PAKISTAN CAPITAL MARKET REACHING NEW HEIGHTS



PAKISTAN STOCK EXCHANGE LIMITED

INTEGRATION OF EXCHANGES

INCLUSION IN MSCI EMERGING MARKET

PREPARING FOR DIVESTMENT

ANNUAL REPORT 2016

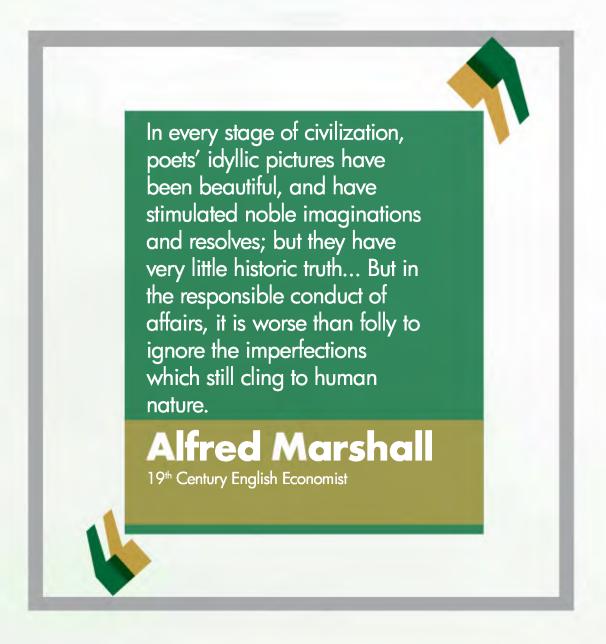


ایکس چینج کے صص فروخت کے لیے تیار ایم ایس سی آئی ایمر جنگ مارکیٹ انڈیکس میں شمولیت ا یکس چینجز کاادغام

ANNUAL REPORT 2016







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VISION

To be a leading financial institution, offering efficient, fair and transparent securities market in the region and enjoying full confidence of investors and listed securities' issuers.

MISSION

To strive to provide quality and value-added services to the capital market in an efficient, transparent and orderly manner, compatible with international standards and best practices.

To provide state-of-the-art technology and automated trading operations, driven by a team of professionals in accordance with good corporate governance.

To protect and safeguard the interests of all its stakeholders i.e. members, listed companies, employees and investors at large.

To reflect the corporate sector and country's economic health and play its role for the growth, development and prosperity of Pakistan.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Muneer Kamal (Chairman) Non-Executive Mr. Nadeem Naqvi (Managing Director) Executive Non-Executive Mr. Abdul Majeed Adam Mr. Samir Ahmed Non-Executive Mr. Ahmed Chinoy Non-Executive Mr. Moin M. Fudda Non-Executive Mr. Abid Ali Habib Non-Executive Ms. Rahat Kaunain Hassan Non-Executive Mr. Tawfiq Asghar Hussain Non-Executive Mr. Muhammad Yasin Lakhani Non-Executive Mr. Muhammad Naeem Non-Executive

COMPANY SECRETARY

Mr. Muhammad Rafique Umer

CHIEF REGULATORY OFFICER

Mr. Shafqat Ali

CHIEF FINANCIAL OFFICER

Mr. Ahmed Ali Mitha

NOMINATION COMMITTEE

Mr. Muneer Kamal (Chairman)

Ms. Rahat Kaunain Hassan

Mr. Tawfiq A. Hussain

Mr. Muhammad Rafique Umer (Secretary)

REGULATORY AFFAIRS COMMITTEE

Mr. Tawfiq A. Hussain (Chairman)

Mr. Moin M. Fudda

Ms. Rahat Kaunain Hassan

Mr. Muhammad Naeem

AUDIT COMMITTEE

Mr. Muhammad Naeem (Chairman)

Mr. Abdul Majeed Adam

Mr. Ahmed Chinoy

Mr. Moin M. Fudda

Mr. Abid Ali Habib

Mr. Muhammad Yasin Lakhani

HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Muneer Kamal (Chairman)

Mr. Abdul Majeed Adam

Mr. Ahmed Chinoy

Mr. Moin M. Fudda

Mr. Abid Ali Habib

Mr. Tawfia A. Hussain

Mr. Muhammad Yasin Lakhani

AUDITORS

EY Ford Rhodes

Chartered Accountants

LEGAL ADVISORS

Ghani Law Associates

Industrial Relations Advisors

Ijaz Ahmed & Associates

Advocates & Legal Consultants

Sayeed & Sayeed

Advocates & Legal Consultants

BANKERS

Allied Bank of Pakistan Limited

Askari Bank Limited

Bank Al Falah Limited

Bank Al Habib Limited

Bank Islami Pakistan Limited

Bank of Khyber

Dubai Islamic Bank Pakistan Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

JS Bank Limited

MCB Bank Limited

National Bank of Pakistan

NIB Bank Limited

Sindh Bank Limited

Soneri Bank Limited

Summit Bank Limited

United Bank Limited

SHARE REGISTRAR

Central Depository Company

of Pakistan Limited

CDC House 99-B, Block "B", S.M.C.H.S.

Main Shahra-e-Faisal

Karachi 74400

REGISTERED ADDRESS

Stock Exchange Building

Stock Exchange Road

Karachi 74000

Phone: (92 21) 35205528-29

UAN: (92-21) 111 00 11 22

Fax: (92-21) 32410825

E-MAIL

info@psx.com.pk

WEBSITE

www.psx.com.pk



Starting From Right to Left

Mr. Muneer Kamal

Mr. Abid Ali Habib

Ms. Rahat Kaunain Hassan

Mr. Samir Ahmed

Mr. Muhammad Naeem

Mr. Rafique Umer



Starting From Left to Right

Mr. Nadeem Naqvi

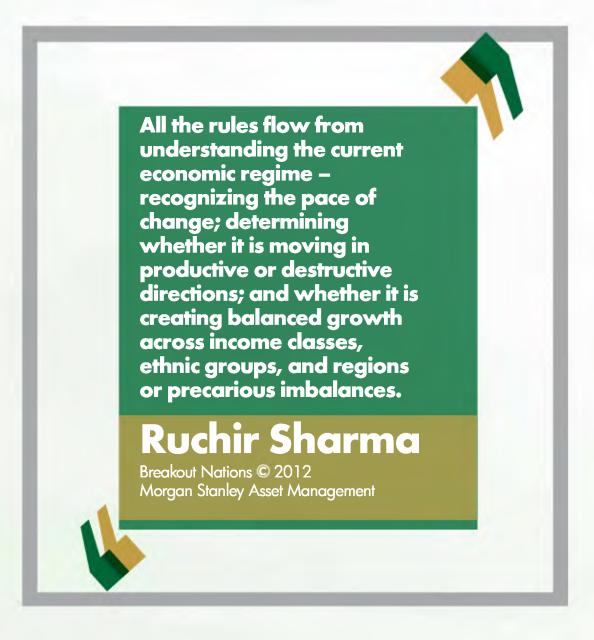
Mr. Ahmed Chinoy H.I., S.I.

Mr. Abdul Majeed Adam

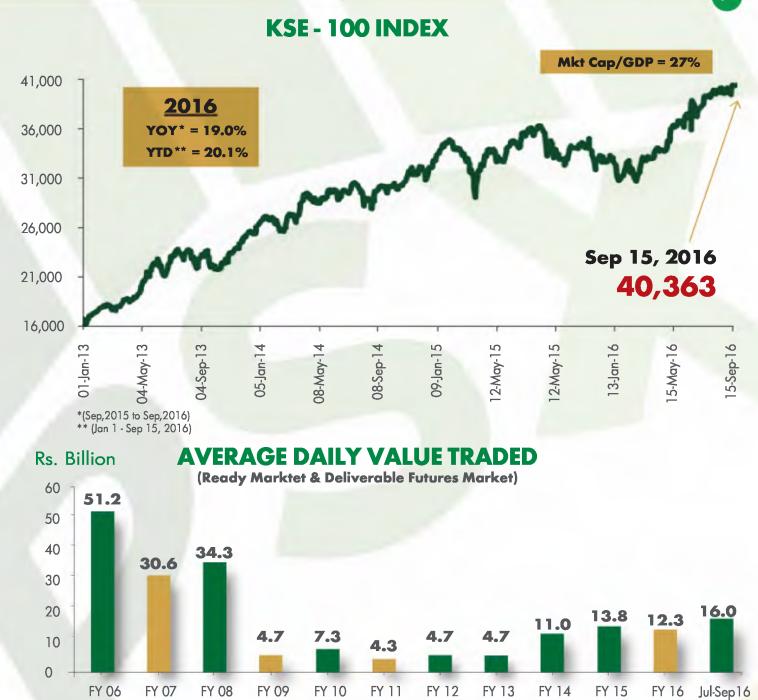
Mr. Muhammad Yasin Lakhani

Mr. Tawfiq A. Hussain

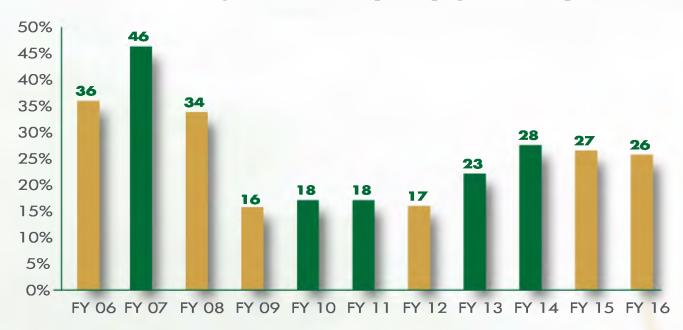
Mr. Moin M Fudda



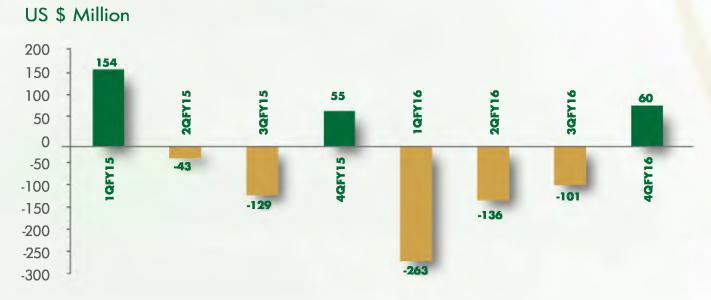
KEY MARKET HIGHLIGHTS



MARKET CAPITALIZATION TO GDP RATIO

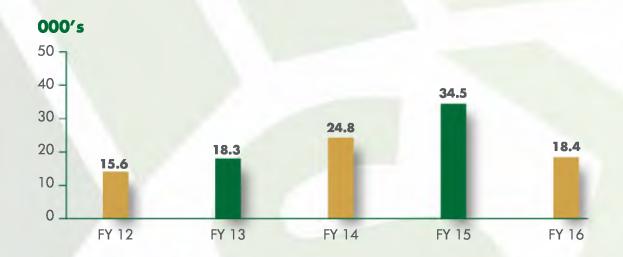


FOREIGN PORTFOLIO INVESTMENT NET FLOWS

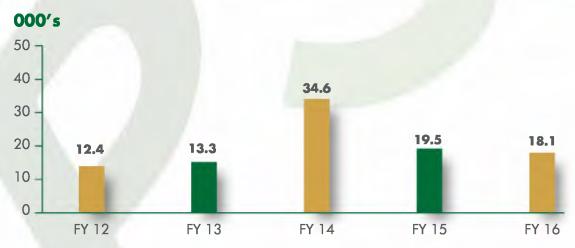


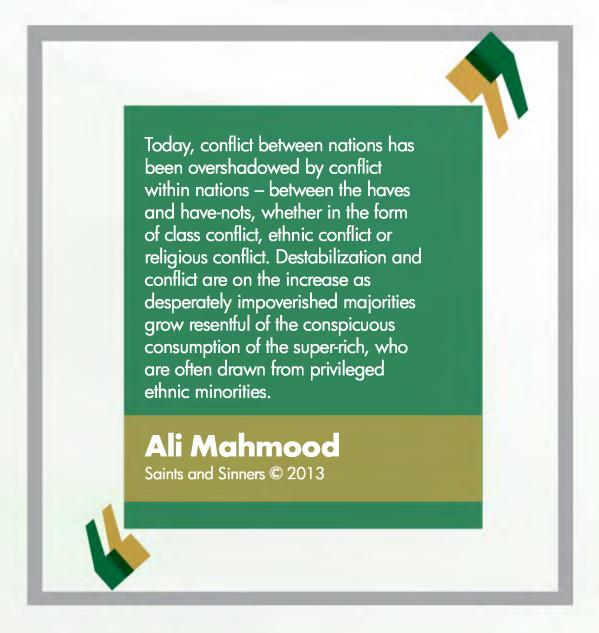
PSX INVESTOR AWARENESS CAMPAIGN IMPACT

INCREASE IN NEW DIRECT INVESTORS - UINS



INCREASE IN MUTUAL FUNDS UNIT HOLDERS





SIX YEARS AT A GLANCE

Rs. Million	2011	2012	2013	2014	2015	2016
SHARE CAPITAL			8,015	8,015	8,015	8,015
RESERVES	3,807	4,666	42	61	134	(13)
SURPLUS ON REVALUATION OF ASSETS-NET		3,288		-		-
LONGTERM LIABILITIES	248	44	56	42	53	147
CURRENT LIABILITIES	1,137	1,526	2,823	4,018	5,903	554
TOTAL LIABILITIES	5,192	9,524	10,936	12,136	14,105	8,703
FIXED ASSET	1 174	4.401	4 220	4 0 4 4	4 140	4 104
OTHER LONG TERM ASSESTS	1,176 894	4,491	4,339	4,246	4,169	4,104
CURRENT ASSETS	3,122	1,126 3,907	1,220 5,377	3,118 4,772	3,463 6,473	3,387 1,212*
TOTAL ASSETS	5,122	· ·	10,936	12,136	14,105	8,703*
TOTAL ASSETS	5,192	9,524	10,936	12,130	14,105	0,703
OPERATIONAL RESULTS						
TOTAL INCOME	681	781	878	1,183	1469	1450
TOTAL EXPENSES	639	774	809	959	1107	1193
PROFIT BEFORE TAX	42	7	69	224	362	257
PROFIT AFTER TAX	145	669	121	180	317	132
RATIOS						
CURRENT RATIO	2.75	2.56	1,90	1,19	1,10	2.19
QUICK RATIO	2.75	2.09	1.67	1.19	1.00	1.02
NET PROFIT MARGIN	2.37	86%	1.07	1.04	22%	9%
EXPENSES AS A PERCENTAGE OF REVENUE	94%	99%	92%	81%	75%	82%
PROFIT BEFORE TAX AS PERCENTAGE OF REVENUE		1%	8%	19%	25%	18%

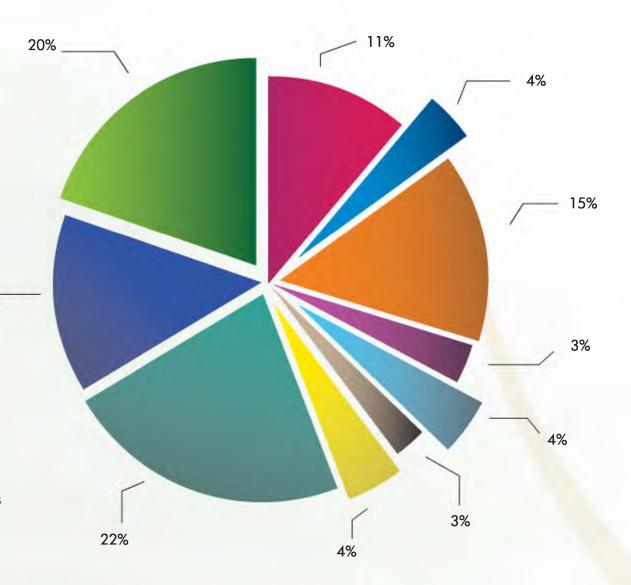
^{*} In May 2016, Brokers' Margin deposits were taken over by the National Clearing Company of Pakistan as part of Risk Management Transfer from PSX to NCCPL.

KEY DRIVERS OF REVENUE

14%

Total Revenue for the Year Ended As at June 30, 2016

PKR 1.27 Billion



Trading Fee - Ready Market

Trading Fee - Deliverable Futures Market

Listing Fee - Annual

Listing Fee - Initial & Others

Facilities Fee

Data Vending Fee

Rental Income from Investment Properties

Net Treasury Income

Management Fee & other income

Share of Associates' Profits

TOTAL OPERATING COST BREAK UP



DIRECTORS' PROFILES



Mr. Muneer Kamal

Mr. Muneer Kamal, the Chairman of **Pakistan Stock Exchange (Formerly:** Karachi Stock Exchange), has over 35 years of extensive experience in banking and financial sector. With an **MBA** degree from University of Karachi, his career started with Citibank where, between November 1979 and July 1994, he served locally and internationally on various senior positions including his term as **Director, Head of Country Public** Sector and Financial Institutions. During this association, he also attended a number of training courses / programs in Far East, Middle East and Africa.

Mr. Kamal then joined Faysal Bank Limited as President/CEO and led the expansion of its operations from 3 branches to 11 and also expanded the balance sheet size from Rs.3 billion to Rs.30 billion.

Mr. Kamal also held position of President/CEO, and then as Vice

Chairman and Chief Operating
Officer (International) of the Union
Bank Limited, where he had been
instrumental in various acquisitions
done by Union Bank Limited i.e. Bank
of America, American Express Credit
Cards, Emirates Bank International
and Mashreq Bank, Sri Lanka. As a
result, Union Bank emerged as a
success story and was ably acquired
by Standard Chartered Bank.

After his tenure with Union Bank, Mr. Kamal joined the KASB Group - first as President/CEO of KASB Bank Limited from November 2005 to August 2010 and then as Vice Chairman of KASB Group. For KASB Bank, he again oversaw the manifold expansion of operations coupled with acquisition of other entities and introduction of new and modern products, services, policies, procedures and systems.

Since 2013 he has been the Chairman of the National Bank of Pakistan.

Besides acting as Chairman of the PSX Board, Mr. Muneer Kamal is also the Chairman of Nomination Committee and Human Resources & Remuneration Committee and a member of Divestment Committee.

Other Directorships & Offices:

- Chairman, National Bank of Pakistan
- Director, Government Holdings (Private) Limited
- Director, Engro Corporation
 Limited
- Trustee, Shaukat Khanum
 Memorial Cancer Hospital &
 Research Centre
- Director, Karachi Education Initiative

Mr. Nadeem Naqvi MANAGING DIRECTOR

Mr. Nadeem Naqvi holds the degrees of M.B.A. in Finance and B.Sc. with Honours in Banking and International Finance from The City University, CASS Business School in London, United Kingdom. He brings with him over 34 years of rich work experience in the global financial services industry, operating in diverse environments of the Middle East, North America and Europe besides that of Pakistan.

Prior to joining Pakistan Stock Exchange (Formerly: Karachi Stock Exchange), in May 2011, Mr. Naqvi was the Chief Executive Officer of a leading asset management company and top brokerage firm in Pakistan. Mr. Naqvi also served as Chairman of the first technology venture capital fund of Pakistan and oversaw the completion of several ventures by successful exits.

Economic & market analysis 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. Mr. Naqvi was Head of Research of the investment advisory company of Morgan Stanley Asset Management's Pakistan Investment Fund for four years. He commenced his career at the Bank of Credit & Commerce International S. A., in London in 1982 and served there till 1990.

Mr. Naqvi has been involved in landmark investment banking transactions, including the privatization of Kot Addu Power Plant, National Refinery and United Bank. His association with the capital markets is also longstanding where he served in committees of PSX and was a member of the Copital Markets Committee, Economic Advisory Council of the President of Pakistan in the last decade.

Within PSX, he is the Chairman of Listing
Committee, member of Investment
Committee, Taxation Committee and the
Convener of Voluntary Delisting
Committee.

Other Directorships & Offices:

Chairman, National Clearing Company of Pakistan Limited

 Director, Institute of Financial Markets of Pakistan (Formerly: Institute of Copital Markets)

 Director, JCR-VIS Credit Rating Company Limited

Vice Chairman, South Asian
 Federation of Exchanges (SAFE)





Mr. Abdul Majeed Adam DIRECTOR

Mr. Abdul Majeed Adam is the Chief Executive and Nominee Director of Adam Securities (Private) Limited, which is the corporate TREC holder of Pakistan Stock Exchange (Formerly: Karachi Stock Exchange).

Mr. Adam is a graduate from University of Karachi and has an extensive experience of 28 years in capital as well as forex markets. Previously, he served as the Director of Karachi Stock Exchange (now PSX) in the years 2002, 2010 & 2012. He also acted as the Chairman of Trading Affairs Committee and Market Development & New Products Committee during the year 2012.

Mr. Adam is the founder member of Pakistan
Mercartile Exchange Limited
(PMEX) and is active in commodities trading at PMEX through Adam Securities
(Private) Limited. He also acted as voluntary advisor to activate gold trading at PMEX.

Presently, Mr. Adam is Chairman of Market Development & New Products
Committee and has also been
nominated as member of
Audit Committee, Human
Resources & Remuneration
Committee, Voluntary
De-listing Committee and
Divestment Committee.

Other Directorships:

- Chief Executive, Adam
 Securities (Private) Limited
- Director, Pakistan Mercantile Exchange Limited

Mr. Samir Ahmed DIRECTOR

Mr. Samir Ahmed has over 30 years of experience in the financial sector, including **Investment Banking**, Commercial Banking, Capital **Markets and Financial** Regulation. Presently, he is the CEO of Knightsbridge Capital (Private) Limited, a project structuring, management and advisory firm. He is also an Adjunct Faculty member at the Suleman Dawood School of **Business at Lahore University** of Management Sciences.

Mr. Ahmed has an M.Sc. in
Management from London
Business School and B.A. in
Economics from the
University of Chicago.
Besides working in Pakistan,
he has also worked in the
Middle East and Asia-Pacific
regions.

Mr. Ahmed possesses a thorough understanding of capital markets. He was the CEO of Pakistan Mercantile Exchange from August 2009 to September 2012 and Managing Director of the

former Lahore Stock
Exchange from 2001 to 2004.
Earlier he was engaged as
Senior Advisor to Dubai
Financial Market, on behalf
of Government of Dubai
from 1999 to 2001. He
worked as the CEO of IGI
Investment Bank Limited for
the period from 2004 to
2009.

At PSX, besides being a
director on the Board, he has
also been nominated as
PSX's nominee on the Board
of National Clearing
Company of Pakistan Limited
and as member of Voluntary
De-listing Committee,
Investment
Committee, Taxation
Committee and Trading &
Commercial Affairs
Committee of the Board.

Other Directorships:

- CEO, Knightsbridge Capital (Pvt.) Ltd.
- Director, National Clearing Company of Pakistan Ltd.







Mr. Ahmed Chinoy, H.I., S.I. DIRECTOR

Mr. Ahmed Chinoy is an elected Director on the Board of Pakistan Stock Exchange Limited. He is the Managing Partner of Arch Sons Group of Companies and is engaged in overseeing various businesses such as securities 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.

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 Palice Liaison Committee, Sindh (a citizens' body for prevention of crimes) from the year 2010 to 2015. He has also been actively serving on the Boards of various hospitals and educational institutions and has been heading the Memon Community as the President of All **Pakistan Memon Federation.** Previously, he has served on the **Managing Committee of**

Federation of Pakistan Chamber of Commerce & Industry for many years and has also remained as Chairman of Pakistan Cloth Merchants' Association (the apex body of textile exporters). For his services to the people of Pakistan, he was awarded prestigious national awards of Hilale-Imtiaz (H.I.) and Sitara-e-Imtiaz (S.I.)

Mr. Chinoy has been nominated by PSX to serve as a nominee Director on the Boards of National Clearing Company of Pakistan Limited, JCR-VIS Credit Rating Company Limited and Pakistan Mercantile Exchange Limited. He has also been appointed as the member of Audit Committee, Human Resources & Remuneration Committee, Voluntary De-listing Committee, Investment Committee and Divestment Committee.

Properties

- Partner, Golden Livestocks
- Partner, Al-Karam
 Builders & Developers
- Partner, Al-Karam
 Lagoon
- Director, National Clearing Company of Pakistan
- Director, JCR-VIS Credit Rating Company Limited
- Director, Pakistan
 Mercantile Exchange
 Limited

Other Directorships & Offices:

- Managing Partner, Arch
 Sons
- Director, AKD REIT Management Company Limited
- Director, Creek
 Developers (Private)
 Limited
- Managing Partner, Lotus

Mr. Moin M Fudda DIRECTOR

Mr. Moin M. Fudda has over 40 years of rich and unique blend of professional experience which encompasses working for the corporate sector and performing diplomatic duties. He holds MBA (Insurance & Risk Management) from St. Jones University, New York, and B.S. (Insurance & Economics) from R.C.D. College of Insurance, Tehran, In his former role as Managing Director of Karachi Stock Exchange (KSE now Pakistan Stock Exchange - PSX), he helped in creation of Pakistan Institute of Corporate Governance (PICG), He is a **Certified Corporate Governance Trainer by** International Finance Corporation (IFC) since 2010 and is a Member of Faculty as well as nominee Director of PSX on the Board of

Since 1990, he has been serving as the Honorary Consul General of New Zealand for Pakistan. He is a Country Representative for SCOR – A Global 1 Tier Reinsurer. He is a founder Member of Board of National Center for Dispute Resolution (formerly KCDR), a Member Board of Karachi Council on Foreign Relations and a Member, Executive Committee of English Speaking Union of Pakistan. Moreover, since 2003, he continues to serve as a Chairman/Member of various Alternate Dispute Resolution Committees (ADRC) formed by the Federal Board of Revenue.

He worked for American International
Group (AIG) in its head office in New York
and an Adjunct Assistant Professor at The
College of Insurance, New York. He has
been the Executive Director, Reinsurance,
Pakistan Insurance Corporation, Country
Chief of New Zealand Insurance and
Commercial Union now AVIVA and founder
Managing Director of Commercial Union Life
(now Jubilee Life Insurance). He has served
on the Technical Committees of Economic

Cooperation Organization (ECO)
Reinsurance Pool and Federation of Afro
Asian Insurers and Reinsurers Pool (FAIR) &
is currently a Member of the Insurance
Consultative Group of the Securities &
Exchange Commission of Pakistan (SECP).

Mr. Fudda was nominee Director of the Management Association of Pakistan (MAP) on the Board of the then KSE in 1999/2000 and thereafter as its Managing Director from 2002 to 2005. He was also Chairman of the Board of National Clearing Company of Pakistan Limited, Chairman of the Audit Committee of the Board of Central Depository Company of Pakistan and a founding Managing Director of the National Commodity Exchange. He represented KSE at the South Asian Federation of Exchanges (SAFE), and Chaired the Corporate Governance Task Force of the Federation of European & Asian Stock Exchanges (FEAS).

From September 2005 till January 2016, he remained Country Director of Center for International Private Enterprise (CIPE) Pakistan, From, February 2015 to December 2015 Mr. Fudda also served as the Chairman of the Board of formerly Islamabad Stock Exchange Limited, Earlier he held other prominent positions such as **President of the Overseas Investors** Chamber of Commerce & Industry (OICCI), **Management Association of Pakistan** (MAP), and the Karachi Boat Club. He has also been a Member. Board of the **Privatization Commission and Board of** Investment (Government of Pakistan), Pakistan Institute of Management (PIM), Federation of Pakistan Chamber of Commerce & Industry (FPCC&I) and Pakistan **Britain Business Advisory Group He was** appointed as a Member of Committees on **Anti-Money Laundering and Transfer Pricing** by the SECP and a Member of National

Policy Platform for Competitiveness & Economic Growth by the Ministry of Economic Affairs, He was a Member of the Task Force formed in 2009 to review the Code of Corporate Governance. He advocated for development of Rules of Corporate Governance for Public Sector Enterprises (PSEs) and as an active member of the Task force formed by the Ministry of Finance, he ensured enactment of these rules

Mr. Fudda's achievements have been recognized through various accolades bestowed upon him. In 2006, Mr. Fudda was awarded Sitara-e-Imtiaz (S.I.) conferred by the President of Pakistan. In 2002, he was recognised as the Honorary Officer of the New Zealand Order of Merit (ONZM) and in 1990 NZ Commemoration Medal was conferred by the Queen of New Zealand. In 1989, Mr. Fudda was awarded the Best Managers Award by Institute of Business Administration (IBA) Karachi.

He is a nominee Director of SECP on the Board of PSX and is a member of Regulatory Affairs, Audit, Human Resources & Remuneration and Voluntary De-listing Committees of the Board.

Other Directorships & Offices:

- Independent Director & Chairman of the Audit Committee, Wyeth Pakistan Limited
- Independent Director Al-Meezan Investment Management Limited
- Nominee Director of PSX Central Depository Company of Pakistan Limited (CDC)
- Nominee Director of CDC IT Minds Limited, a Subsidiary of CDC
- Nominee Director of PSX Pakistan Institute of Corporate Governance.





Mr. Abid Ali Habib DIRECTOR

Mr. Abid Ali Habib is the Chairman and Chief Executive of Abid Ali Habib Securities (Private) Limited and the Director of Aba Ali Habib Securities (Private) Limited; both being holders of trading rights at Pakistan Stock Exchange (Formerly: Karachi Stock Exchange) ["PSX"] and Pakistan Mercantile Exchange.

Mr. Habib is a prominent member of brokers' community at PSX and has always rendered valuable contribution towards the betterment and growth of the Exchange. In the past, he has been elected as Director of former Karachi Stock Exchange (KSE,now PSX) for various terms between the years 1995 and 2011. During these years, he has served on various Committees constituted by the Board, as Chairman or member.

He played the central role in conceptualization, planning and design of internet-based order routing system and also supervised, implemented and tested Karachi Automated Trading System.

As member of Demutualization

Committee of then KSE during the years 2005, 2006 and 2010, Mr. Habib was the key figure in preparation of Preliminary Report on proposed demutualization of then KSE, identifying various issues and making recommendations thereon, in line with existing models and international practices. Ultimately, the objectives of corporatization and demutualization were achieved in 2012.

Mr. Habib held the position of Chairman, Companies **Affairs/Corporate Governance** Committee of then KSE for the years 2010 and 2011. During this term, a number of tasks were initiated and successfully completed, having positive impact on overall regulatory environment of the Exchange. Some of the major achievements included (i) various amendments in Listing Regulations; (ii) action against delinquent/non-performing companies in violation of Listing Regulations: (iii) revision of annual listing fee; (iv) mechanism for verification of rumour mongering in the market pertaining to listed companies/securities; (v) implementation of revised Code of

Corporate Governance; (vi) measures for disclosure of information to market participants/investors pertaining to sale/purchase of securities by any director, CEO or executive or their spouses; and (vii) revision of criteria for selection of Top Companies.

Presently, Mr. Habib is Chairman of Trading and Commercial Affairs
Committee and acting as a member of Human Resources & Remuneration Committee,
Investment Committee and
Voluntary De-listing Committee
besides being an active member of Divestment Committee. At Central Depository Company of Pakistan
Limited (CDC), Mr. Abid Ali Habib is appointed by the Board as member of the
Audit Committee.

Other Directorships:

- Chairman, Abid Ali Habib
 Securities (Private) Limited
- Director, Aba Ali Habib
 Securities (Private) Limited
- Director, Central Depository
 Company of Pakistan Limited

Ms. Rahat Kaunain Hassan DIRECTOR

Ms. Rahat Kaunain Hassan is the Founding and Senior Partner at Hassan Kaunain Nafees, Legal Practitioners & Advisers (HKN), As Britannia Chevening Scholar, she read law at the King's College London and was awarded the LLM degree with majors in Law of International Finance and International **Business Transactions.**

Ms. Hassan obtained her L.L.B degree from University of Punjab and B.A. from Kinnaird College, Lahore.

In recognition of her professional standing, Ms. Hassan was appointed one of the founding members of the Competition Commission of Pakistan (CCP), and played a significant role in regulation of anti-competitive practices during her tenure from 2010 to 2016. For the later part of her term at CCP (2013-2016), she served as Chairperson of the CCP, during which term she was instrumental in establishment of the Office of Fair Trading and helped CCP acquire international acclaim for distinctive competition law enforcement. Earlier, she also served at the Securities and **Exchange Commission of** Pakistan, as General Counsel/ Executive Director. She was also a Partner in **Amhurst Brown, Solicitors -**Barristers, Islamabad before she founded HKN.

Ms. Hassan is also a recipient of Women of Achievement Award, 2010, Wonder Women Award, 2013 and was recognized as one of 100 successful women in anti-trust alobally by Global Competition Review in 2013. She has also been nominated for Sitara-e-Imtiaz.

In addition to being a nominee director of SECP on the board of PSX, Ms. Rahat Kaunain Hassan is also a member of its Nomination Committee and the **Regulatory Affairs** Committee.

Ms. Hassan also serves on the 'Board of Advisors of Women on Board Initiative', a recent initiative of the South

Asian Federation of Exchanges (SAFE) for women empowerment and participation in corporate boards.

Other Directorships:

- Director, Archroma Pakistan Limited
- Director, Lead Pakistan Limited
- Director, KSB Pumps Limited





Mr. Tawfiq A. Hussain DIRECTOR

Mr. Tawfiq A. Hussain is the Chief Executive
Officer/Secretary General of Pakistan Banks Association, the representative body of the banking industry of Pakistan. He is also the Chairman of Pakistan Institute of Corporate Governance.

Mr. Hussain is a seasoned banker and has immensely contributed to Pakistan's banking sector over the years. Mr. Hussain did his Masters in Business Administration (Finance & Marketing) from Institute of Business Administration, Karachi, and B.Sc. (Hons) in Mathematics from University of Karachi.

Mr. Hussain was the first person from private sector to be appointed Deputy Governor, State Bank of Pakistan (SBP). During his two terms there (2001-2006), he led capacity building in critical areas like risk management, banking supervision, reserve management, etc. and participated in banking sector forms, banks' privatization

program and market liberalization. As SBP nominee, he served on the SECP Board as well. He also served as the President & CEO, Samba Bank Limited, Pakistan, (May 2008-Sept 2013). Mr. Hussain has also held the position of Senior Director & Country Manager, American Express Bank, Pakistan, from 1995 to 2001.

In addition to being a nominee director of SECP on the Board of PSX, Mr. Tawfiq A. Hussain is also the Chairman of Regulatory Affairs Committee, and member of Human Resources & Remuneration Committee and Nomination Committee.

Other Directorships & Offices:

- Chief Executive Officer/
 Secretary General, Pakistan
 Banks Association
- Chairman, Pakistan Institute of Corporate Governance

Mr. Muhammad Yasin Lakhani DIRECTOR

Mr. Muhammad Yasin Lakhani holds the dearees of B.A. (Hons.) and Masters in International Relations, both in 1st position and securing gold medal in Masters. He is the Chief Executive of Lakhani Securities (Private) Limited. His previous experience reflects his involvement with the capital markets of Pakistan as he has held the position of **President/Chairman of** Karachi Stock Exchange (KSE, now Pakistan Stock **Exchange) during the years** 1994, 1998-99, 2001 and 2005. In addition to above, he has been elected as director of then KSE during the years 1969, 1986, 1987, 1989, 1990, 2009, 2010 & 2012. He has also served as Chairman of Advisory and **Arbitration Committee**, **Administration Committee, Rules & Regulations** Committee, Taxation Committee, Company Affairs **Committee and Defaulters'** Committee of the Exchange

for various terms.

