

Central Depository Company  
of Pakistan Limited



# ANNUAL REPORT 2023



It was a proud moment for CDC this year when Pakistan Post, with the approval of the Honorable Prime Minister of Pakistan, issued a commemorative stamp to mark CDC's Silver Jubilee. This achievement was possible with the support of SECP, which acknowledges CDC's perseverance. It is indeed a tremendous accomplishment for CDC to be honored as a national level institution.

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# OUR VISION

To be a world-class institution providing innovative and reliable services primarily to the capital and financial markets, stimulating business growth and maximizing benefits for all stakeholders.

# OUR MISSION

Provide secure, reliable and innovative solutions that systematically reduce risk, enable transparency and bring efficiencies to Capital & Financial markets.

To be the center of excellence by continuously employing state of the art technology and best talent in the country while maintaining good corporate governance.

Ensure to provide employees with an environment of professional & personal growth and; to society, we firmly believe in giving back to the community.



# CORE VALUES

Our corporate values represent the core priorities in the organization's culture. Adherence to these values makes it possible for us to continue on the road to sustainable development. Dispensing with our corporate responsibility, we are able to honor our commitments to clients, partners & shareholders and; to our most valuable resource, our employees.

## Reliability

- Reliable & trustworthy for all our stakeholders.
- Ensure integrity and security of information.

## Integrity

- Fair & honest in all our dealings.
- Take responsibility for our actions.
- Strive to perform to the best of our abilities.

## Transparency

- Policies & procedures are clearly defined, well communicated and applied equally to all.
- Make adequate disclosure of company information.
- Strong adherences to the best practices of Corporate Governance.

## Teamwork

- Build strong relationships within and across functions.
- Share ideas / best practices and value diversity.
- Communicate candidly and on an ongoing basis within team.

# Board of Directors

**Mr. Moin M. Fudda**

Chairman & Independent Director

**Dr. Aamir Matin**

Director

**Ms. Ammara Masood**

Independent Director

**Mr. Ghulam Mustafa**

Director

**Mr. Muhammad Tariq Rafi**

Director

**Syed Ali Sultan**

Independent Director

**Mr. Badiuddin Akber**

Chief Executive Officer

**Mr. Ahmed Chinoy**

Director

**Mr. Farrukh H. Khan**

Director

**Ms. Jehan Ara**

Independent Director

**Mr. Nadeem Naqvi**

Director

# DIRECTORS' PROFILES



**Moin M. Fudda ONZM, S.I.**  
Chairman & Independent Director

Mr. Moin M Fudda Chairman of the Board and Independent Director since 2018, has 48 years of experience in the corporate sector as well as performing diplomatic duties. He holds B.S. (Insurance & Economics) from The RCD College of Insurance, Tehran, and MBA (Insurance & Risk Management) from St. Jones University New York. In Tehran he was associated with Lloyds Broker Stewart Wrightson from 1975-78 and thereafter as a Manager Reinsurance at American International Group & an Adjunct Assistant Professor at the St. Jones University from 1980 - 83.

Upon return to Pakistan in 1984, Mr. Fudda was appointed Executive Director, Pakistan Reinsurance Corporation and in 1988 he joined as Country Chief of joint Branch operation of Commercial Union (CU) Assurance of UK (now AVIVA) and New Zealand Insurance (NZI). In 1996, he founded CU life (now NJI Life) and remained its MD till 2002. In 1990, the Government of New Zealand appointed him as its Honorary Consul for Pakistan and elevated him as Honorary Consul-General in 1997, position which continues to hold. His responsibilities include promotion of bi-lateral relations including trade and education, consular services and assisting Immigration New Zealand.

In 2002, he joined Karachi Stock Exchange (now PSX) as its Managing Director and during the period, he also served as Managing Director of National Commodity Exchange, (now Pakistan Mercantile Exchange) as well as Chairman National Clearing & Settlement Company. As MD-KSE together with the Securities & Exchange Commission of Pakistan (SECP) he helped in creation of Pakistan Institute of Corporate Governance (PICG). He is a Certified Corporate Governance Trainer by the International Finance Corporation and a member of Faculty of PICG. He has assisted the Ministry of Finance in drafting the Corporate Governance Rules for Public Sector Enterprises. He has also published the Corporate Governance Guide for Family-Owned Businesses and has authored articles on economic topics.

In 2005, Mr. Fudda was appointed Country Director of Center for International Private Enterprise, CIPE (an affiliate of US Chamber of Commerce) to establish its Pakistan office. During the 10 years he worked with (i) Ministry of Commerce in drafting the Trade Bodies Law and establishment of the Women Chambers of Commerce in major cities (ii) Ministry of Youth for preparation of Youth Policy including entrepreneurship. (iii) Pakistan Business Council and political parties in developing Charter of Economy (iv) Ministry of Information Technology and Pakistan Software House Association (P@SHA) to prepare IT Business Agenda and to increase export of IT services (v) Pakistan Microfinance Network and the State Bank of Pakistan to improve outreach of Microfinance and (vi) SECP to draft regulations for Micro Insurance, Venture Capital, and creation of Capital Market institute.

He is a founder board member of Karachi Council on Foreign Relations (KCFR) & also serves on Executive Committee of the English-Speaking Union of Pakistan. In November 2015, Mr. Fudda was appointed Country Representative of SCOR – Global Tier 1 Reinsurer having largest market share in Pakistan. Besides, his current positions include:

**Independent Director:** Pak Suzuki Motor Company Limited (Audit Chair)  
Gadoon Textiles Mills Limited (HR Chair)  
Feroz1888 Mills Limited (Audit Chair)

In 1989, he was presented with the Best Managers Award by IBA, Karachi. In 1990, NZ Commemoration Medal was conferred on him by the Queen of New Zealand and in 2002, he was recognized as the Honorary Officer of the New Zealand Order of Merit (ONZM). In 2006, he was conferred the coveted Sitara-e-Imtiaz (S.I.) by the President of Pakistan. He and his wife have traveled to 130 countries in seven continents.

Mr. Fudda's other professional affiliations were:

- Chairman:** { Islamabad Stock Exchange & National Clearing Company of Pakistan  
Task Force on Corporate Governance, Federation of European and Asian Stock Exchanges  
Alternate Dispute Resolution Committees – Federal Board of Revenue
- Director:** { Al Meezan Investment Management Limited & State Life Insurance Corporation  
Pakistan Stock Exchange Limited, Wyeth Pakistan Limited & Merit Packaging Limited
- President:** { Overseas Investors Chamber of Commerce & Industry  
Management Association of Pakistan & Karachi Boat Club
- Member:** { Board of Investment – Privatization Commission & Britain Business Advisory Group  
Board Pakistan Institute of Management & Pakistan Institute of Corporate Governance  
National Policy Platform for Competitiveness & Economic Growth - Ministry of Economic Affairs  
Managing Committee – FPCC&I, Insurance Association of Pakistan & Karachi Council of Foreign Relations  
Panel of Judges ACCA-WWF Pakistan Environmental Reporting Awards  
Task Forces – Code of Corporate Governance, Anti Money Laundering & Transfer Pricing  
Technical Committees of RCD & Federation of Afro Asian Reinsurance Pools (FAIR)  
National Insurance Reform Commission & Working Group to Draft Insurance Act 2000  
Insurance Reform Committees of the Ministry of Commerce & Policy Board of SECP



## Badiuddin Akber

Chief Executive Officer

Mr. Badiuddin Akber has more than 20 years of diversified senior management experience in the fields of finance and operations. He has served in various renowned conglomerates in Pakistan as Head of Finance and Company Secretary. He has also served as the Chief Financial Officer and Chief Operating Officer at the National Clearing Company of Pakistan Limited.

Mr. Akber was previously serving as the Chief Compliance and Risk Officer at CDC since June 2015 before being elevated to the position of Chief Executive Officer on January 01, 2019. He was also the nominated Chairman of the Oversight Committee formed by the Securities and Exchange Commission of Pakistan under Joint Inspection Regulations, 2015.

Mr. Akber has demonstrated extensive expertise in the spheres of Financial Management, Clearing & Settlement, Risk Management, Operations, Product Development and Project Management in the Pakistan Capital Market. As Chief Operating Officer at NCCPL, he played an instrumental role in the implementation of various significant products, services and reform measures which include Revamping of Capital Gain Tax Regime, Unique Identification Number (UIN), Institutions' Risk Management System, Straight Through Processing of Market Settlements and UIN Information System (UIS) and the introduction of Leverage Products such as Margin Trading, Margin Financing and Securities Lending & Borrowing.

After completing his Bachelor's Degree in Commerce from the University of Karachi, Mr. Akber attained various professional degrees in accounts and finance from prestigious national and international institutions. In addition to being a Fellow Member of the Institute of Cost & Management Accountants of Pakistan (FCMA), he also holds ACMA-CGMA (Chartered Global Management Accountants) qualification from the Chartered Institute of Management Accountants (CIMA – UK) and qualification of Chartered Professional Accountant (CPA, CMA – Ontario, Canada).

He is also serving as Chairman of the Board of Directors of CDC Share Registrar Services Limited and EClear Services Limited. Moreover, he is also serving as Director on the Boards and various sub-committees of ITMinds Limited, Naymat Collateral Management Company Limited and Institute of Financial Market of Pakistan.

He has attended the Annual International Institute for Securities Market Growth and Development by the US Securities & Exchange Commission and various seminars and conferences in UK, India, Europe and Far-East countries on risk management, clearing & settlement and surveillance of capital market operations.



## Dr. Aamir Matin

Director

Dr. Aamir Matin has over 38 years of work experience in the IT industry both in Pakistan as well as abroad. He is currently Senior Advisor on Technology for HBL, prior to which he was the Country Manager for Cisco Systems Inc. in Pakistan for a number of years. Dr. Matin has also worked at senior levels with the Government, serving as the MD of the Pakistan Software Export Board as well as Advisor on IT to the Federal Minister for IT and Telecommunications, Government of Pakistan during 2002-2006. His early career was with the United Nations Development Program, working with countries in the Asia Pacific region on the use of Information Technology to enhance productivity in their public sectors.

Dr. Matin has a BS in Electronic Engineering, an MS in Computer Engineering, and a PhD in Information Technology. He has taught graduate level courses at some of the leading universities of the country.



**Ahmed Chinoy**  
Director

Mr. Ahmed Chinoy is the Managing Partner of Arch Sons Group of Companies and is engaged in various businesses including security investments, textiles, real estate and poultry farming.

He is an elected Director on the Board of Pakistan Stock Exchange Limited (PSX) and also a member of the Audit Committee, Human Resources & Remuneration Committee and the Voluntary De-Listing Committee of PSX. He is nominated by PSX as a Director on the Board of Directors of Pakistan Mercantile Exchange Limited and National Clearing Company of Pakistan Limited.

He has served the society in a variety of capacities in the areas of business, education, health and crime prevention. He has successfully served as the Chief of Citizen Police Liaison Committee, Sindh (a citizens' body for prevention of crimes) from the year 2010 to 2015. He has been the Chairman of Pakistan Cloth Merchants' Association (the apex body of textile exporters). He has also been actively serving on the Boards of various medical and educational institutions and also as the President of All Pakistan Memon Federation. He has also served on the Managing Committee of Federation of Pakistan Chamber of Commerce & Industry (FPCCI). For his services to the people of Pakistan, he has been awarded the prestigious national awards of Hilal-e-Imtiaz and Sitara-e-Imtiaz.

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



**Ammara Masood**  
Independent Director

Ms. Ammara Masood is the Global Industries GM, Banking and Financial Services at Systems Limited and CEO of NdcTech which is one of the leading Technology firms providing solutions and services internationally in Banking. During this last year in July 2022 her company NdcTech was acquired fully by Systems Limited (SYS) the largest Exporter of Software. Previously Ammara has held a position as an elected member of Central Executive Committee for Pakistan Software Houses Association of Pakistan, Independent Director for Central Depository Company, Independent Director for DataCheck, Governing Council ICT member Pakistan Single Window and on the Industry Advisory Board of Habib University. She is the winner of a prestigious award by FinTech Futures in the leadership category at the 2021 and 2022 Global Banking Tech awards in London.

Ammara has pursued a versatile career path traversing Information Technology; Consulting and Entrepreneurship across 3 continents. She is a Senior Executive Leader with 29+ years of experience in Information Technology and Governance. Her primary expertise is in IT Strategy, Consulting and Digital Transformations for global Clients in Banking & Finance; Telecom and High Tech Sectors.

Previously Ammara has vast experience of working and founding various companies in global markets including United States; Asia Pacific, Middle East and Africa. She has led some of the industry's largest Transformation initiatives in Banking, Telecom and High-Tech Sectors. While working in top leadership positions she has opened new markets, bought institutional reforms, governance and turned around companies in all aspects.

Ammara has a Masters in Business Administration (Information Sciences) from California State University, San Bernardino and an Executive Diploma in Strategic Uses of Information Sciences from Stanford University Graduate School of Business. She has previously done an MBA from Quaid-e-Azam University in Islamabad and a Bachelors from Kinnaird College, Lahore.



## Farrukh H. Khan

Director

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

With over 30 years of senior management and board-level experience, Farrukh is an experienced entrepreneur and leading business and financial advisor who has advised on many landmark transactions. Previously, he has held senior positions with Acumen in Pakistan and the UK, including Country Director and CEO, Pakistan, Senior Director of Business Development, Chief Business Development Officer, and member of the Management Committee.

Mr. Khan was the founding partner and CEO of BMA Capital Management Limited. Under his leadership, BMA established itself as the leading investment banking group in Pakistan and received several international awards, including the 2010 Euromoney award for the best investment bank in Pakistan.

His experience includes lead managing the US\$813 million GDR offering and London listing of OGDCL, Pakistan's largest listed company, and successfully advising Etisalat on their \$2.6 billion acquisition of Pak telecom, the largest mergers and acquisition transaction and the largest foreign direct investment in Pakistan's history. Other historical transactions include the US\$1.5 billion privatization of Kot Addu Power Company and the US\$898 million GDR offering for Pak Telecom. He has advised, either on the buy or sell side, on almost 50% of all successful privatizations in Pakistan, totaling over \$4 billion in value. He has also worked with American Express Bank in Pakistan and Deloitte in London.

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

### Other Directorships/Offices:

Non-Executive Director, Acumen Pakistan

Trustee, Acumen Academy, UK

Trustee/Director, Pakistan Environment Trust, UK

Nominee Director of PSX, Central Depository Company of Pakistan Limited

Nominee Director of PSX, National Clearing Company of Pakistan Limited

Nominee Director of PSX, Pakistan Mercantile Exchange Limited

Nominee Director of PSX, ECLEAR Services Limited

Member of Board of Governors, The Institute of Business Management (Ex-Officio Position held in terms of the Institute of Business Management Act, 1998)



## Ghulam Mustafa

Director

Mr. Ghulam Mustafa has over 18 years of experience in restructuring, budgeting, and corporate finance. He is currently the Chief Executive Officer of LSE Financial Services Limited, a non-banking financial company (NBFC) with an Investment Finance Service (IFS) license. He also holds a directorship in LSE Proptech Limited (LSEPL), a listed entity.

Mr. Mustafa started his career as an auditor in the Health Department of the Government of Punjab. He spent two years working for the Government before joining the erstwhile Lahore Stock Exchange Limited in 2006 as an Accounts Officer. Due to his professional advancement in the Accounts and Finance Department, he received a promotion in 2015 and became the Chief Financial Officer (CFO) of the Lahore Stock Exchange.

Mr. Mustafa plays a key role in developing Corporate Restructuring Plans and Strategic Financial Models to achieve the short-term and long-term objectives of the organization. He has practical experience in project evaluation, financial analysis, and commercial decision-making.

Designing, developing, evaluating, and implementing the company's internal control system and guaranteeing adherence to the relevant policies and procedures are the main areas of his interest. The finalization of financial statements within the parameters of IAS/IFRS and applicable Laws & Regulations is his primary area of expertise. He specializes in developing strategic company plans, tax planning, and forecasting for the Board's decision-making.

He is equally adept at managing short-term money market portfolios as long-term capital market investments. Apart from providing strategic, financial, and operational leadership to the company, and closely coordinating and working with the Board of Directors and Senior leadership, he is also currently responsible for overseeing funds controlled by the LSE and its numerous trusts having more than Rs. 2.0 billion.

He was a member of the LSE team that oversaw the Stock Exchange's transformation from Guarantee Limited to a Corporatized and Demutualized Stock Exchange as a Public Company. He also served as Head of HR as well as Secretary to the HR Committee, in addition to being the Trustee of the Capital Regulatory Funds of the Former Lahore Stock Exchange.

He was awarded certifications in Fundamentals of Capital Markets and Pakistan's Market Regulations from the Institute of Financial Markets of Pakistan. Mr. Mustafa holds an MBA in Finance from Allama Iqbal Open University, Islamabad, and has also cleared CIMA-UK (Strategic Level).





**Jehan Ara**  
Independent Director

Ms. Jehan Ara is the Founder & CEO of Katalyst Labs which is a Startup Accelerator Innovation Hub and Women Leadership Fellows program. She is the former President of the Pakistan Software Houses Association for IT & ITES (P@SHA), where she spearheaded efforts for over 20 years and was responsible for developing the P@SHA brand and creating linkages between P@SHA and local and international partners.

Jehan has vast experience in marketing, communications and interactive new media in Hong Kong, the Far East, the UAE and Pakistan. She is a motivator, an entrepreneur, a social activist and a strong propagator of extending the power and use of information and communication technologies beyond pure traditional business to empower and enable communities.

Currently, Jehan serves as a member of the PM's Taskforce for IT & the Digital Economy, a Member of the APAC Content Safety Advisory Board for TikTok, and also as member on the Advisory Boards of the Punjab IT Board, the Governing Body of the Sindh Digital Advisory Board and the Industry Advisory Board of various local universities, including Habib University and the Institute of Business Administration (IBA). Jehan is also on the World Bank Advisory Group on Gender Diversity. She is a Board Member of the Institute of Development and Economic Alternatives (IDEAS) and is an International Expert for the World Summit Awards (WSA) which is a nonprofit research organization established to promote, assist, support, simulate, undertake and manage policy research and advocacy.

She is an independent director on the board of the Central Depository Company and is on the steering committee of the Women on Board Allies and is on the Board of Trustees of the Karachi Biennale Trust. Jehan has recently been awarded the prestigious Tamgha e Imtiaz by the President of Pakistan.

Advocacy through the use of cutting-edge technology is one of Jehan's passions. Using social media platforms such as LinkedIn, Facebook, Instagram, Podcasts, and Twitter, Jehan has highlighted the need for harnessing technology to combat social problems, empower women, and advocate for policy and legislative reform.

In January 2015, Jehan set up The Nest IO, a technology incubator, accelerator and innovation community hub in Karachi with the support of Google for Entrepreneurs. The Nest IO helped to provide a platform for aspiring technology businesses in the buzzing city of Karachi and incubated more than 217 startup businesses. It also created a strong community of young people.

Under her leadership, The Nest I/O also organized the flagship innovation and entrepreneurship conference 021 Disrupt / +92 Disrupt, which has become the go-to premier event bringing together startups, innovators, professionals, investors and students on a platform to engage, learn and collaborate. She has been identified by Rest of World (ROW) as one of the top global 100 Changemakers in tech outside Silicon Valley.



**Muhammad Tariq Rafi**  
Director

Mr. Tariq Rafi is the Chairman of Siddiqsons Group and is a recipient of the coveted Civil Award Sitara-e-Imtiaz. He was awarded the prestigious Best Businessman award for the years 1999 and 2012 and best Export Trophies between years 1980 to 2005. He has been awarded the Privilege Card by the Prime Minister of Islamic Republic of Pakistan for being one of the top tax payers.

He is also the Honorary Consul General of Republic of Serbia. He also serves on the Board of Directors of MCB Bank Limited, Siddiqsons Limited, Siddiqsons Tin Plate Limited and Habib University Foundation.



**Nadeem Naqvi**  
Director

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

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

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

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

Economic & market analyses and research have been the hallmark of Mr. Naqvi's career. He led an independent investment research firm in USA/Canada by the name of Investology Inc., which was ranked by 'Business Week' in 2004 as the third best out of 300 independent research firms in North America. Before that, he headed the Merrill Lynch Pakistan research team. He was also the Head of Research of the investment advisory company of Morgan Stanley Asset Management's Pakistan Investment Fund for four years from 1996 – 2000. More recently, from 2017 – 2022, Mr. Naqvi was involved in financial and real estate advisory business in Canada.

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

**Other Directorships:**

- Nominee Director of PSX, Central Depository Company of Pakistan Limited
- Nominee Director of PSX, VIS Credit Rating Company Limited
- CEO & Director, Capital Markets International Advisors Inc. (Financial Consultancy)
- CEO & Director, Habib University Foundation



**Syed Ali Sultan**  
Independent Director

Mr. Ali Sultan is a seasoned banker with over 25 years of multi-functional experience in the financial and banking sectors with renowned financial institutions in the Middle-East and Pakistan, offering knowledge across global markets, financial institutions and cross-border risk.

At present, Ali is working with Habib Bank AG Zurich as CEO for Group Financial Institutions and Treasury. He is currently managing the Group Treasury and looking after the cross border Trade and Treasury business for the Group. In addition to the above, he is also a member of the Group Credit Management Committee and the Group Asset & Liability Committee.

Previously, he worked with Bank Alfalah Limited as Group Head of Global Treasury and Capital Markets, where he managed both the local and international markets. He has also been a member of the Management Committees including MANCOM, Credit Risk Committee, Investment Committee, and Asset & Liability Committee of Bank Alfalah Limited.

Ali Sultan has also served as Chairman of the Board of Directors for Alfalah GHP Investments for 5 years and on the board of Pakistan Mercantile Exchange (PMEX) as an independent director nominated by SECP.

Prior to joining Bank Alfalah, he served at the State Bank of Pakistan (SBP) as a Director of Financial Markets & Foreign Exchange Policy Department and was responsible for implementing the Central Bank's strategic goal of policy formulation and development of vibrant financial markets.

Prior to SBP, he was MD/Regional Head of Financial Institutions at BNP Paribas, where he was responsible for managing senior level relationships and offering global markets and trade & FI products to central banks, banks and NBFIs across the MENA region. He was also responsible for managing a sizable lending book under different cross border risks.

He has also worked with Standard Chartered Bank for over 10 years in various senior roles where he developed and managed the global investor sales business for financial institutions across the Middle East and Pakistan.

Ali Sultan holds a Master's Degree in Applied Mathematics from University of Karachi and has attended management and leadership courses from INSEAD and he is also a Certified Director from the Pakistan Institute of Corporate Governance (PICG).

He has been actively involved in the economic reform process and development of financial markets in Pakistan, led by Economic Advisory Boards (EAB) and Economic Advisory Councils (EAC) formed by Finance Ministers in different regimes.

He also actively participates in international professional forums such as IMF/WB annual meetings, SIBOS, IFC and ADB. He also represented the Government of Pakistan by leading the Central Bank's delegation at the APG-FATF forum in 2011.

# Management



**Badiuddin Akber**  
Chief Executive Officer



**Abdul Samad**  
Chief Operating Officer &  
CEO-CDC Share Registrar Services Limited



**Syed Asif Shah**  
Chief Information & Digital Officer



**Shariq Jafrani**

CFO & Company Secretary  
& Head of Legal



**Atiqur Rehman**

Head of Trustee  
& Custodial Services



**Shariq Naseem**

Head of Product Development  
& Marketing



**Hammad Ali Faisal**

Chief Compliance Officer



**Muhammad Yaseen**

Chief Internal Auditor



**Iqleem-uz-Zaman Khan**

CEO - ITMinds Limited



**Farooq Hussain**

Head of Administration



**Sanam Ali Zaidi**

Head of Human Resources

# Company Information

## CFO & Company Secretary:

Shariq Jafrani

## Registered Office:

CDC House

99-B, Block 'B', S.M.C.H.S.,

Main Shahra-e-Faisal,

Karachi-74400

## Auditors:

A. F. Ferguson & Co.

Chartered Accountants, a member  
firm of the PwC Network

## Bankers:

Bank Alfalah Limited

Bank Al Habib Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

MCB Bank Limited

National Bank of Pakistan

Standard Chartered Bank (Pakistan) Limited

Faysal Bank Limited

United Bank Limited

Meezan Bank Limited

Allied Bank Limited

## Legal Advisors:

M/s. A. K. Brohi & Co.

Legal Consultants & Advocates

M/s. Bawaney & Partners

Advocates & Investment & Corporate Advisers

M/s. Ijaz Ahmed & Associates

Advocates & Legal Consultants

M/s. Mandviwala & Zafar

Advocates

M/s. Haider Mota & Co.

Advocates & Corporate Counsel

M/s. Ahmed & Qazi

Advocates & Legal Consultants



## List of Shareholders

S.no	Shareholders	Total No.of Shares Held	% of Shareholding
1.	Pakistan Stock Exchange Limited	139,328,000	39.81
2.	MCB Bank Limited	52,500,000	15.00
3.	Habib Bank Limited	39,711,001	11.35
4.	LSE Ventures Limited	35,000,000	10.00
5.	National Investment Trust Limited	22,211,000	6.35
6.	Industrial Development Bank Limited	17,500,000	5.00
7.	Pak China Investment Company Limited	17,500,000	5.00
8.	Crescent Steel and Allied Products Limited	9,625,000	2.75
9.	ISE Towers REIT Management Company Limited	8,750,000	2.50
10.	Allied Bank Limited	3,500,000	1.00
11.	IGI Investments (Private) Limited	2,274,995	0.65
12.	Innovative Investment Bank Limited	1,750,000	0.50
13.	Crescent Standard Business Management (Pvt.) Limited	350,000	0.10
14.	Others *	4	–
	<b>TOTAL</b>	<b>350,000,000</b>	<b>100%</b>

\* Qualification shares allotted to independent directors in accordance with the Articles of Association of the Company.

## Audit Committee

S.no	Name	Designation
1	Ms. Ammara Masood	Chairperson
2	Mr. Ahmed Chinoy	Member
3	Mr. Nadeem Naqvi	Member
4	Syed Ali Sultan	Member

## Human Resource &amp; Remuneration Committee

S.no	Name	Designation
1	Mr. Moin M. Fudda	Chairman
2	Mr. Badiuddin Akber	Member
3	Mr. Farrukh H. Khan	Member
4	Mr. Muhammad Tariq Rafi	Member
5	Syed Ali Sultan	Member

## Regulatory Affairs Committee

S.no	Name	Designation
1	Mr. Moin M. Fudda	Chairman
2	Mr. Badiuddin Akber	Member
3	Mr. Ahmed Chinoy	Member
4	Mr. Farrukh H. Khan	Member

## Investment Committee \*

S.no	Name	Designation
1	Mr. Muhammad Tariq Rafi	Chairman
2	Mr. Badiuddin Akber	Member
3	Mr. Moin M. Fudda	Member
4	Mr. Ghulam Mustafa	Member
5	Syed Ali Sultan	Member

\* The Investment Committee is also authorized by the Board to approve ESG initiatives in accordance with the approved ESG policy of the Company.

## Nomination &amp; Compensation Committee

S.no	Name	Designation
1	Mr. Moin M. Fudda	Chairman
2	Mr. Badiuddin Akber	Member
3	Ms. Jehan Ara	Member
4	Mr. Muhammad Tariq Rafi	Member
5	Mr. Nadeem Naqvi	Member

## I.T. Steering Committee

S.no	Name	Designation
1	Dr. Aamir Matin	Chairman
2	Mr. Badiuddin Akber	Member
3	Ms. Jehan Ara	Member
4	Mr. Farrukh H. Khan	Member
5	Ms. Ammara Masood	Member



### Management Committee

S.no	Name	Designation
1	Mr. Badiuddin Akber	Chairman
2	Syed Ahmed Ali	Member
3	Mr. Hammad Ali Faisal	Member
4	Mr. Farooq Hussain	Member
5	Mr. Shariq Jafrani	Member
6	Mr. Iqleem-uz-Zaman Khan	Member
7	Mr. Shariq Naseem	Member
8	Mr. Atiq-ur-Rehman	Member
9	Mr. Abdul Samad	Member
10	Syed Asif Shah	Member
11	Mr. M. Yaseen Younus	Member
12	Ms. Sanam Ali Zaidi	Member

### Executive Steering Committee

S.no	Name	Designation
1	Mr. Badiuddin Akber	Chairman
2	Mr. Shariq Jafrani	Member
3	Mr. Shariq Naseem	Member
4	Mr. Atiq-ur-Rehman	Member
5	Mr. Abdul Samad	Member
6	Syed Asif Shah	Member

# Operational highlights

Key Figures as of June 30, 2023

**84.95%**

Percentage of Shares in CDS with  
reference to Share Capital\*

**4,882.69**

**Rs. in Billion**  
Total Market Capitalization  
of Shares in CDS

**198.74**

**in Billion**  
Total Number  
of Shares in CDS

**659.96**

**in Million**  
Open End / ETF Units / Saving  
Certificate in CDS

**126.13**

**in Million**  
Units of TFCs, Sukuks  
Commercial Papers & Bonds in CDS

**75,212**

Number of  
Investor Accounts

**279,917**

Number of  
Trading Sub-Accounts

\* excluding GoP holding

123.04

**Rs. in Billion**

Total No. of  
Securities in IAS

3,129.41

**Rs. in Billion**

Total Market Capitalization of  
Securities in IAS

290

Number of Securities in  
Share Registrar Services

15

Clients to which CDC Share Registrar  
Services Limited is providing  
Intermediary Services

409

Number of Discretionary Portfolio  
Clients under Trusteeship

1,852

**Rs. in Billion**

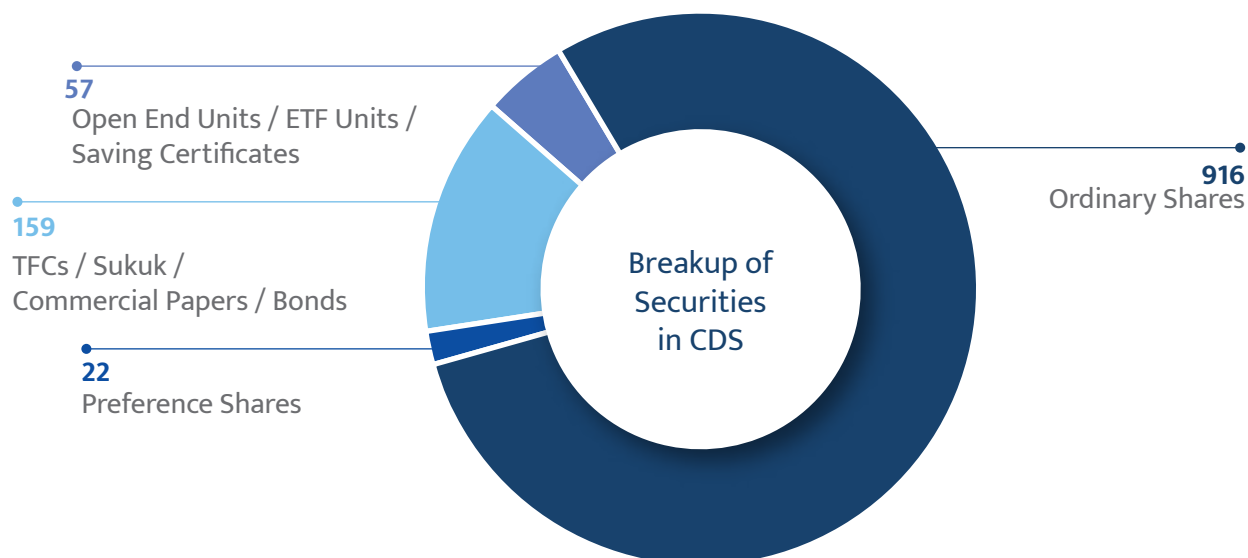
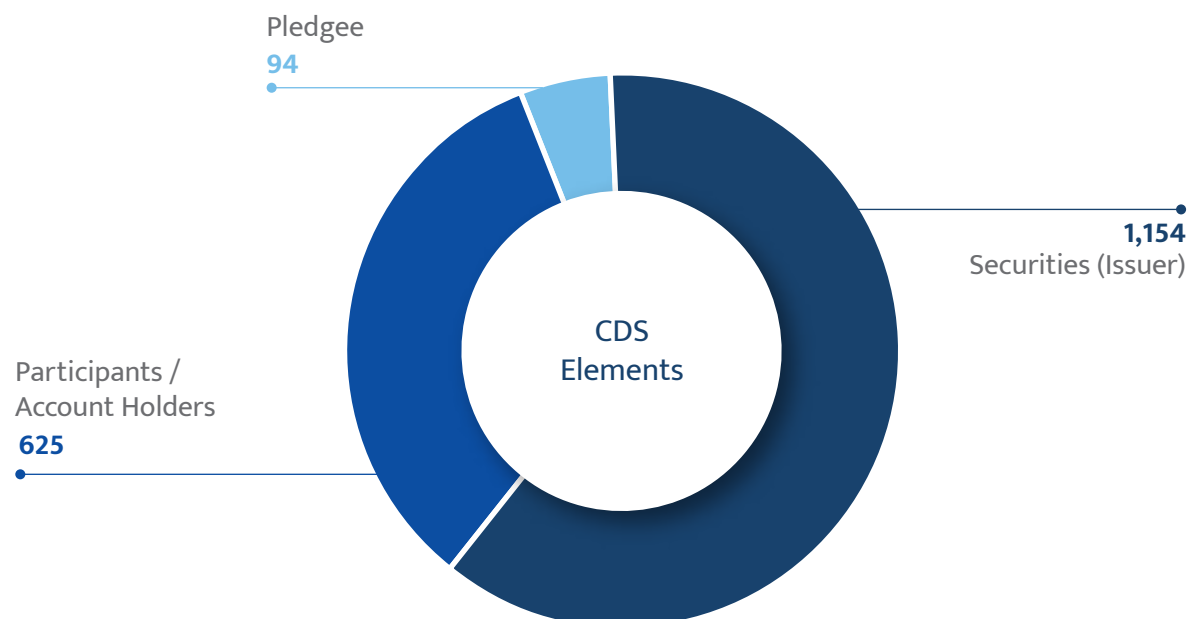
Net Assets of Funds/Discretionary  
Portfolio Clients Under Custody

264

Number of Mutual Funds  
/VPS under Trusteeship

# Central Depository System (CDS)

As of June 30, 2023

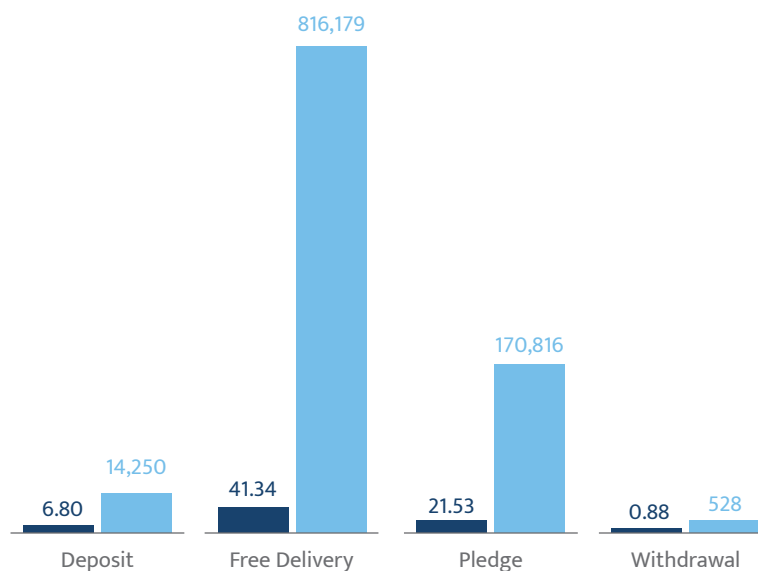


# Transactions handled through CDS

During the Year 2022 - 23

■ No. of Transactions

■ Volume (in billion)



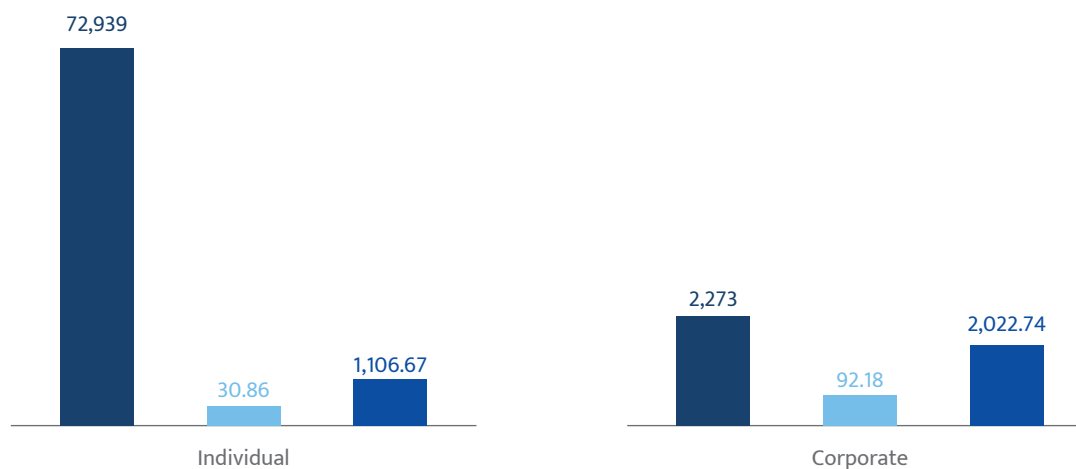
## Investor Accounts

As of June 30, 2023

■ No. of Accounts

■ No. of Securities (in Billion)

■ Market Capitalization of Securities  
(Rs. in Billion)



# Six Years Operational Data

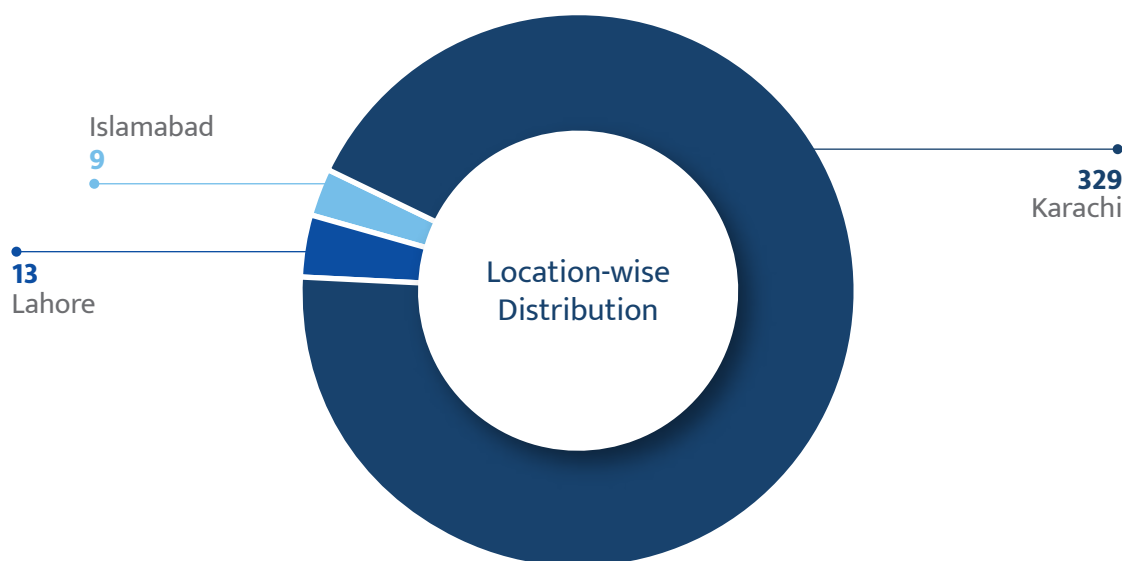
As of June 30, 2023

	FINANCIAL YEARS ENDED ON JUNE 30					
	2023	2022	2021	2020	2019	2018
Participants/Account Holders	625	649	633	626	629	631
Eligible Pledges	94	94	92	94	92	94
CDS Live Securities	1,154	1,059	968	939	902	872
No. of Shares in CDS (in Billion)	198.74	178.40	161.24	151.58	142.92	131.82
Market Capitalization of Shares in CDS (Rs. in Billion)	4,882.69	5,001.24	5,782.65	4,298.59	4,265.65	5,266.28
Units of TFCs, Sukuks, Commercial Papers, Bonds, ETF Units Saving Certificates & Open-End Funds in CDS (in Million)	786.09	457.75	483.79	535.62	732.87	216.66
Investor Accounts (individual and corporate)	75,212	71,804	64,758	57,349	55,679	53,094
No. of Securities in IAS (in Billion)	123	109	98	91	84	76
Market Capitalization of Securities in IAS (Rs. in Billion)	3,129	3,010	3,349	2,520	2,443	2,938
Number of Trading Sub Accounts (Individual & Corporate)	279,917	250,577	226,767	207,700	203,920	207,193
Number of funds under trusteeship	261	230	213	207	195	353
Number of securities in share registrar services	290	250	218	203	187	169

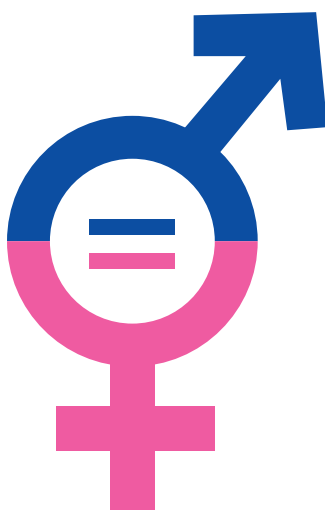
# Human Resources

As of June 30, 2023

## Number of Employees



Gender Diversity  
Ratio is 18.5%



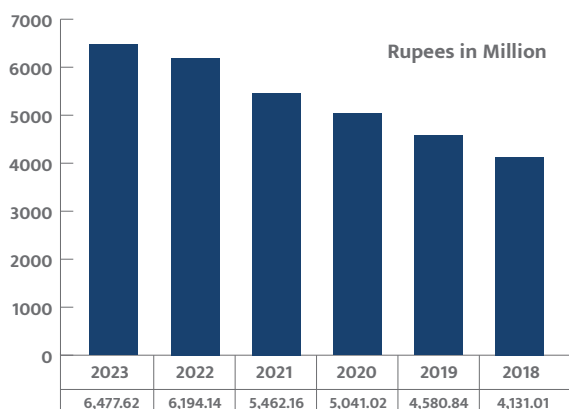
# FINANCIAL HIGHLIGHTS

	FINANCIAL YEARS ENDED ON JUNE 30					
	2023	2022	2021	2020	2019	2018
	Rupees in Million					
<b>BALANCE SHEET</b>						
Shareholders Equity	6,477.62	6,194.14	5,462.16	5,041.02	4,580.84	4,131.01
Fixed Assets	1,889.09	1,827.02	1,338.43	1,375.15	1,395.51	1,431.39
Other Non-Current Assets	297.34	275.42	279.63	191.94	161.56	166.37
Current Assets	5,563.49	5,157.46	4,748.21	4,314.16	3,805.88	3,344.88
Non-Current Liabilities	398.99	319.37	217.01	221.80	229.09	234.69
Current Liabilities	873.31	746.38	687.11	618.42	553.03	576.95
<b>OPERATIONAL RESULTS</b>						
Total Income	3,004.56	2,530.28	2,340.27	2,044.74	2,120.48	2,126.06
Total Expenses	1,670.05	1,430.42	1,301.23	1,185.40	1,227.00	1,124.45
Profit Before Taxation	1,334.51	1,099.86	1,039.04	859.35	893.48	1,001.61
Profit After Taxation	812.17	770.79	762.73	628.43	617.48	668.98
<b>DIVIDEND</b>						
Cash	405.58	423.00	381.25	188.53	183.75	159.14
Bonus	-	500.00	500.00	500.00	500.00	439.10

