that we have made some good progress in both the capital gains tax regime and clarifying the AML and KYC requirements. We have developed and maintain excellent and respectful relationships with the SECP, MoF, FBR, SBP and generally with the GoP. Capital markets can only develop in a thriving ecosystem. We work closely and in a collaborative manner with all stakeholders, including PSBA, mutual funds and listed companies.

Other key achievements

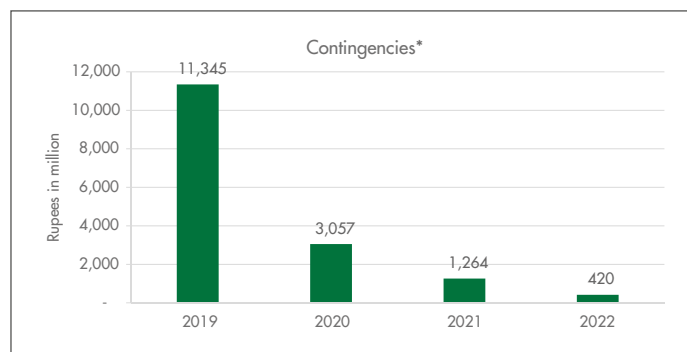
I am very happy to report that during this year, PSX won the Best Islamic Stock Exchange award by the Global Islamic Finance Awards. This is the first time PSX has been so recognized in the ten year history of the awards.

PSX successfully launched the Growth Enterprise Market, GEM board, which had been in planning for almost a decade, with three companies now listed. GEM Board was launched to provide a low cost and simple platform for smaller growth companies to both raise capital and provide a viable exit route for early stage investors.

As both a front line regulator and a listed company, PSX is committed to ESG initiatives and has recently joined the UN Sustainable Stock Exchanges initiative. We have set up an ESG task force, headed by the PSX Chairperson and comprising of listed companies, investors, professional bodies and regulators, to agree a plan for improvement in ESG initiatives and on disclosure standards for listed companies.

PSX has also joined the World Federation of Exchanges as an Affiliate member.

A concerted effort has been made to bring down contingent liabilities in the financial accounts from over PKR 11 billion in 2019 to only PKR 420 million this year.



* The decrease in contingencies amount since FY 2019 represents the disposal of 4 cases amounting to Rs.6.79 billion. In addition, 9 cases amounting to Rs.4.14 billion have been removed from contingencies based on opinion of legal counsels and consultation with external auditors. However, these cases are still pending in courts.

None of the above would have been possible without the support and guidance of the board, and the hard work and commitment of the PSX team. I would like to appreciate and thank them both. We have also had the full support of SECP, brokers and all stakeholders as we work relentlessly to grow the capital markets and create stakeholder value. I would like to acknowledge and thank all of them. I am confident that PSX will continue to play an increasingly important role in the economic development of Pakistan and provide both investment and capital raising opportunities for investors, corporates and the government.

Farrukh H. Khan
Chief Executive Officer

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, 2022.

Economic Review & Outlook

The Economic Review & Outlook is covered in the Chairperson's review on page 94.

PSX Financial and Market Performance During the Year

As highlighted in the Economic Review & Outlook section, the challenging macro economic and political environment has negatively impacted the financial performance of PSX. As detailed below, despite the challenging operating environment, PSX has continued to invest in and improve the infrastructure, and introduce new products for both investors and listed companies. We are confident that these initiatives will bear fruit in the coming years for the benefit of all stakeholders of PSX and for the growth of capital markets in Pakistan.

PSX recorded a pre-tax profit of PKR 460 million for the year ended June 30, 2022 vs. PKR 723 million for the year ended June 30, 2021, 36% lower than the corresponding year.

The operating profit reported by PSX during the year amounts to PKR 27 million against an operating profit of PKR 92 million for the year ended June 30, 2021.

Total income of PSX for FY2021-22 was recorded at PKR 1.87 billion versus PKR 2.1 billion in the last year, 10% lower than corresponding year, owing to the following reasons:

- Decline in revenue earned from trading fee by Rs 255 million mainly due to lower average daily traded value i.e. PKR 14.9 billion in FY 2021-22 vs PKR 28.6 billion in FY 2020-21
- Share of Profit from NCCPL (Associated Company) was lower by PKR 133 million in contrast to last year, as its profitability was dented due to lower traded value and volumes

However, the impact of the above decline in revenue was partially mitigated due to the following:

- Increase in listing fees by PKR 128 million on account of increase in Average Market Capitalization to PKR 8 Trillion during FY2020-21 (FY2019-20: PKR 7 Trillion) and new listings.
- Markup income increased by PKR 29 million compared to last year on account of higher interest rates
- Higher revenue of PKR 28 million from data vending
- Share of Profit from CDC (Associated company) was higher by PKR 19 million in contrast to last year due to improved performance

Management is conscious of the difficult business environment and focused on effective cost management. Total operating expenses of PSX for the FY2021-22 amounted to PKR 1,427 million versus PKR 1,372 million in the comparative year. Excluding the impact of depreciation on real estate due to change in accounting policy, expenses increased broadly in line with the rate of inflation.

PSX delivered a post-tax profit of PKR 399 million for the FY21-22, versus PKR 696 million in the FY20-21.

Dividend

In view of the ongoing capital investment projects, including implementation of the new Trading and Surveillance System, as well as the current profitability and cash flows, the Directors prudently recommended no cash dividend for the financial year ended June 30, 2022.

Earnings Per Share (EPS)

The basic and diluted earnings per share is PKR 0.5 for the FY21-22 vs. PKR 0.87 for the FY20-21.

Market Performance

Particulars	Year ended	
	June 30, 2022	June 30, 2021
KSE-100 Index	41,541	47,356
Market Capitalization (PKR in billion)	6,957	8,297
Average daily value traded – Ready (PKR in billion)	10.1	19.9
Average daily value traded – Futures (PKR in billion)	4.7	8.6
Average daily volume traded – Ready (million)	309	555
Average daily volume traded – Futures (million)	116	142

Changes During the Financial Year

Further investment has been made by the Company during the year amounting to PKR 39 million in EClear Services Limited, jointly set up by Central Depository Company of Pakistan Limited (CDC), National Clearing Company of Pakistan Limited (NCCPL) and PSX. This is the first Professional Clearing Member, as envisaged in the regulations issued by the Securities and Exchange Commission of Pakistan (SECP).

Moreover, during the year, leasehold land, buildings on leasehold land and lift, generators and electric installation were revalued by an independent professional valuer resulting in revaluation surplus of Rs 349 million.

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 the 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.

IT Achievements and Initiatives

PSX IT team played a key role in ensuring adequate technical support to TREC holders and played a vital role in ensuring uninterrupted smooth business operations. With exceptional commitment, dedicated efforts and well documented reporting of issues approx. 29% drop in annual support tickets and approx. 41% drop in repeated incidents has been observed this year.

New Trading & Surveillance System (NTS) was procured from the Shenzhen Stock Exchange (SZSE), China, and it went live on Monday, October 25, 2021. The system is a state-of-the-art, robust, advanced trading & surveillance system having readiness for new products and additions. The SZSE NTS worked as per specifications. Technical issues were encountered in the Jade Trading Terminal (JTT), which is the front-end Order Management System (OMS) developed by a local vendor. In order to address the concerns with JTT, PSX Management, in consultation with TREC holders and SECP, reverted to the previous system (KATS) on November 01, 2021, to provide uninterrupted trading for all TREC-Holders. PSX is working to resolve the issues impacting the front-end system, after which NTS will be relaunched.

PSX IT team remained engaged with a number of in house developments spanning requirements that primarily addressed the PSX needs. Some of the major deliverables related to reporting mechanism, changes in THIMS, enhanced features on corporate website and Data Portal and introduction of new indices. There are some major projects that are in progress such as dissemination of SECTRA Reports, introduction of new Property Sector and automation of the reporting framework for NTS on DPS, THIMS and TTOS.

Listing Achievements and Activities

Pakistan Stock Exchange Limited (PSX) successfully listed five (5) new companies, namely Citi Pharma Limited, Pakistan Aluminium Beverage Cans Limited, Air Link Communication Limited, Octopus Digital Limited and Adamjee Life Assurance Company Limited. The five newly listed companies in aggregate raised PKR 15,172 million from the capital market.

Moreover, during the FY 2021-22 Jahangir Siddiqui & Co. Limited issued 183,188,477 Class “A” preference shares and Husein Sugar Mills Limited issued 14,445,000 preference shares by way of right issues.

Pakistan Stock Exchange Limited successfully listed four (4) debt securities during FY 2021-22. The debt securities had a combined issue size of PKR 11,600 million.

In a significant development last year, the GEM Board was launched and took off with three successful listings witnessed in the Transport, Technology & Communication, and Paper & Board sectors. The growth companies namely Pak Agro Packaging Limited, Universal Network Systems Limited, and Supernet Limited and together they raised PKR 1,119 million from the capital market.

The Exchange listed 2 ETFs, namely JS Momentum Factor Exchange Traded Fund and Alfalah Consumer Index Exchange Traded Fund during FY 2021-22. JS Momentum Factor ETF is tracking JS Momentum Factor Index and Alfalah Consumer ETF is tracking Alfalah Consumer Index.

The Exchange successfully listed ten (10) Open-end Mutual Funds during FY 2021-22, which was twice the number that was listed during the previous financial year. The funds listed during the year constituted a total fund size of PKR 4,663 million.

Trading and Investor Developments

A number of significant initiatives have been taken to make it easier for investors to open brokerage accounts. Some of the key developments include:

- Significant improvement in the process of online account opening
- Reintroduction of “Sahulat” accounts for small investors with simpler AML and KYC requirements
- Worked and coordinated with SECP to provide greater clarity on AML and KYC requirements
- Worked with MoF and FBR to equalize impact of CGT between equities and real estate
- Greatly simplified account opening forms

As a result, UINs that were on a declining trend, increased by 8.5% to 279,522 at yearend.

Developments in Product Management & Research

PSX is moving forward to introduce single stock options as the regulatory framework for deliverable single stock options has also been approved by SECP.

PSX is also working towards the promotion of responsible investment in sustainable development and help improve corporate performance on Environmental, Social and Governance (ESG) issues. The SSE Initiative is a partnership program under the auspices of the UN organized by United Nations Conference on Trade and Development (UNCTAD), the UN Global Compact, United Nations Environment Programme Finance Initiative (UNEP-FI) and the Principles for Responsible Investment (PRI). In addition to joining the Sustainable Stock Exchanges (SSE) Initiative of UN, PSX is also working towards the development of sector wide ESG standards for adoption by listed companies.

Marketing and Business Development Initiatives

The Marketing & Business Development team continued to deliver on its objective to create greater awareness about the opportunities presented by the capital markets for both investors and corporates by carrying out branding activities, investor & industry awareness sessions as well as encouraging new companies to list on PSX. Several other activities were also carried out to promote the Exchange to market participants, stakeholders, investors, issuers and the general public.

Media was continuously engaged with numerous press releases, interviews, and announcements issued to present the various developments taking place at the Exchange throughout the year. A special supplement was issued in a major English newspaper to announce PSX's winning of the Best Islamic Stock Exchange Award 2021 presented by Global Islamic Finance Awards (GIFA).

An exceptionally useful new offering, 'My Portfolio' was launched to help (prospective) investors learn about investing in the stock market on real time basis but with virtual money. This web-based application will go a long way in not only educating investors on how to invest, build and manage their portfolios but will also increase the outreach of the Stock Exchange by generating greater interest by potential investors towards investing in the Stock Exchange.

Risk Management & Information Security

The Exchange has continued to commit significant resources to implement, maintain, monitor and regularly upgrade its systems and networks. Information Security was further enhanced during the year with the development and implementation of comprehensive information security program including information security policy framework, security operations, business continuity plan, risk management, security assessments, training & awareness programs, 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.

The Risk Management & Information Security department organized an awareness session on 'Cyber Security Threats' to create an awareness on the preventive measures that staff can take to minimize the loss.

PSX organized a three day "BCMS Lead Implementer Course" on Implementing Business Continuity Management System (BCMS) as required by ISO 22301:2019 and "ISMS Lead Implementer Course" on Implementing Information Security Management System (ISMS) as required by ISO 27001:2013 for its relevant teams.

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 Pakistani and other countries;
- The level and volatility of interest rates;
- Legislative and regulatory changes, including the potential for regulatory arbitrage among regulated and unregulated markets if significant policy differences emerge among markets;

- The perceived attractiveness, or lack of attractiveness, of Pakistani capital markets; and
- Unforeseen market closures or other disruptions in trading.

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

Risk of Future Initiatives

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

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

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

Risk of Market Fluctuations

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

Risk of Interest Rate Variation

We are exposed to the effects of fluctuations in the prevailing levels of market interest rates, which impact trading volumes, investment flows in the stock market and cash flows. Thus changes in interest rates may materially adversely affect our financial position and value of our investments 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. PSX is licensed and regulated by the Securities and Exchange Commission of Pakistan [Commission] who has broader powers. 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 and the TREC holders as well. Additionally, PSX as front line regulator is also empowered to propose regulatory amendments, promulgate regulations and take disciplinary actions.

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 2021-22, Mr. Wang Baojun had resigned as a Shareholder Director, representing Pak China Investment Company Limited (PCICL) on the Board of PSX, on October 22, 2021, and to fill casual vacancy so created, the Board appointed Mr. Jiang Ketao as a Shareholder Director upon receiving the fresh nomination from PCICL with effect from November 18, 2021, after seeking necessary clearance from SECP. The Board places its appreciation on record for the contributions made by Mr. Baojun and wishes him all the best in his future endeavors.

As at the end of financial year 2021-22, the Board of Directors of PSX 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. Ahmed Chinoy, H.I, S.I	(ii) Mr. You Hang
(iii) Dr. FU Hao	(iv) Ms. Yu Huali
(v) Mr. Jiang Ketao	(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, 10 meetings of the Board (7 scheduled and 3 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 PSX as a frontline regulator and a commercial entity, the Board has constituted a number of committees out of which, the main statutory committees are Regulatory Affairs Committee, Audit Committee, Human Resources & Remuneration Committee and Nomination Committee. The attendance of members at the meetings of said Committees is enclosed 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, 2023.

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.

Directors' Remuneration

Each Non-Executive Director of PSX is 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 is entitled to 1800cc Company maintained car, along with driver and 200 liters of fuel per month. Besides, the independent directors of PSX are entitled to honorarium for hearing appeals of PSX's TRE Certificate Holders against the enforcement orders of Chief Regulatory Officer of PSX at PKR 10,000/- per hearing.

For more information on remuneration derived by the Directors and the CEO in FY2021-22, 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.

In terms of CSR, PSX sponsored the education of five students of Deaf Reach Foundation for a whole year. Furthermore, a book titled, 'Economy of Modern Sindh' was sponsored for universities across Sindh in an effort to promote awareness and education on the economy of Sindh to students and general public. In Health & Society CSR Activity, contributions were made for the healthcare of deserving patients through the Patients' Behbud Society for Aga Khan University Hospital. From a cultural and social perspective, nominal support was also extended to the Arts.