Mr. Lakhani was the member of Pakistan's delegation in the Investment Conferences held in Seoul, Hong Kong, Singapore and London. Also, he represented Pakistan at the **Asia Pacific Forum on Securities Market Regulations & Supervision** and at General Assembly of the Euro Asia Stock Markets and Capital Market Forum of Islamic Countries. He was the member of Committee on Code of Corporate Governance formed by Institute of Chartered Accountants of Pakistan.

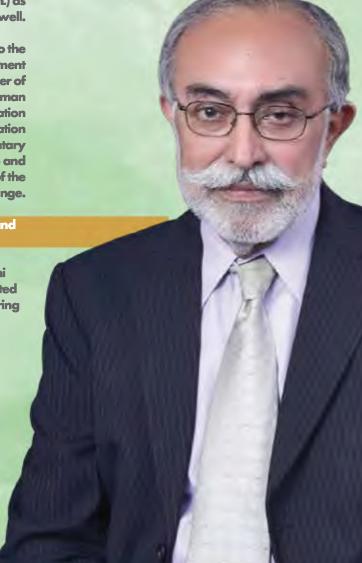
Mr. Lakhani has been instrumental in setting up the **Central Depository Company of Pakistan** Limited (CDC), where he also served as Chairman and member of the Board. He is credited for introducing **Investors Account Service in** CDC in 1999. He has been a

founder member of National **Clearing Company of** Pakistan Limited (NCCPL) as

Mr. Lakhani is also the Chairman of Investment Committee and a member of **Audit Committee, Human** Resources & Remuneration Committee, Taxation Committee, Voluntary **De-listing Committee and Divestment Committee of the** Exchange.

Other Directorships and Offices:

- · Chief Executive, Lakhani Securities (Private) Limited
- Director, National Clearing **Company of Pakistan** Limited
- Director, Central Depository **Company of Pakistan** Limited
- President, KSE Stockbrokers' **Association**





Mr. Muhammad Naeem DIRECTOR

Mr. Muhammad Naeem is a Chartered Accountant by profession since 1967 both in individual capacity and as a former partner of Muniff Ziauddin & Co. He is a fellow member of Institute of Chartered Accountants of Pakistan (ICAP) as well as American Institute of Certified Public Accountants (CPA). At ICAP, he has served as the Vice President and is currently a member of Quality Assurance Board.

Mr. Naeem did his Masters in Business Administration from Institute of Business Administration, Karachi and Bachelors in Commerce with Honours from Hailey College of Commerce, Lahore.

Over his illustrious career, Mr.
Naeem has been appointed
at important positions in
Pakistan's financial market.
He is currently serving as the
Director of Pakistan's largest
bank, National Bank of
Pakistan. He has also
remained the Chairman of
former Lahore Stock

Exchange (LSE) as SECP's nominee director. At LSE he has been nominated as the Chairman, Funds Committee.

Mr. Naeem, a person of vast experience and high business acumen also had the opportunity to serve as the Vice President and member of Executive Committee of Lahore Chamber of Commerce & Industry.

Securities & Exchange
Commission of Pakistan has
also nominated Mr. Naeem as
the Chairperson of Small
Disputes Resolution
Committee. Moreover, he has
served as the Council Member
& Vice President of Lahore
Tax Bar Association and as
Treasurer of Pakistan Cricket
Board and Asian Cricket
Council.

In addition to being a nominee director of SECP on the board of PSX, in view of his vast accounting and auditing experience, Mr. Naeem has been appointed as the Chairman of Audit Committee as well as the member of Regulatory Affairs Committee of PSX Board.

Other Directorships:

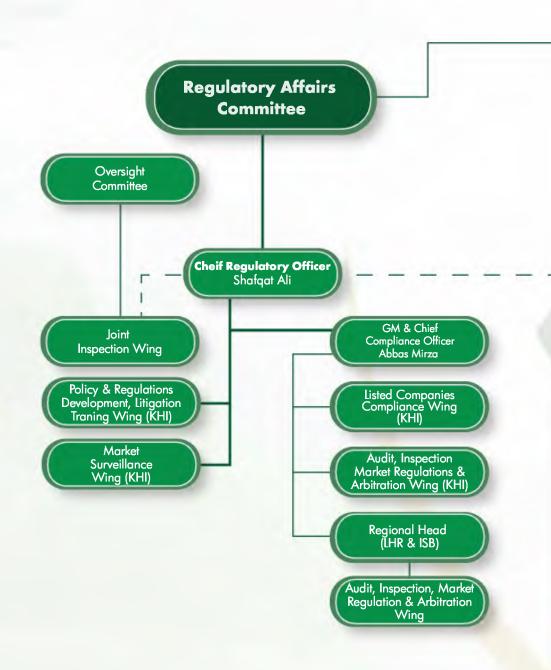
 Director, National Bank of Pakistan

Committees of the Exchange

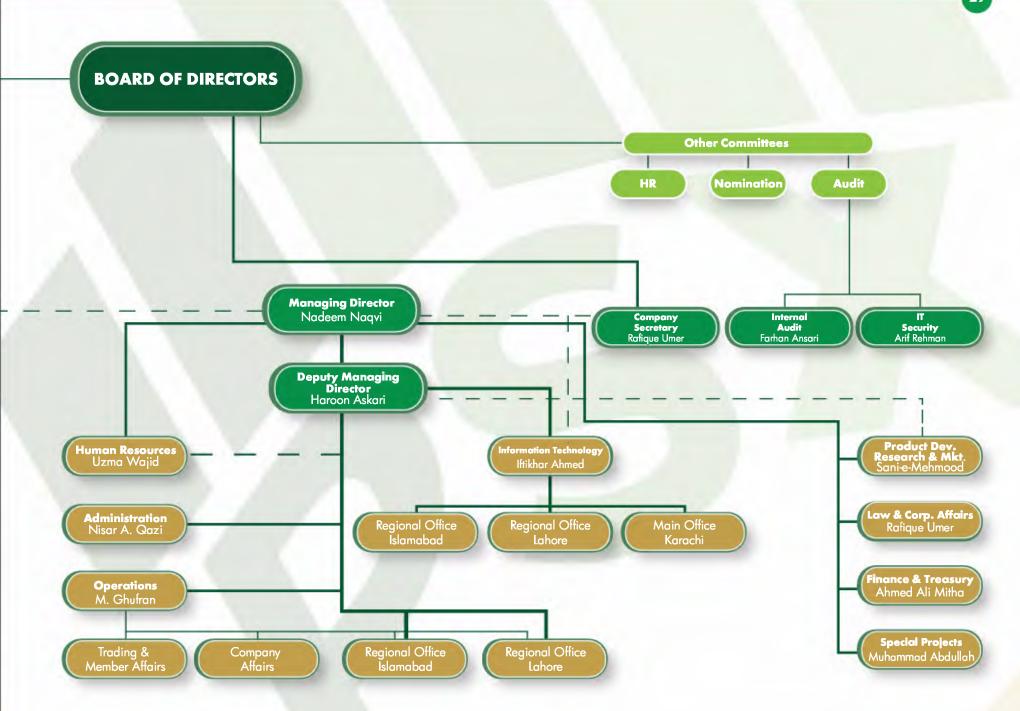
Following committees are currently functioning at the Exchange:

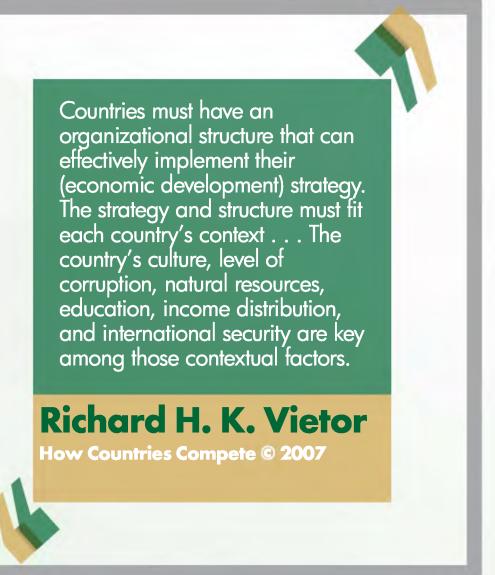
Sr. No.	Name of Committee	Chairman
1.	Nomination Committee	Mr. Muneer Kamal
2.	Regulatory Affairs Committee	Mr. Tawfiq A. Hussain
3.	Audit Committee	Mr. Muhammad Naeem
4.	Human Resource & Remuneration Committee	Mr. Muneer Kamal
5.	Investment Committee	Mr. Muhammad Yasin Lakhani
6.	Listing Committee	Mr. Nadeem Naqvi
7.	Market Development & New Products Committee	Mr. Abdul Majeed Adam
8.	Trading & Commercial Affairs Committee	Mr. Abid Ali Habib
9.	Taxation Committee	Mr. Abdul Qadir Memon
10.	Voluntary De-listing Committee	Mr. Nadeem Naqvi
11.	Divestment Committee	Mr. Shehzad Chamdia

Organizational
Structure of
Pakistan Stock
Exchange Limited











Mr. Iftikhar Ahmed

Mr. Ahmed Ali Mitha

Mr. Haroon Askari

Mr. Nadeem Naqvi

Mr. Mohammad Rafique Umer

Mr. Shafqat Ali

Mr. Sani-e-Mehmood Khan

GM - Information Technology

Chief Financial Officer

Deputy Managing Director

Managing Director

Company Secretary and GM -

Law & Corporate Affairs

Chief Regulatory Officer

GM - Product Development, Research and Marketing

Mr. Nisar Qazi

Mrs. Uzma Wajid

Mr. Mohammad Ghufran

Mr. Tanzeel ur Rehman

Mr. Aamir Nazir

Mr. Mohammad Abdullah

Mr. Abbas Mirza

Mr. Farhan Ansari

Mr. Arif Rehman

DGM - Administration

Head of Human Resource

DGM - Company Affairs

Head of Risk Management

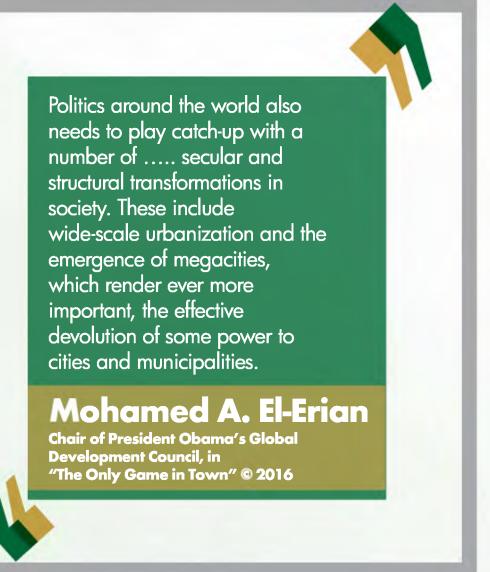
DGM - Finance & Treasury

Head of Special Projects

Chief Compliance Officer

Head of Internal Audit

Chief Information Security Officer



Pakistan Capital Market Eco-System

SECP-Apex Regulator

CDC 39.7%

Central Depository
Company of Pakistan

PSX

Pakistan Stock Exchange Limited NCCPL47.2%

National Clearing Company of Pakistan

409 TREC Holders

CAPITAL MARKET INTERMEDIARIES

20 AMC's AUM : US\$4.5bn

INVESTORS

- Domestic Retail Investors 233,112
- Domestic Direct Mutual Fund Investors 221,018
- Domestic Institutional Investors 999
- Foreign Institutional Investors 2,175

LISTED COMPANIES

- 559 Listed Companies
- •U\$\$78billion Market Cap. (Sep 15, 2016)
 - 23% Free Float, 1/3 owned by foreign institutional portfolio investors

ABOUT PSX

THE PAKISTAN STOCK EXCHANGE LIMITED (PSX) IS ONE OF THE BEST PERFORMING STOCK EXCHANGES IN ASIA

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

PSX 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.

PAST

- Incorporated on March 10, 1949 as a company Limited by Guarantee
- Exchange having 200 members
- Started with 5 companies that had a paid up capital of Rs. 37
 million
- Trading was conducted through an open out-cry system
- KSE 50 Index was the first index

PRESENT

- Electronic Trading through KATS
- Internet Based Order Routing System-KITS

- Currently, the following 7 indices are quoted:
 - KSE 100
 - KSE 30
 - KSE All Share Index
- PSX KMI All Shares Index
- Oil & Gas Sector
- Banking sector

- KMI 30
- MSCI announced reclassification of Pakistan from MSCI Frontier Markets Index to MSCI Emerging Markets Index with effect from June, 2017
- A Company limited by shares, with the initial share capital equally allotted to 200 initial members after integration is now allotting share capital to around 400 members
- 559 companies listed
- Market Capitalization US \$ 72.3 billion (June 30, 2016)
- Government Debt Securities Trading
- REITs
- Capital Market Hub in Abbottabad
- Offices in Lahore and Islamabad
- Bond Market Index (Beta Version)

FUTURE

Products in pipeline:

- Bond Market Index
- Exchange Traded Funds
- Fixed Income Derivatives
- Index Options

- Single Stock Options
- SME Board
- Securities Lending & Borrowing

PRODUCTS & SERVICES

PSX OFFERS A RANGE OF PRODUCTS TO ITS INVESTORS THROUGH A STATE OF THE ART TECHNOLOGY INFRASTRUCTURE

Market participants (both local and internationally based investors) are provided access to these products through various distribution channels of the brokerage houses.



Our Trading products include:

- Equities (otherwise known as the Ready Market)
- Deliverable Futures Contracts
- Cash Settled Futures
- Stock Index Futures Contracts
- REITs
- Debt Instruments
- Internet Based Order Routing System-KITS
- Stock Index Futures Contracts based on:
 - KSE-30 index
 - Oil and Gas Sectors Index
 - Banking Sectors Index



DEVELOPMENTS

INTEGRATED PAKISTAN STOCK EXCHANGE, THE WAY FORWARD

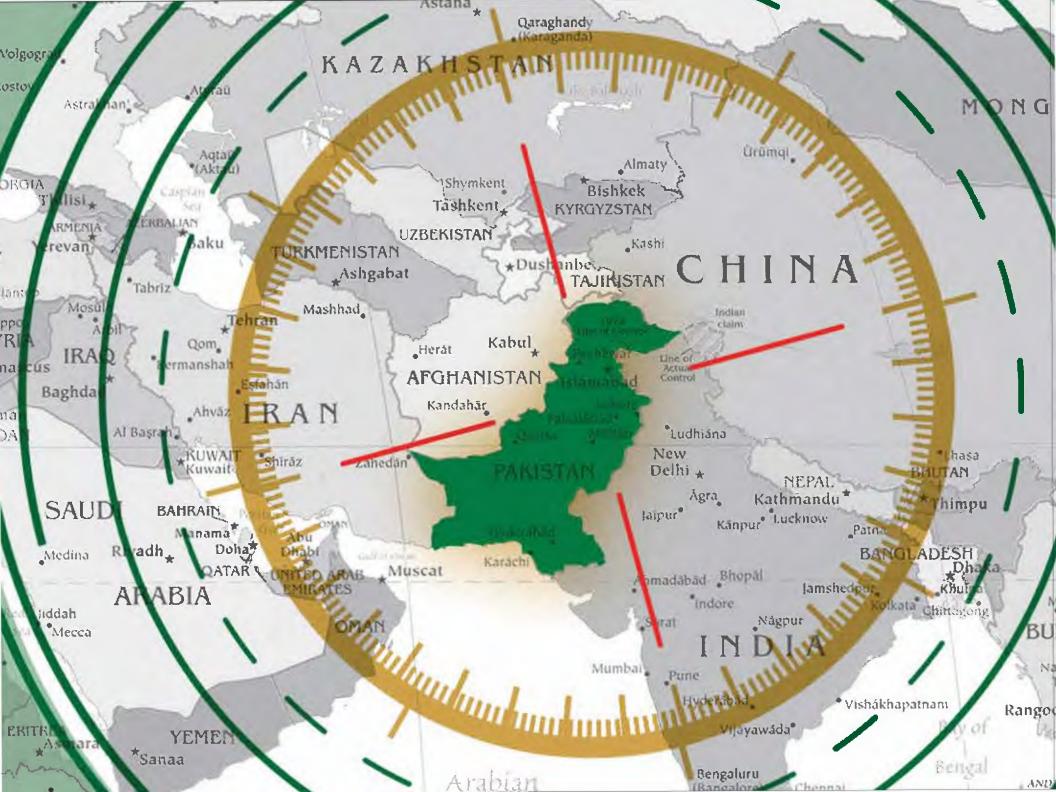
Pursuant to the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012, the operations of Lahore Stock Exchange Limited (LSE) and Islamabad Stock Exchange Limited (ISE) were integrated with the operations of Karachi Stock Exchange Limited. As a result, KSE was named as Pakistan Stock Exchange Limited (PSX) with effect from January 11, 2016. Post integration, PSX became a front-line regulator of capital market of Pakistan at a national level and the entire regulatory framework of PSX was revamped in a timely manner to give effect to the integration related measures.



Integrated Pakistan Stock Exchange (PSX) has facilitated growth and development of capital market in the following ways:

- From domestic investors and savers' perspective; there is now a single national platform, with a deep liquidity pool available to investors throughout the country served by over 400 securities brokers. The Turnover Volume in a single day has witnessed a record of 850 million shares in September 2016, the highest in past 11 years.
- From the corporate sector's perspective; for a single integrated securities market to be re-inducted into the MSCI Emerging Market Index, foreign institutional portfolio flows are going to be positive for valuation of listed companies' shares but also beneficial for the country's foreign exchange reserves. The listing fees is now exclusively applicable for a single bourse instead of former 3 exchanges.
- From the Regulator's perspective, the integrated **Exchange allows both the Apex** Regulator (SECP) and the **Exchange itself as front line** regulator, to monitor overall market participants' compliance while focusing on transparency, governance and efficiency of the securities market. This will bring in greater effectiveness in the administration, operations, governance, regulatory supervision as well as rationalization of costs associated with core exchange functions, and provide added benefit to the issuers who will be assured consolidated regime governing listing, duly regulated by the SECP.
- The brokers (TREC Holders) of ISE, KSE and LSE have now become the TREC Holders of PSX at no induction cost and have access to a much larger

- pool of liquidity as well as opportunity for efficient price discovery and also compete at a national level with same facilities and products provided by the single exchange.
- By centralizing trading activities, the implicit costs of trading is subsequently reduced i.e. by accessing a single trading platform instead of two (or more) allows market professionals to save on the hardware, software and focus on more skilled human capital.
- The single stock market has become an attractive investment target for strategic investor(s) to whom up to 40% equity in PSX has to be sold as per the Corporatization, Demutualization and Integration of Stock Exchanges Act 2012, and subsequent public offering of a further 20% stake to general investors.





PAKISTAN NOW FIRMLY ON GLOBAL INVESTORS' RADAR SCREEN

PSX'S RECLASSIFICATION FROM FRONTIER TO EMERGING MARKETS BY MSCI

Morgan Stanley Capital International (MSCI) Inc. announced on June 09, 2015 that it will review Pakistan's equity market to be included in its benchmark emerging-market index. Immediately after the MSCI announcement, a two pronged strategy was taken up by the PSX Management i.e. i) Removing certain operational issues faced by foreigners in accessing the Market and, ii) organizing local and international roadshows with a view to directly address the concerns of the foreign investors.

PSX organized roadshows nationally and in major international financial centres such as New York, Hong Kong, Singapore and London. PSX also held webinars for International Investors in which Cammissioner of Securities Market Division SECP and Managing Director of PSX both highlighted Market developments and related Regulatory developments that had taken place.

The Pakistan Stock Exchange's KSE100 Index gained 15% from Jan - Jun, 2016, making it one of the best performers in Asia. On June 15, 2016, MSCI promulgated that MSCI Pakistan Index will be reclassified to Emerging Markets status, coinciding with the May 2017 Semi-Annual Index Review.

During the course of past few years, Pakistan's equity market has outperformed most Asian emerging markets. The Global X MSCI Pakistan ETF surpassed India's and China's comparable ETF's by almost two to one (refer to the table below).

The impending reclassification will act as a "signal" - a public recognition by the agencies such as MSCI, that Pakistan's policymakers have undertaken reforms and market improvements. This would likely result in an improved investment climate. The immediate effect of reclassification would be an increase in Pakistan's inward foreign portfolio investments, with the entry of foreign institutional investors and passive or index-tracking investors that will have to rebalance their portfolios to include Pakistan.

Index/Fund	12-month Performance	5-year Performance
Global X MSCI Pakistan (NYSE:PAK)	20%	332%*
IShares China (NYSE:FXI)	9.80%	16.00%
iShares S&P India 50 (NASDAQ:INDY)	12.77 %	33.0%
iShares MSCI Emerging Markets (NYSE:EEM)	5.38%	1.52%

Source: Mourdoukoutas, P., "Why Pakistan's Market Beats China's And India's" [online] Forbes.com. [Published on 14 Sep. 2016].

*KSE-100 Index in PKR

Karachi Internet Trading System (KITS)

Karachi Internet Trading System (KITS) is an internet based order routing system for personal computers (PCs) and smart phones. KITS was launched in August 2015, in order to increase the reach of Investors/Retail Clients to the Capital Market of Pakistan. The Trading Right Entitlement Certificate (TREC) Holders/Brokers of the Exchange can subscribe for KITS and offer online trading system and mobile App to the investors. Investor can easily download the trading platform and stay in touch with PSX from anywhere in the world.

BENEFITS OF KITS

- KITS enable real time stock trading without calling or visiting Broker/TREC Holder's office
- Investors can place orders for buying or selling stocks from anywhere via internet using computer or mobile phone, upon execution of trade they get confirmation message, can view pending Order information
- KITS provides almost every information which is required by a trader on a single screen including stock market charts, live data, alerts and stock market news
- KITS display real time market watch, price ticker and graphs from which an investor can do analysis of the stocks
- Investors can place orders for buying or selling stocks, view order details and get emails/SMS about trade confirmation message and alerts through KITS
- KITS Mobile App is also available on Google play and Apple Store.

HOW DOES KITS WORK?

- Any Broker/TREC holder envisaging to attain KITS shall apply to the Exchange
- The KITS administration interface assigned to the Broker/TREC Holder will enable the Broker/TREC Holder to create users by providing username, password and pin code along with desired rights and privileges
- Once the user ID is established, an investor may initiate orders through KITS Trading Interface (The risk management pertaining to order execution shall be handled by the designated Broker/TREC Holder)
- As soon as the order placed is accepted, it is routed to the Exchange via FIX Protocol to KATS Trading Engine
- The feed of accepted/ rejected order shall be intimated to the investor through KITS Trading Interface

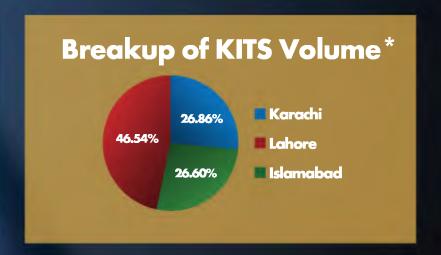
In line with the objectives, it is being seen that KITS has started getting the attention of investors and retail clients, slowly but steadily. After the integration of the three Stock Exchanges, a distinct and significant increase has been observed with respect to the number of clients and the Volume traded through KITS.

000		No. TREC Holders using KITS	No. of Clients Using KITS	Ave. No. of orders per day	Max No. orders per day	Ave. No. of trades per day	Max No. of trades per day	Ave. Traded Volume per day	Max. Traded Volume per day	% of Volume Traded through KITS
	Before Integration (Aug-Dec 2015)	39	889	1,573	2,038	977	1,382	1,671,498	4,631,723	0.99%
	After Integration (Jan-June 2016)	155	4,172	6,530	15,403	4,702	10,508	9,377,688	27,915,180	6.19%

Volume traded through KITS as percentage of total volume has increased from 1% before Integration (Jan-2016) to 7.99% by Sept - 2016.

The following charts further describe the segregation of Clients and Volume traded through KITS in Karachi, Lahore and Islamabad



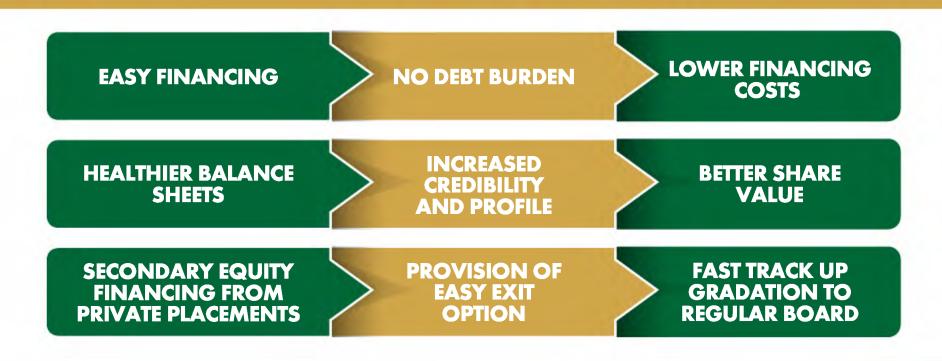


^{*}As at June 30, 2016

SMALL AND MEDIUM ENTERPRISES (SMEs) BOARD

SME Board of Pakistan Stock Exchange is envisaged to create a platform for SMEs to raise capital at a lower cost. Listing on SME Board shall facilitate business expansion and fast track process of raising funds via Exchange without any debt burden. PSX SME Board will serve as a trading market for companies with growth potential which aim to be reassigned to the Main/Regular Board in near future.

BENEFITS OF LISTING ON PSX SME BOARD

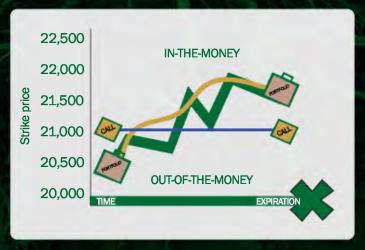


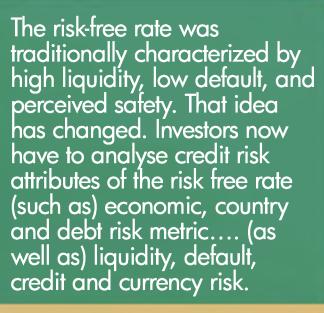
UPCOMING FUTURES AND OPTIONS SEGMENT

Options are globally popular Derivative products which provide various benefits that help to create orderly, efficient, and liquid markets, and gives flexibility, leverage and risk minimization to the investors. In order to add depth to the Market and to allow investors to leverage positions for large diversified portfolios, the Management of the Exchange, in line with international best practices, has embarked upon a process to introduce the Single Stock Options starting from Q3 of FY-2017. The Exchange (PSX) will seek to provide competitive, liquid, and orderly markets for the purchase and sale of

standardized options. All option contracts traded on the PSX are proposed to be issued and cleared by the National Clearing Company of Pakistan Limited (hereinafter referred to as "NCCPL" and/or "Clearinghouse"). NCCPL is a registered clearing company with the SECP.

Options are to be traded on the Pakistan Stock Exchange Limited and like trading in stocks, options trading will be regulated by the Securities and Exchange Commission of Pakistan (SECP). Presently, the Regulations Governing Index Options are approved by the Securities and Exchange as such the application software is also ready for deployment and launch of Index Options, but considering the sentiment of the market participants, PSX is first working to bring depth in Single Stock Futures followed by the introduction of Single Stock Options.





Ben Emons

The End of Risk-Free Rate © 2013 Portfolio Manager at PIMCO

OTHER KEY DEVELOPMENTS

ADVANCED VERSION OF SECURITIES LENDING AND BORROWING SYSTEM

Considering that previous Lending and Borrowing System did not meet expectations, the Market Development and New Products Committee of the Exchange developed an enhanced version of the Stock Lending and Borrowing which is now under consideration by SECP. Share Financing and Stock Borrowing are the two impetuses which provide traders to take views on bullish and bearish trends.

Stock Lending and Borrowing contracts were introduced in 2011 by National Clearing Company of Pakistan. The Product failed to meet the expectations of Borrowers and Lenders. The aggregate borrowed number of shares since launch of SLB stood within a million in past five years along with 68 registered participants of Stock Lending and Borrowing Market.

The Revised SLB concept paper is being reviewed by SECP and the implementation of Revised SLB is expected to be introduced by Feb 2017. The Revised SLB Contracts are envisaged to improve the overall Market efficiency and liquidity and may act as a useful tool for risk management as it helps to facilitate timely settlement of the securities. The key features of Revised SLB include:

- Market operation timings similar to Ready Board.
- No capping on Lending and Borrowing rates.
- Flexible contract duration.
- European style contracts.
- Increased number of securities on Revised SLB Counter.
- Treatment of corporate actions as per international best practices i.e. collection of Dividends from borrower and passing it on to Lender.

MEASURES FOR INVESTOR AWARENESS

Financial inclusion is a key element in the development of a robust financial sector and growth of a modern market-based economy. Penetration of financial products in general and capital market products in particular, is extremely low in Pakistan. In 2012, PSX launched a focused campaign to generate large scale awareness amongst individual savers regarding the role that capital markets can play in the overall context of their long term financial planning. In FY-2016, this campaign has been further streamlined with the number of workshops and seminars increasing

significantly.

PSX has conducted altogether 16 programs which had a target audience of 33,050 and total attendees around 12,530 for the FY-2016. These seminars/ workshop were conducted in Karachi, Hyderabad, Lahore, Islamabad, Faisalabad, Multan, Peshawar and Sialkot.

CORPORATE BRIEFING PROGRAM

Corporate Briefing Program (CBP) at PSX is a platform for listed companies to hold corporate briefings for general public and analysts at PSX trading hall with a view to facilitate the audience to understand companies' financial reports and offer a thorough evaluation of their business strategies by responding directly to queries and concems. The basic goal of the CBP is to enhance investors' understanding of financial statements, company's short term and long term plans and any other corporate development. PSX's CBP helps in bridging the gap between the listed companies and investor community.

INTRODUCTION OF PSX-KMI ALL SHARES INDEX

In order to gauge the performance of the Shariah-compliant segment of the equity market, the Pakistan Stock Exchange and Meezan Bank developed an All Shares Islamic Index known as "PSX-KMI All Shares Index", which is made up of 231 Shariah compliant companies listed on PSX (as of August 01, 2016). The Index was launched on November 18, 2015 by the Finance Minister, Senetor. Muhammad Ishaq Dar, in an impressive ceremony at PSX. In order to make sure that a company does not violate any principle of Shariah, the selection process evaluates each company based on two broad categories, namely technical filters and Shariah-screening criteria. All shares traded on the PSX that meet both these categories are included in the Index.

The Index is re-composed on semi-annual basis and has base value of 15000 points with base period as of Dec 31, 2014. The day-to-day maintenance of the index is carried out within the Broad Index Policy Framework set by the PSX and Al Meezan Investments.

INDUSTRY WIDE PROFESSIONAL ENHANCEMENT

PSX has worked closely with the Institute of Financial Markets of Pakistan (IFMP) (formerly known as Institute of Capital Markets) which has rolled out broker and trader certification program. PSX has launched Financial Literacy Program in conjunction with IFMP and organized over a half dozen workshops in Karachi on the following topics:

- Fundamentals of Capital Markets certification Programme
- Pakistan Markets and Regulations certification Programme
- iii. Stock Brokers Certification Programme

PSX fully supports this initiative and is providing premises for training workshops as well as actively encouraging to train the trainer initiative of IFMP. It is hoped that these efforts will enhance professionalism, ethics and technical knowledge amongst capital market participants thus benefiting investors.

GUIDELINE BOOKLET FOR FOREIGN INVESTORS

Under the new consolidated regime of Pakistan Stock Exchange, the Exchange

plans to conduct awareness sessions throughout the world encouraging Non Resident Investors (both individuals and corporates) to invest into Pakistan's Capital Market. In order to facilitate Foreign Investors, the Exchange has composed a user guideline manual for Non Resident Investors to invest in Pakistan's Equity Market through opening a Special Convertible Rupee Accounts (SCRA) with SBP authorized dealers in Pakistan. PSX has devised this document to serve as a core informational booklet helping Foreign Investors / Non-Resident Pakistanis to understand several investment avenues in Pakistan. This booklet will be made available at the foreign embassies across Pakistan and is a great way for Foreign Investors to get to know of custodial services provided by Pakistani banks and brokers.

MEASURES FOR ENCOURAGING NEW LISTINGS

A total of 4 Equity Issues with paid-up capital of PKR 6.05 Billion, 9 Open-End Mutual Funds of PKR 13.16 Billion and 2 Debt Securities amounting to PKR 13.00 Billion were listed during the period from July 01, 2015 to June 30, 2016. Out of 4 Equity Issues, 3 companies offered shares through Book Building. In the case of Al-Shaheer Corporation Limited, the strike price determined was Rs. 95 which

was 221% higher than the floor price of Rs. 43. Similarly, in the cases of Amreli Steels Limited and Hi-Tech Lubricants Limited, the strike prices determined were Rs. 51 and Rs. 52.5, which were 213% and 142% higher than the floor price of Rs.24 and Rs.37, respectively.

Efforts are under way to promote SME Counter and make it operational by listing of securities on this Counter, which will add new avenues of listing of Small & Medium size companies by raising funds through equity and debt issues.

DEVELOPMENT ON THE INFORMATION TECHNOLOGY **FRONT**

IT SYSTEM ENHANCEMENTS

A. Data-at-Rest & Data-in-Motion **Encryption**

In order to prevent unauthorized access of data stored in Production Databases, PSX IT Team has implemented Oracle **Advance Security Feature Transparent** Data Encryption (TDE). Similarly, the information exchange between PSX, NCCPL, SECP and CDC has also been encrypted via link encryption solution by Oracle ®.

B. Operating System Migration

To enhance the performance, reliability, scalability and security of the Production Database Server, the existing Operating System had been successfully migrated from Microsoft platform to a more robust Linux platform. This migration was in line with the PSX IT Strategic plan for the year 2015 -16. The same migration plan has been approved for all the other Databases currently hosted on Microsoft platform.

INFORMATION SECURITY

The advancement of technology has helped to drive organizations to unprecedented levels of growth and reach. However, this advancement has also resulted in large increase in new threats to the confidentiality, integrity and availability of the organizations' information. The situation for Pakistan Stock Exchange (PSX) is no different, as over time, since the introduction of Karachi Automated Trading System (KATS) in 2002, the majority of PSX's operations began to be supported by and heavily reliant on technology in one form or another. These changes, including the proliferation of access points/mechanisms and the consolidation of information repositories, have resulted in the Exchange facing increasingly complex

challenges in maintaining the confidentiality, integrity and availability of its information, which is critical for the on-going effective functioning and good governance of PSX.