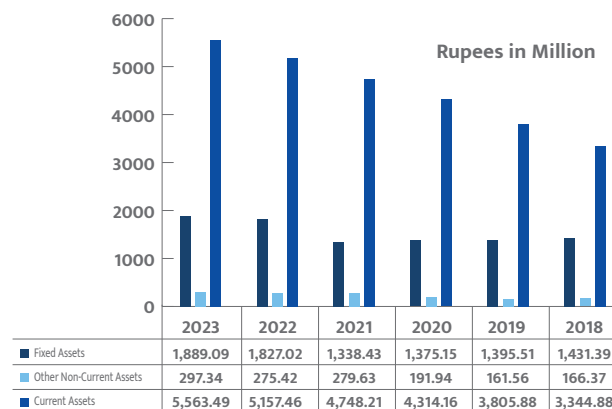


**SHAREHOLDERS EQUITY**

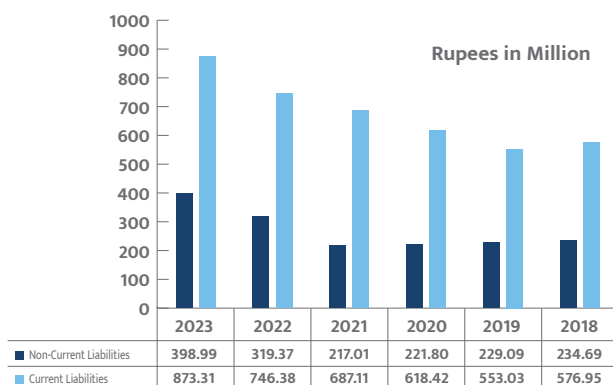
Years ended 30 June

**ASSETS**

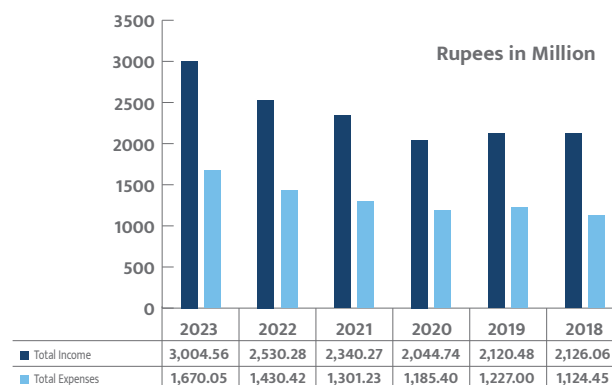
Years ended 30 June

**LIABILITIES**

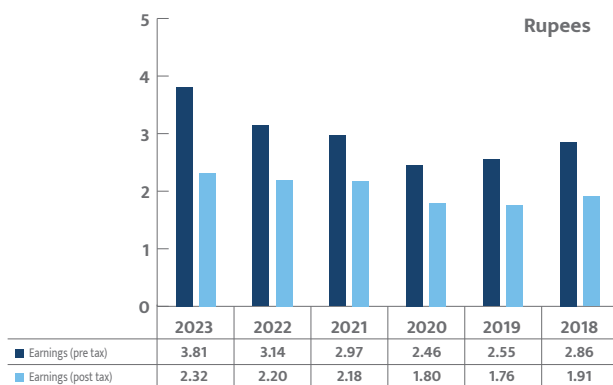
Years ended 30 June

**TOTAL INCOME-TOTAL EXPENSES**

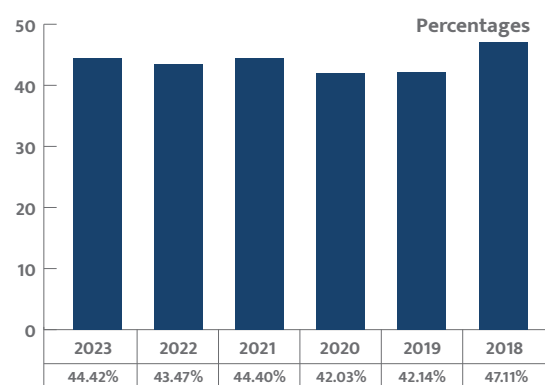
Years ended 30 June

**EARNINGS PER SHARE (EPS)**

Years ended 30 June

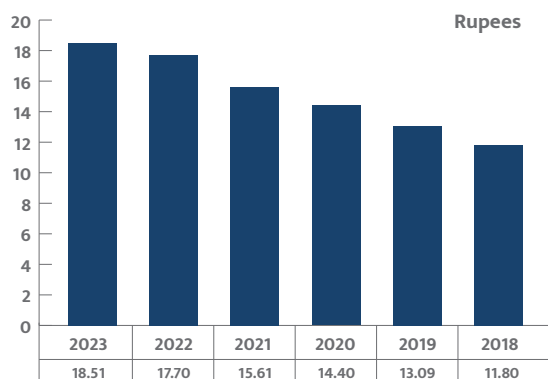
**PRE-TAX PROFIT MARGIN**

Years ended 30 June



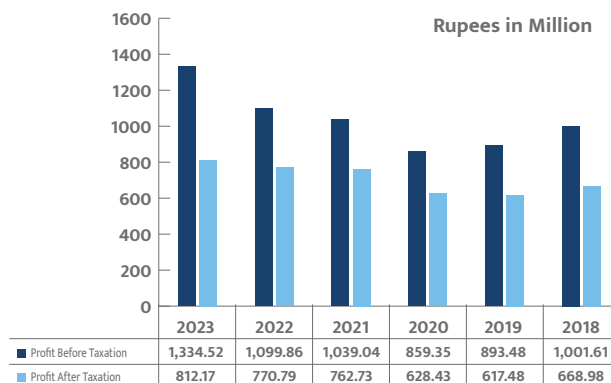
## BREAK-UP VALUE

Years ended 30 June



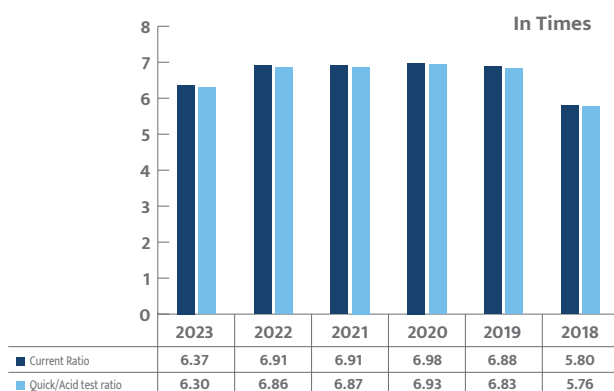
## PROFITS

Years ended 30 June



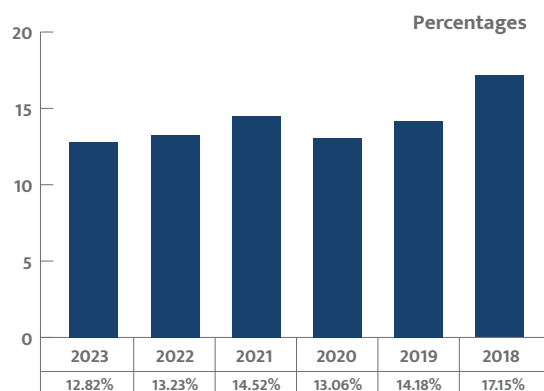
## SHORT TERM SOLVENCY RATIO

Years ended 30 June



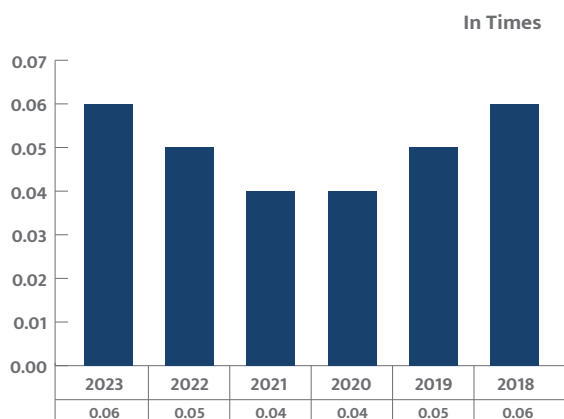
## RETURN ON EQUITY

Years ended 30 June



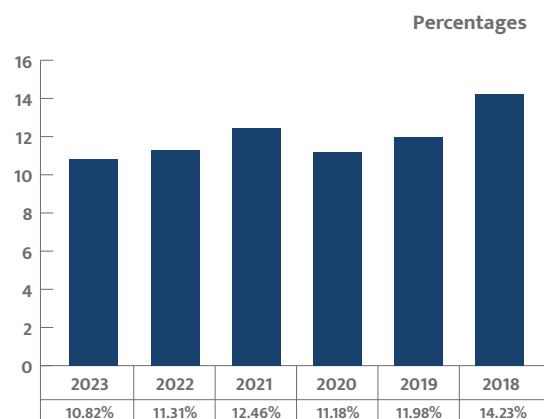
## DEBT TO EQUITY RATIO

Years ended 30 June



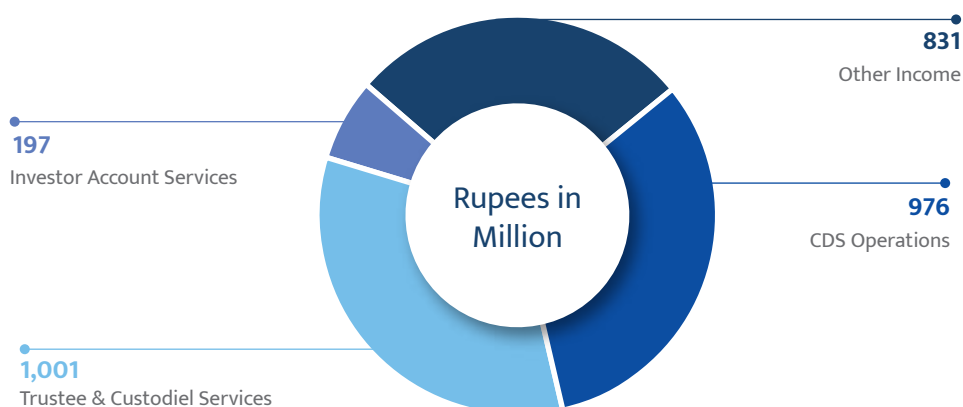
## RETURN ON ASSETS

Years ended 30 June

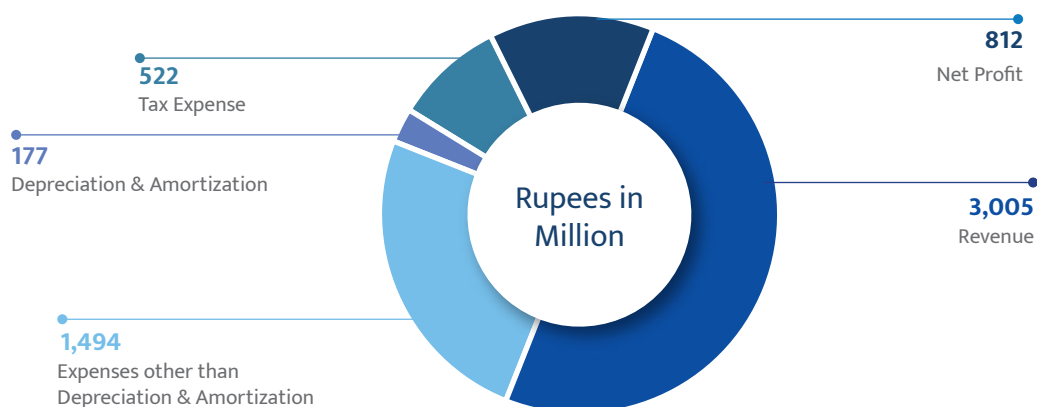


**SOURCES OF REVENUE EARNED**

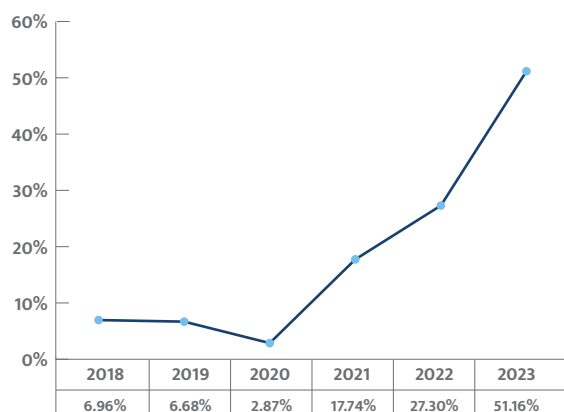
Year ended 30 June, 2023

**APPLICATION OF REVENUE EARNED**

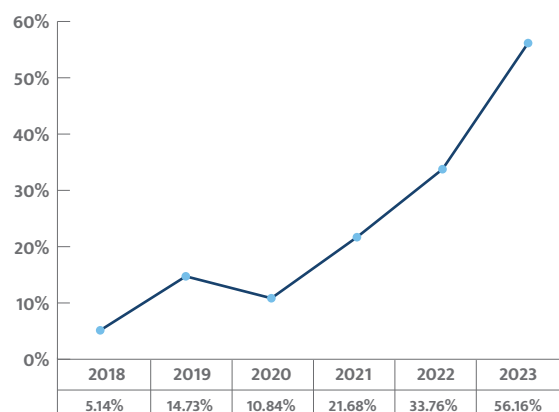
Year ended 30 June, 2023

**% CHANGE IN INCOME SINCE 2017**

Years ended 30 June

**% CHANGE IN EXPENSE SINCE 2017**

Years ended 30 June



# Six Years Financial Summary

Profitability Ratios	2023	2022	2021	2020	2019	2018
Profit before tax as a %age of revenue	44.42%	43.47%	44.40%	42.03%	42.14%	47.11%
Net Profit Margin After Tax	27.03%	30.46%	32.59%	30.73%	29.12%	31.47%
EBITDA Margin to Sales	69.54%	61.63%	61.41%	65.59%	59.75%	59.24%
Debtors turnover ratio (times per year)	7.20	7.19	8.00	8.07	9.24	7.61
Return on Equity	12.82%	13.23%	14.52%	13.06%	14.18%	17.15%
Return on Capital Employed	12.13%	12.64%	13.94%	12.48%	13.46%	16.19%
Debtors collection period (Days)	50.69	50.73	45.65	45.22	39.49	47.95
Expense as a %age of revenue	55.58%	56.53%	55.60%	57.97%	57.86%	52.89%
<b>Liquidity Ratios</b>						
Current Ratio	6.37	6.91	6.91	6.98	6.88	5.80
Quick/Acid test ratio	6.30	6.86	6.87	6.93	6.83	5.76
Cash flow from operation to Sales	0.22	0.38	0.31	0.42	0.39	0.45
Return on assets	10.82%	11.31%	12.46%	11.18%	11.98%	14.23%
<b>Investment / Market Ratio</b>						
Earning per share (before tax)	3.81	3.14	2.97	2.46	2.55	2.86
Earning per share (after tax)	2.32	2.20	2.18	1.80	1.76	1.91
Dividend Payout ratio	50.00%	55.00%	50.00%	30.00%	30.00%	24.00%
Cash Dividend Per Share	1.16	1.21	1.09	0.54	0.53	0.45
Stock Dividend per Share	-	1.43	1.43	1.43	1.43	1.25
Dividend Cover Ratio	2.00	1.82	2.00	3.33	3.36	4.20
Breakup Value per share without surplus on Revaluation of Fixed Assets	15.51	14.55	13.67	12.44	11.09	9.77
<b>Capital Structure Ratio</b>						
Net Assets (break-up value) Per Share	18.51	17.70	15.61	14.40	13.09	11.80
Debt to Equity Ratio	0.06	0.05	0.04	0.04	0.05	0.06

# DIRECTORS' REPORT

The Directors of Central Depository Company of Pakistan Limited are pleased to present the Company's Annual Report and Annual Audited Unconsolidated Financial Statements for the year ended June 30, 2023 along with Auditors' Report thereon.

## ECONOMIC AND MARKET REVIEW

Dynamics that affect global indicators have an indirect effect on Pakistan's economy as well. According to IMF projections global growth is expected to slow down from estimated 3.5 percent in 2022 to 3.0 percent for the year 2023, which is well below the historical annual average of 3.8 percent achieved from 2000-19. Geopolitical tensions remain elevated with the Ukraine-Russia conflict entering its second year and although supply chain disruptions have largely recovered in the aftermath of the pandemic and the war, global commodity prices remain on the higher side. Persistent inflationary pressures are forcing central banks across the globe to continue with monetary tightening policies, which has raised the cost of borrowing and eroded credit availability for financial institutions.

On the domestic front, FY 2023 have been a particularly challenging year with devastating floods inundating one third of the country and causing widespread losses (estimated at US\$30 Billion), a highly unstable political situation, runaway inflation crossing into double digits, and a balance of payments crisis that sharply reduced FX Reserves and forced curbing of imports. Although, Pakistan achieved a high growth rate of 6.1 percent in FY 2022, in hindsight, it was unsustainable and the subsequent overheating of the economy led the government to adopt measures to arrest the situation.

Such global and domestic challenges combined have contributed to the slowdown of the economic growth to just 0.29 percent in FY 2023, which was well below the Government projections of a 5.0 percent GDP growth for the period. Sector wise growth remained weak with the Agriculture sector witnessing growth of 1.55 percent, Industrial sector (2.94) percent and growth of 0.86 percent in the Services sector. The CPI Inflation at 29.4 percent by end of FY 2023 is one of the highest in the country, and touched a peak of 37.97 percent in May 2023 due to a weak exchange rate, high prices of essential food items resulting from supply side disruptions from flood damage and elevated global demand, and steady incremental increase in tariffs on electricity and fuel. To fight inflationary pressure, SBP continues with monetary tightening policies, increasing the interest rate by a cumulative 8.25 percent from July-June FY 2023, to a record high of 22 percent.

The Government in its annual economic survey had highlighted a broad based agenda "moving towards sustainable macroeconomic stabilization which is primarily focused on rationalization of expenditures, removing

unproductive subsidies to reduce burden on the budget, significant cuts in expenditures to reduce the budgetary deficit, increasing the tax and non-tax revenue of the Government, and a tight monetary policy to fight inflation". Challenges to these aims continue to persist due to global and domestic headwinds; however, the experts believe that the latest political development relating to appointment of caretaker setup may prove to be instrumental factor in determining the next course of action to put Pakistan back on track towards sustainable growth for the next fiscal year.

## Stock Market Challenges and Outlook

On the Stock Market front, the KSE-100 index witnessed a decline from 41,540 points to 40,000 points from June 30, 2022 to March 31, 2023 registering a negative growth of 3.7 percent over this period, however the market have rebounded since then to close at 41,452 points as of June 30, 2023. The index posted its highest figure on August 17, 2022, closing at 43,676 points. The average daily volume decreased from 305 million shares in last year to 204 million shares for FY 2023, which translates to a 33 percent decline. Number of listed companies as of June 30, 2023 stood at 524 with a total market capitalization of PKR 6,369 Billion.

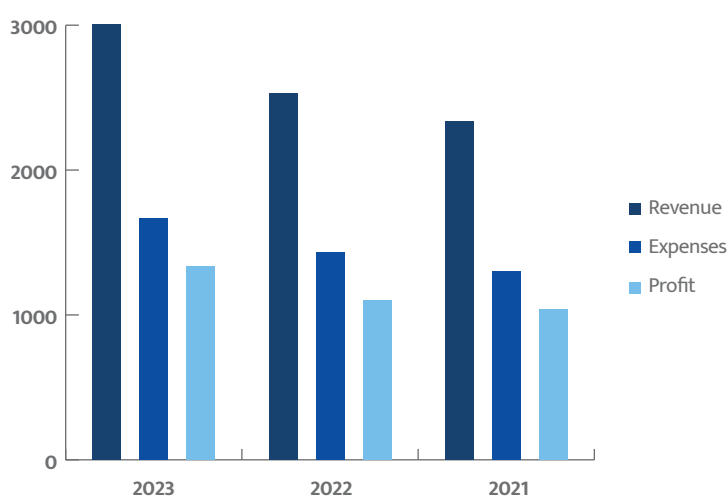
Performance of regional peers had mixed results over the same period with India, Singapore, Thailand and Philippines registering positive percentage growth of 11.26, 5.05, 2.60 and 5.59 in their respective indices while China, Vietnam, Hong Kong, Indonesia and Malaysia remained in the negative with (3.70) (14.03), (6.68), (1.54) and (1.50) percentage growth in their respective indices. Overall, the MSCI Emerging Markets index which is a cumulative index of 24 emerging stock markets declined by 1 percent. The disparity highlights the differences in the level of resilience of regional stock markets to handle internal and external pressures.

Stock market performance is vulnerable to economic indicators and investor confidence. The events of FY 2023 with unprecedented mass flooding, rising inflation and interest rates eroding purchasing power, the political standoff, and the balance of payments crisis negatively affected investor confidence. However, with the recent positive activity witnessed in the Stock Market after securing the IMF Staff Level Agreement on a US\$3 Billion Standby Arrangement, market expectations for future seem to be more optimistic.

## FINANCIAL PERFORMANCE

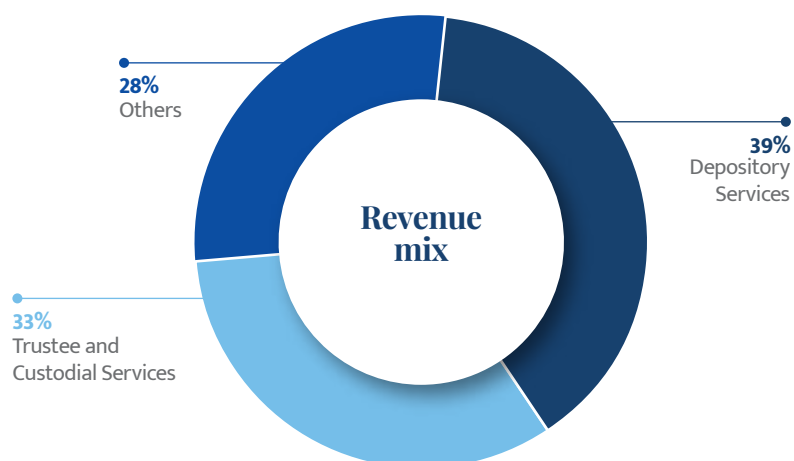
Despite volatility in the overall economy and capital market, the Company has performed well. The Company's revenue for the year 2022-23 is Rs. 3,005 million against Rs. 2,530 million of previous year showing an increase of 19%. The profit before and after tax is Rs. 1,335 million and Rs. 812 million respectively showing growth of 21% and 5% respectively compared to the previous year's results.

Description	2022-23	2021-22	Amount	%
		----- Rs. In million -----		
Revenue	3,005	2,530	475	19%
Expenses	(1,670)	(1,430)	240	17%
<b>Profit before taxation</b>	<b>1,335</b>	<b>1,100</b>	<b>235</b>	<b>21%</b>
<b>Profit after taxation</b>	<b>812</b>	<b>771</b>	<b>97</b>	<b>13%</b>
Earnings per share - basic and diluted (Rs. / Share)	2.32	2.20		



A tabular presentation reflecting revenue growth of its main segments over the years is as follows:

Revenue sources	CAGR	2023	2022	2021	2020	2019	2018	2017	2016	2015
					(Rupees in million)					
Depository Services	3%	1,153	1,210	1,210	976	1,062	1,222	1,204	996	934
Trustee & Custodial services	12%	1,001	831	757	581	640	637	581	462	403



# MAJOR ACHIEVEMENTS



**Issuance of Commemorative Stamp by Pakistan Post:** It was a proud moment for CDC this year when Pakistan Post, with the approval of the Honorable Prime Minister of Pakistan, issued a commemorative stamp to mark CDC's Silver Jubilee. This achievement was possible with the support of SECP, which acknowledges CDC's perseverance. It is indeed a tremendous accomplishment for CDC to be honored as a national level institution.



## Development of New Strategic Plan:

An organization can only remain relevant with its environment if it constantly adapts to the changes taking place around itself. This is only possible if an organization remains vigilant and keeps on monitoring its Strategic vision. With this objective, CDC developed its 2019-21 Strategic plan and implemented it very successfully, and now in its continuation and with an ambition of transforming the Company from “Good to Great”, CDC has developed its new 2022-24 Strategic Plan.

Despite the recent challenges, and the developments related to Pakistan Capital Market and also considering that in last three years, CDC has performed exceptionally well and implemented or initiated various projects for the support and facilitation of Capital market, the future outlook of the Company looks positive. Throughout the last three years, CDC's focus remained on Market Development for which CDC stretched its resources to the maximum level to facilitate the market participants and offered almost all solutions free of cost. Here, it is important to note that CDC, being the Infrastructure Organization, will not expand alone; instead, it will also help in the expansion of the financial markets by providing them the right platforms. Considering the aforementioned scenarios, CDC has developed its new strategic plan and had it approved from the Board. This plan incorporated the following Strategic Objectives for CDC to continue playing the role of an ENABLER for the development of Pakistan Capital Market:

The new Strategic Plan is broadly classified into five broad objectives, namely:

- 1- Collaboration for Market Development
- 2- Digitization of internal and external processes
- 3- New Initiatives & Innovation to ensure path of diversification and to stay relevant
- 4- Restructure & Realign to maximize efficiency
- 5- ESG Initiatives to contribute towards Market and Society development (through ESG funds)

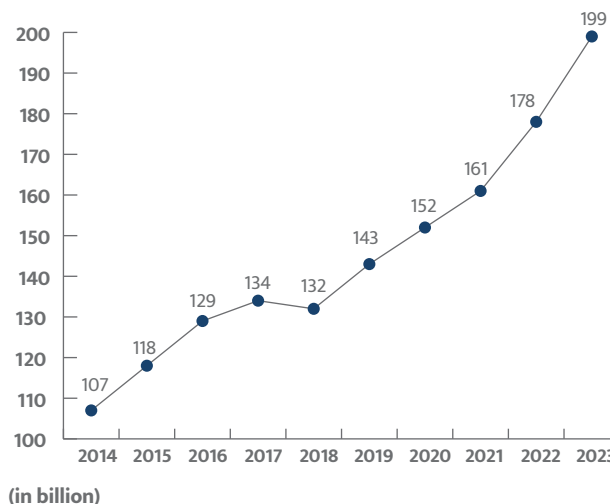
The new plan has now been in effect, and every objective has milestones along with KPIs, impediments and quantifiable targets that the management has to achieve.

## Seamless Depository and Trustee Operations

CDC's Management Team exhibits thorough understanding of Capital Markets, resolute alignment with the Strategic Objectives and focused delivery with a visionary approach in execution of their roles and duties. We have successfully delivered on all aspects of the Strategic Plan. The core responsibility was to ensure seamless, secure and efficient DEPOSITORY Services, and all possible initiatives to achieve this objective; resultantly, huge numbers of new securities were added under the custody of CDC Investor Accounts Services.

CDC has revolutionized the workings of Pakistan Capital Market with the establishment of Central Depository System, which has brought efficiency and transparency to the market processes. With regular advancement in its systems and introduction of new products, services and convenience facilities, CDC continues to increase investors' trust in market processes

and drive the Capital Market into a new phase of development through digitalization and automation. The increase in number of shares in CDS is exhibited below in the same reference:



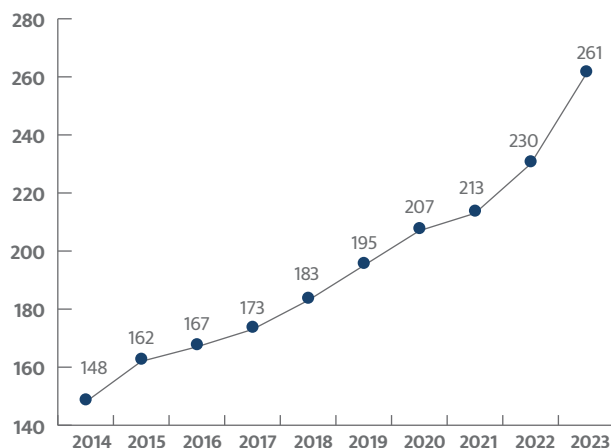
## Trustee and Custodial Services - Net Assets under Custody reached PKR 1,852 Billion as on June 30, 2023

With continuous induction of different categories of Funds including several REIT Schemes under the Trusteeship, CDC's Trustee Business continued to flourish and has shown a growth of 18.81% in revenue generated from this business segment. Total Net Assets under custody increased by 27.72% and reached Rs. 1,852 billion. Confidence of the unit holders on the Asset Management Companies and increasing trend of policy rate played a vital role in increasing the size of Mutual Fund Industry. CDC, in its role as Trustee, maintained market leadership in the following segments:

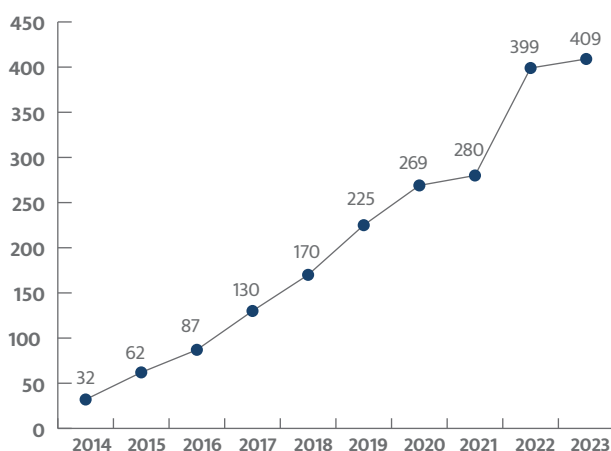
- **Trustee Services to the Collective Investment Schemes (CIS) including Voluntary Pension Schemes (VPS):** The market share of CDC is 96% with number of funds increased to 253 against 227 as at June 30, 2022.
- **Trustee Services to the Real Estate Investment Trust Scheme (REITs):** Similar to Trusteeship of CISs, CDC is also the market leader of Trustee Business for Real Estate Investment Trusts. We currently have REIT Assets of more than Rs. 95 billion under this segment of trustee business. As of June 30, 2023, CDC has provided Trustee Services to eleven (11) Developmental REIT Schemes, a Rental REIT Scheme and a Hybrid REIT Scheme.
- **Custody Services to Discretionary Portfolio (DP) clients:** The Custodian business for DP clients has again shown inclining trend wherein our clientele has reached 409. On the same lines, Net Assets under custodianship have also increased by Rs. 14.7 billion and reached Rs. 80.04 billion at the end of current financial year.

- **Trustee to Punjab Government Pension Fund:** We are the only trusteeship provider to the Government backed Pension Funds whose size is increasing continuously and has reached Rs. 125.88 billion as at June 30, 2023.
- **Trustee to Exchange Traded Fund:** We are also the only trustee of equity and debt oriented Exchange Traded Funds (ETFs) launched by different Asset Management Companies having Net Assets of Rs. 834.23 million. Trust Deeds of five Exchange Traded Funds has been signed during the year which are not yet operational.
- **Trustee to KPK Government Pension Fund:** We are the only trusteeship provider to the KPK Government backed Pension Funds. During the year, we have signed ten Trust Deeds of KPK Pension Funds being managed by different Asset Management Companies whereas consents has been issued for nine Funds.

Number of Funds									
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
148	162	167	173	183	195	207	213	230	261



Number of DPs									
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
32	62	87	130	170	225	269	280	399	409



## Driving efficiency, convenience and ease of doing business through Innovation

CDC has been at the forefront of spearheading the digitization drive in the Capital Market through innovative products and services aimed at creating efficiency and ease of doing business. This year's efforts were directed towards enriching and consolidating the existing services while striving to introduce new services that would add more value in Market development and strengthen the role of CDC as Enabler while allowing investors and stakeholders to leverage the latest technology to execute business processes seamlessly and efficiently. Following is an overview of the projects and achievements of this year:

## Enhancements in existing products and services

i) **Centralized Gateway Portal (CGP):** In the current market scenario, each time an investor wishes to open an account in any investment category (such as in Stock Market, Mutual Fund, Insurance, etc.), he/she has to repeat the same process of filling out account opening forms with information and documents and completing the KYC process for every institution. Recognizing the urgent need in the market to facilitate investors to invest in the diversified sectors of the capital market through a standardized on-boarding procedure without having to repeat mandatory and implied KYC requirements, CDC, with the support of SECP and capital market players, has conceptualized and developed the Centralized Gateway Portal. The portal will function as a KYC repository, collecting investor information and documents and performing verifications as per the standards laid out by SECP in its "Circular 06 of 2023". CGP enables the investor to then use this standard profile for on-boarding any institution in any investment category falling under the regulatory domain of SECP. For this purpose, one of the main achievement for CDC was to get a "Master Circular" issued by SECP wherein they have synchronised requirements of data and documents for all Asset Classes. Another feature of this portal would be to perform screening of all the investors through an "Algorithm" which is also approved by SECP. The portal is planned to be launched in the 1st quarter of next financial year.

ii) **Induction of National Saving Certificates (NSCs) in CDS:** The Central Directorate of National Savings (CDNS) serves an important socio-economic function in Pakistan, simultaneously fulfilling Government internal financing requirements through savings generated from the individual members of the public while extending social security and financial assurance to the marginalized and middle income segments of society. However, all schemes issued by National Savings are in physical form and are thus prone to many risks. To promote digitization and operational efficiency in the handling of NSCs as well as to provide ease of access to the investors, CDC, in collaboration with CDNS, has successfully enabled the induction of "Special Saving Certificates" in CDS. Investors can now convert their physical certificates into electronic form or have them digitally issued in their CDC account. CDC will handle the encashment and pledge functions associated with these digital certificates. Now, in the subsequent phases of this project, other schemes of National Savings will also be dematerialized.

**iii) RAAST facilitation for Mutual Fund Industry:** In order to promote the growth of the Mutual Fund industry, CDC, in its capacity as the primary Trustee and Custodial service provider, took the initiative to take up the role of an aggregator providing service for the collection of funds from investors' bank accounts to AMCs' Fund accounts utilizing the RAAST P2P mechanism launched by SBP. In this regard, SBP has approved that through a special arrangement, CDC will be able to generate IBAN with CDCP as the entity identifier for payment facilitation through the banks portals. Pilot implementation of the same is expected soon.

**iv) Induction of Developmental REITs for CDC's Trustee & Custodial services:** CDC aims to be the custodian of all asset classes, including Developmental REITs set up for the development of Real Estate for Industrial, Commercial or Residential purposes. Currently, CDC is acting as the Trustee for more than 13 REIT Schemes including Developmental REITs. REIT Assets are held on behalf of unit holders by CDC Trustee.

**v) Collaboration in SECP's Regulatory Sandbox:** CDC has more than 25 years of experience in the capital market industry and has successfully executed a multitude of projects that have gone on to become full-fledged businesses in their own right. CDC is now partnering with SECP to extend its expertise and guidance to new start-up businesses by acting as an "Evaluator", for the cohorts of SECP's Regulatory Sandbox (RSB) initiative. This is a testament of the trust placed in CDC by our Regulator. All applicants to SECP's RSB will be initially screened by SECP for their business cases and viability, after which the shortlisted applicants will be forwarded to CDC for the technical and IT Security related evaluation.

**vi) E-Meeting & E-Voting:** As a consequence of the Covid pandemic, there was radical shift towards digital solutions to replace manual practices. Even in such a dire situation, CDC was foresighted in its approach to fulfil the needs of the capital market, and launched the E-Meeting and E-Voting platforms for the facilitation of the Issuer companies. These platforms enable Issuers to conduct and take part in such events virtually, removing the need for physical presence. This year, these platforms were further enhanced with new features to make this facilitation even more efficient and fulfilling for CDC's Issuer clients and their shareholders. Around 100 Issuers have availed one of the two services.

**vii) Successful operationalization and broker induction for Professional Clearing Member (EClear):** EClear Services Ltd. (ESL) was launched with the collaboration of other capital market SROs to provide settlement services to the new category of Trading Only Brokers created under the new PCM regime. Currently, ESL is providing services to more than 50 Trading Only Brokers, with more expected to come on-board soon. ESL is also developing value added services, such as launching a state of the art Online Management System (OMS) and providing enhanced compliance related functions, to further facilitate the on-boarded Brokers.

**viii) Efficient Payment Mechanism (EPM):** In its vision to facilitate the Mutual Funds industry through digitization and innovation of new products and services, CDC has streamlined the payment instruction

delivery mechanism between AMCs and banks by integrating its in-house system FMS with banks' systems. With a growing number of banks joining the EPM initiative, around 90 percent of the total volume of payments has been processed through EPM, thus exceeding the initial target.

**ix) Shared KYC Project:** Shared KYC project is an initiative of SBP to extend the digital on-boarding facilitation, offered by banks to Non-Resident Pakistanis under the Roshan Digital Account framework, to resident Pakistanis as well. This service aims to facilitate the investor account-opening in investment categories, such as Stock Market and Mutual Funds, on the basis of information and documents obtained, and KYC verifications performed by banks during bank account opening process. CDC has already enabled this facilitation successfully for Stock Market investment and has now extended it to the Mutual Fund investment category by developing connectivity between Banks and AMCs to enable investors to open mutual fund accounts digitally.

**x) WhatsApp Payment for Centralized E-IPO System (CES):** CDC's E-IPO service is still the best performing electronic IPO subscription and payment system in the market six years after its initial launch, processing more than 70% of the total IPO subscriptions. As part of its continuous efforts for creating ease for customers to participate in the IPO process, CDC had introduced IPO subscriptions facilitation through WhatsApp in the last year. This feature is now further enhanced this year, with the upgrade named as e-IPO Ultra, which enables the investors to make payments against IPOs through WhatsApp as well.

## Support in market development

**Collaboration with Regulatory bodies, ministries and other stakeholders:** CDC Management has consistently represented CDC and its subsidiaries across multiple platforms, engaging with stakeholders both locally and internationally, providing expert opinions, and preparing various papers on subjects such as risk management, investor protection, broker regime, and compliance structure. Additionally, CDC has been an integral member of reform committees within SECP (Securities and Exchange Commission of Pakistan) and has been assigned specific tasks related to market development.

In conjunction with SECP, CDC has worked closely with other key stakeholders such as the Central Directorate of National Savings and the Ministry of Finance to ensure the successful and timely dematerialization of CDNS (Central Directorate of National Savings) schemes. Likewise, CDC has collaborated extensively with SBP (State Bank of Pakistan) on various matters, actively supporting the Capital Market and Mutual Fund Industry by working on projects like RAAST P2P (Real-Time Automated Securities Trading) and Shared KYC (Know Your Customer) for Mutual Funds.

**Other SROs:** CDC has maintained a close working relationship with PSX (Pakistan Stock Exchange) and NCCPL (National Clearing Company of Pakistan Limited) on various matters, particularly in support of Capital Market development.

**Professional bodies and forums:** As an active proponent of market development, CDC strives to enrich its network and relationships with other business and professional bodies—such as the Pakistan Business Council, Insurance Association of Pakistan, Mutual Fund Association of Pakistan, and Pakistan Brokers Association—to collaborate on various endeavors for the development of Pakistan's financial landscape.

**International bodies and forums:** CDC is an active member of various international forums, including Asia Pacific CSD (Central Securities Depository) Group (ACG) and World Forum of Central Securities Depositories (WFC). CDC was both a partner as well as the key organizer for the International Islamic Capital Market Conference 2023, a landmark initiative by SECP and AAOIFI (Accounting & Auditing Organization for Islamic Financial Institutions) for the development and transformation of Islamic Financial landscapes in line with the best global practices.

Within ACG, CDC has actively participated as a member of the Executive Committee and served as the Convener of the "Risk Management Task Force."

## Risk Management, Audit & Compliance

CDC has a well-planned organizational structure and an experienced management team to ensure achievement of key strategic objectives as well as smooth processing of key businesses/functions. All of the SMOs, along with their teams, are diligently working towards increasing efficiency as well as effectiveness of their functions.

**Enterprise Risk Management (ERM):** CDC became the first organization in the Capital Market to implement the COSO (Committee of Sponsoring Organizations of Treadway Commission) based ERM Framework in its business for improved decision-making in governance, strategy, and day-to-day operations. The ERM framework was implemented successfully across all departments, and relevant employees were trained to build a strong risk culture. Moreover, regular review of the implementation and control testing is being performed. In order to cultivate the stronger risk management culture, ERM is now established as a separate function.

**Compliance:** Multiple operational, statutory and regulatory audits were carried out during the year; however, no major observation was identified. Details of these audits are given below:

- **ISAE 3000 Limited Assurance Audit** has been successfully completed by Grant Thornton Anjum Rahman, Chartered Accountants who have given a clean opinion that CDC is in compliance with all the applicable laws and regulations in accordance with the scope defined under the Central Depositories (Licensing & Operations) Regulations, 2016, which has also been shared with SECP.
- During the financial year, no non-compliances have been reported or highlighted which may attract imposition of penalty. Resultantly, effectiveness of compliance function prevented the Company from any of such financial loss.
- In coordination with Internal Audit dept., the **CDS Annual Review** was conducted by Grant Thornton (GT) in September 2022 with no observations raised by the system auditor. The clean opinion expressed by the auditor signifies the absence of any findings or concerns, both in the cover letter and management letter. ISAE 3402

report is a very strong third party assurance mechanism that relates to review of internal IT controls. In case of CDC, there are 11 control objectives and 146 control activities whose design and implementation was reviewed by GT.

- Successful execution of re certification audit of **ISO 22301** and surveillance audit of **ISO 27001** in December 2022.
- Over the years, ISO 27001 has enabled CDC with a comprehensive ISMS framework that includes a requirement for detailed documentation of IT policies and procedures. With successful third party review of compliance to ISO 27001 standard, all stakeholders are assured regarding CDC having a strong foundation of Information Security principles that are well designed and correctly implemented.
- ISO 22301 has also provided CDC with a structured framework to plan, establish, implement, operate, monitor, review, maintain and continually improve its business continuity management system.

CDC as part of Joint Inspection Regime conducts inspections of security brokers under the Joint Inspection Regulations 2015. Further, Chief Compliance Officer represents CDC on the Oversight Committee formed by SECP under these regulations to overall supervise the regime.

**Robust Internal Audit:** In addition to the Risk Based IA plan which includes I.T. audits, 27 extra audits/consultancy assignments were carried out during the year.

**Information Security:** Information Security is one of the key drivers in CDC's business model to ensure reliable and smooth services to our clients. CDC has an established ISO/IEC 27001:2013 certified Information Security Management System (ISMS) for monitoring threats / vulnerabilities and their effective risk mitigation and timely issue resolution. CDC has been continuously and rigorously demonstrating its commitment and focus to safeguard the information critical to the functioning of Pakistan Capital Market.

- For the first time in CDC history, we engaged third party consultants as RED team who tried MITRE ATT&CK techniques to hack systems, processes and staff. They targeted bypassing physical security and cybersecurity controls around the year and attempted social engineering techniques to get insider knowledge via fake job interviews, USB freebies, fake identity, etc. This framework included various tactical categories consisting of technical objectives of an adversary and applied 193 techniques including DDOS, phishing, APT infection, password cracking, USB baiting, information gathering from darknet, Rogue Wi-Fi AP, etc. All attempts were blocked successfully by CDC controls, and no impact could be created.
- CDC have improved its business continuity arrangements and has transformed its BCMS program to the latest ISO 22301:2019 version of the standard.
- We have introduced internal Red team and enhanced the capabilities of the internal team for performing Red team activities using MITRE technique as conducted by 3rd party consultants. This includes the DDOS, Password cracking, data exfiltration, APT infection, privilege escalation etc.

## Organizational growth through diversification and process improvement.

**ITMinds Limited (Wholly owned subsidiary):** During the year, ITMinds Limited while following its diversification policy started some new business ventures like SaaS (system as a service) for SMA Clients, BPO service for REITs to REIT Management Company and induction of digital AMCs where the Company provides its services in an integrated manner through APIs with no manual intervention.