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



FARRUKH H. KHAN

Chief Executive Officer

Karachi

Dated: September 21, 2022

Board of Directors - Attendance at Meetings**Annexure I**

Name of Director	Meetings entitled	Meetings attended
	From July 01, 2021 to June 30, 2022	
Dr. Shamshad Akhtar (Chairperson)	10	10
Mr. Farrukh H. Khan (CEO)	10	10
Mr. Wang Baojun [1]	02	02
Mr. Ahmed Chinoy, H.I, S.I	10	10
Mr. You Hang	10	10
Dr. FU Hao	10	7
Ms. Yu Huali	10	9
Mr. Jiang Ketao [2]	05	05
Mr. Javed Kureishi	10	10
Mr. Mohammad Salahuddin Manzoor	10	09
Mr. Nadeem Naqvi	10	10
Mr. Zubair Razzak Palwala	10	10

[1] Resigned as Director on October 22, 2021.

[2] Appointed as Director on November 18, 2021

Note: 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, 2021 to June 30, 2022	
Dr. Shamshad Akhtar (Chairperson)	07	07
Mr. Mohammad Salahuddin Manzoor	07	06
Mr. Nadeem Naqvi	07	07

Audit Committee

Name of Committee Member	Meetings entitled	Meetings attended
	From July 01, 2021 to June 30, 2022	
Mr. Javed Kureishi (Chairman)	04	04
Mr. Ahmed Chinoy, H.I, S.I	04	04
Mr. You Hang	04	03

Human Resources & Remuneration Committee

Name of Committee Member	Meetings entitled	Meetings attended
	From July 01, 2021 to June 30, 2022	
Dr. Shamshad Akhtar (Chairperson)	03	03
Mr. You Hang	03	03
Mr. Mohammad Salahuddin Manzoor	03	03
Mr. Zubair Razzak Palwala	03	03
Mr. Farrukh H. Khan	03	03

Notes:

- Leaves of absence were granted to the committee members, who could not attend some of the meetings.
- No meeting of Nomination Committee was convened during the financial year.
- The compositions of all statutory Board Committees are 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.

INDEPENDENT AUDITOR'S REVIEW REPORT

T +92 21 35672951-56

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pakistan Stock Exchange Limited (the Company) for the year ended 30 June 2022 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 30 June 2022.

Chartered Accountants
Place: Karachi
Date: 26 September 2022
UDIN: CR202210093vi3QIKdXT

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

For the year ended June 30, 2022

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, 2022, 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, 2022, 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. Ahmed Chinoy (ii) Mr. You Hang (iii) Dr. FU Hao (iv) Ms. Yu Huali (v) Mr. Jiang Ketao (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. As at the end of financial year, 5 out of 11 directors are in possession of the prescribed certification under Directors' Training program (DTP). Nevertheless, the Board has taken note of the same and encouraged the remaining directors to obtain the said certification within reasonable time period;
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, 2022:

Name of Committee**Audit Committee****Composition**

- (i) Mr. Javed Kureishi (Chairman)
- (ii) Mr. Ahmed Chinoy (Member)
- (iii) Mr. You Hang (Member)

**Human Resources and
Remuneration Committee**

- (i) Dr. Shamshad Akhtar (Chairperson)
- (ii) Mr. You Hang (Member)
- (iii) Mr. Mohammad Salahuddin Manzoor (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)

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**Regulatory Affairs Committee****Composition**

- (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	4
Human Resources and Remuneration Committee	3
Nomination Committee	-
Regulatory Affairs Committee	7

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 other non-mandatory requirements, i.e. other than regulations 3, 6, 7, 8, 27, 32, 33 and 36, is as 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 21, 2022



FARRUKH H. KHAN
Chief Executive Officer



VAL

UATION MATTERS



INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS



**Grant Thornton Anjum
Rahman**

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

T +92 21 35672951-56

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the annexed financial statements of Pakistan Stock Exchange Limited (the Company), which comprise the statement of financial position as at 30 June 2022, 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 30 June 2022 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 Matter

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 matter	How the matter was addressed in our audit
IT Systems and controls over revenue recognition	
The Company uses automated securities trading system (known as KATS) which process significant volumes of trading transactions on a real time basis. 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. 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.	Our audit procedures among others included: ▪ 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. ▪ 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. ▪ we tested the identified automated application controls, which are critical to the revenue recognition processes.

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 30 June 2022, 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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

Chartered Accountants

Place: Karachi

Date: 26 September 2022

UDIN: AR202210093q6ixlhG5W

Pakistan Stock Exchange Limited

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

	Note	2022 — (Rupees in '000) —	2021
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	4,495,825	4,261,876
Intangible assets	7	799,077	725,315
Investment property	8	566,333	548,095
Investment in associates	9	3,371,839	3,243,294
Long term investments	10	98,185	94,206
Long term deposits	11	42,411	42,639
Long term loans	12	18,082	13,884
		9,391,752	8,929,309
CURRENT ASSETS			
Trade debts	14	118,547	114,652
Loans and advances	15	50,220	30,249
Prepayments	16	19,074	18,674
Other receivables	17	79,805	75,321
Short term investments	18	2,135,286	1,789,618
Taxation – net		575,559	573,153
Cash and bank balances	19	278,624	462,756
		3,257,115	3,064,423
TOTAL ASSETS		12,648,867	11,993,732
EQUITY AND LIABILITIES			
Authorized capital			
	20	10,000,000	10,000,000
Share capital			
Share capital	20	8,014,766	8,014,766
Reserves		1,217,377	954,303
Revaluation surplus on property and equipment - net	21	968,015	761,560
		10,200,158	9,730,629
NON-CURRENT LIABILITIES			
Dara F. Dastoor scholarship fund		2,005	2,005
Long term deposits	22	475,578	419,272
Long term payable	23	235,878	86,431
Deferred tax liability	13	122,437	69,902
		835,898	577,610
CURRENT LIABILITIES			
Unclaimed dividend		1,429	1,790
Current portion of long term payable	23	110,323	190,231
Trade and other payables	24	1,501,059	1,493,472
		1,612,811	1,685,493
CONTINGENCIES AND COMMITMENTS	25		
TOTAL EQUITY AND LIABILITIES		12,648,867	11,993,732

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, 2022

	Note	2022 — (Rupees in '000) —	2021
Revenue			
Listing fee	26	681,851	554,074
Income from exchange operations	27	607,020	784,384
Mark-up / interest income	28	107,282	77,884
Rental income from investment property		57,568	48,268
		1,453,721	1,464,610
Operating cost			
Administrative expenses	29	(1,426,623)	(1,372,213)
		27,098	92,397
Operating profit			
Other (expenses) / income	30	(61,348)	22,349
Share of profit from associates	9.1	494,389	607,832
Profit before taxation		460,139	722,578
Taxation	31	(61,426)	(26,202)
Net profit after taxation		398,713	696,376
		— (Rupees) —	
Basic and diluted earnings per share	32	0.50	0.87

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, 2022

	2022 — (Rupees in '000) —	2021
Net profit for the year	398,713	696,376
Other comprehensive income		
<i>Items not to be reclassified to profit and loss in subsequent periods:</i>		
Surplus on revaluation of property and equipment	348,665	-
Effect of deferred tax	(119,062)	-
	229,603	-
Actuarial gain / (loss) on employees' gratuity fund		
- Company	(1,487)	(41,827)
- Associates	(12,356)	132
	(13,843)	(41,695)
Tax effect on actuarial loss on employees' gratuity fund		
- Company	8,437	11,937
- Associates	3,691	(1,391)
	12,128	10,546
	(1,715)	(31,149)
Unrealized gain on revaluation of investment at FVOCI	3,979	4,142
- Tax effect on unrealized gain	(756)	(621)
	3,223	3,521
Total comprehensive income for the year	<u>629,824</u>	<u>668,748</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, 2022

	2022	2021
	— (Rupees in '000) —	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	460,139	722,578
Non-cash adjustments to reconcile income before tax to net cash flows		
Depreciation on tangible assets	164,121	239,505
Amortisation on intangible assets	50,149	53,092
Provision for gratuity	40,071	30,570
Mark-up / interest income	(107,282)	(77,884)
Provision for trade debts	7,003	220
Loss / (gain) on disposal of fixed assets	(2,524)	417
Share of profit of associates	(494,389)	(607,832)
	(342,851)	(361,912)
	117,288	360,666
Working capital adjustments:		
(Increase) / decrease in current assets		
Trade debts	(10,902)	5,291
Loans and advances	(19,971)	(4,795)
Prepayments	(400)	11,049
Other receivables	(8,591)	(39,656)
	(39,864)	(28,111)
Increase / (decrease) in current liabilities		
Current portion of long term payable	(79,908)	31,111
Trade and other payables	(4,579)	168,935
	(84,487)	200,046
Income tax paid	(121,075)	(96,494)
Gratuity paid	(37,977)	(35,922)
Mark-up / interest received	85,669	95,061
Long term deposit from members	56,306	(19,673)
Long term loans	(4,198)	1,198
Long term payable	149,447	(112,937)
	128,172	(168,767)
Net cash generated from operating activities	121,109	363,834

Pakistan Stock Exchange Limited

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2022

	2022	2021
	(Rupees in '000)	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(185,775)	(314,379)
Proceeds from sale of fixed assets	4,553	3,094
Dividend received	396,679	205,506
Proceeds from sale of investments	6,859,609	5,984,725
Investments purchased	(7,223,887)	(6,272,749)
Long term deposits	228	(31,168)
Net cash used in investing activities	(148,593)	(424,971)
CASH FLOWS FROM FINANCING ACTIVITY		
Dividend paid	(156,648)	-
Net decrease in cash and cash equivalents	(184,132)	(61,137)
Cash and cash equivalents at the beginning of the year	462,756	523,893
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	278,624	462,756

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, 2022

	Share Capital	Revenue Reserves Un-appropriated profit	Capital Reserves Revaluation surplus on property and equipment	Revaluation surplus on investments at FVOCI	Share of Associates' Reserves	Total
	(Rupees in '000)					
Balance as at July 01, 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>
Balance as at July 01, 2021	8,014,766	992,875	761,560	14,355	(52,927)	9,730,629
Net profit for the year	-	398,713	-	-	-	398,713
Other comprehensive income / (loss)	-	6,950	-	3,223	(8,665)	1,508
Total comprehensive income for the year	-	405,663	-	3,223	(8,665)	400,221
Dividend for the year ended June 30, 2021 @ Re. 0.2 per share	-	(160,295)	-	-	-	(160,295)
Surplus on revaluation realised during the year - net of tax	-	-	229,603	-	-	229,603
Transfer from revaluation surplus on property and equipment incremental depreciation - net of tax	-	23,148	(23,148)	-	-	-
Balance as at June 30, 2022	<u>8,014,766</u>	<u>1,261,391</u>	<u>968,015</u>	<u>17,578</u>	<u>(61,592)</u>	<u>10,200,158</u>

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



Chief Financial Officer



Chief Executive Officer



Chairperson

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

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 belonging 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	Mr. 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	Mr. Jian Chun Cai

Shenzhen Stock Exchange Limited

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

2. STATEMENT OF COMPLIANCE

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

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

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

3 BASIS OF MEASUREMENT

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

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

4 NEW ACCOUNTING STANDARDS

4.1 Accounting standards effective for the year

There are certain new standards and amendments that are mandatory for the Company's accounting period beginning on July 1, 2021, 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 Accounting standards not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's accounting periods beginning on / after July 1, 2022. However, the Company expects that these standards will not have any material impact on the future financial statements of the Company.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Operating fixed assets

Leasehold land is carried at revalued amount less subsequent accumulated impairment losses. Buildings on leasehold land and lift, generators and electric installation are carried at revalued amount, less subsequent accumulated depreciation and accumulated impairment losses. All other fixed assets are carried at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is charged to statement of profit or loss applying the diminishing balance method over the estimated useful life of 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

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

These are stated at cost less any subsequent accumulated impairment losses, if any. 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 Surplus on revaluation of property and equipment

Surplus on revaluation is recognised in other comprehensive income as surplus on revaluation of property and equipment which is presented as separate component within equity. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value.

Cost / revalued amount at the date of the revaluation is adjusted / eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of property, plant and equipment (net of deferred taxation) is transferred directly to retained earnings.

If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in statement of comprehensive income and accumulated in equity under the heading of revaluation surplus. If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in the statement of profit or loss. However, the decrease is recognised in the statement of other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in the statement of comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus. However, the increase is recognised in the statement of profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of profit or loss. The revaluation reserve is not available for distribution to Exchange's shareholders.

5.4 Intangible assets

These are stated at cost less accumulated amortisation and accumulated impairment losses, if any. 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.

5.5 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.

5.6 Investment in associates

These 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 .

5.7 Financial Instruments

5.7.1 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.

5.7.2 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 assets 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

- **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.

5.7.3 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.

5.7.4 Impairment of financial assets

Loss allowances for trade debts and other receivables are always measured applying simplified approach at an amount equal to lifetime ECLs.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature.

The default rates are benchmarked and adjusted for forward looking information and the rates in provision matrix are based on days past due for various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates which is then adjusted for forward looking information.

5.7.5 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 only when 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.

5.8 Loans, advances and deposits

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

5.9 Cash and cash equivalents

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

5.10 Provisions

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

5.11 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

5.12 Taxation

Current

Provision for current taxation is based on taxable income at current rates of taxation after taking into account all tax credits and tax rebates available, if any.

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.

5.13 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.

5.14 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.