It is therefore imperative that PSX have a coherent strategy for achieving the above mentioned objectives. In-line with these requirements, PSX Information Security Office (ISO) has developed and implemented comprehensive information security program which includes information security policy framework, risk management, training & awareness etc., to name a few.

KEY ACHIEVEMENTS OF REGULATORY AFFAIRS DEPARTMENT (RAD)

INTEGRATION OF STOCK EXCHANGES OF PAKISTAN

In order to effectively regulate and supervise the TRE Certificate Holders of an integrated securities market located at Lahore and Islamabad and to safeguard their interests based at these regions, PSX has established regional offices of RAD in Islamabad and Lahore. The RAD is engaged in inspections, investor complaints handling, litigation, enforcement and ancillary affairs at these regions.

TRANSLATION OF PSX REGULATIONS IN URDU LANGUAGE

In view of the decision taken by the Supreme Court of Pakistan and to facilitate the general public in easy understanding of the securities market regulations in native language, the Urdu version of PSX Regulation has been published and available on PSX website. PSX updates the Urdu version along with the English version of the PSX Regulations whenever any regulatory amendment or new regulations are implemented.

IMPLEMENTATION OF NEW JOINT INSPECTION REGIME

Pursuant to the promulgation of Joint Inspection Regulations 2015, the risk-based joint inspection of brokers was commenced in November 2016. Such inspections are conducted by the joint inspection teams comprising of members from PSX, CDC and NCCPL. The scope of the joint inspection is very comprehensive and focused with respect to complete trade flow. The inspections are carried out under the supervision and direction of Oversight Committee constituted by the SECP that comprises of members from each SROs. The joint inspection is expected to remove the redundancies and duplications of inspection of brokers being conducted by each from line

regulator separately.

ENFORCEMENT ACTIONS AGAINST NON-COMPLIANT BROKERAGE HOUSES/LISTED COMPANIES FY 2015 - 16

During FY 2015-16, a total number of 1,058 cases were investigated by the Market Surveillance Wing (MSW), which consist of the following:

- a. Total 434 cases were investigated in relation to Short/ Blank Sale under Regular Market and Deliverable Future Contracts Market, Delivery Default and suspicious Trade Rectifications etc. Out of which, 108 were identified as non-compliant against which necessary enforcement actions were taken.
- b. For the identification of unusual trade patterns or abnormality in price and volume variation in a scrip, 659 cases were highlighted through Price/ Volume Alert Report Mechanism against which initial scrutiny were conducted.

 Accordingly, 75 cases were thoroughly investigated and 3 investigation reports were forwarded to SECP for necessary action.

It is time to recognize, once and for all, that governments, not central banks, are responsible for generating long term employment and growth, by ensuring favourable investment condition, a high-quality education system, and open, competitive markets

Michael Heise

The Unavailable costs of Helicopter Money







Top 25 Companies Award Ceremony (2014 & 2015)



PHOTO GALLERY

































PHOTO GALLERY



Visit of Chinese Delegation

















Corporate Briefing Program by ICI Pakistan

















Visit of students from IBA - University of Sindh, Jamshoro







SECP Chairman Addressing Joint Board Meeting



Visit of students from CAS School

















NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that 69th Annual General Meeting of Pakistan Stock Exchange Limited (Formerly: Karachi Stock Exchange Limited) will be held on Thursday, October 20, 2016 at 04:00 pm at the Registered Office of the Company, Stock Exchange Building, Stock Exchange Road, Karachi, to transact the following business:

- 1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2016 together with the Directors' and Auditors' Reports thereon.
- 2. To approve, as recommended by the Board of Directors, payment of Final Cash Dividend @ 0.5% i.e. Re.0.05 per share for the financial year ended June 30, 2016, in addition to Interim Cash Dividend @ 1.0% i.e. Re.0.10 per share already paid.
- 3. To appoint auditors of the Company for the year ending June 30, 2017 till the conclusion of next Annual General Meeting and fix their remuneration. The retiring auditors, M/s. EY Ford Rhodes, Chartered Accountants, being eligible, have offered themselves for re-appointment.
- 4. To discuss any other matter with the permission of the Chair.

By order of the Board of Directors

Muhammad Rafique Umer Company Secretary

Karachi

Dated: September 27, 2016

NOTES:

- 1. The Register of Members will remain closed from October 14, 2016 to October 20, 2016 (both days inclusive).
- 2. All members are entitled to attend and vote at the meeting.
- 3. A member entitled to attend, speak and vote at the meeting shall also be entitled to appoint another member as his/her proxy to attend, speak and vote instead of him/her and a proxy so appointed shall have such rights with respect to attending, speaking and voting at the meeting as are available to the member appointing him as proxy. The Instrument of Proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarized certified copy of that Power of Attorney or authority, in order to be effective, must be received by the Exchange at least 48 hours before the meeting. A proxy must be a member of the Exchange. The Form of Proxy is enclosed with this notice.
- 4. Any company or other body corporate which is a member of the Exchange may, by resolution of its Directors, or proxy signed by authorized officers, authorize any of its officials or any other person to act as its representative at the meeting and the person so authorized shall be entitled to exercise the same powers as if he were an individual member of the Exchange.
- 5. Members are requested to notify the change of their registered address, if any, immediately but before book closure to our Share Registrar, Central Depository Company of Pakistan Limited [CDC], CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi.
- 6. Since all shares issued to members are in dematerialized format, credited in their respective CDC accounts, the individual members desiring to attend the meeting are requested to bring their original Computerized National Identity Cards (CNICs) along with the Investor Account or Participant Id and House Account / Sub-Account numbers, for identification purposes, whereas, in case of corporate member, the resolution of Board of Directors / Power of Attorney with specimen signature of the nominee may preferably be provided to the Exchange well in advance or otherwise produced at the time of meeting.

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Pakistan Stock Exchange Limited (Formerly: Karachi Stock Exchange Limited) (the Company) for the year ended 30 June 2016 to comply with the said Code.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

As 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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2016.

Further, we highlight below instances of departure from the requirements of the Code as reflected in the Statement of Compliance:

	Clause Reference	Description
i.	1	Currently the Company's Board of Directors does not have an independent director for the reasons stated therein;
ii.	8	There were certain instances in which the notices of Board meetings were not circulated within the prescribed time; and
iii.	8	The Chief Financial Officer of the Company attended 19 meetings of the Board of Directors out of 21 meetings held during the year.

EY Ford Rhodes

Chartered Accountants

Date: September 09, 2016

Karachi

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Year ended June 30, 2016

This statement is being presented to comply with the Code of Corporate Governance ["CCG" or "the Code"] contained in Paragraph 5.19 of Chapter 5 of Pakistan Stock Exchange Limited's Regulations for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance. Pakistan Stock Exchange Limited (Formerly: Karachi Stock Exchange Limited) ["the Company"], although not a listed company, has voluntarily adopted the best practices of corporate governance.

The Company has applied the principles contained in CCG in the following manner:

In accordance with the requirements of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 [the Act] and as provided in Articles of Association of the Company, the Board of Directors includes four elected directors who represent Trading Right Entitlement Certificate (TREC) Holders and six directors nominated by the Securities and Exchange Commission of Pakistan (SECP). Accordingly, at present, the Board of Directors of the Company is comprised of eleven members and includes:

Category	Names
Executive Director	Managing Director (i) Mr. Nadeem Naqvi
Non-Executive Directors	SECP nominees (ii) Mr. Muneer Kamal (Chairman of the Board) (iii) Mr. Samir Ahmed (iv) Mr. Moin M. Fudda (v) Ms. Rahat Kaunain Hassan (vi) Mr. Tawfiq A. Hussain (vii) Mr. Muhammad Naeem
	Representatives of Trading Right Entitlement Certificate Holders (viii) Mr. Abdul Majeed Adam (ix) Mr. Ahmed Chinoy (x) Mr. Abid Ali Habib (xi) Mr. Muhammad Yasin Lakhani

Since composition of the present Board is defined in the Act and because the Company is presently in a transitory phase of divestment of equity stake where the specified portion of the existing shares of the Company is to be divested by initial shareholders and sold to strategic/anchor investors/financial institutions and general public in pursuance of the Act and the Regulations framed thereunder; the requirement of CCG for having 'independent director(s)' is, therefore, yet to be complied with by the Company. With the divestment of shares as aforesaid, the directors nominated by SECP will be replaced by the representatives of new shareholders paving the way for induction of independent non-executive directors and directors representing minority interests on the Board of Directors of the Company, which is also the requirement of draft Securities Exchanges (Licensing & Operations) Regulations, proposed by SECP.

- 2. The directors have confirmed that none of them is serving as a director on more than seven listed companies.
- 3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI. None of the directors represents those companies which, as TREC Holders of the Exchange, have been declared as defaulter by the Exchange.
- 4. No casual vacancy occurred on the Board during the year.
- 5. The Company has developed a 'Code of Conduct' and supporting policies and procedures which have been disseminated throughout the Company.
- 6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates, on which they were approved or amended, has been maintained.
- 7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other non-executive directors, have been taken by the Board.
- 8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board meet at least once in every quarter. 21 Board meetings were held during the year and the written notices along with agenda and working papers were circulated at least seven days before the meetings except for 4 meetings. The minutes of the meetings were appropriately recorded and circulated. During the year, the Chief Financial Officer (CFO) of the Company attended all but two meetings of the Board of Directors.
- 9. The directors have been made aware of the provisions of Memorandum and Articles of Association of the Company, Regulations of Pakistan Stock Exchange Limited and Code of Corporate Governance. The directors are, therefore, well conversant with their duties and responsibilities. Moreover, one director of the Company has attended the required courses to obtain the certification under Directors' Training Program from a recognized institute during the year, while the remaining directors, excluding those who are already certified or otherwise exempted under CCG, are also expected to obtain requisite certifications under Directors' Training Programs in the future in order to comply with the requirements of CCG.
- 10. The Board approves the appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment. However, no new appointment was made against any of these positions during the year.
- 11. The Directors' Report for this year has been prepared in compliance with the requirements of CCG and fully describes the salient matters required to be disclosed.
- 12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
- 13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
- 14. The Company has complied with all the corporate and financial reporting requirements of CCG.
- 15. The Board has formed an Audit Committee. It comprises of 6 members including the Chairman. All members of Audit Committee are non-executive directors.

- 16. The meetings of the Audit Committee were held at least once in every quarter prior to the approval of the interim and annual financial results of the Company and as required by CCG. The total number of meetings held during the financial year ended June 30, 2016 was 4. The terms of reference of the Committee have been formed and advised to Committee for compliance.
- 17. The Board has formed Human Resources & Remuneration Committee. It comprises of 7 members including the Chairman. All members of the said Committee are non-executive directors.
- 18. The Board has set-up an effective internal audit function through a combination of internal resources and outsourced expertise procured from Deloitte Yousuf Adil, Chartered Accountants (Deloitte-Pakistan). Internal Auditors are conversant with the policies and procedures of the Company and are considered suitably qualified and experienced for the purpose. The internal resources are engaged in internal audit function on a full time basis.
- 19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under Quality Control Review Program of Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with guidelines of International Federation of Accountants (IFAC) on code of ethics as adopted by ICAP.
- 20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Regulations of Pakistan Stock Exchange Limited and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 21. The Board has adopted a mechanism for annual evaluation of the Board's performance.
- 22. All other material principles contained in CCG have been complied with.

On behalf of the Board of Directors

sd/Muneer Kamal
Chairman

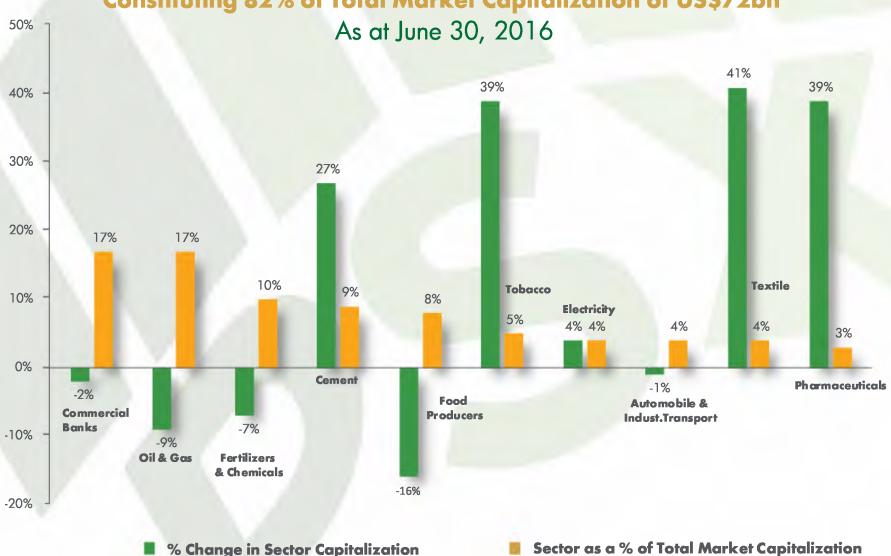
sd/Nadeem Naqvi
Managing Director

Karachi September 09, 2016

PERFORMANCE OF KEY SECTORS

Major Sectors at PSX

Constituting 82% of Total Market Capitalization of US\$72bn



ING & ICIAL SERVICES

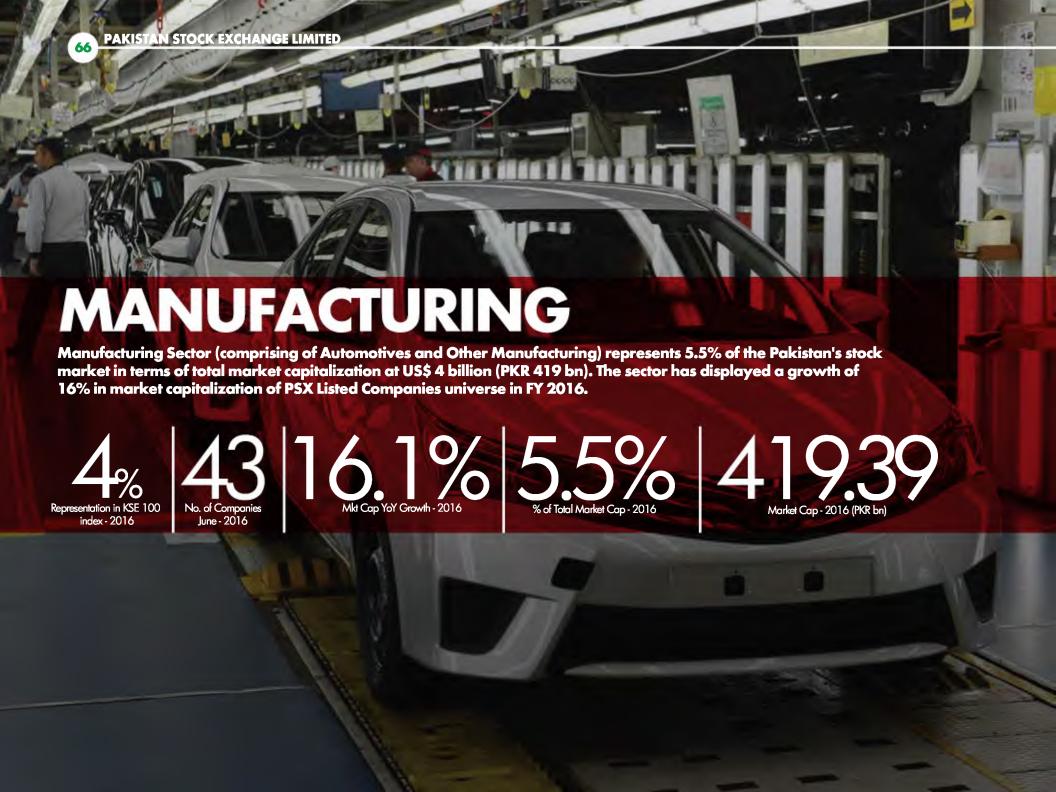
The Banking & Financial Services Sector has the second largest representation by value in Pakistan's stock market constituting one fifth of total market capitalization at US\$ 14 billion (PKR 1,459 bn) as at June 30, 2016. This sector has witnessed a decline of 1% in market capitalization in FY 2016, due to lowest rate of inflation and decline in interest rates.

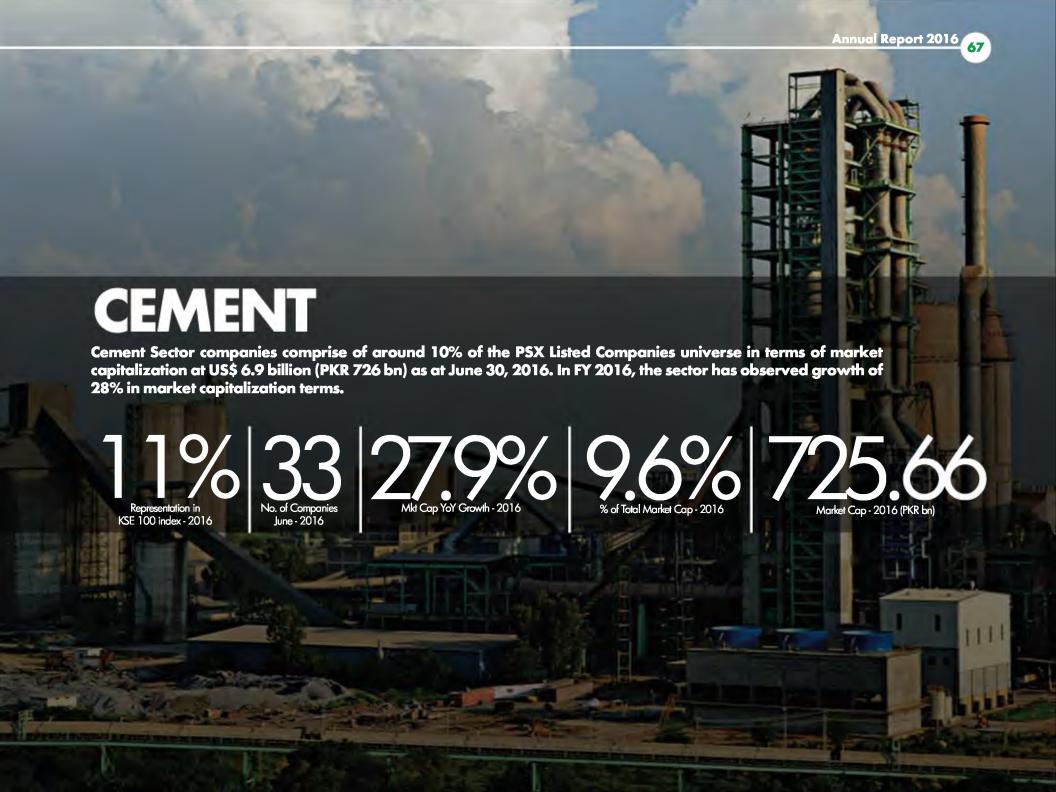
Representation in KSE 100 index - 2016 No. of Companies June - 2016

Mkt Cap YoY Growth - 2016

-1.1% 19.2% 1 % of Total Market Cap - 2016





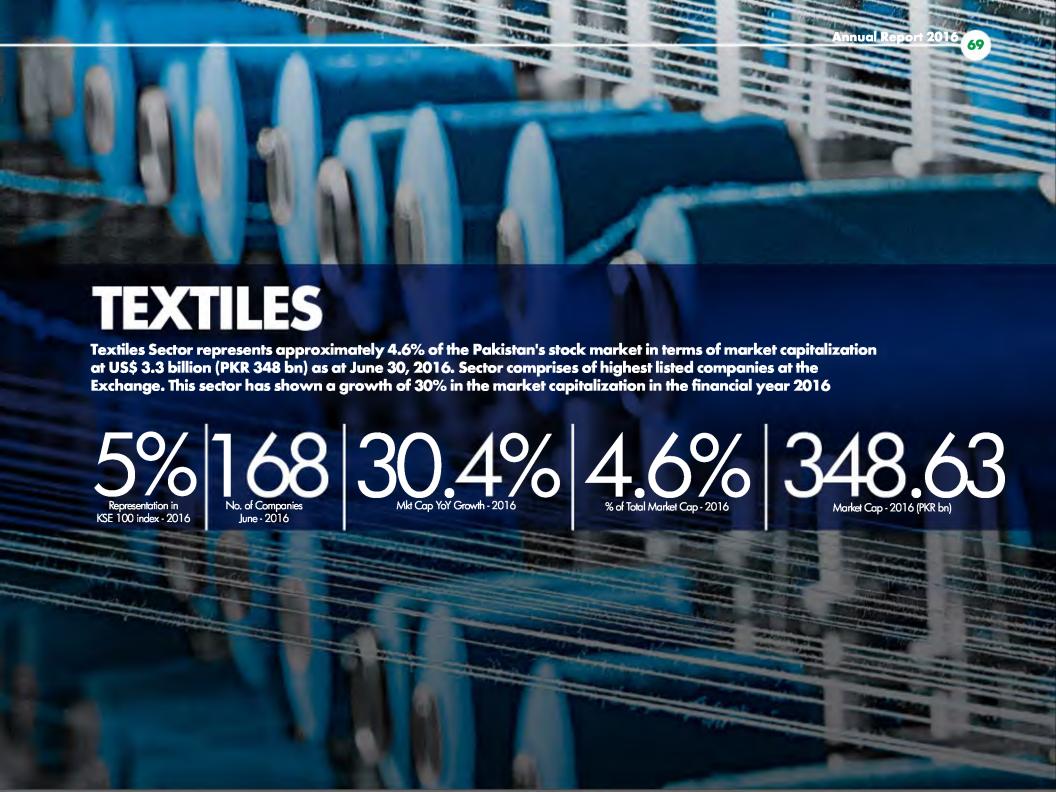


Energy Sector (comprising of Electricity, Oil & Gas) has the largest representation by value in Pakistan's stock market with market capitalization of US\$ 17 billion (PKR 1,757 bn) as at June 30, 2016, which constitutes almost a 23% of total market capitalization. Government controlled / managed companies constitute approximately 67% of the sector's market capitalization at US\$ 12 billion (PKR 1180 bn). This important sector has shown a decline of 5% in market capitalization in FY 2016 due to decline in oil prices in international markets.

index - 2016

June - 2016

35 | 4.8% | 23.2% | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,55 | 1,55,5



CHEMICALS & FERTILIZERS

Companies in the Chemicals & Fertilizers Sector represent approximately 10% of the total market capitalization of the PSX Listed Companies at US\$ 7.4 billion (PKR 777 bn) as at June 30, 2016. This sector declined by 1% in market capitalization in FY 2016.

index - 2016

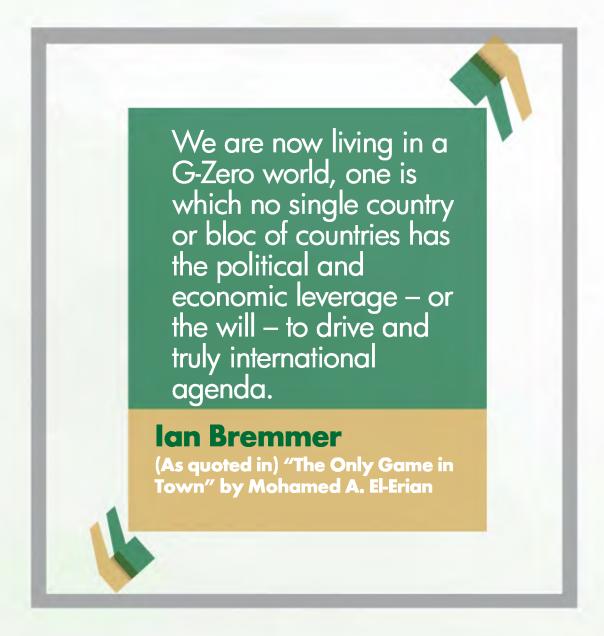
June - 2016

14% 35 -1.1% 100. 2016

Representation in KSE 100 No. of Companies No. of Companies Index 2016

No. of Companies No. of Compa

PSX 7 DEPARTMENTS' R PROFILES





Product Development, Research & Marketing Department

- Product Development (PD): Formulating commercial terms for PSX products including functional specifications, pricing, processes and roll out plan for products including but not limited to Stock Index Futures Contract, Single Stock Futures, Stock Index Options, Single Stock Options, Exchange Traded Funds, calculating & maintaining the existing In-house VaR and In-house Impact Cost. The PD team is run by 3 staff members that is overlooked by HoD who is the Secretary of New Products & Market Development Committee
- Research: Advises on construction, recomposition and maintenance of all the stock market indices, maintenance of statistical data related to the market (viz. market cap., indices, sector & stock price & volume data, listed companies data, etc.) and provision of the same to other departments, TREC Holders, Media, outside agencies as required.
- Marketing: Looks into matters relating to every aspect of Nationwide Investor Awareness Generation Program, Corporate Briefing Programs, designing / printing of marketing materials for branding, product launches, diaries, cards, etc., and marketing of Data Vending service and its contract construction, provision of market data feed as per required formats, responding to queries of data vendors, and lastly, invoicing and recovery of dues from the same.
- Public Relations: Deals in Media & Press management, including publication of advertisements & press releases, holding press conferences as directed by Management, arranging gong ceremonies for dignitaries & maintaining positive relationship with the media, conduct seminars and develop liaison with educational establishments, organize the Top-25 Company Awards ceremonies.
- Change Request Management: All the initiating, managing and controlling change(s) in the existing functionality of the Exchange are routed through PDRM that carries the Business Impact Analysis of the requested change and forwards the same to IT for deployment and finally performs the UAT of the same. Only major changes are subjected to Change Control Board's (CCB's) consideration under the Chairmanship of Managing Director. PSX.
- Website Content Management: The PSX website content is updated through raising a website change request form and handled by the website content manager of the department.



- Application Development Department: The main Service offerings of PSX to its TREC Holders is its Real Time Trading System (KATS) and associated Business Applications for the Capital Market. The Application Development department is responsible for requirements gathering, analysis, design, development, maintenance and enhancement of both Real Time Trading System and associated Business and Reporting Applications using state of the art Application Development Frameworks and Secure Software Development Methodology. This not only includes development and enhancements of systems for new products and markets but the team is also actively engaged in research activities to further improve the existing Application and Services platform by adapting new technology trends and International best practices.
- Assurance Department: The Software Quality
 Assurance Department is responsible for the Quality Assurance of all
 Applications developed by the Development Team for the Capital
 Market. The QA department believes in Total Quality Management
 (TQM) and Continuous Improvement. Their job is to ensure that all
 Applications released in production and made available in the
 Market are free from bugs, vulnerabilities and fulfil the functional
 requirements of the end user. Using latest testing tools and utilities,
 the department is fully aware of the quality requirements of PSX. The
 department is also responsible for Release Management using an
 Industry standard product SVN.
- Network and Infrastructure Management: PSX Network and Infrastructure Management Department has the responsibility for the design, implementation and maintenance of robust, secure and redundant Data and Voice Infrastructure of PSX. This department ensures secure connectivity of Trading Terminals used by TREC Holders with the Trading System centrally hosted at PSX Head Office in Karachi. These users connect to the centralized Trading System from the PSX Campus Network in Karachi, Lahore and Islamabad and also from their offices in different remote locations. They also manage the Internet links, Site to Site connectivity between different offices of PSX and connectivity with the Disaster Recovery Site of PSX. This department is also responsible for maintaining connectivity with NCCPL and CDC.
- Systems Management Department: Systems Department is responsible for managing and maintaining the entire Systems Infrastructure including but not limited to maintaining state-of-the-art Data Center, Physical and Virtualized Server running mission critical Trading and other Business applications, Enterprise Storage hosting mission critical data and Web Servers hosting PSX Website. The Department is also responsible for running daily Systems and MIS Operational activities including launching and closing of Trading System and Associated Business Applications and Services, Managing Job Queues, Data backup on encrypted tapes, End of Day, Start of Day and other related procedures, User Accounts

- Management and Performance Monitoring.
- Database Management Department: High availability, confidentiality and integrity of core business data of PSX is of utmost importance. Database Management department is responsible for maintaining and managing the entire Production Database adapting Real Time Application Clustering mechanism with off-site Data replication in place. The department has implemented Data-at-rest and Data-in-motion encryption using world class reliable technology products.
- IT Support and Services Department: As the name implies, the department has the responsibility for providing technical support to the TREC Holders related to the use of KATS and other Business Applications provided by PSX. They are also responsible for handling Customer Complaints and troubleshooting technical problems for both internal and external users. The well trained and supportive team members interact with customers and provide timely technical solutions against any incoming support calls through an automated Complaint Management and Recording System.
- Audit Coordination and Compliance: This function is responsible for coordinating all IT Audits and responsible for ensuring compliance of all Audit observations pertaining to IT processes and controls



- Business Information Security Ensure that all information security needs (InfoSec guidance, awareness, training etc.) of the PSX staff is fully catered within organization. This is achieved through timely engagement and delivery on information security, business and/or technology initiatives and projects.
- Technology Information Security The role entails working with system development and IT infrastructure areas to ensure technology risk considerations are addressed at each phase of the system development life cycle and provide proactive solutions to correct exposures or mitigate risk. It also provides a unified and holistic view of vulnerabilities and associated risk exposure.
- Information Risk Management (IRM) Identify and champion opportunities for the development of security and broader technology controls and services that can lower risk for the Exchange. One way to achieve this is by conducting risk reviews and assessments to identify,

- monitor, analyze, classify, and report key IT and information security risks and controls using a controlled risk control self-assessment framework. The IRM also validates the implementation of its recommendations on a regular basis.
- Business Continuity Coordination Identify potential business interruptions, develop safeguards against these interruptions, and implement recovery procedures in the event of a business interruption. The function is also responsible for preparing and providing documentation and training on contingency planning concepts and procedures.
- Security Operations Responsible for a broad range of tasks, including selection, design, build, install, maintain, support, and day-to-day administration of Exchange security solutions such as firewalls, anti-spam, endpoint security, Security Information and Event Management (SIEM), Multifactor / Hard Token Management etc. as well as performing security administration of a wide variety of IT systems across the Exchange.



The Operations Department of PSX encompasses the following:

Listing Companies Department:

- Receiving and securitizing initial listing applications including due diligence of representations by the applicant company and its sponsors/ directors to ensure compliance of listing rules and regulations. Same process is followed for secondary listings.
- Allocation of dates for publication of prospectus and Book Building.
- Coordination of the entire listing process with Financial Advisors and Book Runners including presentations by applicant company.
- Monitoring of all corporate actions directly via PUCARS, fee payments, free float and index calculations and reporting non compliances to the Regulatory Affairs Department for enforcement purposes. Ensuring availability of all public information on PSX website and providing monthly reporting to SECP.
- Maintain and monitor database of listed debt instruments, directory of listed companies and Registrars, shareholders list. Selection and bi-annual review of margin eligible companies' shares, DFM eligible shares, and cash settled futures eligible shares as per regulatory criteria.

TREC and Trading Affairs Department:

The objective of the department is, on the one hand, to identify, monitor and manage risks associated with brokers (TREC Holders) business and operations and, on the other hand, to facilitate TREC Holders and where required, their investing clients, to have hassle free dealings in the capital market.

Thus, this department's activities range from broker registration and associated due diligence, monitoring margin, capital adequacy and position limits; further the department also notifies trading and settlement schedules and closely coordinates with the National Clearing Company of Pakistan (NCCPL).

The department is responsible for calculation of daily closing/opening prices, ex-base calculation of dividend, bonus and rights, addition and deletion of trading symbols, changes in market lot size, movement of issuers from Normal Counter to Defaulter Counter, preparing office report for cases of voluntary delisting application for the Voluntary Delisting Committee, monitoring circuit breakers, etc.



- Policy & Regulations Development, Litigation and Training Wing: This wing is responsible for researching, analyzing, and drafting regulations and framing policies and procedures thereunder, in line with global trends and changing market dynamics. This wing works in close coordination with SECP, the operation department of PSX and other key stakeholders for handling regulatory matters. The wing prepares working papers for the monthly meetings of RAC, engages in consultation process with public and processes for implementation the new regulations or amendments to the existing regulations. This function reports to CRO.
- Market Surveillance Wing: This wing is responsible for monitoring the behavior of trading activities of all market participants to detect unfair trade practices, market manipulation and breach of relevant PSX Regulations. Further, this wing also initiates enquiries and investigations against suspects, provides opportunity of being heard to non-complaint brokers, prepares investigations reports and enforcement orders thereof. This function reports to CRO.
- Listed Companies Compliance Wing: The wing is responsible for continuous monitoring of the compliance of listed companies with the Listing of Companies and

- Securities Regulations of PSX and Correspondence Manual made thereunder. The wing follows up aggressively with the companies for ensuring their compliance with the regulatory requirements and takes requisite enforcement actions against non-compliant companies. This wing also suggest amendments to listing regulations to improve the listing standards and to safeguard the interest of minority shareholders. This function reports to CCO.
- Audit, Inspection & Market Regulations Wing: The wing is responsible for monitoring compliance of the Internet Trading and Market Regulations through System Audit and Joint Inspection, analyzing and scrutinizing the System Audit/ Internet Trading Audit Reports and Net Capital Balance Certificate. This function also conducts special audits of brokers relating to clients' assets segregation to ensure that the clients' assets are segregated and used only for their own benefit. The wing takes enforcement actions against non-compliant brokers and prepare compliance reports for PSX and SECP on quarterly and semi-annual basis. This function reports to CCO.
- Default & Arbitration Wing: This wing provides a platform to the investors of securities market to raise their concerns/claims/ disputes against the active brokers or

- brokers whose TRE Certificate has been cancelled or forfeited by the PSX due to regulatory breach. This wing receives, processes and ensures to complete the mediation and/or arbitration procedure in a timely and transparent manner. Since 2008, PSX has settled claims over Rs2.5 billion. This function reports to CCO.
- Joint Inspection Wing: Pursuant to the promulgation of Joint Inspection Regulations 2015, the risk-based joint inspection of brokers was commenced in November 2016. Such inspections are conducted by the joint inspection teams comprising of members from PSX, CDC and NCCPL. The scope of the joint inspection is very comprehensive and focused with respect to complete trade flow. The inspections are carried out under the supervision and direction of Oversight Committee constituted by the SECP that comprises of members from each SROs. The joint inspection is expected to remove the redundancies and duplications of inspection of brokers being conducted by each from line regulator separately.



Accounts:

- i. Maintaining books of accounts; and
- ii. Preparation of Financial statements (Quarterly, Half Yearly, Annual) & coordinating with the Auditors.

Corporate & Strategic Planning:

- i. Divestment / Strategic Sale of the Stock exchange;
- ii. De-merger Process of PSX (OpCo & PropCo);
- iii. Integration of stock exchanges;
- iv. Preparation of Concept paper, Financial Valuations with different scenarios, Presentations, Marketing document and coordinating with the Financial Advisors, Auditors, Tax consultants, etc.

Budget, Forecast & Planning:

- i. Development of Corporate Strategy plan;
- ii. Preparation of the Budget (OPEX & CAPEX) along with three year projections;

- iii. Budget monitoring of expenses;
- iv. Review on the Financial Results (Quarterly, Half Yearly, Annual) for variance analysis of Actuals vs Budget;
- v. Presentation on the Financial Results to the Board;
- vi. Dissemination of Budget vs Actual to departments on Quarterly basis.