ITMinds Limited has been able to onboard its budgeted clients, however, due to overall economic slowdown the businesses of its clients were started with certain delays which has an impact on its revenues and corresponding impact on profits.

Considering that ITMinds Limited has intention to acquire back office software from the Parent Company, it has performed a gap analysis of the software in comparison to other back office software's available in the market. Few elements have been identified which are necessary for the development of application for offering in the market as a complete solution to any prospective clients as well as for own consumption. The same are under development in coordination with IT team.

This is the first year that the subsidiary has been able to pay dividend to its shareholders.

**CDC Share Registrar Services Limited (Wholly owned subsidiary):** Since the launch of Share Registrar Services in 2008, CDC has been successful redefining the Share Registrar service standards for the industry and now caters to 290 securities, including various listed public sector entities, making it the Number 1 R/TA service provider in the market. Share Registrar business began the financial year 2022-23 with having 250 clients on board. During the year, we have signed and entered into "Share Registrar Services Agreements" with 54 listed and unlisted companies due to deep penetration in the market, aggressive approach, continual efforts resulting in revenue earned of Rs 188 Million

CDC Share Registrar Services Limited (CDCSR) with its state of the art technology, tradition of providing one-window operations, professional staff, service excellence and performance has managed to consolidate itself as a hi-tech solution provider. The company is pioneer in introducing various automated solutions for maximum facilitation of shareholders and investors including e-Voting, e-Meeting solutions via video conferencing and electronic payment of stamp duty via franking machine in coordination with Sindh Board of Revenue. In order to promote digital drive and paperless environment, we have also introduced to our RTA clients an online portal for their physical shareholders. In 2020, CDCSR managed to achieve another milestone by obtaining the license of Intermediary Services under the Intermediaries (Registration) Regulations 2017 and currently, we are providing services to 15 listed and unlisted companies. The idea of having it under CDC umbrella was to stand out among our competitors.

## Strengthening organizational efficiency and effectiveness.

There is always an imminent necessity for redefining the organizational structure to support the present and future business needs. The present growth of the organization and the initiatives demand that we re-define and rationalize our manpower by reviewing the processes in each business unit and internal functions.

**Business Continuity Planning (BCP):** In line with CDC's BCP program, the following drills and audits were successfully executed during the year to ensure readiness for the continuity of CDC's operations in case of any unforeseen events:

- CDC is the first entity in the Capital Market to execute a surprise IT datacenter failure BCP drill during business hours with no prior knowledge to staff, and the success of this drill is the testament of CDC's Business Continuity Planning. All systems were recovered within 2 hours RTO from alternate datacenter, and business operations were performed without any delay. CDC also performs regular fire drills.
- Just like the previous year, this year also CDC reached out to NCCPL to carry out a combined business continuity and IT disaster recovery drill to demonstrate their joint readiness for uninterrupted clearing and settlement operations from their respective alternate sites without any change at their client ends. These drills not only help both organizations to test their inter dependencies of data connectivity and system integration but also help maintain their ISO 22301 certification milestone as recommended by the auditor SGS Pakistan.
- CDC successfully conducted second recovery exercise to handle ransomware situations with six different tests including virtual machines & operating systems, core business applications & databases, backup & email systems and above all bare metal recovery. Such bare metal recovery exercise from ransomware is not at a common practice in the industry. The purpose of these exercises is to build and refine CDC teams' recovery capabilities for restoration of core business applications and establish time duration required to do so. The lesson learned from these exercises were also shared with other capital market entities for mutual benefit.

**People Management:** The incredible growth in the Company would not have been possible without an inclusive strategic plan, sound leadership and the efforts of our employees. The Company strives to foster a culture that is conducive to achieving equal employment opportunities while ensuring a workplace free of discrimination and harassment. CDC is fully committed to hiring and retaining talent that can contribute towards the achievement of all defined targets. CDC is an equal opportunity employer and also supports people with special needs.

**Capital Market Future Leaders Program:** As part of the Strategic Plan to combine Capital Market organizations into projects that enhance its people development, a joint CDC-PSX-NCCPL Capital Markets Future Leaders Program has been launched to induce fresh candidates. This program is designed to train young graduates and provide them with career opportunities at the Hub of Pakistan's Capital Market after an extensive training of 18 months. Eventually they are to be absorbed for long term Succession Planning.

**Environment, Social and Governance:** Being the only depository in the country, CDC acknowledges its corporate responsibility towards the environment, society and community and returns back. Every year CDC allocates 3% of its profit before tax to ESG projects and makes a humble contribution for the impoverished and underprivileged class of the society to provide them with basic human needs. CDC's contributions are directed towards Health, Education and Technical Skill Development as well as Community Development. Over the past few years, we have increased our reach across Pakistan covering areas like Baluchistan and Khyber Pakhtunkhwa etc. Some of the major projects sponsored by CDC are The Citizen Foundation School at Mirpur Khas,



Cyber Knife project of JPMC, FESF's Parents Sign Language Training Program, and Indus's Cancer Clinic Project, besides regular contributions to the Patients' Behbud Society by AKUH, SIUT, Kharadar General Hospital, Pakistan Sweet Home Orphanage, Islamabad, The Habib University, The Garage School, Broghil Yarkhun Local Support Organization Chitral and etc.

**Employee Engagement:** Various Employee Engagements activities and awareness sessions were conducted such as 14th August Independence Day Celebration, Sports tournaments where female employees participated in Badminton and male employees took part in Cricket and Badminton both.

**Town Hall 2023:** As this year marks CDC's 25 years of excellence in the Capital Market Industry of Pakistan, a Town Hall meeting was organized. The event was attended by CDC's Chairman, the CEO, Management Committee and all employees of CDC. The meeting provided an opportunity to employees to get the insight of strategical goals for the upcoming years, the company's overall growth, challenges and strengths. Most importantly, it gave a singular platform where the CEO and Management Committee directly addressed employee concerns.

**Diversity, Equity and Inclusion:** As part of Diversity, Equity and Inclusive (DE&I) Initiative, CDC has on-boarded differently-abled employees in collaboration with Deaf Reach School and Training Centre. Subsequently, sensitization sessions were also organized for our Management Committee members and other employees to create awareness. In accordance with CDC's annual practice, International Women's Day was also celebrated with full zeal this year in which Ms. Musarat Jabeen Executive Director SECP and Ms. Maleeha Mimi Bangash Director ECLEAR Services were invited as guest speakers along with the CEO and Management of CDC. With the objective of promoting gender inclusion, female ratio has also been significantly increased since last year.

**Employee Wellness:** At CDC, we strive to implement all applicable environmental, health and safety requirements and promote energy efficiency to ensure protection of the environment. In times of unforeseen and stressful circumstances, our first priority and line of action is always to ensure the safety & well-being of human life. With that in mind, CDC organized health awareness sessions such as Pinktober – Breast Cancer Awareness, World Mental Health Day, and Ergonomics. An In-House Medical clinic facility has also been started at the head office of CDC where a qualified and experienced doctor conducts consultations regularly, to support work life balance and save employees from the hassle of external clinics.

## Learning & Development

- **Partnership with Professional Bodies:** In partnership with ICAP, ACCA, ICMAP, ICAEW and CIMA as their approved training provider, we are able to hire and retain qualified accounting resources.
- **In-House Workshops:** CDC's efforts for career progression and uplifting its employees through various training programs are worth an acknowledgement. This year as well, among other training activities, the third batch of our flagship Capital Market Training was arranged by experts of CDC to impart their knowledge and experience gained over the years. Further, in-house sessions on Advanced MS Excel were also organized for employees sited at Karachi, Lahore and Islamabad offices

- **External Learning:** In addition to that, CDC also organized a comprehensive Directors Training Program for their senior management tier through ICMAP. Opportunities were given to many employees to attend and participate on various external conferences such as Emerging Leaders Expedition (ICAP), Project Management (REDC, LUMS), Future Summit 2023, ICAP CFO Conference, etc. Employees also participated in the 23rd ACG Cross Training Seminar held at Bali, Indonesia where they had the opportunity to engage with more than 200 participants from different CSDs in the Asia Pacific Region for discussions regarding the latest technologies, products, practices and trends.

## FUTURE PLAN AND NEW INITIATIVES

**e-GO (e-Governance portal):** CDC, in collaboration with the Pakistan Institute of Corporate Governance (PICG) has been working on the concept of establishing an e-Governance portal that will serve as a centralized platform to equip shareholders with the necessary information, learning modules, and training resources to promote sound governance practices. The proposed e-Governance portal "e-GO" will be an interactive and user-friendly platform designed to serve as a one-stop hub for resources, training, and learning modules, while catering to shareholders of various levels of experience and expertise. Furthermore, it will also guide shareholders to utilize services to assist in corporate governance functions, such as e-Meetings, e-Voting and e-Proxy, enabling them to participate more actively in governance decisions.

**Auto Insurance Repository:** CDC, in consultation with key market players and the Regulator, has been working on the conceptualization and industry buy-in for the establishment of an Auto Insurance Repository. The concept of the Auto Insurance Repository aims to provide access to material information for underwriting such as driver's past record, territory, etc. which are used globally, to facilitate the Insurers in making intelligent business decisions prior to binding a customer. The centralized auto insurance repository will allow the industry to enhance risk mitigation efforts; select quality risks; weed out poor drivers; improve the overall quality of driving behaviour; and provide asset related information to third parties. SECP has been strongly advocating the necessity of establishing this centralized auto-insurance repository, and has stressed on the importance of this requirement and the role of CDC in the recent study on Motor Third Party Insurance by SECP.

**Reinsurance Project:** CDC is intending to join hands with SECP and key representatives of the Insurance Industry (NICL, Pak Reinsurance & TPL) to develop a portal that will aim to digitize the critical functions in the reinsurance lifecycle, thereby helping to ensure comprehensive reinsurance administration with the creation of centralized database whereby proper reconciliation and magnitude of risk will be available.

**e-Proxy:** This solution will facilitate the electronic appointment of proxies by shareholders who cannot attend meetings. Benefits of e-Proxy include convenience, accuracy, security, timely submission and real-time updates. Shareholders will be facilitated to appoint proxies electronically and securely, eliminating the need for physical paperwork and allowing for a quick and hassle-free process. This will help the shareholders to submit proxies well in advance of meetings, ensuring that their voting preferences are accurately represented.

**Virtual Branch of CDNS:** As an extension of CDC's collaboration with the CDNS in the induction of National Saving Certificates (NSCs) in CDS, CDNS has principally agreed to designate CDC as its first "Virtual Branch". As a Virtual Branch of CDNS, CDC will be able to on-board investors and issue digital NSCs to investors as well as perform all the roles associated with such NSCs such as facilitation of payment, encashment, pledge and other auxiliary services. Formal approval from the MoF is awaited after which CDC will start operational activities.

**IT Export led initiative:** Although current financial year remained clouded with grim political and economic stability conditions, however, Alhamdulillah CDC was able to maintain its over two-decade year on year growth trajectory by ensuring a fine balance between growth-oriented investments and operational cost optimization while ensuring that it maintains its technological and human resource edge in the capital and financial industry. The revenue generation of Pakistan by way of exporting IT Services is much lower than other countries despite availability of abundance of talent and CDC aims to excel in this line of business as well keeping the CDC legacy.

## CODE OF CORPORATE GOVERNANCE

Good Governance lies at the core of our values and ethical standards. The Board is aware of its responsibilities towards the shareholders, value of inputs from our stakeholders, besides upholding the reputation of CDC.

The Company firmly believes in the importance of good governance and best practices, and the mechanism for good governance encompasses the highest standards of professionalism, ethical practices, accountability and transparency,

The Board and management of the Company are committed to good corporate governance and complying with the best practices. Over the years, CDC has positioned itself to surpass the legal requirements and adhere to global best practices and standards of governance. Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019, and the review report by the Company's Auditors are included in the Annual Report.

**Composition of Board of Directors:** Apart from regulatory requirements, execution of the Company's current and future strategic objectives defines the parameters for the qualification and composition of the Board of Directors. This enables the Company to achieve highest levels of good governance, transparency, awareness of Board's responsibilities in achieving Company's objectives, besides ensuring smooth business operations.

CDC's Board comprises of a mixture of individuals representing shareholding institutions as well as independent directors. In line with the policy of diversity and gender mix, CDC continues to maintain female representation on the Board of Directors with two female members on the Board. Total number of directors on the Board is 12 comprising of 02 female and 10 male Directors. Further, as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019, independent directors have provided their declaration of independence as per the criteria defined in the Companies Act 2017 to the Chairman of the Board.

Precisely, the Board comprises of seven non-executive directors representing shareholding institutions, four independent directors and

the Chief Executive Officer by virtue of position as per statute. All the Directors of the Company meet the eligibility criteria laid down under the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Fit & Proper Criteria incorporated in the Licensing Regulations.

The tenure of office of a director is three years upon expiry of which, elections are held to appoint a new Board in accordance with the statute. Directors representing respective shareholding institutions have no direct interest in the Company's business.

The Board of Directors remained actively involved during the year in performing its duties and functions as specified under the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Central Depositories (Licensing & Operations) Regulations, 2016.

**Annual Evaluation of Board's Performance:** Board's Evaluation Mechanism facilitates the Board of Directors to evaluate and assess performance for providing strategic leadership and oversight to the management. Accordingly, procedures have been developed based on emerging and leading practices to assist in the self-assessment of individual director, committees of the Board and the full Board's performance and the guidelines issued by the SECP for performance evaluation of Board. The main criteria for the Board's evaluation are as follows:

- Board Composition
- Compensation
- Strategic Planning
- Board Procedures
- Board Interaction
- Board Information
- Effectiveness
- Board Committees

As decided by the Board and in line with the practice adopted in the last few years, the Company has digitized the Board Evaluation Questionnaires, and the Directors have to submit their feedback with few clicks.

The overall Board's performance score has considerably increased to 92% from 78% in the year 2015 with all the components reflecting significant improvement lead by role of Chairman and role of CEO reflecting 99% and 96% respectively,

**Changes in the Board:** Casual vacancies incurred during the year were filled in accordance with the Companies Act, 2017. The Board places on record its appreciation for the valuable contribution made by the outgoing Directors.

**Board & Committee Meetings:** As prescribed by the regulatory framework, the Board is required to meet at least once every quarter to monitor achievements of the Company's objectives. CDC's Board met 4 times in the year 2022-23 to discuss routine and special matters besides providing guidance to the management on achieving Company's objectives.

Notices / agendas of the meetings were circulated in advance, in a timely manner and in compliance of applicable laws. The quorum of all the meetings also exceeded the minimum requirements as prescribed by the Companies Act 2017, with the Chief Financial Officer and Company Secretary also in attendance. The Company Secretary meticulously noted the proceedings and maintained minutes of the meetings encompassing details regarding all decisions taken by the Board and explanations provided by the management. The minutes were circulated to the Directors within the prescribed time and were approved in the subsequent Board meetings. The Board's attendance status is mentioned as under:

Name of Directors	No. of meetings held in tenure	No. of meetings attended*
Mr. Moin M. Fudda (Chairman)	4	4
Mr. Badiuddin Akber	4	4
Ms. Jehan Ara	4	4
Ms. Ammara Masood	4	3
Mr. Ahmed Chinoy	4	4
Mr. Farrukh H. Khan	4	4
Mr. Tariq Mahmood	4	4
Dr. Aamir Matin	4	4
Mr. Ghulam Mustafa	0	0
Mr. Nadeem Naqvi	4	4
Mr. Muhammad Tariq Rafi	4	3
Syed Ali Sultan	4	2
Mr. Amir Zia**	2	1
Mr. Zahid Latif Khan***	2	2

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

\*\* Mr. Amir Zia resigned from the Board of CDC in December 2022.

\*\*\* Mr. Zahid Latif Khan resigned from the Board of CDC in May 2023.

**Audit Committee:** The Company's Audit Committee is composed of five members, all of whom have extensive financial management, business and economics experience. The Chairperson of the Audit Committee is an independent director, whereas the remaining members are non-executive directors.

The Audit Committee of the Board continued to perform its duties and responsibilities effectively as per its approved terms of reference. The Committee met 5 times during the year and also held a meeting with the external auditors without the presence of Chief Financial Officer and Head of Internal Audit. The attendance status of the Audit Committee is mentioned as under:

Name of Directors	No. of meetings held in tenure	No. of meetings attended
Ms. Ammara Masood (Chairperson)	5	5
Mr. Ahmed Chinoy	5	5
Mr. Tariq Mahmood	3	3
Mr. Nadeem Naqvi	5	5
Syed Ali Sultan	5	4

**Human Resource and Remuneration Committee:** The Human Resource and Remuneration Committee reviews the human resource architecture of the Company and ensures that the human resource strategy is aligned with the overall corporate strategy. The Chairman of the Committee is an

independent non-executive Director, and all the members of the Committee, excluding the Chief Executive Officer, are non-executive Directors. The Human Resource & Remuneration Committee met 1 time during the year and its attendance status is mentioned as under:

Name of Directors	No. of meetings held in tenure	No. of meetings attended
Mr. Moin M. Fudda (Chairman)	1	1
Mr. Badiuddin Akber	1	1
Mr. Farrukh H. Khan	1	1
Mr. Muhammad Tariq Rafi	1	1
Syed Ali Sultan	1	1

**Regulatory Affairs Committee ("RAC"):** The RAC oversees the matters relating to Regulations, Compliances, and Enforcement actions and other related functions as prescribed in the Licensing Regulations and related work performed by the Chief Compliance Officer and makes recommendations to the Board for further improvements in the functions. The RAC also evaluates that the role and responsibilities assigned to the Chief Compliance Officer are performed efficiently and effectively.

The RAC met 4 times during the year and its attendance status is mentioned as under:

Name of Directors	No. of meetings held in tenure	No. of meetings attended
Mr. Moin M. Fudda (Chairman)	4	4
Mr. Badiuddin Akber	4	4
Mr. Ahmed Chinoy	4	4
Mr. Farrukh H. Khan	4	4

**Investment Committee:** The Board constituted an Investment Committee to guide the management with respect to investment decisions. Subsequently, the Board mandated the Investment Committee to look into the ESG activities in accordance with the ESG policy approved by the Board. The Investment Committee met 1 time during the year and its attendance status is mentioned as under:

Name of Directors	No. of meetings held in tenure	No. of meetings attended
Mr. Muhammad Tariq Rafi (Chairman)	1	1
Mr. Moin M. Fudda	1	1
Mr. Badiuddin Akber	1	1
Mr. Tariq Mahmood	1	1
Syed Ali Sultan	1	1

**Information Technology Steering Committee ("ITSC"):** ITSC is setup by the Board to act as a governing body providing strategic guidance in the areas of Technology, Information Security and Digital initiatives. The ITSC met 2 times during the year and its attendance status is mentioned as under:

Name of Directors	No. of meetings held in tenure	No. of meetings attended
Dr. Aamir Matin (Chairman)	2	2
Mr. Badiuddin Akber	2	2
Ms. Jehan Ara	2	1
Mr. Farrukh H. Khan	2	2
Ms. Ammara Masood	2	2



**Nomination & Compensation Committee ("N&CC"):** N&CC is constituted by the Board to consider filling up vacant position of Directors and remuneration for attending Board and Committee Meetings. The N&CC comprises of following members and no meeting was required to be held during the year:

Name of Director	Category
Mr. Moin M. Fudda	Chairman
Mr. Badiuddin Akber	Member
Ms. Jehan Ara	Member
Mr. Nadeem Naqvi	Member
Mr. Muhammad Tariq Rafi	Member

**Directors' Remuneration:** The Company has a policy for ascertaining Directors' remuneration (for non-executive and independent directors) with review of external consultant every three years. This policy applies to all Non-Executive and Independent Directors who attend Board Meetings, Audit Committee Meetings, Regulatory Affairs Committee Meetings, Human Resource and Remuneration Committee Meeting and any other meeting called by the Board.

The review process is in compliance with legal requirements, and remuneration includes fee for attending Board and Committee meetings, boarding and lodging expenses and separate benefit for Chairman of the Board in view of additional roles and responsibilities. The remuneration package includes Rs. 100,000 and Rs. 75,000 for attending each Board and Committee meetings respectively. Details of aggregate amount of remuneration for executive, non-executive and independent Directors are presented in the annual report.

**Formal orientation at induction:** CDC has detailed an orientation plan for new Board members apprising them on the Company's long-term strategy, business operations and environment, besides encouraging cohesion among the Board members.

**Directors' Training:** The Company is committed to arrange orientation courses and training programs for its directors to apprise them of their duties and responsibilities. The Board remained fully compliant with the provision of the Code pertaining to Directors Training Program.

Precisely, as of June 30, 2023, six directors of the Company have completed formal directors training program, and two Directors have been exempted by the SECP from such certification and for the remaining four directors, training will be scheduled accordingly.

**Review of related party transactions:** As per the requirements of the regulatory framework, the Audit Committee reviews details of all related party transactions, before approval by the Board in view of recommendations made by the Audit Committee.

**Pattern of Shareholding:** The Pattern of shareholding and categories of shareholders of the Company as at June 30, 2023 is mentioned at page 165.

**Ethics and Compliance:** Code of Conduct has been disseminated to all employees and Directors of the Company in addition to being available on the Company's website in compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019. In order to avoid known or

potential conflict of interest; the Directors are required to formally disclose any vested interest held by them in their individual capacity.

**Capital Structure and Liquidity Management:** The Company's strategy is to maintain a strong capital base, which is built on reserves so as to maintain investors', creditors' and market confidence and to sustain future development of the business. This has resulted in Company's ability to operate in an efficient manner to enable it to provide healthy returns for shareholders and benefits for other stakeholders.

During the year, an amount of Rs. 484 million was generated from operating activities of the Company.

At the year-end, the Company had a liquid fund position comprising of cash/bank balances and short-term investments amounting to Rs. 4,965 million.

To ensure sufficient availability of funds at all times whilst generating optimum returns through placement of surplus liquidity in various available investment avenues, the Company has developed and implemented a cash flow monitoring mechanism whereby cash inflows and outflows are projected and monitored on regular basis.

The Company is subjected to comply with financial resource requirements as envisaged in the Central Depositories (Licensing & Operations) Regulations after its promulgation in February 2016.

**Materiality Approach:** The management has adopted a materiality approach, which is based on a combination of stakeholder engagement, understanding of environmental limits and strategic alignment. It has made the process, assumptions and evidences the base for identifying material issues for more transparent, credible and amenable disclosures to have more transparency on risk and opportunities.

**Key Source of Estimation Uncertainty:** The preparation of financial statements is in conformity with approved accounting standards which requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses as defined in note 3 of Financial Statements.

**Appropriations:** The directors, in their meeting held on August 23, 2023, have proposed cash dividend of Rs. 1.1588 per share (interim cash dividend of Re. 0.8045 per share and final cash dividend of Re. 0.3543 per share) making total cash dividend of 50% of Profit After Tax (2022: 55% of the profit after tax) in respect of year ended June 30, 2023.

The unconsolidated financial statements for the year ended June 30, 2023 do not include the effect of the final dividend, which will be accounted for in the period in which it is approved by shareholders.

**Financial Highlights:** Key operating and financial data of previous years has been summarized on Page 25.

**Contribution to National Exchequer and Economy:** An amount of PKR 377 Million (2022: PKR 301 Million) was contributed during the year in respect of Income tax. As a responsible citizen of our country, the Company contributed 13% (2022: 12%) of total revenue back to the Economy.

**Statement as to the Value of Investment of Provident Fund:** The value of the investment of the provident fund is PKR 43 million.

**Subsequent Events:** No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year of the company and the date of this report.

**External Auditors:** The present auditors M/s A. F. Ferguson & Co. - Chartered Accountants audited the financial statements of the Company and have issued unqualified report to the members. The auditors will retire at the conclusion of Annual General Meeting. Being eligible, they have offered themselves for re-appointment. The Board has recommended the re-appointment of A. F. Ferguson & Co. - Chartered Accountants as auditor for the ensuing year, as suggested by the Audit Committee, subject to approval by members in the 31st Annual General Meeting.

**Internal Audit:** The Internal Audit function is effectively operating within the framework set out in the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the charter defined by the Audit Committee of the Board. The Board relies on the inputs and recommendations of the Internal Audit function through its Audit Committee on the adequacy and effectiveness of internal controls, including internal financial control in the organization, and responds appropriately.

## ACKNOWLEDGMENTS

The Board places on record its gratitude for the hard work and dedication of every employee of the Company. The Board also appreciates and acknowledges the valuable assistance, guidance and cooperation of all stakeholders, Securities and Exchange Commission of Pakistan, State Bank of Pakistan, Pakistan Stock Exchange and National Clearing Company of Pakistan Limited. The Board is also grateful to all CDS Elements, Asset Management Companies, Insurance Companies, Clients of CDC Share Registrar Services and ITMinds Limited and Shareholders for their trust reposed in the Board and extended to the company.

For and on behalf of the Board

-sd-

MOIN M. FUDDA  
Chairman of the Board

-sd-

BADIUDDIN AKBER  
Chief Executive Officer

Karachi, dated: Wednesday, August 23, 2023

## اعترافات:

بورڈ کمپنی کے ہر ملازم کی محنت اور لگن کے لیے اس کا شکریہ ادا کرتا ہے۔ بورڈ تمام اسٹیک ہولڈرز، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، پاکستان اسٹاک ایکسچینج، اور نیشنل کلیئرنگ کمپنی آف پاکستان لمیٹڈ کی گراں قدر مدد، رہنمائی اور تعاون کو بھی سراہتا ہے اور اس کا اعتراف کرتا ہے۔ بورڈ تمام CDS عناصر، اثاثہ جات کی انتظامی کمپنیوں، انشورنس کمپنیوں، CDC سینٹر رجسٹرڈ سروسز اور ITMinds Limited کے کلائنٹس، اور حصص یافتگان کا بورڈ پر اعتماد کرنے اور کمپنی تک توسیع دینے پر بھی شکرگزار ہے۔

بورڈ کے لیے اور اس کی جانب سے

دستخط	دستخط
معمین ایم فدا	بدیع الدین اکبر
بورڈ چیئر مین	چیف ایگزیکٹو آفیسر

کراچی، بدھ، 27 اگست 2023

مالیاتی جھلکیاں: پچھلے سالوں کے کلیدی آپریٹنگ اور مالیاتی ڈیٹا کا خلاصہ صفحہ 25 پر کیا گیا ہے۔

قومی خزانے اور معیشت میں شراکت: اکم ٹیکس کی مد میں سال کے دوران 377 ملین PKR (2022 PKR 301 ملین) کی رقم دی گئی۔ ہمارے ملک کے ایک ذمہ دار ادارے کے طور پر، کمپنی نے کل آمدنی کا 13% (2022: 12%) معیشت میں واپس کیا۔

پروویڈنٹ فنڈ کی سرمایہ کاری کی قدر کے بارے میں بیان: پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت 43 ملین روپے ہے۔

بعد کے واقعات: کمپنی کے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت کو متاثر کرنے والی کوئی مادی تبدیلیاں یا وعدے نہیں ہوئے ہیں۔

ایکسٹرنل آڈیٹرز: موجودہ آڈیٹرز میسرز ایف فرگوسن اینڈ کوپارٹرڈ اکاؤنٹنٹس نے کمپنی کے مالیاتی گوشواروں کا آڈٹ کیا اور اراکین کو ان کو لیفا اینڈ رپورٹس جاری کیں۔ آڈیٹرز سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے۔ اہل ہونے کی وجہ سے انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے اور بورڈ نے میسرز ایف فرگوسن اینڈ کوپارٹرڈ اکاؤنٹنٹس کو آئندہ سال کے لیے آڈیٹرز کے طور پر دوبارہ تعینات کرنے کی سفارش کی ہے، جیسا کہ آڈٹ کمیٹی نے تجویز کیا تھا اور جو 31 ویں سالانہ جنرل میٹنگ میں اراکین کی منظوری سے مشروط بھی ہے۔

انٹرنل آڈٹ: انٹرنل آڈٹ کا فنکشن لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور بورڈ کی آڈٹ کمیٹی کی طرف سے بیان کردہ چارٹر میں وضع کردہ فریم ورک کے اندر مؤثر طریقے سے کام کر رہا ہے۔ بورڈ اپنی آڈٹ کمیٹی کے ذریعے داخلی آڈٹ فنکشن کے ان پٹس اور سفارشات پر انحصار کرتا ہے جس میں تنظیم میں داخلی مالیاتی کنٹرول سمیت اندرونی کنٹرولز کی مناسبت اور تاثیر پر ہوتا ہے اور مناسب جواب دیتا ہے۔

**اخلاقیات اور قیام:** لیسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) 2019 کے ضوابط کے مطابق ضابطہ اخلاق کو کمپنی کی ویب سائٹ پر دستیاب کرنے کے علاوہ کمپنی کے تمام ملازمین اور ڈائریکٹرز تک پہنچا دیا گیا ہے۔ کسی بھی ممکنہ یا متوقع مفادات کے تصادم سے بچنے کے لیے ڈائریکٹرز کو ضابطہ طور پر اپنی انفرادی حیثیت میں کسی بھی طرح کے ذاتی مفاد کو ظاہر کرنے کی ضرورت ہے۔

کمپنیل اسٹریکچر اور لیکویڈیٹی منجمنٹ: کمپنی کی حکمت عملی ایک مضبوط سرمائے کی بنیاد کو برقرار رکھنا ہے، جو کہ reserves پر بنایا گیا ہے تاکہ سرمایہ کاروں، قرض دہندگان اور مارکیٹ کے اعتماد کو برقرار رکھا جاسکے اور کاروبار کی مستقبل کی ترقی کو برقرار رکھا جاسکے۔ اس کے نتیجے میں کمپنی کو حصص یافتگان کے لیے صحت مند منافع اور دیگر اسٹیک ہولڈرز کے لیے فوائد فراہم کرنے کے قابل بنانے کے لیے ایک موثر انداز میں کام کرنے کی صلاحیت ملے گی۔

سال کے دوران کمپنی کی آپریٹنگ سرگرمیوں سے 484 ملین روپے کی رقم حاصل کی گئی۔ سال کے آخر میں، کمپنی کے پاس ایک مالغ فنڈ پوزیشن تھی جس میں نقد/ بینک بینلس اور قلیل مدتی سرمایہ کاری 4,965 ملین روپے تھی۔

مختلف دستیاب سرمایہ کاری کے مواقعوں میں اضافی لیکویڈیٹی کے ذریعے زیادہ سے زیادہ منافع پیدا کرنے کے دوران ہر وقت فنڈز کی مناسب دستیابی کو یقینی بنانے کے لیے، کمپنی نے کیش فلو کی نگرانی کا ایک طریقہ کار تیار اور نافذ کیا ہے جس کے تحت کیش کی آمد اور اخراج کا تخمینہ لگایا جاتا ہے اور مستقل بنیادوں پر نگرانی کی جاتی ہے۔ کمپنی کو مالی وسائل کی ضروریات کی تعمیل کرنی ہوگی جیسا کہ فروری 2016 میں اس کے اعلان کے بعد سینٹرل ڈپازٹریز (لائسنسنگ اور آپریشنز) کے ضوابط میں تصور کیا گیا ہے۔

**مادیت کا نقطہ نظر:** انتظامیہ نے ایک مادیت کا نقطہ نظر اپنایا ہے، جو اسٹیک ہولڈر کی مصروفیت، ماحولیاتی حدود کو سمجھنے، اور اسٹریٹجک صف بندی کے امتزاج پر مبنی ہے۔ اس نے عمل، مفروضوں اور شواہد کو زیادہ شفاف، قابل بھروسہ، اور قابل عمل انکشافات کے لیے مادی مسائل کی نشاندہی کی بنیاد بنایا ہے تاکہ خطرے اور مواقع پر زیادہ شفافیت حاصل کی جاسکے۔

**تخمینہ کی غیر یقینی صورتحال کا کلیدی ماخذ:** مالیاتی بیانات کی تیاری منظور شدہ اکاؤنٹنگ معیارات کے مطابق ہے جس کے لیے انتظامیہ کو فیصلے، تخمینے، اور مفروضے بنانے کی ضرورت ہوتی ہے جو پالیسیوں کے اطلاق پر اثر انداز ہوتے ہیں اور اثاثوں اور واجبات، آمدنی اور اخراجات کی اطلاع دی گئی رقم جیسا کہ مالیاتی بیانات کے نوٹ نمبر 3 میں بیان کیا گیا ہے۔

**تخصیصات:** ڈائریکٹرز نے 23 اگست 2023 کو ہونے والی اپنی میٹنگ میں 1.1588 روپے فی شیئر (0.8045 روپے فی حصص کا عبوری کیش ڈیویڈنڈ اور 0.3543 روپے فی حصص کا فائل کیش ڈیویڈنڈ) کا کل کیش ڈیویڈنڈ تجویز کیا ہے۔ 30 جون 2023 کو ختم ہونے والے سال کے سلسلے میں ٹیکس کے بعد منافع کا 50% (2022: ٹیکس کے بعد منافع کا 55%)۔

30 جون 2023 کو ختم ہونے والے سال کے غیر متعلقہ مالیاتی گوشواروں میں ان تخصیصات کا اثر شامل نہیں ہے، جس کا حساب اس مدت میں لیا جائے گا جس میں حصص یافتگان کی طرف سے اس کی منظوری دی جائے گی۔

**نامزدگی اور معاوضہ کمیٹی ("N&CC"):** بورڈ کی طرف سے قائم کی گئی ہے تاکہ ڈائریکٹرز کی خالی آسامیوں کو پُر کرنے اور بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لیے معاوضے پر غور کیا جاسکے۔ N&CC مندرجہ ذیل ممبران پر مشتمل ہے اور سال کے دوران کسی میٹنگ کی ضرورت نہیں تھی۔

ڈائریکٹر کا نام	کیٹگری
جناب معین ایم فدا	چیئرمین
جناب بدیع الدین اکبر	ممبر
محترمہ جہاں آراء	ممبر
جناب ندیم نقوی	ممبر
جناب محمد طارق رفیع	ممبر

**ڈائریکٹرز کا معاوضہ:** کمپنی کے پاس ہر تین سال بعد ایک بیرونی کنسلٹنٹ کے جائزے کے ساتھ ڈائریکٹرز کے معاوضے (نان ایگزیکٹو اور خود مختار ڈائریکٹرز کے لیے) کا تعین کرنے کی پالیسی ہے۔ یہ پالیسی ان تمام نان ایگزیکٹو اور خود مختار ڈائریکٹرز پر لاگو ہوتی ہے جو بورڈ میٹنگز، آڈٹ کمیٹی میٹنگز، ریگولیٹری افیئرز کمیٹی میٹنگز، ہیومن ریسورس اینڈ ریسورسیشن کمیٹی میٹنگز، اور بورڈ کی طرف سے بلائی گئی کسی بھی میٹنگ میں شرکت کرتے ہیں۔

جائزہ لینے کا عمل قانونی تقاضوں کے مطابق ہے، اور معاوضے میں بورڈ اور کمیٹی کے اجلاسوں میں شرکت کی فیس، بورڈنگ اور ہائس کے اخراجات، اور اضافی ذمہ داریوں کے پیش نظر بورڈ کے چیئرمین کے لیے علیحدہ فوائد شامل ہیں۔ معاوضے کے پیکیج میں ہر بورڈ اور کمیٹی کے اجلاس میں شرکت کے لیے بالترتیب 100,000 روپے اور 75,000 روپے شامل ہیں۔ ایگزیکٹو، نان ایگزیکٹو، اور خود مختار ڈائریکٹرز کے لیے معاوضے کی مجموعی رقم کی تفصیلات سالانہ رپورٹ میں پیش کی گئی ہیں۔

**شمولیت کے وقت بری واقعیت:** CDC نے بورڈ کے اراکین کے درمیان ہم آہنگی کی حوصلہ افزائی کے علاوہ بورڈ کے نئے اراکین کے لیے کمپنی کی طویل مدتی حکمت عملی، کاروباری کارروائیوں اور ماحول سے آگاہ کرنے کے لیے ایک تفصیلی اوریشنل پلان بنایا ہے۔

**ڈائریکٹرز کی تربیت:** کمپنی اپنے ڈائریکٹرز کو ان کے فرائض اور ذمہ داریوں سے آگاہ کرنے کے لیے اوریشنل کورسز اور تربیتی پروگراموں کا اہتمام کرنے کے لیے پرعزم ہے۔ بورڈ ڈائریکٹرز کے تربیتی پروگرام سے متعلق ضابطہ کی فراہمی کے ساتھ پوری طرح تعمیل کرتا رہا۔

30 جون 2023 تک کمپنی کے چھ ڈائریکٹرز نے ڈائریکٹرز کا باقاعدہ تربیتی پروگرام مکمل کر لیا ہے، اور دو ڈائریکٹرز کو ای سی پی نے اس طرح کے سرٹیفیکیشن سے مستثنیٰ قرار دیا ہے اور باقی چار ڈائریکٹرز کے لیے تربیت کا شیڈول طے کیا جائے گا۔

متعلقہ پارٹی ٹرانزیکشنز کا جائزہ: ریگولیٹری فریم ورک کی ضروریات کے مطابق، آڈٹ کمیٹی آڈٹ کمیٹی کی سفارشات کے پیش نظر بورڈ کی منظوری سے پہلے تمام متعلقہ پارٹی ٹرانزیکشنز کی تفصیلات کا جائزہ لیتی ہے۔

**شیئرز ہولڈنگ کا بیٹرن:** 30 جون 2023 تک کمپنی کے شیئرز ہولڈرز کے شیئرز ہولڈنگ کا بیٹرن اور زمرہ جات کا ذکر صفحہ 165 پر ہے۔

ایگزیکٹو آفیسر کے علاوہ کمیٹی کے تمام ممبران نان ایگزیکٹو ڈائریکٹر ہیں۔ ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی کی میٹنگ سال کے دوران ایک بار ہوئی اور اس کی حاضری کی حیثیت درج ذیل ہے:

Name of Directors	No. of meetings held in tenure	No. of meetings attended
Mr. Moin M. Fudda (Chairman)	1	1
Mr. Badiuddin Akber	1	1
Mr. Farrukh H. Khan	1	1
Mr. Muhammad Tariq Rafi	1	1
Syed Ali Sultan	1	1

ریگولیری آفیسر ز کمیٹی ("RAC"): RAC انسنگ ریگولیشنز میں بتائے گئے ضابطوں، تعمیل، نفاذ کی کارروائیوں اور دیگر متعلقہ کاموں سے متعلق امور کی نگرانی کرتا ہے اور چیف کمپلائنس آفیسر کے ذریعہ انجام دیئے گئے متعلقہ کام اور مزید بہتری کے لیے بورڈ کو سفارشات پیش کرتا ہے۔ انفعال میں RAC اس بات کا بھی جائزہ لیتا ہے کہ چیف کمپلائنس آفیسر کو تفویض کردہ کردار اور ذمہ داریاں مؤثر طریقے سے نبھائی جاتی ہیں۔ RAC کی سال کے دوران 4 بار میٹنگز ہوئی اور اس کی حاضری کی حیثیت درج ذیل ہے:

Name of Directors	No. of meetings held in tenure	No. of meetings attended
Mr. Moin M. Fudda (Chairman)	4	4
Mr. Badiuddin Akber	4	4
Mr. Ahmed Chinoy	4	4
Mr. Farrukh H. Khan	4	4

سرمایہ کاری کمیٹی: بورڈ نے سرمایہ کاری کے فیصلوں کے حوالے سے انتظامیہ کی رہنمائی کے لیے ایک سرمایہ کاری کمیٹی تشکیل دی۔ اس کے بعد، بورڈ نے سرمایہ کاری کمیٹی کو بورڈ کی طرف سے منظور شدہ ESG پالیسی کے مطابق ESG کی سرگرمیوں کو دیکھنے کا حکم دیا۔ انوسٹمنٹ کمیٹی نے سال کے دوران 1 بار میٹنگ کی اور اس کی حاضری کی حیثیت درج ذیل ہے:

Name of Directors	No. of meetings held in tenure	No. of meetings attended
Mr. Muhammad Tariq Rafi (Chairman)	1	1
Mr. Moin M. Fudda	1	1
Mr. Badiuddin Akber	1	1
Mr. Tariq Mahmood	1	1
Syed Ali Sultan	1	1

انفارمیشن ٹیکنالوجی اسٹیرنگ کمیٹی ("ITSC"): ITSC کو بورڈ نے ایک گورننگ باڈی کے طور پر کام کرنے کے لیے قائم کیا ہے جو ٹیکنالوجی، انفارمیشن سیکوریٹی، اور ڈیجیٹل اقدامات کے شعبوں میں اسٹریٹجک رہنمائی فراہم کرتا ہے۔ ITSC سال کے دوران 2 بار میٹنگ ہوئی اور اس کی حاضری کی حیثیت درج ذیل ہے:

Name of Directors	No. of meetings held in tenure	No. of meetings attended
Dr. Aamir Matin (Chairman)	2	2
Mr. Badiuddin Akber	2	2
Ms. Jehan Ara	2	1
Mr. Farrukh H. Khan	2	2
Ms. Ammara Masood	2	2

میٹنگز کے نوٹس/ایجنڈا پیشگی، بروقت اور قابل اطلاق قوانین کی تعمیل میں تقسیم کیے گئے تھے۔ تمام میٹنگز کا کوہمکنیز ایکٹ 2017 کے مطابق کم از کم ضروریات سے بھی تجاوز کر گیا، جس میں چیف فنانشل آفیسر اور کمپنی سیکرٹری بھی موجود تھے۔ کمپنی سیکرٹری نے کارروائی کو احتیاط سے نوٹ کیا اور میٹنگوں کے منٹس کو برقرار رکھا جس میں بورڈ کے تمام فیصلوں اور انتظامیہ کی طرف سے فراہم کردہ وضاحتوں کے بارے میں تفصیلات شامل تھیں۔ منٹس مقررہ وقت کے اندر ڈائریکٹرز کو بھیجے گئے اور بعد میں بورڈ کے اجلاسوں میں ان کی منظوری دی گئی۔ بورڈ کی حاضری کی حیثیت درج ذیل ہے:

Name of Directors	No. of meetings held in tenure	No. of meetings attended*
Mr. Moin M. Fudda (Chairman)	4	4
Mr. Badiuddin Akber	4	4
Ms. Jehan Ara	4	4
Ms. Ammara Masood	4	3
Mr. Ahmed Chinoy	4	4
Mr. Farrukh H. Khan	4	4
Mr. Tariq Mahmood	4	4
Dr. Aamir Matin	4	4
Mr. Ghulam Mustafa	0	0
Mr. Nadeem Naqvi	4	4
Mr. Muhammad Tariq Rafi	4	3
Syed Ali Sultan	4	2
Mr. Amir Zia**	2	1
Mr. Zahid Latif Khan***	2	2

\*ان ڈائریکٹرز کو غیر حاضری کی چھٹی دی گئی جو کچھ اجلاسوں میں شرکت نہیں کر سکے۔

\*\*جناب عامر ضیاء نے دسمبر 2022 میں بورڈ آف ڈی سی سے استعفیٰ دے دیا۔

\*\*\*جناب زاہد لطیف خان نے مئی 2023 میں ڈی سی کے بورڈ سے استعفیٰ دے دیا۔

آڈٹ کمیٹی: کمپنی کی آڈٹ کمیٹی پانچ اراکین پر مشتمل ہے، جن میں سے سبھی کے پاس مالیاتی انتظام، کاروبار اور معاشیات کا وسیع تجربہ ہے۔ آڈٹ کمیٹی کے چیئرمین ایک آزاد ڈائریکٹر ہیں، جبکہ باقی ممبران نان ایگزیکٹو ڈائریکٹر ہیں۔