5.15 Foreign currency translation

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

5.16 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
- Determination of useful lives of property and equipment and intangible assets	5.1, 5.2, 5.3, 5.4, 6 and 7
- Classification and valuation of investments	5.7.2, 8, 9 and 10
- Valuation of investment property	8
- Provisions and contingencies	5.10 and 25
- Impairment of financial assets (ECL)	5.7.4
- Provision for taxation and deferred tax	5.12
- Provision for gratuity	5.13
- Revenue recognition	5.11

6. PROPERTY AND EQUIPMENT

	Note	June 30, 2022	June 30, 2021
		— (Rupees in '000) —	
Operating fixed assets	6.1	4,461,822	4,077,846
Capital work-in-progress	6.2	34,003	184,030
		<u>4,495,825</u>	<u>4,261,876</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

6.1 Operating Fixed Assets

June 30, 2022										
	Revaluation / Cost					Accumulated depreciation			Written Down Value	
	As at July 01, 2021	Additions / (Disposals)	Transfer to Investment Property	Revaluation surplus during the year	As at June 30, 2022	Rate / period	As at July 01, 2021	Charge for the year / (deletions)	Transfer to Investment Property	As at June 30, 2022
				(Rupees in '000)					(Rupees in '000)	
Leasehold land	2,666,078	-	-	58,309	2,724,387	99 years	-	-	-	2,724,387
Building on leasehold land	1,342,843	14,148	(21,293)	258,471	1,594,169	5%	133,831	60,854	(3,055)	1,402,539
Lift, generators and electric installation	70,219	7,547	-	31,886	109,652	25%	35,043	10,093	-	64,516
Furniture and fixtures	18,003	2,755	-	-	20,758	20%	11,860	1,660	-	7,238
Office equipment	124,262	2,376	-	-	126,638	20%	76,821	9,894	-	39,923
Computers and related accessories	550,925	191,888 (146)	-	-	742,667	20% & 33.33	450,083	79,219 (40)	-	213,405
Vehicles	24,736	1,080 (5,310)	-	-	20,506	20%	11,582	2,401 (3,291)	-	9,814
	4,797,066	219,794 (5,456)	(21,293)	348,666	5,338,777		719,220	164,121 (3,331)	(3,055)	4,461,822

	Revaluation / Cost			Accumulated depreciation			Written Down Value	
	As at July 01, 2021	Additions / (Disposals)	Transfer to Investment Property	Revaluation surplus during the year	As at June 30, 2022	Rate / period	As at July 01, 2021	As at June 30, 2022
			(Rupees in '000)				(Rupees in '000)	
Leasehold land	-	-	2,666,078	-	2,666,078	99 years	-	2,666,078
Building on leasehold land	-	1337	1,341,506	-	1,342,843	5%	-	1,33,831
Lift, generators and electric installation	-	-	70,219	-	70,219	25%	-	35,043
Furniture and fixtures	17,690	313	-	-	18,003	20%	10,363	11,860
Office equipment	123,661	4,100 (3,499)	-	-	124,262	20%	65,728	76,821
Computers and related accessories	536,874	14,240 (189)	-	-	550,925	20% & 33.33	395,630	450,083
							(189)	100,842
Vehicles	23,214	2,238 (716)	-	-	24,736	20%	8,747	11,582
	701,439	22,228 (4,404)	4,077,803	-	4,797,066		480,468	719,220
							70,629 (751)	4,077,846

6.1.1 Cost of fully depreciated assets amounts to Rs.353.39 (2021 : Rs. 313.95) million.

6.1.2 The forced sales value of the above mentioned assets which were subject to revaluation on the basis of 2022 was Rs. 3,353.15 million.

Pakistan Stock Exchange Limited

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

	Note	June 30, 2022	June 30, 2021
6.2 Capital work-in-progress		— (Rupees in '000) —	
Advances against:			
- Computer hardware		-	167,974
- Others		34,003	16,056
		<u>34,003</u>	<u>184,030</u>

7 INTANGIBLE ASSETS

Operating intangibles	7.1	82,096	90,295
Intangibles under development (CWIP)	7.2	716,981	635,020
		<u>799,077</u>	<u>725,315</u>

7.1 Operating intangibles

	June 30, 2022							
	COST				ACCUMULATED AMORTISATION		WRITTEN DOWN VALUE	
	As at July 01, 2021	Additions	As at June 30, 2022	Rate	As at July 01, 2021	Charge for the year	As at June 30, 2022	As at June 30, 2022
	(Rupees in '000)				(Rupees in '000)			
Computer software	409,667	13,309	422,976	25	382,012	16,952	398,964	24,012
Internally developed software and market products	369,735	28,641	398,376	25	307,095	33,197	340,292	58,084
	<u>779,402</u>	<u>41,950</u>	<u>821,352</u>		<u>689,107</u>	<u>50,149</u>	<u>739,256</u>	<u>82,096</u>
	June 30, 2021							
	COST				ACCUMULATED AMORTISATION		WRITTEN DOWN VALUE	
	As at July 01, 2020	Additions	As at June 30, 2021	Rate	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>

7.1.1 Cost of fully amortised assets amounts to Rs.633.75 (2021: Rs. 573.385) million.

		Note	June 30, 2022	June 30, 2021
			— (Rupees in '000) —	
7.2	Intangibles under development (CWIP)			
	Internally developed software		190,857	122,175
	Computer softwares	7.2.1	526,124	512,845
			<u>716,981</u>	<u>635,020</u>
7.2.1	These include a new Trading and Surveillance System acquired from Shenzhen Stock Exchange (a related party) amounting to Rs 465.67 (2021: Rs. 461.267) million. The new trading system will replace the existing trading system (KATS).			
			June 30, 2022	June 30, 2021
8	INVESTMENT PROPERTY		— (Rupees in '000) —	
	Building on leasehold land		<u>566,333</u>	<u>548,095</u>
8.1	This represents office spaces in PSX's buildings. The Company carries the investment property at fair value and the latest fair valuation was carried out by Iqbal A.Nanjee & Company (Private) Limited at 30 June 2022, which resulted in fair value gain of Rs. 4.01 million. The forced sales value of the property as at 30 June 2022 is Rs. 456.27 million.			
			June 30, 2022	June 30, 2021
9	INVESTMENT IN ASSOCIATES - Under equity method	Note	— (Rupees in '000) —	
	Unquoted companies			
	Central Depository Company of Pakistan Limited (CDC)			
	119,424,000 (2021: 99,520,000) shares having			
	face value of Rs. 1,194.24 (2021: Rs. 995.20) million	9.1	2,217,063	2,083,183
	National Clearing Company of Pakistan Limited (NCCPL)			
	50,131,809 (2021: 50,131,809) shares having			
	face value of Rs. 501.31 (2021: Rs. 501.31) million	9.1	1,079,606	1,124,111
	EClear Services Limited			
	7,500,000 (2021: 3,600,000) shares having			
	face value of Rs. 75 (2021: Rs. 36) million	9.1	75,170	36,000
			<u>3,371,839</u>	<u>3,243,294</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

9.1 Reconciliation of changes in carrying value of investment in associate

	June 30, 2022			
	CDC	NCCPL	E-Clear Services	Total
	(Rupees in '000)			
Opening balance	2,083,183	1,124,111	36,000	3,243,294
Addition during the year	-	-	39,000	39,000
Share of profit for the year	322,858	171,361	170	494,389
Actuarial gain / (loss) on employees' gratuity fund	(6,857)	(1,808)	-	(8,665)
Dividend received during the year	(182,121)	(214,058)	-	(396,179)
Closing balance	2,217,063	1,079,606	75,170	3,371,839

	June 30, 2021			
	CDC	NCCPL	E-Clear Services	Total
	(Rupees in '000)			
Opening balance	1,915,520	820,295	-	2,735,815
Addition during the year	-	69,412	36,000	105,412
Share of profit for the year	303,642	304,190	-	607,832
Actuarial gain / (loss) on employees' gratuity fund	(1,715)	456	-	(1,259)
Dividend received during the year	(134,264)	(70,242)	-	(204,506)
Closing balance	2,083,183	1,124,111	36,000	3,243,294

9.1.1 As of 30 June 2022, the carrying value of the Company's investment in NCCPL amounts to Rs 1,079 million against the break up value of Rs 1,049 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.

9.1.2 As of June 30, 2022, the Company holds 25% (June 30, 2021: 24.5%) shareholding in EClear Services Limited (ESL), which has been formed to provide services as a professional clearing member under the Professional Clearing Members Regulations, 2020.

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

Name of associate	Country of incorporation	June 30, 2022				Interest held %
		Total assets	Total liabilities	Profit	Revenue	
		(Rupees in '000)				
CDC Break-up value of each ordinary share of Rs.10 is Rs.20.92 based on the audited financial statements available for the year ended June 30,2022.	Pakistan	7,391,293	1,116,205	810,998	2,310,170	39.81
NCCPL Break-up value of each ordinary share of Rs.10 is Rs 20.95 based on the audited financial statements for the year ended June 30, 2022.	Pakistan	19,302,606	17,189,730	345,445	1,129,326	49.71
		26,693,899	18,305,935	1,156,443	3,439,496	

Name of associate	Country of incorporation	June 30, 2021				Interest held %
		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 audited 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 latest audited financial statements available for the year ended June 30, 2021.	Pakistan	29,606,546	27,404,829	611,930	1,438,247	49.71
		35,972,820	28,308,943	1,374,657	3,413,066	

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

10	LONG TERM INVESTMENTS At FVOCI	Note	June 30, 2022	June 30, 2021
			— (Rupees in '000) —	
	VIS Credit Rating Company Limited, a related party		23,367	19,388
	250,000 ordinary shares of Rs.10 each, representing, 12.50% shareholding.			
	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 (2021: 28.41%) shareholding.		98,185	94,206
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.			
11	LONG TERM DEPOSITS	Note	June 30, 2022	June 30, 2021
			— (Rupees in '000) —	
	Earnest money		33,819	33,819
	Utilities		2,790	2,790
	Others		5,802	6,030
			42,411	42,639
12	LONG TERM LOANS	Note	June 30, 2022	June 30, 2021
			— (Rupees in '000) —	
	Employees - Considered good, secured	12.1	31,729	25,698
	Current portion of long term loans to employees	15	(13,647)	(11,814)
			18,082	13,884
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 years and are interest free. All outstanding long term loans at the year end will mature within two to four years.			

13	DEFERRED TAX LIABILITY	Note	June 30, 2022	June 30, 2021
			— (Rupees in '000) —	
	Deductible temporary differences arising from:			
	Carry forward tax losses		341,757	300,332
	Provision for debts considered doubtful		18,835	14,521
	Provision for defined benefit liability		66,045	57,609
	Unrealised exchange loss		22,161	-
			448,798	372,462
	Taxable temporary differences arising from:			
	Accelerated tax depreciation		(450,943)	(325,185)
	Unrealised gain on revaluation of investment property		(100,681)	(88,477)
	Unrealised gain on revaluation of investment at FVOCI		(3,965)	(2,533)
	"Investment in associates accounted for under equity method		(15,646)	(26,169)
			(571,235)	(442,364)
	Transfer to assets held for distribution to shareholders		(122,437)	(69,902)
13.1	Movement of deferred tax liability			
	Opening balance		(69,902)	189,367
	Charged to statement of profit or loss		58,846	44,778
	Charged to statement of comprehensive income		(111,381)	11,316
	Transfer from liabilities related to assets held for distribution to shareholders / disposal		-	(315,363)
	Closing balance		(122,437)	(69,902)
14	TRADE DEBTS			
	Unsecured			
	Considered good			
	Due from members		55,701	49,912
	Due from companies		62,846	46,309
	Due from a related party		-	18,431
			118,547	114,652
	Considered doubtful			
	Due from companies		55,875	48,872
			174,422	163,524
	Provision for doubtful debts	14.1	(55,875)	(48,872)
			118,547	114,652

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

	Note	June 30, 2022	June 30, 2021
		— (Rupees in '000) —	
14.1 Reconciliation of provision for doubtful debts			
Opening balance		48,872	48,652
Provision for the year - net	29	7,003	220
Closing balance		55,875	48,872
15 LOANS AND ADVANCES			
Loans - secured, considered good			
- Current portion of long term loans to employees	12	13,647	11,814
Advances, considered good			
- Employees		33,369	15,662
- Suppliers		3,204	2,773
		36,573	18,435
		50,220	30,249
16 PREPAYMENTS			
Maintenance of information technology equipment / software		7,926	11,102
Others		11,148	7,572
		19,074	18,674
17 OTHER RECEIVABLES			
Due from Non-members	17.1	27,758	24,021
Due from an ex-member	17.2	6,574	6,574
Others		46,673	45,926
		81,005	76,521
Less: Provision for doubtful receivable		(1,200)	(1,200)
		79,805	75,321
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, 2022 amounted to Rs. 21.451 (2021: Rs.46.787) million. Further, as disclosed in note 19.2, bank balances include dividend/bank profit of Rs.14.446 and Rs. 17.412 (2021: 14.441 and 14.703 million) million respectively.		

		Note	June 30, 2022	June 30, 2021
			— (Rupees in '000) —	
18	SHORT TERM INVESTMENTS			
	At amortised cost			
	Market Treasury Bills	18.1	2,135,286	1,688,959
	Pakistan Investment Bonds		-	100,659
			<u>2,135,286</u>	<u>1,789,618</u>
18.1	These represent Market Treasury Bills having cost of Rs. 2,078.120 (2021: Rs.1,663.832) million and interest accrued thereon of Rs.57.165 (2021: Rs.25.127) million. The effective rate of return is 11.91% (2021: 7.35%) per annum. These will mature latest by April 6, 2023. These include Rs.647.147 million from defaulter / expelled / suspended members and Rs. 463.897 million pertaining to base minimum capital.			
19	CASH AND BANK BALANCES			
	With banks on:			
	Current accounts		816	769
	PLS accounts in			
	foreign currency		64,362	44,556
	local currency	19.1 & 19.2	213,423	417,354
			<u>277,785</u>	<u>461,910</u>
	In hand		23	77
			<u>278,624</u>	<u>462,756</u>
19.1	Rate of return on PLS accounts varies from 5.50% to 12.50% (2021: 5.5% to 5.75%) per annum. However, the effective rate for the year is 7.32% (2021: 5.61%) per annum.			
		Note	June 30, 2022	June 30, 2021
19.2	These include the following balances:		— (Rupees in '000) —	
	Dividend / bank profit	17.2	31,858	29,144
	Members basic deposits		11,386	53,915
	Deposits against arbitration	24.1	8,596	8,586
	Proceeds from divestments/ Membership card	24.2	98,544	85,230
	Dara F. Dastoor scholarship fund		2,005	2,005
	Unclaimed Dividend		1,429	1,790

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

20. SHARE CAPITAL

June 30, 2022	June 30, 2021		June 30, 2022	June 30, 2021
—— (Number of Shares) ——			—— (Rupees in '000) ——	
		Authorised capital		
1,000,000,000	1,000,000,000	Ordinary shares of Rs.10/- each	10,000,000	10,000,000
		Issued, subscribed and paid-up capital		
801,476,600	801,476,600	Ordinary shares of Rs. 10/- each- (other than cash)	8,014,766	8,014,766

- 20.1** This includes shares issued against surplus on revaluation of the assets of the Company of Rs.3.288 million (net of tax) in accordance with the requirements of Stock Exchanges (Corporatization, Demutualization and Integration) Act 2012. This treatment regarding the surplus has also been approved by the Securities and Exchange Commission of Pakistan.
- 20.2** The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.

21 REVALUATION SURPLUS ON PROPERTY AND EQUIPMENT - net

	June 30, 2022	June 30, 2021
— (Rupees in '000) —		
Balance as of June 01, 2021	959,907	1,035,363
Surplus arising during the year on:		
Leasehold land	58,309	-
Buildings on leasehold land	258,471	-
Lift, generators and electric installation	31,886	-
	348,666	-
Transferred to unappropriated profit on account of incremental depreciation charged thereon	(32,601)	(75,456)
	1,275,972	959,907
Related deferred tax liability:		
Opening balance	(198,347)	(220,230)
Tax effect of surplus arising on revaluation of property and equipment during the year	(119,062)	-
Tax effect of incremental depreciation charged during the year on related assets transferred to statement of profit or loss	9,453	21,883
Closing balance	(307,956)	(198,347)
Balance as of June 30, 2022	968,016	761,560

During the year, leasehold land, buildings on leasehold land and lift, generators and electric installation were revalued by an independent professional valuer with reference to market based evidence, based on current market prices, and adjusted for any difference in nature, location or condition of the specific properties. The fair value falls under level 2 of fair value hierarchy (i.e. significant observable inputs).