Treasury Management:

- i. Financial planning & maintaining Investment portfolio of PSX and the Funds in accordance with investment policy;
- ii. Quarterly Treasury performance reporting to the Board.

Funds:

 i. Managing Fund (CHPF, IPF & Employees Gratuity Fund);

- ii. Settlement of Claims of Investors:
- iii. Preparation of Financial statements & coordinating with the Auditors;
- iv. Maintaining Books of Accounts.

Taxation:

- i. Preparation and finalization of tax proposal for inclusion in Federal Budget in line with the Taxation Committee decisions;
- ii. Correspondence with Tax authorities with respect to tax related matters;
- iii. Tax Refund of PSX from the Tax Authorities.

Billing:

- i. Generating Invoices related to Listing fee, Members & Non-Members billing etc.;
- ii. Monthly reporting to Recovery department for outstanding dues.



The Internal Audit function of the Exchange is co-sourced with Deloitte Yousuf Adil. Internal Audit performs periodic audits of Exchange's various processes based on the Risk based Audit Plan approved by the Audit Committee. Results of these audits along with the audit recommendations and risk impact are communicated through written reports to the concerned process owners for necessary actions and are also presented to the Audit Committee. A continuous follow-up of these audit recommendations is also made for implementation. Internal Audit also undertakes special assignments as advised by the Audit Committee.



Administration department is the backbone of the PSX providing the link between various departments and ensuring their smooth operations. The administration department works round the clock facilitating all the departments and ensuring the safety and security of the PSX premises and its resources, Power, Electrical, Mechanical, Air-Conditioning Infrastructures and their operations. Travelling & accommodation, procurement, infrastructural development and maintenance, contract management are the major functions of the Administration department.



The key functions of Human Resources Management Department at PSX include recruiting people, training & development, performance appraisals, motivating employees as well as workplace communication, workplace safety, and much more.

Recruitment and Training is one of the major responsibilities of Human Resources Department. The HR department designs the criteria which is best suited for a specific job description. After the integration of three stock exchanges (Lahore, Islamabad, & Karachi) into single entity as Pakistan Stock Exchange Limited, HR activities have been expanded to regional branch offices, i.e Lahore & Islamabad. Human Resources Dept. has inducted more than 40 employees in the year 2015-16 for smooth running of organizational activities (including Lahore & Islamabad staff). After successful recruitment of candidates, a brief departmental orientation session is arranged for better environment inside organization. Verification of educational degrees, past experience check and medical fitness tests are arranged for each new hired staff.

Human Resources Department networks with head-hunters for strategic level recruitment. HR

department is continuously working to develop the staff with specific skills through trainings, workshops & educational activities both domestically and internationally. HR conducts Performance Appraisals effectively to measure staff performance annually. The HR team communicates with staff from time to time and provides all the necessary information regarding their performances and also defines their respective roles. Human Resources Department maintains work atmosphere because the performance of an individual in an organization is largely driven by atmosphere that prevails at the workplace.

Health facilities are being provided to staff and their families with best services. There is a certain process where employees are registered with Health Company and health cards are issued to them for prompt services in a cost effective way. Since there is always room of improvement, constant efforts and improvements are being made in policies and processes to set up a strong & effective HR Department.



The key functions of the Department of Law & Corporate Affairs of PSX can be broadly categorized as follows:

Corporate and secretarial affairs

- Ensuring compliance of statutory/legal requirements, including requirements of periodic and event-based filing and maintenance of corporate records, applicable to PSX as a corporate entity;
- Ensuring compliance with certain regulatory requirements by PSX, including voluntary compliance with Code of Carporate Governance and compliance with the requirements of 'Fit & Proper Criteria' applicable to directors of PSX;
- Providing secretarial services, as Company Secretary, to the Board and General Body of shareholders, and as Secretary of various Committees;

Legal advisory

- Providing, or otherwise procuring from selected advisors or counselors, legal opinion on any matter affecting PSX and its operations;
- Carrying out or otherwise procuring services of legal advisors for drafting or vetting of critical legal documents:

Litigations and other proceedings

- Handling litigations and other proceedings by or against PSX;
- Ca-ordinating/liaising with appointed law firms for exchange of relevant information in a particular case;
- Safeguard of intellectual properties and rights
 Preserving and protecting intellectual properties and
 rights of PSX. Ca-ordinating/liaising with professional firm

for exchange of relevant information/documents for registration of intellectual properties (trademarks, patents, etc) and rights;

Moreover, the Head of Department also performs following additional functions:

- Performing the role of Trustee for PSX's Investors
 Protections Fund and Clearing-House Protection Fund;
- Participating/attending in the general meetings of associated and other companies as proxy-holder on behalf of PSX, being the shareholder or such companies;
- Attending various judicial forums such as Wafaqi Mohtasib, National Accountability Bureau, Federal Investigation Agency, Banking Caurts, etc, to submit required information;



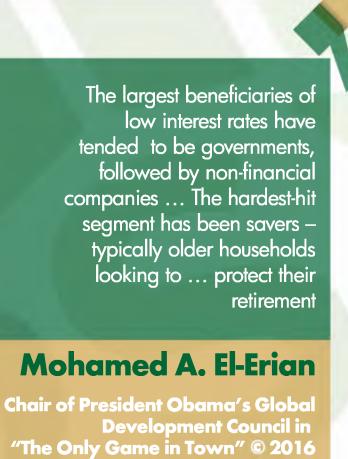
- Managing MD / Chairman's calendar and schedule
- Managing database of MD & Chairman contacts
- Delegation / dignitary coordination in PSX events
- Coordinating with PSX Departments, SECP and Capital Market participants in all matters related to MD / Chairman Office
- Follow-up responsibility for major company projects & take initiatives as advised by MD / Chairman
- Manage day to day operations of MD / Chairman office; corresponding and organizing visits of different universities students of Pakistan (for investors awareness)
- Coordinating PSX Board Meetings, as well as other Committees meetings.



Special Projects department was formed in 2014. The objective of this initiative is to deploy a dedicated resource for new initiatives, both strategic and operational in nature that will help in researching, analyzing and senior management with specific solutions, concept papers and support for various ongoing and new initiatives.

Special Projects aims to achieve following objectives:

- Lead development of SME segment of PSX from project design, coordination with regulatory department, create and execute the marketing plan
- Key role in revamping of listing process including establishment of due diligence process at PSX.
 Collaborate with international stock exchanges on various technical matters, roadshows etc.
- Carry out facilitation / assessment related to Foreign Account Tax Compliance Act (FATCA).
- Develop / assist MD on development of various concept papers, research, analysis etc. for submission to the Board / SECP.



DIRECTORS'

DIRECTORS' REPORT

The Board of Directors of Pakistan Stock Exchange Limited (Formerly: Karachi Stock Exchange Limited) [PSX/Exchange] is pleased to present the Annual Report of the Company for the financial year ended June 30, 2016. This is the first annual report after the landmark integration of the exchange operations of the former Lahore and Islamabad stock exchanges into the previous Karachi Stock Exchange on January 11, 2016 and emergence of the latter as the single, unified stock exchange of the country, renamed as Pakistan Stock Exchange Limited. This development is a bold new chapter in the history of the capital market of Pakistan.

The financial year ended June 30, 2016 was particularly challenging for the Exchange in more than one way. First, overall trading activity in the stock market dipped sharply in the second half of the financial year. As a result, Ready market's average daily value traded retreated by nearly 19% YoY versus FY15. While the month of June saw a sharp pick-up in activity in anticipation of Pakistan market's reclassification back into MSCI Emerging Market Index, a trend that has further accelerated in the first two months of FY17, the damage to income from trading fee was done as far as FY16 was concerned. Second, the integration of the operations of former Lahore and Islamabad stock exchanges into Karachi Stock Exchange and renaming of the latter as Pakistan Stock Exchange in January 2016, came at a cost. This cost had both one-time and recurring aspects but the upfront impact was in FY16. Given that around 95% activity was already in Karachi, the revenue accreditation to PSX from the integration was almost negligible in the immediate term. Although the medium to longer term effects of becoming a single capital market of the country is expected to be highly positive for PSX, for a year or two the additional cost burden will be visible in financial performance.

Third, a major reason for the fall in initial listing fee was actions taken by certain authorities against brokers about matters related to some listing a few years ago. This created considerable uncertainty amongst market participants and potential issuers who delayed their listing plans. The matter was taken up by the Securities and Exchange Commission of Pakistan (SECP) which successfully steered a bill in the parliament to become law which made it a condition that other government agencies cannot take unilateral action against capital market participants without the consent of SECP. For FY16 at least, damage to market confidence was done. While this development dissipated the uncertainty felt by issuers, financial advisors and market participants, it will take time for confidence of issuers to be restored.

The increase in effective tax rate is primarily due to changes in the tax regime wherein 8% withholding tax under section 153(3)(b) on services rendered have been made and treated as minimum tax on service providers including corporates. Prior to the year under review, corporates were exempt from this minimum tax regime which was only applicable to individuals. The impact of this is more significant in accounting terms on companies that have large deferred tax asset due to previous years unabsorbed tax losses such as PSX. The Company, in consultation with its tax consultants, has determined that this change in the tax regime is unfair and as such, will take up this matter with competent authorities.

It is in the backdrop of the above factors that PSX's FY16 financial performance should be viewed.

FINANCIAL REVIEW

Total Revenue of Pakistan Stock Exchange Limited for the financial year ended June 30, 2016 (FY16) was Rs.1.44 billion, which was 1.9% lower than the previous year (FY15). Pretax profit for this period was Rs.257.3 million versus Rs.361.5 million in FY15, depicting a reduction of 29%. At the same time, Net Profit After Tax (NPAT) came in at Rs.132.3 million as against Rs.317.4 million – lower by 58% as the effective rate of taxation came out at 48.6% in FY16 versus 12.2% in FY15. The sharply higher tax charge of Rs.125.0 million in FY16 versus Rs.44.1 million in FY15 was the result of changes in the tax regime as noted above.

On the revenue side, annual listing fees grew by 6.5% to Rs.186.4 million (Rs.175.1 million in FY15). However, initial listing fees fell by 48% to Rs.41.7 million (Rs.79.7 million) due to lack of listings in the year under review for the reasons stated before.

In terms of income from exchange operations, this depicted a slight improvement of 2% YoY to Rs.320.7 million in FY16 versus Rs.314 million in FY15. This was despite a 4% decline in trading fee to Rs.221 million during the period under review versus Rs.230.8 million last year. The lower trading fee was directly related to lower average daily traded value which, in FY16, came in at Rs.12.8 billion (Ready and Futures) versus Rs.14.5 billion in FY15, showing a reduction of just over 12% YoY. Income from non-trading activities, including facilities, equipment, data vending and other fees increased by Rs.16.5 million or almost 20% YoY to Rs.99.7 million in FY16. However, this was not enough to offset the combined reduction in listing and trading fees of Rs.36.5 million (i.e. 7.5% decline YoY).

Net mark-up (interest) income in FY16 was marginally lower by 1% at Rs.280.7 million as general interest rates declined during the year thus reinvestment rates on investments were lower than in the previous period. Management fee, on the other hand was significantly higher at Rs.179.1 million versus Rs.108.5 million in FY15. This was due to restructuring of management fee in line with the transfer of the risk management function from the Exchange to the National Clearing Company of Pakistan Limited (NCCPL) with the latter assuming the formal role of Central Counter Party (CCP) as part of SECP directive. The management fee is related to the Exchange's management of Clearing House Protection Fund (CHPF) and the Investor Protection Fund (IPF). The Exchange used to charge 2% fees on the outstanding amounts of these funds. Based on independent actuarial recommendations, a significant portion of funds in the CHPF were transferred to NCCPL as part of the latter taking up the function of risk management. The balance was transferred to the IPF which is still managed by the Exchange. In order to compensate PSX for loss of management fee from CHPF going forward, as well as additional costs incurred by PSX due to integration of the exchange operations of erstwhile Lahore and Islamabad exchanges, the SECP allowed an increase in management fee for two years – i.e. FY16 and FY17 from 2% to 4%.

Rental income from investment property rose by 8.4% to Rs.56.5 million, in line with annual rent increases paid by tenants.

Operating Cost of the Exchange increased by Rs 126.1 million (13.8% YoY) to Rs.1,039.9 million from Rs.913.8 million in FY15. The overwhelming bulk of this increase was due to integration related expenses, both one-time as well as recurring. Human Resource cost rose by 10% to Rs.422.6 million in FY16 from Rs.382.8 million in FY15. This includes the partial (six month) impact of induction of Lahore and Islamabad staff into PSX post integration, senior level hiring in IT and IT security functions and new two-year charter of unionized staff. Other significant cost heads performed as follows:

IT related costs increased to Rs.69.4 million in FY16 from Rs.42.1 million mainly related to hardware, software licensing and network infrastructure & fees related to connectivity of Lahore, Islamabad and Karachi necessitated by integration of exchange operations. Legal and professional fees depicted a rise of Rs.20.2 million to Rs.37.04 million, again primarily related to integration. Travelling and conveyance expenses rose by Rs.15.8 million to Rs.30.6 million due both to increased domestic travel related to the integration process as well as international travel associated with roadshows connected with PSX's efforts to advocate the Pakistan markets' reclassification into MSCI Emerging Market Index from the MSCI Frontier Market Index.

A one-time additional cost of Rs.18.6 million related to asset segregation and divestment consultancy was borne by the Exchange but on a year-on-year basis this was offset by the one-time company re-registration fee of Rs 21.3 million paid to the SECP last year. Printing /stationery and Advertising / marketing expenses increased by Rs.6.9 million and Rs.5.3 million, respectively, over the previous year, again mostly related to rebranding of Pakistan Stock Exchange (PSX) after integration of Lahore and Islamabad operations into the previous Karachi Stock Exchange. It is expected that many of the above expenses will normalize in FY17 and the operating cost base will be rationalized without the weight of one-time integration related expenses seen in FY16.

Overall, excluding the share of profits from associates, total income was almost same at Rs.1.19 billion in FY16 versus Rs.1.2 billion in FY15. This, however, includes impact of fair value gain / loss on investment property of negative Rs.12.5 million in FY16 as against a positive figure of Rs.13.8 million in FY15, representing a negative swing of Rs.26.3 million for the year. The share of profits of associates for the Exchange was Rs.246.2 million in FY16 as against Rs.252.2 million in FY15, showing a decline of 2%. This emanated from NCCPL where the share of profit to PSX was reduced to Rs.64.9 million versus Rs.85.4 million last year. NCCPL is also significantly dependent on the level of trading activity in the stock market and reduction in that impacted its revenues and profits. While NCCPL's revenue stream is becoming more diversified it will remain dependent on market activity for some time yet. On the other hand, Central Depository Company of Pakistan (CDC) is not

dependent of market-activity and therefore its revenue stream is more stable. In FY16 the Exchange's share of CDC's profits came in at Rs.181.3 million versus Rs.166.8 million in FY15.

As noted above, after incorporating share of profits of associates, pretax profit of PSX was Rs.257.3 million in FY16 versus Rs.361.5 million in FY15. The tax expense in FY16 was Rs.125.0 million as against Rs.44.1 million in FY15. Thus, profit after tax in FY16 came to Rs.132.3 million versus Rs.317.4 million in FY15 and EPS in FY16 was Re.0.17 versus Re.0.40 in FY15.

Dividend

The directors have recommended a final cash dividend of Re.0.05 per share, in addition to an interim cash dividend of Re.0.10 per share already paid. This makes a total cash dividend of Re.0.15 per share or Rs.120.222 million out of the profit of Rs.132.27 million for FY16, as follows:

	(Rupees in '000)
Profit for the year	132,272
Profit available for distribution	132,272
Interim cash dividend @ 1.00% of paid-up capital Final cash dividend @ 0.5% of paid-up capital	80,148 40,074 120,222
Balance carried forward	12,050

Earnings per share

The basic and diluted earnings per share is Re.0.17

GLOBAL & MACRO DYNAMICS

The global political and economic environment continues to be fairly challenging. Low or negligible economic growth in developed economies since the 2008 financial crisis has unleashed powerful polarizing forces in Europe and America. In the UK, impact of Brexit will be felt for some time to come. In the US, despite improved headline employment numbers, income inequality remains glaring, leading to a sharp rise in xenophobia. The EU, mired in high unemployment and anemic economic growth, influx of over a million Syrian refugees has created execrable conditions giving rise to ultra nationalist political movements.

With globalization being increasingly questioned, international trade is suffering and export markets have seen demand slowing which has started to significantly impact growth in developing economies, particularly those that are commodity exporting, including oil.

Global investment flows have become much more volatile along with exchange rates as central banks' efforts to restart the growth engine through loose monetary policies become increasingly less credible.

Against this backdrop, Pakistan's macroeconomic picture is relatively stable pointing towards acceleration in economic growth going forward. With GDP growth reaching 4.7% in FY16 as per official data, inflation falling to under 3.0%, foreign exchange reserves above US\$ 23 billion, current account deficit contained at around 1% of GDP, government tax and revenue collection at record high, the stage appears to be set for sustainable high economic growth.

This should get a further fill-up as the China Pakistan Economic Corridor (CPEC) projects get underway in earnest, as is happening. With infrastructure development expected to grow at one of the highest rates in history, private sector investment activity is rapidly coming out of hibernation. Expansion projects and plans are underway in major sectors such as cement, steel, auto and chemicals. The growing middle class is boosting growth in real estate and host of consumer durable and non-durable sectors. All this activity is lending a much awaited dynamism to Pakistan's economy. And this is likely to positively impact the capital market going forward.

CAPITAL MARKET REVIEW AND OUTLOOK

The KSE-100 Index increased by nearly 10% in FY16 to reach 37,784 as at June 30, 2016 versus 34,399 as at June 30, 2015. Market Capitalization was recorded at Rs.7.59 trillion on June 30, 2016 versus Rs.7.42 trillion on June 30, 2015.

As the following tables show the Pakistan Market, in terms of local currency returns, handsomely outperformed other Asian markets coming out at 9.8% YoY return with the next market at 6.6%. Year-to-date in the calendar year 2016, the performance is even more impressive at over 22%.

Country	30-Jun-15	30-Jun-16	% Chg.
Pakistan	34,399	37,784	9.8%
Vietnam	593	632	6.6%
Philippines	7,565	7,796	3.1%
Indonesia	4,911	<i>5</i> ,01 <i>7</i>	2.2%
India	27,781	27,006	-2.8%
Malaysia	1,707	1,654	-3.1%
Thailand	1,505	1,445	-4.0%
Srilanka	7,021	6,283	-10.5%
Singapore	3,317	2,841	-14.4%
MSCI FM	578	490	-15.1%
MSCI EM	972	822	-15.5%
Hong Kong	26,250	20,794	-20.8%

Country	31-Dec-15	7-Sep-16	% Chg.
Pakistan	32,816	40,085	22.1%
Indonesia	4,593	5,381	17.2%
MSCI EM	794	923	16.3%
Thailand	1,288	1,487	15.5%
Vietnam	579	661	14.2%
India	26,118	28,926	-10.8%
Philippines	6,952	7,619	9.6%
Hong Kong	21,914	23,742	8.3%
Singapore	2,883	2,894	0.4%
Malaysia	1,693	1,690	-0.2%
MSCI FM	506	491	-3.0%
Srilanka	6,895	6,508	-5.6%

While average daily value traded in FY16 was lower by 12% YoY at Rs.12.8 billion versus Rs.14.5 billion in FY15, the new fiscal year's (FY17) first two months have witnessed a sharp increase to over Rs.16.0 billion, a rise of 22% over last year's average figure.

With robust earnings growth of listed companies, RoE of KSE-100 companies above 20% and market valuation at significant discount to other Asian markets, there is every reason to expect continued good performance of the Pakistan stock market. This is especially so where, post reclassification of Pakistan into MSCI Emerging Market Index, the level of foreign investor activity has significantly risen in the first two months of FY17.

DIVESTMENT

Simultaneously with the integration of three stock exchanges, SECP introduced new Regulations in Stock Exchanges (Corporatization, Demutualization and Integration) Regulations, 2012, pertaining to divestment of shares of PSX, out of the shares lying in blocked accounts of CDC, as required under Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. Soon after the conclusion of election of directors in February 2016, SECP constituted Divestment Committee in pursuance of the said Regulations, which was mandated to oversee and complete the process of divestment of PSX's 40% equity stake to local and/or international investors. The whole or part of the said stake is proposed to be transferred either to a Strategic Investor or alternatively, a minimum of 25% equity stake may be sold to a financial investor which opts to act as an Anchor Investor while the remaining part of the stake, if any, would go to other selected financial institutions where, a single financial institution is allowed to acquire upto 5% of the stake.

The Committee released the Invitation for Expression of Interest (EOI) in leading print and web/digital editions of local and international newspapers and simultaneously posted the same on PSX's website. The last date for submission of EOIs was August 15, 2016 by which time, as a result of extensive campaign and persistent follow-up by Committee members and the management, 17 EOIs were received by PSX out of which, one was subsequently withdrawn. As such, in accordance with the requirements of the Regulations, the Committee reviewed 16 EOIs and forwarded them along with its comments to SECP for further assessment and pre-qualification as investors eligible to carry out due diligence of PSX and to submit the binding offers for acquisition of stake in PSX.

Though SECP is in process of confirming all or any of the interested parties as eligible investors, these investors have simultaneously been allowed to carry out due diligence of PSX in order to meet the specified timeframe provided by SECP under law.

CONTRIBUTION TO THE NATIONAL EXCHEQUER

The capital markets are amongst the larger contributors to the national exchequer. During FY16, the Company collected taxes from TREC Holders on securities market transactions and paid an aggregate amount of Rs.960.25 million to the Government Exchequer (Rs.1,053.43 million in FY15).

INVESTMENTS IN ASSOCIATE AND OTHER COMPANIES

The Company currently holds investments in following associate and other companies:

Name of company	Amount invested (Rs. in million)	Percentage sh areholding	As appearing in the accounts (Rs. in million)
Associates			
Central Depository Company of Pakistan Limited [CDC]	39.81	39.81	1,118.18
National Clearing Company of Pakistan Limited [NCCPL]*	328.82	47.06	537.99
Others			
JCR-VIS Credit Rating Company Limited [JCR - VIS]	2.50	12.50	2.50
Pakistan Mercantile Exchange Limited [PMEX]**	94.82	28.41	74.82

- * During the year, the Company made a further equity investment of Rs.263.67 million in NCCPL by accepting the offer of 125% right issue of NCCPL and accordingly subscribing to 13,183,588 ordinary shares of Rs.10 each at premium of Rs.10 per share, as approved under special resolution passed at Extraordinary General Meeting held on February 24, 2016.
- ** PSX holds 8,909,052 (2015: 8,909,052) ordinary shares of Rs.10 each in PMEX, which include 5,272,704 ordinary shares of Rs.10 each subscribed by PSX during the year 2014-15 under a right offer. During the year 2015-16, 2.8 million convertible preference shares of Rs.10 each of PMEX held by National Bank of Pakistan (NBP) and Pak Brunei Investment Company Limited (Pak Brunei) were converted into ordinary shares. Moreover, NBP also converted dividend on preference shares into ordinary shares, whereas Pak Brunei took up 0.63 million shares out of the unsubscribed portion of the aforementioned right shares. As such, shareholding of PSX in PMEX has reduced from 32.32% to 28.41%. There still remains some unsubscribed portion of the said right offer of PMEX which, if subscribed (other than by PSX), will reduce the holding of PSX in PMEX to 18.88%.

As per the un-audited financial statements of PMEX for the year ended June 30, 2016, the total comprehensive profit for the year is Rs.30.88 million (June 30, 2015: loss of Rs.14.63 million) and accumulated losses as at June 30, 2016 are Rs.400.85 million (June 30, 2015: Rs.431.72 million). Break-up value of each ordinary share of Rs.10 in PMEX is negative Rs.2.07 (2015: negative Rs.4.87) based on the unaudited accounts of PMEX available for the year ended June 30, 2016. The original cost of investment in PMEX is Rs.94.82 million.

During the year, cash dividend @ 32.5% (2015: 30%) by CDC and cash dividend @ 90% (2015: 60%) by NCCPL were respectively declared for the financial year ended June 30, 2015 and were received by PSX.

BOARD OF DIRECTORS

As provided under Demutualization Act, the Board of Directors of PSX is composed of 6 directors nominated by SECP, 4 elected directors representing TREC Holders and the Managing Director.

During the year, the 3-year term of the Board continuing from previous year was supposed to expire with effect from September 25, 2015. However, in view of the integration of the three stock exchanges of Pakistan then under way, SECP directed the Company, vide its letter dated August 25, 2015, that in order to ensure smooth conclusion of the said process and in the interest of continuity, the composition of the Board, in terms of elected directors, shall remain unchanged and that the then existing elected directors on the Board of the Company shall continue to perform their functions till approval of the Schemes of Integration.

With the integration of stock exchanges and consequent change of name of the Company to "Pakistan Stock Exchange Limited", effective from January 11, 2016, SECP gave direction to hold election for the position of four directors representing TREC Holders within 45 days from the date of integration. Accordingly, Extraordinary General Meeting to conduct election of 4 directors was held on February 24, 2016 where Mr. Abid Ali Habib, Mr. Abdul Majeed Adam and Mr. Muhammad Yasin Lakhani were re-elected while Mr. Ahmed Chinoy was elected in place of Mr. Mohammed Sohail. Simultaneously, SECP also communicated its fresh nominations on the Board of PSX in place of Mr. Kamal Afsar, Mr. Shehzad G. Dada, Mr. Abdul Qadir Memon, Mr. Asif Qadir and Syed Muhammad Shabbar Zaidi while continuing with the nomination of Mr. Muneer Kamal.

As such the current Board of Directors of PSX consists of the following directors:

Directors nominated by SECP

1. Mr. Muneer Kamal (Chairman) 2. Mr. Samir Ahmed

Mr. Moin M. Fudda
 Ms. Rahat Kaunain Hassan
 Mr. Tawfiq A. Hussain
 Mr. Muhammad Naeem

Directors representing TREC Holders

1. Mr. Abdul Majeed Adam 2. Mr. Ahmed Chinoy

3. Mr. Abid Ali Habib 4. Mr. Muhammad Yasin Lakhani

Managing Director

1. Mr. Nadeem Naqvi

The Board places its appreciation on record for the contribution made by all the outgoing directors, especially during the processes of integration of operations of the Company with other two exchanges.

During the financial year ended June 30, 2016, 21 Board meetings (14 scheduled & 07 emergent) were held in which Directors' attendance was as follows:

Name of Director		01, 2015 y 23, 2016		ary 24, 2016 30, 2016
Name of Director	Meetings held	Meetings attended	Meetings held	Meetings attended
Mr. Muneer Kamal	15	14	06	05
Mr. Nadeem Naqvi	15	13	06	06
Mr. Abdul Majeed Adam	15	11	06	06
Mr. Kamal Afsar	15	12		
Mr. Shazad G. Dada	15	09		
Mr. Abid Ali Habib	15	15	06	06
Mr. Muhammad Yasin Lakhani	15	15	06	06
Mr. Abdul Qadir Memon	15	10		
Mr. Asif Qadir	15	08		
Mr. Mohammed Sohail	15	13		
Syed Muhammad Shabbar Zaidi	15	11		
Mr. Ahmed Chinoy			06	06
Mr. Samir Ahmed			06	06
Mr. Moin M. Fudda			06	05
Ms. Rahat Kaunain Hassan			06	06
Mr. Tawfiq A. Hussain			06	06
Mr. Muhammad Naeem			06	06

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

BOARD COMMITTEES

In compliance with the Plan for 'Segregation of Commercial and Regulatory Functions of Stock Exchanges', approved by SECP and Code of Corporate Governance (CCG) and in order to meet the specific requirements of the Exchange as a frontline regulator and a commercial entity, the Board has constituted a number of committees out of which the main statutory committees are Regulatory Affairs Committee, Nomination Committee, Audit Committee and Human Resources & Remuneration Committee.

No meeting of Nomination Committee was held during the year while attendance of members at the respective meetings of other 3 Committees is as follows:

Regulatory Affairs Committee

Name of the Committee Member		01, 2015 y 23, 2016			
	Meetings held	Meetings attended	Meetings held	Meetings attended	
Syed Muhammad Shabbar Zaidi	05	03			
Mr. Kamal Afsar Mr. Abdul Qadir Memon	05 05	03 04			
Mr. Asif Qadir Memon	05	05			
Mr. Tawfiq A. Hussain			05	05	
Mr. Moin M. Fudda			05	05	
Ms. Rahat Kaunain Hassan			05	04	
Mr. Muhammad Naeem			05	05	

Audit Committee

Name of the Committee Member		01, 2015 y 23, 2016	From February 24, 2016 To June 30, 2016		
	Meetings held	Meetings attended	Meetings held	Meetings attended	
Mr. Abdul Qadir Memon	03	03			
Mr. Abdul Majeed Adam	03	01	01	01	
Mr. Shehzad Ġ. Dada	03	01			
Mr. Muhammad Yasin Lakhani	03	03	01	01	
Mr. Asif Qadir	03	01			
Mr. Mohammed Sohail	03	03			
Mr. Muhammad Naeem			01	01	
Mr. Ahmed Chinoy			01	01	
Mr. Moin M. Fudda			01	01	
Mr. Abid Ali Habib			01	01	

Human Resources & Remuneration Committee

Name of the Committee Member		01, 2015 y 23, 2016		ary 24, 2016 30, 2016
Name of the Committee Member	Meetings held	Meetings attended	Meetings held	Meetings attended
Ar, Muneer Kamal	01	01	01	4
Ar. Abdul Majeed Adam	01	3	01	01
Ar. Kamal Afsar	01	30		
Ar. Shazad G. Dada	01			
Ar. Abid Ali Habib	01	01	01	01
Ar. Muhammad Yasin Lakhani	01	01	01	01
Ar. Syed Muhammad Shabbar Zaidi	01	01		
Mr. Ahmed Chinoy			01	01
Ar. Moin M. Fudda			01	01
Mr. Tawfig A. Hussain			01	01

AUDITORS

EY Ford Rhodes, Chartered Accountants, have completed their assignment and stand retired. Being eligible, they have offered themselves for re-appointment. Based on the recommendation of Audit Committee, the Board further recommends re-appointment of EY Ford Rhodes, Chartered Accountants as PSX's auditors for the financial year ending on June 30, 2017.

CORPORATE GOVERNANCE

The Board of Directors and the Company remain committed to the principles of good corporate management practices with emphasis on transparency and disclosures. The Board and management are cognizant of their responsibilities and monitor the capital market operations and performance to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information.

The Board is pleased to advise that PSX has voluntarily adopted the Code of Corporate Governance and has complied, in all material respects, with the best practices contained in the said Code, as fully explained in the attached Statement of Compliance. Further, as per the Code's requirements, the following specific statements are being made:

- Proper books of accounts of the Company have been maintained.
- The financial statements prepared by the management present fairly its state of affairs, the results of its operations and cash flows.

- Appropriate accounting policies have been consistently applied in preparation of financial statements which conform to the International Financial Reporting Standards, as applicable in Pakistan. The accounting estimates, wherever required, are based on reasonable and prudent judgment.
- The system of internal controls is sound in design. It has been effectively implemented by the management and is monitored by the internal and external auditors as well as the Board of Directors and the Audit Committee. The Board reviews the effectiveness of established internal controls through the Audit Committee and suggests, wherever required, further improvement in the internal control systems.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There is no reported instance of any material departure from the best practices of corporate governance.
- Significant deviations from last years' operating results, future plans and changes, if any, have been separately disclosed, as appropriate, in this report of the Directors.
- Value of investment of PSX Employees' Gratuity Fund is Rs. 154.62 million based on unaudited accounts for the year ended June 30, 2016.
- · Key operating and financial data of last 6 years has been included in this report.
- Pattern of shareholding is annexed to this report.

CORPORATE SOCIAL RESPONSIBILITY

Pakistan Stock Exchange, being a national institution and a responsible corporate citizen, strongly realizes its duty towards the society. In view of this, PSX has a defined policy for Corporate Social Responsibility activities.

During the year under review, the Board approved the following donations:

Beneficiary	Amount (Rs.)
Memon Medical Institute	750,000/-
SIUT Trust	750,000/-
Kharadar General Hospital	750,000/-
Aman Foundation	750,000/-
The Citizen Foundation	500,000/-
Child Care Foundation	500,000/-
Developments in Literacy	500,000/-

ACKNOWLEDGEMENT

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

Furthermore, the Board would like to thank all Committee members for their guidance and support. The Board acknowledges and appreciates the contribution and dedication of all PSX staff members in performing their tasks with diligence and commitment, specifically demonstrating exemplary performance in achieving smooth transition in the integration process ranging from IT, operations and marketing / branding functions.