بورڈ کی آڈٹ کمیٹی نے اپنی منظور شدہ شرائط کے مطابق اپنے فرائض اور ذمہ داریوں کو مؤثر طریقے سے ادا کرنا جاری رکھا۔ کمیٹی نے سال کے دوران 5 بار میٹنگ کی اور چیف فنانس آفیسر اور ہیڈ آف انٹرنل آڈٹ کی موجودگی کے بغیر بیرونی آڈیٹرز کے ساتھ میٹنگ بھی کی۔ آڈٹ کمیٹی کے اجلاس میں حاضری کی تفصیل درج ذیل ہے:

Name of Directors	No. of meetings held in tenure	No. of meetings attended
Ms. Ammara Masood (Chairperson)	5	5
Mr. Ahmed Chinoy	5	5
Mr. Tariq Mahmood	3	3
Mr. Nadeem Naqvi	5	5
Syed Ali Sultan	5	4

انسانی وسائل اور معاوضے کی کمیٹی: ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی کمپنی کے انسانی وسائل کے فن تعمیر کا جائزہ لیتی ہے اور اس بات کو یقینی بناتی ہے کہ انسانی وسائل کی حکمت عملی مجموعی کارپوریٹ حکمت عملی کے ساتھ ہم آہنگ ہو۔ کمیٹی کا چیئرمین ایک خود مختار نان ایگزیکٹو ڈائریکٹر ہے اور چیف

اور لائسنسنگ ریگولیشنز میں شامل درست اور مناسب معیار کے تحت طے شدہ اہلیت کے معیار پر پورا اترتے ہیں۔

ڈائریکٹر کے عہدے کی میعاد تین سال ہوتی ہے جس کے ختم ہونے پر، قانون کے مطابق نئے بورڈ کی تقرری کے لیے انتخابات ہوتے ہیں۔ متعلقہ شیئر ہولڈنگ اداروں کی نمائندگی کرنے والے ڈائریکٹرز کی کمپنی کے کاروبار میں براہ راست کوئی دلچسپی نہیں ہے۔

بورڈ آف ڈائریکٹرز سال کے دوران اپنے فرائض اور افعال کی انجام دہی میں فعال طور پر شامل رہے جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور سینٹرل ڈپازٹریز (لائسنسنگ اور آپریشنز) ریگولیشنز، 2016 کے تحت بیان کیا گیا ہے۔

بورڈ کی کارکردگی کا سالانہ جائزہ: بورڈ کا تشخیصی طریقہ کار بورڈ آف ڈائریکٹرز کو انتظامیہ کو اسٹرٹیجک قیادت اور نگرانی فراہم کرنے کے لیے کارکردگی کا جائزہ لینے اور جانچنے میں سہولت فراہم کرتا ہے۔ اس کے مطابق، انفرادی ڈائریکٹرز، بورڈ کی کمیٹیوں، اور بورڈ کی مکمل کارکردگی اور ایس ای سی پی کی طرف سے بورڈ کی کارکردگی کی جانچ کے لیے جاری کردہ رہنما خطوط کے خود جائزہ لینے میں مدد کے لیے ابھرتے ہوئے اور سرکردہ طریقوں کی بنیاد پر طریقہ کار تیار کیے گئے ہیں۔ بورڈ کی تشخیص کے لیے بنیادی معیار مندرجہ ذیل ہیں:

- بورڈ کی کمپوزیشن
- معاوضہ
- اسٹرٹیجک پلاننگ
- بورڈ کے طریقہ کار
- بورڈ کا انٹر ایکشن
- بورڈ کی معلومات
- موثریت
- بورڈ کمیٹیاں

جیسا کہ بورڈ نے فیصلہ کیا ہے اور پچھلے کچھ سالوں میں اپنائے گئے طریقہ کار کے مطابق، کمپنی نے بورڈ کی تشخیص کے سوانح ناموں کو ڈیجیٹائز کیا ہے، اور ڈائریکٹرز کو چند کلکس کے ساتھ اپنی رائے جمع کروانی ہوگی۔

بورڈ کا مجموعی کارکردگی اسکور سال 2015 میں 78% سے 92% تک بڑھ گیا ہے جس کے ساتھ تمام اجزاء نمایاں بہتری کی عکاسی کرتے ہیں جس کی قیادت میں چیئرمین اور CEO کا کردار بالترتیب 99% اور 96% ظاہر کرتا ہے۔

**بورڈ میں تبدیلیاں:** دوران سال ہونے والی عارضی اسامیوں پر کمپنیز ایکٹ 2017 کے مطابق بھرتیاں کی گئیں۔ بورڈ سبکدوش ہونے والے ڈائریکٹرز کی گراں قدر خدمات پر ان کا تہہ دل سے شکریہ ادا کرتا ہے۔

**بورڈ اور کمیٹی میٹنگز:** جیسا کہ ریگولیٹری فریم ورک کی طرف سے تجویز کیا گیا ہے، بورڈ کو کمپنی کے مقاصد کی کامیابیوں کی نگرانی کے لیے ہر سہ ماہی میں کم از کم ایک بار میٹنگ کرنے کی ضرورت ہے۔ سی ڈی سی کے بورڈ نے سال 2022-23 میں 4 بار میٹنگز کی تاکہ کمپنی کے مقاصد کے حصول کے لیے انتظامیہ کو براہمائی فراہم کرنے کے علاوہ معمولات اور خصوصی امور پر تبادلہ خیال کیا جاسکے۔

**CDNS کی ورچوئل برانچ:** CDS میں نیشنل سیونگ سٹرٹیکٹس (NSCs) کی شمولیت میں CDNS کے ساتھ CDC کے تعاون کے توسیع کے طور پر، CDNS نے بنیادی طور پر CDC کو اپنی پہلی "ورچوئل برانچ" کے طور پر نامزد کرنے پر اتفاق کیا ہے۔ CDNS کی ایک ورچوئل برانچ کے طور پر، CDC سرمایہ کاروں کو آن بورڈ کرنے اور سرمایہ کاروں کو ڈیجیٹل NSCs جاری کرنے کے ساتھ ساتھ اس طرح کے NSCs سے منسلک تمام اداروں کو خدمات انجام دینے کے قابل ہو جائے گا جیسے ادائیگی کی سہولت، انکیٹمنٹ، عہد اور دیگر معاون خدمات وغیرہ۔ فی الوقت MoF سے باضابطہ منظوری کا انتظار ہے جس کے بعد CDC آپریشنل سرگرمیاں شروع کرے گا۔

**آئی ٹی ایکسپورٹ کے زیر قیادت اقدام:** اگرچہ موجودہ مالی سال سنگین سیاسی اور معاشی استحکام کے حالات کے ساتھ تشویش کن رہا تاہم، الحمد للہ CDC اپنی بہترین حکمت عملی کی بدولت گزشتہ دو دہائیوں کی طرح اس سال بھی اپنی سالانہ ترقی کی رفتار کو برقرار رکھنے میں کامیاب رہا۔ ٹیلنٹ کی کثرت کی دستیابی کے باوجود آئی ٹی سروسز کی درآمد کے ذریعے پاکستان کی آمدنی دیگر ممالک کے مقابلے میں بہت کم ہے اور سی ڈی سی کا مقصد کاروبار کے اس سلسلے میں سبقت حاصل کرنا اور سی ڈی سی کی میراث کو برقرار رکھنا ہے۔

### کوڈ آف کارپوریٹ گورننس

گورننس ہماری اقدار اور اخلاقی معیارات کا مرکز ہے۔ بورڈ سی ڈی سی کی ساکھ کو برقرار رکھنے کے علاوہ حصص یافتگان کے تئیں اپنی ذمہ داریوں اور ہمارے اسٹیک ہولڈرز کی معلومات کی قدر سے آگاہ ہے۔ کمپنی انجی گورننس اور بہترین طرز عمل کی اہمیت پر پختہ یقین رکھتا ہے، اور گورننس کا طریقہ کار پیشہ ورانہ مہارت، اخلاقی طریقوں، جوابدہی اور شفافیت کے اعلیٰ ترین معیارات پر محیط ہے، کمپنی کا بورڈ اور انتظامیہ انجی کارپوریٹ گورننس اور اس کی تعمیل کے لیے پرعزم ہے۔ بہترین طریقوں کے ساتھ گزشتہ برسوں کے دوران، سی ڈی سی نے قانونی تقاضوں سے آگے نکلنے اور عالمی بہترین طرز عمل اور حکمرانی کے معیارات پر عمل کرنے کے لیے خود کو پوزیشن میں رکھا ہے۔

لسٹڈ کمپنیوں کے ساتھ تعمیل کا بیان (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019، اور کمپنی کے آڈیٹرز کی جائزہ رپورٹ سالانہ رپورٹ میں شامل ہیں۔ بورڈ آف ڈائریکٹرز کی تشکیل: ریگولیٹری تقاضوں کے علاوہ، کمپنی کے موجودہ اور مستقبل کے اسٹرٹیجک مقاصد پر عمل درآمد بورڈ آف ڈائریکٹرز کی اہلیت اور تشکیل کے پیرامیٹرز کی وضاحت کرتا ہے۔ یہ کمپنی کو گورننس، شفافیت، اور کمپنی کے مقاصد کو حاصل کرنے میں بورڈ کی ذمہ داریوں کے بارے میں آگاہی کے اعلیٰ درجے حاصل کرنے کے قابل بناتا ہے، اس کے علاوہ ہموار کاروباری کارروائیوں کو یقینی بناتا ہے۔

سی ڈی سی کا بورڈ شیئر ہولڈنگ اداروں کے ساتھ ساتھ آزاد ڈائریکٹرز کی نمائندگی کرنے والے افراد کے مرکب پر مشتمل ہے۔ تنوع اور صنفی اختلاط کی پالیسی کے مطابق، CDC بورڈ میں دو خواتین اراکین کے ساتھ بورڈ آف ڈائریکٹرز میں خواتین کی نمائندگی کو برقرار رکھے ہوئے ہے۔

بورڈ میں ڈائریکٹرز کی کل تعداد 12 ہے جس میں 02 خواتین اور 10 مرد ڈائریکٹرز شامل ہیں۔ مزید، جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی ضرورت ہے، آزاد ڈائریکٹرز نے بورڈ کے چیئرمین کمپنیز ایکٹ 2017 میں بیان کردہ معیار کے مطابق اپنی آزادی کا اعلان فراہم کیا ہے۔

واضح طور پر، بورڈ میں سات نان ایگزیکٹو ڈائریکٹرز شامل ہیں جو شیئر ہولڈنگ اداروں کی نمائندگی کرتے ہیں، چار آزاد ڈائریکٹرز، اور قانون کے مطابق عہدے کی بنیاد پر چیف ایگزیکٹو آفیسر۔ کمپنی کے تمام ڈائریکٹرز کمپنیز ایکٹ 2017، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019،



• **ایکسٹرنل لنک:** اس کے علاوہ، CDC نے ICMAP کے ذریعے اپنے سینئر مینجمنٹ ٹائر کے لیے ایک جامع ڈائریکٹر ٹریننگ پروگرام کا بھی اہتمام کیا۔ بہت سے ملازمین کو مختلف بیرونی کانفرنسوں میں شرکت کرنے اور شرکت کرنے کے مواقع فراہم کیے گئے جیسے امریکن لیڈرز ایکسپڈیشن (ICAP)، پروجیکٹ مینجمنٹ (LUMS-REDC)، فیوچر سٹ 2023، CFOICAP، کانفرنس وغیرہ۔ ملازمین نے بھی 23 ویں ACG کراس ٹریننگ میں حصہ لیا۔ بانی، انڈونیشیا میں سیمینار منعقد ہوا جہاں انہیں ایشیا پیسیفک ریجن کے مختلف CSDs کے 200 سے زائد شرکاء کے ساتھ جدید ترین ٹیکنالوجیز، مصنوعات، طریقوں اور رجحانات کے بارے میں بات چیت کرنے کا موقع ملا۔

### مستقبل کا منصوبہ اور نئے اقدامات

**e-Go (ای گونز پورٹل):** سی ڈی سی، پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (پی آئی سی جی) کے ساتھ مشاورت میں ایک ای گونز پورٹل تیار کرنے پر کام کر رہا ہے جو شیئر ہولڈرز کو ضروری معلومات، سیکھنے کے ماڈیولز، اور تربیتی وسائل کے بہترین طریقوں کو فروغ دینے کے لیے ایک مرکزی پلیٹ فارم کے طور پر کام کرے گا۔ مجوزہ ای گونز پورٹل "e-Go" ایک انٹر ایکٹو صارف دوست پلیٹ فارم ہوگا جسے وسائل، تربیت اور سیکھنے کے ماڈیولز کے لیے ون اسٹاپ حب کے طور پر کام کرنے کے لیے ڈیزائن کیا گیا ہے۔ مزید برآں، یہ حصص یافتگان کو کارپوریٹ گورننس کے امور جیسے ای میٹنگز، ای ووٹنگ، اور ای پراکسی میں مدد کے لیے خدمات کے استعمال کے لیے راہنمائی بھی کرے گا، جس سے وہ گورننس کے فیصلوں میں زیادہ فعال طور پر حصہ لے سکیں گے۔

**آٹو انشورنس ریپازٹری:** سی ڈی سی ماریٹ کے اہم اداروں اور ریگولیٹرز کے ساتھ مشاورت سے آٹو انشورنس ریپازٹری کے قیام کے تصور پر کام کر رہا ہے۔ آٹو انشورنس ریپازٹری کے تصور کا مقصد انڈر رائٹنگ کے لیے مادی معلومات تک رسائی فراہم کرنا ہے جیسا کہ ڈائریکٹر کا ماضی کا ریکارڈ، علاقہ وغیرہ جو عالمی سطح پر استعمال ہوتے ہیں، تاکہ بیمہ کنندگان کو گاہک کو پابند کرنے سے قبل اہم کاروباری فیصلے کرنے میں سہولت فراہم کی جاسکے۔ سینٹر لائزڈ آٹو انشورنس ریپازٹری، صنعت کو خطرے میں کمی کی کوششوں کو بہتر بنانے کے قابل بنائے گا، خطرات کا تعین کرنے، نامناسب ڈرائیونگ کرنے والے لوگوں کو علیحدہ کرنے، ڈرائیونگ کے رویے کے مجموعی معیار کو بہتر بنانے اور فریق ثالث کاواشن سے متعلق معلومات فراہم کرنے کے قابل بنائے گا۔ SECP اس سینٹر لائزڈ آٹو انشورنس ریپازٹری کے قیام کی ضرورت کی پرزور وکالت کرتا رہا ہے اور SECP کی جانب سے موثر تھرو پارٹی انشورنس پر حالیہ مطالعہ میں اس ضرورت کی اہمیت اور سی ڈی سی کے کردار پر زور دیتا ہے۔

**ری انشورنس پراجیکٹ:** سی ڈی سی SECP اور انشورنس انڈسٹری (NICL، Pak & TPL Reinsurance) کے اہم نمائندوں کے ساتھ مل کر ایک پورٹل تیار کرنے کا ارادہ رکھتا ہے جس کا مقصد ری انشورنس لائف سائیکل میں اہم کاموں کو ڈیجیٹائز کرنا ہوگا۔ اس طرح مرکزی ڈیٹا کی تخلیق سے مناسب مفاہمت اور خطرے کی شدت کی جانب دستیاب ہوگی، جس سے ری انشورنس کی ایڈمنسٹریشن کو جامع بنانے میں معاونت ملے گی۔

**ای پراکسی:** یہ حل ان شیئر ہولڈرز کے ذریعے پراکسیوں کی الیکٹرانک تقرری میں سہولت فراہم کرے گا جو میٹنگز میں شرکت نہیں کر سکتے۔ ای پراکسی کے فوائد میں سہولت، درستگی، سیکورٹی، بروقت جمع کروانا، اور حقیقی وقت کی تازہ کاری شامل ہیں۔ شیئر ہولڈرز کو الیکٹرانک اور محفوظ طریقے سے پراکسیز کا تقرر کرنے میں سہولت فراہم کی جائے گی، جس سے فزیکل پیپر ورک کی ضرورت ختم ہو جائے گی اور فوری اور پریشانی سے پاک عمل کی اجازت دی جائے گی۔ اس سے حصص یافتگان کو ملاقاتوں سے پہلے پراکسی جمع کروانے میں مدد ملے گی، اس بات کو یقینی بناتے ہوئے کہ ان کی ووٹنگ کی ترجیحات کی درست نمائندگی کی جائے گی۔

ہیں۔ انڈس کینسر کلینک پراجیکٹ کے علاوہ اس کے پوائنٹ، ایس آئی یوٹی، کھارادر جنرل ہسپتال، پاکستان سویٹ ہوم یتیم خانہ اسلام آباد، حبیب یونیورسٹی، دی گیلراج سکول، بروغل یاخون لوکل سپورٹ آرگنائزیشن پتھال وغیرہ کی طرف سے مریضوں کی بہبود سوسائٹی کے لیے باقاعدہ تعاون بھی کیا جا رہا ہے۔

**ایپلائی ایگجمنٹ:** ایپلائی ایگجمنٹ کی مختلف سرگرمیاں اور آگاہی سیشن منعقد کیے گئے جیسے کہ 14 اگست یوم آزادی کی تقریب اور کھیلوں کے ٹورنامنٹ جہاں ملازمین نے بیڈمنٹن میں حصہ لیا اور مرد ملازمین نے کرکٹ اور بیڈمنٹن میں حصہ لیا۔

**ٹاؤن ہال 2023:** پاکستان کی کینسر ماریٹ مارکیٹ انڈسٹری میں CDC کے 25 سال مکمل ہونے پر ٹاؤن ہال میٹنگ کا اہتمام کیا گیا۔ تقریب میں سی ڈی سی کے چیئرمین، سی ای او، مینجمنٹ کمیٹی اور سی ڈی سی کے تمام ملازمین نے شرکت کی۔ اس میٹنگ نے ملازمین کو آنے والے سالوں کے اہداف، کمپنی کی مجموعی ترقی، چیلنجز اور طاقتوں کے بارے میں بصیرت حاصل کرنے کا موقع فراہم کیا۔ سب سے اہم بات یہ ہے کہ اس نے ایک ایسا پلیٹ فارم دیا جہاں سی ای او اور مینجمنٹ کمیٹی نے ملازمین کے خدشات کو براہ راست حل کیا۔

**تنوع، مساوات، اور شمولیت:** تنوع، مساوات، اور جامع (DE&I) اقدامات کے حصے کے طور پر، CDC نے ڈیف ریج اسکول اور ٹریننگ سینٹر کے تعاون سے مختلف معذور ملازمین کو آن بورڈ کیا ہے۔ اس کے بعد ہماری مینجمنٹ کمیٹی کے ممبران اور دیگر ملازمین کے لیے بیداری پیدا کرنے کے لیے حساسیت کے سیشنز کا بھی اہتمام کیا گیا۔ سی ڈی سی کی سالانہ پریکٹس کے مطابق اس سال بھی خواتین کا عالمی دن پورے جوش و جذبے کے ساتھ منایا گیا جس میں محترمہ مسرت جبین ایگزیکٹو ڈائریکٹر ایس ای سی پی اور محترمہ مایہ نیکش ڈائریکٹر ایگزیکٹو سر ورم کو سی ڈی سی کی ای او اور مینجمنٹ کے ساتھ بطور مہمان مقرر مدعو کیا گیا۔ صنفی شمولیت کو فروغ دینے کے مقصد سے خواتین کے تناسب میں بھی گزشتہ سال سے نمایاں اضافہ کیا گیا ہے۔

**ملازمین کی فلاح و بہبود:** ہم CDC میں تمام قابل اطلاق ماحولیاتی، صحت، اور حفاظتی تقاضوں کو نافذ کرنے اور ماحول کے تحفظ کو یقینی بنانے کے لیے تمام تر کوششوں کو فروغ دیتے ہیں۔ غیر متوقع اور دباؤ والے حالات میں، ہماری اولین ترجیح اور عمل ہمیشہ انسانی زندگی کی حفاظت اور بہبود کو یقینی بنانا ہے۔ سی ڈی سی نے اس بات کو ذہن میں رکھتے ہوئے صحت سے متعلق آگاہی سیشنز کا اہتمام کیا جیسے (Pinktober) بریسٹ کینسر سے آگاہی، دماغی صحت کا عالمی دن، اور Ergonomics۔ سی ڈی سی کے ہیڈ آفس میں ایک ان ہاؤس میڈیکل کلینک کی سہولت بھی شروع کی گئی ہے جہاں ایک مستند اور تجربہ کار ڈاکٹر باقاعدگی سے مشاورت کرتا ہے، تاکہ کام کی زندگی میں توازن برقرار رکھا جاسکے اور ملازمین کو بیرونی کلینکس کی پریشانی سے بچایا جاسکے۔

### لزننگ اینڈ وولپلمنٹ

• پیشہ ورانہ اداروں کے ساتھ شراکت: ICAEW، ICMAP، ACCA، ICAP، CIMA کے ساتھ ان کے منظور شدہ تربیت فراہم کنندہ کے طور پر شراکت میں، ہم اہل اکاؤنٹنگ وسائل کی خدمات حاصل کرنے اور انہیں برقرار رکھنے کے قابل ہیں۔

• **ان ہاؤس ورکشاپس:** مختلف تربیتی پروگراموں کے ذریعے کیریئر کی ترقی اور اپنے ملازمین کی ترقی کے لیے CDC کی کوششیں قابل تعریف ہیں۔ اس سال بھی، دیگر تربیتی سرگرمیوں کے ساتھ، ہماری فلیک شپ کینسل مارکیٹ ٹریننگ کے تیسرے بیچ کا اہتمام سی ڈی سی کے ماہرین نے اپنے علم اور تجربے کو فراہم کرنے کے لیے کیا تھا۔ مزید برآں، کراچی، لاہور اور اسلام آباد کے دفاتر میں ملازمین کے لیے ایڈوانسڈ ایم ایس ایل پر ان ہاؤس سیشنز کا بھی اہتمام کیا گیا۔

## تنوع اور عمل میں بہتری کے ذریعے تنظیمی ترقی

• CDC کیپٹل مارکیٹ میں پہلا ادارہ ہے جس نے کاروباری اوقات کے دوران حیرت انگیز IT ڈیٹا سینٹر کی ناکامی BCP ڈرل کو عملیاتی پیشگی معلومات کے بغیر انجام دیا، اور اس ڈرل کی کامیابی CDC کی کاروباری تسلسل کی منصوبہ بندی کا ثبوت ہے۔ ایک متبادل ڈیٹا سینٹر سے RTO کے 2 گھنٹے کے اندر تمام سسٹمز کو بازیافت کیا گیا، اور کاروباری کارروائیاں بغیر کسی تاخیر کے انجام دی گئیں۔ CDC کا قاعدہ فائر ڈرل بھی کرتا ہے۔

• پچھلے سال کی طرح، اس سال بھی CDC نے NCCPL سے رابطہ کیا تاکہ ایک مشترکہ کاروباری تسلسل اور IT ڈیٹا سینٹر ریکوری ڈرل کو اپنے کلائنٹ کے اختتام پر بغیر کسی تبدیلی کے اپنی متعلقہ متبادل سائٹوں سے بلا تعطل کلیرنگ اور سیٹلمنٹ آپریشنز کے لیے اپنی مشترکہ تیاری کا مظاہرہ کیا جاسکے۔ یہ مشقیں نہ صرف دونوں تنظیموں کو ڈیٹا کیٹیلوگس اور سسٹم انٹیکریشن کے باہمی انحصار کو جانچنے میں مدد دیتی ہیں بلکہ آڈیٹر SGS پاکستان کی طرف سے تجویز کردہ ISO 22301 سرٹیفیکیشن کو برقرار رکھنے میں بھی مدد کرتی ہیں۔

• CDC نے چھ مختلف ٹیسٹوں کے ساتھ بنیم ویز کے حالات کو سنبھالنے کے لیے کامیابی کے ساتھ دوسری ریکوری کی مشق کی جس میں ورچوئل مشینیں اور آپریٹنگ سسٹم، بنیادی کاروباری اپیلی کیشنز اور ڈیٹا بیس، بیک اپ اور ای میل سسٹمز، اور سب سے بڑھ کر bare metal recovery بھی شامل ہیں۔ بنیم ویز سے bare metal recovery کا انڈسٹری میں عمومی رواج نہیں ہے۔ ان مشقوں کا مقصد بنیادی کاروباری اپیلی کیشنز کی بحالی کے لیے CDC ٹیموں کی بحالی کی صلاحیتوں کی تعمیر اور ان کو بہتر بنانا اور ایسا کرنے کے لیے درکار وقت کا تعین کرنا ہے۔ ان مشقوں سے سکھ گئے اسباق کو کیپٹل مارکیٹ کے دیگر اداروں کے ساتھ بھی باہمی فائدے کے لیے شیئر کیا گیا۔

**لوگوں کا نظم و نسق:** کمپنی میں ناقابل یقین ترقی ایک جامع اسٹریٹجک پلان، مضبوط قیادت، اور ہمارے ملازمین کی کوششوں کے بغیر ممکن نہیں تھی۔ کمپنی ایک ایسے کلچر کو فروغ دینے کی کوشش کرتی ہے جو امتیازی سلوک اور ایذا رسانی سے پاک کام کی جگہ کو یقینی بناتے ہوئے روزگار کے مساوی مواقع حاصل کرنے کے لیے سازگار ہو۔ CDC ٹیلنٹ کی خدمات حاصل کرنے اور اسے برقرار رکھنے کے لیے پوری طرح برعزم ہے جو تمام متعین اہداف کے حصول میں اپنا حصہ ڈال سکتا ہے۔ سی ڈی سی ایک مساوی مواقع والا آجر ہے اور خصوصی ضروریات والے لوگوں کی مدد بھی کرتا ہے۔

**کیپٹل مارکیٹ فیوچر لیڈرز پروگرام:** کیپٹل مارکیٹ آرگنائزیشنز کو یکساں کرنے کے لیے اسٹریٹجک پلان کے طور پر افرادی قوت کی ترقی و تربیت اور نئے ٹیلنٹ کو راغب کرنے کے لیے ایک مشترکہ پلان CDC-PSX-NCCPL کیپٹل مارکیٹس فیوچر لیڈرز پروگرام شروع کیا گیا ہے۔ یہ پروگرام نوجوان ریکریٹس کو 18 ماہ کی وسیع تربیت کے بعد پاکستان کی کیپٹل مارکیٹ کے حباب میں انہیں کیئر میز کے مواقع فراہم کرنے کے لیے ڈیزائن کیا گیا ہے۔ تاکہ مستقبل میں بہترین لیڈرز تیار کیے جاسکیں۔

**ماحولیات، سماجی، اور گورننس:** پاکستان کی واحد پازٹری ہونے کے سبب CDC ملک میں ماحولیات، معاشرے اور کمیونٹی کی خدمت کے لیے اپنی کارپوریٹ ذمہ داری کو ہمیشہ قبول کرتا ہے اور اس کے لیے ضروری قدم اٹھاتا ہے۔ CDC ہر سال اپنے قبل از ٹیکس منافع کا 3% حصہ ESG پروجیکٹس کے لیے مختص کرتا ہے اور معاشرے کے غریب اور پسماندہ طبقے کو بنیادی انسانی ضروریات فراہم کرنے کے لیے معاونت کرتا ہے۔ سی ڈی سی کی شراکتیں صحت، تعلیم، اور تکنیکی مہارت کی ترقی کے ساتھ ساتھ کمیونٹی ڈویلپمنٹ کی جانب بھی مرکوز ہیں۔ کمپنی نے پچھلے کچھ سالوں کے دوران پورے پاکستان تک اپنی رسائی بڑھائی ہے جس میں بلوچستان اور خیبر پختونخواہ وغیرہ شامل ہیں۔ سی ڈی سی کی طرف سے اسپانسر کیے گئے کچھ بڑے منصوبے میر پور خاص میں دی سیٹیزن فاؤنڈیشن سکول، JPMC کا سائبر نائف پروجیکٹ، FESF سائبر سائنس لیگ کوئیٹنگ پروگرام وغیرہ

آئی ٹی مائنڈز لمیٹڈ (یک ملکیتی ذیلی ادارہ): دوران سال آئی ٹی مائنڈز لمیٹڈ نے اپنی تنوع کی پالیسی پر عمل کرتے ہوئے کچھ نئے کاروباری منصوبے شروع کیے جیسے SMA کلائنٹس کے لیے SaaS (سسٹم بطور سروس)، REITs سے REITs میجمنٹ کمپنیوں کے لیے BPO سروس اور ڈیجیٹل AMC کی شمولیت۔ کمپنی بغیر کسی مداخلت کے APIs کے ذریعے اپنی خدمات مربوط انداز میں فراہم کرتی ہے۔ آئی ٹی مائنڈز لمیٹڈ اپنے Budgeted Clients کو آن بورڈ کرنے میں کامیاب رہا ہے، تاہم، مجموعی معاشی سست روی کی وجہ سے اس کے کلائنٹس کے کاروبار کو کچھ تاخیر کے ساتھ شروع کیا گیا تھا جس کا اثر اس کی آمدنی اور منافع پر پڑا ہے۔

چونکہ آئی ٹی مائنڈز لمیٹڈ کا اپنی سربراہ کمپنی سے بیک آفس سافٹ ویئر حاصل کرنے کا ارادہ ہے، اس لیے کمپنی نے مارکیٹ میں دستیاب دیگر بیک آفس سافٹ ویئر کے مقابلے میں سافٹ ویئر کا ایک گیپ تجزیہ کیا ہے۔ چند عناصر کی نشاندہی کی گئی ہے جو کسی بھی ممکنہ کلائنٹ کے ساتھ ساتھ ان کے اپنے استعمال کے لیے ایک مکمل حل کے طور پر مارکیٹ میں پیش کرنے کے لیے اپیلی کیشنز کی تیاری کے لیے ضروری ہیں۔ آئی ٹی ٹیم کے ساتھ ہم آہنگی میں بھی کام جاری ہے۔ یہ پہلا سال ہے جب ذیلی ادارہ اپنے شیئر ہولڈرز کو منافع ادا کرنے میں کامیاب ہوا ہے۔

**سی ڈی سی شیئر رجسٹر سروسز لمیٹڈ (مکمل ملکیت کا ذیلی ادارہ):** 2008 میں شیئر رجسٹر سروسز کے آغاز کے بعد سے، سی ڈی سی انڈسٹری کے لیے شیئر رجسٹر سروس کے معیارات کی از سر نو وضاحت کرنے میں کامیاب رہا ہے اور اب 290 سیکورٹیز کو خدمات فراہم کرتا ہے، جن میں مختلف لسٹڈ پبلک سیکورٹیز شامل ہیں، یہ کامیابی اسے مارکیٹ میں نمبر 1 R/TA سروس فراہم کنندہ بناتی ہے۔ شیئر رجسٹر کاروبار نے مالی سال 2022-23 کا آغاز 250 کلائنٹس کے ساتھ کیا۔ سال کے دوران، کمپنی نے مارکیٹ میں گہرے دخول، جارحانہ انداز، مسلسل کوششوں کی وجہ سے 54 لسٹڈ اور ان لسٹڈ کمپنیوں کے ساتھ "شیئر رجسٹر سروسز ایگریمنٹ" پر دستخط کیے ہیں، جس سے 188 ملین روپے CDC شیئر رجسٹر سروسز لمیٹڈ (CDCSR) کی آمدنی ہوئی ہے۔ اپنی جدید ترین ٹیکنالوجی کے ساتھ، ون ونڈو آپریشنز فراہم کرنے کی روایت، پیشہ ورانہ عمل، خدمات کی عمدہ کارکردگی اور کارکردگی نے کمپنی کو ایک ہائی ٹیک سلوشن پرووائیڈر طور پر منوایا ہے۔ کمپنی حصص یافتگان اور سرمایہ کاروں کی زیادہ سے زیادہ سہولت کے لیے مختلف خود کار عمل متعارف کروانے میں پیش پیش ہے جس میں ای ویوٹنگ، ویڈیو کانفرنسنگ کے ذریعے ای میٹنگ کے حل، اور سندھ بورڈ آف رونیو کے ساتھ مل کر فریکنگ مشین کے ذریعے اسٹامپ ڈیوٹی کی الیکٹرانک ادائیگی شامل ہیں۔ ڈیجیٹل ڈرائیو اور پیپریس ماحول کو فروغ دینے کے لیے، ہم نے اپنے RTA کلائنٹس کو ان کے فزیکل شیئر ہولڈرز کے لیے ایک آن لائن پورٹل بھی متعارف کروایا ہے۔ 2020 میں، CDCSR انٹر میڈیریٹ (رجسٹریشن) ریگولیشنز 2017 کے تحت انٹر میڈیری سروسز کا لائسنس حاصل کر کے ایک اور سنگ میل حاصل کرنے میں کامیاب ہوا، اور فی الحال کمپنی 25 لسٹڈ اور آن لسٹڈ کمپنیوں کو خدمات فراہم کر رہی ہے۔

**تنظیمی کارکردگی اور موثریت کو مضبوط بنانا:** موجودہ اور مستقبل کی کاروباری ضروریات کو پورا کرنے کے لیے تنظیمی ڈھانچے کی از سر نو وضاحت کرنے کی ہمیشہ ایک فوری ضرورت ہوتی ہے۔ تنظیم کی موجودہ ترقی اور اقدامات اس بات کا تقاضا کرتے ہیں کہ ہم ہر کاروباری یونٹ اور اندرونی کام کے عمل کا جائزہ لے کر اپنی افرادی قوت کو از سر نو متعین اور محمول بنائیں۔

**کاروباری تسلسل کی منصوبہ بندی (BCP):** CDC کے BCP پروگرام کے مطابق، سال کے دوران درج ذیل مشقیں، اور آڈٹ کامیابی کے ساتھ انجام دیے گئے تاکہ کسی غیر متوقع واقعہ کی صورت میں CDC کی کارروائیوں کے تسلسل کے لیے تیاری کو یقینی بنایا جاسکے۔



• دسمبر 2022 میں ISO 22301 کے دوبارہ سرٹیفیکیشن آڈٹ اور ISO 27001 کے نگرانی کے آڈٹ کا کامیاب نفاذ۔

• گزشتہ کئی سالوں سے ISO 27001 نے CDC کو ایک جامع ISMS فریم ورک کے ساتھ فعال کیا ہے جس میں IT ایلیسیوں اور طریقہ کار کی تفصیلی دستاویزات کی ضرورت شامل ہے۔ ISO 27001 معیارات کی تعمیل کے تیسرے فریق کے کامیاب جائزے کے ساتھ، تمام اسٹیک ہولڈرز کو یقین دلایا جاتا ہے کہ CDC کے پاس انفارمیشن سیکورٹی کے اصولوں کی مضبوط بنیاد ہے جو اچھی طرح سے ڈیزائن اور صحیح طریقے سے نافذ ہیں۔

• ISO 22301 نے سی ڈی سی کو اپنے کاروباری تسلسل کے انتظام کے نظام کی منصوبہ بندی، قیام، عمل درآمد، کام، نگرانی، جائزہ، دیکھ بھال اور مسلسل بہتری کے لیے ایک منظم فریم ورک بھی فراہم کیا ہے۔ سی ڈی سی جوئنٹ انکسپشن رجیم کے ایک حصے کے طور پر جو جوئنٹ انکسپشن ریگولیشنز 2015 کے تحت سیکورٹی بروکرز کا معائنہ کرتا ہے۔ مزید یہ کہ چیف کمپلائنس آفیسر ان ضوابط کے تحت ایس ای سی پی کی طرف سے تشکیل کردہ نگرانی کمیٹی میں سی ڈی سی کی نمائندگی کرتا ہے تاکہ نظام کی مجموعی نگرانی کی جاسکے۔

**مضبوط اندرونی آڈٹ:** رسک پڑتی IA پلان کے علاوہ جس میں IT آڈٹ، سال کے دوران 27 اضافی آڈٹ/کنسلٹنسی سائنمنٹس کئے گئے۔

**انفارمیشن سیکورٹی:** انفارمیشن سیکورٹی ہمارے کلائنٹس کے لیے قابل اعتماد اور ہموار خدمات کو یقینی بنانے کے لیے CDC کے کاروباری ماڈل میں کلیدی محرکات میں سے ایک ہے۔ سی ڈی سی کے پاس خطرات/کمزوریوں کی نگرانی اور ان کے مؤثر خطرے میں کمی اور بروقت مسئلے کے حل کے لیے ISO/IEC 27001:2013 تصدیق شدہ انفارمیشن سیکورٹی مینجمنٹ سسٹم (ISMS) ہے۔ سی ڈی سی مسلسل اور سختی سے پاکستان کیپٹل مارکیٹ کے کام کرنے کے لیے اہم معلومات کے تحفظ کے لیے اپنے عزم اور توجہ کا مظاہرہ کر رہا ہے۔

• ہم نے CDC کی تاریخ میں پہلی بار تھرڈ پارٹی کنسلٹنٹس کو ایک RED ٹیم کے طور پر شامل کیا جنہوں نے سسٹم، پروسس اور اسٹاف کو hack کرنے کے لیے MITRE ATT&CK کی تکنیک کو آزمایا۔ انہوں نے سال بھر میں فزیکل سیکورٹی اور سائبر سیکورٹی کنٹرولز کو نظر انداز کرتے ہوئے نشانہ بنایا اور سوشل انجینئرنگ کی تکنیکوں کو جعلی ملازمت کے انٹرویوز، USB Freebies، جعلی شناخت وغیرہ کے ذریعے اندرونی معلومات حاصل کرنے کی کوشش کی۔ اس فریم ورک میں حریف پارٹی کے تکنیکی مقاصد پر مشتمل حکمت عملی کے مختلف زمرے شامل تھے، اس سلسلے میں 193 سے زیادہ تکنیکیں استعمال کی گئیں جن میں APT، phishing، DDOS، infection، پاس ورڈ کریکنگ، USB بیٹنگ، ڈارک نیٹ سے معلومات جمع کرنا، Rouge Wi-Fi AP وغیرہ شامل ہیں۔ CDC کنٹرولز کی جانب سے تمام کوششوں کو نہایت کامیابی کے ساتھ بلاک کر دیا گیا اور اس کے کسی قسم کے کوئی اثرات مرتب نہیں ہوئے۔

• CDC نے اپنے کاروباری تسلسل کے انتظامات کو بہتر بنایا ہے اور اپنے BCMS پروگرام کو معیار کے جدید ترین ISO 22301:2019 ورژن میں تبدیل کر دیا ہے۔

• ہم نے اندرونی RED ٹیم کو متعارف کرایا ہے اور MITER تکنیک کا استعمال کرتے ہوئے RED ٹیم کی سرگرمیوں کو انجام دینے کے لیے اندرونی ٹیم کی صلاحیتوں کو بڑھایا ہے جیسا کہ فریق ثالث کے مشیروں کے ذریعے کیا جاتا ہے۔ اس میں DDOS، پاس ورڈ کریکنگ، data، APT Infection-exfiltration اور privilage escalation وغیرہ شامل ہیں۔

**پیشہ ورانہ ادارے اور فورمز:** مارکیٹ کی ترقی کے ایک فعال رکن کے طور پر، سی ڈی سی اپنے نیٹ ورک اور دیگر کاروباری اور پیشہ ورانہ اداروں جیسے کہ پاکستان بزنس کونسل، انشورنس ایسوسی ایشن آف پاکستان، میوچل فنڈ ایسوسی ایشن آف پاکستان، اور پاکستان بروکرز ایسوسی ایشن کے ساتھ اپنے نیٹ ورک اور تعلقات کو مزید تقویت دینے اور پاکستان کے مالیاتی منظر نامے کی ترقی کی کوششیں کرتا ہے۔

**بین الاقوامی ادارے اور فورمز:** سی ڈی سی مختلف بین الاقوامی فورمز بشمول ایشیا پیسیفک سی ایس ڈی (سینٹرل سیکورٹیز ڈیپازٹری) گروپ (ACG) اور ورلڈ فورم آف سینٹرل سیکورٹیز ڈیپازٹری کا اہم رکن ہے۔ CDC بین الاقوامی اسلامی کیپٹل مارکیٹ کانفرنس 2023 کے لیے پارٹنر ہونے کے ساتھ کلیدی منتظم بھی تھا جو کہ SECP اور AAOFI (اکاؤنٹنگ اینڈ آڈیٹنگ آرگنائزیشن فار اسلامک فنانشل انسٹی ٹیوشنز) کی جانب سے اسلامی مالیاتی مناظر کی ترقی اور تہذیبی کے لیے ایک تاریخی اقدام ہے۔ ACG کے ایگزیکٹو کمیٹی کے رکن کی حیثیت سے سی ڈی سی نے اس میں فعال طور پر حصہ لیا ہے اور "Risk Management Task Force" کے کنویز کے طور پر کام کیا ہے۔

## رسک مینجمنٹ، آڈٹ اور کمپلائنس:

CDC کے پاس ایک منصوبہ بند تنظیمی ڈھانچہ اور ایک تجربہ کار انتظامی ٹیم ہے جو کلیدی اسٹریٹجک مقاصد کے حصول کے ساتھ اہم کاروباروں/کاموں کی ہموار پروسیڈنگ کو یقینی بناتی ہے۔ تمام ایس ایم او ایچ ٹیموں کے ہمراہ مستعدی سے کارکردگی کو بڑھانے کے لیے کام کر رہے ہیں۔

**انٹرنل رسک مینجمنٹ (ERM):** CDC، کیپٹل مارکیٹ میں ایسا پہلا ادارہ بن گیا جس نے COSO (کمیٹی آف اسپانسرنگ آرگنائزیشنز آف ٹریڈ وے کمیٹیشن) پڑتی ERM فریم ورک کو اپنے کاروبار میں گورننس، حکمت عملی اور روزمرہ کے کاموں میں بہتر فیصلہ سازی کے لیے نافذ کیا۔ ERM فریم ورک کو تمام محکموں میں کامیابی کے ساتھ نافذ کیا گیا، اور متعلقہ ملازمین کو ایک مضبوط رسک کلچر بنانے کی تربیت دی گئی۔ مزید برآں، عملدرآمد اور کنٹرول ٹیسٹنگ کا باقاعدہ جائزہ لیا جا رہا ہے۔ ایک مضبوط رسک مینجمنٹ کلچر کو فروغ دینے کے لیے، ERM ایک الگ فنکشن کے طور پر قائم کیا گیا ہے۔

**کمپلائنس:** اس سال کے دوران متعدد آپریشنل، قانونی، اور ریگولیٹری آڈٹ کیے گئے۔ تاہم، کسی بڑے مشاہدے کی نشاندہی نہیں کی گئی۔ ان آڈٹ کی تفصیلات ذیل میں دی گئی ہیں:

• ISAE 3000 لمیٹڈ ایسٹورس آڈٹ کو گرانٹ تھورنٹن انچرم رحمان، چارٹرڈ اکاؤنٹنٹس کی جانب سے کامیابی کے ساتھ مکمل کیا گیا ہے۔ انہوں نے واضح رائے دی ہے کہ CDC، بینرل ڈپازٹریز (لائسنسنگ اور آپریشنز) ریگولیشنز 2016 کے تحت بیان کردہ دائرہ کار کے مطابق تمام قابل اطلاق قوانین اور ضوابط کے مطابق ہے۔ جسے ایس ای سی پی کے ساتھ بھی شیئر کیا گیا ہے۔

• مالی سال کے دوران، کوئی عدم تعمیل کی اطلاع نہیں دی گئی ہے اور نہ ہی اس پر روشنی ڈالی گئی ہے جس پر جرمانہ عائد کیا جاسکتا ہے۔ نتیجتاً، کمپلائنس فنکشن کی تاثیر نے کمپنی کو ایسے کسی مالی نقصان سے روک دیا۔