Had there been no revaluation, the written down value of the revalued assets in the statement of financial position would have been as follows:

	Note	June 30, 2022	June 30, 2021
		— (Rupees in '000) —	
Leasehold Land		2,340,251	2,340,250
Building on leasehold land		570,143	604,880
Lift, generators and electric installation		25,449	25,601
		<u>2,935,843</u>	<u>2,970,731</u>
22 LONG TERM DEPOSITS			
Clearing house deposits from members	22.1	<u>475,578</u>	<u>419,272</u>
22.1	These include Rs 461.808 million (2021: Rs 405.603 million), cash deposit placed by TREC holders against the Base Minimum Capital requirement with the Exchange in accordance with the Rule Book of PSX.		
	Note	June 30, 2022	June 30, 2021
		— (Rupees in '000) —	
23 LONG TERM PAYABLE			
Long term payable	23.1	346,201	276,662
Less: current portion of long term payable		(110,323)	(190,231)
		<u>235,878</u>	<u>86,431</u>
23.1	It represents USD 1.696 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.		
	Note	June 30, 2022	June 30, 2021
		— (Rupees in '000) —	
24 TRADE AND OTHER PAYABLES			
Creditors - capital expenditure		41,926	20,208
Accrued expenses		241,003	183,282
Deposits against arbitration	24.1	8,596	8,586
Provision for staff bonus		46,014	80,677
Retention money		535	535
Fees and rent received in advance		74,310	52,967
Amount held against defaulter / expelled / suspended members	24.2	745,691	847,834
Interest payable on BMC deposits	24.3	14,198	7,100
Provision for Wealth Tax	24.4	1,684	1,684
Employees' Gratuity Fund	24.5	212,887	209,309
Sales tax payable		8,225	11,783
SECP supervision fee		3,142	3,941
SECP transaction fee		2,104	5,926
RDA Campaign		32,820	-
Centralized Customer Protection Fund (CCPF) 0.1% of total revenue		419	14,691
Others		67,505	44,949
		<u>1,501,059</u>	<u>1,493,472</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

- 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 98.544 million to be utilised for the settlement of dues of the defaulter members, including investors claim, if any. The remaining amount of Rs.647.147 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 (2021: 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, 2021: Rs. 1.184) million, representing provision for the assessment year 2000-2001 the assessment of which is currently pending finalisation by the relevant tax authorities.

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

	June 30, 2022	June 30, 2021
	— (Rupees in '000) —	
24.5 Employees' Gratuity Fund	212,887	209,309
24.5.1 Principal actuarial assumptions	— (% Per annum) —	
Discount rate	13.25%	10.00%
Increase in salaries	9.30%	9.00%
Expected return on plan assets	13.25%	10.00%
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	271,584	273,051
Fair value of plan assets	(58,697)	(63,742)
	212,887	209,309
24.5.3 Expense recognised in statement of profit or loss		
Current service cost	21,039	17,414
Interest cost	25,158	18,741
Expected return on plan assets	(6,126)	(5,578)
	40,071	30,577

	June 30, 2022	June 30, 2021
24.5.4 Movement in the liability recognised in the statement of financial position:	— (Rupees in '000) —	
Opening balance	209,309	172,834
Charge for the year	40,071	30,577
Actuarial loss recognised in other comprehensive income	1,487	41,827
Contribution	(37,980)	(35,929)
Closing balance	212,887	209,309

— (% Per annum) —

24.5.5 Actual return on plan assets	9.61%	8.86%
--	-------	-------

24.5.5.1 The actual 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, 2022	June 30, 2021
24.5.6 Movement of present value of defined benefit obligations	— (Rupees in '000) —	
Opening balance	273,051	246,890
Current service cost	21,039	17,414
Interest cost	25,158	18,741
Total benefits paid	(42,933)	(52,805)
Actuarial loss on obligation	(4,731)	42,811
Closing balance	271,584	273,051

24.5.7 Movement of fair value of plan assets

Opening balance	63,742	74,056
Return on plan assets	6,126	5,578
Contributions	37,980	35,929
Benefits paid by the fund	(42,933)	(52,805)
Actuarial loss on assets	(6,218)	984
Closing balance	58,697	63,742

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

Actuarial loss / (gain) on obligation	4,731	(42,811)
Actuarial (loss) / gain on assets	(6,218)	984
	(1,487)	(41,827)

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

24.5.9 Constituents of plan assets

	Fair Value as at June 30, 2022		Fair Value as at June 30, 2021	
	(Rupees in '000)	%	(Rupees in '000)	%
Government securities	50,670	86.32%	11,918	18.70%
Cash and net current assets	8,027	13.68%	51,824	81.30%
	58,697	100%	63,742	100%

Historical information

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
	(Rupees in '000)				
Present value of defined benefit obligation	271,584	273,051	246,890	205,990	233,403
Fair value of plan assets	(58,697)	(63,742)	(74,056)	(81,806)	(122,178)
Funding surplus	212,887	209,309	172,834	124,184	111,225
Experience adjustment on plan liabilities	4,731	(42,811)	(56,562)	(8,976)	(23,648)
Experience adjustment on plan assets	(6,218)	984	16,256	(10,978)	(2,326)

24.5.10 Maturity profile of the defined benefit obligation

	June 30, 2022	June 30, 2021
	(Rupees in '000)	
Distribution of timing of benefit payments within the next 12 months (next annual reporting period)	16,017	8,251
between 2 and 5 years	79,110	70,303
between 6 and 10 years	185,779	161,414
Beyond 10 years	753,130	668,858

24.5.11 Sensitivity Analysis on significant actuarial assumptions:

Actuarial Liability

	Present value of Defined Benefit Obligation	Percentage change
	(Rupees in '000)	
Discount Rate +1%	261,931	-3.55%
Discount Rate -1%	281,917	3.80%
Long Term Salary Increases +1%	282,203	3.91%
Long Term Salary Increases -1%	261,504	-3.71%

24.5.12 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 (2021: 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 tax

S.no	Case Number	Name of the Court/ Agency/ Authority	Date Instituted	Principal Parties	Description
1	CPLA # 774	Supreme Court of Pakistan	2022	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. 50.517 million 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 had been filed against the above notice received by SRB, however, Sindh High Court dismissed the petition filed. PSX has filed present CPLA before the Supreme Court of Pakistan challenging above-referred dismissal order of the Sindh High Court. The case is still pending before the Honourable Supreme Court of Pakistan.
2	CPLA # 775	Supreme Court of Pakistan	2022	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 million 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 had been filed against the above notice received by SRB, however, Sindh High Court dismissed the petition filed. PSX has filed present CPLA before the Supreme Court of Pakistan challenging above-referred dismissal order of the Sindh High Court. The case is still pending before the Honourable Supreme Court of Pakistan.
3	CPLA # 3338	Supreme Court of Pakistan	2021	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 million 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 had been filed against the above notice received by SRB, however, Sindh High Court dismissed the petition filed. PSX has filed present CPLA before the Supreme Court of Pakistan challenging above-referred dismissal order of the Sindh High Court. The case is still pending before the Honourable Supreme Court of Pakistan.
4	CPLA # 784	Supreme Court of Pakistan	2022	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.4.645 million 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 had been filed against the above notice received by SRB, however, Sindh High Court dismissed the petition filed. PSX has filed present CPLA before the Supreme Court of Pakistan challenging above-referred dismissal order of the Sindh High Court. The case is still pending before the Honourable Supreme Court of Pakistan.
5	CPLA # 776	Supreme Court of Pakistan	2022	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 million 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 had been filed against the above notice received by SRB, however, Sindh High Court dismissed the petition filed. PSX has filed present CPLA before the Supreme Court of Pakistan challenging above-referred dismissal order of the Sindh High Court. The case is still pending before the Honourable Supreme Court of Pakistan.

The cumulative financial impact of sales tax related contingencies is estimated to be Rs 193 (2021: Rs.193) million.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

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 (2021: 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 11.01.2022 for argument, discharged and adjourned to date in office.
2	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 (2021: 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.
3	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 million 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.
4	Suit No. 639 /2003	High Court of Sindh	29/5/2003	M/s. Shafi Chemical Industries vs. Mr. Arif Habib, Mr. Salim Chaudhary, Mr. Aqeel Karim Dhedhi, Mr. Shahid Ghaffar, PSX, SECP & CDC	This is a suit for Declaration, Injunction and Damages of about Rs. 1.7 billion. It has been alleged that due to unlawful and malafide acts of Defendants the securities deposited by Plaintiff with his brokers were made worthless and he suffered losses. The written statement prepared by our counsel on behalf of former directors and PSX has been filed in court. The case fixed for hearing of application is being adjourned from time to time on the request of Plaintiff's advocate.	However, a decree for only Rs. 49.77 million has been sought against the PSX.

The cumulative financial impact of contingencies related to PSX's operations is estimated to be Rs 202 (2021: Rs.1,002) million.

25.3 Other contingencies

In addition to the above stated litigations, there are two other lawsuits, one filed by a customer of ex-member claiming for losses on his investments and the other relating to a penalty imposed by the CCP arising due to fixation of floor prices by the Company which the Company is currently contesting in the relevant courts of laws / forums. The cumulative financial impact of these litigation matters is estimated to be Rs. 6 (2021: Rs.50) million.

25.4 The total cumulative impact of contingencies stated in note 25.1.1, 25.1.2, 25.2 and 25.3 amounts to Rs 420 (2021: Rs.1,264) 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, there 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.

25.6 Commitments	June 30, 2022	June 30, 2021
	— (Rupees in '000) —	
IT maintenance charges	128,750	98,940

26 LISTING FEE

Annual fee	552,456	490,729
Initial / first year fee	129,395	63,345
	681,851	554,074

27 INCOME FROM EXCHANGE OPERATIONS

Trading fee	270,426	525,509
Facilities and equipment fee	185,065	166,624
Income from non-trading facilities	91,020	63,289
Regulatory fee	51,579	20,907
Membership fee	2,820	2,840
Other fee	6,110	5,215
	607,020	784,384

28 MARK-UP / INTEREST INCOME

Government securities	91,630	64,487
PLS saving accounts	15,652	13,397
	107,282	77,884

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

29 ADMINISTRATIVE EXPENSES	Note	June 30, 2022	June 30, 2021
		— (Rupees in '000) —	
Salaries and other benefits	29.1	712,725	655,557
Rent, rates and taxes		18,213	15,505
Fuel and power		62,155	60,775
Repairs and maintenance		67,514	61,673
Computer maintenance and related expenses		147,553	129,070
Insurance		21,495	17,461
Telephone, courier and postage		6,104	6,217
Printing and stationery		4,296	3,485
Donations	29.2	7,681	2,037
Auditors' remuneration	29.3	2,819	2,750
Legal and professional charges		29,447	19,262
Depreciation	6.1	164,121	239,505
Amortisation	7.1	50,149	53,092
Travelling and conveyance		2,137	1,610
General office expense		6,443	5,055
Receptions, meetings and functions		15,374	12,312
Contribution to IPF 0.1%		1,890	19,196
Advertisement, marketing and development		46,300	9,249
SECP supervision fee		12,889	13,385
Provision for trade debts considered doubtful	14.1	7,003	220
Penalty and fine		-	4,000
Security expenses		21,680	22,918
Subscription fee		8,787	9,370
Training and development		4,124	1,775
Other expenses		5,724	6,734
		<u>1,426,623</u>	<u>1,372,213</u>

29.1 Included herein is a sum of Rs.40.071 (2021: Rs.30.577) million in respect of retirement benefits.

29.2 Donations are paid to Patients Behbud Society, Akhuwat Foundation, Family Educational Services Foundation, Orange Tree Foundation, Karachi Biennale Trust and Oxford University Press as per the policy approved by Board of Directors, in which none of the directors of the Company is interested in any capacity.

			June 30, 2022	June 30, 2021
	Note		— (Rupees in '000) —	
29.3 Auditors' remuneration				
Annual audit			945	845
Half yearly review			343	268
Review of code of corporate governance			55	55
Certification for agreed upon procedure			1,029	1,172
Dividend remittance certification			60	60
Free float of shares certification			81	81
Certification on reconciliation with CDC register			50	50
Out of pocket expenses			256	219
			<u>2,819</u>	<u>2,750</u>
30 OTHER (EXPENSES) / INCOME				
Exchange (loss) / gain			(67,156)	17,910
Gain / (loss) on sale of fixed assets			2,524	(417)
Dividend income			500	1,000
Others			2,784	3,856
			<u>(61,348)</u>	<u>22,349</u>
31 TAXATION				
Current	31.1		118,669	70,980
Prior			1,603	-
Deferred			(58,846)	(44,778)
			<u>61,426</u>	<u>26,202</u>
31.1	This includes super tax amounting to Rs 17.8 million in compliance with section 4C of the Income Tax Ordinance, 2001.			
31.2	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, 2022	June 30, 2021
Profit after taxation (Rupees in '000)			398,713	696,376
Weighted average number of ordinary shares outstanding during the year			801,476	801,476
Basic and diluted earnings per share (Rupees)			<u>0.50</u>	<u>0.87</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

33 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

June 30, 2022				
	Chief Executive Officer	Directors	Executives	Total
	(Rupees in '000)			
Managerial remuneration	50,290	-	418,166	468,456
Annual performance payout	18,406	-	-	18,406
Gratuity	-	-	25,101	25,101
Fees	-	12,875	-	12,875
	68,696	12,875	443,267	524,838
Number	1	10	99	

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
	77,800	9,700	352,325	439,825
Number	1	10	72	

- 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.