For and on behalf of the Board of Directors

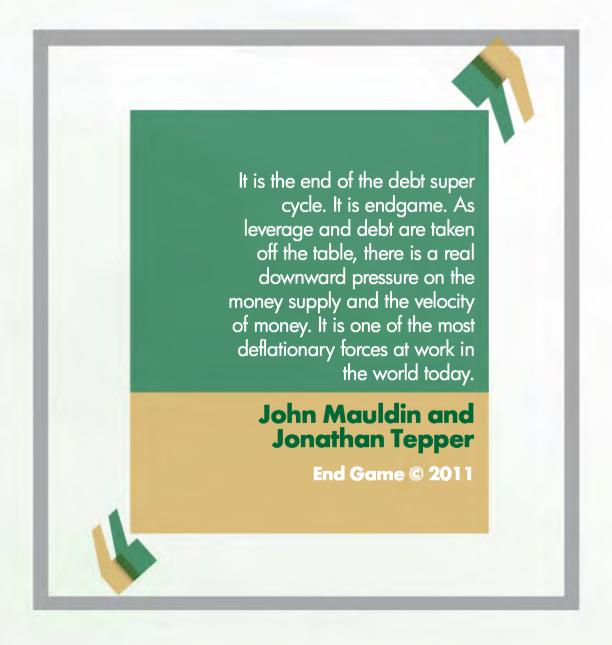
sd/-

Muneer Kamal Chairman

sd/-

Nadeem Nagvi Managing Director

Karachi September 09, 2016



MARKET HIGHLIGHTS

DESCRIPTION	2013	2014	2015	2016
Total Listed Companies Total Listed Capital (Rs. in million) Total Market Capitalization (Rs. in million)	569 1,116,005 5,154,738	557 1,160,341 7,022,692	560 1,189,519 7,421,032	559 1,289,081 7,588,472
New Companies Listed Listed Capital of New Companies	4	5	9	4
(Rs. in million)	7,404	19,235	38,140	6,046
New Debt Instruments Listed Total Issue Size of New Debt Instruments	9	5	4	2
(Rs. in million)	12,255	8,779	31,000	13,000
Total Shares Volume (million)	54,319	56,581	57,204	55,430
Average Daily Share Volume (million)	221	229	233	221
Average Daily Trade Value (Rs. in million)	5,708	8,730	11,102	9,505
PSX Indices				
KSE – 100 Index				
Year End	21005.69	29652.53	34398.86	37783.54
High Low	22757.72 14142.92	29789.85 21363.16	34826.51 27774.43	38776.94 30564.50
KSE - All Share Index				
Year End	14987.53	21973.16	24036.72	25313.12
High Low	16020.93 9935.78	22064.49 15150.36	25031.12 20417.53	25632.17 21268.58
LOW	9933.76	15150.36	20417.55	21200.30
KSE – 30 Index	1,007.07	00.415.05	01.570.40	01/50 00
Year End High	16207.96 17787.71	20415.95 20570.64	21573.42 22614.13	21653.02 22506.60
Low	12246.91	16290.83	18371.59	17807.82
KMI – 30 Index				
Year End	36713.89	47686.55	57271.34	66162.77
High Low	38747.31 24303.16	48065.30 36759.88	58730.32 45236.12	67519.80 51626.03
	2.000.10		.02002	0.020.00

NOTES:

- (i) The figures are from July to June.
- (ii) The total number of listed companies have been stated after 25 companies De-listed in 2013, 15 companies in 2014, 4 companies delisted in 2015 and 9 companies delisted in 2016 and 2 companies Merged in 2014, 2 companies merged in 2015 and 1 company merged in 2016.
- (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 29, 2016 closing statistics.
- (v) The KSE All Share Index based on the prices of August 29, 1995 = 1000, commenced w.e.f. September 18, 1995.
- (vi) The KSE 30 Index based on the prices of June 30, 2005 = 10000, introduced w.e.f. September 01, 2006.
- (vii) The KMI 30 Index introduced w.e.f. September 01, 2008

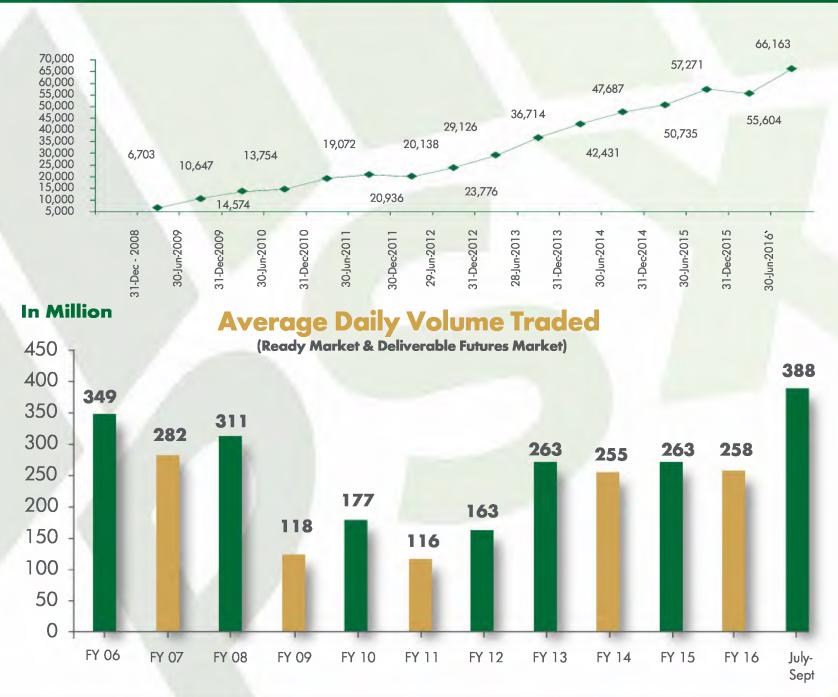
KSE 100 INDEX (2006 TO 2016)



KSE 30 INDEX (2006 TO 2016)

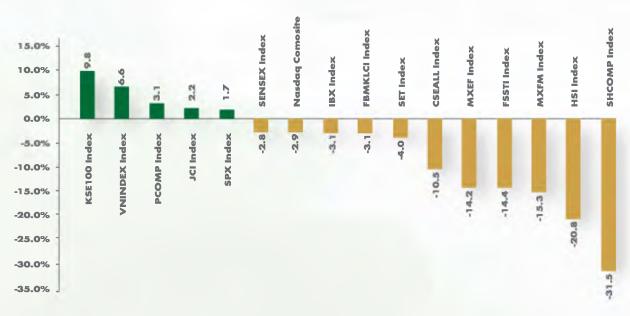


KMI 30 INDEX (2008 TO 2016)



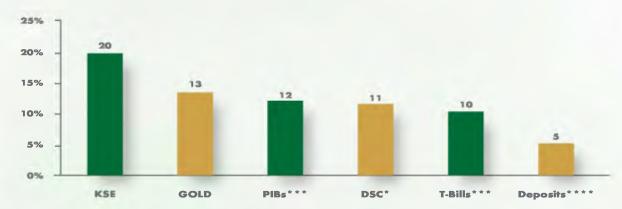
Major World Indices Performance

(July 2015 - June 2016)



Historical Assets Classes Return in Pakistan

(Average for CY 2006 - 2015)



- *Rates annualized per annum
- **PIB 10YR tenure average per annum
- ***T-Bills 6M tenure average per annum
- ****Weighted average deposit rate, SBP

STATISTICS (July 2015 to June 2016)

LISTING OF NEW COMPANIES - EQUITY

				nillion)		
			Capital Offe	ered to	Subscripti	on Received
Name of Company	Date of Listing	Paidup Capital	General Public/ Employees	Premium	General Public/ Employees	609 1,509
Al Shaheer Corporation Limited (i) (At a premium of Rs.85 per share)	24-Aug-2015	915	63	531	72	609
Amreli Steels Limited (ii) (At a premium of Rs.41 per share)	01-Dec-2015	2,970	188	769	368	1,509
Awwal Modaraba Hi-Tech Lubricants Limited (iii)	11-Feb-2016	1,000	250	Ť	258	-
(At a premium of Rs.52.5 per share)	03-Mar-2016	1,160	73	381	38	201
TOTAL		6,046	574	1,681	736	2,319

LISTING OF NEW DEBT INSTRUMENTS

		An	nount Off	ered	Subscripti	on Receiv	red (F	as million)
Name of Company	Date of Listing	General Public	Others	Total Issue	General Public	Others	Total Issue	Amount Listed
Soneri Bank Limited (2nd Issue)	19-Aug-2015	750	2,250	3,000	806	2,250	3,056	3,000
Habib Bank Limited (PPTFCs)	30-Jun-2016	3	*	12	-	-	*	10,000
TOTAL								13,00

(i)
Book Building Portion of the offer comprised of 18,750,000
Ordinary Shares (75% of the Total Issue) at a price band of PKR 43 per share to PKR 95 per share.

Book Building Portion of the offer comprised of 55,502,857
Ordinary Shares (74.75% of the Total Issue) at a price band of PKR 24 per share to PKR 51 per share.

Book Building Portion of the offer comprised of 21,750,500
Ordinary Shares (75% of the Total Issue) at a price band of PKR 37 per share to PKR 62.5 per share.

WEALTH GENERATION THROUGH LISTINGS

Name of Company	Date of Listing	Strike/Offer Price (PkR)	Prise (PkR) Aug 23, 2016	# of Shares (million)	Listed Capital (PkR billion)	Current Market Cap. (PkR billion)	# of Months Since Listing	% Change in Share Holder Value
Avanceon Limited	11/Feb/14	14.00	31.50	100.67	1.41	3.17	31	125%
Hascol Petroleum Limited	14/May/14	56.50	227.10	90.60	5.12	20.58	28	302%
Systems Limited	03/Feb/15	40.00	64.26	100.17	4.01	6.44	19	61%
Synthetic Products Enterprises	10/Feb/15	30.00	51.50	77.35	2.32	3.98	19	72%
Mughal Iron & Steel Industries	15/Apr/15	34.00	78.14	109.39	3.72	8.55	17	130%
Amreli Steels Limited	01/Dec/15	51.00	57.06	297.01	15.15	16.95	9	12%
Hi-Tech Lubricants Limited	03/Mar/16	62.50	88.52	116.00	7.25	10.27	6	42%

LISTING OF OPEN-END MUTUAL FUNDS

(Rs million)

Sr. #	Name of Fund	Date of Listing	Total Size
1	ABL Islamic Financial Planning Fund	18-Jan-2016	928
2	NAFA Islamic Active Allocation Fund – I	15-Feb-2016	1,269
3	ABL Financial Planning Fund	04-Mar-2016	758
4	Faysal Islamic Asset Allocation Fund	04-Mar-2016	205
5	NAFA Islamic Energy Fund	25-May-2016	446
6	Faysal MTS Fund	07-Jun-2016	209
7	Al-Ameen Islamic Dedicated Equity Fund	15-Jun-2016	6,908
8	MCB Pakistan Frequent Payout Fund	16-Jun-2016	160
9	PIML – Asset Allocation Fund	22-Jun-2016	2,278

APPLIED FOR LISTING

Sr. # Name of Company

- 1 Topline Securities Limited
- 2 HBL Islamic Asset Allocation Fund (Open-end Mutual Fund)
- 3 NIT Government Treasury Fund (Open-end Mutual Fund)
- 4 Hascol Petroleum Limited (Privately Placed Sukuk)

PROSPECTUS CLEARED BY THE EXCHANGE

Sr. # Name of Company

- Loads Limited
- 2 Treet Corporation Limited (Perpetual Sukuk)

DELISTING OF COMPANIES / SECURITIES

	m		

2016

6.046

13,000

Sr. #	Name of Company	Date of De-listing	Paid up Capital
1	National Asset Leasing Corporation Limited	27-Jul-2015	95
2	Caravan East Fabrics Limited	14-Sep-2015	100
3	Dreamworld Limited	17-Sep-2015	320
4	Medi Glass Limited	28-Sep-2015	76
5	The Pan Islamic Steamship Company Limited	28-Sep-2015	50
6	Mineral Grinding Mills Limited	12-Nov-2015	36
7	Casspak Industries Limited	28-Dec-2015	22
8	Olympia Textile Mills Limited	28-Apr-2016	108
9	Pak Öman Advantage Fund	26-May-2016	1,000

MERGER OF COMPANIES / SECURITIES

Sr. # Name of Company

(Rs. in million)

Date of Merger

Merged With

1 Fazal Textile Mills Limited

04-Dec-2015

Gadoon Textile Mills Limited

BREAK-UP OF LISTED CAPITAL

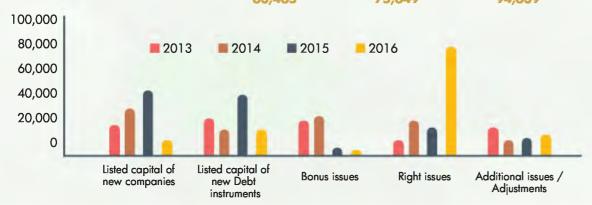
Listed Capital of New Companies 2013 2014 2015 Listed Capital of New Debt Instruments 12,255 8,779 31,000 Bonus Issues 17,330 18,559 3,413 10,000 10,000 10,000 10,000

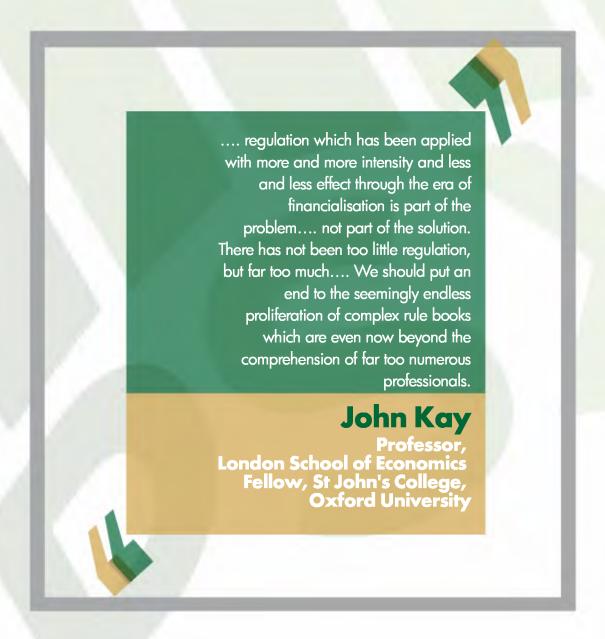
 Bonus Issues
 17,330
 18,559
 3,413
 3,212

 Right Issues
 9,838
 23,154
 15,916
 77,013

 Additional Issues / Adjustments
 16,638
 5,922
 6,170
 11,961

 63,465
 75,649
 94,639
 111,232





AVERAGE MONTHLY TURNOVER OF SHARES

(Ready)				(In million)
	2013	2014	2015	2016
July	103.438	287.021	120.926	454.586
August	193.141	211.335	141.662	312.395
September	162.003	224.850	157.747	187.336
October	143.548	123.227	184.554	180.219
November	269.884	151.017	261.217	174.769
December	171.452	226.609	255.510	161.679
January	175.367	325.629	309.530	151.470
February	299.141	246.637	287.383	144.682
March	221.133	228.626	173.265	160.238
April	188.309	306.653	289.590	242.686
May	355.808	175.902	177.539	286.505
June	384.877	209.160	404.548	204.307
Total	2,668.100	2,716.667	2,763.471	2,660.872

(Shares in Million)



AVERAGE MONTHLY TURNOVER OF SHARES

(FUTURES) (In million)

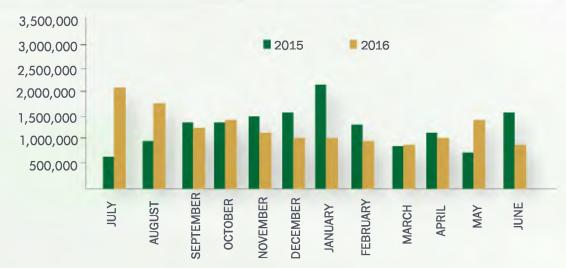
	2013	2014	2015	2016
July	9.928	28.328	15.362	38.909
August	11.436	26.418	19.178	42.255
September	12.794	26.974	23.121	38.275
October	14.844	19.556	18.962	34.492
November	16.215	24.251	26.462	28.294
December	9.995	28.964	32.210	30.571
January	10.327	26.880	37.250	27.583
February	21.159	26.171	38.801	27.800
March	21.120	29.521	30.801	31.384
April	18.087	30.780	44.465	47.825
May	20.262	16.959	31.368	54.002
June	22.976	22.610	39.768	45.449
Total	189.144	307.412	357.748	446.839

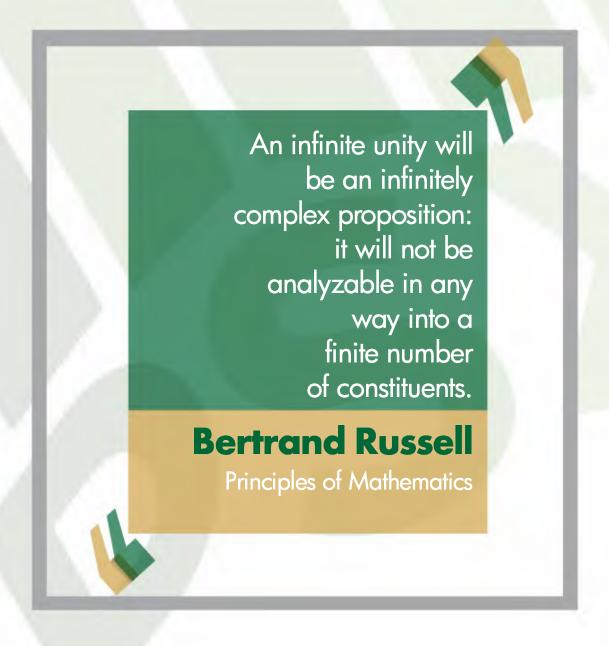




TRADES ON KARACHI AUTOMATED TRADING SYSTEM (KATS)

	20	15	20	16
Month	No. of Trades	Daily Average	No. of Trades	Daily Average
July	778,019	40,948	2,141,142	107,057
August	909,220	47,854	1,780,403	89,020
September	1,350,736	61,397	1,297,126	64,856
October	1,365,507	68,275	1,443,177	68,723
November	1,682,071	93,448	1,327,924	63,234
December	1,863,756	84,716	1,236,381	58,875
January	2,269,399	103,155	1,246,714	59,367
February	1,636,130	86,112	1,199,798	59,990
March '	1,287,017	61,287	1,340,442	60,929
April	1,986,460	90,294	1,744,978	83,094
May	1,280,190	64,010	1,907,971	86,726
June	2,085,089	94,777	1,350,266	61,376
TOTAL	18,493,594		18,016,322	
AVERAGE DAILY		74,689		71,937





SECTOR-WISE CAPITAL LISTED ON THE EXCHANGE - 2016

- 1	KS.	ın	mII	ПО	n)

Sector Name	No. of Companies	Paid up Capital
Close-End Mutual Fund	8	7,277.492
Modarabas	29	12,517.349
Leasing Companies	11	9,673.850
Inv. Banks / Inv. Cos / Securities Cos	28	33,446.836
Commercial Banks	21	462,909.940
Insurance	32	24,741.700
Real Estate Investment Trust	1	22,237.000
Textile Spinning	86	22,077.071
Textile Weaving	14	6,478.494
Textile Composite	52	30,030.277
Woollen	2	116.658
Synthetic & Rayon	11	9,559.074
Jute	3	310.659
Household Goods	13	8,833.66
Sugar & Allied Industries	32	10,303.382
Cement	21	78,228.136
Tobacco	3	3,182.759
Refinery	4	14,581.183
Oil & Gas Marketing Companies	8	22,360.984
Oil & Gas Exploration Companies	4	66,194.543
Engineering	16	17,922.344

Automobile Assembler	12	7,357.961
Automobile Parts & Accessories	9	1,920.888
Cable & Electrical Goods	7	8,507.649
Transport	4	43,898.633
Technology & Communication	10	73,946.486
Fertilizer	7	70,961.023
Pharmaceuticals	9	6,697.300
Chemical	27	37,783.061
Paper & Board	9	3,816.734
Vanaspati & Allied Industries	5	135.754
Leather & Tanneries	5	309.888
Food & Personal Care Products	19	16,056.562
Glass & Ceramics	10	8,025.663
Miscellaneous	21	7,471.108
TOTAL	559	1,289,080.741

SECTOR WISE PERFORMANCE OF COMPANIES LISTED ON THE EXCHANGE - 2015

Name of Sector	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	9	4	1	181	1	3
Modarabas	26	23	19	-	18	5
Leasing Companies	10	8	1	4	5	3
Inv. Banks / Inv. Cos / Securities Cos	27	22	3	13	16	6
Commercial Banks	21	21	14	5	19	2
Insurance	32	27	19	5	24	3
Real Estate Investment Trust	1	1	1	-	1	-
Textile Spinning	86	75	19	7	26	49
Textile Weaving	14	10	3	4	7	3
Textile Composite	52	45	19	4	23	22
Woollen	2	1	1	-	1	
Synthetic & Rayon	11	10	1	3	4	6
Jute	3	3		1	1	2
Sugar & Allied Industries	32	29	13	4	17	12
Cement	21	20	12	6	18	2
Tobacco	3	3	2	-	2	1
Refinery	4	4	2	1	3	1
Power Generation & Distribution	19	18	10	2	12	6
Oil & Gas Marketing Companies	7	7	4	1	5	2
Oil & Gas Exploration Companies	4	4	4		4	-
Engineering	16	13	7	3	10	3
Automobile Assembler	12	12	10	1	11	1
Automobile Parts & Accessories	9	6	6		6	-
Cable & Electrical Goods	7	7	3	*	3	4
Transport	4	3	2	1	3	
Technology & Communication	10	9	5	1	6	3

Fertilizer	7	7	6	1	7	
Pharmaceuticals	9	9	8	-	8	1
Chemical	27	27	13	2	15	12
Paper & Board	9	8	4	1	5	3
Vanaspati & Allied Industries	5	3	1		1	2
Leather & Tanneries	5	5	2	1	3	2
Food & Personal Care Products	19	18	13	3	16	2
Glass & Ceramics	10	9	3	3	6	3
Miscellaneous	21	20	11	2	13	7
TOTAL	554	491	242	78	320	171
PERCENTAGE		88.63%	43.68%	14.08%	57.76%	30.87%
2014						
TOTAL	558	504	227	116	343	161
PERCENTAGE		90.32%	40.68%	20.79%	61.47%	28.85%

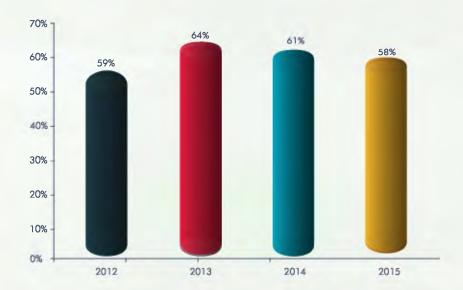
- 1 Based on the financial results of the companies up to December 31, 2015.
 2 Companies omitted dividends are those companies, which have shown profit during the year but not declared dividend.
 3 Dividend includes Cash / Stock Dividend.





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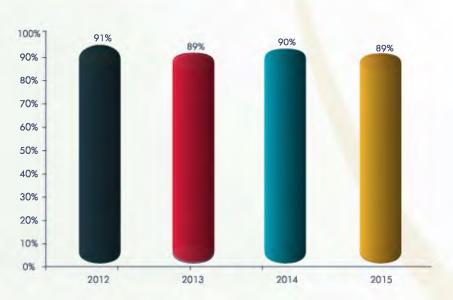
PERCENTAGE OF COMPANIES MAKING PROFIT

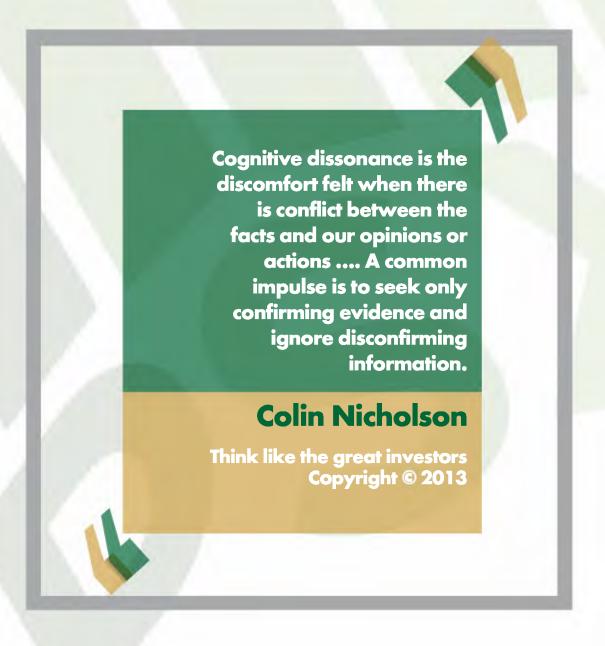


PERCENTAGE OF COMPANIES PAYING DIVIDENDS



PERCENTAGE OF COMPANIES THAT ANNOUNCED ANNUAL RESULTS





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FINANCIAL STATEMENTS

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Pakistan Stock Exchange Limited [Formerly Karachi Stock Exchange Limited]** (the Company) as at **30 June 2016** and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as stated in note 4.1 to the financial statements with which we concur;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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 2016 and of the profit, its comprehensive income, its cash flows and its changes in equity for the year then ended; and
- (d) in our opinion 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.

We draw attention to the contents of note 26 to the accompanying financial statements in respect of Contingencies. The ultimate outcome of the matters referred therein cannot presently be determined with certainty and, hence, no provision for any liability that may arise from such matters has been made in the financial statements. Our opinion is not modified in respect of this matter.

Chartered Accountants

Audit Engagement Partner: Shaikh Ahmed Salman

Date: September 09, 2016

Karachi

STATEMENT OF FINANCIAL POSITION

As at June 30, 2016

	Note	Audited June 30, 2016	Audited June 30, 2015
ASSETS		— (Rupees ii	n '000) —
NON-CURRENT ASSETS			
Property and equipment	7	3,312,306	3,400,601
Intangibles	. 8	109,801	74,240
Investment property	9	682,084	694,549
Investment in associates	10	1,656,173	1,340,236
Long term investments	11	1,677,785	2,030,724
Long term deposits	12	40,537	38,062
Long term loans	13	1,606	1,028
Deferred tax asset	14	10,881	53,348
Deletted toy deset	17	7,491,173	7,632,788
CURRENT ASSETS		7,471,173	7,032,766
Trade debts	15	40,917	30,954
Loans and advances	16	17,945	9,380
	17		
Prepayments Other receivables	18	30,076	13,623
		120,402	168,433
Short term investments	19	187,517	177,394
Taxation – net		430,837	448,938
Cash and bank balances	20	383,724	5,624,185
		1,211,418	6,472,907
TOTAL ASSETS		8,702,591	14,105,695

STATEMENT OF FINANCIAL POSITION

As at June 30, 2016

	Note	Audited June 30, 2016	Audited June 30, 2015
		— (Rupees in	'000)
EQUITY AND LIABILITIES Share capital	21	8,014,766	8,014,766
Share capital Reserves	21		
		(13,031)	134,452
Total equity		8,001,735	8,149,218
NON-CURRENT LIABILITIES			
Deferred liability – agent welfare fund			1,322
Dara F. Dastoor scholarship fund		2,000	2,000
Long term deposits	22	144,968	50,147
Long lemi deposits	22		53,469
CURRENT LIABILITIES		146,968	55,469
	00	1.404	1.404
Provision for wealth tax	23	1,684	1,684
Deposits from members against exposures and losses	24	- 1	5,330,422
Trade and other liabilities	25	552,204	570,902
		553,888	5,903,008
CONTINGENCIES AND COMMITMENTS	26		
TOTAL EQUITY AND LIABILITIES		8,702,591	14,105,695

The annexed notes from 1 to 42 form an integral part of these financial statements.

sd/-Chairman sd/-Managing Director

PROFIT AND LOSS ACCOUNT

For The Year Ended June 30, 2016

	Note	Audited June 30, 2016	Audited June 30, 2015
		— (Rupees in	'000) —
Revenue			
Listing fee	27	228,186	254,829
Income from exchange operations	28	320,681	313,976
Management fee	29	179,087	108,536
Mark-up / interest income	30	418,947	468,700
Rental income from investment property		56,509	52,153
		1,203,410	1,198,194
Operating cost			
Administrative expenses	31	(1,039,874)	(913,820)
Financial and other charges	32	(144,103)	(193,190)
		(1,183,977)	(1,107,010)
Operating Profit		19,433	91,184
Other (loss) / income	33	(8,333)	18,081
Share of profit from associates	10	246,166	252,235
Net profit before taxation		257,266	361,500
Taxation	34	(124,994)	(44,131)
Net profit after taxation		132,272	317,369
Basic and diluted earnings per share	35	0.17	0.40

The annexed notes from 1 to 42 form an integral part of these financial statements.

sd/-	
Chairman	

STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended June 30, 2016

The annexed notes from 1 to 42 form an integral part of these financial statements.

Chairman

	Note	Audited June 30, 2016 — (Rupees i	Audited June 30, 2015 n '000) —
Net profit for the year		132,272	317,369
Other comprehensive loss			
Items not to be reclassified to profit and loss in subsequent periods:			
Actuarial loss on employees' gratuity fund - Company - Associates		(12,343)	(13,612) (11,887)
Tax effect on Actuarial loss on employees' gratuity fund		(17,387)	(25,499)
- Company - Associates		3,950	4,492 3,923
		(11,823)	8,415 (17,084)
Items to be reclassified to profit and loss in subsequent periods:			
Share of other comprehensive (loss) / income from associates' in respect of revaluation on available-for-sale investments	10.1	(11,459)	13,845
Total comprehensive income for the year		108,990	314,130

sd/-

Managing Director

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STATEMENT OF CASH FLOWS

For The Year Ended June 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

Non-cash adjustments to reconcile income before tax to net cash flows

Depreciation on tangible assets

Amortisation on intangible assets

Provision for gratuity

Mark-up / interest income

Discount on Pakistan Investment Bonds

Provision for trade debts considered doubtful

Reversal of provision against receivables on recovery

Loss on disposal of fixed assets

Fair value loss / (gain) on investment property

Share of profit of associates

Working capital adjustments: (Increase) / decrease in current assets

Trade debts
Loans and advances
Prepayments
Other receivables

(Decrease) / increase in current liabilities

Deposits from members against exposures and losses Trade and other liabilities

Income tax paid
Gratuity paid
(Decrease) / increase in deferred liability
Increase in long term deposit
Mark-up / interest received

Net cash (used in) / generated from operating activities

Audited June 30, 2016	Audited June 30, 2015
— (Rupees ir	n '000) —
June 30, 2016 — (Rupees in 257,266 193,848 33,000 18,428 (408,507) (10,440) 1,733 (2,281) 19 12,465 (246,166) (407,901) (150,635) (9,416) (8,564) (16,452) (2,339) (36,771)	361,500
33,000 18,428 (408,507) (10,440) 1,733 (2,281) 19 12,465 (246,166) (407,901)	188,810 40,693 16,508 (455,709) (12,991) 6,832 - 337 (13,820) (252,235) (481,575)
(133,003)	
(8,564)	(9,459) 4,319 (3,958)
	(60,974)
(5,330,422) (28,098) (5,545,926)	1,756,832 111,178 1,677,863
(60,478) (21,373) (1,322)	(42,088) (13,498) 3
94,821 448,525 460,173	11,144 437,543 393,104
(5,085,753)	2,070,967

STATEMENT OF CASH FLOWS

For The Year Ended June 30, 2016

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure
Capital work-in-progress
Proceeds from sale of fixed assets
Dividend received
Purchase of right issue
Investment sold / matured
Investments purchased
Increase in long term deposits
Increase in long term loans

Net cash generated from / (used in) investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid

Net cash used in financing activities

Net (decrease) / increase in cash and cash equivalents

Cash and cash equivalents at the beginning of the year

CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR

The annexed notes from 1 to 42 form an integral part of these financial statements.

2016	Audited
June 30,	June 30,
2016	2015
— (Rupees in	'000)

(144,696)	(74,756)
(30,041)	(65,495)
602	1,314
179,012	119,807
(263,672)	(35, 156)
825,502	397,804
(461,889)	(563,947)
(2,475)	(878)
(578)	(193)
101,765	(221,500)
(256,473)	(240,442)
(256,473)	(240,442)
(5,240,461)	1,609,025
	4,015,160
5,624,185 383,724	5,624,185

STATEMENT OF CHANGES IN EQUITY

For The Year Ended June 30, 2016

Balance	as	at	July	01.	2014
DUIGITE	us	w	JULY	V .	AVIT

Profit for the year
Other comprehensive (loss) / income
Total comprehensive income

Dividend for the year ended June 30, 2014 @ Re. 0.15 per share

Dividend for the year ended December 31, 2014 @ Re. 0.125 per share

Balance as at June 30, 2015

Balance as at July 01, 2015

Profit for the year Other comprehensive loss Total comprehensive income

Dividend for the year ended June 30, 2015 @ Re. 0.22 per share

Dividend for the period ended December 31, 2015 @ Re. 0.10 per share

Balance as at June 30, 2016

	Kese	1 VG3	
Share	Un-	Share of	Total
Capital	appropriated	Associates'	
	profit	Reserves	
	(Rupees	in (000)	
8,014,766	72,974	(12,210)	8,075,530
	317,369		317,369
- 4	(9,120)	5,881	(3,239)
+	308,249	5,881	314,130
	·	,	
-	(120,221)	+	(120,221)
	(120,221)		(120,221)
8,014,766	140,781	(6,329)	8,149,218
8,014,766	140,781	(6,329)	8,149,218
+	132,272	+	132,272
	(8,393)	(14,889)	(23,282)
*	123,879	(14,889)	108,990
	(17/ 205)		(17/ 205)
*	(176,325)	*	(176,325)
	(80,148)		(80,148)

Reserves

The annexed notes from 1 to 42 form an integral part of these financial statements.

sd/-Chairman sd/-Managing Director

(21,218)

8,001,735

8,187

8,014,766

For The Year Ended June 30, 2016

1. LEGAL STATUS AND NATURE OF OPERATIONS

Pakistan Stock Exchange Limited (the Company or PSX) [formerly Karachi Stock Exchange Limited (KSE)] was incorporated under the Companies Act, 1913 (now Companies Ordinance, 1984) 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, Demutialisation and Integration) Act 2012 (XV of 2012).

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.

1.2 During the year, a Memorandum of Understanding was signed between the KSE, the Lahore Stock Exchange (LSE) and the Islamabad Stock Exchange (ISE) for integration of all three stock exchanges in Pakistan as envisaged in the Stock Exchanges (Corporatisation, Demutialisation and Integration) Act 2012 (XV of 2012) [the Act].

The salient features of Memorandum of Understanding are as under:

- i. The name of KSE shall be changed to "Pakistan Stock Exchange Limited" (PSX) and a certificate of change of name shall be issued by the Company Registration Office.
- ii. The license to operate stock exchange of LSE and ISE shall cease to exist on completion of the process.
- iii. There shall be no change in the current shareholding pattern of KSE except as provided for in the Act.
- iv. All existing registered Trading Right Entitlement Certificate (TREC) holders of LSE and ISE shall be offered TREC in 'Pakistan Stock Exchange Limited' without any cost / fee and shall be treated at par with the TREC holders of KSE in terms of trading rights.
- v. All three stock exchanges shall propose their separate schemes of arrangements (the schemes) to the above and submit to the Securities and Exchange Commission of Pakistan (SECP) for approval after getting approval from their respective Board and general body.
- 1.3 On January 11, 2016 pursuant to the above referred Memorandum of Understanding, SECP issued an order under section 18(3) of the Act, whereby, the SECP approved the Scheme of Integration of KSE with LSE and KSE with ISE as the effective date of integration. Consequently, among other matters, with effect from the date of the order:

For The Year Ended June 30, 2016

- i. The Scheme of Integration shall have effect and shall be binding on all persons interested in KSE, LSE and ISE or PSX including all shareholders, stakeholders of KSE, LSE and ISE;
- ii. The assets, undertakings or liabilities of LSE and ISE shall in accordance with the schemes and as agreed between the transferors and successor stock exchanges, stand transferred to, and vest in PSX, and LSE and ISE shall cease to exist as stock exchanges; and
- iii. The stakeholders of LSE and ISE, as specified in the schemes and as agreed between the transferors and successor stock exchanges, shall become the stakeholders of PSX.
- During the year, the Company has contemplated the concept of De-merger of PSX to achieve separation of core business of securities market operations of Pakistan Stock Exchange Limited ("Securities Market Undertaking") from the remaining assets and liabilities and operations of PSX ("Residual Undertaking"), the objective of which is to attract and facilitate the strategic investment in the Securities Market Undertaking. The Board of Directors in their meeting held on June 15, 2016 concurred with the basic concept of De-merger of the PSX.