• انٹرنل آڈٹ ڈپارٹمنٹ کے ساتھ ہم آہنگی میں، سی ڈی سی کا سالانہ جائزہ گرانٹ تھورنٹن نے ستمبر 2022 میں کیا جس میں سسٹم آڈیٹر کی طرف سے کوئی مشاہدہ نہیں کیا گیا۔ آڈیٹر کی طرف سے پیش کیا گیا تجزیہ Cover اور مینجمنٹ لیٹر دونوں میں کسی بھی نتائج یا خدشات کی عدم موجودگی کی نشاندہی کرتی ہے۔ ISAE 3000 رپورٹ ایک بہت مضبوط تھرڈ پارٹی یقین دہانی کا طریقہ کار ہے جو اندرونی IT کنٹرولز کے جائزے سے متعلق ہے۔ CDC کے معاملے میں، 11 کنٹرول مقاصد اور 146 کنٹرول سرگرمیاں ہیں جن کے ڈیزائن اور نفاذ کا GT نے جائزہ لیا ہے۔

کے ذریعے میوچل فنڈز کی صنعت کو سہولت فراہم کرنے کے اپنے وژن میں، CDC نے اپنے اندرون ملک سسٹم FMS کو بینکوں کے سسٹمز کے ساتھ مربوط کر کے AMC's اور بینکوں کے درمیان ادائیگی کی ہدایات کی ترسیل کے طریقہ کار کو ہموار کیا ہے۔ بینکوں کی بڑھتی ہوئی تعداد کے ساتھ EPM پہل میں شامل ہونے کے ساتھ، ادائیگیوں کے کل حجم کا تقریباً 90 فیصد EPM کے ذریعے عمل میں لایا گیا ہے جو کہ اس کے ابتدائی ہدف سے زیادہ ہے۔

**(ix) مشترکہ KYC پروڈیکٹ:** مشترکہ KYC پروڈیکٹ SBP کی جانب سے روشن ڈیجیٹل اکاؤنٹ کے فریم ورک کے تحت غیر رہائش پذیر پاکستانیوں کے لیے بینکوں کی جانب سے پیش کردہ ڈیجیٹل آن بورڈنگ سہولت کو توسیع دیکر پاکستان میں رہائش پذیر انویسٹرز کے لیے ایک اقدام ہے۔ اس سروس کا مقصد حاصل کردہ معلومات، دستاویزات اور بینک اکاؤنٹ کھولنے کے عمل کے دوران بینکوں کی طرف سے کی جانے والی KYC تصدیقوں کی بنیاد پر انویسٹمنٹ کیگنری جیسے اسٹاک مارکیٹ اور میوچل فنڈز میں انویسٹر کو اکاؤنٹ کھولنے میں سہولت فراہم کرنا ہے۔ سی ڈی سی نے پہلے ہی اسٹاک مارکیٹ میں انویسٹمنٹ کے لیے اس سہولت کو کامیابی سے فعال کر دیا ہے اور اب اس نے بینکوں اور AMC's کے درمیان رابطہ قائم کر کے اسے میوچل فنڈ انویسٹمنٹ کیگنری تک بڑھا دیا ہے تاکہ انویسٹرز کو ڈیجیٹل طور پر میوچل فنڈ اکاؤنٹس کھولنے کے قابل بنایا جاسکے۔

**(x) سینٹرلائزڈ e-IPO سسٹم (CES) کے لیے واٹس ایپ ادائیگی:** CDC کی e-IPO سروس اپنے ابتدائی آغاز کے چھ سال بعد بھی مارکیٹ میں بہترین کارکردگی کا مظاہرہ کرنے والا الیکٹرانک IPO سبسکرپشن اور ادائیگی کا نظام ہے، جو کل IPO سبسکرپشنز کا 70% سے زیادہ پروسیس کرتا ہے۔ کسٹمرز کے لیے IPO کے عمل میں حصہ لینے میں آسانی پیدا کرنے کی اپنی مسلسل کوششوں کے حصے کے طور پر، سی ڈی سی نے گزشتہ سال WhatsApp کے ذریعے IPO سبسکرپشن کی سہولت متعارف کرائی تھی۔ اس فیچر کو اب اس سال مزید بڑھا دیا گیا ہے، جس کا نام e-IPO Ultra رکھا گیا ہے۔ یہ انویسٹرز کو واٹس ایپ کے ذریعے بھی IPO کے لیے ادائیگی کرنے کے قابل بناتا ہے۔

### مارکیٹ کی ترقی میں معاونت

ریگولیٹری اداروں، وزارتوں اور دیگر اسٹیک ہولڈرز کے ساتھ تعاون: سی ڈی سی مینجمنٹ نے مقامی اور بین الاقوامی سطح پر اسٹیک ہولڈرز کے ساتھ مشغول رہتے ہوئے متعدد پلیٹ فارمز پر ہمیشہ سی ڈی سی اور اس کے ذیلی اداروں کی نمائندگی کی ہے، کمپنی نے ماہرین کی رائے فراہم کرتے ہوئے رسک مینجمنٹ، انویسٹر پروٹیکشن، بروکر رچیز اور کمپلائنس اسکرپچر جیسے موضوعات پر مختلف مقالے تیار کیے ہیں۔ مزید برآں سی ڈی سی نے SECP کی اصلاحاتی کمیٹیوں کا لازمی رکن رہتے ہوئے اسے مارکیٹ کی ترقی سے متعلق مخصوص کام تفویض کیے گئے ہیں۔ سی ڈی سی نے SECP کے ساتھ مل کر دیگر اہم اسٹیک ہولڈرز جیسے کہ سینٹرل ڈائریکٹوریٹ آف فینشیل سیونگز اور وزارت خزانہ کے ساتھ مل کر کام کیا ہے تاکہ CDNS (سینٹرل ڈائریکٹوریٹ آف فینشیل سیونگز) اسکیموں کی کامیاب اور بروقت ڈی میٹرلائزیشن کو یقینی بنایا جاسکے۔ اسی طرح سی ڈی سی نے میوچل فنڈز کے لیے مختلف معاملات پر SBP (اسٹیٹ بینک آف پاکستان) کے ساتھ وسیع پیمانے پر تعاون کیا ہے، جس میں RAAST P2P (ریئل ٹائم آٹومیٹڈ سیکیورٹیز ٹریڈنگ) اور مشترکہ KYC (اپنے کسٹمر کو جانیں) جیسے منصوبوں پر کام کر کے کیپٹل مارکیٹ اور میوچل فنڈ انڈسٹری کو فعال طور پر سپورٹ فراہم کرنا شامل ہے۔

**دیگر SROs:** CDC نے PSX (پاکستان اسٹاک ایکسچینج) اور NCCPL (نیشنل کلیئرنگ کمپنی آف پاکستان لمیٹڈ) کے ساتھ مختلف معاملات بطور خاص کیپٹل مارکیٹ کی ترقی کی حمایت میں قریبی ورکنگ ریلیشن شپ برقرار رکھی ہے۔

**(iii) میوچل فنڈ انڈسٹری کے لیے RAAST کی سہولت:** میوچل فنڈ انڈسٹری کی ترقی کو فروغ دینے کے لیے CDC نے انٹری ٹرسٹی اور کسٹومائزڈ سروس پرووائیڈرز کے طور پر سرمایہ کاروں کے بینک اکاؤنٹس سے AMC's کو رقم کی وصولی کے لیے خدمات فراہم کرنے والے ایگریگیٹرز کا کردار ادا کرنے کے لیے پہل کی ہے، ان جس کے لیے SBP کی طرف سے شروع کردہ RAAST P2P میکانزم کو استعمال کیا جائے گا۔ اس سلسلے میں، SBP نے منظوری دی ہے کہ ایک خصوصی انتظام کے ذریعے CDC، بینک کے پورٹلز کے ذریعے ادائیگی کی سہولت کے لیے CDCP کے ساتھ entity identifier کے طور پر IBAN تیار کر سکے گا۔ اس کا پائلٹ نفاذ جلد ہی متوقع ہے۔

**(iv) سی ڈی سی کے ٹرسٹی اور کسٹومائزڈ سروسز کے لیے ترقیاتی REITs کی شمولیت:** CDC کا مقصد تمام ایسٹیس کلاسز کا نگران ہونا ہے، بشمول ترقیاتی REITs جو صنعتی، تجارتی یا رہائشی مقاصد کے لیے رینٹل اسٹیٹ کی ترقی کے لیے مرتب کیے گئے ہیں۔ فی الحال سی ڈی سی 13 سے زیادہ ترقیاتی REIT اسکیموں کے لیے ٹرسٹی کے طور پر کام کر رہا ہے۔ REIT اثاثے یونٹ ہولڈرز کی جانب سے CDC ٹرسٹی کے پاس رکھے جاتے ہیں۔

**(v) ایس ای سی پی کے ریگولیٹری Sandbox میں تعاون:** سی ڈی سی کے پاس کیپٹل مارکیٹ انڈسٹری میں 25 سال سے زیادہ کا تجربہ ہے اور اس نے بہت سارے پروڈیکٹس کو کامیابی سے انجام دیا ہے جو اپنے طور پر مکمل کاروبار بن گئے ہیں۔ اب، سی ڈی سی SECP کے ساتھ شراکت داری کر رہا ہے تاکہ SECP کے ریگولیٹری سینڈ باکس (RSB) اقدام کے ساتھیوں کے لیے "تجربہ کار" کے طور پر کام کر کے نئے اشارات اپ کاروباروں تک اپنی مہارت اور راہنمائی فراہم کرے۔ یہ ہمارے ریگولیٹرز کے ذریعے CDC میں رکھے گئے اعتماد کا ثبوت ہے۔ SECP کے RSB کے لیے تمام درخواست دہندگان کو ابتدائی طور پر SECP کے ذریعے ان کے کاروباری معاملات اور قابل عملیت کے لیے اسکریننگ کی جائے گی، جس کے بعد اشارات لسٹ کیے گئے درخواست دہندگان کو ٹیکنیکل اور آئی ٹی سیکورٹی سے متعلق تنقیص کے لیے سی ڈی سی کے پاس بھیج دیا جائے گا۔

**(vi) ای میٹنگ اور ای ووٹنگ:** کوویڈ وبائی مرض کے نتیجے میں، دستی طریقوں کو تبدیل کرنے کے لیے ڈیجیٹل حل کی طرف ایک بنیادی تبدیلی آئی۔ ایسی تکنیکیں صورتحال میں بھی، سی ڈی سی نے کیپٹل مارکیٹ کی ضروریات کو پورا کرنے کے لیے اپنے نقطہ نظر میں دوراندیشی کا مظاہرہ کیا، اور ایڈیٹور کمیٹی کی سہولت کے لیے ای میٹنگ اور ای ووٹنگ پلیٹ فارمز کا آغاز کیا۔ یہ پلیٹ فارم جاری کرنے والوں کو بذات خود موجودگی کی ضرورت کو دور کرتے ہوئے عملی طور پر اس طرح کے پروگراموں کے انعقاد اور ان میں حصہ لینے کے قابل بناتے ہیں۔ اس سال، ان پلیٹ فارمز کو کئی خصوصیات کے ساتھ مزید بڑھا دیا گیا تاکہ اس سہولت کو مزید موثر اور CDC کے ایڈیٹور کلائنٹس اور ان کے شیئر ہولڈرز کے لیے پورا کیا جاسکے۔ تقریباً 100 ایڈیٹورز نے 2 مئی سے ایک سروس سے فائدہ اٹھایا ہے۔

**(vii) پروفیشنل کلیئرنگ ممبر (EClear) کے لیے کامیاب آپریشنل نیشن اور بروکر کی شمولیت:** EClear Services Ltd (ESL) کو دوسرے کیپٹل مارکیٹ SROs کے تعاون سے شروع کیا گیا تھا تاکہ PCM نظام کے تحت بنائے گئے صرف ٹریڈنگ بروکرز کی فنی کیلبرگی کو سیٹلائٹ سروس فراہم کی جاسکیں۔ فی الحال ESL پچاس سے زیادہ ٹریڈنگ بروکرز کو خدمات فراہم کر رہا ہے، مزید بروکرز کے جلد ہی آنے کی توقع ہے۔ ESL ویلیو ایڈڈ خدمات بھی تیار کر رہا ہے، جیسے کہ ایک جدید ترین آن لائن مینجمنٹ سسٹم (OMS) کا آغاز کرنا اور آن بورڈ ہو جانے والے بروکرز کو مزید سہولت فراہم کرنے کے لیے تقییل سے متعلق، بہتر افعال فراہم کرنا۔

**(viii) موثر ادائیگی کا طریقہ کار (EPM):** نئی مصنوعات اور خدمات کی ڈیجیٹائزیشن اور اختراع

## جدت کے ذریعے موثریت، سہولیات اور آسانیوں میں اضافہ

CDC جدید مصنوعات اور خدمات کے ذریعے کینیٹل مارکیٹ میں ڈیجیٹائزیشن مہم کو آگے بڑھانے میں سب سے آگے رہا ہے جس کا مقصد کاروبار کرنے میں آسانی اور سہولیات پیدا کرنا ہے۔ اس سال کی کوششوں کا مقصد موجودہ خدمات کو تقویت دینے اور ان کو مکمل کرنے کی طرف تھا جبکہ نئی خدمات متعارف کروانے کی کوشش کی گئی جو مارکیٹ کی ترقی میں مزید اضافہ کرتے ہوئے، سی ڈی سی کے کردار کو مضبوط کرے گی جبکہ سرمایہ کاروں اور اسٹیک ہولڈرز کو جدید ٹیکنالوجی سے فائدہ اٹھانے کی حوصلہ افزائی کرے گی تاکہ کاروباری عمل کو بغیر کسی رکاوٹ کے موثر طریقے سے انجام دیا جاسکے۔ اس سال کے منصوبوں اور کامیابیوں کا ایک جائزہ درج ذیل ہے:

### موجودہ پروڈکٹس اور سروسز میں جدت

(i) سینٹرلائزڈ گیٹ وے پورٹل (CGP): جب بھی مارکیٹ کے موجودہ منظر نامے میں کوئی انویسٹر کسی بھی انویسٹمنٹ کیلنگری میں اکاؤنٹ کھولنا چاہتا ہے (جیسے اسٹاک مارکیٹ، میوچل فنڈ، انشورنس وغیرہ) تو اسے معلومات اور دستاویزات کے ساتھ اکاؤنٹ کھولنے کے فارم کو بھرنے اور ہر ادارے کے لیے KYC کے عمل کو مکمل کرنے کا ایک ہی عمل دوبارہ کرنا پڑتا ہے۔ لازمی اور مضمر KYC ضروریات کو دہرائے بغیر سرمایہ کاروں کو کینیٹل مارکیٹ کے متنوع شعبوں میں سرمایہ کاری کرنے کے لیے سرمایہ کاروں کو سہولت فراہم کرنے کی فوری ضرورت کو تسلیم کرتے ہوئے، سی ڈی سی نے SECP اور کینیٹل مارکیٹ سے وابستہ لوگوں کے تعاون سے سینٹرلائزڈ گیٹ وے پورٹل تیار کیا ہے۔ یہ پورٹل KYC ریپازٹری کے طور پر کام کرتے ہوئے انویسٹرز کی معلومات اور دستاویزات جمع کرے گا۔ یہ SECP کی جانب سے سرکلر 06 سال 2023 میں وضع کردہ معیارات کے مطابق تصدیق کرے گا۔ CGP انویسٹر کو اس قابل بناتا ہے کہ وہ SECP کے ریگولیٹری

ڈومین کے تحت آنے والے کسی بھی سرمایہ کاری کے زمرے میں کسی بھی ادارے میں آن بورڈ کرنے کے لیے اس معیاری پروفائل کا استعمال کرے۔ اس مقصد کے لیے، سی ڈی سی کی اہم کامیابیوں میں سے ایک ایس ای سی پی کی جانب سے جاری کردہ "ماسٹر سرکلر" حاصل کرنا تھا جس میں انہوں نے تمام اثاثہ جات کے لیے ڈیٹا اور دستاویزات کی ضروریات کو ہم آہنگ کیا ہے۔ اس پورٹل کی ایک اور خصوصیت "Algorithm" کے ذریعے تمام سرمایہ کاروں کی اسکریننگ کرنا ہے جسے ایس ای سی پی نے بھی منظور کیا ہے۔ اس پورٹل کو اگلے مالی سال کی پہلی سہ ماہی میں شروع کرنے کا منصوبہ ہے۔

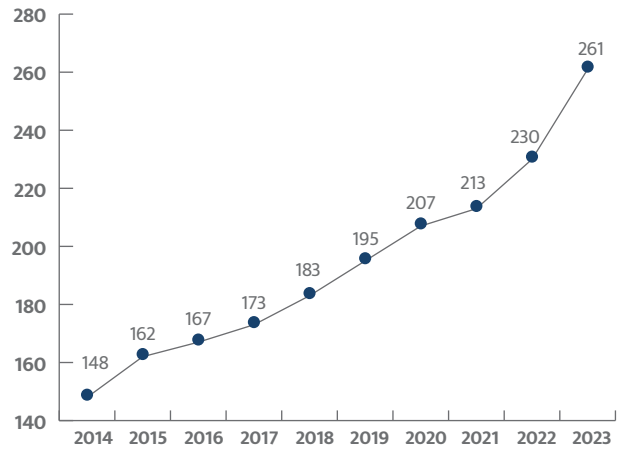
(ii) نیشنل سیویگ سرٹیفیکیٹس (NSCs) کی CDS شمولیت: سینٹرل ڈائریکٹوریٹ آف نیشنل سیویگ (NSCs) پاکستان میں ایک اہم سماجی و اقتصادی کام انجام دیتا ہے، اس کے ساتھ ساتھ عوام کی جانب سے انفرادی سطح پر کی جانے والی بچت کے ذریعے حکومت کی داخلی مالیاتی ضروریات کو پورا کرتا ہے جبکہ پسماندہ اور درمیانی آمدنی والے طبقوں کو سماجی تحفظ اور مالیاتی یقین دہانی فراہم کرتا ہے۔ تاہم قومی بچت کی جانب سے جاری کردہ تمام اسکیمیں کاغذی فارم میں ہیں، جس کی وجہ سے عوام کو کسی بھی ممکنہ خطرے کا سامنا ہوسکتا ہے۔ NSCs کی ہینڈلنگ میں ڈیجیٹائزیشن اور آپریشنل کارکردگی کو فروغ دینے کے ساتھ ساتھ سرمایہ کاروں کو آسانی فراہم کرنے کے لیے، CDC نے CDNS کے تعاون سے، CDS میں "خصوصی بچت کے سرٹیفیکیٹس" کی شمولیت کو کامیابی کے ساتھ فعال کیا ہے۔ سرمایہ کار اب اپنے فزیکل سرٹیفیکیٹس کو الیکٹرانک شکل میں تبدیل کر سکتے ہیں یا اپنے CDC اکاؤنٹ میں ڈیجیٹل طور پر رکھ سکتے ہیں۔ CDC ان ڈیجیٹل سرٹیفیکیٹس کے ساتھ منسلک انکیشمنٹ اور پلچ فنکشنز کو بھی سنبھالے گا۔ اب اس منصوبے کے بعد کے مراحل میں قومی بچت کی دیگر اسکیموں کو بھی عملی شکل دی جائے گی۔

• ٹرسٹی برائے پنجاب گورنمنٹ پنشن فنڈ: ہم حکومت کے تعاون سے چلنے والے پنشن فنڈز کے واحد ٹرسٹی شپ پرووائیڈر ہیں۔ جن کا حجم مسلسل بڑھتے ہوئے 30 جون 2023 تک 125.88 بلین روپے تک پہنچ گیا ہے۔

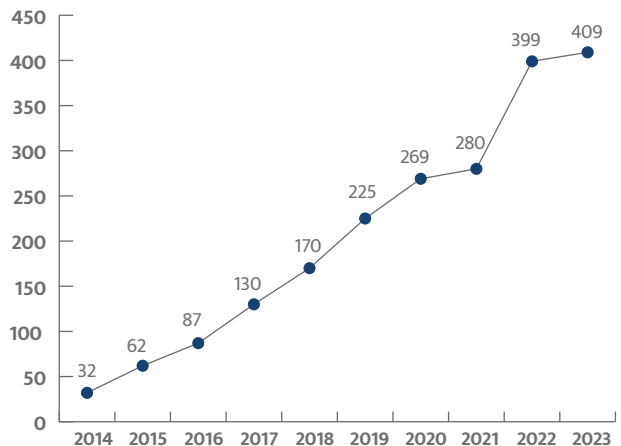
• ٹرسٹی ٹو ایکیچینج ٹریڈ فنڈ: ہم ایکویٹی اور ڈیٹ ٹریڈ فنڈز (ETFs) کے بھی واحد ٹرسٹی ہیں جو مختلف اثاثہ منجمنٹ کمپنیوں کے ذریعے شروع کیے گئے ہیں اور جن کے خالص اثاثے 834.23 ملین روپے ہیں۔ اس سال کے دوران پانچ ایکچینج ٹریڈ فنڈز کے ٹرسٹ ڈیڈز پر دستخط کیے گئے ہیں جو ابھی فعال نہیں ہیں۔

• ٹرسٹی برائے KPK گورنمنٹ پنشن فنڈ: ہم KPK حکومت کی جانب سے شروع کیے گئے پنشن فنڈز کے واحد ٹرسٹی شپ پرووائیڈر ہیں۔ ہم نے اس سال کے دوران KPK پنشن فنڈز کے دس ٹرسٹ ڈیڈز پر دستخط کیے ہیں جن کا انتظام مختلف اثاثہ جات کی انتظامی کمپنیوں کے ذریعے کیا جا رہا ہے جبکہ 9 فنڈز کے لیے بات چیت کا عمل جاری ہے۔

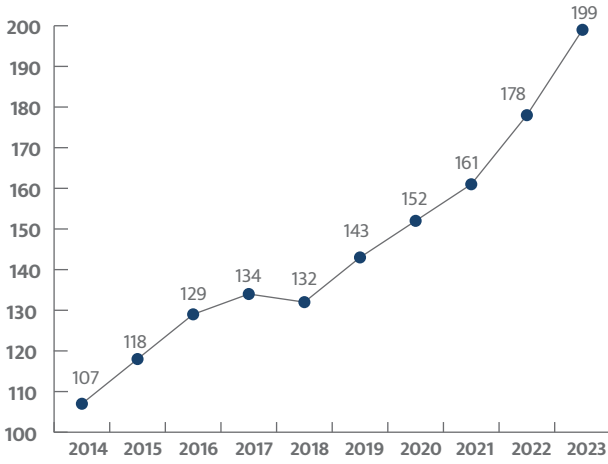
Number of Funds									
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
148	162	167	173	183	195	207	213	230	261



Number of DPs									
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
32	62	87	130	170	225	269	280	399	409



باقاعدہ ترقی اور نئی مصنوعات، خدمات، اور سہولت کی سہولیات کے تعارف کے ساتھ، CDC، مارکیٹ کے عمل میں سرمایہ کاروں کے اعتماد کو بڑھاتا ہے اور کیپٹل مارکیٹ کو ڈیجیٹلائزیشن اور آڈیٹیشن کے ذریعے ترقی کے ایک نئے مرحلے میں لے جاتا ہے۔ سی ڈی ایس میں حصص کی تعداد میں اضافہ اسی حوالہ میں ذیل میں دکھایا گیا ہے:



(in billion)

**ٹرسٹی اور کسٹوڈین سروسز - 30 جون 2023 تک کسٹوڈی میں نیٹ ایسیٹس 1,852 بلین روپے تک پہنچ گئے**

ٹرسٹی شپ کے تحت متعدد REITs اسکیموں سمیت فنڈز کی مختلف کیٹیگریز کی مسلسل شمولیت کے ساتھ، CDC کا ٹرسٹی کاروبار مسلسل ترقی کرتا رہا اور اس نے، اس کاروباری طبقے سے حاصل ہونے والی آمدنی میں 18.81 فیصد کا اضافہ دکھایا ہے۔ کسٹوڈی میں نیٹ ایسیٹس میں 27.72 فیصد اضافہ ہوا اور وہ 1,852 بلین روپے تک پہنچ گئے۔

ایسٹ پیمنٹ کمپنیز میں یونٹ ہولڈرز کے اعتماد اور پالیسی ریٹ کے بڑھتے ہوئے رجحان نے میڈیٹل فنڈ انڈسٹری کے سائز کو بڑھانے میں اہم کردار ادا کیا۔ CDC، ٹرسٹی کے طور پر اپنے کردار میں، مندرجہ ذیل حصوں میں مارکیٹ کی قیادت کو برقرار رکھتا ہے:

• رضا کارانہ پینشن اسکیموں (VPS) سمیت اجتماعی سرمایہ کاری کی اسکیموں (CIS) کے لیے ٹرسٹی سروسز: CDC کا مارکیٹ شیئر 96% ہے جس میں 30 جون 2022 تک فنڈز کی تعداد 227 کے مقابلے میں 253 تک بڑھ گئی ہے۔

• ریل اسٹیٹ انویسٹمنٹ ٹرسٹ اسکیم (REITs) کے لیے ٹرسٹی کی خدمات: CISs کی ٹرسٹی شپ کی طرح، CDC بھی ریل اسٹیٹ انویسٹمنٹ ٹرسٹ کے لیے ٹرسٹی بزنس کا مارکیٹ لیڈر ہے۔ ہمارے پاس فی الحال 95 بلین روپے سے زیادہ کے REIT اثاثے ہیں۔ ٹرسٹی بزنس کے اس حصے کے تحت 30 جون 2023 تک CDC نے گیارہ (11) ترقیاتی REIT اسکیموں، ایک ریل ٹرسٹ اسکیم، اور ایک باہر REIT اسکیم کو ٹرسٹی خدمات فراہم کی ہیں۔

**صوبہ دی پورٹ فوئیو (DP) کلائنٹس کے لیے تحویل کی خدمات:**

ڈی پی کلائنٹس کے لیے کسٹوڈین کاروبار نے ایک بار پھر بڑھاؤ کا رجحان ظاہر کیا ہے جس میں ہمارے کلائنٹس 409 تک پہنچ گئے ہیں۔ اسی طرح، کسٹوڈین شپ کے تحت نیٹ اثاثوں میں بھی 14.7 بلین کا اضافہ ہوا ہے اور مالی سال کے اختتام پر 80.04 بلین روپے تک پہنچ گیا ہے۔

## نئے اسٹریٹجک پلان کی تیاری

کوئی بھی ادارہ صرف اُس وقت تک ترقی کر سکتا ہے جب تک کہ وہ وقت کے ساتھ ہم آہنگ ہو۔ اور ایسا اُسی وقت ممکن ہے جب یہ ادارہ نہایت مستعدی کے ساتھ اپنے اسٹریٹجک وژن پر توجہ مرکوز رکھے اور اس کے لیے بروقت عملی قدم اُٹھائے۔ اسی عزم کے ساتھ CDC نے سال 2019-21 کے لیے اپنا اسٹریٹجک وژن پلان مرتب کیا اور اسے بہت کامیابی کے ساتھ نافذ کیا۔ اب کمپنی نے اسی پلان کے تسلسل میں سال 2022-24 کے لیے اپنا نیا اسٹریٹجک پلان "Good to Great" کمپنی نے کیلئے تیار کیا ہے۔ حالیہ چیلنجز اور پاکستان کیپٹل مارکیٹ سے متعلق پیش رفت کے باوجود اس بات کو مد نظر رکھتے ہوئے کہ گزشتہ تین سالوں میں سی ڈی سی نے غیر معمولی کارکردگی کا مظاہرہ کیا ہے اور کیپٹل مارکیٹ کی مدد اور سہولت کے لیے مختلف منصوبوں کا نفاذ یا آغاز کیا ہے، کمپنی کا مستقبل کا آؤٹ لک مثبت نظر آتا ہے۔ پچھلے تین سالوں کے دوران سی ڈی سی کی توجہ مارکیٹ کی ترقی پر رہی جس کے لیے سی ڈی سی نے اپنے وسائل کو زیادہ سے زیادہ حد تک استعمال کیا تاکہ مارکیٹ پارٹنر کو سہولت فراہم کی جاسکے اور تقریباً تمام Services مفت پیش کیے جائیں۔

یہاں، یہ نوٹ کرنا ضروری ہے کہ CDC، انفراسٹرکچر آرگنائزیشن ہونے کے ناطے اکیلے توسیع نہیں کرے گی۔ اس کے بجائے، یہ مالیاتی منڈیوں کو صحیح پلیٹ فارم فراہم کر کے ان کو وسعت دینے میں بھی مدد کرے گی۔ مذکورہ بالا حالات کو مد نظر رکھتے ہوئے سی ڈی سی نے اپنا نیا اسٹریٹجک منصوبہ تیار کیا ہے اور اسے بورڈ سے منظور بھی کروایا ہے۔ اس پلان میں سی ڈی سی کے لیے مندرجہ ذیل اسٹریٹجک مقاصد شامل کیے گئے ہیں تاکہ وہ پاکستان کیپٹل مارکیٹ کی ترقی کے لیے ایک ENABLER کا کردار ادا کر سکیں:

نئے اسٹریٹجک پلان کو بڑے پیمانے پر پانچ وسیع مقاصد میں تقسیم کیا گیا ہے، یعنی:

- 1- مارکیٹ کی ترقی کے لیے تعاون
- 2- اندرونی اور بیرونی عمل کی ڈیجیٹلائزیشن
- 3- تنوع کے راستے کو یقینی بنانے اور متعلقہ رہنے کے لیے نئے اقدامات اور اختراع
- 4- کارکردگی کو زیادہ سے زیادہ بنانے کے لیے تنظیم کو کرنا
- 5- مارکیٹ اور سوسائٹی کی ترقی میں حصہ ڈالنے کے لیے ESG کے اقدامات (ESG فنڈز کے ذریعے)

نیا منصوبہ اب نافذ ہو چکا ہے، ہر مقصد میں اہداف، ذمہ داریاں، رکاوٹیں اور مشکلات درپیش آتی ہیں، جن سے نبرد آزما ہوتے ہوئے انتظامیہ کو نئے سنگ میل عبور کرنے ہوتے ہیں۔

## Seamless ڈیپازٹری اور ٹرسٹی آپریشنز

CDC کی منجمنٹ ٹیم کیپٹل مارکیٹس کی مکمل تفہیم، اسٹریٹجک مقاصد کے ساتھ غیر متزلزل صف بندی، اور اپنے کرداروں اور فرائض کی انجام دہی میں بصیرت مندانہ نقطہ نظر کے ساتھ توجہ مرکوز کرنے پر یقین رکھتی ہے۔ ہم نے اسٹریٹجک پلان کے تمام پہلوؤں کو کامیابی سے انجام دیا ہے۔ ہماری بنیادی ذمہ داری یہ تھی کہ ہموار محفوظ، اور موثر ڈیپازٹری خدمات، اور اس مقصد کو حاصل کرنے کے لیے تمام ممکنہ اقدامات کو یقینی بنایا جائے۔ نتیجے کے طور پر، بڑی تعداد میں نئی سیکورٹیز سی ڈی سی انویسٹر اکاؤنٹس سروسز کی تحویل میں شامل کی گئیں۔

سی ڈی سی نے سینٹرل ڈیپازٹری سسٹم کے قیام کے ساتھ پاکستان کیپٹل مارکیٹ کے کام میں انقلاب برپا کیا جس سے مارکیٹ کے عمل میں کارکردگی اور شفافیت آئی ہے۔ اپنے نظاموں میں



# اہم کامیابیاں



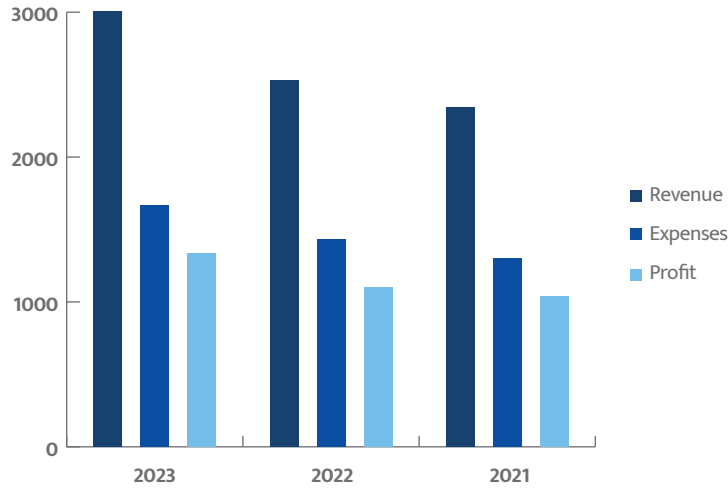
## پاکستان پوسٹ کی طرف سے یادگاری ڈاک ٹکٹ کا اجراء:

اس سال سی ڈی سی کے لیے یہ ایک قابل فخر لمحہ تھا جب پاکستان پوسٹ نے عزت مآب وزیراعظم پاکستان کی منظوری سے سی ڈی سی کی سلور جوبلی کے موقع پر ایک یادگاری ڈاک ٹکٹ جاری کیا۔ یہ کامیابی ایس ای سی پی کے تعاون سے ممکن ہوئی، جو سی ڈی سی کی ثابت قدمی کا اعتراف کرتی ہے۔ سی ڈی سی کا قومی سطح کے ادارے کے طور پر اعزاز حاصل کرنا واقعی ایک زبردست کامیابی ہے۔

## مالیاتی کارکردگی

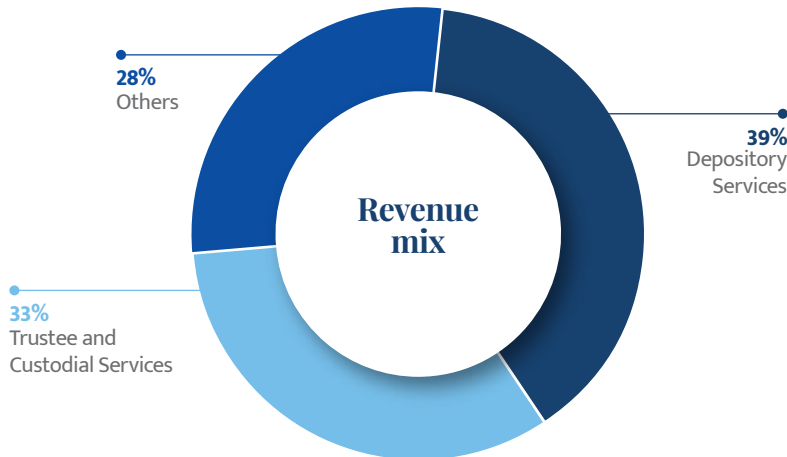
مجموعی معیشت اور کیپٹل مارکیٹ میں اتار چڑھاؤ کے باوجود کمپنی نے اچھی کارکردگی کا مظاہرہ کیا ہے۔ سال 2022-23 کے لیے کمپنی کی آمدنی 3,005 ملین روپے رہی جو کہ پچھلے سال کی 2,530 ملین روپے آمدنی کے مقابلے میں 19 فیصد زیادہ ہے۔ قبل از ٹیکس منافع 1,335 ملین روپے اور بعد از ٹیکس منافع 812 ملین روپے ہے جو کہ گزشتہ سال کے مقابلے میں بالترتیب 21 فیصد اور 5 فیصد زیادہ ہے۔

Description	2022-23	2021-22	Amount	%
			----- Rs. In million -----	
Revenue	3,005	2,530	475	19%
Expenses	(1,670)	(1,430)	240	17%
<b>Profit before taxation</b>	<b>1,335</b>	<b>1,100</b>	<b>235</b>	<b>21%</b>
<b>Profit after taxation</b>	<b>812</b>	<b>771</b>	<b>97</b>	<b>13%</b>
Earnings per share - basic and diluted (Rs. / Share)	2.32	2.20		



سال کے دوران کمپنی کے اہم شعبوں کی آمدنی میں اضافے کی عکاسی کرنے والا ٹیبل درج ذیل ہے۔

Revenue sources	CAGR	2023	2022	2021	2020	2019	2018	2017	2016	2015
					(Rupees in million)					
Depository Services	3%	1,153	1,210	1,210	976	1,062	1,222	1,204	996	934
Trustee & Custodial services	12%	1,001	831	757	581	640	637	581	462	403



## ڈائریکٹرز کی رپورٹ

حکومت نے اپنے سالانہ اقتصادی سروے میں ایک وسیع البیاد بیچندے پر روشنی ڈالی ہے "پائیدار میکرو اکنامک استحکام کی طرف بڑھنا جو بنیادی طور پر اخراجات کو معقول بنانے، بجٹ پر بوجھ کم کرنے کے لیے غیر پیداواری سبسڈیز کو ہٹانے، بجٹ کے خسارے کو کم کرنے کے لیے اخراجات میں نمایاں کٹوتیاں کرنے، حکومت کے ٹیکس اور نان ٹیکس ریونیو میں اضافے، اور افراط زر سے لڑنے کے لیے سخت مالیاتی پالیسی بنانے پر مرکوز ہے"۔ عالمی مالی حالات کی وجہ سے ان مقاصد کے لیے چیلنجز بدستور برقرار ہیں۔ تاہم ماہرین کا خیال ہے کہ نگرانی کی تقرری سے متعلق تازہ ترین سیاسی پیش رفت اگلے مالی سال کے لیے پاکستان کو پائیدار ترقی کی راہ پر گامزن کرنے کے لیے اگلے لائحہ عمل کا تعین کرنے میں ایک اہم عنصر ثابت ہو سکتی ہے۔

## اسٹاک مارکیٹ کے چیلنجز اور آؤٹ لک

اسٹاک مارکیٹ کے محاذ پر KSE 100 انڈیکس 30 جون 2022 سے 31 مارچ 2023 تک 41,540 پوائنٹس سے کم ہو کر 40,000 پوائنٹس پر آ گیا۔ اس عرصے کے دوران 3.7 فیصد کی منفی نمودار کی گئی تاہم اس کے بعد سے مارکیٹ میں تیزی آئی ہے۔ بعد ازاں مارکیٹ میں بہتری آئی اور مارکیٹ 30 جون 2023 تک 41,452 پوائنٹس پر بند ہوئی۔ انڈیکس نے 17 اگست 2022 کو اپنا بلند ترین اعداد و شمار شائع کیا، جو 43,676 پوائنٹس پر بند ہوا۔ یومیہ اوسط حجم گزشتہ سال کے 305 ملین شیئرز سے کم ہو کر مالی سال 2023 کے لیے 204 ملین شیئرز رہ گیا، جو کہ 33 فیصد کی کوٹا کر رہا ہے۔ 30 جون 2023 تک لسٹڈ کمپنیوں کی تعداد 524 تھی جس کی کل مارکیٹ کپٹال 6,369 ملین روپے تھی۔

اسی عرصے کے دوران علاقائی ہم عصروں کی کارکردگی کے سلسلے میں نتائج آمد ہوئے اور ہندوستان، سنگا پور، تھائی لینڈ اور فلپائن نے اپنے متعلقہ اشاریوں میں بالترتیب 2.60، 5.05، 11.26 اور 5.59 کی مثبت شرح نمودار کی جبکہ چین، ویٹنام، ہانگ کانگ، انڈونیشیا اور ملائیشیا نے بالترتیب -3.70، -14.03، -6.68، -1.54، -1.50 فیصد منفی شرح نمودار کی۔ مجموعی طور پر MSCI ایشیائی انڈیکس جو کہ 24 ابھرتی ہوئی اسٹاک مارکیٹوں کا مجموعی انڈیکس ہے، اس میں 1 فیصد کی کمی واقع ہوئی۔ یہ تفاوت اندرونی اور بیرونی دباؤ سے نمٹنے کے لیے علاقائی اسٹاک مارکیٹوں کی چلک کی سطح میں فرق کو نمایاں کرتا ہے۔

اسٹاک مارکیٹ کی کارکردگی معاشی اشاروں اور سرمایہ کاروں کے اعتماد کے لیے کمزور ہے۔ مالی سال 2023 میں بڑے پیمانے پر سیلاب، بڑھتی ہوئی مہنگائی اور شرح سود، قوت خرید میں کمی، سیاسی قنط، اور ادا کیوں کے توازن کے بحران نے سرمایہ کاروں کے اعتماد کو منفی طور پر متاثر کیا۔ تاہم 3 بلین امریکی ڈالر کے اسٹینڈ بائی آرینجمنٹ پر آئی ایم ایف اسٹاف لیول ایگریمنٹ کو حاصل کرنے کے بعد اسٹاک مارکیٹ میں حالیہ مثبت سرگرمیوں کے ساتھ مستقبل کے لیے مارکیٹ کی توقعات زیادہ پر امید دکھائی دیتی ہیں۔

سینٹرل ڈپازٹری کمپنی پاکستان لمیٹڈ کے ڈائریکٹرز نہایت مسرت کے ساتھ 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ اور پڑتال شدہ غیر عبوری مالیاتی گوشوارے بمعہ آڈیٹرز رپورٹ پیش کر رہے ہیں۔

## اقتصادی صورتحال اور مارکیٹ کا جائزہ

عالمی منظر نامے کو متاثر کرنے والے عوامل کا پاکستانی معیشت پر بھی براہ راست اثر پڑتا ہے۔ آئی ایم ایف کے تخمینوں کے مطابق عالمی شرح نمو 2022 میں 3.5 فیصد سے کم ہو کر 2023 کے لیے 3.0 فیصد رہنے کی توقع ہے، جو سال 2000-19 کے دوران حاصل کی گئی سالانہ اوسط 3.8 فیصد کی تاریخی سطح سے کافی کم ہے۔ یوکرین اور روس کا تنازع اپنے دوسرے سال میں داخل ہونے کے ساتھ جغرافیائی سیاسی تناؤ بلند کرنے کا باعث بن رہا ہے، اگرچہ وبائی امراض اور جنگ کے بعد سپلائی چین میں رکاوٹیں بڑی حد تک بحال ہو گئی ہیں تاہم عالمی سطح پر اجناس کی قیمتیں بلند ہیں۔ افراط زر کا مسلسل دباؤ پوری دنیا کے مرکزی بینکوں کو سختی پالیسیوں کو جاری رکھنے پر مجبور کر رہا ہے، جس نے قرضے لینے کی لاگت کو بڑھا دیا ہے اور مالیاتی اداروں کے لیے قرض کی دستیابی کو ختم کر دیا ہے۔

ملکی محاذ پر مالی سال 2023 خاص طور پر ایک مشکل سال رہا ہے جس میں تباہ کن سیلاب نے ملک کے ایک تہائی حصے کو اپنی لپیٹ میں لے لیا اور بڑے پیمانے پر نقصان پہنچایا (تخمینہ 30 بلین امریکی ڈالر)، انتہائی غیر مستحکم سیاسی صورتحال، افراط زر کا دوہرا ہندسہ عبور کرنا اور ادا کیوں کے بحران نے زرمبادلہ کے ذخائر میں تیزی سے کمی کی اور درآمدات کو جبری طور پر روک دیا۔ اگرچہ پاکستان نے مالی سال 2022 میں 6.1 فیصد کی بلند شرح نمو حاصل کی، تاہم، یہ غیر پائیدار تھی اور اس کے نتیجے میں معیشت کی حد سے زیادہ گرواٹ نے حکومت کو صورتحال کو روکنے کے لیے اقدامات کرنے پر مجبور کیا۔

اس طرح کے عالمی اور مقامی چیلنجز نے مشترکہ طور پر مالی سال 2023 میں معاشی نمو کو صرف 0.29 فیصد تک محدود رکھنے میں اہم کردار ادا کیا ہے، جو اس مدت کے لیے 5.0 فیصد جی ڈی پی کی شرح نمو کے حکومتی اندازوں سے کافی کم تھی۔ شعبہ وارتی کمزور رہی جس میں زرعی شعبے میں 1.55 فیصد، صنعتی شعبے میں منفی 2.94 فیصد، اور خدمات کے شعبے میں 0.86 فیصد کی نمو دیکھی گئی۔ مالی سال 2023 کے آخر تک 29.4 فیصد CPI افراط زر کی تاریخی بلند ترین شرحوں میں سے ایک ہے جو کہ مئی 2023 میں 37.97 فیصد کی بلند ترین شرح کو چھو گئی، اس کی وجوہات کمزور شرح مبادلہ، عالمی مانگ میں اضافہ اور سیلاب کے سبب سپلائی چین کی رکاوٹوں کی وجہ سے اشیائے خورد و نوش کی قیمتوں میں اضافہ اور بجلی اور پیٹرول کے نرخ میں مسلسل اضافہ ہے۔ افراط زر کے دباؤ سے لڑنے کے لیے SBP اپنی سخت مالیاتی پالیسیاں جاری رکھے ہوئے ہے، مالی سال جولائی تا جون 2023 کے درمیان شرح سود کو مجموعی طور پر 8.25 فیصد بڑھا کر 22 فیصد کی بلند ترین سطح پر لے جایا گیا ہے۔

# Notice of 31<sup>st</sup> Annual General Meeting

NOTICE IS HEREBY GIVEN that the 31st Annual General Meeting of the Central Depository Company of Pakistan Limited will be held on Tuesday, October 24, 2023, at 3:30 p.m. at its registered office situated at CDC House, 99-B, Block 'B', S.M.C.H.S, Main Shahra-e-Faisal, Karachi-74400 to transact the following business:

## Ordinary Business:

1. To receive and adopt the annual audited unconsolidated and consolidated Accounts of the Company for the year ended June 30, 2023, together with the Directors' and Auditors' Reports thereon and Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019.
2. To consider and declare final cash dividend of Re. 0.3543 per share of Rs. 10 each in addition to the interim dividend of Re. 0.8045 per share already paid making a total cash dividend of Rs. 1.1588 per share to the shareholders as recommended by the Board of Directors of the Company for the year ended June 30, 2023.
3. To appoint Auditors of the Company for the year ending June 30, 2024 and fix their remuneration.