34.1 Following are the details of transactions with related parties:

Listing Fee

Common Directorship

	June 30, 2022	June 30, 2021
Power Cement Limited	2,275	2,745
Fauji Foods Limited	17,443	4,006
Sui Southern Gas Company Limited	1,855	2,010
Engro Fertilizers Ltd.	2,994	3,008
The Searle Company Limited	4,170	2,995
United Brands Limited	763	681
IBL Healthcare Limited	1,278	793

Associate

Habib Bank Limited	4,777	5,498
	<u>35,555</u>	<u>21,736</u>

Facilities and Equipment Fee

Common Directorship

Power Cement Limited	12	12
Fauji Foods Limited	12	12
Arch Sons	226	229
Sui Southern Gas Company Limited	12	12
Engro Fertilizers Ltd.	12	12
The Searle Company Limited	12	12
United Brands Limited	12	12
IBL Healthcare Limited	12	12

Associate

Habib Bank Limited	499	424
	<u>809</u>	<u>737</u>

LAN Connectivity Charges

Associate

National Clearing Company of Pakistan Limited	5,202	5,052
---	-------	-------

Dividend income

Associate

Central Depository Company of Pakistan Limited	182,121	134,264
National Clearing Company of Pakistan Limited	214,058	70,242
	<u>396,179</u>	<u>204,506</u>

Rental Income from investment property

Associate Company

Central Depository Company of Pakistan Limited	6,112	5,820
National Clearing Company of Pakistan Limited	17,006	17,006
Habib Bank Limited	17,813	16,004
	<u>40,931</u>	<u>38,830</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

	June 30, 2022	June 30, 2021
	— (Rupees in '000) —	
CDC Fee		
Associate Company		
CDC fee - Central Depository Company of Pakistan Limited	4,703	3,408
Retirement benefit plan		
Payment made to gratuity fund during the year	37,977	35,929
Profit bank accounts		
Associate Company		
Habib Bank Limited	4	4
Contribution		
Common directorship		
Centralized Customer Protection Fund (CCPF) 0.1% of total revenue	1,890	19,196
Reimbursement of Expenses		
Associate Company		
China Financial Futures Exchange	2,391	2,530

Name	Designation
Farrukh H. Khan	Chief Executive Officer
Nadir Rahman	Chief Operating Officer
Ahmed Ali Mitha	Chief Financial Officer
Fakhara Rizwan	Chief Legal and Corporate Affairs Officer
Ajeet Kumar	Chief Regulatory Officer
Syed Adeel Javaid	Chief Information Officer
Farhan Ansari	Chief Internal Audit Officer
Syed Abbas Haider Zaidi	Chief Risk Management Officer

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

Listing Fee Receivable

Common Directorship		
IBL Healthcare Limited	216	-
	216	-

Facilities and Equipment Receivable

Common Directorship

Engro Fertilizers Ltd.	24	12
United Brands Limited	24	12
IBL HealthCare Limited	24	12
	72	36

	June 30, 2022	June 30, 2021
	— (Rupees in '000) —	
Miscellaneous Income Receivable		
LAN Connectivity Charges Receivable		
Associate Company		
National Clearing Company of Pakistan Limited	5,175	7,533
Retirement benefit plan		
Payable to gratuity fund	8,594	6,499
Contribution payable 0.1% of Revenue		
Common Directorship		
Centralized Customer Protection Fund (CCPF) 0.1% of total revenue	419	14,691
Receivable against Expenses		
Associate Company		
China Financial Futures Exchange	3,068	5,835

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:

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

	June 30, 2022			
	Interest / mark-up bearing			
	Effective yield / mark-up rate %	Upto six months	More than six months	Total
		(Rupees in '000)		
Financial assets				
Government securities	10.63 - 15.08	2,135,286	-	2,135,286
Cash and bank balances	5.50 - 12.50	277,785	-	277,785
		<u>2,413,071</u>	<u>-</u>	<u>2,413,071</u>

	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>

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, 2022	June 30, 2021
	(Rupees in '000)	
Change in basis point		
+ 100	24,131	22,515
- 100	(24,131)	(22,515)

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. 346.201 million [US dollars 1.696 million] and the bank balance in saving accounts maintained in US dollars amounting to Rs. 64.22 million [US dollars 0.312 million] (2021: Rs 44.64 million) [US dollars 0.282 million].

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

	Change in US dollar rate	Effect on profit before tax —— (Rupees in '000) ——	Effect on reserves
Assets as at June 30, 2022	+10%	6,422	6,422
	-10%	(6,422)	(6,422)
Assets as at June 30, 2021	+10%	4,464	4,464
	-10%	(4,464)	(4,464)
Liabilities as at June 30, 2022	+10%	(34,620)	(34,620)
	-10%	34,620	34,620

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, 2022	June 30, 2021
	—— (Rupees in '000) ——	
Bank balances	278,601	462,679
Trade debts	118,547	114,652
Loans and advances	50,220	30,249
Long term deposits	42,411	42,639
Other receivables	79,805	75,321
	<u>569,584</u>	<u>725,540</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, 2022	June 30, 2021
	—— (%) ——	
AAA	89.66	76.66
AA+	8.71	20.84
AA-	1.63	2.50
	<u>100.00</u>	<u>100.00</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

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	278,624	-	-	278,624
Investments	2,135,286	98,185	-	2,233,471
Loans and advances	65,098	-	-	65,098
Trade debts	118,547	-	-	118,547
Other receivables	81,005	-	-	81,005
Financial liabilities				
Long term deposits	-	-	475,578	475,578
Long term payable	-	-	235,878	235,878
Current portion of long term payable	-	-	110,323	110,323
Other liabilities	-	-	1,081,653	1,081,653

35.4.4 The bank balances and investment in debt securities are classified in level 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, 2022				Total
	On demand	Upto three months	Upto 12 months	More than one year	
	(Rupees in '000)				
Long term deposits	472,118	-	-	3,460	475,578
Trade and other liabilities	1,501,059	-	-	-	1,501,059
Long term payable	-	-	110,323	235,878	346,201
Total	1,973,177	-	110,323	239,338	2,322,838

	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

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:

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

Financial and non-financial assets measured at fair value	June 30, 2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets at fair value through OCI	-	-	98,185	98,185

As at June 30, 2022, 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 3.5% and discount rate 23.59%. 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, 2022 were 244 (June 30, 2021: 237).

36.2 Average number of employee during the year as at June 30, 2022 were 241 (June 30, 2021: 240).

37 GENERAL

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

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

38 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on September 21, 2022 by the Board of Directors of the Company.



Chief Financial Officer



Chief Executive Officer



Chairperson

PATTERN OF SHAREHOLDING

As at June 30, 2022

Number of Shareholders	Shareholdings	Total Shares Held	Number of Shareholders	Shareholdings	Total Shares Held
194	1 to 100	3,844	3	220001 to 225000	662,869
425	101 to 500	203,282	3	230001 to 235000	699,528
385	501 to 1000	379,527	5	250001 to 255000	1,253,000
663	1001 to 5000	2,019,376	1	260001 to 265000	263,591
255	5001 to 10000	2,129,669	2	270001 to 275000	547,000
70	10001 to 15000	916,331	2	280001 to 285000	564,453
57	15001 to 20000	1,083,500	11	300001 to 305000	3,300,000
45	20001 to 25000	1,084,500	2	310001 to 315000	625,500
35	25001 to 30000	1,025,570	2	325001 to 330000	655,000
18	30001 to 35000	594,500	1	330001 to 335000	330,058
17	35001 to 40000	660,610	2	345001 to 350000	696,908
17	40001 to 45000	745,528	3	350001 to 355000	1,057,465
28	45001 to 50000	1,398,000	2	355001 to 360000	713,908
10	50001 to 55000	531,194	1	365001 to 370000	366,000
11	55001 to 60000	641,000	2	370001 to 375000	740,500
6	60001 to 65000	388,000	3	375001 to 380000	1,135,083
7	65001 to 70000	482,550	1	390001 to 395000	390,000
10	70001 to 75000	738,728	3	400001 to 405000	1,201,477
2	75001 to 80000	159,000	1	430001 to 435000	430,453
3	80001 to 85000	246,000	2	435001 to 440000	876,874
3	85001 to 90000	265,500	2	440001 to 445000	886,500
2	90001 to 95000	186,000	3	450001 to 455000	1,351,453
39	95001 to 100000	3,879,318	1	475001 to 480000	478,238
9	100001 to 105000	923,529	11	495001 to 500000	5,491,166
12	105001 to 110000	1,296,418	1	505001 to 510000	508,476
5	110001 to 115000	570,493	1	525001 to 530000	527,199
4	115001 to 120000	468,646	1	530001 to 535000	531,000
6	125001 to 130000	757,000	2	550001 to 555000	1,105,453
3	130001 to 135000	400,117	1	565001 to 570000	565,000
3	135001 to 140000	415,500	1	580001 to 585000	581,194
2	140001 to 145000	281,246	2	600001 to 605000	1,200,000
5	145001 to 150000	748,000	1	615001 to 620000	619,500
4	150001 to 155000	610,500	1	665001 to 670000	666,000
6	155001 to 160000	943,953	1	670001 to 675000	670,453
1	160001 to 165000	164,500	1	680001 to 685000	680,000
1	170001 to 175000	171,594	2	700001 to 705000	1,400,000
2	175001 to 180000	356,994	1	730001 to 735000	730,000
2	185001 to 190000	374,000	1	745001 to 750000	745,000
14	195001 to 200000	2,788,872	4	800001 to 805000	3,202,993
2	200001 to 205000	406,959	1	810001 to 815000	810,453
3	205001 to 210000	625,000	1	890001 to 895000	894,500
2	210001 to 215000	425,000	1	900001 to 905000	902,953

Number of Shareholders	Shareholdings	Total Shares Held	Number of Shareholders	Shareholdings	Total Shares Held
1	915001 to 920000	918,953	1	1920001 to 1925000	1,924,953
1	950001 to 955000	950,500	2	1950001 to 1955000	3,906,880
1	990001 to 995000	991,166	1	1975001 to 1980000	1,976,953
6	1000001 to 1005000	6,003,906	1	2000001 to 2005000	2,002,953
1	1040001 to 1045000	1,044,953	1	2060001 to 2065000	2,061,500
3	1080001 to 1085000	3,243,850	1	2105001 to 2110000	2,106,194
1	1100001 to 1105000	1,102,953	1	2130001 to 2135000	2,130,194
1	1145001 to 1150000	1,145,953	1	2200001 to 2205000	2,202,953
1	1150001 to 1155000	1,152,953	1	2370001 to 2375000	2,374,500
1	1160001 to 1165000	1,164,000	1	2500001 to 2505000	2,500,000
1	1195001 to 1200000	1,196,053	1	2515001 to 2520000	2,515,953
1	1200001 to 1205000	1,202,953	1	3000001 to 3005000	3,000,000
1	1310001 to 1315000	1,311,953	1	3205001 to 3210000	3,205,906
1	1320001 to 1325000	1,320,183	1	3300001 to 3305000	3,303,887
3	1325001 to 1330000	3,981,906	1	3350001 to 3355000	3,350,000
1	1350001 to 1355000	1,350,000	1	3365001 to 3370000	3,369,965
1	1380001 to 1385000	1,381,194	1	3560001 to 3565000	3,563,777
2	1400001 to 1405000	2,805,906	1	4055001 to 4060000	4,059,500
1	1420001 to 1425000	1,421,453	1	6610001 to 6615000	6,611,953
1	1430001 to 1435000	1,431,500	1	6850001 to 6855000	6,851,000
1	1445001 to 1450000	1,446,953	1	7000001 to 7005000	7,000,500
1	1450001 to 1455000	1,452,953	1	7960001 to 7965000	7,963,000
1	1485001 to 1490000	1,486,500	1	8025001 to 8030000	8,025,500
2	1495001 to 1500000	2,995,000	1	8905001 to 8910000	8,905,000
1	1500001 to 1505000	1,502,953	1	9600001 to 9605000	9,600,000
1	1510001 to 1515000	1,512,953	1	10760001 to 10765000	10,764,621
1	1550001 to 1555000	1,552,953	1	11780001 to 11785000	11,782,223
2	1570001 to 1575000	3,144,953	1	13115001 to 13120000	13,115,500
2	1580001 to 1585000	3,168,500	1	13890001 to 13895000	13,890,000
9	1585001 to 1590000	14,309,477	1	13960001 to 13965000	13,963,698
37	1600001 to 1605000	59,308,661	1	15125001 to 15130000	15,125,500
1	1610001 to 1615000	1,611,500	1	39805001 to 39810000	39,805,018
1	1640001 to 1645000	1,644,500	3	40070001 to 40075000	120,221,490
1	1670001 to 1675000	1,672,772	1	64115001 to 64120000	64,118,128
1	1700001 to 1705000	1,700,000	1	136250001 to 136255000	136,251,022
1	1750001 to 1755000	1,753,000			
1	1765001 to 1770000	1,769,940			
2	1800001 to 1805000	3,602,953			
1	1825001 to 1830000	1,825,920			
1	1865001 to 1870000	1,865,500			
1	1870001 to 1875000	1,872,997			
20	1900001 to 1905000	38,056,107			
			2638		801,476,600

CATEGORIES OF SHAREHOLDERS

As at June 30, 2022

Categories of Shareholders	No. of Shareholders /Folios	Shares Held	Percentage
Directors, Chief Executive Officer, their spouse(s) and minor children(s)			
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	5	48,947,682	6.11%
Insurance Companies	1	356,908	0.04%
Modarabas and Mutual Funds	7	30,672,272	3.83%
General Public			
Local	2393	98,441,594	12.28%
Foreign	3	6,071	0.00%
Others			
Joint Stock Companies & Trusts	211	228,631,545	28.53%
Foreign Companies	13	354,338,998	44.21%
Total	2638	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 agreement dated July 27, 2022, in pursuance to the requirements of Regulation 16 of the Securities Exchange (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, 2022.

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, 2022, 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 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.

YA

Independent Consultant Firm to
Deloitte Touche Tohmatsu Limited

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.

YA

Independent Correspondent Firm is
Deloitte Touche Tahmatsu Limited



Yousuf Adil
Chartered Accountants

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, 2022, 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 2021 to 30 June 2022;
- ii. the control objectives were suitably designed throughout the period from 1 July 2021 to 30 June 2022; 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 2021 to 30 June 2022.

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.

Yousuf Adil

Chartered Accountants

Engagement Partner: Zafar Hussain Memon

Place: Karachi

Date: September 22, 2022



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: gm@psx.com.pk

Ref. No. PSX/ GEN-1866

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 2021 to 30 June 2022. 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



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: gm@psx.com.pk

Ref. No. PSX/ _____

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 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.


Managing Director
Pakistan Stock Exchange Limited





PAKISTAN STOCK EXCHANGE LIMITED

(Formerly Karachi Stock Exchange Limited)

Stock Exchange Building, Stock Exchange Road, Karachi - 74000, Pakistan.

UAN: 111-001-122 Fax: 32410825

Website: www.psx.com.pk Email: gm@psx.com.pk

Ref. No. PSX/ GEN-1867

Section 2

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

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

The Exchange maintains a high standard of good governance and has implemented governance arrangements which are consistent with the Code of Corporate Governance, 2012. An overview of those components of the Exchange's Code of corporate governance which are relevant to the operation of securities exchange is set out below.

The Exchange was incorporated in 1949 as a company Limited by Guarantee. As a result of demutualization, the Exchange 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.



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: gm@psx.com.pk

Ref. No. PSX/ _____

Operational Governance

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

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

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

Operational resilience

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

The exchange planned to upgrade the trading platform. The new trading system went live on 25th October 2021. Decision to roll back / reverting to the old trading systems was taken on 30th October 2021 which went live from 1st November 2021. The exchange performed internal review and also engaged an independent third party to review implementation process.