The Scheme of Arrangement for the De-merger of PSX will be placed for formal approval of the Board, General Body and the SECP and eventually will be filed in the Court once the prospective investor(s) has been firmed up with respect to the strategic sale of equity stake of PSX upto 40%.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3. BASIS OF MEASUREMENT

- 3.1 These financial statements have been prepared under the historical cost convention except for operating fixed assets, investment property and certain investments which are valued on a fair value basis as stated in notes 4.2, 4.5 and 4.6 below.
- 3.2 These financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

IFRS 10 - Consolidated Financial Statements

For The Year Ended June 30, 2016

IFRS 11 – Joint Arrangements

IFRS 12 - Disclosure of Interests in Other Entities

IFRS 13 - Fair Value Measurement

IAS 27 - Separate Financial Statements - (Amended)

IAS 28 - Investment in Associates and Joint Ventures - (Amended)

The adoption of the above amendments and improvements to accounting standards and interpretations did not have any material effect on the financial statements.

4.2 Operating fixed assets - tangible

- 4.2.1 All categories of operating fixed assets are carried at revalued amount, being its fair value at the date of its revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.
- 4.2.2 The surplus arising on revaluation of operating fixed assets is credited to the 'surplus on revaluation of assets' account shown below reserves. A revaluation deficit is recognised in the profit and loss account, except that the deficit offsets a previous surplus on any fixed asset, in which case, the deficit is charged to the balance of surplus on revaluation.
- 4.2.3 The depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and an amount equal to incremental depreciation for the year (net of deferred taxation) is transferred from surplus on revaluation of assets to retained earnings through statement of changes in funds and reserves to record realisation of surplus to the extent of the incremental depreciation charge for the year. Upon disposal, any balance of revaluation surplus is transferred to retained earnings.
- 4.2.4 The depreciation is charged to profit and loss account applying the diminishing balance method over its estimated useful life of the respective assets, except for ""Computers and related accessories"" which are depreciated using straight-line method. The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end. In respect of additions and disposals of assets, depreciation is charged from the month in which asset is available to use and continue depreciating it until it is derecognised i.e. up to the month preceding the disposal, even if during that period the asset is idle. Useful lives are determined by the management based on expected usage of asset, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of assets and other similar factors.
- **4.2.5** 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.
- 4.2.6 An item of property, plant 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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year the asset is derecognised.

For The Year Ended June 30, 2016

4.3 Capital work-in-progress

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

4.4 Intangible assets

These are stated at cost less accumulated amortisation. Amortisation is charged to income using the straight-line method at the rate disclosed in note 8 to the financial statements.

Amortisation on additions is charged for the full month in which an asset is put to use and on deletions up to the month immediately preceding the deletion.

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

4.5 Investment property

According to the new accounting policy, 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 recognised in profit and loss account. Fair value is evaluated annually by an independent professional valuer on the basis of professional assessment of present market value. Previously, investment property of the Company was carried at cost less accumulated depreciation and accumulated impairment losses.

Investment property is derecognised 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 recognised as income in the period of derecognition.

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

4.6 Investments

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

For The Year Ended June 30, 2016

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

4.6.1 Available for sale investments

Investments which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity are classified as available for sale. After initial recognition, these are stated at fair values (except for unquoted investments where active market does not exist) with any resulting gains or losses being taken to comprehensive income until the investment is disposed or impaired, at which time the respective surplus or deficit is transferred to profit and loss account.

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

4.6.2 Investments at fair value through profit or loss

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

4.6.3 Held to maturity investments

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

4.6.4 Investment in associates

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

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

For The Year Ended June 30, 2016

Trade debts and other receivables 4.7

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

4.8 Loans, advances and deposits

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

4.9 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.

Provisions 4.10

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.

4.11 **Revenue recognition**

- Income from initial listing fee is recognised when the securities are initially listed on the ready board. Income from annual listing fee is recognised on an accrual basis;
- Income in respect of trading by members in shares, contracts and bonds is recognised at the trade date;
- Rental income, facilities and equipment fees, non-operating facilities income and membership fees are recognised on accrual basis while other fees are recognised when received:
- Investments purchased at premium or discount, are amortized through the profit and loss account using the effective interest rate method;
- Income from investments and bank accounts is recognised on an accrual basis;
- Dividend income is recognised when the Company's right to receive dividend is established; and
- Management fee from PSX Clearing House Protection Fund and PSX Investors Protection Fund is recognised on accrual basis as disclosed in note 29 to the financial statements.

For The Year Ended June 30, 2016

4.12 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. The tax charge as calculated above is compared with turnover tax under Section 113 of the Income Tax Ordinance, 2001, and whichever is higher is provided for in the financial statements.

Deferred

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

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

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that taxable profit or taxable temporary differences will be available against which the deductible temporary differences and / or carry-forward of unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit or taxable temporary differences will be available to allow all or part of the deferred income tax asset to be utilised.

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

4.13 Staff retirement benefits

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

4.14 Impairment

The carrying amounts of assets are reviewed at each balance sheet 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.

For The Year Ended June 30, 2016

4.15 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.

4.16 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on derecognition of the financial assets and financial liabilities are taken to profit and loss account currently.

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

4.17 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if 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. 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.

For The Year Ended June 30, 2016

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

Notes

-	Operating fixed assets	4.2, 4.3, 4.4,7 and 8
-	Investment property	4.5 and 9
-	Classification of investments	4.6, 10, 11 and 19
-	Provisions and contingencies	4.10, 23 and 26
-	Taxation and Deferred tax	4.12 and 14
-	Staff retirement benefits	4.13 and 25.3

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTVE

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

> **Effective date** (accounting periods beginning on or after)

6.1

Standard	, interpretation or amendment	
IFRS 2:	Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 10:	Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10:	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11:	Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 01, 2016
IAS 1: IAS 7: IAS 12:	Presentation of Financial Statements - Disclosure Initiative (Amendment) Financial Instruments: Disclosures - Disclosure Initiative - (Amendment) Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2016 January 01, 2017 January 01, 2017

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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2016

IAS 16: Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

January 01, 2016

IAS 16: Property, Plant and Equipment and IAS 41 Agriculture - Agriculture: Bearer

January 01, 2016

Plants (Amendment)

IAS 27: Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

January 01, 2016

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not affect the Company's financial statements in the period of initial application.

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

"IASB Effective date (annual periods beginning on or after)"

IFRS 9 - Financial Instruments: Classification and Measurement

IFRS 14 - Regulatory Deferral Accounts

IFRS 15 - Revenue from Contracts with Customers

IFRS 16 - Leases

January 01, 2018 January 01, 2016 January 01, 2018 January 01, 2019

2016

Note

7.	PROPERTY	AND	EQUIPMENT
	FROFERII	MIND	FAOIL MITIAL

Operating fixed assets - Tangible Capital work-in-progress

7.1 **3,175,605** 3,302,015
7.2 **136,701** 98,586 **3,312,306** 3,400,601

2015

For The Year Ended June 30, 2016

7.1 OPERATING FIXED ASSETS - Tangible

		2016							
	Cost	/ Revalued Am	ount		Accur	Written Down Value			
	As at July 01, 2015	Additions / (disposals)	As at June 30, 2016	Rate / period	As at July 01, 2015	Charge for the year / (deletions)	As at June 30, 2016	As at June 30, 2016	
	-	— (Rupees in '	000) —	_	-	(Rup	ees in '000) —		
Leasehold land	2,677,882		2,677,882	99 years	275,663	78,761	354,424	2,323,458	
Building on leasehold land	837,128	1,611	838,739	5%	132,003	35,297	167,300	671,439	
Lift, generators and electric installation	96,629		96,629	25%	45,263	12,842	58,105	38,524	
Furniture and fixtures	8,001	983	8,984	20%	3,951	889	4,840	4,144	
Office equipment	37,400	17,529	54,929	20%	16,572	5,895	22,467	32,462	
Computers and related accessories	261,569	45,826	307,395	20% & 33.33%	151,009	58,413	209,422	97,973	
Vehicles	11,710	2,110 (833)	12,987	20%	3,843	1,751 (212)	5,382	7,605	
	3,930,319	68,059 (833)	3,997,545		628,304	193,848 (212)	821,940	3,175,605	

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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2016

	-			201	2015			
	Cost	Cost / Revalued Amount			Accumulated depreciation			Written Down Value
	As at July 01, 2014	Additions / (disposals) (Rupees in '000)	As at June 30, 2015	Rate / period	As at July 01, 2014	Charge for the year / (deletions) (Rupees	As at June 30, 2015 in '000) ———	As at June 30, 2015
Leasehold land	2,677,882		2,677,882	99 years	196,902	78,761	275,663	2,402,219
Building on leasehold land	834,066	3,062	837,128	5%	94,988	37,015	132,003	705,125
Lift, generators and electric installation	93,574	4,426 (1,371)	96,629	25%	28,945	17,042 (724)	45,263	51,366
Furniture and fixtures	7,564	437	8,001	20%	3,019	932	3,951	4,050
Office equipment	30,987	6,413	37,400	20%	12,043	4,529	16,572	20,828
Computers and related accessories	216,532	45,163 (126)	261,569	20% & 33.33%	102,079	49,053 (123)	151,009	110,560
Vehicles	8,171	4,980 (1,441)	11,710	20%	2,805	1,478 (440)	3,843	7,867
	3,868,776	64,481 (2,938)	3,930,319		440,781	188,810 (1,287)	628,304	3,302,015

7.1.1 In accordance with the Company's accounting policy, operating fixed assets were revalued in year 2012. The revaluation was carried out by an independent valuer, FAMCO Associates (Private) Limited on the basis of professional assessment of market values, which resulted in a surplus of Rs.3,390.421 million over the book value of the respective assets at the time of revaluation.

For The Year Ended June 30, 2016

Had there been no revaluation, the net book value of the opening fixed assets would have been as follows:

Note	2016 — (Rupees i	2015 n '000) —
Leasehold land	27	28
Building on leasehold land	59,940	61,443
Lift, generators and electric installation	38,445	51,260
Furniture and fixtures	4,029	3,906
Office equipment	31,060	19,079
Computers and related accessories	85,328	75,234
Vehicles	7,822	8,267
	226,651	219,217
Cost of fully depreciated assets is Rs. 362.467 (June 30, 2015: Rs. 309.781) million as at the year end.		
Capital work-in-progress		

7.2

Advances against:

- Construction of building / civil works
- Office equipment
- Civil works
- Furniture and Fixtures

8. **INTANGIBLES**

7.1.2

Operating	intangi	bles
Intangibles	under	development

13,344	979
121,634	97,607
768	1.2
904	14
51	
136,701	98,586
84,668	41,030
*	33,210
25,133	
109,801	74,240

8.1 8.2

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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2016

8.1 Operating Intangibles

Computer software

Internally developed software and market products

			20	16			
	Cost			Accum	ulated Amortis	ation	Written Down Value
As at July 01, 2015	Additions	As at June 30, 2016	Rate %	As at July 01, 2015	Charge for the year	As at June 30, 2016	As at June 30, 2016
	(Rupees in '000) -			-	(Rupees	in '000) ———	_
222,218	59,760	281,978	25	219,147	11,475	230,622	51,356
194,687	16,878	211,565	25	156,728	21,525	178,253	33,312
416,905	76,638	493,543		375,875	33,000	408,875	84,668

2015

	Cost			Accum	ulated Amorti	sation
As at July 01, 2014	Additions - (Rupees in '000) —	As at June 30, 2015	Rate %	As at July 01, 2014	Charge for the year	As at June 30, 2015 in '000) ———
	- (Rupees III 000) -				(Kupees	111 000)
222,188	30	222,218	25	207,711	11,436	219,147
184,440	10,247	194,687	25	127,471	29,257	156,728
406,628	10,277	416,905		335,182	40,693	375,875

Computer software

Internally developed software and market products

8.2 Intangibles under development

Internally developed software Internally developed market products Computer software

Less: Provision for impairment

Note	2016	2015			
	— (Rupees in '000) —				
	17,870	13,651			
	6,163	6,163			
	11,250	23,546			
	35,283	43,360			
8.2.1	(10,150)	(10,150)			
	25,133	33,210			

Written
Down Value
As at
June 30,
2015

3,071

37,959

41,030

For The Year Ended June 30, 2016

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

		Note	2016	2015
9.	INVESTMENT PROPERTY		— (Rupees	in '000) —
	Balance as at 01 July	0.1	694,549	680,729
	(Loss) / gain from changes in fair value Balance as at 30 June	9.1	(12,465)	13,820

- 9.1 Represents office spaces in the PSX's building, the fair value of this property as at June 30, 2016 has been arrived at on the basis of a valuation carried out by Iqbal A. Nanjee & Company (Private) Limited, independent valuers. The valuation was carried out in accordance with the commercial rates for sale of office spaces prevailing in the market. This resulted in loss from changes in the fair value of investment property over the previous fair value of investment property, of Rs.12.465 (June 30, 2015: Gain of Rs.13.82) million.
- 9.2 The rental income for the year from the investment property amounted to Rs.56.509 (June 30, 2015: Rs.52.153) million.

10.	INVESTMENT IN ASSOCIATES	- under equity method	of accounting
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Unquoted companies

Central Depository Company of Pakistan Limited [(CDC) (25,875,200 shares having face value Rs. 258,752,000)]

National Clearing Company of Pakistan Limited [(NCCPL) (23,730,462 shares having face value Rs. 237,304,620)]

Note	2016 20 — (Rupees in '000) —	
	1,118,184	1,029,809
10.1	537,989	310,427 1,340,236

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For The Year Ended June 30, 2016

10.1 Reconciliation of changes in carrying value of investment in associate

		2016			
	Note	CDC	NCCPL	Total	
			(Rupees in '000) —		
Opening Balance		1,029,809	310,427	1,340,256	
Additional investment during the year	10.1.1	-	263,672	263,672	
		1,029,809	574,099	1,603,908	
Share of profit for the year		181,250	64,916	246,166	
Deficit on revaluation of associates' available-for-sale investments		(8,006)	(3,453)	(11,459)	
Actuarial loss on employees' gratuity fund		(781)	(2,649)	(3,430)	
Dividend received during the year		(84,088)	(94,924)	(179,012)	
Closing balance		1,118,184	537,989	1,656,173	

During the year, the Company made a further investment of Rs.263.672 million in National Clearing Company of Pakistan Limited (NCCPL) by accepting the offer of 125% right issue of NCCPL and accordingly subscribing to 13,183,588 ordinary shares of Rs.10 each at a premium of Rs.10 per share, which shall rank pari passu with existing ordinary shares of NCCPL in all respects as approved under special resolution passed at Extra Ordinary General Meeting held on February 24, 2016. Shareholding of the Company after taking into account the aforementioned right issue remains at 47.06% (June 30, 2015: 47.06%).

	CDC	NCCPL	Total
	-	—— (Rupees in '000) —	
Opening Balance	935,754	266,173	1,201,927
Share of profit for the year	166,794	85,441	252,235
Deficit on revaluation of associates' available-for-sale investments	9,971	3,874	13,845
Actuarial loss on employees' gratuity fund	(5,090)	(2,874)	(7,964
Dividend received during the year	(77,620)	(42, 187)	(119,807
Closing balance	1,029,809	310,427	1,340,236

2015

For The Year Ended June 30, 2016

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

Name of associates

Central Depository Company of Pakistan Limited Break-up value of each ordinary share of Rs.10 is Rs.43.26 based on the latest audited financial statements available for the year ended June 30, 2016

National Clearing Company of Pakistan LimitedBreak-up value of each ordinary share of Rs. 10 is Rs. 22.67 based on the latest audited financial statements available for the period ended June 30, 2016.

2016					
Country of incorporation	Total assest	Total liabilities	Profit	Revenue	Interest held %
		(Rupees in	(000)		_
Pakistan					
	3,420,572	608,473	455,288	1,512,493	39.81
Pakistan					
	9,628,042	8,484,831	137,943	624,459	47.06
	13,048,614	9,093,304	593,231	2,136,952	

Name of associates

Central Depository Company of Pakistan LimitedBreak-up value of each ordinary share of Rs. 10 is
Rs. 39.82 based on the latest unaudited financial statements available for the year ended June 30, 2015.

National Clearing Company of Pakistan Limited Break-up value of each ordinary share of Rs. 10 is Rs. 29.43 based on the audited accounts for the year ended June 30, 2015.

2015					
Country of incorporation	Total assest	Total liabilities	Profit	Revenue	Interest held %
-		(Rupees in	'000) ———		-
Pakistan	3,169,761	581,222	418,975	1,378,196	39.81
Pakistan	3,683,433	3,023,793	181,558	582,599	47.06
	6,853,194	3,605,015	600,533	1,960,795	

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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2016

June 30, June 30, 11. **LONG TERM INVESTMENTS** Note 2016 2015 — (Rupees in '000) — Available for sale - unquoted JCR VIS Credit Rating Company Limited, a related party 2,500 2.500 250,000 (June 30, 2015: 250,000) ordinary shares of Rs.10 each, representing, 12.50% (June 30, 2015: 12.50%) shareholding. The break-up value of each ordinary share is Rs.38.09 (based on latest available financial statements for the year ended June 30, 2016). 11.1 74,818 Pakistan Mercantile Exchange Limited (PMEX), a related party 74,818 8,909,052 (June 30, 2015: 8,909,052) ordinary shares of Rs. 10 each, representing 28.4% (June 30, 2015; 32.32%) shareholding. The break-up value of each ordinary share is negative Rs. 2.07 (based on latest available financial statements for the year ended June 30, 2016). (June 30, 2015: negative Rs. 4.87) **Held to maturity Pakistan Investment Bonds (PIBs)** 11.2 1,953,406 1,600,467

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

For the unsubscribed shares, financial advisor has been appointed for placement of shares to suitable investors at best price which is in process. The Company expects that on completion of subscription process of right issue of PMEX, the holding of PSX will be reduce to 18.88%.

2.030,724

1,677,785

Based on the above facts and considering the proportion of representation of the Company on the Board of PMEX, the investment is not accounted for as an associate investment.

These represent Pakistan Investment Bonds (PIBs) having cost of Rs. 1,511.50 (June 30, 2015: Rs. 1,846.036) million and interest accrued thereon of Rs. 77.41 (June 30, 2015: Rs. 94.385) million and amortization of discount of Rs. 11.55 (June 30, 2015: Rs. 12.991) million. The effective rate of return 12.58% per annum (June 30, 2015: 12.36%). These will mature latest by July 18, 2017.

For The Year Ended June 30, 2016

		Note	2016	2015
12.	LONG TERM DEPOSITS		— (Rupees in	ח (000) —
	Earnest money Utilities	12.1	33,819	33,819
	Others		2,791 3,927 40,537	2,666 1,577 38,062

This includes 10% of the bid amount, amounting to Rs.32.999 (June 30, 2015: Rs.32.999) million, paid by the Company to Pakistan Railways during the year ended June 30, 1993 as earnest money against the purchase of land. However, as a result of initiation of certain legal proceedings by one of the bidders, further action for purchase of land could not take place. Subsequently, Pakistan Railways cancelled the sale of railway land to the Company and requested the Company to apply for the refund of the above-referred amount. The Court has dismissed the suit on merit, which was filed by above-referred bidder.

During the year ended June 30, 2002, based upon the legal advice obtained, the Company filed a counter suit against Pakistan Railways for specific performance of the agreement which, if decided in favour of the Company, may require the Company to purchase the land and pay the balance of the purchase consideration, amounting to Rs.296.995 (June 30, 2015: Rs.296.995) million. The said case is pending adjudication in High Court of Sindh.

		Note	2016	2015
13.	LONG TERM LOANS		— (Rupees i	n '000) —
	Employees - Considered good, secured	13.1	6,229	2,495
	Recoverable within one year shown under current assets		(4,623)	(1,467)
			1,606	1,028

13.1 These personal loans are sanctioned for the purchase of motorcycles, performing Hajj and other domestic purposes. These are secured against the outstanding balances in the Employees' Gratuity Fund. These are recoverable in monthly instalments over a period, with original maturity between 2 and 6 (June 30,2015: 2 and 6) years and are interest free. All outstanding long term loans at the year end will mature within one to three years.

For The Year Ended June 30, 2016

Note 2016 2015 — (Rupees in '000) —

14.1

14. DEFERRED TAX ASSET

Deductible temporary differences arising from:

Provision for debts considered doubtful Carry forward tax losses Provision for defined benefit liability Minimum tax

Taxable temporary differences arising from:

Differences between written down value and tax base of assets Share of profit from associates

384
,473
303
.089
,249
,920)
,981)
,901)
348
֡

14.1 The management, based on the future years projections, estimates that sufficient taxable profits would be available in the future against which the deferred tax asset of Rs. 10.881 million as at June 30, 2016 could be realized. Accordingly, the deferred tax asset has been fully recognised in these financial statements in accordance with the accounting policy of the Company as disclosed in note 4.12.

	_	Note	2016	2015
15.	TRADE DEBTS		— (Rupees in	1000) —
	Unsecured			
	Considered good			
	Due from members	15.1	9,019	5,222
	Due from companies	15.2	31,898	25,732
	•		40,917	30,954
	Considered doubtful			
	Due from companies		27,577	28,124
	·		68,494	59,078
	Provision for doubtful debts	15.3	(27,577)	(28, 124)
			40 917	30.954

For The Year Ended June 30, 2016

- 15.1 Included herein is a sum of Rs. 0.51 (June 30, 2015: Rs. 0.771) million due from related parties.
- 15.2 Included herein is a sum of Rs. 1.22 (June 30, 2015: Rs. 1.05) million due from related parties.

		Note	2016 — (Rupees in '	2015
15.3	Reconciliation of provision for trade debts		— (Ropees III	000) —
	Opening balance		28,124	22,837
	Provision for the year	31	1,733	5,632
	Amount recovered	33	(2,280)	(345)
	Closing balance		27,577	28,124
16.	LOANS AND ADVANCES			
	Loans - secured, considered good			
	- Current portion of long term loans to employees	13	4,623	1,467
	Advances, considered good			
	- Employees	1	8,647	3,974
	- Suppliers		4,675	3,939
			13,322	7,913
			17,945	9,380
17.	PREPAYMENTS			
	Maintenance of information technology equipment / software		19,108	12,423
	Insurance		601	517
	Others		10,367	683
			30,076	13,623

For The Year Ended June 30, 2016

		Note	2016 — (Rupees in	2015 (000) —
18.	OTHER RECEIVABLES			
	Due from members		6,400	6,090
	Due from non-members	18.1	16,152	14,452
	Interest / profit accrued on PLS savings accounts		1,135	13,943
	Due from an ex-member	18.2	6,574	6,574
	Management fee receivable	18.3	21,090	68,383
	Others	18.4	72,392	62,332
			123,743	171,774
	Less: Provision for doubtful receivable		(3,341)	(3,341)
			120,402	168,433

- 18.1 This represents amount due on account of license fee and reimbursement of electricity charges, etc. incurred by the Company.
- 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, 2016 amounted to Rs.22.616 (June 30, 2015: Rs.32.360) million. Further, as disclosed in note 20.6 included in bank balances Rs.10.452 and Rs.7.632 (June 30, 2015: Rs.9.375 and Rs.6.761) million received as dividend and bank profit respectively.
- Management fee receivable includes receivable of Rs. 2.59 million from PSX Investors Protection Fund (June 30, 2015: Rs. 8.526 million from PSX Investors Protection Fund and Rs. 37.672 million from PSX Clearing House Protection Fund), in respect of Sindh Sales Tax demand raised from the Sindh Revenue Board against the management service fee charged by the Company to the fund.
- 18.4 This includes receivable from NCCPL amounting to Rs. 17.062 (June 30, 2015: Rs. 24.042) million.

		14010	20.0	20.0
19.	9. SHORT TERM INVESTMENTS		— (Rupees i	n '000) —
	Held to maturity Market Treasury Bills	19.1	187.517	177,394
	771011101 1100001 7 21110		. 37 /8 17	177,071

2016

Note

2015

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2016

These represent Market Treasury Bills having cost of Rs. 184.26 (June 30, 2015: Rs. 175.858) million and interest accrued thereon of Rs. 3.25 (June 19.1 30, 2015: Rs. 1.536) million. The effective rate of return 6.55% (June 30, 2015: 6.79%) per annum. These will mature latest by November 10, 2016.

20.	CASH AND BANK BALANCES	Note	2016 — (Rupees	2015 in '000) —
	In hand With banks on: Current accounts	20.1& 20.3	10	12 104
	PLS accounts in: foreign currency local currency	20.1 to 20.4	2,843 380,768 383,724	7,567 5,616,502 5,624,185

- 20.1 Included in current accounts' and 'PLS accounts' are Rs. 0.06 (June 30, 2015: Rs.0.06) million and Rs. Nil (June 30, 2015: Rs.5,330.362) million, respectively, aggregating to Rs. Nil (June 30, 2015: Rs.5,330,422) million, representing deposits from members against exposures and losses (refer note 24). Rate of return on PLS accounts varies from 1.69% to 6.30% (June 30, 2015; 2.97% to 9%), However, the effective rate for the year is 5.18% (June 30, 2015; 7.87%).
- Included herein are funds earmarked by the Company against the outstanding balance in the Dara F. Dastoor Scholarship Fund, amounting to Rs. 20.2 2,220 (June 30, 2015; Rs. 2,239) million
- 20.3 Included herein are balances, aggregating to Rs. 8.462 (June 30, 2015: Rs. 8.683) million, deposited with the Company by members and an ex-member with respect to certain arbitration cases pending settlement (note 25.1).
- 20.4 Included herein is Rs. 283.480 (June 30, 2015: Rs. 293.690) million held by the Company on account of disposal of membership cards of defaulting / expelled members (note 25.2)
- 20.5 Included herein Rs. Nil (June 30, 2015: Rs. 183.635) million deposited with related parties.
- Included herein Rs.18.084 (June 30, 2015: Rs.16.136) million related to bank profit and dividends received on the shares of an ex-member as 20.6 disclosed in note 18.2.

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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2016

21. SHARE CAPITAL

	2016 — (Number of	2015 Shares) —		Note	2016 — (Rupees in	2015
	1,000,000,000	1,000,000,000	Authorised capital Ordinary shares of Rs.10/- each Issued, subscribed and paid-up capital		10,000,000	10,000,000
	801,476,600	801,476,600	Ordinary shares of Rs. 10/- each		8,014,766	8,014,766
22.	LONG TERM DEPO					
	Clearing house dep Other security depo				141,478 3,490 144,968	46,657 3,490 50,147
23.	PROVISION FOR V	VEALTH TAX		23.1	1,684	1,684

Included herein are (a) a sum of Rs. 0.500 (June 30, 2015: Rs. 0.500) million, representing provision in respect of the assessed liability for the assessment year 1999-2000 and (b) a sum of Rs. 1.184 (June 30, 2015: Rs. 1.184) million, representing provision for the assessment year 2000-2001 the assessment of which is currently pending finalisation by the relevant tax authorities.

Further, the Inspecting Additional Commissioner raised an additional demand of Rs. 19.184 million in respect of assessment years 1996-97 to 1999-2000 against which various appeals have been filed by the Company with the Income Tax Appellate Tribunal (ITAT). During the year ended June 30, 2002, the ITAT on appeals filed by the Company allowed relief to the Company by cancelling the wealth tax orders and allowing exemption under the Wealth Tax Act 1963. Against this decision of the ITAT, during the year ended June 30, 2007, the Income Tax Department filed an appeal with the Honourable High Court of Sindh against the order issued by the ITAT. Pending the resolution of these matters, no provision has been made in these financial statements for a sum of Rs. 19.184 (June 30, 2015: Rs. 19.184) million (note 26.1).

For The Year Ended June 30, 2016

24. DEPOSITS FROM MEMBERS AGAINST EXPOSURES AND LOSSES

Deposits from members against exposures and losses

24.1 ______ 5,330,422

During the year, PSX received a directive from the SECP under Sections 12(1)(d) and 170(1) of the Securities Act, 2015 to transfer the risk management function from PSX to NCCPL subject to the compliance of certain conditions as mentioned in the said directive of the SECP. In this respect on April 30, 2016, all the deposits from members against the exposure and losses were transferred to NCCPL. The said function will now be performed by NCCPL, however, since the entire network of PSX will be used, the NCCPL will reimburse 1% service charge to PSX as approved by the Board in its meeting held on April 25, 2016.

		Note	2016	2015
25.	TRADE AND OTHER LIABILITIES		— (Rupees in '	000) —
	Deposits against Arbitration	25.1	8,462	8,683
	Accrued expenses		36,685	32,616
	Provision for staff bonus		27,500	31,280
			72,647	72,579
	Other liabilities			
	Due to members		315	274
	Due to non-members		531	977
	Retention money		535	535
	Fees and rent received in advance		18,944	10,940
	Amount held against defaulted members	25.2	283,480	293,690
	Employees' Gratuity Fund	25.3	67,629	58,230
	Provision for Sindh Sales Tax on management fee		2,590	46,198
	Tax deducted at source		432	1,900
	Various taxes collected from members		34,098	39,345
	SECP supervision fee		1,470	1,842
	SECP transaction fee		1,278	1,386
	Payable to members against return on			
	cash margins on future contracts	32.1	-	14,743
	Workers' Welfare Fund payable		18,931	13,541
	Others		49,324	14,722
			479,557	498,323
			552,204	570,902

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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2016

- 25.1 This represents amount deposited with the Company by members with respect to certain arbitration cases pending settlement (note 20.3).
- 25.2 This represents amount obtained on disposal of membership cards of defaulting / expelled members, including profit accrued thereon, deposited in a separate bank account to be utilised for the settlement of dues of the defaulting members, including investors claim, if any (note 20.4).

25.3	Employees'	Gratuity Fund
------	-------------------	----------------------

25.3.1 Principal actuarial assumptions

Significant actuarial assumptions used in the valuation are as follows:

Discount rate Increase in salaries Expected return on plan assets

Demographic Assumptions

Mortality rates

Rate of employee turnover

25.3.2 Liability recognised in the balance sheet:

Present value of obligation Fair value of plan assets

2016 — (Rupees	2015 s in '000) —
67,629	58,230
2016 ——% Per	2015 annum
7%	10%
4 %	6% 10%
Adjusted SLIC 2001- 05 Moderate	Adjusted SLIC 2001- 05 Moderate
221,006 (153,377) 67,629	189,170 (130,940) 58,230

For The Year Ended June 30, 2016

25.3.3 Expense recognised in profit and loss account:

	% Per an	num
	2016	2015
Closing balance	67,628	58,230
Contribution	(21,373)	(13,498)
Actuarial loss recognised in other comprehensive income	12,343	13,612
Charge for the year	18,428	16,508
Opening balance	58,230	41,608
Movement in the liability recognised in the balance sheet:		
	18,428	16,508
Expected return on plan assets	(13,300)	(14,014)
Interest cost	17,935	18,633
Current service cost	13,793	11,889

25.3.5 Actual return on plan assets

25.3.4

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

25.3.6.1 Movement of present value of defined benefit obligation

Opening balance Current service cost Interest cost Total benefits paid Actuarial loss on obligation Closing balance

2016	201
— (Rupees in '000)	_

8.78%

21.61%

189,170	144,428
13,793	11,889
17,936	18,633
(10,434)	(7,599)
10,541	21,819
221,006	189,170

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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2016

25.3.6.2 Movement of fair value of plan assets

Opening balance
Return on plan assets
Contributions
Benefits paid by the fund
Actuarial (loss) / gain on assets
Closing balance

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

Actuarial loss on obligation Actuarial (loss) / gain on assets

25.3.8 Constituents of plan assets

Government securities

Cash and net current assets

25.3.9 Historical information

Present value of defined benefit obligation Fair value of plan assets Funding surplus Experience adjustment on plan liabilities Experience adjustment on plan assets

130,940	102,820
13,300	14,014
21,373	13,498
(10,434)	(7,599)
(1,802)	8,207
153,377	130,940

(10,541)

(1,802)

(12,343)

(21,819)

(13,612)

8,207

(2,142)

	Fair Value as at June 30, 2016		Fair Value as at June 30, 2015	
	(Rupee in ′000)	%	(Rupee in ′000)	%
	140,590	91.66%	126,479	96.59%
	12,787	8.34%	4,461	3.41%
	153,377	100%	130,940	100%
2016	2015	2014	2013	2012
- 1	(R	upees in '000) -		-
221,006	189,170	144,428	162,870	135,697
(153,377)	(130,940)	(102,820)	(122, 251)	(109,671)
67,629	58,230	41,608	40,619	26,026
(10,541)	(21,819)	(8,775)	(13,450)	9,461

(2,940)

(1,937)

8,207

(1,802)

For The Year Ended June 30, 2016

Note 2016 2015 — (Rupees in '000) —

25.3.10 Maturity profile of the defined benefit obligation

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

13,411	22,841
68,613	55,703
73,864	85,167
548,096	374,324

Present value of Defined Benefit Obligation Percentage changes

— (Rupees in '000) —

(6.53%)
7.37%
7.54%
(6.78%)

25.3.11 Sensitivity Analysis on significant actuarial assumptions: Actuarial Liability

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

26. CONTINGENCIES AND COMMITMENTS

26.1 Tax related contingencies

26.1.1 Contingency relating to wealth tax amounts to Rs.19.184 (June 30, 2015: Rs.19.184) million is discussed in detail in note 23. Pending resolution of this matter, no provision has been made in these financial statements for any liability that may arise on this account.

26.2 Contingencies relating to PSX's operations

Law suits filed during 1997

A lawsuit was filed by five investors against the Company and an ex-member for declaration, injunction and recovery of damages, aggregating to Rs.70.00 (June 30, 2015: 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.

For The Year Ended June 30, 2016

Law suits filed during 2000

An ex-member filed a lawsuit against the Company, CDC and the SECP, in the Honourable High Court of Sindh, for cancelling his membership and declaring him as a defaulter for a claim of Rs.300 (June 30, 2015: Rs.300) million, from each. The Company is of the view that the ex-member was declared as a defaulter in accordance with its regulations as the said member had not made payments to settle his liability to the Company for the ready clearing dues and exposure and losses aggregating to Rs.351.392 (June 30, 2015: Rs.351.392) million. A sum of Rs.302.882 (June 30, 2015: Rs.302.882) million, including Rs.6.574 (June 30, 2015: Rs.6.574) million was subsequently realized by the Company from the sale of the assets of the ex-member.

Subsequently, a fund management and investment company filed a lawsuit in the Honourable High Court of Sindh against the above mentioned ex-member, CDC, SECP and the Company. The petitioners, alleged that the company had unlawfully taken the delivery of shares for which the petitioners had entered into that the Company had unlawfully taken the delivery of shares for which the petitioners had entered into contracts for purchase with the ex-member. The petitioners claimed declaration, injunction and delivery of the undelivered shares and damages of Rs.500 (June 30, 2015: Rs.500) million from the company.

In addition to the lawsuits referred above, five lawsuits involving the ex-members' default were filed against several other defendants and the Company in the Honourable High Court of Sindh for the recovery of damages of Rs.6,851.274 (June 30, 2015: Rs.6,851.274) million for declaration, injunction, recovery of shares, damages and compensation.

The legal advisor of the Company considers that above mentioned lawsuits would 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.

Law suits filed during 2008

As a result of a dispute between the Company and a member (suspended), whereby the member (suspended) was not sharing certain information relating to trading of shares, the Company complained to the SECP and the member (suspended) fearing about any coercive action by the Company and SECP, filed a suit against the Company in the Honourable High Court of Sindh. However, the SECP before filing the law suit by the member, had already suspended the license of the brokerage of the member. The member (suspended) has filed the above law suit for declaration, permanent injunction, mandatory injunction and damages of Rs.2,000 (June 30, 2015: Rs.2,000) million against the Company. The legal advisor of the Company considers that above mentioned lawsuits would 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.