By order of the Board,

-sd-

**Shariq Jafrani**  
CFO & Company Secretary  
Karachi, Dated: Monday, October 02, 2023



**Notes:**

1. A corporation or any other company registered under the Companies Act, 2017/ Companies Ordinance, 1984, where such corporation or such other company, is a member of the Company may, by resolution of its directors, authorise any of its officials or any other person to act as its authorized representative at the proposed general meeting of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of such corporation or such other company if he was an individual shareholder of the Company.
2. A member of the Company entitled to attend and vote may appoint another member as his / her proxy to attend and vote instead of him / her.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its Attorney.
4. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
5. Attested copies of CNIC or the passport of the proxy shall be furnished with the proxy form.
6. The proxy shall produce his / her original CNIC or original passport at the time of the meeting if requested.
7. The instrument appointing a proxy and the Power-of-Attorney or other authority (if any), under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Registered Office of the Company not less than forty eight hours before the time of above general meeting of the Company.
8. Members are requested to promptly notify any change in their address.

**Book Closure:**

The Share Transfer Books of the Company will remain closed on October 23, 2023 and October 24, 2023. Transfer received in order at the Registered Office of the Company located at CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 before the said date shall be treated in time, subject to Article 11 of Company's Articles of Association, for any corporate entitlements approved by the members.

**Payment of Cash Dividend through the Chosen Mode:**

In terms of Companies (Distribution of Dividend) Regulations, 2017, dividend payable in cash shall only be paid through the mode chosen by the respective shareholder via its mandate.

If any shareholder wishes to change the mandate provided, it shall do so in writing during the year, which shall become applicable and effective for any future cash dividend pay-outs.

**Deduction of Income tax from Dividend at Revised Rates:**

Pursuant to the provisions of Finance Act, 2018, effective 01 July 2018, the deduction of income tax from dividend payments shall be made on the basis of filers and non-filers.

Income Tax will be deducted on the basis of Active Tax Payers List posted on the Federal Board of Revenue website.

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence, as the case maybe.

The Shareholders who have joint shareholdings held by filers and non-filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable, then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company.

Folio /CDC Account No	Name of Shareholder	CNIC	Shareholding	Total Shares	Principal /Joint Shareholder
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**Note**

It may please be noted that the Urdu translation of documents has been made to facilitate the shareholders / general public as advised by the Securities and Exchange Commission of Pakistan and the documents in English shall be referred to and relied upon for purposes of any interpretation in implementing the same.

نوٹس:

1- کمپنیز ایکٹ 2017 / کمپنیز آرڈیننس 1984 کے تحت رجسٹرڈ کوئی کارپوریشن یا کوئی دیگر کمپنی، جو اس کمپنی کا رکن ہو، وہ بذریعہ قرار داد اپنی صوابدید پر اپنے کسی آفیشل یا کسی بھی دیگر کسی فرد کو کمپنی کے اجلاس میں بطور نمائندہ شرکت کے لیے اجازت تفویض کر سکتی ہے، اس فرد کو اجازت حاصل ہوگی کہ وہ اس کارپوریشن یا کمپنی کی ایماء پر وہی حقوق حاصل کرے اور انہیں استعمال کرے جو اس کارپوریشن یا کمپنی کو حاصل ہیں، لیکن اس کے لیے لازمی ہے کہ اس فرد کے پاس کمپنی کے شیئرز موجود ہوں۔

2- شرکت کرنے اور ووٹ دینے کا حق دار کمپنی کا ممبر اس کے بجائے کسی دوسرے ممبر کو شرکت کرنے اور ووٹ دینے کے لیے اپنا پراکسی مقرر کر سکتا ہے۔

3- نمائندے مقرر کا عمل مقرر کرنے والے یا تحریری طور پر تعین کردہ اس کے وکیل کی جانب سے دستاویزی بنیاد پر ہونا چاہئے۔ اور اگر مقرر کرنے والا کوئی کارپوریشن ہو تو اس کی عمومی مہر یا اس کے وکیل کے دستخط کے ساتھ ہونا چاہئے۔

4- نمائندگی کے فارم پر دو افراد بطور گواہ دستخط کریں گے جن کے نام، پتے اور CNIC نمبرز درج کیے جائیں گے۔

5- پراکسی فارم کے ساتھ پراکسی نمائندے کے CNIC یا پاسپورٹ کی تصدیق شدہ نقل کو منسلک کیا جائے گا۔

6- نمائندے کو مطالبے پر اجلاس کے وقت اصل شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔

7- نمائندے اور وکالت نامے یا کسی اور اتھارٹی (اگر کوئی ہے) کی تقرری دستاویز کو، جس کے تحت یہ دستخط شدہ ہو یا اس اختیار یا مختار نامے کی نوٹری کے طور پر تصدیق نقل کے تحت کمپنی کے مذکورہ بالا عمومی اجلاس سے کم از کم اٹالیس گھنٹے قبل کمپنی کے رجسٹرڈ شدہ دفتر میں جمع کروایا جائے گا۔

8- اراکین سے درخواست کی جاتی ہے کہ ان کے بچوں میں کسی بھی قسم کی تبدیلی کی صورت میں اس کی فوری طور پر اطلاع دی جائے۔

کتب کی بندش:

کمپنی کی حصص منتقلی کی کتب 23 اکتوبر 2023 اور 24 اکتوبر 2023 کو بند رہیں گی۔ کمپنی کے رجسٹرڈ شدہ دفتر بمقام CDC ہاؤس B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی 74400 میں مذکور تاریخ سے قبل ترتیب سے موصول شدہ منتقلیوں کو جو کہ کمپنی کے آرکیٹز آف ایسوسی ایشن کی شق 11 کی مطابقت سے مشروط ہے، اراکین کی جانب سے منظور شدہ کسی بھی کاروباری استحقاق کے لیے بروقت تصور کیا جائے گا۔

منتخب کردہ طریقہ کار کے ذریعے نقد منافع کی ادائیگی:

کمپنیز (ڈسٹری بیوٹن آف ڈیویڈنڈ ریگولیشنز 2017) کے مطابق نقد ادا کیا جانے والا قابل ادا ڈیویڈنڈ اس طریقہ کار کے مطابق شیئرز ہولڈرز کو ادا کیا جائے گا۔ جس کا انتخاب شیئرز ہولڈ نے اپنے مینڈیٹ کے ذریعے کیا ہوگا۔ اگر کوئی شیئرز ہولڈر فراہم کرتا مینڈیٹ کو تبدیل کرنا چاہتا ہے۔ تو وہ سال کے دوران تحریری طور پر ایسا کرے گا۔ جو مستقبل کے کسی بھی کیش ڈیویڈنڈ کی ادائیگی کے لیے قابل اطلاق اور موثر ہو جائے گا۔

نظر ثانی شدہ شرحوں پر منافع سے انکم ٹیکس کی کوٹہ:

01 جولائی 2018 سے نافذ ٹیکس ایکٹ 2018 کی دفعات کے مطابق، منافع کی ادائیگیوں سے انکم ٹیکس کی کوٹہ فائلر اور نان فائلر کی بنیاد پر کی جائے گی۔

انکم ٹیکس فیڈرل بورڈ آف ریونیو کی ویب سائٹ پر ایکٹیو ٹیکس پیئر لسٹ کی بنیاد پر کاٹا جائے گا۔

انکم ٹیکس کی کوٹہ سے استثنیٰ حاصل کرنے والے یا کم شرح پر کوٹہ کے اہل ممبران سے درخواست کی جاتی ہے کہ مصدقہ ٹیکس شوقیلیٹ یا ضروری، دستاویزی بطور ثبوت پیش کریں، جو بھی کیس ہو۔

ایسے شیئرز ہولڈرز جو فائلر اور نان فائلر ممبران کی مشترکہ شیئرز ہولڈنگ رکھتے ہیں، ان سے علیحدہ علیحدہ ٹیکس کی کوٹہ کی جائے گی۔ ایسی صورت حال میں شیئرز ہولڈنگ کی بنیاد پر فائلر اور نان فائلر کی ٹیکس کوٹہ ہو گی۔ اگر مشترکہ شیئرز ہولڈنگ میں شیئرز کا تناسب واضح نہیں ہے تو ایسی صورت میں ہر اکاؤنٹ ہولڈر کو شیئرز کے براہ راست تناسب کا حامل سمجھا جائے گا اور اس کے مطابق کوٹہ کی جائے گی۔ لہذا زیادہ شرح ٹیکس کی کوٹہ سے بچنے کے لیے مشترکہ اکاؤنٹ ہولڈرز سے درخواست کی جاتی ہے کہ وہ کمپنی کے شیئرز رجسٹر اراکین شیئرز ہولڈنگ کی مندرجہ ذیل تفصیلات فراہم کریں۔

فولیو / CDC اکاؤنٹ نمبر      شیئرز ہولڈر کا نام      CNIC      شیئرز ہولڈنگ مجموعی شیئرز      بنیادی مشترکہ شیئرز ہولڈنگ

نوٹ: واضح رہے کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مشورے کے مطابق دستاویزات کا اردو ترجمہ شیئرز ہولڈرز عام لوگوں کے لیے کیا گیا ہے۔ کسی بھی تشریح کے مقصد کے لیے انگریزی میں دستاویزات کا حوالہ دیا جائے گا اور انہی پر انحصار کیا جائے گا۔

## 31 ویں سالانہ اجلاس عام کانوٹس

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ کا 31 واں سالانہ اجلاس عام درج ذیل امور کی انجام دہی کے لیے منگل 24 اکتوبر 2023 کی سہ پہر 3:30 بجے کمپنی کے رجسٹرڈ آفس، بمقام CDC ہاؤس، B-99، بلاک 'B'، S.M.C.H.S، مین شاہراہ فیصل، کراچی-74400 میں منعقد ہوگا۔

عمومی امور:

1-30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ آڈٹ شدہ انفرادی اور جامع اکاؤنٹس کو بمعہ ڈائریکٹرز اور آڈیٹرز کی رپورٹ اور لسنڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کو وصول کرنا اور اختیار کرنا۔

2-30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے بورڈ آف ڈائریکٹرز کی تجویز کے مطابق 10 روپے کے ہر شیئر پر 0.3543 روپے حتمی کیش ڈیویڈنڈ کی ادائیگی جو کہ عبوری ڈیویڈنڈ 0.8045 روپے کے علاوہ ہے اور کل ملا کر مجموعی طور پر 1.1588 روپے فی شیئر بنتا ہے، کی تجویز پر غور و خوض اور اعلان۔

3-30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹرز کا تقرر کرنا اور ان کا مشاہرہ طے کرنا۔

بحکم بورڈ،

دستخط

شارق جعفرانی

سی ایف او اینڈ کمپنی سیکرٹری

کراچی، بتاریخ: پیر، 02 اکتوبر 2023

# Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Year ended June 30, 2023

The Company has complied with the requirements of the Regulations to the extent consistent with the provisions of the Securities Act, 2015 (III of 2015) and rules and regulations made thereunder, in the following manner:

1. The total number of directors are 12 as per the following,-
  - a. Male: 10
  - b. Female: 02
2. The composition of the Board is as follows:

Category	Names
<b>Independent Directors</b>	Mr. Moin M. Fudda (Chairman)
	Ms. Jehan Ara
	Ms. Ammara Masood
	Syed Ali Sultan
<b>Non-Executive Directors</b>	Mr. Ahmed Chinoy
	Mr. Farrukh H. Khan
	Mr. Tariq Mahmood
	Dr. Aamir Matin
	Mr. Ghulam Mustafa
	Mr. Nadeem Naqvi
	Mr. Muhammad Tariq Rafi
<b>Executive Director</b>	Mr. Badiuddin Akber (CEO)
<b>Female Directors</b>	Ms. Jehan Ara
	Ms. Ammara Masood

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and the Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. The Company is committed to arrange orientation course and training programs for its directors to apprise them of their duties and responsibilities. Six directors of the Company have completed formal directors training program whereas two directors are exempted from the mandatory requirement under CCG for acquiring DTP certification for the remaining four directors, training will be scheduled accordingly. The Company has arranged Directors' Training for 1 female executive as encouraged in the Code;
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

**a) Audit Committee:**

Name of Director	Category
Ms. Ammara Masood	Chairperson (Independent Director)
Mr. Ahmed Chinoy	Member
Mr. Nadeem Naqvi	Member
Mr. Tariq Mahmood	Member
Syed Ali Sultan	Member (Independent Director)

**b) Human Resource and Remuneration Committee**

Name of Director	Category
Mr. Moin M. Fudda	Chairman (Independent Director)
Mr. Badiuddin Akber	Member
Mr. Farrukh H. Khan	Member
Mr. Muhammad Tariq Rafi	Member
Syed Ali Sultan	Member (Independent Director)

**c. Nomination & Compensation Committee**

Name of Director	Category
Mr. Moin M. Fudda	Chairman (Independent Director)
Mr. Badiuddin Akber	Member
Ms. Jehan Ara	Member (Independent Director)
Mr. Nadeem Naqvi	Member
Mr. Muhammad Tariq Rafi	Member

**d. Regulatory Affairs Committee**

Name of Director	Category
Mr. Moin M. Fudda	Chairman (Independent Director)
Mr. Badiuddin Akber	Member
Mr. Ahmed Chinoy	Member
Mr. Farrukh H. Khan	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following-

S. no:	Name of the Committee	Frequency of the meetings held during the year
1.	Audit Committee	Held five (5) times during the year prior to approval of quarterly, half-yearly, annual financial statements and annual financial plan of the Company by the Board.
2.	Human Resource and Remuneration Committee	Held one (1) time during the year.
3.	Nomination and Compensation Committee	No meetings were required to be held during the year.
4.	Regulatory Affairs Committee	Held four (4) times during the year.

15. The Board has set up an effective internal audit function;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

As required under Regulation 24, same person shall not simultaneously hold office of Chief Financial Officer and the Company Secretary. The Finance function of the Company is outsourced to ITMinds Limited – the wholly owned subsidiary of the Company, hence the Board decided to continue with the same person for both the positions.

-sd-  
**MOIN M. FUDDA**  
 Chairman of the Board

-sd-  
**BADIUDDIN AKBER**  
 Chief Executive Officer

Karachi Dated: Wednesday, August 23, 2023

# INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Central Depository Company of Pakistan Limited

## Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Central Depository Company of Pakistan Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

-sd-

**A.F. Ferguson & Co.**

Chartered Accountants

Engagement partner: **Khurshid Hasan**

Karachi

Date: September 27, 2023

UDIN: CR2023101603W9LYFQqC



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

## Report on the Audit of the Unconsolidated Financial Statements

### Opinion

We have audited the annexed unconsolidated financial statements of Central Depository Company of Pakistan Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2023, and the unconsolidated statement of profit or loss, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive loss, the unconsolidated changes in equity and its unconsolidated cash flows for the year then ended.

### Basis for Opinion

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

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

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

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

### Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

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

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

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





### Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

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

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

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

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

### Report on Other Legal and Regulatory Requirements

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

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

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

-sd-

**A. F. Ferguson & Co.**  
Chartered Accountants  
Karachi

Date: September 27, 2023  
UDIN: AR202310160TDISH70Ln





# UNCONSOLIDATED FINANCIAL STATEMENTS



# UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

Central Depository Company of Pakistan Limited  
As at June 30, 2023

	Note	2023 -----Rupees-----	2022
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital 400,000,000 (June 30, 2022: 400,000,000) ordinary shares of Rs.10 each	5	<u>4,000,000,000</u>	<u>4,000,000,000</u>
<b>Issued, subscribed and paid-up share capital</b>			
350,000,000 (June 30, 2022: 300,000,000) ordinary shares of Rs.10 each	5	<u>3,500,000,000</u>	<u>3,000,000,000</u>
<b>Reserves</b>			
Reserve fund		<u>100,000,000</u>	<u>100,000,000</u>
Unappropriated profit		<u>1,827,081,423</u>	<u>1,992,661,870</u>
Surplus on revaluation of property and equipment - net of tax	6	<u>1,050,533,930</u>	<u>1,101,478,883</u>
		<u>2,977,615,353</u>	<u>3,194,140,753</u>
<b>Total shareholders' equity</b>		<u>6,477,615,353</u>	<u>6,194,140,753</u>
<b>Non-current liabilities</b>			
Long term deposits	7	<u>154,923,500</u>	<u>146,823,500</u>
Deferred taxation - net	8	<u>244,066,282</u>	<u>172,547,705</u>
<b>Total non-current liabilities</b>		<u>398,989,782</u>	<u>319,371,205</u>
<b>Current liabilities</b>			
Trade and other payables	9	<u>698,627,747</u>	<u>673,427,687</u>
Unearned fee	10	<u>77,712,150</u>	<u>72,952,890</u>
Taxation - net	11	<u>96,965,379</u>	<u>-</u>
<b>Total current liabilities</b>		<u>873,305,276</u>	<u>746,380,577</u>
<b>Total liabilities</b>		<u>1,272,295,058</u>	<u>1,065,751,782</u>
<b>Contingencies and commitments</b>			
	12		
<b>Total equity and liabilities</b>		<u>7,749,910,411</u>	<u>7,259,892,535</u>
<b>ASSETS</b>			
<b>Non - current assets</b>			
Fixed assets	13	<u>1,889,086,767</u>	<u>1,827,016,707</u>
Long term investments	14	<u>204,285,720</u>	<u>204,285,720</u>
Long term loans - secured	15	<u>79,496,514</u>	<u>61,692,159</u>
Long term deposits and prepayments	16	<u>13,553,567</u>	<u>9,442,527</u>
<b>Total non-current assets</b>		<u>2,186,422,568</u>	<u>2,102,437,113</u>
<b>Current assets</b>			
Trade debts - net	17	<u>420,925,873</u>	<u>360,965,000</u>
Loans and advances	18	<u>23,461,003</u>	<u>31,834,404</u>
Prepayments	19	<u>61,781,911</u>	<u>34,588,532</u>
Other receivables	20	<u>91,882,943</u>	<u>62,637,034</u>
Taxation - net	11	<u>-</u>	<u>4,022,138</u>
Short term investments	21	<u>4,793,509,525</u>	<u>4,521,063,601</u>
Cash and bank balances	22	<u>171,926,588</u>	<u>142,344,713</u>
<b>Total current assets</b>		<u>5,563,487,843</u>	<u>5,157,455,422</u>
<b>Total assets</b>		<u>7,749,910,411</u>	<u>7,259,892,535</u>

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

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Chairman

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Chief Executive Officer

# UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

	Note	2023	2022
		-----Rupees-----	
Operating income - net	23	2,173,781,395	2,058,054,716
Operating and administrative expenses	24	(1,627,891,190)	(1,401,735,133)
<b>Operating profit</b>		<b>545,890,205</b>	656,319,583
Other income	25	830,781,177	472,224,985
Other expenses	26	(41,384,940)	(28,299,740)
Financial charges	27	(770,750)	(385,060)
<b>Profit before taxation</b>		<b>1,334,515,692</b>	1,099,859,768
Taxation	28	(522,344,519)	(329,072,400)
<b>Profit after taxation</b>		<b>812,171,173</b>	770,787,368
			(Restated)
Earnings per share - basic and diluted	29	2.32	2.20

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

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Chairman

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Chief Executive Officer

# UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

	Note	2023	2022
		-----Rupees-----	
Profit after taxation		812,171,173	770,787,368
<b>Other comprehensive (loss) / income</b>			
<i>Items that may be reclassified to consolidated statement of profit or loss subsequently</i>			
Surplus on revaluation of leasehold land and buildings		-	530,249,099
Impact of deferred tax		-	(94,331,401)
Impact of change in rate of tax		(35,651,553)	-
		(35,651,553)	435,917,698
<i>Items that will not be reclassified to consolidated statement of profit or loss</i>			
Loss on remeasurement of employees' retirement benefit obligation	31.5	(22,082,000)	(24,260,000)
Impact of tax		8,611,980	7,035,400
		(13,470,020)	(17,224,600)
<b>Total comprehensive income for the year</b>		<b>763,049,600</b>	<b>1,189,480,466</b>

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

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Chairman

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Chief Executive Officer

# UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

Issued, subscribed and paid-up share capital	Reserves			Total shareholders' equity	
	Revenue reserves		Capital reserves		
	Reserve fund (note 1.2)	Unappropriated profit	Surplus on revaluation of property and equipment - net of tax		
Rupees					
Balance as at June 30, 2021	2,500,000,000	100,000,000	2,185,149,170	677,011,117	5,462,160,287
Profit for the year	-	-	770,787,368	-	770,787,368
Other comprehensive loss - net of tax	-	-	(17,224,600)	435,917,698	418,693,098
Total comprehensive income for the year	-	-	753,562,768	435,917,698	1,189,480,466
Transactions with owners in their capacity of owners recorded directly in equity					
Final dividend @ 9.3% (i.e. Rs. 0.93 per share) for the year ended June 30, 2021	-	-	(232,500,000)	-	(232,500,000)
Issue of bonus shares @ 20% (i.e. 50 million shares) for the year ended June 30, 2021	500,000,000	-	(500,000,000)	-	-
Interim dividend @ 7.5% (i.e. Rs. 0.75 per share) for the half year ended December 31, 2021	-	-	(225,000,000)	-	(225,000,000)
	500,000,000	-	(957,500,000)	-	(457,500,000)
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax	-	-	11,449,932	(11,449,932)	-
Balance as at June 30, 2022	3,000,000,000	100,000,000	1,992,661,870	1,101,478,883	6,194,140,753
Profit for the year	-	-	812,171,173	-	812,171,173
Other comprehensive (loss) - net of tax	-	-	(13,470,020)	(35,651,553)	(49,121,573)
Total comprehensive income for the year	-	-	798,701,153	(35,651,553)	763,049,600
Transactions with owners in their capacity of owners recorded directly in equity					
Final dividend @ 16.666667% (i.e. Rs. 0.66 per share) for the year ended June 30, 2022	-	-	(198,000,000)	-	(198,000,000)
Issue of bonus shares @ 20% (i.e. 50 million shares) for the year ended June 30, 2022	500,000,000	-	(500,000,000)	-	-
Interim dividend @ 8.045% (i.e. Rs. 0.8045 per share) for the half year ended December 31, 2022	-	-	(281,575,000)	-	(281,575,000)
	500,000,000	-	(979,575,000)	-	(479,575,000)
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax	-	-	15,293,400	(15,293,400)	-
Balance as at June 30, 2023	3,500,000,000	100,000,000	1,827,081,423	1,050,533,930	6,477,615,353

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

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Chairman

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Chief Executive Officer

# UNCONSOLIDATED STATEMENT OF CASH FLOWS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

	Note	2023 -----Rupees-----	2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		1,334,515,692	1,099,859,768
<b>Adjustments for items not involving movement of funds</b>			
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	25.2	19,325,448	42,817,677
Dividend income		(446,203,559)	(202,552,858)
Depreciation		126,989,789	121,067,464
Amortisation		50,071,186	47,517,752
Gain on disposal of property and equipment		(11,454,992)	(4,644,243)
Profit on bank deposits		(98,627,813)	(41,865,042)
Provision for retirement benefit plans	31.4	31,018,000	37,724,000
Provision for compensated absences		-	4,861,540
Financial charges		770,750	385,060
		(328,111,191)	5,311,350
		1,006,404,501	1,105,171,118
<b>(Increase) / decrease in current assets</b>			
Trade debts - net		(59,960,873)	5,465,897
Long term loans - secured		(17,804,355)	5,405,215
Long term deposits and prepayments		(4,111,040)	(1,197,299)
Loans and advances		8,373,401	(17,380,583)
Prepayments		(27,193,379)	(7,218,470)
Other receivables		(29,245,909)	(11,182,522)
		(129,942,155)	(26,107,762)
<b>Increase in current liabilities</b>			
Trade and other payables		120,608,893	32,451,939
Long term deposits		8,100,000	8,384,540
Unearned fee		4,759,260	3,499,753
		133,468,153	44,336,232
<b>Cash generated from operations</b>		1,009,930,499	1,123,399,588
Contribution paid to retirement benefit plans		(144,744,000)	(37,724,000)
Compensated absences paid		(3,764,833)	(5,801,541)
Financial charges paid		(770,750)	(385,060)
Income taxes paid		(376,877,998)	(300,624,050)
		(526,157,581)	(344,534,651)
<b>Net cash generated from operating activities</b>		483,772,918	778,864,937
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(245,208,194)	(128,810,331)
Proceeds from sale of fixed assets		17,532,151	6,534,388
Dividend received		446,203,559	202,552,858
Profit received on bank deposits		98,627,813	41,865,042
Investments - net		(1,095,858,028)	137,262,788
<b>Net cash (used in) / generated from investing activities</b>		(778,702,699)	259,404,745
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividend paid		(479,575,000)	(457,500,000)
<b>Net cash used in financing activities</b>		(479,575,000)	(457,500,000)
<b>Net (decrease) / increase in cash and cash equivalents</b>		(774,504,781)	580,769,682
Cash and cash equivalents at the beginning of the year		2,345,370,523	1,764,600,841
<b>Cash and cash equivalents at the end of the year</b>	30	1,570,865,742	2,345,370,523

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

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Chairman

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Chief Executive Officer



# NOTES TO AND FORMING PART OF THE UNUNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

## 1 STATUS AND NATURE OF BUSINESS

- 1.1** Central Depository Company of Pakistan Limited (the Company) was incorporated as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on January 21, 1993 and received certificate of commencement of business on August 10, 1994. The principal business activity of the Company is to act as a depository for securities and open securities account. The registered office of the Company is situated at CDC House, 99-B, Block B, S.M.C.H.S. Karachi, Pakistan.

The Company, under trust deeds, acts as a trustee for various open-end funds and closed-end schemes under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and also provides custodial-ship to closed - end funds formed under the said regulations.

The Company also provides custody and settlement services for Government securities to retail investors and Centralised Information Sharing Solution for Insurance Industry (CISSII).

The Company has two wholly owned subsidiaries namely ITMinds Limited (ITML) and CDC Share Registrar Services Limited (CSRSL).

- 1.2** The Company has created a reserve fund in accordance with the requirements of the Articles of Association of the Company.
- 1.3** These unconsolidated financial statements are the separate financial statements of the Company. In addition to these unconsolidated financial statements, consolidated financial statements of the Company have also been prepared.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017;
- Securities Act, 2015, Central Depositories Act, 1997, Central Depositories (Licensing and Operations) Regulations, 2016 and Central Depository Company of Pakistan Limited Regulations; and
- Directives issued by the Securities and Exchange Commission of Pakistan (SECP).

Wherever, the requirements of the Companies Act 2017, the Securities Act, 2015, the Central Depositories Act, 1997, the Central Depositories (Licensing and Operations) Regulations, 2016, the Central Depository Company of Pakistan Limited Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Companies Act, 2017, the Securities Act, 2015, the Central Depositories Act, 1997, the Central Depositories (Licensing and Operations) Regulations, 2016, the Central Depository Company of Pakistan Limited Regulations and the said directives shall prevail.

- 2.2** The SECP has directed that the requirements of IFRS 10, 'Consolidated financial statements' are not applicable in case of investments by companies in mutual funds established under trust deed structure. Accordingly, implications of IFRS 10 in respect of investment in mutual funds have not been considered in these unconsolidated financial statements.

### 2.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to published accounting and reporting standards that are mandatory for the Company's accounting period beginning on July 1, 2022, but are considered not to be relevant or do not have any significant impact on the Company's operations and are, therefore, not detailed in these unconsolidated financial statements.

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

## 2.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

2.4.1 The following revised standards, amendments and interpretations with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations.

Standard, interpretation or amendment	Effective date (annual periods beginning on or after)
- IAS 1, Practice statement 2 and IAS 8 - 'Improvement in disclosures of accounting policy' (amendments)	1 January 2023
- IAS 12 - 'Deferred tax related to assets and liabilities arising from a single transaction' (amendments)	1 January 2023

The management is in the process of assessing the impact of these amendments on the Company.

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore have not been stated in these unconsolidated financial statements.

## 3 BASIS OF MEASUREMENT

### 3.1 Accounting convention

These unconsolidated financial statements have been prepared under the historical cost convention except that certain employees' retirement benefits are carried at present value of defined benefit obligation less fair value of plan assets, if any, lease liability and right-of-use assets, if any, land and buildings are stated at revalued amounts and investments classified as financial assets at fair value through profit or loss which are carried at market rates.

### 3.2 Functional and presentational currency

Items included in the unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. The unconsolidated financial statements are presented in Pakistani Rupees, which is the Company's functional and presentational currency.

### 3.3 Critical accounting estimates and judgments

The preparation of the unconsolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires the management to exercise judgment in the application of the Company's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors, including expectation of future events, that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods.

Significant accounting estimates and areas where judgments were exercised by management in the application of accounting policies are as follows:

- i) Employees' retirement benefits (notes 4.1 and 31)
- ii) Useful life of operating property and equipment and intangible assets (notes 4.2, 13.1.1 and 13.2)
- iii) Classification, valuation and impairment of investments (notes 4.5 and 21)
- iv) Provision for taxation and deferred taxation (notes 4.10, 11 and 28)
- v) Revaluation of land and building (notes 4.2 and 13)
- vi) Compensated absences (notes 4.1.3 and 9.2)

## 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

## 4.1 Employees' retirement benefits

### 4.1.1 Defined benefit plan

The Company operates a defined benefit plan i.e. funded gratuity scheme for all its confirmed employees who have completed minimum qualifying period of service as per the laid down rules and joined before January 01, 2014. Contributions are made monthly to this fund on the basis of actuarial recommendations. The most recent actuarial valuation was carried out as at June 30, 2023 using the Projected Unit Credit Method. Amounts arising as a result of 'Remeasurements', representing the actuarial gains and losses and the difference between the actual investment returns and the return implied by the net interest cost are recognised in the unconsolidated statement of financial position, with a charge or credit to 'Other Comprehensive Income' in the periods in which they occur. Current service cost, past service cost and net interest income / expense are recognised in the unconsolidated statement of profit or loss.

### 4.1.2 Defined contribution plan

The Company also operates two defined contribution plans i.e. provident fund and a defined contribution gratuity fund.

#### Provident fund

The Company operates an approved contributory provident fund for all employees. Equal monthly contributions at the rate of 10% of basic salary are made to the fund both by the Company and the employees.

#### Defined contribution (DC) gratuity fund

The Company has established a defined contribution plan - DC gratuity fund for permanent employees who joined on or after January 1, 2014. Contributions are made by the Company to the plan at the rate of 8.33% per annum of the basic salary.

### 4.1.3 Other benefits

#### Compensated absences

The Company has the policy to provide for encashable compensated absences (upto a maximum of 40 days) to its employees in accordance with respective entitlement on cessation of services. Related expected cost thereof is recognised in the unconsolidated statement of profit or loss on the basis of actuarial recommendation.

## 4.2 Fixed assets

### 4.2.1 Property and equipment

#### Owned

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any except for land and building which are stated at revalued amounts less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. Individual items costing Rs. 25,000 or less are not capitalised and treated as a period cost. Borrowing costs are dealt with as stated in note 4.3 to these unconsolidated financial statements.

Depreciation is calculated on a straight line method at the rates given in note 12.1.1 and is charged to the unconsolidated statement of profit or loss. Depreciation on additions during the year is charged from the month of addition, while no depreciation is charged in the month of retirement / disposal.

The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to unconsolidated statement of profit or loss in the period in which they are incurred.

Gain and losses on sale or retirement of property plant and equipment are included in the unconsolidated statement of profit and loss in the year of disposal.

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

## Revaluation of assets

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. An increase arising on revaluation is credited to the surplus on revaluation of property and equipment. A decrease arising on revaluation of fixed assets is adjusted against the surplus of that asset or, if no surplus exists, is charged to the unconsolidated statement of profit or loss as an impairment of the asset. A surplus arising subsequently on an impaired asset is reversed through the unconsolidated statement of profit or loss up to the extent of the would have been carrying amount of the asset. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the unconsolidated statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from surplus on revaluation of property and equipment to unappropriated profit.

## Leased

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease liability is initially measured at the present value of the lease payments over the period of lease term and that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments less any lease incentive receivable, variable lease payment that are based on an index or a rate which are initially measured using the index or rate as at the commencement date, amounts expected to be payable by the Company under residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease if the lease term reflects that the lessee will exercise that option. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payment.

The lease liability is remeasured when the Company reassesses the reasonable certainty to exercise extension or termination option upon occurrence of either a significant event or a significant change in circumstances, or when there is a change in assessment of an option to purchase underlying asset, or when there is a change in amount expected to be payable under a residual value guarantee, or when there is a change in future lease payments resulting from a change in an index or rate used to determine those payments. The corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in the statement of profit or loss if the carrying amount of right of use asset has been reduced to zero.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions, the same is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the standalone price for the increase in scope adjusted to reflect the circumstances of the particular contract, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right of use asset.

The right of use asset is initially measured at an amount equal to the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which the asset is located.

The right of use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. The right of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right of use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

## Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditures, including payroll, connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

## 4.2.2 Intangibles

Costs that are directly associated with identifiable software products controlled by the Company and have probable economic benefit beyond one year are recognised as intangible assets.

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. These are amortised using the straight line method reflecting the pattern in which the economic benefits of the assets are consumed by the Company.

Amortisation is charged from the month of addition to the month preceding the month of retirement / disposal, and the amortisation period for software is five years.

### Software under implementation

Software under implementation is stated at cost less any identified impairment loss.

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets where the following criteria are met:

- a) It is technically feasible to complete the software so that it will be available for use;
- b) Management intends to complete the software and use or sell it;
- c) There is an ability to use or sell the software;
- d) It can be demonstrated how the software will generate probable future economic benefits;
- e) Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- f) The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software are employee costs and an appropriate portion of relevant overheads, where material and reliably determinable. They are recorded as intangible assets and amortised from the point at which the asset is ready for use.

## 4.2.3 Impairment of non-financial assets

The carrying amounts of non financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised as an expense in the unconsolidated statement of profit or loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels at which they are capable of generating separately identifiable cash flows (cash generating units).

## 4.3 Borrowing costs

Borrowing costs are interest or other costs incurred by the Company in connection with the borrowing of funds. Borrowing cost that is directly attributable to a qualifying asset is capitalised as part of cost of that asset. All other borrowing costs are charged to unconsolidated statement of profit or loss in the period in which they are incurred.

## 4.4 Investment in subsidiary companies

Investments in subsidiary is valued at cost less impairment, if any. A reversal of an impairment loss on subsidiary is recognised in the unconsolidated statement of profit or loss as it arises provided the increased carrying value does not exceed cost.

Gains and losses on disposal of investments in subsidiary is included in the unconsolidated statement of profit or loss.

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

## 4.5 Financial instruments

### 4.5.1 Financial assets

#### 4.5.1.1 Classification and subsequent measurement

The Company has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL).

based on the business model assessment of the entity and the cash flow characteristics of the asset.

The classification requirements for debt and equity instruments are described below:

#### (i) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and puttable instruments like units of open-ended mutual funds.

Classification and subsequent measurement of debt instruments depend on:

- the Company's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments in one of the following three measurement categories:

#### a) At amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 4.5.1.2.

#### b) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, recognised and measured as described in note 4.5.1.2, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in the consolidated statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the consolidated statement of profit or loss.

#### c) Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for classification at amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in the consolidated statement of profit or loss in the period in which it arises.

#### (ii) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the consolidated statement of financial position at fair value, with gains and losses recognised in the consolidated statement of profit or loss, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI.

The dividend income for equity securities classified under FVOCI are to be recognised in the consolidated statement of profit or loss. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the consolidated statement of profit or loss on derecognition.

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

## 4.5.1.2 Impairment

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost and FVOCI. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due. The Company writes off its financial assets, in whole or part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.

## 4.5.1.3 Derecognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either:

- (i) the Company transfers substantially all the risks and rewards of ownership; or
- (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

## 4.5.1.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Company commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

## 4.5.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at cost, which is the fair value of the consideration given. Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective interest method.

### 4.5.2.1 Derecognition

Financial liabilities are derecognised at the time when these are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the consolidated statement of profit or loss.

## 4.5.3 Initial recognition

Financial assets and financial liabilities are recognised at the time the Company becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the consolidated statement of profit or loss.

## 4.5.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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## 4.5.5 Business model

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

## 4.5.6 SPPI

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

## 4.5.7 Reclassifications

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

## 4.5.8 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is re-measured to its fair value and the resultant gain or loss is recognised in the unconsolidated statement of profit or loss.

## 4.6 Trade debts and other receivables

Trade debts and other receivables are stated at amortised cost less impairment losses recognised and measured as described in note 4.5.1.2.

## 4.7 Provisions, contingencies and commitments

A provision is recognised in the unconsolidated statement of financial position when the Company has a present legal or constructive obligation as a result of a 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 obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent assets are not recognised but are disclosed unless inflow of economic benefits is virtually certain. Contingent liabilities are not recognised and are disclosed unless the probability of outflow of resources embodying economic benefits is remote.

Commitments for outstanding capital expenditure contracts are disclosed in these unconsolidated financial statements at committed amounts.

## 4.8 Trade and other payables

Liabilities for trade and other payables are carried at amortised cost which is the fair value of the consideration to be paid in future for services.

## 4.9 Foreign currency transactions and translations

Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rates of exchange prevailing at the reporting date. Transactions in foreign currencies are converted into Pakistani Rupees at the rates of exchange prevailing at the transaction date. Exchange gains or losses are recognised in the unconsolidated statement of profit or loss.



# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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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.

## 4.10 Taxation

### 4.10.1 Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account available tax credit and rebates, if any. Income for the purpose of computing current taxation is determined under the provisions of tax laws.

### 4.10.2 Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from difference between the carrying amount of the assets and liabilities in the unconsolidated financial statements and corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the unconsolidated statement of profit or loss, except where deferred tax arises on the items credited or charged to equity in which case it is included in equity or when they relate to items recognised in other comprehensive income in which case it is recognised in the unconsolidated statement of profit or loss and other comprehensive income.

## 4.11 Cash and cash equivalents

Cash and cash equivalents are carried in the unconsolidated statement of financial position at amortised cost. For the purpose of unconsolidated statement of cash flows, cash and cash equivalents comprise cash and bank balances and only those short term investments which are highly liquid and maturing within three months from the date of acquisition, which is readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

## 4.12 Revenue recognition

Revenue is recognised when the services have been rendered by the Company and received by the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the service. Revenue of different streams is recognised as follows:

### Depository services and trusteeship and custodial services

- a) Transaction fee for settlement of trades in eligible securities through Central Depository System (CDS) is recognised in full upon settlement in CDS on the basis of day end market value of securities on the last trading session at the Pakistan Stock Exchange (PSX). Transaction fee on government securities is charged and recognised on per trade basis;
- b) Custody fee is recognised on daily basis for balance of securities present in CDS on closing market value of last trading session of every trading day at PSX. Custody fee on unlisted securities is recognised on face value of such securities;
- c) Annual fee and CDS connection fee are billed in advance and are amortised over the period of such service;
- d) Other fees are recognised when the Company renders the related services; and
- e) Income from trustee operations is recognised on the basis of closing daily net asset value of the funds.

### Return on investments

- a) Gains and losses on sale of investments are accounted for in the year in which they arise;
- b) Interest income is recognised on an accrual basis and dividend income is recognised when the right to receive dividend is established; and
- c) Unrealised appreciation / (diminution) are recognised in the unconsolidated statement of profit or loss in the year in which they arise.

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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## 4.13 Dividend and appropriation

Dividend distribution to the shareholders' of the Company is recognised as a liability in the unconsolidated statement of financial position in the period in which such dividends are approved.

## 4.14 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

## 4.15 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the management, which is responsible for allocating resources and assessing performance of the operating segments. The basis of segmentation and reportable segments presented in these unconsolidated financial statements are the same which are presented to the Board of Directors. Assets and liabilities are not segment wise reported to the Board of Directors.

## 4.16 Associates

Associates are all entities over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20% and 50% of the voting rights. Investments in associates are carried at cost in the unconsolidated financial statements.

## 5 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

June 30, 2023	June 30, 2022		June 30, 2023	June 30, 2022
Number of shares			Rupees	
<b>400,000,000</b>	400,000,000	<b>Authorised share capital</b>	<b>4,000,000,000</b>	4,000,000,000
		Ordinary shares of Rs. 10 each		
<b>10,000,000</b>	10,000,000	<b>Issued, subscribed and paid-up share capital</b>	<b>100,000,000</b>	100,000,000
		Ordinary shares of Rs. 10 each fully paid in cash		
		<b>Ordinary shares of Rs. 10 each issued as fully paid bonus shares</b>		
<b>290,000,000</b>	240,000,000	- Beginning of the year	<b>2,900,000,000</b>	2,400,000,000
<b>50,000,000</b>	50,000,000	- During the year	<b>500,000,000</b>	500,000,000
<b>340,000,000</b>	290,000,000	Total bonus shares	<b>3,400,000,000</b>	2,900,000,000
<b>350,000,000</b>	300,000,000		<b>3,500,000,000</b>	3,000,000,000

5.1 Associated companies held 191,833,382 shares (June 30, 2022: 194,424,000 shares) in the Company as at June 30, 2023

5.2 During the year, the Company has issued 50,000,000 bonus shares from unappropriated profit (June 30, 2022: 50,000,000).