Control Objectives

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

Handwritten signature and initials.



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: gm@psx.com.pk

Ref. No. PSX/ _____

management processes and measures for continuous improvement of information systems & related services.

- adequate measures are in place to review and monitor the IT systems on timely basis, perform periodic assessments, security reviews / compliance, audit from independent individuals and adequate measures have been taken to maintain cybersecurity.
- changes to information systems are subject to a controlled process including formal requests, approvals, authorizations, analysis, development in segregated environments by developers (not involved in administration of systems), testing for Quality Assurance (QA), User Acceptance Testing (UAT) in testing environment, changes to production and logging.
- changes to access are logged, approved and authorized for creation, modification / privilege assignment and revocation of users along with periodic review of users' access rights.
- operating systems, databases, virtual machines, network devices, security devices are configured to restrict access, provide required services and security parameters are configured to maintain confidentiality, integrity and availability of information systems.
- physical access is restricted to prevent unauthorized access to the Exchange data centres and environmental controls facilitate continued operation of information systems.
- backup and restoration procedures are established which include media management, periodic testing and real-time data replication to support the business continuity and recovery from disaster during adverse events.
- in case of defaults, the UINs are restricted from taking new position in any market.
- trades cannot take place on suspended shares.
- the trades are tagged with relevant clients and that the trades are not processed in excess of buying capacity.
- the trading fee is charged homogenously, the transactions taking place via trading system cannot be cancelled once processed, the orders cannot be executed / modified / cancelled during the pre-open sessions, previous day closing prices are utilized when orders are not processed during pre-open sessions and that the tick size will be 1 (one) paisa for orders.
- the trading limits and broker exposures are controlled.
- the securities cannot be traded in negative ticks.
- blank sales cannot be made unless marked at the time of order placement and that the blank sale amounts are allowed in a specified threshold.
- the closing price of securities is determined as volume weighted average.
- activity logs of brokers are maintained.

Participant Controls

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

- Documenting policies and procedures (including transaction processing procedures, risk management Policies such as conditions and restrictions for system use, good password practices, software copyright, Restrictions and virus protection, licensed Operating System & Anti-virus and its latest patches/updates, firewall, two factor token security and communication link)
- Restricting access to operating systems, applications, databases and underlying records (including role Based security mechanisms)

3

79
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: gm@psx.com.pk

Ref. No. PSX/ _____

- Documenting cyber security strategy that includes appropriate tools and techniques to prevent, detect, responding to and recover from security incidents
- Transaction processing, monitoring and reporting mechanisms
- Reconciliation of transactions and holdings
- Physical security of system infrastructure
- Provisioning of data backup and restoration and other computer operations, and
- Business continuity and disaster recovery planning
- Complying with and control compliance with the Exchange 's terms and conditions of activities. Information provided by the user entities is in compliance with the contracts for rendering services, as well as with other contractual obligations between the Exchange and the user entities.
- Properly control the process of sending and receiving of messages by electronic communication channels, ensuring appropriate protection of the information and the systems from any unauthorized access or intervention.
- Reporting on services rendered by the Exchange, are reviewed by the user entities in a timely manner. Upon detection of any discrepancies, the User Organizations are expected to duly inform the Exchange to this effect in written form.
- Understanding and complying with their contractual obligations to the Exchange.
- Changing password.
- Immediately notifying the Exchange of any information security breaches they become aware of.
- 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.

Managing Director
Pakistan Stock Exchange Limited

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 / 0178 dated July 27, 2022, 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, 2022.

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, 2022, 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, 2022, comprises of the following, as stipulated in the Annexure III of the Regulations:

- i. Securities Act, 2015;
- ii. Companies Act, 2017;
- iii. Securities Exchanges (Licensing and Operations) Regulations, 2016;
- iv. Regulations of the Exchange as approved by the Commission under the Securities Act 2016;
- v. Policies, procedures, directives, guidelines, circulars, issued/approved by the commission or the board of directors of PSX;
- vi. Memorandum of Association and Articles of Association of PSX;
- vii. Standard Operating Procedures relating to all major operational processes;
- viii. Policies and procedures formulated to identify and prevent conflict of interests of directors with the interest of the capital market, investors and securities exchange;
- ix. PSX's systems and related functionalities operate in compliance as per the requirements of approved regulations and procedures of the Exchange; and
- x. Assess that the scope, resources including human resource, procedures and reporting mechanism of the regulatory function including entity level compliance were adequate and effective to ensure compliance with relevant legal requirements and detect and report any non-compliance in a timely manner.

YA



Yousuf Adil
Chartered Accountants

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;
- 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.

YA

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

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.

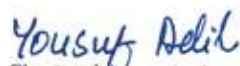
Certain controls specified in PSX Rule Book could only be achieved if complementary Pakistan Stock Exchange (PSX), National Clearing Company (NCCPL), Central Depository Company (CDC) and Clearing Member Controls, contemplated in the design of the controls of the Company, are suitably designed and operating 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, 2022, 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

Place: Karachi

Date: September 22, 2022

FORM OF PROXY

75th 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 75th Annual General Meeting of the Company, to be held on the 28th day of October 2022 and at any adjournment thereof.

As witness my/our hand/seal this _____ day of _____, 2022.

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. The proxy-holder shall produce his/her original CNIC at the time of the meeting.
5. In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form.

میں / ہم _____ ساکن _____ حامل کمپیوٹرائزڈ شناختی کارڈ (CNIC) / پاسپورٹ نمبر _____
اور بطور رکن پاکستان اسٹاک ایکسچینج لمیٹڈ (کمپنی) _____ حامل CNIC / پاسپورٹ نمبر _____ یا اس کی عدم موجودگی میں
_____ حامل CNIC / پاسپورٹ نمبر _____ کو مورخہ 28 اکتوبر 2022 کو کمپنی کے منعقد ہونے والے 75 ویں
سالانہ اجلاس عام اور اس کے کسی ملتوی شدہ اجلاس کے لیے میری / ہماری جانب سے ووٹ ڈالنے کے لیے بطور نمائندہ (پراکسی) تقرر کرتا ہوں / کرتی ہوں / کرتے ہیں۔
گواہان کی موجودگی میں میرے / ہمارے دستخط / مہر بروز _____ 2022 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 کارپوریٹ اسٹمپ

حصص یافتہ کے دستخط

نوٹس:

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

ضمیمہ نمبر II

بورڈ کمیٹی

ریگولیٹری افیئرز کمیٹی

اجلاس عنوان	اجلاس میں شرکت
کمیٹی ممبر کا نام	یکم، جولائی 2021 سے 30، جون 2022 تک
ڈاکٹر شمشاد اختر (چیئر پرسن)	07
جناب محمد صلاح الدین منظور	06
جناب ندیم نقوی	07

آڈٹ کمیٹی

اجلاس عنوان	اجلاس میں شرکت
کمیٹی ممبر کا نام	یکم، جولائی 2021 سے 30، جون 2022 تک
جناب جاوید قریشی (چیئر مین)	04
جناب احمد چنائے، ایچ. آئی، ایس. آئی	04
جناب یو پیٹنگ	03

ہیومن ریسورسز اینڈ ریمو نیویشن (اجرتی) کمیٹی

اجلاس عنوان	اجلاس میں شرکت
کمیٹی ممبر کا نام	یکم، جولائی 2021 سے 30، جون 2022 تک
ڈاکٹر شمشاد اختر (چیئر پرسن)	03
جناب یو پیٹنگ	03
جناب محمد صلاح الدین منظور	03
جناب زبیر رزاق پلوالا	03
جناب فرخ ایچ خان	03

نوٹس:

- کمیٹی کے ان اراکین کو غیر حاضری کی چھٹیاں دی گئیں، جو کچھ اجلاسوں میں شرکت نہیں کر سکے۔
- مالی سال کے دوران نامزدگی کمیٹی کا کوئی اجلاس نہیں بلایا گیا۔
- تمام قانونی بورڈ کمیٹیوں کے حوالے سے ترتیب، سالانہ رپورٹ کے کارپوریٹ انفارمیشن سیکشن میں دستیاب ہیں۔

ڈائریکٹر کا نام	اجلاس عنوان	اجلاس میں شرکت
یکم، جولائی 2021 سے 30 جون 2022 تک		
ڈاکٹر شمشاد اختر (چیئر پرسن)	10	10
جناب فرخ ایچ خان (سی ای او)	10	10
جناب وانگ باؤ جن [1]	02	02
جناب احمد چنائے، ایچ. آئی، ایس. آئی	10	10
جناب یو ہینگ	10	10
ڈاکٹر فوہاؤ	10	7
محترمہ یو ہاؤ لی	10	9
جناب جیانگ کیتاؤ [2]	05	05
جناب جاوید قریشی	10	10
جناب محمد صلاح الدین منظور	10	09
جناب ندیم نقوی	10	10
جناب زبیر رزاق پلوالا	10	10

[1] 22 اکتوبر، 2021 کو ڈائریکٹر کے عہدے سے مستعفی ہوئے۔

[2] 18 نومبر، 2021 کو بطور ڈائریکٹر تفری عمل میں آئی۔

نوٹ: غیر حاضری کی چھٹیاں ان ڈائریکٹرز کو دی گئیں جو بورڈ کے کچھ اجلاسوں میں شرکت نہیں کر سکے۔

سی ایس آر کے سلسلے میں ہونے والی سرگرمیوں کے تحت، پی ایس ایکس نے ڈیف ریٹج فاؤنڈیشن کے پانچ طلباء کی تعلیم کو پورے ایک سال کے لیے اسپانسر کیا۔ مزید برآں، سندھ بھر کی یونیورسٹیوں کے لیے اکانومی آف ماڈرن سندھ کے عنوان سے ایک کتاب اسپانسر کی گئی تاکہ طلباء اور عام لوگوں میں سندھ کی معیشت کے حوالے سے آگاہی اور تعلیم کو فروغ دیا جاسکے۔ ہیلتھ اینڈ سوسائٹی کے حوالے سے سی ایس آر سرگرمیوں کے تحت، آغا خان یونیورسٹی اسپتال کے پیشکنس بہبود سوسائٹی کے ذریعے مستحق مریضوں کو صحت سے متعلق سہولیات مہیا کرنے کے لیے تعاون کیا گیا۔ ثقافتی اور سماجی نقطہ نظر سے، فنون لطیفہ کے شعبے میں بھی تھوڑا بہت تعاون فراہم کیا گیا۔

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۔

تسلیمات

بورڈ آف مینجمنٹ 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 سیکریٹریز اینڈ ایگزیکٹو کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فیڈرل بورڈ آف ریونیو اور وزارت خزانہ، ریونیو اینڈ اکاؤنٹس افیئرز اور حکومت پاکستان کا بھی شکریہ ادا کرتا ہے جنہوں نے ایگزیکٹو 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 اسٹاک 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 شمس الدین
چیر پرسن

کراچی

تاریخ: 21 ستمبر، 2022

ڈائریکٹرز کا معاوضہ

پی ایس ایکس کا ہر نان-ایگزیکٹو ڈائریکٹر، بورڈ آف ڈائریکٹرز اور بورڈ-لیول کمیٹی (ز) کے ہر اجلاس میں شرکت کے سلسلے میں بالترتیب 100,000 روپے اور 75,000 روپے (قابل اطلاق ٹیکس کی کٹوتی سے مشروط) اجلاس کی فیس کی مد میں حاصل کرنے کا حقدار ہے، جن میں ایسے ڈائریکٹر ممبر ہیں۔ مینٹنگ فیس کے علاوہ، چیئر پرسن کو 1800 سی سی، کارفرماہم کی جائیگی جس کی دیکھ بھال کمپنی کی ذمہ داری ہوگی جبکہ وہ ڈرائیور اور 200 لیٹر فیول فی ماہ کا بھی حقدار ہوگا۔ اس کے علاوہ، پی ایس ایکس کے غیر جانبدار ڈائریکٹرز، پی ایس ایکس کے چیف ریگولیٹری آفیسر کے نفاذ کے احکامات کے خلاف پی ایس ایکس کے TRE سرٹیفکیٹ ہولڈرز کی اپیلوں کی سماعت کے لیے 10,000/- روپے فی سماعت اعزاز یہ (honorarium) کے حقدار ہیں۔

مالی سال 2021-22 میں ڈائریکٹرز اور سی ای او کو ملنے والے مشاہرے کے بارے میں مزید معلومات کے لیے، برائے مہربانی سالانہ رپورٹ سے منسلک ایکنجنگ کے مالی گوشوارے میں موجود نوٹ 33 کو ملاحظہ کریں۔

داخلی مالیاتی کنٹرول اور رسک مینجمنٹ کی موزونیت

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 خاص یا فینگان 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۔

داخلی مالیاتی کنٹرول اور رسک مینجمنٹ کی موزونیت کے سلسلے میں ڈائریکٹرز کی ذمہ داری

بورڈ آف ڈائریکٹرز کی یہ ذمہ داری ہے کہ وہ اس بات کو یقینی بنائیں کہ مستحکم داخلی کنٹرول اور رسک مینجمنٹ کا ایک نظام قائم کیا جائے، جسے 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 کہ دیگر معاملات میں بھی اسے رپورٹ کرتی ہے، اسے یہ بھی یقینی بنانے کا پابند بنایا گیا ہے کہ داخلی 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 ایکنجنگ (لائسنسنگ اور آپریشنز) ریگولیشنز، 2016 کے تحت ضرورت کے مطابق ان کا، آڈیٹرز رپورٹس کے ساتھ مینجمنٹ ایسٹیمز اینڈ ڈسکریپشن (Management Assertions and Description) میں تفصیل سے ذکر کیا گیا ہے۔

ماحول پر اثرات

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

کارپوریٹ سماجی ذمہ داری

پاکستان اسٹاک ایکنجنگ، 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، ایکنجنگ 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۔

غیر جانبدار ڈائریکٹرز (نان-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 کے 10 اجلاس (7 شیڈول اور 3 ہنگامی) منعقد ہوئے، جن کے لیے ڈائریکٹرز کی حاضری اس رپورٹ کے ضمیمہ 1 کے طور پر 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، سکیورٹیز ایکسچینج (لائسنسنگ اور آپریشنز) ریگولیشنز، 2016 اور سلیڈ کمیٹیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور فرنٹ لائن ریگولیٹر اور تجارتی ادارے کے طور پر پی ایس ایکس 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 (اجرتی) کمیٹی اور نامزدگی (نومینیشن) کمیٹی ہیں۔ مذکورہ کمیٹیوں کے اجلاسوں میں اراکین کی حاضری ڈائریکٹرز رپورٹ کے ساتھ ضمیمہ 11 کے طور پر منسلک ہے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز (M/s) گرانٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس، سالانہ اجلاس عام کی تاریخ پر ریٹائرڈ ہوں گے جبکہ اہل ہونے کے بعد انھوں 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 (M/s) گرانٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس کو 30 جون، 2023 کو اختتام پذیر ہونے والے مالی سال کے لیے، ایکسچینج کے قانونی آڈیٹر کے طور پر دوبارہ تعینات کریں۔