For The Year Ended June 30, 2016

- 26.2.4 The Islamabad Stock Exchange (Guarantee) Limited filed a complaint with the Competition Commission of Pakistan (CCP) against the Companyalleging abuse of its dominant position in securities market in contravention of Section 3 of the Competition Ordinance, 2007. The CCP passed directed the Company to take corrective measures along with the other exchanges of Pakistan and in case of failure to comply with the direction of the CCP, the Company will be liable to pay a penalty of Rs.50 (June 30, 2015: 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.
- 26.2.5 In addition to the above stated litigations, there are various other lawsuits filed by ex-members and / or their customers and penalties imposed by the CCP and SECP, which the Company is currently contesting in various courts of laws / forums. Following are the issues in relation to such litigations / penalties:
 - Customer of members claiming for losses on their investments arising due to fixation of floor prices by the Company.
 - CCP imposing penalty for placement of floor.
 - Customer of members claiming for losses due to certain activities of members resulting in financial loss to the customers.
 - Third party claiming for damages from Company for putting restriction for operating in office premises which the third party bought from ex-member.
 - Counter claim of a member against the penalties imposed by the PSX due to non-compliance of certain Regulations by the member.

The cumulative financial impact of these various litigations is estimated to be Rs. 58.257 (June 30, 2015: Rs. 58.257) million. The management of the Company, based on legal advisors opinions, believes that the Company has reasonable position in respect of these litigations. Hence, no provision for any liability which may arise in this regard has been made in the financial statements of the Company.

26.3 Commitments

Aggregate commitments for capital expenditure at the end of the year were Rs. 7.664 (June 30, 2015: Rs.17.461) million.

For The Year Ended June 30, 2016

27.	LISTING FEE
21.	LIBIING FEE

Annual fees Initial fees

28. INCOME FROM EXCHANGE OPERATIONS

Trading fee
Facilities and equipment fee
Income from non-trading facilities
Membership fee
Other fee

201	6			201	5
_	(Rupees	in	(000)	_	

186,443	1 <i>7</i> 5,118
41,743	79,711
228,186	254,829
221,002	230,840
53,352	43,782
31,691	26,445
1,930	2,020
12,706	10,889
320,681	313,976

29. MANAGEMENT FEE

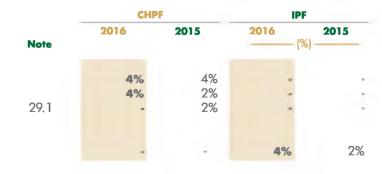
The Company manages PSX Clearing House Protection Fund (CHPF) and PSX Investors Protection Fund (IPF) which includes provision of services related to finance and investment, risk management and customers services and investors complaints. The management fee is charged based on the following rates as approved by the Board of Directors of the Company:

On fund size of CHPF

For the period from July 1 to September 30 For the period from October 1 to April 30 For the period from May 1 to June 30

On fund size of IPF

For the period from July 1 to June 30



For The Year Ended June 30, 2016

As fully explained in note 24.1, pursuant to transfer of risk management function from PSX to NCCPL, the CHPF ceased to operate from April 30, 2016. Further in accordance with the directive of the SECP (as explained in note 24.1) the management fee by PSX from IPF is increased from 2% to 4% per annum with effect from July 01, 2015 and from CHPF is also increased from 2% to 4% from July 01, 2015 till April 30, 2016.

		Note	2016	2015
30.	MARK-UP / INTEREST INCOME		— (Rupees in	n '000) —
	Return on:			
	Government securities		219,184	236,617
	PLS saving accounts		199,763	232,083
	1 to soming decounts		418,947	468,700
31.	ADMINISTRATIVE EXPENSES			
	Salaries and other benefits	31.1	422,566	382,823
	Rent, rates and taxes		8,162	887
	Fuel and power		60,511	58,479
	Repairs and maintenance		43,850	37,387
	Computer maintenance and related expenses		69,440	42,122
	Insurance		9,811	9,737
	Telephone, courier and postage		6,338	3,436
	Printing and stationery		14,701	7,824
	Donations	31.2	4,500	4,000
	Auditors' remuneration	31.3	6,676	4,803
	Legal and professional charges		37,042	16,848
	Divestment / demerger expenses		18,648	1,750
	Depreciation	7.1	193,848	188,810
	Amortisation	8.1	33,000	40,693
	Travelling and conveyance		30,562	14,755
	General office expense		7,449	5,494
	Receptions, meetings and functions		19,513	19,418
	Advertisement, marketing and development		21,819	16,548
	SECP supervision fee		5,489	9,186
	Company's re-registration fee paid to the SECP		-	21,272
	Provision for trade debts considered doubtful - net		1,733	6,832
	Security expenses		19,433	14,094
	Subscription fee		2,667	3,672

For The Year Ended June 30, 2016

Loss on sale of fixed assets Other expenses

2016	2015	
— (Rupees	in '000) —	
19	337	
2,097	2,613	
1,039,874	913,820	

2015

Note

2016

- Included herein is a sum of Rs. 18.428 (June 30, 2015: Rs. 16.51) million in respect of retirement benefits. 31.1
- Donations are paid to a Educational and Medical Institutions, as per the policy approved by Board of Directors, in which none of the directors of 31.2 the Company is interested in any capacity.

		HOIE	2010	2013
			— (Rupees i	n '000) —
31.3	Auditors' remuneration			
	A 1 16			715
	Annual audit		715	715
	Half yearly review		262	248
	Review of code of corporate governance		55	55
	Special Audit		820	1.0
	Other special assignment		1,000	1,900
	Taxation and other services		3,694	1,755
	Out of pocket expenses		130	130
			6,676	4,803
32.	FINANCIAL AND OTHER CHARGES			
	Return on cash margin against ready and			
	future exposure and loses	32.1	138,214	184,518
	Bank charges		649	1,294
	Workers' Welfare Fund		5,240	7,378
			144,103	193,190

32.1 This represents return on cash margins deposited by members against future contracts at various rates ranging between 0.69% and 5.30% (June 30, 2015: 1.97% and 8%) per annum, after deducting 1% service charge, as per the Directive issued by the Securities and Exchange Commission of Pakistan.

For The Year Ended June 30, 2016

33.	OTHER INCOME	Note	2016 — (Rupees in	2015 1 '000) —
	Fair value (loss) / gain on investment property Bad debts recovered Miscellaneous income Income from sale of scrap Exchange gain	9	(12,465) 2,280 1,648 204 (8,333)	13,820 345 - 1,949 1,967 18,081
34.	TAXATION			
	Current		78,578	30,137
	Deferred		46,416 124,994	13,994
			12-977-	77,101

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

35. BASIC AND DILUTED EARNINGS PER SHARE

Profit after taxation	132,272	317,369
	(Numbe	r in 000)
Weighted average number of ordinary shares outstanding during the year	801,476	801,476
	(Rup	ees)
Basic and diluted earnings per share (Rupees)	0.17	0.40

For The Year Ended June 30, 2016

36. **REMUNERATION OF MANAGING DIRECTOR AND DIRECTORS**

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

Managerial remuneration Annual performance payout Reimbursement of expenses Fees

Number

Managerial remuneration Annual performance payout Reimbursement of expenses Fees

Number

	2016	
Managing	Directors	Total
Director	(5.000)	
	— (Rupees in '000) ——	_
17,954		17,954
-		-
1,070		1,070
-	11,325	11,325
19,024	11,325	30,349
1	10	

	2015	
Managing	Directors	Total
Director	— (Rupees in '000) ——	_
16,030	140	16,030
8,015		8,015
1,135	40	1,135
	10,525	10,525
25,180	10,525	35,705
1	10	

36.1 The Managing Director of the Company is also provided with the free use of Company owned and maintained car.

RELATED PARTY TRANSACTIONS

The related parties comprise of associates, companies with common directorship, staff gratuity fund, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties.

For The Year Ended June 30, 2016

The balances with related parties are disclosed in respective notes to the financial statements. Following are the details of transactions with related parties during the year ended June 30, 2016 and June 30, 2015.

	2016	2015
	— (Rupees in '	000) —
Management fee		
PSX Clearing House Protection Fund	133,677	93,124
PSX Investors Protection Fund	45,410	15,412
	179,087	108,536
Dividend income		
Central Depository Company of Pakistan Limited (CDCPL)	84,088	77,620
National Clearing Company of Pakistan Limited (NCCPL)	94,924	42,187
3 7 7	179,012	119,807
Income from investment property		
CDCPL	5,527	5,527
NCCPL	13,543	12,777
	19,070	18,304
	17,020	10,001
Income from Marginal Trading System - NCCPL	30,785	22,154
		22,101
CDC fees - CDCPL	1,881	822
Trading fees		
Aba Ali Habib Securities (Private) Limited	6,297	7,617
Adam Securities (Private) Limited	10,354	10,892
Lakhani Securities (Private) Limited	186	213
Topline Securities (Private) Limited	1,952	3,104
topinio occornico (i rivato) Entitod	18,789	21,826
Profit on PLS account	10,202	21,020
Barclays Bank PLC, Pakistan (now Habib Bank Limited)		11,634
KASB Bank Limited (now BankIslami Limited)	1,539	- 11,004
BankIslami Pakistan Limited	1,367	1,046
Dankisianii Takisian Emilica	1,539	12,680
Facilities and equipment fees	1/307	12,000
Aba Ali Habib Securities (Private) Limited	339	384
Adam Securities (Private) Limited	1,342	1,211
Additi Seconites (Frivale) Littilled	1,342	1,411

For The Year Ended June 30, 2016

20 I	0			20	12
_	(Rupees	in	(000)	-	

Lakhani Securities (Private) Limited
Topline Securities (Private) Limited
Abid Ali Habib Securities (Private) Limited

Listing fees

National Bank of Pakistan
Tri-Pack Films Limited
Thal Limited
Descon Oxychem Limited
EFU Life Assurance Limited
Sui Southern Gas Company Limited
Standard Chartered Bank (Pakistan) Limited
KASB Bank Limited (now BankIslami Pakistan Limited)
Engro Corporation Limited
Archroma Pakistan Limited
KSB Pumps Limited
WYETH Pakistan Limited

Insurance Premium

EFU Life Assurance Limited

Retirement benefit plan

Payment made to gratuity fund during the year

Donation

Developments in Literacy Sindh Institute of Urology and Transplantation

12	12
224	224
2	2
1,919	1,833
947	898
320	485
398	586
166	274
385	542
418	618
539	795
375	426
943	805
601	
368	
465	
5,925	5,429
1,927	2,254
21,373	13,498
326	-
489	
815	-

For The Year Ended June 30, 2016

38. FINANCIAL RISK MANAGEMENT

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

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

38.1 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.

38.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term investments and bank deposits in saving accounts. At the balance sheet date, the interest rate profile of the Company's interest-bearing financial instruments is as follows:

	20	016	
	Interest / mo	ır <mark>k-up beari</mark> ng	9
Effective yield / mark-up rate %	Upto six months	More than six months	Total
	—— (R	upees in '000) -	
6.23-12.58 1.69-6.30	187,517 383,611 571,128	1,600,467	1,787,984 383,611 2,171,595

Financial assets

Government securities

Cash and bank balances

For The Year Ended June 30, 2016

	2015			
	Interest / mark-up bearing			
	Effective yield / mark-up Upto six More than rate % months six months Total ————————————————————————————————————			
Financial assets Government Securities Cash and bank balances	6.79 - 12.36)		
Financial liabilities Deposits from members against exposures and losses	1.97 - 8 5,330,422 - 5,330,422	2		

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

2016 2015
Change in basis point

+ 100
- 100

21,716 24,244
- 100
(21,716) (24,244)

38.3 Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of change in foreign exchange rates relates only to the bank balance in saving accounts maintained in US dollars amounting to Rs.2.843 (June 30, 2015: Rs.7.567) million [US dollars 0.027 (June 30, 2015: US dollars 0.074) 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.

For The Year Ended June 30, 2016

	Change in US dollar rate	before tax (Rupees in	Effect on reserves
2016	+10%	284 (284)	284 (284)
2015	+10% -10%	757 (757)	757 (757)

38.4 Credit risk

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

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

Not	•	2016	2015
Financial assets		— (Rupees	in '000) —
Government Securities			
- Market treasury bills		187,517	177,394
- Pakistan Investment Bonds (PIBs)		1,600,467	1,953,406
Cash at bank		383,714	5,624,173
Trade debts 38.4	.2	40,917	30,954
Loans and advances		17,945	9,380
Long term deposits		40,537	38,062
Other receivables		120,402	168,433
		2,391,499	8,001,802

- 38.4.2 This includes trade debts of Rs.7.01 million (June 30, 2015: Rs.9.805 million) which are past due but not impaired.
- 38.4.3 Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. The table below analyses the credit quality of Company's exposure with respect to cash at bank only:



For The Year Ended June 30, 2016

Ratings *			
_			
AAA			
AA+			
AA			
AA-			
A+			
Α			
Δ_			

^{*} Ratings are performed by PACRA and JCR-VIS

2016	2015
(%)	
1.06	34.00
74.37	25.00
23.41	7.00
0.23	5.00
0.57	11.00
0.36	18.00
-	
-	-
100.00	100.00

38.5 Liquidity risk

BBB

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:

Long term deposits Trade and other liabilities Total

2016				
On demand	Upto three months (Rupees	More than one year in '000) ——	Total	
- 4		144,968	144,968	
552,204	-		552,204	
552,204		144,968	697,172	

For The Year Ended June 30, 2016

Long term deposits
Deposits from members against
exposures and losses
Trade and other liabilities
Total

2015					
On demand					
+	- 2	50,147	50,147		
5,330,422			5,330,422		
556,159	14,743	-	570,902		
5,886,581	14,743	50,147	5,951,471		

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

38.7 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.

As at June 30, 2016, the Company's long term investments are in unquoted securities (see note 11), which are carried at cost, less impairment, if any.

39. NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors in their meeting held on September 09, 2016 proposed a final cash dividend at the rate of 0.5% (June 30, 2015: 2.2%) i.e. Re.0.05 (June 30, 2015: Re.0.22) per share, for the financial year ended on June 30, 2016, amounting to Rs. 40.074 (June 30, 2015: Rs.176.325) million for the approval of the shareholders in the Annual General Meeting to be held on October 20 - 2016.

For The Year Ended June 30, 2016

40. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on September 09, 2016 by the Board of Directors of the Company.

41. NUMBER OF EMPLOYEES

The number of employees as at June 30, 2016 were 276 (June 30, 2015: 237).

42. GENERAL

- **42.1** Figures have been rounded off to the nearest thousand rupees.
- **42.2** Certain prior year figures have reclassified for comparison purposes. However, there are no material reclassifications to report.

sd/-	sd/-
Chairman	Managing Director

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2016

Number of Shareholders	Sha	rehol	dings	Total Shares Held
7	1	to	100	700
i	501	to	1000	1,000
1	1,001	to	5,000	2,500
1	10,001	to	15,000	15,000
2	15,001	to	20,000	37,000
2 2 2	20,001	to	25,000	50,000
2	45,001	to	50,000	98,000
1	50,001	to	55,000	55,000
1	55,001	to	60,000	60,000
3	95,001	to	100,000	300,000
4	115,001	to	120,000	467,528
2	120,001	to	125,000	250,000
1	185,001	to	190,000	190,000
1	195,001	to	200,000	200,000
1	200,001	to	205,000	200,369
1	210,001	to	215,000	214,000
1	225,001	to	230,000	230,000
4	230,001	to	235,000	935,056
1	245,001	to	250,000	250,000
1	550,001	to	555,000	552,953
13	1,600,001	to	1,605,000	20,838,389
15	2,400,001	to	2,405,000	36,066,903
1	3,200,001	to	3,205,000	3,204,430
1	3,905,001	to	3,910,000	3,907,383
183	4,005,001	to	4,010,000	733,350,389
251				801,476,600

CATEGORIES OF SHAREHOLDERS

AS AT JUNE 30, 2016

Categories of Shareholders	Shareholders	Shares Held	Percenta
Directors and their spouse(s) and minor children	2		
Mr. Abdul Majeed Adam	1	100	0.00
Mr. Muhammad Yasin Lakhani	1	100	0.00
Mr. Muhammad Abid Ali Habib	l a	100	0.00
Mr. Ahmed Chinoy	1	100	0.00
Associated Companies, undertakings and related parties			
Aba Ali Habib Securities (Private) Limited	1	4,007,383	0.50
Abid Ali Habib Securities (Private) Limited	1	4,007,283	0.50
Adam Securities (Private) Limited	1	4,007,283	0.50
akhani Securities (Private) Limited	1	4,007,283	0.50
Executives	0,00		
Public Sector Companies and Corporations	1	4,007,383	0.50
Banks, development finance institutions, non-banking			
inance companies, insurance companies, takaful,			
modarabas and pension funds	3	10,419,196	1.30
Nutual Funds			
nutuai runas			
General Public			
Others			
oint Stock Companies	195	742,867,383	92.69
ndividuals	44	28,153,006	3.51
otal	251	801,476,600	100.00
		•	

Shareholders holding 5% or more

FORM OF PROXY

69th Annual General Meeting

I/We,of	holding
Computerized National Identity Card No.	and being a member of Pakistan Stock
Exchange Limited (Formerly: Karachi Stock Exchange Limited), hereby appoint	jo
, holding Computerized National Identity Card No.	as my/our
proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on 20th day of	ne Company, to be held on 20th day of
October 2016 and at any adjournment thereof.	
As witness my/our hand/seal this day of , 2016	
WITNESSES:	
1. Signature	
Name	Ť
Address	
CNIC No.	
CDC Account No.	Revenue Stamp of Rs.5/- To be signed by above-named shareholder

Notes:

- This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting. <u>.</u>:
- The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. 2
- Attested copies of CNIC of the appointer and the proxy-holder shall be furnished with the Proxy Form. ო.
- The proxy-holder shall produce his original CNIC at the time of the meeting. 4.
- In case of corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form. 5

پراکسی فارم 69وال سالانها جلاس عام

میں اہم ۔۔۔۔۔۔۔۔۔اکن ۔۔۔۔۔ حامل کمپیوٹر ائز ڈ شناختی کارڈنمبر۔۔۔۔۔۔۔	
بطوررکن پاکستان اسٹاک ایمیجینج کمییٹڈ (سابقہ کراچی اسٹاک ایکس چینیج کمییٹڈ) ۔۔۔۔۔۔۔۔۔۔امل کمپیوٹرائز ڈشناختی کارڈ ۔	
نمبر۔۔۔۔۔کومور نے 2010 کتوبر2016 کومنعقد ہونے والے سالا نہ اجلاس عام اوراس کے کسی ملتوی شدہ اجلاس کے	الم الم
میری اہماری جانب سے دوٹ ڈالنے کے لیے بطور نمائندہ (پراکسی) تقرر کرتا ہوں ا کرتے ہیں۔	
گواہان کی موجود گی میں میرے اہمارے اہماری دستخطام ہربروز۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ 2016 کو ثبت کیے گئے اگی گئی۔	,
گوایان:	
پیغه کمپیوٹرائز دُ شاختی کار دُنمبر	
2 وستخط ــــــــــــــــــــــــــــــــــــ	
~ t	
پة كمپيوٹرائز دشاختی كاردنمبر	
ى ڈى يى اكاؤنٹ نمبر اللہ اللہ اللہ اللہ اللہ اللہ اللہ الل	
نوش:	
1۔ یہ پراکسی فارم جمل اور دستخط شدہ بمپنی کے رجسٹر ڈ دفتر میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے پہلے موصول ہونا ضروری ہے۔	
2۔ پراکسی فارم پر دوگواہان کے نام، پتے اور تی این آئی سی نمبر درج ہونے چاہیے۔	
3۔ پراکسی فارم کے ساتھ تقر رکرنے والے اور پراکسی کے حامل فر د کے تی این آئی سی کی تصدیق شدہ نقول جمع کی جائیں گی۔ ۔ ۔ پراکسی فارم کے ساتھ تقر رکرنے والے اور پراکسی کے حامل فر د کے تی این آئی سی کی تصدیق شدہ نقول جمع کی جائیں گی۔	
4۔اجلاس کے وقت پراکسی کا حامل شخص اپنااصل شناختی کارڈ فراہم کرےگا۔	
5۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائر کیٹرز کی قرار داد اپاور آف اٹرنی (مختارنامہ)منظور شدہ دستخط کے ساتھ پراکسی فارم میں میں سے	م
ہمراہ جمع کی جائے گی۔	

زىر جائزه سال كے دوران بورڈ نے مندرجہ ذیل عطیات كی منظورى دى ہے۔

رقم (روپے میں)	مستفيد ہونے والا ادار ہ
750,000	ميمن ميزيكل انسثيثيوث
750,000	اليس آئي يوفي ٹرسٹ
750,000	كھارا در جنر ل اسپتال
750,000	امن فا وُتِدُ يشن
500,000	دى سٹيزن فاون <i>ڈ</i> يشن
500,000	حيا <i>بالذ كئير</i> فا وُنثر ^{يي} ن
500,000	ڈ پیچسٹس ان لٹریسی

اظهارتشكر

پی ایس ایکس کا بورڈ آف ڈائر مکٹرز،امکس چینج کے ٹی آرای می ہولڈرز اوراسٹیک ہولڈرز کا ان کی جانب سے پی ایس ایکس کی مسلسل معاونت کرنے پرشکر بیادا کرتا ہے، بورڈ سیکیورٹیز اینٹر ایکس چینج کمیشن آف پاکستان،اسٹیٹ بینک آف پاکستان، بورڈ آف ریونیواوروز اریخ زانہ،اقتصادی ومعاشی امور،حکومتِ پاکستان کا بھی پی ایس ایکس کی بروفت مدد،معاونت اور رہنمائی فراہم کرنے پرشکر بیادا کرتا ہے۔

مزید برآں بورڈ تمام کمیٹی ممبران کا بھی رہنمائی اورمعاونت فراہم کرنے پرشکر بیادا کرتا ہے۔ بورڈ پی ایس ایکس کے تمام اسٹاف ممبران کی بھی حوصلدافز ائی کرتا ہے جنہوں نے اپنے تمام اہداف کو مستعدی اور ذھے داری سے پورا کرنے بالخصوص اسٹاک ایکس چینجز کے ادغام کو کامیا بی سے کمل کرنے میں مثالی کارکردگی کامظاہرہ کیا جس میں آئی ٹی، آپریشنز اور مارکیٹنگ ابرا نڈنگ کے فرائض شامل تھے۔

بورڈ آف ڈائر کیٹرزی نمائندگی کرتے ہوئے

منیر کمال ندیم نقوی چیئرین بنجنگ ڈائر کیٹر

> کراچی 9 ستمبر2016

بورڈییآ گاہ کرتے ہوئے نوشی محسوس کرتا ہے کہ پی ایس ایکس رضا کارانہ طور پرضابطہ برائے کاروباری نظم ونسق پڑل پیرا ہو کرضابطہ کے مطابق بہترین کاروباری طریقہ کار کی کمل طور پھیل کررہا ہے جس کی وضاحت منسلک تھیل کی اسٹیٹنٹ میں بیان میں گئی ہے۔اس کی روشنی میں مندرجہ ذیل اسٹیٹنٹ وی جارہی ہیں۔

كىنى كے كھاتوں كامناسب حساب كتاب ركھا كياہے۔

۔انتظامید کی جانب سے نتار کردہ مالیاتی اسٹیمنٹ اس کے معاملات ،آپریشنز کے نتائج اور نقدی کے بہاو کی درست تصویر پیش کرتی ہے۔

مالیاتی اشینمنٹ کی تیاری کے لیے مناسب اکاونٹنگ کی پالیسیوں پر پابندی سے مل کیا گیا ہے جو کہ عالمی مالیاتی رپورٹنگ کے معیارات جیسے کہ پاکستان میں نافذہیں سے ہم آ ہنگ ہیں۔

۔ مالیاتی تخمینے، جہاں ضرورت ہے، مناسب اور دانشمندا نہ فراست کے ساتھ لگائے جاتے ہیں۔

اندرونی کنٹرول کام بوطار و شخکم نظام موجود ہے جسے انتظامیہ کی طرف سے موثر طور پر نافظ کیا گیا ہے۔ بینطام اندرونی اور پیرونی آڈیٹرز، بورڈ آف ڈائر کیٹرز اور آڈٹ کمیٹی کی ٹکرانی میں کام کررہا ہے۔ بورڈ آڈٹ کمیٹی ک

ذریع اندرونی کنٹرول کے موثر ہونے کا جائزہ لیتا ہے اور جہال بہتری کی ضرورت محسوس ہوتی ہے وہاں تجاویز دی جاتی ہیں۔

كمينى كشلس كي بار ييس سى قتم كوكى شبهات نبيس بي -

کاروباری نظم ونسق کی خلاف ورزی کے کے حوالے سے کسی قتم کی کوئی رپورٹ موصول نہیں ہوئی۔

گزشته سال کآپریٹنگ نتائج کے مقابلے میں کمی بیشی مستقبل کے منصوبوں اور تبدیلیوں اگر کوئی ہوں کوڈ ائریکٹرزی اس رپورٹ میں علیحدہ سے مناسب طور پر شامل کیا گیا ہے۔

ی ایس ایس کے ملاز مین کی گریجو پٹی فنڈی سرماییکاری کی مالیت 154.62 ملین روپے ہے جوغیرآ ڈٹشدہ کھاتوں برائے سال 30 جون 2016 کی بنیاد پر ہے۔

گرشته چیسال کااجم آپریٹنگ اور مالیاتی ڈیٹااس رپورٹ میں شامل کیا گیا ہے۔

حص كي فشيم كافاكهاس ربورث كساته مسلك كيا كيا -

كاروبارى ساجى ذمددارى (سىالس آر)

پاکستان اسٹاک ایکس چینج بطورایک قومی ادارہ اور ذمے دار کار پوریٹ شہری کی حیثیت ہے معاشرے کے حوالے سے اپنی ذمے دار یوں کومحسوس کرتا ہے، اس تناظر میں کار پوریٹ ساجی ذمے داری کی سرگرمیوں کے حوالے سے پی ایس ایکس کی متعین پالیسی ہے۔

ميومن ريسورس ايندريميو نيريش كميني

2016 ئرورى 2016 تا 30 يون		يَم جُولا كِي 2015 تا 23 فروري 2016		م میٹی کے رکن کا نام
اجلاس میں شرکت	منعقده اجلاس	اجلاس میں شرکت	منعقده اجلاس	- 34
14	01	01	01	منيركمال
01	01	-	01	عبدالمجيدآ دم
		-	01	كمال افسر
		-	01	شنرادجي دادا
01	01	01	01	عابدعلى حبيب
01	01	01	01	محمد ياسين لا كھانى
		01	01	سيدمح شبرزيدي
01	01			احمدچنائے
01	01			معينائم فدا
01	01			توفیق اے حسین

آڈیٹرز (Auditors)

ای وائے فورڈ رہوڈ ز (EY Ford Rhodes)، چارٹرڈ اکا ڈٹیٹس، اپنا اسائنٹ کھمل کر کے سبکدوش ہوگئے۔ اہل ہونے کی بنیاد پرانہوں نے اپنے آپ کودوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی کی سفارش کے مطابق بورڈ ای وائے فورڈ رہوڈ ز، چارٹرڈ اکا ڈٹیٹس، کارواں مالی سال جس کا اختقام 30 جون 2017 کوہوگا کے لیے پی ایس ایکس کے آڈیٹرز کے طور پر دوبارہ تقرر کرنے کے لیے سفارش کرتا ہے۔

کاروباری نظم ونسق (کارپوریٹ گورننس)

بورڈ آف ڈائز کیٹرزاور کمپنی بہترین کاروباری انتظامی طریقہ کار پڑمل پیراہونے کیلیے پرعزم ہونے کےساتھ ساتھ شفاف اوراعلانی طور پراپنے فرائض کی انجام دہی کے لیے زور دے رہے ہیں۔ بورڈ اورانتظامیا پی ذمہ داریوں سے آگاہ ہیں اور کویٹل مارکیٹ کے آپریشنز کی مالیاتی اورغیر مالیاتی معلومات کی صحت کی درنتگی ، جامیعت اور شفافیت کے لیے گرانی کاعمل انجام دے رہے ہیں۔

آ وٰٹ کمیٹی آوٹ

2016غروري3012016 جون2016		ية 23 فروري 2016	كم جولا كى 2015 تا 23 فرورى 2016	
 اجلاس میں شرکت	منعقده اجلاس	اجلاس میں شرکت	منعقده اجلاس	سمیش کے رکن کا نام
		03	03	عبدالقادرميمن
01	01	01	03	عبدالمجيدآ دم
		01	03	شنرادجی دادا
01	01	03	03	محمر ياسين لا كھانى
		01	03	آصف قادر
		03	03	محر سهبيل
01	01			محرنتيم
01	01			احمد چنائے
01	01			معينا بفدا
01	01			عابدعلى حبيب

بورڈ کی کمیٹیاں

ا میس چینجز کے کمرشل اورریگولیٹری امور کی علیحد گی کے لیے ایس ای پی کے منظور کردہ منصوبے اور ضابطہ برائے کاروباری نظم ونسق (کوڈ آف کارپوریٹ گورننس) کے تحت اورا کیس چینج کی فرنٹ لائن ریگولیٹر کی حیثیت کے مطابق خصوصی قروار اور کاروباری ادارے کی حیثیت کی بھیل کے لیے بورڈ نے متعدہ کمیٹیاں تھکیل دیں جن میں نمایاں ریگولیٹری افیئر زکمیٹی ،نومینیشن کمیٹی ،آڈٹ کمیٹی اور ہیومن ریسورس اینڈریمیو نیریشن کمیٹی ہیں۔

سال کے دوران نومینیشن کمیٹی کا کوئی اجلاس منعقذ نہیں ہوا جبکہ بقیہ 3 کمیٹیوں کے اجلاس میں ارکان کی حاضری حسب ذیل رہی۔

ريگوليثري افيئر زنميڻي

	2016 تا 30 جون 2016		كيم جولا ئى 2015 تا 23 فرور كى 2016	
اجلاس بین شرکت	منعقده اجلاس	اجلاس میں شرکت	منعقده اجلاس	سمیٹی کے رکن کا نام
		03	05	سيد محمد شبر زيدي
		03	05	سید محمر شبرزیدی کمال افسر
		04	05	عبدالقاور ميمن
		05	05	آصف قادر
05	05			توفیق اے حسین معین ایم فدا
05	05			
04	05			راحت کونین حسن
05	05			محرفيم

30 جون 2016 كوفتم ہونے والے مالى سال كے دوران بورڈ كے 21 اجلاس ہوئے (14 طے شدہ جبكہ 07 بنگامی اجلاس تھے)۔ان اجلاسوں میں ڈائر يكٹرز كى حاضرى حسب ذيل رہى۔

2016ىيىنى 2016	24 فروري 2016 تون2016		کیم جولائی 2015 تا23 فروری 2016	
ا جلاس میں شرکت	منعقده اجلاس	جلاس می <i>س شر</i> کت	منعقده اجلأس	ڈائز بکٹر کا نام
05	06	14	15	منیرکمال ندیم نقوی عبدالمجیدآ دم کمال افسر
06	06	13	15	نديم نفوي
06	06	11	15	عبدالمجيدآ دم
		12	15	كمال افسر
		09	15	شنمرا د جی دا دا
06	06	15	15	عابدعلی حبیب محمدیاسین لا کھانی
06	06	15	15	محمد ياسين لا كهاني
		10	15	عبدالقادرمين
		08	15	آصف قادر
		13	15	م مسهيل
		11	15	سید محمد شرزیدی
06	06			احرچنائے
06	06			سمسراح
05	06			معين ايم فدا
06	06			میوند معین ایم فدا راحت کوئین حسن نوفیق الے حسین
06	06			توفق اليحسين
06	06			مجرنتيم

جوڈ ائریکٹرز بورڈ کے اجلاس میں شریک نہیں ہو سکے ان کورخصت دی گئ تھی۔

اس طرح پی ایس ایک کا حالیہ بورڈ آف ڈائر یکٹرزمندرجہذیل ڈائر یکٹرز پرشتمل ہے۔

الیںای پی کے نامز دکردہ ڈائر یکٹرز

1_منیرکمال(چئیر مین) 2_سمیراحد

3-معين ايم فدا 4-راحت كونين حسن

5۔تونیں اے سین 6۔محمد نعیم

ٹی آ رای می ہولڈرز کے نمائندہ ڈائر یکٹرز

1عبرالجيرآوم 2-احمد چنائے

3-عابرعلى حبيب 4-محمرياسين لا كهاني

منبخنگ ڈائریکٹر

1-ندىم نقوى

بورڈ سبکدوش ہونے والے ڈائر یکٹرزی خدمات کوخراج تحسین پیش کرتاہے خاص طور پر بتیوں اسٹاک ایکس چینجز کے ادغام کے مل کے دوران کمپنی کے آپریشن کے لیے ان کی خدمات کوقدر کی نگاہ ہے۔

** پی ایس ایکس کے پاس پی ایم ای ایکس کے 8,909,052 (2015:8,909,052) عام شیئرز ہیں جن کی فی شیئر مالیت 10روپے ہے۔ بیشیرز پی ایس ایکس نے 15-2014 میں رائٹ آفر کے تحت حاصل کیے

سال 16-2015 کے دوران نیشنل بینک آف پاکستان (این بی پی) اور پاک برونائی انوسٹمنٹ کمپنی کے پاس موجود پی ایم ای ایک کے علام موجود کی ایم ای ایک کے ایک برونائی انوسٹمنٹ کمپنی کے پاس موجود پی ایم ای ایک کے معمولی شئیر زمین تبدیل کرائے گئے تھے۔مزید یہ کہاین بی پی نے پریفرینس شیئرز پر قابل ادا ڈیویڈوٹر جی معمولی شئیرز میں تبدیل کرایا۔جبکہ پاک برونائی انوسٹمنٹ کمپنی نے رائٹ شیئرز میں سے حاصل نہ کئے گئے تھے میں سے 0.63 ملین تصص کے لیے تھے۔اس طرح پی ایس ایکس کی پی ایم ای ایک میں شیئر ہولڈنگ 32.32 فیصد سے کم ہوکر 28.41 فیصد ہوگئی۔ پی ایم ای ایکس میں اب بھی سبسکر ائب نہ کیے گئے کچھ صصم موجود ہیں جواگر (پی ایس ایکس کے علاوہ) سبسكرائب كيد كئوتوني السراكيس كي شيئر جولله تك 18.88 فيصد تك كم جوجائ كا