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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	June 30, 2023	June 30, 2022
	-----Rupees-----	
<b>6 SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT - NET OF TAX</b>		
This represents surplus arising on revaluation of land and buildings, net of deferred tax thereon. This surplus is not available for distribution to the shareholders.		
Surplus on revaluation of property and equipment as at July 1	1,266,963,436	752,907,812
Surplus arising on revaluation during the year	-	530,249,099
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	(15,293,400)	(11,449,932)
Related deferred tax liability	(9,777,756)	(4,743,543)
	(25,071,156)	(16,193,475)
Surplus on revaluation of property and equipment as at June 30	1,241,892,280	1,266,963,436
Less: related deferred tax liability:		
- at beginning of the year	(165,484,553)	(75,896,695)
- on surplus arising on revaluation during the year	-	(94,331,401)
- due to change in rate of tax during the year	(35,651,553)	-
- on incremental depreciation charged during the year	9,777,756	4,743,543
Deferred tax liability on surplus on revaluation of property and equipment at the end of the year	(191,358,350)	(165,484,553)
	1,050,533,930	1,101,478,883
<b>7 LONG TERM DEPOSITS</b>		
Due to:		
- Participants	38,849,137	39,799,137
- Institutions	39,574,363	37,824,363
- Pledges	1,925,000	1,900,000
- Issuers	74,575,000	67,300,000
	154,923,500	146,823,500
<b>7.1</b> These represent security deposits received from different categories of Central Depository System (CDS) elements for their admission in the CDS. According to regulation 3.8.4 of Central Depository Company of Pakistan Limited Regulations, such deposits may be utilised by the company for any purpose whatsoever and shall be refundable at the time of termination of admission to the CDS.		
<b>7.2</b> These include long term deposits amounting to Rs 3.5 million (June 30, 2022: Rs 3.03 million) from related parties.		

	June 30, 2023	June 30, 2022
	-----Rupees-----	
<b>8 DEFERRED TAXATION - NET</b>		
<b>Deferred tax liabilities arising on taxable temporary differences</b>		
- Excess of accounting written down value under cost model over tax written down value of property and equipment	74,131,490	20,408,180
- Surplus on revaluation of property and equipment	191,358,350	165,484,553
- Accrued income - Market Treasury Bills	-	4,366,779
<b>Deferred tax assets arising on deductible temporary differences</b>		
- Provision for doubtful debts	(452,063)	(382,515)
- Unrealised loss on Mutual Funds	(4,831,368)	(7,064,917)
- Provision for donation	(16,140,127)	(10,264,375)
	244,066,282	172,547,705

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

	Note	June 30, 2023	June 30, 2022
		-----Rupees-----	
<b>8.1 Reconciliation of deferred tax liability</b>			
Deferred tax liability - opening balance		172,547,705	78,566,173
Recognised through the unconsolidated statement of profit or loss and other comprehensive income		35,651,553	94,331,401
Recognised through the unconsolidated statement of profit or loss	28	35,867,024	(349,869)
Deferred tax liability - closing balance		<u>244,066,282</u>	<u>172,547,705</u>
<b>9 TRADE AND OTHER PAYABLES</b>			
Payable to suppliers		42,696,967	3,092,281
Accrued expenses		439,493,998	378,105,338
Employees' retirement benefits and other obligations	9.1	62,863,646	159,115,459
Investor account services - current account		124,535,675	116,383,174
Sales tax payable		10,246,911	13,300,872
Others		18,790,550	3,430,563
		<u>698,627,747</u>	<u>673,427,687</u>
<b>9.1 Employees' retirement benefits and other obligations</b>			
Net defined benefit liability	31.3	22,082,000	113,726,000
Accumulated compensated absences	9.2	40,446,000	44,210,833
Salaries and other benefits payable		335,646	1,178,626
		<u>62,863,646</u>	<u>159,115,459</u>
<b>9.2 Accumulated compensated absences</b>			
Opening balance		44,210,833	45,150,834
Provision for the year		-	4,861,540
Payments / transfers made during the year		(3,764,833)	(5,801,541)
Closing balance		<u>40,446,000</u>	<u>44,210,833</u>
<b>10 UNEARNED FEE</b>			
Annual fee			
- Issuers		9,491,771	10,258,865
- Investor account services (IAS)		9,433,432	9,450,163
Centralised Information Sharing Solution for Insurance Industry (CISSII) participants		10,610,017	10,110,017
Investment portfolio services (IPS)		46,040	40,685
Fresh issue		4,586,565	-
Sub account maintenance fee		43,517,125	43,093,160
Other fee		27,200	-
		<u>77,712,150</u>	<u>72,952,890</u>

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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## 11 TAXATION - NET

**11.1** The returns of income tax for the tax years 2017 and 2018 were amended under section 122(5A) of the Income Tax Ordinance, 2001 and amended assessment orders were passed for these tax years. Certain additions / disallowances were made in the orders and demands of Rs. 17.9 million and Rs.17.3 million respectively were raised. The Company paid the additional tax demand for both tax years and filed appeals before the Commissioner Inland Revenue (Appeals) [CIR(A)], which have been decided in favour of the Company except for the issue of claim of maintenance expense relating to software incurred by the Company for both tax years, which has been remanded back by CIR(A). An appeal against the order of CIR(A) to remand back the issue relating to the maintenance expense of software has been filed before Appellate Tribunal Inland Revenue (ATIR), which is currently pending. Based on the advice of the tax advisors, the management of the Company is confident that it shall be eventually decided in the Company's favour. Accordingly, no provision has been recognised in these unconsolidated financial statements in regards of the above matter.

**11.2** During the year ended 30 June 2023, the return of income tax for the tax year 2021 was amended under section 122(5A) of the Income Tax Ordinance, 2001. This amended assessment order was passed relating to the tax year 2021 by raising additional tax demand of Rs. 25 million. The Company has filed appeal against the order and has paid the amount equal to 10% of the demand to obtain automatic stay against further recovery of tax. Based on the orders passed previously in the case of the Company and other precedents available, it is expected that CIR(A) may decide the appeal in favour of the Company. However, the addition made on account of maintenance expense of software, may be remanded back. It is also expected, based on the advice of its tax advisor, that the same would be decided in favour of the Company. Therefore, no provision has been recognised in these unconsolidated financial statements.

## 12 CONTINGENCIES AND COMMITMENTS

### 12.1 Contingencies

During 2014-2015, the Sindh Revenue Board (SRB) passed an order in relation to tax periods commencing from July 2011 up to June 2013 with regards to chargeability of Sindh Sales Tax (SST) amounting to Rs 297 million including penalty. Subsequently, the penalty amounting to Rs. 15 million was removed and the revised demand was restricted to Rs. 282 million. SRB was of the opinion that services rendered by the Company were falling under the ambit of Non-Banking Finance Companies (NBFC). The Company did not agree with the SRB's contention, the Company pursued the matter in appeal and through the order dated February 28, 2018, the Hon'able Appellate Tribunal – SRB has decided the case in favour of the Company and has vacated the above referred tax demand.

Apart from the above, the SRB has also issued a notice for the periods from July 2013 through June 2015, requiring the Company to show-cause as to why SST of Rs 344.6 million including penalty should not be recovered from the Company on alleged failure to charge SST on its services. The management on the basis of above-referred judgment of Hon'able Appellate Tribunal – SRB has filed the application in the Honorable Sindh High Court for vacation of the same and is confident that the matter will be resolved in the Company's favour and therefore no provision has been recognised in these unconsolidated financial statements.

		June 30, 2023	June 30, 2022
	Note	-----Rupees-----	
<b>12.2 Commitments</b>			
Capital expenditure for acquisition of software, hardware and office equipment		<u>58,646,565</u>	<u>17,258,755</u>
<b>13 FIXED ASSETS</b>			
Property and equipment	13.1	<u>1,714,715,427</u>	1,713,892,726
Intangibles	13.2	<u>174,371,340</u>	113,123,981
		<u>1,889,086,767</u>	<u>1,827,016,707</u>
<b>13.1 Property and equipment</b>			
Operating assets	13.1.1	<u>1,672,253,811</u>	1,710,197,766
Capital work-in-progress	13.1.5	<u>42,461,616</u>	3,694,960
		<u>1,714,715,427</u>	<u>1,713,892,726</u>

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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## 13.1.1 Operating assets

	June 30, 2023						
	Leasehold land	Building	Furniture, fixtures and electrical equipment	Vehicles	Office equipment	Computer equipment	Total operating assets
	Rupees						
At July 1, 2022							
Cost / revalued amount	824,998,500	825,495,295	184,143,595	125,135,604	204,292,983	620,108,793	2,784,174,770
Accumulated depreciation	-	(138,088,683)	(156,796,633)	(63,431,246)	(185,349,470)	(530,310,972)	(1,073,977,004)
Net book value	824,998,500	687,406,612	27,346,962	61,704,358	18,943,513	89,797,821	1,710,197,766
Additions / transfer from CWIP / adjustments	-	45,963	10,571,733	38,606,926	1,167,342	44,731,029	95,122,993
Revaluation	-	-	-	-	-	-	-
Disposals							
Cost / revalued amount	-	-	(2,368,942)	(24,069,638)	(3,022,504)	(9,364,903)	(38,825,987)
Accumulated depreciation	-	-	2,368,722	18,851,833	2,559,239	8,969,034	32,748,828
	-	-	(220)	(5,217,805)	(463,265)	(395,869)	(6,077,159)
Depreciation charge for the year	-	(34,369,803)	(10,079,787)	(26,040,685)	(5,815,827)	(50,683,687)	(126,989,789)
Closing net book value	824,998,500	653,082,772	27,838,688	69,052,794	13,831,763	83,449,294	1,672,253,811
At June 30, 2023							
Cost / revalued amount	824,998,500	825,541,258	192,346,386	139,672,892	202,437,821	655,474,919	2,840,471,776
Accumulated depreciation	-	(172,458,486)	(164,507,698)	(70,620,098)	(188,606,058)	(572,025,625)	(1,168,217,965)
Net book value	824,998,500	653,082,772	27,838,688	69,052,794	13,831,763	83,449,294	1,672,253,811
Depreciation rate per annum	-	5%	20%	20%	20%	25% - 33.33%	

	June 30, 2022						
	Leasehold land	Building	Furniture, fixtures and electrical equipment	Vehicles	Office equipment	Computer equipment	Total operating assets
	Rupees						
At July 1, 2021							
Cost / revalued amount	549,999,000	568,571,581	176,266,380	112,688,468	209,458,092	578,588,867	2,195,572,388
Accumulated depreciation	-	(109,653,035)	(153,618,804)	(52,299,546)	(190,409,343)	(479,324,518)	(985,305,246)
Net book value	549,999,000	458,918,546	22,647,576	60,388,922	19,048,749	99,264,349	1,210,267,142
Additions / transfer from CWIP	-	1,674,115	13,222,656	26,693,998	7,939,472	43,108,893	92,639,134
Revaluation	274,999,500	255,249,599	-	-	-	-	530,249,099
Disposals							
Cost / revalued amount	-	-	(5,345,441)	(14,246,862)	(13,104,581)	(1,588,967)	(34,285,851)
Accumulated depreciation	-	-	5,345,354	12,736,519	12,724,882	1,588,951	32,395,706
	-	-	(87)	(1,510,343)	(379,699)	(16)	(1,890,145)
Depreciation charge for the year	-	(28,435,648)	(8,523,183)	(23,868,219)	(7,665,009)	(52,575,405)	(121,067,464)
Closing net book value	824,998,500	687,406,612	27,346,962	61,704,358	18,943,513	89,797,821	1,710,197,766
At June 30, 2022							
Cost / revalued amount	824,998,500	825,495,295	184,143,595	125,135,604	204,292,983	620,108,793	2,784,174,770
Accumulated depreciation	-	(138,088,683)	(156,796,633)	(63,431,246)	(185,349,470)	(530,310,972)	(1,073,977,004)
Net book value	824,998,500	687,406,612	27,346,962	61,704,358	18,943,513	89,797,821	1,710,197,766
Depreciation rate per annum	-	5%	20%	20%	20%	25% - 33.33%	

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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**13.1.2** The Company revalued its leasehold land and building on June 30, 2022. The revaluation exercise was carried out by independent valuer - MYK Associates (Pvt.) Limited, (Approved valuer of Pakistan Banks' Association). The valuer has estimated the remaining life of the buildings to be 20 years. Leasehold land was revalued on the basis of current market price whereas buildings were revalued on the basis of depreciated market value.

**13.1.3** Had there been no revaluation of leasehold land and building, the cost and written down values would have been as follows:

	June 30, 2023	June 30, 2022
	-----Rupees-----	
<b>Leasehold land</b>		
Cost	<b>59,458,250</b>	59,458,250
Net book value under cost model	<b>59,458,250</b>	59,458,250
<b>Building</b>		
Cost	<b>343,803,850</b>	343,803,850
Net book value under cost model	<b>162,420,336</b>	179,610,528

**13.1.4** On the basis of the revaluation report dated June 30, 2022, the forced sale value of leasehold land and buildings is 1,134.3 million.

	June 30, 2023	June 30, 2022
	-----Rupees-----	
<b>13.1.5 Capital work-in-progress</b>		
Balance at the beginning of the year	<b>3,694,960</b>	2,287,026
Additions		
- Furniture, fixtures and electrical equipment	<b>1,593,031</b>	6,199,783
- Building	<b>672,432</b>	1,674,115
- Computers and office equipment	<b>40,480,648</b>	843,691
- Vehicles	<b>38,699,668</b>	5,007,000
	<b>81,445,779</b>	13,724,589
Transferred to operating assets	<b>85,140,739</b>	16,011,615
Balance at the end of the year	<b>(42,679,123)</b>	(12,316,655)
	<b>42,461,616</b>	3,694,960

## 13.2 Intangibles

Software	13.2.1	<b>169,829,753</b>	111,822,104
Software under implementation	13.2.2	<b>4,541,587</b>	1,301,877
		<b>174,371,340</b>	113,123,981

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

	June 30, 2023	June 30, 2022
	-----Rupees-----	
<b>13.2.1 Software</b>		
<b>Opening balance</b>		
Cost	618,793,178	584,644,292
Accumulated amortisation	(506,971,074)	(459,453,322)
Net book value	111,822,104	125,190,970
<b>Additions during the year</b>	108,211,353	34,148,886
Adjustment - Cost	(25,023)	-
<b>Disposals</b>		
Cost	-	-
Accumulated amortisation	-	-
Amortisation charge for the year	(50,071,186)	(47,517,752)
Adjustment - Accumulated amortisation	(107,495)	-
<b>Closing net book value</b>	169,829,753	111,822,104
Rate of amortisation	20%	20%
<b>Closing balance</b>		
Cost	726,979,508	618,793,178
Accumulated amortisation	(557,149,755)	(506,971,074)
<b>Net book value</b>	169,829,753	111,822,104

<b>13.2.2 Software under implementation</b>		
Balance at the beginning of the year	1,301,877	687,500
Additions	91,646,871	26,818,504
	92,948,748	27,506,004
Transferred to operating assets	(88,407,161)	(26,204,127)
Balance at the end of the year	4,541,587	1,301,877

## 13.3 Details of disposals

The following fixed assets were disposed by the Company during the year ended June 30, 2023:

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers	Relationship with buyer
	-----Rupees-----							
<b>Disposals having book value exceeding Rs. 500,000 individually</b>								
Motor vehicles								
- Honda BRV	2,449,000	1,918,385	530,615	2,000,000	1,469,385	Sale as per the Company's policy	Syed Hassan Aslam	Ex - employee
- Honda BRV	3,497,000	1,403,882	2,093,118	3,808,000	1,714,882	Sale as per the Company's policy	Yaseen Younus	Employee
- Toyota Yaris	2,675,000	713,331	1,961,669	3,000,000	1,038,331	Sale as per the Company's policy	Mustafa Farooq	Ex - employee
<b>Disposals having book value not exceeding Rs. 500,000 individually</b>								
Furniture, fixtures and electrical equipment	2,368,942	2,368,722	220	299,000	298,780	Sale as per the Company's policy	Various	Various
Office equipment	3,022,504	2,559,239	463,265	416,183	(47,082)	Sale as per the Company's policy	Various	Various
Computer equipment	9,364,903	8,969,034	395,869	276,368	(119,501)	Sale as per the Company's policy	Various	Various
Vehicles	15,448,638	14,816,235	632,403	7,732,600	7,100,197	Sale as per the Company's policy	Various employees	Various employees
<b>2023</b>	<b>38,825,987</b>	<b>32,748,828</b>	<b>6,077,159</b>	<b>17,532,151</b>	<b>11,454,992</b>			
<b>2022</b>	<b>34,285,851</b>	<b>32,395,706</b>	<b>1,890,145</b>	<b>6,534,388</b>	<b>4,644,243</b>			

**13.4** Cost and accumulated depreciation in respect of fully depreciated property and equipment still in use at the end of the year amounted to Rs. 1,270.903 million (2022: Rs. 1,158.997 million).



# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
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		June 30, 2023	June 30, 2022
	Note	-----Rupees-----	
<b>14 LONG TERM INVESTMENTS</b>			
Investment in subsidiaries - at cost	14.1	100,000,000	100,000,000
Investment in associate - at cost	14.2	75,000,000	75,000,000
Investment in associated company - at cost	14.2	29,285,720	29,285,720
		<u>204,285,720</u>	<u>204,285,720</u>

**14.1** This represents investments in wholly owned subsidiaries namely ITMinds Limited and CDC Share Registrar Services Limited by subscribing 5,000,000 (June 30, 2022: 5,000,000) shares of Rs.10 each of ITMinds Limited and 5,000,000 (June 30, 2022: 5,000,000) shares of Rs. 10 each of CDC Share Registrar Services Limited. The business operations of the subsidiaries are as follows:

- ITMinds Limited is engaged in providing information technology related and business process outsourcing (BPO) services; and
- CDC Share Registrar Services Limited is engaged in providing share registrar services.

**14.2** These represent investment in associated companies (related parties) namely Naymat Collateral Management Company Limited and EClear Services Limited by subscribing 2,928,570 (June 30, 2022: 2,928,570) shares of Rs.10 each of Naymat Collateral Management Company Limited and 7,500,000 (June 30, 2022: 7,500,000) shares of Rs. 10 each of EClear Services Limited.

		June 30, 2023	June 30, 2022
	Note	-----Rupees-----	
<b>15 LONG TERM LOANS - SECURED</b>			
<b>Considered good</b>			
- House loans	15.1	57,653,597	54,310,890
- Car loans	15.2	35,093,218	24,112,409
- Bike loans	15.3	760,111	998,642
		<u>93,506,926</u>	<u>79,421,941</u>
- Transferred to current maturity		<u>(14,010,412)</u>	<u>(17,729,782)</u>
		<u>79,496,514</u>	<u>61,692,159</u>
<b>Loan outstanding for period:</b>			
- More than one year but less than three years		27,865,014	23,195,165
- More than three years		51,631,500	38,496,994
		<u>79,496,514</u>	<u>61,692,159</u>
<b>Movement of loan to executives</b>			
Balance at beginning of the year		26,940,946	32,952,268
Add: Disbursements during the year		14,657,185	-
		<u>41,598,131</u>	<u>32,952,268</u>
Less: Recovered during the year		<u>(6,489,312)</u>	<u>(6,011,322)</u>
Balance at the end of the year		<u>35,108,819</u>	<u>26,940,946</u>

**15.1** Interest at 4.25% per annum on monthly outstanding balance is recovered on house loans. Maximum repayment period for house loan is fifteen years.

**15.2** Interest at 3% per annum on monthly outstanding balance is recovered on car loans. However, no interest is recovered from employees who have surrendered interest on their provident fund. Maximum repayment period for car loan is five years.

**15.3** No interest is recovered on bike loans given to employees. Maximum repayment period for bike loan is four years.

**15.4** The maximum aggregate amount of loans at the end of any month during the year was Rs. 130.59 million (June 30, 2022: Rs. 118.25 million). The loans are secured against the underlying assets.

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

	June 30, 2023	June 30, 2022
	-----Rupees-----	
<b>16 LONG TERM DEPOSITS AND PREPAYMENTS</b>		
Deposits		
- Rented premises	585,000	585,000
- Utilities and others	10,698,265	8,487,251
	<b>11,283,265</b>	9,072,251
Prepayments	2,270,302	370,276
	<b>13,553,567</b>	9,442,527
<b>17 TRADE DEBTS - NET</b>		
Considered good		
- secured	312,533,632	224,500,002
- unsecured	108,392,241	136,464,998
	<b>420,925,873</b>	360,965,000
Considered doubtful	1,159,136	1,159,136
	<b>422,085,009</b>	362,124,136
Provision against doubtful trade debts	(1,159,136)	(1,159,136)
	<b>420,925,873</b>	360,965,000

17.1 The aging analysis of trade debts are as follows:

	June 30, 2023			June 30, 2022		
	Gross	Impaired	Net	Gross	Impaired	Net
	-----Rupees-----					
Within 45 days	210,817,844	-	210,817,844	164,441,574	-	164,441,574
46 to 90 days	22,581,551	-	22,581,551	32,880,764	-	32,880,764
Over 91 days	188,685,615	1,159,137	187,526,478	164,801,798	1,159,136	163,642,662
Total	<b>422,085,010</b>	<b>1,159,137</b>	<b>420,925,873</b>	<b>362,124,136</b>	<b>1,159,136</b>	<b>360,965,000</b>

17.2 The Company reviews all the trade debts for indication of impairment. During the year, no further provision has been made and consequently the opening balance of provision for doubtful debt which comprises dues from terminated participants and investor account holders amounting to Rs. 0.4 million (June 30, 2022: Rs. 0.4 million) and Rs. 0.7 million (June 30, 2022: 0.7 million) respectively are valid till year end.

17.3 Trade debts include receivable from associated persons and companies (related parties) amounting to Rs. 11.319 million (June 30, 2022: Rs. 6.639 million).

17.3.1 The aging analysis of trade debts with related parties is as follows:

	June 30, 2023			June 30, 2022		
	Gross	Impaired	Net	Gross	Impaired	Net
	-----Rupees-----					
Within 45 days	7,481,658	-	7,481,658	2,200,714	-	2,200,714
46 to 90 days	1,934,355	-	1,934,355	1,925,227	-	1,925,227
Over 91 days	1,902,539	-	1,902,539	2,512,592	-	2,512,592
Total	<b>11,318,552</b>	<b>-</b>	<b>11,318,552</b>	<b>6,638,533</b>	<b>-</b>	<b>6,638,533</b>

17.4 The maximum aggregate amount of receivable from associated persons and companies (related parties) at the end of any month during the year was Rs. 24.7 million (June 30, 2022: Rs. 22.9 million).

17.4.1 The details of related parties are disclosed in note 32.

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

18	LOANS AND ADVANCES	Note	June 30, 2023 -----Rupees-----	June 30, 2022
	Considered good			
	Current maturity of long term loans - secured	15	14,010,412	17,729,782
	Unsecured			
	- Advance to employees	18.2	4,500,621	6,946,336
	- Advance against expenses	18.3	4,949,970	7,158,286
			9,450,591	14,104,622
			<u>23,461,003</u>	<u>31,834,404</u>

18.1 All loans and advances have been reviewed for impairment and none of the loans and advances were found to be impaired.

18.2 This represents money advanced to the Company's employees for the purpose of any emergency or advance house rent. These advances are repaid by employees on monthly basis within 12 months.

18.3 This represents money advanced to the Company's employees for the purpose of meeting daily expenses mainly relating to travelling and subsistence.

19	PREPAYMENTS	Note	June 30, 2023 -----Rupees-----	June 30, 2022
	Insurance		3,940,243	4,032,282
	Software maintenance		34,418,236	21,494,580
	Servers & other hardware maintenance		16,631,425	3,927,168
	Others		6,792,007	5,134,502
			<u>61,781,911</u>	<u>34,588,532</u>

## 20 OTHER RECEIVABLES - NET

Receivable from related parties:

- ITMinds Limited - Subsidiary	14,843,217	9,441,998
- CDC Share Registrar Services Limited - Subsidiary	7,807,984	7,616,687
- EClear Services Limited - Associate	1,332,025	6,169,005
- National Clearing Company of Pakistan Limited - associated company	-	1,028,218
- Naymat Collateral Management Company Limited	8,000,111	7,075,579

Prepaid staff cost	20.4	37,583,913	28,105,876
Others		22,315,693	3,199,671
		<u>91,882,943</u>	<u>62,637,034</u>

20.1 All the other receivables have been reviewed for impairment and none of the other receivables was found to be impaired.

20.2 The aging analysis of other receivables from related parties are as follows:

	June 30, 2023			June 30, 2022		
	Gross	Impaired	Net	Gross	Impaired	Net
	-----Rupees-----					
Within 45 days	23,983,226	-	23,983,226	28,672,669	-	28,672,669
46 to 90 days	6,135,611	-	6,135,611	790,233	-	790,233
Over 91 days	1,864,500	-	1,864,500	1,868,585	-	1,868,585
Total	<u>31,983,337</u>	<u>-</u>	<u>31,983,337</u>	<u>31,331,487</u>	<u>-</u>	<u>31,331,487</u>

20.3 The maximum aggregate amount of other receivable from associated persons and companies (related parties) at the end of any month during the year was Rs 82.46 million (June 30, 2022: Rs 68.11 million).

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

	June 30, 2023	June 30, 2022
	-----Rupees-----	
<b>20.4 Prepaid staff cost</b>		
Opening prepaid cost	<b>28,105,876</b>	30,145,803
During the year	<b>21,803,278</b>	3,111,261
Amortised during the year	<b>(12,325,241)</b>	(5,151,188)
Closing prepaid cost	<b>37,583,913</b>	28,105,876

**20.4.1** These loans are initially recognised at their fair values measured using the market rate of identical personal installment loans. The difference between the fair value and cash disbursement is accounted for as a prepaid staff cost and is being amortised over the life of the respective loans.

	Note	June 30, 2023	June 30, 2022
		-----Rupees-----	
<b>21 SHORT TERM INVESTMENTS</b>			
<b>At amortised cost</b>			
- Market Treasury Bills	21.1	<b>1,398,939,154</b>	3,939,434,735
<b>Financial assets at fair value through profit or loss</b>			
- Units of mutual funds	21.2	<b>3,394,570,371</b>	581,628,866
		<b>4,793,509,525</b>	4,521,063,601

**21.1** These represent investment in Market Treasury Bills having original maturity of upto three months. These carry purchase yield ranging from 13.82% to 22.17% (June 30, 2022: 13.19% to 15.45%) per annum.

**21.1.1** These represent investment in Market Treasury Bills pledged with NCCPL amounting to Rs. 150 million (2022: Rs. 150 million) as per regulation 12.4 of the National Clearing Company of Pakistan Regulations, 2015.

**21.2 Units of mutual funds - 'at fair value through profit or loss'**

Particulars	Number of units				As at June 30, 2023		
	As at July 01, 2022	Purchased during the year	Redeemed during the year	As at June 30, 2023	Carrying value	Market Value	Unrealised diminution
					----- (Rupees) -----		
Alfalah GHP Money Market Fund	-	2,879,877	-	2,879,877	283,298,948	284,636,941	1,337,993
Atlas Money Market Fund	-	559,063	-	559,063	282,964,207	284,287,326	1,323,119
Meezan Rozana Amdani Fund	-	4,185,805	4,185,805	-	-	-	-
MCB Cash Management Optimizer	-	3,912,913	-	3,912,913	396,551,569	397,675,669	1,124,100
HBL Cash Fund	-	3,300,148	981,288	2,318,861	235,038,224	236,905,923	1,867,699
ABL Cash Fund	-	21,679,944	-	21,679,944	221,162,416	221,757,634	595,218
NIT Money Market Fund	-	34,566,915	-	34,566,915	333,698,598	335,153,893	1,455,295
Lakson Money Market Fund	-	2,781,855	-	2,781,855	282,401,375	285,279,833	2,878,458
UBL Liquidity Plus Fund	-	3,928,423	-	3,928,423	397,286,328	397,503,746	217,418
NBP Money Market Fund	-	39,948,229	-	39,948,229	396,727,687	398,671,346	1,943,659
Meezan Islamic Fund	2,125,742	-	-	2,125,742	119,533,655	116,495,971	(3,037,684)
National Investment Unit Trust	1,869,858	134,742	-	2,004,600	124,659,679	101,472,825	(23,186,854)
NBP Stock Fund	8,229,511	-	-	8,229,511	113,539,273	111,036,679	(2,502,594)
MCB Pakistan Stock Market Fund	1,311,529	-	-	1,311,529	113,452,334	110,519,626	(2,932,708)
UBL Stock Advantage Fund	1,634,267	-	-	1,634,267	113,581,526	113,172,959	(408,567)
<b>As at June 30, 2023</b>					<b>3,413,895,819</b>	<b>3,394,570,371</b>	<b>(19,325,448)</b>
<b>As at June 30, 2022</b>					<b>624,446,543</b>	<b>581,628,866</b>	<b>(42,817,677)</b>

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

	Note	June 30, 2023	June 30, 2022
		-----Rupees-----	
<b>22 CASH AND BANK BALANCES</b>			
Balances with banks in:			
- savings account	22.1	415,427,438	464,305,387
- current account		337,321,347	53,758,855
Amount held on behalf of clients	22.3	(590,824,737)	(375,899,307)
Net bank balance	22.2	161,924,048	142,164,935
Cash in hand		10,002,540	179,778
		171,926,588	142,344,713
<b>22.1</b>	These carry mark-up at rates of 12.25% to 19.5% per annum (June 30, 2022: 5.5% to 12.25% per annum).		
<b>22.2</b>	Bank balances include Rs. 19.52 million (June 30, 2022: Rs. 4.9 million) held with related parties.		
<b>22.3</b>	This includes balances held by the Company, in the Real-Time Gross Settlement account with the State Bank of Pakistan amounting to Rs. 324.56 million (June 30, 2022: Rs. 45.22 million) and Direct Settlement Services amounting to Rs. 266.26 million (June 30, 2022: Rs. 330.68 million), on behalf of the clients for settlement purpose.		
<b>23 OPERATING INCOME - NET</b>			
Depository services - net	23.1	1,152,583,377	1,210,427,651
Trusteeship and custodial services - net	23.2	1,001,442,077	830,652,351
Miscellaneous income - net	23.3	31,560,334	29,587,444
		2,185,585,788	2,070,667,446
SECP supervision fee	23.4	(11,804,393)	(12,612,730)
		2,173,781,395	2,058,054,716
<b>23.1 Depository services - net</b>			
Depository services		1,308,844,662	1,377,938,769
Less: Sales tax		(156,261,285)	(167,511,118)
		1,152,583,377	1,210,427,651
<b>23.1.1 Depository services - net</b>			
Transaction fee	23.1.2	130,071,068	148,737,670
Custody fee		220,475,708	247,651,794
Sub account maintenance fee		88,542,742	89,524,380
CDS connection fee		42,807,050	42,398,500
Security induction fee		297,603,005	329,042,069
Annual fee		328,638,947	314,482,850
Cancellation fee / Revocation fee		15,996,475	8,646,220
Withdrawal fee		189,844	1,630,278
Vasco service charges		2,326,908	2,296,200
eDividend charges		25,931,630	26,017,690
		1,152,583,377	1,210,427,651
<b>23.1.2 Transaction fee - net</b>			
Transaction fee		159,847,233	191,090,721
Less: SECP levy	23.1.3	(29,776,165)	(42,353,051)
		130,071,068	148,737,670
<b>23.1.3</b>	Securities and Exchange Commission of Pakistan (SECP) imposed a levy of 0.000405 (June 30, 2022: 0.000405) paisa per share as transaction fee which is borne by the Company.		

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
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		June 30, 2023	June 30, 2022
	Note	-----Rupees-----	
<b>23.2 Trusteeship and custodial services - net</b>			
Trusteeship and custodial services		<b>1,201,809,682</b>	1,000,652,237
Less: SECP levy	23.2.1	<b>(64,884,499)</b>	(51,058,749)
Less: Sales tax		<b>(135,483,106)</b>	(118,941,137)
		<b>1,001,442,077</b>	830,652,351
<b>23.2.1</b>	SECP imposed an annual fee @ 0.005% (June 30, 2022: 0.005%) of average annual assets of open end scheme and closed end scheme under its trusteeship.		
		June 30, 2023	June 30, 2022
		-----Rupees-----	
<b>23.3 Miscellaneous income - net</b>			
Miscellaneous income		<b>39,831,322</b>	31,252,311
Less: Sales tax		<b>(8,270,988)</b>	(1,664,867)
		<b>31,560,334</b>	29,587,444
<b>23.4</b>	SECP imposed a levy @ 1% (June 30, 2022: 1%) on total operating income excluding trusteeship & custodial fee and certain depository service fee.		
		June 30, 2023	June 30, 2022
		-----Rupees-----	
<b>24 OPERATING AND ADMINISTRATIVE EXPENSES</b>			
	Note	June 30, 2023	June 30, 2022
		-----Rupees-----	
Salaries and other benefits	24.1 & 24.2	<b>878,411,564</b>	777,699,226
Travelling and conveyance		<b>10,227,376</b>	6,619,463
Vehicle running and maintenance		<b>48,170,677</b>	28,695,035
Training and development		<b>6,944,828</b>	1,145,769
Communication		<b>12,379,459</b>	11,952,372
Printing and stationery		<b>8,749,203</b>	6,725,898
Rent, rates and taxes		<b>16,429,612</b>	15,417,449
Insurance		<b>46,886,016</b>	40,184,684
Repairs and maintenance		<b>178,045,656</b>	130,874,396
Legal and professional charges		<b>18,371,740</b>	17,063,710
Fee and subscription		<b>17,126,139</b>	16,265,188
Advertisement and publicity		<b>28,347,747</b>	32,434,983
Office supplies		<b>7,438,002</b>	6,117,821
Meeting expenses		<b>11,762,378</b>	9,988,312
Wide-area-network line rent		<b>24,662,190</b>	21,588,324
Auditors' remuneration	24.3	<b>5,739,269</b>	3,875,584
Depreciation	13.1.1	<b>126,989,789</b>	121,067,464
Amortisation	13.2.1	<b>50,071,186</b>	47,517,752
Fuel and electricity		<b>62,411,468</b>	44,704,028
Finance outsourcing	24.5	<b>32,640,000</b>	26,028,149
Security services		<b>11,888,295</b>	10,346,775
Cafeteria		<b>12,065,789</b>	10,769,992
Miscellaneous		<b>6,818,883</b>	5,912,035
Others		<b>5,313,924</b>	8,740,724
		<b>1,627,891,190</b>	1,401,735,133
<b>24.1 Salaries and other benefits include:</b>			
- Compensated absences	9.2	-	4,861,540
- Defined benefit gratuity fund	31.4	<b>31,018,000</b>	37,724,000
- Defined contribution gratuity fund		<b>8,121,339</b>	7,537,592
- Contribution to provident fund		<b>30,467,453</b>	25,855,120

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

## 24.2 Remuneration of Chief Executive Officer (CEO), directors and executives:

	-----June 30, 2023-----			-----June 30, 2022-----		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
----- Rupees -----						
Managerial remuneration	40,500,000	-	250,184,903	33,383,197	-	210,712,274
Fee	-	8,950,000	-	-	8,475,000	-
Bonus	36,000,000	-	104,319,003	31,200,000	-	89,943,429
Gratuity fund	-	-	18,390,199	-	-	20,703,984
Provident fund	3,240,000	-	13,948,893	1,404,000	-	11,640,684
Defined contribution gratuity fund	2,698,920	-	1,754,173	1,169,532	-	1,270,128
	<u>82,438,920</u>	<u>8,950,000</u>	<u>388,597,171</u>	<u>67,156,729</u>	<u>8,475,000</u>	<u>334,270,499</u>
Number of persons	<u>1</u>	<u>13</u>	<u>55</u>	<u>1</u>	<u>13</u>	<u>51</u>

**24.2.1** Executives denote employees, other than the Chief Executive Officer, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

**24.2.2** The CEO and executives are provided with the Company maintained cars. In addition, the CEO and executives are also entitled for other benefits in accordance with the terms of employment.

**24.2.3** The Chairman of the board has been provided with Company maintained car along with fuel and chauffeur.

	Note	June 30, 2023	June 30, 2022
----- Rupees -----			
<b>24.3 Auditors' remuneration</b>			
Audit fee		3,122,272	2,270,907
Half year review		874,192	654,277
Others		1,742,805	950,400
		<u>5,739,269</u>	<u>3,875,584</u>

## 24.4 Employees provident fund

- Size of the fund - net assets (Rupees)	96,570,929	102,542,499
- Number of members	332	314
- Cost of investments made (Rupees)	43,000,230	93,000,000
- Percentage of investments made to size of the fund	45%	91%
- Fair value of investments (Rupees)	54,820,140	93,104,721

**24.4.1** The audited financial statements of the fund for the year ended June 30, 2023 have not been finalised. Investments out of provident fund have been made in collective investment schemes in accordance with the provisions of the section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

**24.5** This represents expense incurred against the finance outsourcing service obtained from ITMinds Limited (related party).

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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		June 30, 2023	June 30, 2022
	Note	Rupees	
<b>25 OTHER INCOME</b>			
Income from financial assets:			
- Profit on bank deposits		98,627,813	41,865,042
- Interest on loans to employees		6,930,917	9,930,497
- Income from investments	25.2	610,916,918	349,740,415
- Dividend from subsidiary		44,999,985	20,000,000
		<b>761,475,633</b>	421,535,954
Income from non-financial assets:			
- Gain on disposal of property and equipment - net		11,454,992	4,644,243
- Penalties and fines		227,500	346,200
- Others	25.1	57,623,052	45,698,588
		<b>69,305,544</b>	50,689,031
		<b>830,781,177</b>	472,224,985

**25.1** This includes income earned from associate and subsidiaries (related parties) amounting to Rs 57.6 million (June 30, 2022: Rs 45.7 million).

		June 30, 2023	June 30, 2022
	Note	Rupees	
<b>25.2 Income from investments</b>			
Market treasury bills		230,252,005	189,987,018
Capital (loss) / gain on sale of investments		(1,213,213)	20,018,216
Unrealised diminution on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		(19,325,448)	(42,817,677)
Dividend income		401,203,574	182,552,858
		<b>610,916,918</b>	349,740,415

## 26 OTHER EXPENSES

Corporate social responsibility (CSR)	26.1	41,384,940	28,299,740
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**26.1** The Company has made a provision to make donations. Payments were made to the following entities equal to or exceeding Rs 1 million and details are as under:

	June 30, 2023	June 30, 2022
Donations individually exceeding the higher of 10% of total donations or Rs. 1 million	Rupees	
<b>Name of Donee</b>		
SIUT	1,500,000	1,500,000
Kharadar General Hospital	1,500,000	1,500,000
Memon Medical Institute	1,000,000	1,000,000
The Indus Hospital	1,000,000	1,000,000
Patients' Welfare Association	1,000,000	1,000,000
Patients' Aid Foundation	1,000,000	1,000,000
The Patients' Behbud Society - AKUH	2,500,000	2,500,000
Haji Abdul Rehman Foundation – Kharan, Baluchistan	1,000,000	1,000,000
The Citizen Foundation (TCF)	1,500,000	1,500,000
The Garage School	1,000,000	1,000,000
The Deaf Reach School (FESF)	1,000,000	1,500,000
The Hunar Foundation	1,000,000	1,000,000
Pakistan Sweet Homes	1,000,000	1,000,000
The Kidney Centre	1,000,000	1,000,000
Habib University Foundation	1,000,000	-
Kutiyana Memon Association	1,000,000	-
<b>Donations individually not exceeding the higher of 10% of total donations or Rs. 1 million</b>	<b>6,000,000</b>	<b>6,000,000</b>
	<b>25,000,000</b>	<b>23,500,000</b>

**26.1.2** Donations paid do not include any donee in which a director or spouse had any interest.



# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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	June 30, 2023	June 30, 2022
	-----Rupees-----	
<b>27 FINANCIAL CHARGES</b>		
Bank charges	<u>770,750</u>	<u>385,060</u>
<b>28 TAXATION</b>		
Current		
- Current year	<u>486,477,495</u>	<u>329,422,269</u>
- Prior years	<u>-</u>	<u>-</u>
Deferred	<u>35,867,024</u>	<u>(349,869)</u>
	<u><b>522,344,519</b></u>	<u><b>329,072,400</b></u>

**28.1** The income tax assessments upto tax year 2022 have been filed under self assessment scheme and are deemed to be finalised under section 120 of Income Tax Ordinance, 2001 except for the amendment of assessment orders by the taxation authorities as disclosed in note 11.

	June 30, 2023	June 30, 2022
	-----Rupees-----	
<b>28.2 Relationship between tax expense and accounting profit</b>		
Profit before taxation	<u>1,334,515,692</u>	<u>1,099,859,768</u>
Enacted tax rate	<u>29%</u>	<u>29%</u>
Tax calculated at enacted rate	<u>387,009,551</u>	<u>318,959,333</u>
- Impact of super tax	<u>140,406,157</u>	<u>47,696,796</u>
- Impact of items taxed at different rates	<u>(5,071,189)</u>	<u>(37,583,729)</u>
	<u><b>522,344,519</b></u>	<u><b>329,072,400</b></u>

## 29 EARNING PER SHARE - BASIC AND DILUTED

Earnings per share has been computed by dividing profit for the year by the weighted average number of shares outstanding during the year as follows:

	June 30, 2023	June 30, 2022
	-----Rupees-----	
Profit after taxation	<u>812,171,173</u>	<u>770,787,368</u>
	----- Number of shares -----	
	(Restated)	
Weighted average number of ordinary shares outstanding during the year	<u>350,000,000</u>	<u>350,000,000</u>
	-----Rupees-----	
	(Restated)	
Earnings per share - basic	<u>2.32</u>	<u>2.20</u>

**29.1** These unconsolidated financial statements have been restated to account for the effect of bonus shares issued on EPS in order to fairly present the results for the year ended June 30, 2022.

## 29.2 Earnings per share (EPS) - diluted

Diluted EPS has not been presented as the Company does not have any convertible dilutive potential ordinary shares in issue as at June 30, 2023 and June 30, 2022 which would have any effect on the basic EPS if the option to convert is exercised.

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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		June 30, 2023	June 30, 2022
	Note	-----Rupees-----	
<b>30 CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		<b>171,926,588</b>	142,344,713
Treasury bills having original maturity of three months or less	21	<b>1,398,939,154</b>	2,203,025,810
		<b>1,570,865,742</b>	2,345,370,523

## 31 EMPLOYEES' RETIREMENT BENEFITS

The gratuity fund is payable on the basis of last drawn salary for each year of eligible service or part thereof in accordance with the rules of the gratuity fund. The latest actuarial valuation of the scheme was carried out as at June 30, 2023 using the projected unit credit method.

### 31.1 The gratuity scheme exposes the Company to the following risks:

#### Mortality risks

This is the risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

#### Final salary risks

This is the risk that the final salary at the time of cessation of service is higher than expectation. Since the benefit is calculated on the basis of final salary, the benefit amount increases proportionately.

#### Withdrawal risks

This is the risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

#### Investment risk

This is the risk of the investments underperforming and not being sufficient to meet the liabilities. This is managed by formulating proper investment plan for the fund.

#### Risk of insufficiency of assets

This is managed by making regular contributions to the fund as advised by the actuary.

#### Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plan's bond holdings, if any.

The Company manages such risks by making regular contributions in the defined benefit plan and investing such contributions in investment avenues that are low risk. This aims to reduce the volatility in the schemes' funding position and identifying any funding gaps which are met by way of contribution.