غیر جانبدار آڈیٹرز کی رپورٹ کا نظر ثانی شدہ مواد

انٹرنیشنل آڈیٹنگ اینڈ ایسٹورنس اسٹینڈرڈز بورڈ (IAASB) کے آڈیٹنگ کے معیار 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 مینجمنٹ 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 آپریشنز 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 سلیڈ کمیٹیز (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۔

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 ریگولیٹری تبدیلیاں،
- دیگر قواعد و ضوابط یا پالیسیاں جو پی ایس ایکس کے کاروبار کو متاثر کرتی ہیں، بشمول اس کی لسٹ کمپنیوں کے، ایسی تبدیلیاں جو پاکستان سے باہر پاکستانی سکیورٹیز کی پیشکش کو سہل بناتی ہیں،
- سرمایہ کاروں کی ہمارے ایگزیکٹوز میں آزادانہ تجارت کرنے کی صلاحیت،
- اس طرح کی تجارت سے محاصل (ٹیکسیشن) یا منافع کی ملک میں واپسی،
- وہ طور طریقے جس کے تحت ہمارے ایگزیکٹوز اور کلیئرنگ کارپوریشن میں سکیورٹیز 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 سکتی ہیں۔

بورڈ آف ڈائریکٹرز

مالی سال 2021-22 کے دوران، جناب وانگ باؤ جن نے 22 اکتوبر 2021 کو شیئر ہولڈرز ڈائریکٹر کی حیثیت سے استعفیٰ دیدیا، جو کہ پی ایس ایکس کے بورڈ میں پاک چائنا انویسٹمنٹ کمپنی لمیٹڈ (پی سی آئی سی ایل) کی نمائندگی کے فرائض انجام دے رہے تھے، اور اس کے نتیجے میں پیدا ہونے والی عارضی آسامی کو پُر کرنے کے لیے، بورڈ کی جانب سے ایس ای سی پی سے ضروری کلیئرنس حاصل کرنے کے بعد اور PCICL سے نئی نامزدگی حاصل ہونے پر جناب جیانگ کیتاؤ کو 18 نومبر 2021 سے شیئر ہولڈرز ڈائریکٹر کے طور پر مقرر کیا گیا۔ بورڈ جناب باؤ جن کی جانب سے فراہم کردہ تعاون پر 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 2021-22 کے اختتام پر، پی ایس ایکس کا بورڈ آف ڈائریکٹرز گیارہ (11) ڈائریکٹرز پر مشتمل تھا جن میں شامل ہیں:

مرد ڈائریکٹرز 9

خاتون ڈائریکٹر 2

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

شیئر ہولڈرز ڈائریکٹرز (نان-ایگزیکٹو)

- | | | | |
|-------|-------------------------------------|------|----------------|
| (i) | جناب احمد چنائے، ایچ. آئی، ایس. آئی | (ii) | جناب یوینگ |
| (iii) | ڈاکٹر فوہاؤ | (iv) | محترمہ یوہاؤلی |
| (v) | جناب جیانگ کیتاؤ | (vi) | جناب ندیم نقوی |
| (vii) | جناب زہیر رزاق پلووالا | | |

- نئی خدمات اور مصنوعات کو کامیابی سے متعارف کرانے کی ہماری صلاحیت؛ اور
- ریگولیٹری پابندیاں۔

ان میں سے بہت سے عوامل ہمارے دائرہ کار 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 (material adverse) اثر ڈال سکتی ہے۔

مارکیٹ میں اتار چڑھاؤ کے خطرات

جیسا کہ پی ایس ایکس کی کل آمدنی جزوی طور پر ایکویٹی پر منحصر ہے، 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 (materially) بُری طرح سے 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 (materially) 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] جس کے پاس وسیع تر اختیارات ہیں، پی ایس ایکس کو ریگولیٹ کرتا ہے اور پی ایس ایکس اس سے لائسنس یافتہ ہے۔ پی ایس ایکس اپنے ضابطے، قانون اور ضمنی قوانین کے تحت کچھ ریگولیٹری افعال کے ذریعے مشق کرتا ہے، جس میں ہمارے پلیٹ فارم پر درج اداروں اور TREC ہولڈرز کے ذریعے بعض سیکورٹیز قوانین کی تعمیل کے حوالے سے نگرانی بھی شامل ہے۔ مزید یہ کہ، پی ایس ایکس کو فرنٹ لائن ریگولیٹری حیثیت سے ریگولیٹری ترمیم تجویز کرنے، ضوابط کو جاری کرنے اور تادیبی کارروائیاں کرنے کا بھی اختیار حاصل ہے۔

نگرانی کی سطح میں کسی بھی طرح کا اضافہ جسے ہماری جانب سے انجام دینے کی ضرورت پیش آئے، بشمول ریگولیٹری تبدیلیوں کے سبب، عائد ہو سکتا ہے یا اس کے نتیجے میں ہمارے لیے اضافی یا ضرورت سے زیادہ ریگولیٹری بوجھ اور تعمیل کے اخراجات ہو سکتے ہیں۔

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؛
- بیرون ملک مقیم ریگولیٹری 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۔

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

پی ایس ایکس ملک کے واحد اسٹاک ایکسچینج کی حیثیت رکھتا ہے۔ پی ایس ایکس کے کاروبار، مالیاتی حالت اور آپریشنز کے نتائج تجارت کے مالیاتی اثاثوں کے حجم، سیکورٹیز کی تعداد، نئی لسٹنگ کی تعداد اور اس کے بعد اجرا، 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 ایکسچینج کی طرح، پی ایس ایکس کا انحصار ایکسچینج میں تجارت کے لیے استعمال کیے جانے والے مالیاتی اثاثوں کی متعلقہ کشش پر ہوتا ہے، اور ایک مارکیٹ کے طور پر ایکسچینج 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 کسی حد تک، جبکہ باقی ایشیا، امریکہ، یورپ اور دنیا کے دیگر حصوں سے متاثر ہوتے ہیں جو پی ایس ایکس کے دائرہ کار سے باہر ہیں۔ اگرچہ غیر مستحکم مارکیٹس ٹرانز ایکشن کے حجم میں اضافہ کر سکتی ہیں، تاہم طویل المیعاد 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 آپریشنز کے نتائج پر منفی اثرات ڈال سکتے ہیں اور ہمارے دائرہ کار 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؛
- سیکورٹیز کی قیمتوں میں تبدیلی اور تار چڑھاؤ
- ٹیکس پالیسی میں تبدیلی (بشمول ٹرانزیکشن ٹیکس) اور پاکستانی اور دوسرے ممالک کے درمیان ٹیکس معاہدے؛
- شرح سود کی سطح اور تار 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، یککشی کی کمی؛ اور
- غیر متوقع طور پر مارکیٹ کی بندش یا تجارت میں دیگر رکاوٹیں۔

اگر پی ایس ایکس کی سرگرمیوں کی سطح اوپر بیان کردہ کسی بھی عوامل یا اس کے دائرہ کار سے باہر کے دیگر عوامل کے باعث مادی طور پر منفی (materially adversely) طرح سے 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؛

کمپیکٹ، یونائیٹڈ نیشنز انوائزمنٹ پروگرام فنانشیو (UNEP-FI) اور پرنسپلز فار رسپانسیبل انویسٹمنٹ (PRI) کے ذریعے کیا گیا ہے۔ اقوام متحدہ کے سسٹمیکل اسٹاک ایکسچینجز (SSE) اقدام میں شامل ہونے کے علاوہ، پی ایس ایکس لسٹ کمپنیوں کے ذریعے انتخاب (adoption) کے لیے سیکٹر وائڈ ESG معیارات کی ترقی کے لیے بھی کام کر رہا ہے۔

مارکیٹنگ اور بزنس ڈیولپمنٹ کے حوالے سے اقدامات

مارکیٹنگ اینڈ بزنس ڈیولپمنٹ ٹیم نے اپنے مقاصد کی تکمیل کا سلسلہ جاری رکھتے ہوئے برانڈنگ سرگرمیوں، سرمایہ کاروں اور صنعت سے متعلق آگاہی سیشنز کا انعقاد کیا، اس کے ساتھ ساتھ نئی کمپنیوں کو پی ایس ایکس کی فہرست میں شامل کرنے کی ترغیب دے کر سرمایہ کاروں اور کارپوریٹس دونوں کے لیے کیپٹل مارکیٹس کی جانب سے پیش کیے گئے مواقع کے بارے میں زیادہ سے زیادہ آگاہی پیدا کرنے کا عمل جاری رکھا۔ مارکیٹ کے شرکا، اسٹیک ہولڈرز، سرمایہ کاروں، اجرا کنندگان اور عام عوام تک ایکسچینج کے فروغ کے لیے متعدد دیگر سرگرمیاں بھی انجام دی گئیں۔

میڈیا کے ساتھ تسلسل سے رابطہ برقرار رکھتے ہوئے متعدد پریس ریلیزز، انٹرویوز، اور جاری کردہ اعلانات شائع کروائے گئے تاکہ ایکسچینج میں سال بھر میں ہونے والی مختلف پیش رفتوں کے حوالے سے آگاہی فراہم کی جاسکے۔ پی ایس ایکس نے گلوبل اسلامک فنانشیال ایوارڈز (GIFA) کی طرف سے پیش کردہ بہترین اسلامک اسٹاک ایکسچینج ایوارڈ 2021 جیتنے کا اعزاز حاصل کیا تھا جس کی تشہیر کے لیے ایک بڑے انگریزی اخبار میں خصوصی ضمیمہ جاری کیا گیا۔

غیر معمولی طور پر مفید نئی پیشکش، مائی پورٹ فولیو کا آغاز کیا گیا تاکہ (ممکنہ) سرمایہ کاروں کو اسٹاک مارکیٹ میں حقیقی وقت (real time) کی بنیاد پر لیکن ورچوئل رقم کے ساتھ سرمایہ کاری کرنے کے حوالے سے سیکھنے میں مدد ملے۔ یہ ویب پر مبنی اپیلی کیشن طویل المیعاد بنیادوں پر کارگر رہنے کی اہلیت رکھتی ہے، یہ نہ صرف سرمایہ کاروں کو اپنے پورٹ فولیوز کی سرمایہ کاری، تعمیر اور انتظام کرنے کے حوالے سے آگاہی فراہم کرے گی بلکہ ممکنہ سرمایہ کاروں کی اسٹاک ایکسچینج میں سرمایہ کاری کی طرف زیادہ دلچسپی پیدا کر کے اسٹاک ایکسچینج کی رسائی کو بھی بڑھا دے گی۔

رسک مینجمنٹ اور انفارمیشن سکیورٹی

ایکسچینج 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۔ سال کے دوران انفارمیشن سکیورٹی کو مزید بہتر کیا گیا ہے جس میں جامع انفارمیشن سکیورٹی پروگرام کی ترقی اور نفاذ بشمول انفارمیشن سکیورٹی پالیسی فریم ورک، سکیورٹی آپریشنز، کاروباری تسلسل کا منصوبہ، رسک مینجمنٹ، سکیورٹی اسیمنٹ، ٹریننگ اور آگاہی پروگرام، پی ایس ایکس کے ماحول میں اینڈ پوائنٹ ڈیٹیکشن اینڈ رسپانس (EDR) سلوشن اور ایڈوائس تھریٹ پروٹیکشن سسٹم کی تعیناتی شامل ہے، جو کہ میلویر اور ایڈوائس سائبر حملوں جیسی مشکوک سرگرمیوں کو زیادہ سے زیادہ واضح کرتا اور نگرانی فراہم کرتا ہے۔

رسک مینجمنٹ اینڈ انفارمیشن سکیورٹی ڈیپارٹمنٹ کی جانب سے سائبر سکیورٹی کے خطرات پر ایک آگاہی سیشن کا انعقاد کیا گیا تاکہ ان احتیاطی تدابیر کے بارے میں آگاہی پیدا کی جاسکے جس پر عمل کرتے ہوئے عملہ نقصان کو کم سے کم کر سکتا ہے۔

پی ایس ایکس کی جانب سے اپنی متعلقہ ٹیموں کے لیے آئی ایس او 22301:2019 کی ضرورت کے مطابق بزنس کنٹینیوٹی مینجمنٹ سسٹم (بی سی ایم ایس) کو نافذ کرنے کے حوالے سے تین روزہ 'BCMS لیڈ اےکسچینجز کورس' اور آئی ایس او 27001:2013 کی ضرورت کے مطابق انفارمیشن سکیورٹی مینجمنٹ سسٹم (آئی ایس ایم ایس) کو نافذ کرنے کے سلسلے میں 'ISMS لیڈ اےکسچینجز کورس' کا انعقاد کیا گیا۔

اس کے علاوہ، مالی سال 2021-22 کے دوران جہاں گریڈڈ اینڈ کمپنی لمیٹڈ نے 183,188,477 کلاس "A" ترجیحی حصص جاری کیے جبکہ حسین شوگر ملز لمیٹڈ کی جانب سے رائٹ ایشوز کے ذریعے 14,445,000 ترجیحی حصص کا اجرا کیا گیا۔

مالی سال 2021-22 کے دوران پاکستان اسٹاک ایکسچینج لمیٹڈ نے کامیابی کے ساتھ چار (4) ڈیٹ سکیورٹیز کا اندراج کیا۔ ڈیٹ سکیورٹیز کا مشترکہ ایٹو ساؤتھ 11,600 ملین روپے رہا۔

گزشتہ سال ایک اہم پیشرفت میں، جی ای ایم بورڈ کا آغاز کیا گیا اور ٹرانسپورٹ، ٹیکنالوجی اور کمیونیکیشن، اور پیپرائنڈ بورڈ کے شعبوں میں تین کامیاب اندراج (لسٹنگ) کا عمل انجام دیا گیا۔ ترقی کی جانب گامزن کمپنیوں یعنی پاک ایگروپیکچنگ لمیٹڈ، پونیورسل نیٹ ورک سسٹمز لمیٹڈ، اور سپرنیٹ لمیٹڈ نے مل کر کیمپٹل مارکیٹ سے 1,119 ملین روپے اکٹھے کیے۔

ایکسچینج کی جانب سے مالی سال 2021-22 کے دوران 2 ETFs، یعنی جے ایس موینٹم فیکٹر ایکسچینج ٹریڈڈ فنڈ اور الفلاح کنزیومرانڈیکس ایکسچینج ٹریڈڈ فنڈ کا اندراج کیا گیا۔ جے ایس موینٹم فیکٹر ای ٹی ایف، جے ایس موینٹم فیکٹر انڈیکس کوٹریک کر رہا ہے جبکہ الفلاح کنزیومرانڈیکس ٹی ایف، الفلاح کنزیومرانڈیکس کوٹریک کر رہا ہے۔