بی ایم ای ایکس کے غیر آڈٹ شدہ مالیاتی اسٹیمنٹ کے مطابق 30 جون 2016 تک کل منافع 30.88 ملین روپے تھی (30 جون 2015: 14.63 ملین روپے کا نقصان) اور مجموی نقصانات 30 جون 2016 تک 400.85 ملين روپے ہيں (30 جون 431.71:2015 ملين روپے)۔ پي ايم اي ايکس بيس 10 روپے کے معمولي شيئر کي ماليت في شيئر منفي 2.07 روپے ہے (2015 منفي 4.87 روپے) جو پي ايم اي ايکس بيس موجو وغير آدُٹ مالی سال 2016 کے اختام تک دستیاب ہیں۔ پی ایم ای ایکس میں سرماییکاری کی اصل لاگت 94.82 ملین روپے ہے۔

سال كدوران ى دى ك ي ن 32.5 فيصد ك حساب سيكيش دا يويلوند (300:301) اوراين ى تى تى ايل ف 90 فيصد ك حساب سي (2015:60%) كيش دا يويلوند كالعلان كياجو تى اليس اليس ف وصول كيا-

بوردان دائر يكثرز

ڈی میو چیلائزیشن ایک کےمطابق پی ایس ایکس کابورڈ آف ڈائزیکٹرزالیس ای پی کی جانب سے نامز دکردہ 66 ڈائزیکٹرز،ٹی آرای ہی یافتگان کےنمائندگان کے 4 ڈائزیکٹرزاور منیجنگ ڈائزیکٹر پرمشتمل ہے۔

سال کے دوران بورڈ کی تین سالہ مدت 25 ستمبر 2015 کوشتم ہوناتھی۔ تا ہم ایکس چینجز کے ادعام کو مذظرر کھتے ہوئے ایس ای ٹی نی نے کمپنی کو ایک مراسلے کے ذریعے جو 25 اگست 2015 کو جاری کیا گیا، ہدایت کی کہ بورڈ کی ہیئت میں کوئی تبدیلی کے بغیراس کواد غام مکمل ہونے تک کام کرنے دیا جائے۔

11 جنور 2016 کواد غام کائل کھل ہونے اور کمپنی کانام" پاکستان اسٹاک ایکس چینجے لمیٹٹہ" میں تبدیل ہونے کے بعدایس ای سی ٹی نے چارڈ ائز کیٹرز جوٹی آرای ہولڈرزی نمائندگی کرتے ہیں ان کا 45 دن کے اندرانتخاب کرنے کی ہدایات جاری کیں جس کے تحت 24 فروری 2016 کوغیر معمولی اجلاس میں چارڈائر میکٹرز کا امتخاب عمل میں آیا جس میں عابدعلی صبیب،عبدالمجید آدم،اور مجمدیاسین لا کھانی دوبارہ منتخب ہوئے جبکہ مجمسہیل کی جگہ احمد چنائے منتخب ہوئے۔اس کے ساتھ الیس ای سی پی نے کمال افسر، شنزاد ہی دادا ،عبدالقادر میمن ، آصف قا دراور سید محد شبرزیدی کی جگہنٹی نامزدگیاں کیس جبکہ منیر کمال کی نامزدگی کو جاری رکھا۔ موصول ہوئے جن میں سے ایک واپس لیالے لیا گیا۔ قواعد کے مطابق جائزہ لینے کے بعد کمیٹی نے 16 ای اوآئیزکو اپنی آراء کے ساتھ ایس ای پی کومزید کارروائی کے لیے ارسال کردیئے تاکہ سرمایی کارپی ایس ایکس کی خصص کی خریداری کے لیے با قاعدہ طور پر ڈیو ڈیلیجنس کے مل کا آغاز کرسکیں۔اگر چرایس ای پی تمام پاکسی ایک متعلقہ فریق کی بطوراال سرماییکارتصدیق کے مل سے گزررہی ہے لیکن اس کے ساتھ ساتھ سرماییکاروں کو ڈیو پلینچس کے مل کی اجازت بھی دے دی گئی ہے تا کہ قانون کے مطابق بروفت کا رروئی کی جاسکے۔ ڈیلینچس

قومی خزانے میں حصہ

کپیل مارکیش کا قومی خزانے میں رقم (شکیسوں کی مدمیں) جمع کرانے والے بڑے اداروں میں شار ہوتا ہے۔سال 2016 میں ٹی آرائ ہی یافتگان سے کمپنی نے سیکور ٹیز کے لین دین کی مدمیں مجموعی طور پر 25. 960 ملین روپے جع كركة مي خزاني مين جع كرائي جاني سال 2015 مين جع كرائي جاني والى يرقم 1,053.43 ملين روي تقى _

ایسوسی ایث اور دیگر کمپنیوں میں سرمایی کاری

مینی نے مندرجہ ذیل ایسوی ایٹ اور دیگر کمپنیوں میں سر ماریکاری کر رکھی ہے۔

^س مپنی کانام	مرمایے میں لگائی گئی رقم (روپے ملین میں)	فی صدشیئر ہولڈنگ	ا کاونٹس میں ظاہررقم (روپےملین میں)	
ايىوىايىش				
سينٹرل دْ پازيٹري کمپني آف پاکستان ليميند (سي دُيسي)	39.81	39.81	1,118.18	
نیشنل کلیئرنگ سمپنی آف پاکستان <i>لمیشڈ (این ی می پی ایل)</i> *	328.82	47.06	537.99	
دیگر				
جى آر ـ وى آئى اليس كريد شدريتنگ مينى لميشد	2.50	12.50	2.50	
پاکستان مرکنفائل ایکس چینج لمیینژ (پی ایم ای ایکس)**	94.82	28.41	74.82	

*سال کے دوران کمپنی نے این سی سی پی ایل میں مزید 263.67ملین رویے کی ایکویٹی انوسٹنٹ کی جو 125 فیصدرا بخٹ شیئرز کی پیشکش منظور کر کے کی گئی اوراس طرح کمپنی نے 13,183,588 عام شیئر جن کی فی شیئر مالیت 10 رویے تھی اور جو 10 رویے کے ریمئیم پر حاصل کیے گئے۔اس کی منظوری 24 فروری 2016 میں ہونے والے غیر معمولی اجلاس عام میں دی گئ تھی۔ جیسا کہ مندرجہ ذیل جدول سے ظاہر ہے، پاکتان کی مارکیٹ نے دیگر ایثائی مارکیٹ کے مقابلے میں سالانہ بنیادوں پر مقامی کرنی میں 9.8 فیصد کاریٹرن دیا جبکہ دوسری مارکیٹ میں بیشر 6.6 فیصدر یکارڈ کی گئی کلینڈر سال کے دوران مارکیٹ کی اب تک کی کارکردگی انتہائی متاثر کن رہی جو22 فیصد ہے۔

Country	30-Jun-15	30-Jun-16	% Chg.
Pakistan	34,399	37,784	9.8%
Vietnam	593	632	6.6%
Philippines	7,565	7,796	3.1%
Indonesia	4,911	5,017	2.2%
India	27,781	27,006	-2.8%
Malaysia	1,707	1,654	-3.1%
Thailand	1,505	1,445	-4.0%
Srilanka	7,021	6,283	-10.5%
Singapore	3,317	2,841	-14.4%
MSCI FM	578	490	-15.1%
MSCI EM	972	822	-15.5%
Hong Kong	26,250	20,794	-20.8%

Country	31-Dec-15	7-Sep-16	% Chg.
Pakistan	32,816	40,085	22.1%
Indonesia	4,593	5,381	17.2%
MSCI EM	794	923	16.3%
Thailand	1,288	1,487	15.5%
Vietnam	579	661	14.2%
India	26,118	28,926	-10.8%
Philippines	6,952	7,619	9.6%
Hong Kong	21,914	23,742	8.3%
Singapore	2,883	2,894	0.4%
Malaysia	1,693	1,690	-0.2%
MSCI FM	506	491	-3.0%
Srilanka	6,895	6,508	-5.6%

مالی سال 2016میں یومیاوسط تجارتی مالی (ٹریڈ ڈویلیو) 12 فیصد کی کے ساتھ 12.8 ارب روپے رہی جبکہ گزشتہ سال پرقم 14.5 ارب روپے تھی۔ نے مالی سال 2017 کے پہلے دو ماہ کے دوران اس میں تیزی دیکھی گئ اور پرقم 22 فیصد کے اضافے کے ساتھ 16 ارب روپے ریکارڈ کی گئی ہے۔

لٹٹ کمپنی کی زبردست نمواور کے ایس ای 100 کمپنیز پرسر مابیکاری پر 20 فیصد سے زائد منافع اور مارکیٹ کی قدر کو دیگرایشائی مارکیٹ کے مقابلے میں دیکھتے ہوئے وثوق سے کہا جا سکتا ہے کہ پاکستان اسٹاک مارکیٹ بہترین کارکردگی کامظاہر ہ کرتی رہےگی۔ پاکستان کی ایم ایس ی آئی ایمر جنگ مارکیٹ انڈیکس میں دوبارہ شمولیت کے فیصلے کے بعدرواں مالی سال کے پہلے دوماہ کے دوران غیرملکی سرمابیکاری میں نمایاں اضافہ ہواہے۔

ا کیس چینج کے قصص کی فروخت (Divestment)

نتیوں اسٹاک ایس چیخو کے ادعام کے ساتھ ہی ایس ای پی نے اسٹاک ایس چیخو (کارپورٹائزیشن، ڈی میو چیلائزیشن اورائی گریشن) ضوابط 2012 میں ہے قواعد متعارف کرائے جس کے وسے کی ایس ایس کے صف ، جو کسی دی کسی ٹیٹوں اسٹاک اکاؤنٹس میں موجود ہیں، کی فروخت جائے گی۔ فروری 2016 میں ڈائر کیٹرز کے امتخاب کے فوری بعدالیں ای بی نے ایک کمیٹی تشکیل دی جس کو پی ایس ایکس کے 04 فیصد تصف کی مقامی یا غیر ملکی سرمایہ کا رول کو فروخت کے ملل اوراسکی ٹکرانی کے فرائفن سونے گئے۔ فرکورہ تمام اٹا شے یا اس کے حصے کسی اسٹر پیٹیک سرمایہ کار یا اس کے متباول ، 25 فیصد ایکو پیٹ سے بھی مالیاتی سرمایہ کارول کو فروخت کے ملل اوراسکی ٹکرانی کے فرائفن سونے گئے۔ فرکورہ تمام اٹا شے یا اس کے حصے کسی اسٹر پیٹیک سرمایہ کاریاں مقامی وغیر ملکی اخبارات اورویب او بھیٹل ایڈیشن کے ذریعے اشتہارات شائع کیے۔ اظہار دلچیس کی طبی کے لیے ختلف مقامی وغیر ملکی اخبارات اورویب او بھیٹل ایڈیشن کے ذریعے اشتہارات شائع کے ۔ اظہار دلچیس کی وصولی کی حتی تاریخ 15 اگست 2016 مقرر کی گئی تھی کمیٹی ارکان اوران تظامیہ نے اس دوران بڑے پیائے پرمہم چلائی جس کے نتیج میں 17 اسٹر کے 17 اگست 2016 مقرر کی گئی تھی کمیٹی ارکان اوران تظامیہ نے اس دوران بڑے پیائی برمہم چلائی جس کے نتیج میں 17 ای اوآئیز

عالمی سیاسی اور معاثی صورتحال بدستورایک چینی رہی۔امریکہ اور پورپ میں سال 2008 کے مالیاتی بحران کے بعد سے ترقی یافتہ ممالک میں معاشی نمو کم اور نہ ہونے کے برابر رہی جس کے وجہ سے ان ممالک میں مخالف قوتوں کے درمیان محاذ آرائی جاری رہی۔ برطانیہ میں یورپی یونمین سے انخلاء کے اثرات آنے والے وقت میں محسوس کیے جائیں گے۔امریکہ میں روزگار کے اعداد وشار میں اضافہ ورہا ہے۔ بورپ میں بے روزگاری اور کمز ورمعاشی نمو، دی لا کھسے زائد شامی مہاجرین کی آمد کے باعث قوم پرست سیاسی تظیموں کی انتہا لیند سرگرمیوں میں اضافہ ہورہا ہے۔

عالگیریت پراٹھنےوالے سوالات کے ساتھ ہی عالمی تجارت میں بھی نمایاں کی ہورہی ہے برآ مدی مارکیٹس میں بھی طلب میں کی کا سامنا ہے جس نے ترقی پذیریما لک میں ترقی کی رفتار کومتاثر کیا ہے جس میں برآ مدی اجناس بشمول میں شامل ہے۔

عالمی سطح پرسر مایے کا بہاوبھی شرح تبادلہ کے ساتھ غیر ستھم ہوا ہے۔ مرکزی بینکوں کی جانب معاشی ترقی کے لیے زری پالیسیوں میں نری بھی بڑے پیانے پر بے اعتباری کا شکار ہورہی ہے۔

اس عالمی پس منظر میں پاکستان کی میکرواکنا کم صورتحال قدر معظم ہے جومعاثی ترقی کی رفتار میں تیزی کی جانب اشارہ کرتی ہے۔ مالی سال 2016 میں پاکستان کی شرح نمو میں 4.7 فیصد اضافہ، مبنگائی کی شرح میں 3 فیصد تک کی ،غیر ملکی زرمبادلہ کے ذخائر میں 21رب ڈالر تک اضافہ، جاری کھا توں کے خسارے کو جی ڈی پی کے ایک فیصد تک رکھنے مجصولات میں اور حکوثتی آمدن میں ریکارڈ اضافے کود کیھتے ہوئے یہ کہا جا سکتا ہے کی ملک کی معاشی ترقی اور استحکام کے لیے راہ ہموار ہے۔

اس میں مزیداضا فہ جاری پاکستان چین اقتصادی راہداری منصوبوں کے نتیج میں ہوگا۔ ترقیاتی انفرااسٹر کچرکی تاریخی نمو کے باعث نجی شعبے کی جانب سے سرگرمی میں نمایاں اضافہ ہور ہا ہے۔ اہم شعبوں جن میں سیسنٹ، آسٹیل، آٹو اور کیمیکل شامل ہیں ان میں بڑے پیانے پرتوسیج کے منصوبے اور حکمت عملی کی تیاری کاعمل جاری ہے۔ بڑھتی ہوئی ٹمال کلاس رئیل اسٹیٹ اور دیگراشیاء کی تیاری کے شعبوں کی ترقی میں اہم کردارادا کررہی ہے۔ اس تمام تر ترقیا تی سرگرمی کے مثبت اثر اے منتقبل میں پاکستان کی کیپٹل مارکیٹ پرجھی پڑیں گے۔

كيبيثل ماركيث كاجائزه اورتو قعات

مالی سال 2016 کے دوران کے ایس ای 100 انڈیکس 10 فیصد اضافے کے ساتھ 30 جون 2016 تک 37,784 پوئٹش کی سطح پر پہنچ گیا جبکہ گزشتہ سال کے اس عرصے کے دوران انڈیکس 34,399 کی سطح پر تھا۔ اس دوران مارکیٹ کے سرماے میں ریکارڈ 7.59 ٹریلین روپے تک اضافہ ہوا جبکہ اس سے پہلے سال پر قم 7.42 ٹریلین روپے تھی۔

لیکن آنے والے وقت میں بھی اس کا دارو مدار تجارتی سرگری پررہےگا۔ دوسری جانب سینٹرل ڈپوزیٹری کمپنی (سی ڈیسی) کا انتصار مارکیٹ کی سرگری پڑئیں ہے اس لیے اس کی آمدنی کے ذرائع مستیم ہیں۔ مالی سال 2016 میں سی ڈیسی کے منافع میں ایکس چیننج کا حصہ 181.3 ملین روپے رہا جوگز شتہ سال 166.8 ملین روپے تھا۔

جیبا کہاوپر بیان کیا گیاہے، ایسوی ایٹس کے منافع کے جھے کوشامل کرنے کے بعد پی ایس ایکس کاقبل از ٹیکس منافع مالی سال 2016 کے دوران 257.3 ملین روپے رہا جبکہ بیر منافع گزشتہ سال 314.4 ملین روپے تھے۔ الی سال 2016 میں بعداز ٹیکس منافع 313.3 ملین روپے رہے جوگزشتہ سال 314.4 ملین روپے تھے۔ الی سال 2016 میں منافع 313.3 ملین روپے رہے جوگزشتہ سال 314.4 ملین روپے تھے۔ الی دوران فی تصف آ مدنی 20.10 روپے رہی جوگزشتہ برس 0.40 روپے تھی۔

ڈیویڈنڈ

ڈ ائر کیٹرزنے 50.00روپ فی شیئر حتی کیش ڈیویڈیڈ (نفتد منافع) وینے کی کی سفارٹ کی ہے، یہ پہلے سے ادا کردہ 0.10روپ عبوری کیش ڈیویڈنڈ کے علاوہ ہے۔ مجموعی طور پرکیش ڈیویڈنڈ (10.0روپ فی شیئریا 120.222 ملین روپ ہے جو 132.27 ملین کے منافع میں سے ادا کیاجائے گا، جو حسب ذیل ہے۔

(روپ 000، ش)	
132,272	سالا ندمنا فع
132,272	تقسيم كے ليے دستياب منافع
80,148	عبوری کیش ڈیویڈنڈ@ پیڈاپ کپیٹل کا1.00 فیصد
40,074	حتى كيش دُيويْدِندُ @ پيڈاپ کپيل کا0.50 فيصد
120,222	
12,050	ميزان

ڧشيئرآمدنی مذاري اله ښائلدويو ف

بنیادی اور ڈائلوٹڈ فی شیئر آمدنی 0.17 روپے ہے۔

جانبدار ماہرین کی سفارش پری انچ پی ایف فنڈ زکا ایک اہم حصاین ہی ہی ایل کونتقل کردیا گیا جس کے تخت خدشات کی منتظمت کے امور کی انجام دہی موخرالذ کر کرے گا۔ باقی فنڈ زکوآئی پی ایف میں منتقل کردیا گیا جس کا انتظام برستوراکیس چینج کے پاس ہے ہی ایف کی انتظامی فیس اور ادغام کے نتیج میں ایکس چینج کوہونے والے مالی نقصان کی تلافی کے لیے ایس ایس پینج کودوسال کے لیے انتظامی فیس 2 فیصد سے بڑھا کر 4 فیصد کرنے کی اجازت دے دی ہے۔

جائداد کوکرایے پردینے سے حاصل ہونے والی آمدنی میں 8.4 فیصداضا فہ ہوا جو 56.5 ملین روپے ہوگئی۔ یاضا فہ کرایدداروں کی جانب سے کرایے کی مدمین سالا نداضا فہ کے باعث ہوا ہے۔

ا کیس چینج کی آپریٹنگ لاگت میں 126.1 ملین روپے (13.8 فیصد) اضافہ ہوا ہے جو 1,039.9 ملین روپے رہی جبکہ گزشتہ سال بیلاگت 13.8 ملین روپے تھی۔ لاگت میں اضافہ ادخام کے نتیجے میں ہونے والے اخراجات کے باعث ہوا۔ مالی سال 2016میں انسانی وسائل کی لاگت (ہیؤین ریبورس) 10 فیصد کے اضافے کے ساتھ 422.6 ملین روپے رہی جبکہ گزشتہ سال کے اس عرصے میں بیراگت 382.8 ملین روپے تھی۔ اس میں جزوی اثر میں (چھوماہ)لا ہوراوراسلام آباد کے اسٹاف کی پی ایس ایکس میں شمولیت ،سینئر سطح پر آئی ٹی اور آئی ٹی کے سیکیو رٹی اموراور نئے دوسالہ یونمین اسٹاف کا چارٹر بھی شامل ہے۔ دیگر اخراجات درج ذیل مدات میں کیے

مالی سال 2016 میں آئی ٹی کی لاگت 42.1 ملین روپے بڑھ کر 69.4 ملین روپے ہوئی جس کی اہم وجوہات میں ہارڈوئیر، سافٹ ویئر کے لائکٹنگ اور نبیٹ ورک انفرااسٹر کچری فیس جولا ہور، اسلام آبا داور کراچی کے ادغام کی باعث آپریشنز کے لیے سٹم سے منسلک کرنے کے لیے اداکی گئی۔قانونی اور پروفیشنل فیس 20.2 ملین روپے سے بڑھر7.04 ملین روپے ہوئی۔بیلا گت بھی سٹم کومر پوط کرنے کے باعث آئی ہے۔سفری اخراجات کی مد میں صرف ہونے والی رقم بھی 15.8 ملین روپے کے اضافے کے ساتھ 30.6 ملین روپے ہوگئ جس میں اندرون ملک ادعام کے سلسلے میں سفراور بیرون ملک پی ایس ایک جانب سے منعقد کیے گئے روڈشوز میں شرکت کے لیے سفر شامل ہے۔ بیرون ملک ہونے والے سفر کے نتیج میں پاکستان کی دوبارہ ایم الیسی آئی ایمر جنگ مارکیٹ انڈیکس میں شمولیت ممکن ہوئی۔

ا کیس چینج نے اٹا اُوں کی علیحدگی اور فروخت (Divestment) کی نسکٹینسی کی مدمین ایک بار 18.6 ملین روپے خرچ کیے گئے ہیں جوا کیس چینج نے خود برداشت کیے کیکن سالانہ بنیادوں پر بیاس اضافی خرچ کی تلافی ایک بار سمپنی کی دوباره رجسریش فیس کی صورت میں ایس ای سی پی کو 21.3 ملین روپے کو گزشته سال ادائیگی کے ذریعے کی گئی۔ پر پنٹنگ/اسٹیشنری اوراشتہارات/مارکیٹنگ اخراجات میں گزشتہ سال کے مقابلے میں بالتر تیب 6.9 اور 5.3 ملین روپے اضافے کی صورت میں ہوا۔ بیاخراجات پاکتان اسٹاک اکیس چینج کی ری برینڈنگ کے باعث ہوئے ہیں۔ورج بالا اخراجات میں سے متعدد اخراجات مالی سال 2017 میں معمول پرآجا کیں گے۔

مجوع طور پر ایسوی ایس کے نفع کے علاوہ، مجموعی آمدنی سال 2016 میں تقریباً وہی 11.1 ارب روپے رہی جبکہ اس سے پہلے سال یہ آمدنی 1.2 ارب روپے تھی۔اس میں فیر ویلیو گین اجائیداد میں سرمایہ کاری پر نقصان جوشنی 12.5 ملین روپے تھا اس کا اثر شامل ہے بیرقم مالی سال 2015 میں شبت 13.8 ملین روپے تھی۔ بیسال کے دوران منفی 26.3 ملین روپے کی نشاندہی کرتا ہے۔ ایکس چینج کے لیے ایسوی ایٹس کے منافع کا حصہ 246.2 ملین روپے تھا جو مالی سال 2016میں 252.2 ملین روپے تھا، اس میں 2 فیصد کی کمی واقع ہوئی۔اس کی وجہ این سی سی پی ایل کی جانب سے منافع کے حصے میں گزشتہ سال کے 85.4 ملین روپے تھا۔ 10 ملین روپے کے مقابلے میں 64.9 ملین روپے تک کی ہے۔این ی پی ایل کا زیادہ تر اٹھار تجارتی سرگرمیوں پر ہےجس میں کمی کی صورت میں اس کی آمدنی اور منافع پراثر پڑتا ہے۔جبکہ این می پی ایل کی آمدنی کے لیے مختلف ذرائع استعال کیے جارہے ہیں

بیوہ پس منظراور عوامل ہیں جن کی بنیاد پر پی ایس ایک کی سال 2016 کی مالی کارکردگی کا جائزہ لیا جانا چاہیے۔

مالياتي جائزه

پاکتان اسٹاک ایکس چینج کی 30 جون 2016 کونتم ہونے والے مالی سال کی مجموعی آمدنی 1.4 ارب روپے تھی جوگزشتہ مالی سال 2015 کے مقابلے میں 20 بیس جینج کی 30 جون 2016 کونتم ہونے والے مالی سال کی مجموعی آمدنی 1.4 ارب روپے تھی جوگزشتہ مال کے مقابلے میں 29 فیصد کم ہے، جبکہ گزشتہ سال قبل از ٹیکس منافع میں 361.5 ملین روپے تھا۔ اسی عرصے میں خالص منافع ہوا تھا۔ مالی سال 2016 میں خالص منافع میں 35 فیصد کمی ہوجہ 48.6 فیصد شیک سول کی شرح ہے جوگزشتہ سال 2015 میں صرف 12.2 فیصد تھی۔ جبیبا کہ اُوپر وضاحت کی گئی ہے ٹیکس نظام میں تبدیلی کے باعث غیر معمولی اضافہ کے ساتھ 125 ملین روپے شیکس و کی مدیس ریکارڈ کیے گئے جوگزشتہ سال 44.1 ملین روپے تھے۔

آ کمن کی طرف اس مت بین سالاند لسٹنگ فیس 6.5 فیصداضا نے کے ساتھ 186.4 ملین روپے رہی (مالی سال 2015 بین اس مدیس 175.1 ملین روپے حاصل ہوئے تھے)۔ تاہم اس عرصے بین نی لسٹنگ نہ ہونے کے باعث ابتدائی لسٹنگ فیس 48 فیصد کی کے ساتھ 41.7 ملین روپے رہی (مالی سال 2015 بین اس مدیس 79.7 ملین روپے حاصل ہوئے تھے)۔

اکیس چینج کے آپریشنز کی مدیس ہونے والی آمدنی میں 2 فیصد اضافہ ہوا جو مالی سال 2016 میں روپے رہی جبکہ اس سے پہلے سال اس مدیس 314 میں روپے رہی جبکہ اس سے پہلے سال اس مدیس 300.7 ملین روپے رہی جبکہ گزشتہ سال اس مدیس 300.8 ملین روپے کی آمدنی ہوئی۔ٹریڈنگ فیس میں کمی کا براہ راست تعلق یومیہ اوسط ٹریڈ ہونے والی الیت میں کمی سے ہے۔ مالی سال 2016 میں ٹریڈنگ فیس میں کمی کا براہ راست تعلق یومیہ اوسط ٹریڈ ہونے والی آمدنی جس میں ہولیات ، سامان ، ڈیٹا 2016 میں ٹریڈنگ کی مالیت 12 فیصد کمی سے حاصل ہونے والی آمدنی جس میں ہولیات ، سامان ، ڈیٹا ویڈنگ کی فراہمی اور دیگر فیسیس شامل میں ، وول کے 36.5 ملین روپے یا 2016 ملین روپے یا 201 فیموا جو بڑھر کر مالی سال 2016 میں 99.7 میں ہونے والے 36.5 ملین روپے یا 20 فیصل کی میں ہونے والے 36.5 ملین روپے یا 20 فیصل کی میں ہونے والے 36.5 ملین روپے یا 20 فیصل کی دولے کی فراہمی اور دیگر فیسیس شامل میں ہونے والے کی فراہمی اور دیگر فیسیس شامل میں ہونے والے 25.6 ملین روپے یا 20 فیصل کی میں ہونے والے 25.6 ملین روپے یا 20 فیصل کی دولے کی فراہمی اور دیگر فیسیس شامل میں میں ہونے والے 25.6 ملین روپے یا 20 فیصل کی دولے کی فراہمی کی دولے کی فراہمی اور دیگر فیسیس شامل میں ہونے والے 25.6 ملین روپے کی کی فراہمی کی کے اذا لے کے لیے کافی نہیں تھا۔

مالی سال 2016 میں نیٹ مارک اپ (سود) سے صاصل ہونے والی آمدنی میں معمولی 10 فیصد کی کی واقع ہوئی جو 280.7 ملین روپے رہی۔ شرح سود میں عمومی طور پرہونے والی کی کے نتیج میں دوبارہ سرمایہ کاری کے لیے نرخوں میں ہیں گئی میں معمولی 10 فیصر کی کی واقع ہوئی جو 2015 ملین روپے کے مقابلے میں 179.1 ملین روپے رہی۔ اس کی اہم وجہ انظامی فیس کی تنظیم نو میں جو بھی گزشتہ عمر سے تحت موخر الذکر ایس ایس پی کی ہدایت کے مطابق سنٹرل کا ونٹر پارٹی (سی پی) کا کردارا وار کو سے کہت خدشات کی منظمت کے امور کو ایکس چینج سے پیشن کی گئیئر تک ہوں پر وٹیکشن فنڈ (سی آئی کی ایف) اور انوسٹر پر وٹیکشن فند (آئی کی ایف) کا منظمت سے ہے۔ ایکس چینج کی کلیئر تک ہوں پر وٹیکشن فنڈ (سی آئی کی ایف) اور انوسٹر پر وٹیکشن فند (آئی کی ایف) کی منظمت سے ہے۔ ایکس چینج کی ان فنڈ سرز پر واجب الا دار تو م پر 2 فیصد فیس وصول کر تا تھا۔ غیر

ڈائر یکٹرزر پورٹ

برائے الی سال 2016

یا کتان اسٹاک ایکس چینچ لمیٹڈ (سابقہ کراچی اسٹاک ایکس چینچ لمیٹٹ) کا بورڈ آف ڈائر یکٹرزمسرت کےساتھ 30 جون 2016 کوختم ہونے والے مالی سال کے لیے کمپنی کی سالا نہ رپورٹ پیش کررہا ہے، یہ یا کتان کی اسٹاک ا کیس چینجز، بشمول لا ہوراوراسلام آباد کے سابقہ کراچی اسٹاک ایکس چینج میں ادغام کی اہم ترین اقدام کے بعد جاری ہونے والی پہلی سالانہ رپورٹ ہے۔ان اسٹاک ایکس چینجز کا ادغام 11 جنوری 2016 کوئمل میں آیا تھا جس کے نتیج میں پاکتان اسٹاک ایکس چینج کے نام سے ایک ایکس چینج کا قیام عمل میں لایا گیا تھا۔ بیا قدام پاکتان کی کپیل مارکیٹ کی تاریخ میں ایک نے جرأت مندانہ باب کا اضافہ ہے۔

30 جون 2016 کوختم ہونے والا مالی سال کی حوالوں سے ایکس چینج کے لیے چیلنجز لیے ہوئے تھا۔ پہلاچینج ، تجارتی سرگرمیوں کے حوالے سے تھا کیونکہ سال کی پہلی ششما ہی کے دوران اسٹاک مارکیٹ میں تجارتی سرگرمیوں میں نمایا س کی واقع ہوئی جس کے نتیج میں ریڈی مارکیٹ میں اوسط یومیکاروباری مالیت مالی سال 2015 کے مقابلے میں 19 فیصد کم ہوئے جبکہ جون کے مہینے میں کاروباری سرگرمیوں میں تیزی دیکھی گئی جس کے وجہ یا کستان کی ایم الیس ت آئی(MSCI)ایمر جنگ مارکیٹ انڈیکس میں دوبارہ شمولیت تھی۔ تیزی کابیر رحجان مالی سال 2017 کے پہلے دو ماہ کے دوران بھی جاری رہا۔ جہاں تک سال 2016 کا تعلق ہے اس میں ٹریڈیگ فیس کی آمدنی کی مدمین نقصان ا ٹھانا پڑا۔ دوسرا چیلنج 11 جنوری کواسلام آباداورلا ہوراسٹاک ایکس چینجز کے آپریشنز کے کراچی اسٹاک ایکس چینج میں ادغام اوراس کو پاکستان اسٹاک ایکس چینج کا نیانام دینے پرلاگت ہے۔ بیلاگت کیمشت ادائیگی اورا یک سے زائد بارادا نیگی کے پہلو لیے ہوئے ہے لیکن اس کا اثر مالی سال 2016میں ہوا۔تقریباً 95 فیصد کاروباری سرگرمی پہلے ہے ہی کرا چی میں انجام دی جاری تھی اس صورت میں اسٹاک ایکس چینجو کے ادعام کے نتیج میں حاصل ہونے والی اضافی آمدنی فوری طور پرنہ ہونے کے برابر تھی۔تاہم ملک کی ایک ہی ایکس چینج کے نتیج میں درمیانے اور طویل مرتی اثرات انتہائی مثبت ہونے کی توقع ہے۔اس کے ایک یا دوسال کے دوران اضافی لاگت مالیاتی کارکردگی کی صورت میں نما باں رہی گی۔

تیسری اہم وجہجس کے وجہ سے اولین اسٹنگ کی تھی ، پچھاواروں کی جانب سے بروکرز کے خلاف چندسال قبل ہونے والی اسٹنگ کے امور سے متعلق کا رروائی ہے۔اس کا رروائی کے مارکیٹ پر گہرے اثر ات مرتب ہوئے اورکئی کمپنیوں نے اپنی اسٹنگ کے منصوبے ملتوی کردیجے۔ بیرمعاملہ سیکیورٹیز اینڈ ایکس چینج کمیشن آف پاکستان (ایس ای بی پی)نے اٹھایا اوراس کے منتیج میں پارلیمان میں ایک بل کامیا بی سے پیش کیا جس کے تحت قانون سازی کے ذریعے سرکاری ایجنسیز کو پابند کیا گیا کہوئی بھی سرکاری ادارہ یا ایجنبی ایس ای پی کواعمادیس لیے بغیر کیپیل مارکیٹ ہے متعلق افراداورشراکت داروں کے خلاف کوئی کارروائی نہیں کرے گی۔ مالی سال 2016 میں مارکیٹ ہے متعلق ا فراد کے اعتاد کونقصان پننچ چکا تھا۔ تا ہم حالیہ اقدام کے نتیجے میں سر ماییکاروں کولاحق غیریقینی کی صورت حال میں کمی ہوئی ہے تا ہم ان کے اعتاد کی تلمل بحالی میں وقت کگے گا۔

موثر نیس کی شرح میں اضافہ بنیادی طور پڑنیس کے نظام میں تبدیلی کے وجہ ہے ہوا ہے جہال سیشن (b) (3)(3) کے تحت فراہم کردہ خدمات پر 8 فیصدود ہولڈنگ ٹیکس نافذ کیا گیا ہے اوراس کوخدمات فراہم کرنے والوں بشمول کار پوریٹس پرکم از کم ٹیس تصور کیا گیا ہے۔زیر جائزہ سال سے قبل کار پوریٹس اس ٹیکس سے مثنی تھاور پٹیس صرف افراد پر لا گوتھا۔ا کاونٹنگ کی روسے اس کااثر ایسی نمپنیوں بشمول پی ایس ایکس پرزیادہ اثر ہوتا ہے جن کے ڈپافر ڈ ٹیس کے اثاثہ جات گزشتہ سال کے قبین شدہ نقصانات کے باعث زیادہ ہوتے ہیں۔ کمپنی نے اپنے ٹیکس سلفینٹس سے مشورے کے بعد فیصلہ کیا ہے ٹیکس کے اس نظام میں تبدیلی غیر منصفانہ ہے اور مسلے کو متعلقہ مجاز اداروں کے ساتھاٹھایاجائےگا۔



PAKISTAN STOCK EXCHANGE LIMITED

Address: Stock Exchange Building, Stock

Exchange Road, Karachi

Landmarks: Mereweather Tower, Rustomjee

Building, State Bank of Pakistan, Stock

Exchange road
City: Karachi

Fax: +92-21-32410825, 32415136

UAN: +92-21-111001122

پاکستان کبیپیٹل مارکبی<u>ٹ</u> نخی بلت یوں کی جانب گامیوں



PAKISTAN STOCK EXCHANGE LIMITED

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أيكس چينج كاادغام

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