مالی سال 2021-22 کے دوران ایکسچینج کی جانب سے دس (10) اوپن-اینڈ میچل فنڈز کا کامیابی کے ساتھ اندراج کیا گیا، جو کہ پچھلے مالی سال کے دوران درج کی گئی تعداد سے دو گنا تھا۔ سال کے دوران اندراج کے حامل فنڈز کا کل فنڈ ساؤتھ 4,663 ملین روپے رہا۔

تجارت اور سرمایہ کاروں کے لیے ترقی کے مواقع

بروکرئج اکاؤنٹس کھولنے کے سلسلے میں آسانی پیدا کرنے کے حوالے سے سرمایہ کاروں کے لیے کئی اہم اقدامات کیے گئے ہیں۔ کچھ اہم پیشرفت میں شامل ہیں:

- آن لائن اکاؤنٹ کھولنے کے عمل میں نمایاں بہتری
- آسان AML اور KYC کی شرائط کے ساتھ چھوٹے سرمایہ کاروں کے لیے "سہولت" اکاؤنٹس کو دوبارہ متعارف کرانا
- AML اور KYC کے تقاضوں پر زیادہ وضاحت فراہم کرنے کے لیے ایس ای سی پی کے ساتھ کام اور ہم آہنگی
- ایکویٹی اور ریکل اسٹیٹ کے درمیان CGT کے اثرات کو برابر کرنے کے سلسلے میں MoF اور FBR کے ساتھ کام کرنا
- اکاؤنٹ کھولنے کے لیے نہایت آسان فارم

نتیجے کے طور پر، UINs جو گرتے ہوئے رجحان کے حامل تھے، سال کے آخر میں 8.5 فیصد بڑھ کر 279,522 ہو گئے۔

پروڈکٹ مینجمنٹ اور تحقیق میں پیش رفت

پی ایس ایکس سنگل اسٹاک آپشنز متعارف کرانے کی جانب قدم بڑھا رہا ہے کیونکہ ایس ای سی پی کی جانب سے ڈیلیوریبل سنگل اسٹاک آپشنز کے ریگولیٹری فریم ورک کو بھی منظور کر لیا گیا ہے۔

پی ایس ایکس پائیدار ترقی میں ذمہ دارانہ سرمایہ کاری کے فروغ اور ماحولیاتی، سماجی اور گورننس (ESG) کے مسائل پر کارپوریٹ پر فارمنس کو بہتر بنانے میں مدد کے حوالے سے بھی کام کر رہا ہے۔ SSE انیشیٹیو اقوام متحدہ کے زیر اہتمام ایک شراکتی پروگرام ہے جس کا اہتمام یونائیٹڈ نیشنز کانفرنس آن ٹریڈ اینڈ ڈیولپمنٹ (UNCTAD)، یو این گلوبل

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، جس سے مالیاتی گوشواروں کا تعلق ہے اور رپورٹ کی تاریخ کے درمیان واقع ہوئے 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۔ 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۔ نئے ٹریڈنگ سسٹم کا نفاذ آن سائٹ سے ریہوٹ اپڈیٹیشن (دور دراز نفاذ) میں تبدیلی کے باوجود جاری ہے، جو کہ اس طرح کے پیچیدہ نظام کے نفاذ کے لیے ایک حقیقی چیلنج ہے۔

آئی ٹی کی کامیابیاں اور اقدامات

PSX IT ٹیم کی جانب سے TREC ہولڈرز کے لیے مناسب تکنیکی مدد کو یقینی بنانے میں کلیدی کردار ادا کیا گیا اور بغیر کسی رکاوٹ کے ہموار کاروباری آپریشنز کو یقینی بنانے کے حوالے سے بھی اہم کردار ادا کیا گیا۔ غیر معمولی عزم، بہترین کوششوں اور مسائل کی اچھی طرح سے دستاویزی رپورٹنگ کے ساتھ سالانہ سپورٹ ٹکٹوں میں تقریباً 29 فیصد کی اور اس سال بار بار ہونے والے واقعات میں تقریباً 41 فیصد کی دیکھنے میں آئی۔

شینزین اسٹاک ایکسچینج (SZSE)، چین سے نیا ٹریڈنگ اینڈ سروسز سسٹم (NTS) منگولیا گیا تھا، جسے پیر 25 اکتوبر، 2021 کو لائیو کیا گیا۔ یہ نظام ایک جدید ترین، مضبوط، جدید تجارتی اور نگرانی کا نظام ہے جس میں نئی مصنوعات اور اضافے کے لیے سہولت موجود ہے۔ SZSE NTS نے خصوصیات کے مطابق کام کیا۔ تاہم جیڈ ٹریڈنگ ٹریڈنگ (JTT) میں تکنیکی مسائل کا سامنا کرنا پڑا، جو کہ ایک مقامی وینڈر کے ذریعے تیار کردہ فرنٹ اینڈ آرڈر مینجمنٹ سسٹم (OMS) ہے۔ JTT کے حوالے سے خدشات کو دور کرنے کے لیے پی ایس ایکس مینجمنٹ نے TREC ہولڈرز اور SECP کے ساتھ مشاورت سے، یکم نومبر، 2021 کو سابقہ نظام (KATS) کو بحال کر دیا، تاکہ تمام TREC ہولڈرز کو بلا تعطل ٹریڈنگ کی فراہمی ممکن بنائی جاسکے۔ پی ایس ایکس فرنٹ-اینڈ سسٹم کو متاثر کرنے والے مسائل کو حل کرنے کے سلسلے میں کام کر رہا ہے، جس کے بعد NTS کا دوبارہ سے آغاز کیا جائے گا۔

PSX IT ٹیم متعدد ان-ہاؤس پیش رفتوں کے سلسلے میں مصروف عمل رہی جس میں بنیادی طور پر پی ایس ایکس کی ضروریات کو پورا کیا گیا۔ رپورٹنگ کے طریقہ کار، THIMS میں تبدیلیاں، کارپوریٹ ویب سائٹ اور ڈیٹا پورٹل پر بہتر خصوصیات اور نئے انڈیکس کے تعارف سے متعلق چند اہم ڈیلیوریبلز ہیں۔ کچھ بڑے منصوبے ہیں جن پر کام جاری ہے جیسے SECTRA رپورٹس کی ترسیل، نئے پراپرٹی سیکٹر کا تعارف اور DPS، THIMS اور TTOS پر NTS کے لیے رپورٹنگ فریم ورک کی آٹومیشن۔

لسٹنگ کی کامیابیاں اور سرگرمیاں

پاکستان اسٹاک ایکسچینج لمیٹڈ (پی ایس ایکس) نے کامیابی کے ساتھ پانچ (5) نئی کمپنیوں کا اندراج کیا، جن میں سٹی فارمالیٹڈ، پاکستان ایلومینیم بورچ کینز لمیٹڈ، ایئر لک گیونیکیشن لمیٹڈ، آکسپس ڈیجیٹل لمیٹڈ اور آدم جی لائف ایشرنس کمپنی لمیٹڈ شامل ہیں۔ ان پانچ نئی لسٹڈ کمپنیوں کی جانب سے مجموعی طور پر کپٹل مارکیٹ سے 15,172 ملین روپے اکٹھے کیے گئے۔

منجمنٹ مشکل کاروباری ماحول سے پوری طرح واقف ہے اور لاگت کے موثر انتظام (effective cost management) پر توجہ مرکوز کیے ہوئے ہے۔ مالی سال 2021-22 کے لیے پی ایس ایکس کے کل آپریٹنگ اخراجات 1,427 ملین روپے رہے جو کہ اسی کے مقابلے میں تقابلی سال میں 1,372 ملین روپے تھے۔ اکاؤنٹنگ پالیسی میں تبدیلی کی وجہ سے ریل اسٹیٹ پراگراؤٹ کے اثرات کو چھوڑ کر، افراط زر کی شرح کے مطابق اخراجات میں بڑے پیمانے پر اضافہ ہوا۔

پی ایس ایکس نے مالی سال 20-21 میں حاصل ہونے والے 696 ملین روپے کے مقابلے میں مالی سال 21-22 کے لیے 399 ملین روپے کا بعد از ٹیکس منافع حاصل کیا۔

ڈیویڈنڈ

سرمایہ کاری کے جاری منصوبوں، بشمول نئے تجارتی اور نگرانی کے نظام کے نفاذ کے ساتھ ساتھ موجودہ منافع اور کیش فلو، کے پیش نظر ڈائریکٹرز نے دانشمندانہ طور پر 30 جون، 2022 کو اختتام پذیر ہونے والے مالی سال کے لیے کوئی نقد منافع نہ دینے کی سفارش کی۔

فی حصص آمدنی (ای پی ایس)

بنیادی اور ملاوٹ شدہ فی حصص آمدنی مالی سال 20-21 میں 0.87 روپے کے مقابلے میں مالی سال 21-22 میں 0.5 روپے رہی۔

مارکیٹ کی کارکردگی:

سال کا خاتمہ		پارٹیکولرز
30 جون 2021	30 جون 2022	
47,356	41,541	کے ایس ای-100 انڈیکس
8,297	6,957	مارکیٹ میں سرمایہ بندی (کپیٹل نریشن) (ارب روپے میں)
19.9	10.1	اوسط ایومیک کی بنیاد پر قدر تجارت - تیار (ارب روپے میں)
8.6	4.7	اوسط ایومیک کی بنیاد پر قدر تجارت - آئندہ (ارب روپے میں)
555	309	اوسط ایومیک کی بنیاد پر تجارتی حجم - تیار (ملین)
142	116	اوسط ایومیک کی بنیاد پر تجارتی حجم - آئندہ (ملین)

مالی سال کے دوران ہونے والی تبدیلیاں

EClear Services Limited میں کمپنی کی جانب سے سال کے دوران 39 ملین روپے کی مزید سرمایہ کاری کی گئی ہے، جسے سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ (سی ڈی سی)، نیشنل کیئرنگ کمپنی آف پاکستان لمیٹڈ (این سی سی پی ایل) اور پی ایس ایکس کی جانب سے مشترکہ طور پر قائم کیا گیا ہے۔ یہ پہلا پروفیشنل کیئرنگ ممبر ہے، جیسا کہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے جاری کردہ ضوابط میں تصور کیا گیا ہے۔

مزید یہ کہ، ایک آزاد پیشہ ور قدر کنندہ (independent professional value) کی جانب سے سال کے دوران لیز ہولڈ اراضی، لیز ہولڈ اراضی پر عمارتوں اور لفٹ، جزیرہ اور الیکٹرک انشالیشن کا از سر نو جائزہ لیا گیا جس کے نتیجے میں 349 ملین روپے کی کاروباری ویلیو ایشن سرپلس ہوا۔

ڈائریکٹرز رپورٹ

پاکستان اسٹاک ایکسچینج لمیٹڈ (پی ایس ایکس) کے بورڈ آف ڈائریکٹرز 30 جون، 2022 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

چیئر پرسن کا جائزہ کے صفحہ 94 پر معاشی جائزہ اور عمومی صورتحال کا احاطہ کیا گیا ہے۔

دوران سال پی ایس ایکس کی مالیاتی اور مارکیٹ کارکردگی

جیسا کہ معاشی جائزہ اور عمومی صورتحال کے سیکشن میں واضح کیا گیا ہے، مشکل میکرو اکنامک اور سیاسی صورتحال نے پی ایس ایکس کی مالی کارکردگی کو منفی طور پر متاثر کیا ہے۔ جیسا کہ ذیل میں تفصیل سے بتایا گیا ہے، چیلنجنگ آپریٹنگ ماحول کے باوجود، پی ایس ایکس کی جانب سے سرمایہ کاری اور انفراسٹرکچر میں بہتری کے عمل کو جاری رکھا گیا ہے، جبکہ سرمایہ کاروں اور لہڈ کمپنیوں دونوں کے لیے نئی مصنوعات متعارف کرائی گئی ہیں۔ ہم پر اعتماد ہیں کہ یہ اقدامات آنے والے سالوں میں پی ایس ایکس کے تمام اسٹیک ہولڈرز کے لیے فائدے اور پاکستان میں کیپٹل مارکیٹ کی ترقی کے لیے شراکت دار ثابت ہوں گے۔

پی ایس ایکس نے 30 جون، 2022 کو اختتام پذیر ہونے والے سال کے لیے 460 ملین روپے کا قبل از ٹیکس منافع ریکارڈ کیا، جو کہ 30 جون، 2021 کو اختتام پذیر ہونے والے سال کے لیے 723 ملین روپے کے مقابلے میں اسی مدت کے دوران تقریباً 36 فیصد کم ہے۔

30 جون 2021 کو اختتام پذیر ہونے والے سال کے دوران 92 ملین روپے کے آپریٹنگ منافع کے مقابلے میں، اس سال کے دوران پی ایس ایکس کی جانب سے رپورٹ کردہ آپریٹنگ منافع کی رقم 27 ملین روپے رہی۔

مالی سال 2021-22 کے لیے پی ایس ایکس کی کل آمدنی 1.87 ارب روپے رہی جبکہ گزشتہ سال 2.1 ارب روپے کی آمدنی ریکارڈ کی گئی تھی، پچھلے سال کے مقابلے میں اس سال کی آمدنی 10 فیصد کم ہے، جس کی وجوہات درج ذیل ہیں:

- ٹریڈنگ فیس سے کمائے گئے ریونیو میں 255 ملین روپے کی کمی بنیادی طور پر اوسط یومیہ تجارت کی کم قیمت کے سبب ہوئی جس کے باعث مالی سال 2020-21 میں 28.6 ارب روپے کے مقابلے میں مالی سال 2021-22 میں اس کی آمدنی 14.9 ارب روپے رہی۔
- NCCPL (ایسوسی ایٹڈ کمپنی) سے منافع کا حصہ گزشتہ سال کے مقابلے میں 133 ملین روپے کم تھا، کیونکہ اس کے منافع میں کم ٹریڈ ویلیو اور حجم کی وجہ سے کمی واقع ہوئی۔

تاہم، آمدنی میں مندرجہ بالا کمی کے اثرات کو درج ذیل کی وجہ سے جزوی طور پر کم کرنے میں مدد ملی:

- مالی سال 2020-21 (مالی سال 2019-20: 7 ٹریلین روپے) کے دوران اوسط مارکیٹ کیپٹل انکریزیشن میں 8 ٹریلین روپے تک اضافے کے سبب لسٹنگ فیس میں 128 ملین روپے کا اضافہ ہوا اور نئی لسٹنگ عمل میں آئی۔
- گزشتہ سال کے مقابلے میں زیادہ شرح سود کی وجہ سے مارک اپ آمدنی میں 29 ملین روپے کا اضافہ ہوا۔
- ڈیٹا فروخت کرنے کے سبب 28 ملین روپے کی زائد آمدنی ہوئی۔
- بہتر کارکردگی کی وجہ سے گزشتہ سال کے مقابلے میں CDC (ایسوسی ایٹڈ کمپنی) کے منافع کا حصہ 19 ملین روپے زیادہ رہا۔



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