### 31.2 Principal actuarial assumptions

The following significant assumptions have been used for valuation of this scheme:

	June 30, 2023	June 30, 2022
	-----Rate per annum-----	
Discount rate per annum (compound rate)	<b>16.25%</b>	13.25%
Salary increase rate	<b>14.25%</b>	11.25%
Mortality rate	<b>SLIC (2001-05)-1</b>	SLIC (2001-05)-1

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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	Note	June 30, 2023	June 30, 2022
		-----Rupees-----	
<b>31.3 Amount recognised in the unconsolidated statement of financial position</b>			
Present value of defined benefit obligation		<b>634,451,900</b>	536,143,900
Fair value of plan assets		<b>(612,369,900)</b>	(422,417,900)
Movement in net defined benefit obligation	31.5	<b>22,082,000</b>	113,726,000
<b>31.4 Amounts recognised in the statement of profit or loss account and statement of other comprehensive income (OCI)</b>			
Current service cost		<b>30,894,000</b>	28,710,000
Interest cost		<b>71,197,000</b>	47,207,000
Expected return on plan assets		<b>(71,073,000)</b>	(38,193,000)
Net expense		<b>31,018,000</b>	37,724,000
Remeasurement loss on obligation		<b>28,830,000</b>	25,235,000
Remeasurement gain on plan assets		<b>(6,748,000)</b>	(975,000)
Remeasurement loss recognised in other comprehensive income		<b>22,082,000</b>	24,260,000
Balance at the end of the year		<b>53,100,000</b>	61,984,000
<b>31.5</b> The movement in net defined benefit liability during the year is as follows:			

----- June 30, 2023 -----		
Present value of defined benefit obligation	Fair value of plan assets	Net
----- (Rupees) -----		
As at July 1, 2022	536,143,900	422,417,900
Current service cost	30,894,000	-
Interest cost / (income)	71,197,000	71,073,000
Remeasurement (gain) / loss		
- due to change in financial assumptions	15,111,000	6,748,000
- due to change in demographic assumptions	-	-
- due to change in experience adjustments	13,719,000	-
Actual contribution by the employer during the year	28,830,000	6,748,000
Transfer from Company to the fund	-	144,744,000
Benefits paid	2,188,000	2,188,000
	(34,801,000)	(34,801,000)
<b>As at June 30, 2023</b>	<b>634,451,900</b>	<b>612,369,900</b>
		<b>22,082,000</b>

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

	June 30, 2022		
	Present value of defined benefit obligation	Fair value of plan assets	Net
	(Rupees)		
<b>As at July 1, 2021</b>	477,761,900	388,295,900	89,466,000
Current service cost	28,710,000	-	28,710,000
Interest cost / (income)	47,207,000	38,193,000	9,014,000
Remeasurement (gain) / loss			
- due to change in financial assumptions	10,586,000	975,000	9,611,000
- due to change in demographic assumptions	-	-	-
- due to change in experience adjustments	14,649,000	-	14,649,000
	25,235,000	975,000	24,260,000
Actual contribution by the employer during the year	-	37,724,000	(37,724,000)
Transfer from fund to the Company	2,876,000	2,876,000	-
Benefits paid	(45,646,000)	(45,646,000)	-
<b>As at June 30, 2022</b>	<b>536,143,900</b>	<b>422,417,900</b>	<b>113,726,000</b>

## 31.6 Composition of plan assets

	June 30, 2023		June 30, 2022	
	Rupees	Percentage	Rupees	Percentage
Treasury Bills	266,560,000	43.53%	104,030,000	24.63%
Defense Saving Certificate	130,177,000	21.26%	111,190,000	26.32%
Bank balance (After adjusting current liabilities)	5,373,000	0.88%	6,137,000	1.45%
Advance tax	3,217,000	0.53%	-	0.00%
Liabilities	(3,568,000)	(0.58%)	-	0.00%
Pakistan Investments Bonds	148,909,000	24.32%	140,114,900	33.17%
Term Deposit	61,702,000	10.08%	60,946,000	14.43%
	<b>612,370,000</b>	<b>100.00%</b>	<b>422,417,900</b>	<b>100.00%</b>

## 31.7 Historical information

	2023	2022	2021	2020	2019
	(Rupees)				
Present value of defined benefit obligation	634,451,900	536,143,900	477,761,900	427,938,000	408,056,142
Fair value of plan assets	(612,369,900)	(422,417,900)	(388,295,900)	(344,542,000)	(306,828,607)
Deficit / (surplus)	<b>22,082,000</b>	<b>113,726,000</b>	<b>89,466,000</b>	<b>83,396,000</b>	<b>101,227,535</b>
Remeasurements of plan liabilities	28,830,000	25,235,000	7,041,000	(21,124,000)	9,880,000
Remeasurements of plan assets	(6,748,000)	(975,000)	(971,000)	(2,859,000)	(1,158,000)
	<b>22,082,000</b>	<b>24,260,000</b>	<b>6,070,000</b>	<b>(23,983,000)</b>	<b>11,038,000</b>

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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## 31.8 Sensitivity analysis:

The impact of 1% change in the following variables on defined benefit obligation is as follows:

Change in assumption	-----As at June 30, 2023-----		-----As at June 30, 2022-----	
	Impact on defined benefit obligation		Impact on defined benefit obligation	
	(Increase) / decrease in present value of defined benefit obligation		(Increase) / decrease in present value of defined benefit obligation	
	%	Amount	%	Amount
Discount rate	+1%	(7.46%) (47,335,900)	(8.01%) (42,937,900)	
	-1%	8.39% 53,249,100	9.07% 48,647,100	
Long-term salary increase rate	+1%	8.00% 50,747,100	9.65% 51,733,100	
	-1%	(7.24%) (45,935,900)	(8.63%) (46,251,900)	

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability.

31.9 The weighted average duration of the defined benefit obligation is 7.90 years (2022: 8.51 years).

31.10 The distribution of timing of the undiscounted payment of benefits is as follows:

30-Jun-23	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 to Year 10
Defined benefit obligation	32,612,000	44,110,000	39,608,000	33,001,000	46,431,000	1,078,880,000
30-Jun-22	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 to Year 10
Defined benefit obligation	24,827,000	30,825,000	41,176,000	35,683,000	28,755,000	667,648,000

31.11 Based on the actuarial advice, the Company intends to charge an amount of approximately Rs. 38.992 million in respect of contribution to gratuity fund in the unconsolidated financial statements for the year ending June 30, 2024.

## 32 TRANSACTIONS / BALANCES WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and includes major shareholders, associated companies with or without common directors, retirement benefit funds, directors, key management personnel and their close family members.

The following are the related parties with whom the Company had entered into transactions or had agreements and / or arrangements in place during the financial year:

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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S. No.	Name of related party	Relationship	Aggregate percentage of shareholding in the Company
1	ITMinds Limited	Subsidiary Company	Not applicable
2	CDC Share Registrar Services Limited	Subsidiary Company	Not applicable
3	EClear Services Limited	Associate Company	Not applicable
4	National Clearing Company of Pakistan Limited	Common directorship	Not applicable
5	Naymat Collateral Management Company Limited	Common directorship	Not applicable
6	Pakistan Stock Exchange Limited	Common directorship	39.81%
7	MCB Bank Limited	Common directorship	15.00%
8	Siddiqsons Energy Limited	Common directorship	Not applicable
9	Siddiqsons Tin Plate Limited	Common directorship	Not applicable
10	Siddiqsons Limited	Common directorship	Not applicable
11	AKD Reit Management Company Limited	Common directorship	Not applicable
12	Creek Developers (Pvt) Limited	Common directorship	Not applicable
13	Oilboy Energy Limited	Common directorship	Not applicable
14	Zahid Latif Khan Securities Private Limited	Common directorship	Not applicable
15	Zahid Latif Khan Securities Private Limited - Mutual Fund	Common directorship	Not applicable
16	LSE PropTech Limited	Common directorship	Not applicable
17	Gadoon Textile Mills Limited	Common directorship	Not applicable
18	State Life Insurance Corporation of Pakistan	Common directorship	Not applicable
19	Pak Suzuki Motor Company Motor Limited	Common directorship	Not applicable
20	Mr. Moin M Fudda	Chairman of the Board of Directors	Nominal shareholding
21	Mr. Badiuddin Akber	Chief Executive Officer	Not applicable
22	Mr. Ahmed Chinoy	Director	Not applicable
23	Mr. Farrukh H. Khan	Director	Not applicable
24	Mr. Muhammad Tariq Rafi	Director	Not applicable
25	Mr. Aamir Matin	Director	Not applicable
26	Mr. Tariq Mahmood	Director	Not applicable
27	Ms. Jehan Ara	Director	Nominal shareholding
28	Ms. Ammara Masood	Director	Nominal shareholding
29	Mr. Syed Ali Sultan	Director	Nominal shareholding
30	Mr. Nadeem Naqvi	Director	Not applicable
31	Mr. Ghulam Mustafa	Director	Not applicable
32	Employees' Provident Fund	Staff retirement fund	Not applicable
33	Employees' Gratuity Fund	Staff retirement fund	Not applicable

Aggregate transactions and balances with related parties and associated undertakings which are not disclosed elsewhere in the notes are as follows:

Details of transactions with related parties during the year are as follows:

	June 30, 2023	June 30, 2022
	-----Rupees-----	
Rent expense of premises leased from Pakistan Stock Exchange Limited - associated company	<b>6,609,645</b>	6,294,400
Mark-up earned - Associated companies	<b>5,744,885</b>	2,914,160
Remuneration to key management personnel	<b>471,036,091</b>	401,427,228
Directors fee	<b>8,950,000</b>	8,475,000
Trade Debts	<b>11,722,347</b>	10,367,533

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The shareholders and directors of the Company are acting as clients of CDS in their normal course of business. Total revenue from the transactions relating to shareholders and directors are as follows:

	June 30, 2023	June 30, 2022
	-----Rupees-----	
Shareholders	<b>38,720,233</b>	34,884,498
Directors	<b>1,149,985</b>	1,006,343
Billings to the companies which are associated by virtue of common directorship.	<b>34,793,795</b>	26,031,811
Contributions to retirement benefit plans	<b>187,281,287</b>	72,759,734
Purchase of treasury bills from CDCPL Gratuity Fund	<b>283,133,963</b>	-
Transactions with Pakistan Stock Exchange Limited (PSX) -advertisement charges	<b>5,463,881</b>	5,826,779
Payment to LSE Financial Services Limited - electricity & maintenance charges	<b>5,189,855</b>	4,301,772
Transactions with NCCPL - electricity and generator charges - associated Company	<b>801,280</b>	8,422,957
Transactions with EClear Services Limited - associate	<b>22,429,471</b>	32,185,331
Transactions with Naymat Collateral Management Company Limited - associate	<b>27,770,947</b>	28,030,384
<b>Transactions / balance with ITMinds Limited - Subsidiary</b>		
Balance as at July	<b>9,441,998</b>	6,583,718
Transactions - net	<b>109,239,417</b>	82,858,280
Payment received	<b>(103,838,198)</b>	(80,000,000)
Balance as at June	<b>14,843,217</b>	9,441,998
Security deposit held by the Company for subsidiary's CDS eligibility	<b>12,500</b>	12,500
<b>Transactions / balance with CDC Share Registrar Services Limited - Subsidiary</b>		
Balance as at July	<b>7,616,687</b>	7,138,817
Transactions - net	<b>125,768,697</b>	98,076,870
Payment received	<b>(125,577,400)</b>	(97,599,000)
Balance as at June	<b>7,807,984</b>	7,616,687
Security deposit held by the Company for subsidiary's CDS eligibility	<b>12,500</b>	12,500

**32.1** The Company continues to have a policy whereby all transactions with related parties are entered into at arm's length prices using the comparable uncontrolled valuation method.

**32.2** The Company has not entered into any transaction with executives other than those provided under the Company's policies and terms of employment.

## **33 SEGMENT INFORMATION**

A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. The management has determined the operating segments based on the information that is presented to the Board of Directors of the Company for allocation of resources and assessment of performance. Assets and liabilities are not segment wise reported to Board of Directors. Based on internal management reporting structure and services offered, the Company is organised into the following operating segments:

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	June 30, 2023			
	Depository Services	Trustee and Custodial Services	Others	Total
	-----Rupees-----			
Operating income - gross*	1,356,180,060	1,217,385,765	853,053,266	3,426,619,091
SECP fees and levies	41,424,808	64,884,499	155,750	106,465,057
Sales tax	156,261,285	135,483,106	8,270,988	300,015,379
Depreciation and amortisation	161,811,192	15,249,783	-	177,060,975
Other operating and administrative* expenses	871,682,256	636,879,732	-	1,508,561,988
Profit before taxation	125,000,519	364,888,645	844,626,528	1,334,515,692

	June 30, 2022			
	Depository Services	Trustee and Custodial Services	Others	Total
	-----Rupees-----			
Operating income - gross*	1,434,332,216	1,019,883,050	485,640,211	2,939,855,477
SECP fees and levies	54,815,781	51,058,749	150,000	106,024,530
Sales tax	162,178,758	118,941,137	6,997,227	288,117,122
Depreciation and amortisation	155,979,803	12,605,413	-	168,585,216
Other operating and administrative* expenses	732,277,822	515,274,521	29,716,498	1,277,268,841
Profit before taxation	329,080,052	322,003,230	448,776,486	1,099,859,768

\* This include intra-segment revenue and corresponding operating and administrative service expense amounting to Rs. 15,576,083 (2022: Rs. 19,230,813) between Depository services and Trustee and Custodial Services.



# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

## 34 FINANCIAL INSTRUMENTS BY CATEGORIES

### Financial assets

#### Non current assets

Long term investments  
Long term loans - secured  
Long term deposits

#### Current assets

Trade debts - net  
Loans and advances  
Other receivables  
Short term investments  
Cash and bank balances

June 30, 2023		
At amortised cost	At fair value through profit or loss	Total
(Rupees)		
204,285,720	-	204,285,720
79,496,514	-	79,496,514
11,283,265	-	11,283,265
295,065,499	-	295,065,499
420,925,873	-	420,925,873
18,511,033	-	18,511,033
54,299,030	-	54,299,030
1,398,939,154	3,394,570,371	4,793,509,525
171,926,588	-	171,926,588
2,064,601,678	3,394,570,371	5,459,172,049
2,359,667,177	3,394,570,371	5,754,237,548

### Financial liabilities

#### Non current liabilities

Long term deposits

#### Current liabilities

Trade and other payables

June 30, 2023	
At amortised cost	Total
(Rupees)	
154,923,500	154,923,500
625,517,190	625,517,190
780,440,690	780,440,690

### Financial assets

#### Non current assets

Long term investments  
Long term loans - secured  
Long term deposits

#### Current assets

Trade debts - net  
Loan and advances  
Other receivables  
Short term investments  
Cash and bank balances

June 30, 2022		
At amortised cost	At fair value through profit or loss	Total
(Rupees)		
204,285,720	-	204,285,720
61,692,159	-	61,692,159
9,072,251	-	9,072,251
275,050,130	-	275,050,130
360,965,000	-	360,965,000
24,676,118	-	24,676,118
34,531,158	-	34,531,158
3,939,434,735	581,628,866	4,521,063,601
142,344,713	-	142,344,713
4,501,951,724	581,628,866	5,083,580,590
4,777,001,854	581,628,866	5,358,630,720

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

	June 30, 2022	
	At amortised cost	Total
	----- (Rupees) -----	
Financial liabilities		
Non current liabilities		
Long term deposits	146,823,500	146,823,500
Current liabilities		
Trade and other payables	501,011,356	501,011,356
	<u>647,834,856</u>	<u>647,834,856</u>

## 35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's activities expose it to a variety of financial risks. These risk emanate from various factors that include but are not limited to market risk, credit risk and liquidity risk which are explained as follows:

### 35.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The market risk comprises currency risk, interest rate risk and price risk.

#### 35.1.1 Currency risk

Foreign currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. The Company is not significantly exposed to the currency risk as the majority of the transactions of the Company are carried out in the local currency.

#### 35.1.2 Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not significantly exposed to interest rate risk as it does not have any interest bearing liabilities. However, the Company has fixed interest based investments and loans to employees. These investments are classified as short term and long term considering relative sensitivity of the interest rates and management's intention. Loans to employees are allowed on reduced rates which is not affected by volatility of market interest rate. Other assets and liabilities of the Company does not expose the Company to interest rate risk substantially.

The Company has following financial assets with fixed rate of return:

	Note	June 30, 2023	June 30, 2022
		-----Rupees-----	
Market Treasury Bills	21	<b>1,398,939,154</b>	3,939,434,735
Loan to employees	15	<b>93,506,926</b>	79,421,941
		<u><b>1,492,446,080</b></u>	<u>4,018,856,676</u>

Investments in treasury bills are Government backed securities with guaranteed return. Investment in treasury bills are for a period of 3 months. Therefore, any changes in the interest rate do not affect the cash flows of the Company.

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

The Company's exposure to interest rate risk and the effective rates on its financial assets and liabilities are summarized as follows:

June 30, 2023	Effective yield / interest rates (%)	Mark-up Bearing			Non - Markup bearing	Total
		Upto one year	Over one year upto five years	Over five years		
Rupees						
Financial assets						
Investments	13.82% to 22.17%	1,398,939,154	-	-	3,598,856,091	4,997,795,245
Loan and advances	3%	13,797,840	49,098,958	29,850,017	5,260,732	98,007,547
Long term deposits		-	-	-	11,283,265	11,283,265
Trade debts - net		-	-	-	420,925,873	420,925,873
Other receivables		-	-	-	54,299,030	54,299,030
Cash and bank balances	12.25% to 19.5%	163,716,852	-	-	8,209,736	171,926,588
		1,576,453,846	49,098,958	29,850,017	4,098,834,727	5,754,237,548
Financial liabilities						
Long term deposits		-	-	-	154,923,500	154,923,500
Trade and other payables		-	-	-	625,517,190	625,517,190
		-	-	-	780,440,690	780,440,690
On balance sheet gap		1,576,453,846	49,098,958	29,850,017	3,318,394,037	4,973,796,858
Off-balance sheet financial instruments						
Commitments		-	-	-	58,646,565	58,646,565
Off-balance sheet gap		-	-	-	(58,646,565)	(58,646,565)
Total interest rate sensitivity gap		1,576,453,846	49,098,958	29,850,017	3,259,747,472	4,915,150,293
Cumulative interest rate sensitivity gap		1,576,453,846	1,625,552,804			

June 30, 2022	Effective yield / interest rates (%)	Mark-up Bearing			Non - Markup bearing	Total
		Upto one year	Over one year upto five years	Over five years		
-----Rupees-----						
Financial assets						
Investments	13.19% to 15.45%	3,939,434,735	-	-	785,914,586	4,725,349,321
Loan and advances	3%	17,729,782	26,880,096	34,812,063	6,946,336	86,368,277
Long term deposits		-	-	-	9,072,251	9,072,251
Trade debts - net		-	-	-	360,965,000	360,965,000
Other receivables		-	-	-	34,531,158	34,531,158
Cash and bank balances	5% to 12.25%	7,581,218	-	-	134,763,495	142,344,713
		3,964,745,735	26,880,096	34,812,063	1,332,192,826	5,358,630,720
Financial liabilities						
Long term deposits		-	-	-	146,823,500	146,823,500
Trade and other payables		-	-	-	501,011,356	501,011,356
		-	-	-	647,834,856	647,834,856
On balance sheet gap		3,964,745,735	26,880,096	34,812,063	684,357,970	4,710,795,864
Off-balance sheet financial instruments						
Commitments		-	-	-	17,258,755	17,258,755
		-	-	-		
Off-balance sheet gap		-	-	-	(17,258,755)	(17,258,755)
Total interest rate sensitivity gap		3,964,745,735	26,880,096	34,812,063	667,099,215	4,693,537,109
Cumulative interest rate sensitivity gap		3,964,745,735	3,991,625,831			

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

## 35.1.3 Price Risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company's investment in mutual funds as at the year end exposes it to price risk. The Management monitors the fluctuations in the prices of its investments on a regular basis. As at June 30, 2023, if the prices of the mutual funds had increased / decreased by 5%, with all other variables held constant, the profit before tax for the year would have been higher / lower by Rs. 169.69 million (2022: Rs. 29.08 million) as a result of unrealised appreciation / diminution on re-measurement of investments.

## 35.1.4 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties.

Credit risk arises from balances with banks and financial institutions, deposits, trade debts and other receivables. The maximum exposure to credit risk is equal to the carrying amount of financial assets. All the financial assets of the Company as disclosed in note 35.1.2 are subject to credit risk except for cash in hand amounting to Rs 10 million (2022: Rs 0.18 million) and investment in treasury bills amounting to Rs. 1,399 million (2022: 3,939 million).

The Company applies prudent credit evaluation procedures before granting credit to customers. The management does not expect any losses from non performance by these counter parties. The balances with banks represent a low risk as they are placed with banks having good credit rating assigned by credit rating agencies.

An analysis of the credit quality of balances with banks is as follows:

Ratings		Bank Balances as at June 30, 2023	Bank Balances as at June 30, 2022
Long Term	Short Term	Rupees	
AAA	A1+	258,962,005	274,516,960
AA+	A1+	160,826,279	189,053,243
AA	A1+	3,903,045	5,971,004
A	A1	36,781	36,781
A+	A1	1,235,776	2,642,756
AA-	A1+	34,850	11,750
Not Applicable*		327,750,049	45,831,748
		<b>752,748,785</b>	<b>518,064,242</b>

\*This represents balance held with State Bank of Pakistan.

## 35.2 Liquidity risk

Liquidity risk reflects the Company's inability of raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customers.

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

As at June 30, 2023, the Company's liabilities have contractual maturities as summarised below:

	Current		Non Current		Total
	upto 6 months	over 6 months upto 1 year	over 1 year upto 5 years	over 5 years	
	----- Rupees -----				
Long term deposits	-	-	-	154,923,500	154,923,500
Trade and other payables	625,517,190	-	-	-	625,517,190

As at June 30, 2022, the Company's liabilities have contractual maturities as summarised below:

	Current		Non Current		Total
	upto 6 months	over 6 months upto 1 year	over 1 year upto 5 years	over 5 years	
	----- Rupees -----				
Long term deposits	-	-	-	146,823,500	146,823,500
Trade and other payables	501,011,356	-	-	-	501,011,356

## 36 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is currently financing its operations through equity.

## 37 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. Consequently, differences can arise between carrying values and fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value of investments is determined as follows:

- The fair value of investments in units of open-end collective investment schemes are based on the net assets value quoted by the Company and Mutual Funds Association of Pakistan at each reporting date.
- Investments in government securities are valued on the basis of average rates of brokers as announced by the Financial Markets Association of Pakistan.

The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from carrying values as the items are either short-term in nature or are periodically repriced.

### 37.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair value measurement' requires the Company to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

As at June 30, 2023, the Company held the following financial and non-financial assets measured at fair value:

June 30, 2023					
Level 1		Level 2		Level 3	Total
-----Rupees-----					
Assets					
Financial assets at fair value through profit or loss					
Units of mutual funds	-	3,394,570,371	-	3,394,570,371	
Operating assets at fair value*					
Leasehold land	-	-	824,998,500	824,998,500	
Buildings	-	-	653,082,772	653,082,772	
	-	3,394,570,371	1,478,081,272	4,872,651,643	
June 30, 2022					
Level 1		Level 2		Level 3	Total
-----Rupees-----					
Assets					
Financial assets at fair value through profit or loss					
Units of mutual funds	-	581,628,866	-	581,628,866	
Operating assets at fair value*					
Leasehold land	-	-	824,998,500	824,998,500	
Buildings	-	-	687,406,612	687,406,612	
	-	581,628,866	1,512,405,112	2,094,033,978	

\* Certain categories of fixed assets (land and buildings) are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values. Leasehold land was revalued on the basis of current market price whereas buildings were revalued on the basis of depreciated market value by the valuer. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a quantitative disclosure of sensitivity has not been presented in these unconsolidated financial statements.

## 38 SUBSEQUENT EVENT

The directors in their meeting held on August 23, 2023 have proposed bonus shares @ Nil i.e. Nil shares (June 30, 2022: 16.666667% i.e. 50 million shares) and cash dividend of Rs. 0.3543 per share (June 30, 2022: Rs. 0.66 per share) of Rs.10 each i.e. 3.543% of the paid-up capital in respect of year ended June 30, 2023. The unconsolidated financial statements for the year ended June 30, 2023 do not include the effect of these appropriations which will be accounted for in the period in which they are approved by shareholders.

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

	June 30, 2023	June 30, 2022
<b>39 EMPLOYEES</b>		
Number of employees at the end of the year	<u>351</u>	<u>331</u>
Average number of employees during the year	<u>343</u>	<u>330</u>
<b>40 DATE OF AUTHORISATION FOR ISSUE</b>		
These unconsolidated financial statements were authorised for issue on August 23, 2023 by the Board of Directors of the Company.		
<b>41 CORRESPONDING FIGURES</b>		
Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these unconsolidated financial statements during the current year.		
<b>42 GENERAL</b>		
<b>42.1 Rounding off</b>		
Figures have been rounded off to the nearest Rupee unless otherwise stated.		

-sd-

Chairman

-sd-

Chief Executive Officer

# Directors' Report on Audited Consolidated Financial Statements

The Directors of Central Depository Company of Pakistan Limited (CDCPL) are pleased to present their report together with audited consolidated financial statements of Central Depository Company of Pakistan Limited and its Subsidiary Companies for the year ended June 30, 2023.

The consolidated results comprise of financial statements of Central Depository Company of Pakistan Limited ("the Holding Company") and its wholly-owned subsidiaries ITMinds Limited and CDC Share Registrar Services Limited. The Holding Company has annexed its consolidated financial statements along with its separate financial statements, in accordance with the requirement of International Accounting Standard 27 (Separate Financial Statements) and International Financial Reporting Standard 10 (Consolidated Financial Statements). The Directors' Report on Audited Unconsolidated Financial Statements, giving a commentary on the performance of Central Depository Company for the year ended June 30, 2023 has been presented separately.

	Rupees in million	
	June 30, 2023	June 30, 2022
Profit for the year before tax	1,406	1,161
Taxation	557	350
Profit after tax	849	811
Earnings per share (Rs.)	2.43	2.32

The Holding Company has a policy for reviewing Directors' remuneration at regular intervals as elaborated in the Directors' Report on Audited Unconsolidated Financial Statements. Details of aggregate amount of remuneration is presented in the annual report.

Internal control structure of the group is the same as that of Holding Company which is also covered in Directors' Report on Audited Unconsolidated Financial Statements. Appropriations of profit as well as risk and uncertainties relating to the Holding Company have been disclosed in the Directors' Report on Audited Unconsolidated Financial Statements whereas no major risk and uncertainty has been identified relating to CDC Share Registrar Services Limited and ITMinds Limited.

Details relating to Directors of Holding Company have been mentioned in the Directors' Report on Audited Unconsolidated Financial Statements. The name of the Directors in office at any time during the year of Subsidiary Companies are as follows:

Directors of ITMinds Limited	Directors of CDC Share Registrar Services Limited
Dr. Aamir Matin (Chairman)	Mr. Badiuddin Akber (Chairman)
Mr. Badiuddin Akber	Mr. Ahmed Chinoy
Mr. Ahmed Chinoy	Mr. Farrukh Viqaruddin Junaidi
Mr. Zafar Iqbal Sobani	Mr. Abdul Samad
Ms. Fatima Khalid Khan	Mr. Shariq Jafrani
Mr. Iqleem-uz-Zaman Khan	

Both the Subsidiary Companies are wholly owned subsidiaries of CDCPL and pattern of shareholding relating to Holding Company has been disclosed in the Directors' Report on Audited Unconsolidated Financial Statements.

For and on behalf of the Board of Directors,

-sd-

**MOIN M. FUDDA**  
Chairman of the Board

Karachi, dated: Wednesday, August 23, 2023

-sd-

**BADIUDDIN AKBER**  
Chief Executive Officer



## ڈائریکٹرز کی رپورٹ برائے پڑتال شدہ جامع مالیاتی بیانات

سینٹرل ڈائریکٹری کمپنی پاکستان لمیٹڈ کے ڈائریکٹرز نہایت مسرت کے ساتھ 30 جون 2023 کو ختم ہونے والے سال کے لیے سینٹرل ڈائریکٹری کمپنی پاکستان اور اس کی ذیلی کمپنیوں کی رپورٹ پڑتال شدہ جامع مالیات پیش کر رہے ہیں۔

جامع نتائج سینٹرل ڈائریکٹری کمپنی پاکستان (ہولڈنگ کمپنی) اور اس کی کل ملکیتی ذیلی کمپنیوں آئی ٹی ماسٹرز لمیٹڈ اور سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کے مالیاتی نتائج پر مشتمل ہیں، ہولڈنگ کمپنی نے انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈ 27 (جامع اور انفرادی بیانات) کی درکار ضروریات کے مطابق اپنے جامع مالیاتی بیانات اور انفرادی مالیاتی بیانات منسلک کر دیے ہیں۔ انفرادی ڈائریکٹرز رپورٹ 30 جون 2023 کو ختم ہونے والے سال کے لیے سینٹرل ڈائریکٹری کمپنی کی کارکردگی کی تفصیل علیحدہ سے پیش کرتی ہے۔

روپے بلین میں		
30 جون 2022	30 جون 2023	
1,161	1,406	اس سال کے لیے منافع قبل از ٹیکس
350	557	ٹیکس محصولات
811	849	بعد از ٹیکس منافع
2.32	2.43	آمدنی فی حصص

کمپنی ایک مخصوص مدت بعد ڈائریکٹرز کے مشاہروں کا جائزہ لینے کی ایسی پالیسی رکھتی ہے جیسا کہ پڑتال شدہ انفرادی مالیات پر ڈائریکٹرز کی رپورٹ میں واضح کیا گیا ہے۔ مشاہروں کی مجموعی رقوم کی تفصیلات پڑتال شدہ انفرادی مالیات پر ڈائریکٹرز کی رپورٹ میں پیش کی ہیں۔

گروپ کا انٹر کنٹرول اسٹرکچر ہولڈنگ کمپنی جیسا ہے جو کہ پڑتال شدہ انفرادی مالیاتی بیانات پر ڈائریکٹرز کی رپورٹ میں بھی شامل ہے۔ ہولڈنگ کمپنی کے لیے منافع کی تصریحات اور اس کے ساتھ خطرے اور غیر یقینی امکانات کی نشاندہی ڈائریکٹرز کی پڑتال شدہ انفرادی مالیاتی بیانات کی رپورٹ میں کی گئی ہے۔ جبکہ سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ سے متعلق کسی بڑے خطرے اور غیر یقینی صورتحال کی نشاندہی نہیں کی گئی ہے۔

ہولڈنگ کمپنی کے ڈائریکٹرز سے متعلق معلومات پڑتال شدہ انفرادی مالیاتی بیانات پر ڈائریکٹرز کی رپورٹ میں درج کی گئی ہے۔ سال بھر کے دوران دفاتر میں موجود ذیلی کمپنیوں کے ڈائریکٹرز کے نام مندرجہ ذیل ہیں:

آئی ٹی ماسٹرز لمیٹڈ کے ڈائریکٹرز	سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کے ڈائریکٹرز
جناب ڈاکٹر عامر متین (چیئر مین)	جناب بدیع الدین اکبر (چیئر مین)
جناب بدیع الدین اکبر	جناب احمد چنائے
جناب احمد چنائے	جناب فرخ وقار الدین جنیدی
جناب ظفر اقبال ثوبانی	جناب عبدالصمد
محترمہ فاطمہ خالد خان	جناب شارق جعفرانی
جناب اقلیم الزمان خان	

آئی ٹی ماسٹرز لمیٹڈ اور سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ دونوں سینٹرل ڈائریکٹری کمپنی پاکستان لمیٹڈ کے مکمل ملکیتی ماتحت ادارے ہیں۔

ہولڈنگ کمپنی سے متعلق شیئر ہولڈنگ کے پیرن کو پڑتال شدہ انفرادی مالیاتی بیانات پر ڈائریکٹرز کی رپورٹ میں شامل کیا گیا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے؛

دستخط  
بدیع الدین اکبر  
چیئر مین بورڈ

دستخط  
معین ایم فدا  
چیئر مین بورڈ  
کراچی: بتاریخ 23 اگست 2023



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the annexed consolidated financial statements of Central Depository Company of Pakistan Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

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

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

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

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

### Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

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

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

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

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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



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

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

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

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

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**A. F. Ferguson & Co.**  
**Chartered Accountants**  
Karachi  
Date: September 27, 2023  
UDIN: AR202310160JSu6vapXx





# CONSOLIDATED FINANCIAL STATEMENTS



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Central Depository Company of Pakistan Limited  
As at June 30, 2023

	Note	2023 -----Rupees-----	2022
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital 400,000,000 (June 30, 2022: 400,000,000) ordinary shares of Rs.10 each	5	<u>4,000,000,000</u>	<u>4,000,000,000</u>
<b>Issued, subscribed and paid-up share capital</b>			
350,000,000 (June 30, 2022: 300,000,000) ordinary shares of Rs.10 each	5	<b>3,500,000,000</b>	3,000,000,000
<b>Reserves</b>			
Reserve fund		<b>100,000,000</b>	100,000,000
Unappropriated profit		<b>1,941,299,673</b>	2,073,608,991
Surplus on revaluation of property and equipment - net of tax	6	<b>1,050,533,930</b>	1,101,478,883
		<b>3,091,833,603</b>	3,275,087,874
Total equity attributable to the equity holders of the Holding Company		<b>6,591,833,603</b>	6,275,087,874
Non-controlling interest	5.3	-	-
<b>Total Shareholder's equity</b>		<b>6,591,833,603</b>	6,275,087,874
<b>Non-current liabilities</b>			
Long term deposits	7	<b>154,923,500</b>	146,823,500
Deferred taxation - net	8	<b>238,538,955</b>	161,499,910
<b>Total non-current liabilities</b>		<b>393,462,455</b>	308,323,410
<b>Current liabilities</b>			
Trade and other payables	9	<b>770,137,251</b>	733,777,899
Unearned fee	10	<b>79,245,208</b>	74,104,102
Taxation	11	<b>90,648,927</b>	-
<b>Total current liabilities</b>		<b>940,031,386</b>	807,882,001
<b>Total liabilities</b>		<b>1,333,493,841</b>	1,116,205,411
<b>Contingencies and commitments</b>			
	12		
<b>Total equity and liabilities</b>		<u><b>7,925,327,444</b></u>	<u>7,391,293,285</u>
<b>ASSETS</b>			
<b>Non - current assets</b>			
Fixed assets	13	<b>1,897,856,037</b>	1,839,196,142
Investment accounted for using the equity method	14	<b>75,739,631</b>	72,457,285
Long term investments	15	<b>29,285,720</b>	29,285,720
Long term loans - secured	16	<b>85,286,072</b>	66,429,022
Long term deposits and prepayments	17	<b>16,931,160</b>	12,443,323
<b>Total non-current assets</b>		<b>2,105,098,620</b>	2,019,811,492
<b>Current assets</b>			
Trade debts - net	18	<b>521,243,310</b>	441,789,041
Loans and advances	19	<b>28,464,054</b>	36,280,647
Prepayments	20	<b>62,774,692</b>	35,568,741
Other receivables	21	<b>71,247,389</b>	53,338,024
Taxation - net	11	-	12,077,981
Short term investments	22	<b>4,952,710,108</b>	4,638,456,952
Cash and bank balances	23	<b>183,789,271</b>	153,970,407
<b>Total current assets</b>		<b>5,820,228,824</b>	5,371,481,793
<b>Total assets</b>		<b>7,925,327,444</b>	7,391,293,285

The annexed notes from 1 to 44 form an integral part of these consolidated financial statements.

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Chairman

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Chief Executive Officer

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

	Note	2023	2022
		-----Rupees-----	
Operating income - net	24	<b>2,473,563,847</b>	2,310,170,059
Operating and administrative expenses	25	<b>(1,810,189,707)</b>	(1,569,959,076)
<b>Operating profit</b>		<b>663,374,140</b>	740,210,983
Other income	26	<b>781,435,347</b>	449,142,154
Share of profit from associate	27	<b>3,282,346</b>	356,716
Other expenses	28	<b>(41,384,940)</b>	(28,299,740)
Financial charges	29	<b>(780,272)</b>	(476,185)
<b>Profit before taxation</b>		<b>1,405,926,621</b>	1,160,933,928
Taxation	30	<b>(556,525,918)</b>	(349,935,494)
<b>Profit after taxation</b>		<b>849,400,703</b>	810,998,434
<b>Attributable to:</b>			
Equity holders of the Holding Company		<b>849,400,703</b>	810,499,031
Non-controlling interest	5.3	<b>-</b>	499,403
		<b>849,400,703</b>	810,998,434
			(Restated)
Earnings per share - basic and diluted	31	<b>2.43</b>	2.32

The annexed notes from 1 to 44 form an integral part of these consolidated financial statements.

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Chairman

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Chief Executive Officer

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

	Note	2023	2022
		-----Rupees-----	
<b>Profit after taxation for the year attributable to:</b>			
Equity holders of the Holding Company		849,400,703	810,499,031
Non-controlling interest		-	499,403
		<b>849,400,703</b>	<b>810,998,434</b>
<b>Other comprehensive (loss) / income</b>			
<b>Items that may be reclassified to consolidated statement of profit or loss subsequently</b>			
Surplus on revaluation of leasehold land and buildings		-	530,249,099
Impact of deferred tax		-	(94,331,401)
Impact due to change in rate of tax		(35,651,553)	-
		<b>(35,651,553)</b>	<b>435,917,698</b>
<b>Items that will not be reclassified to consolidated statement of profit or loss</b>			
Loss on remeasurement of employees' retirement benefit obligation	33.5	(26,040,000)	(27,474,000)
Impact of tax		8,611,980	7,035,000
		<b>(17,428,020)</b>	<b>(20,439,000)</b>
<b>Total comprehensive income for the year</b>		<b>796,321,130</b>	<b>1,226,477,132</b>
<b>Attributable to:</b>			
Equity holders of the Holding Company		796,321,130	1,225,977,729
Non-controlling interest		-	499,403
		<b>796,321,130</b>	<b>1,226,477,132</b>

The annexed notes from 1 to 44 form an integral part of these consolidated financial statements.

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Chairman

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Chief Executive Officer





# CONSOLIDATED STATEMENT OF CASH FLOWS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

	Note	2023 -----Rupees-----	2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		1,405,926,621	1,160,933,928
<b>Adjustments for items not involving movement of funds</b>			
Unrealised diminution on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	26.1	18,487,926 (420,072,060) (3,282,346)	41,732,163 (182,552,858) (356,716)
Dividend income		130,704,949	124,547,615
Share of profit from associate		50,071,186	48,256,919
Depreciation		(11,454,992)	(4,822,993)
Amortisation		(101,502,706)	(44,244,573)
Gain on disposal of property and equipment		36,689,750	42,402,000
Profit on bank deposits	33.4	792,083	5,122,183
Provision for retirement benefit plans		780,272	476,185
Provision for compensated absences		(298,785,938)	30,559,925
Financial charges		1,107,140,683	1,191,493,853
<b>Decrease / (increase) in current assets</b>			
Trade debts - net		(79,454,269)	(3,664,755)
Loans and advances		7,816,593	(18,646,158)
Prepayments		(27,205,951)	(6,525,067)
Other receivables		(17,909,365)	(14,201,723)
		(116,752,992)	(43,037,703)
<b>Increase in current liabilities</b>			
Trade and other payables		127,385,703	41,142,680
Long term deposits		8,100,000	8,509,540
Unearned fee		5,141,106	85,280
		140,626,809	49,737,500
<b>Cash generated from operations</b>		1,131,014,500	1,198,193,650
Contribution paid to retirement benefit plans		(150,416,000)	(42,402,000)
Compensated absences paid		(4,132,184)	(5,927,371)
Long term loans - secured		(18,857,050)	3,904,104
Long term deposits and prepayments		(4,487,837)	(3,616,155)
Financial charges paid		(780,272)	(476,185)
Income taxes paid		(400,517,593)	(321,451,115)
		(579,190,936)	(369,968,722)
<b>Net cash generated from operating activities</b>		551,823,564	828,224,928
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(245,513,189)	(127,957,525)
Long term investments		(3,282,346)	(72,457,285)
Proceeds from sale of fixed assets		17,532,151	6,713,138
Dividend received		420,072,060	182,552,858
Profit received on bank deposits		101,502,706	44,244,573
Investment by non-controlling interest		-	(69,214,273)
Investments - net		(1,171,195,143)	129,406,715
		(880,883,761)	93,288,201
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividend paid		(479,575,000)	(457,500,000)
<b>Net cash used in financing activities</b>		(479,575,000)	(457,500,000)
<b>Net (decrease) / increase in cash and cash equivalents</b>		(808,635,197)	464,013,129
Cash and cash equivalents at the beginning of the year		2,391,363,622	1,927,350,493
<b>Cash and cash equivalents at the end of the year</b>	32	1,582,728,425	2,391,363,622

The annexed notes from 1 to 44 form an integral part of these consolidated financial statements.

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Chairman

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Chief Executive Officer

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

## 1 THE GROUP AND ITS OPERATIONS

### The 'Group' consists of :

- 1.1** Central Depository Company of Pakistan Limited (the Holding Company), and its subsidiaries namely ITMinds Limited (ITML), CDC Share Registrar Services Limited (CDCSR).

### Holding Company

Central Depository Company of Pakistan Limited (the Holding Company) was incorporated as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on January 21, 1993 and received certificate of commencement of business on August 10, 1994. The principal business activity of the Holding Company is to act as a depository for securities and open securities account. The registered office of the Holding Company is situated at CDC House, 99-B, Block-B, S.M.C.H.S. Karachi, Pakistan.

The Holding Company, under trust deeds, acts as a trustee for various open-end funds and closed-end schemes under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and also provides custodial-ship to closed-end funds formed under the said regulations.

The Holding Company also provides custody and settlement services for Government securities to retail investors and Centralised Information Sharing Solution for Insurance Industry (CISSII).

The Holding Company has created a reserve fund in accordance with the requirements of the Articles of Association of the Company.

### Subsidiary Companies

### ITMinds Limited

ITMinds Limited (ITML) was incorporated as a public limited company on December 8, 2011 and received certificate of commencement of business on January 30, 2012. The registered office of ITML is situated at CDC House, 99-B, Block-B, S.M.C.H.S. Karachi, Pakistan. The principal activities of ITML is to provide Information Technology and Business Process Outsourcing (BPO) services. The Holding Company's controlling interest is 100% (2022: 100%).

ITML has been consolidated in these consolidated financial statements on the basis of audited financial statements for the year ended June 30, 2023.

### CDC Share Registrar Services Limited

CDC Share Registrar Services Limited (CDCSR) (formerly CDC Trustee Company Limited) was incorporated as a public limited company on September 07, 2012 and received certificate of commencement of business on December 17, 2012. The registered office of CDCSR is situated at CDC House, 99-B, Block-B, S.M.C.H.S. Karachi, Pakistan. The principal activity of CDCSR is to provide share registrar services. The Holding Company's controlling interest is 100% (2022: 100%).

CDCSR has been consolidated in these consolidated financial statements on the basis of audited financial statements for the year ended June 30, 2023.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017;
- Securities Act, 2015, Central Depositories Act, 1997, Central Depositories (Licensing and Operations) Regulations, 2016 and Central Depository Company of Pakistan Limited Regulations; and
- Directives issued by the Securities and Exchange Commission of Pakistan (SECP).

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

Wherever, the requirements of the Companies Act 2017, the Securities Act, 2015, the Central Depositories Act, 1997, the Central Depositories (Licensing and Operations) Regulations, 2016, the Central Depository Company of Pakistan Limited Regulations or the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Companies Act, 2017, the Securities Act, 2015, the Central Depositories Act, 1997, the Central Depositories (Licensing and Operations) Regulations, 2016, the Central Depository Company of Pakistan Limited Regulations and the said directives shall prevail.

## 2.2 Basis of consolidation

The consolidated financial statements comprise financial statements of the Holding Company and its subsidiaries together "the Group". The assets, liabilities, income and expenses of the subsidiaries have been consolidated on a line by line basis and the carrying value of the investment held by the Holding Company has been eliminated against corresponding holding in subsidiaries' shareholders' equity in the consolidated financial statements. All intra-group transactions, balances, income and expenses have been eliminated.

The consolidated financial statements of the Group are prepared for the same reporting year as the consolidated financial statements of the Holding Company and the subsidiaries, using the same accounting policies which have been consistently applied.

The Group recognises non-controlling interests (NCI) in subsidiaries at the non-controlling interest's proportionate share of the net assets. NCI in the equity of subsidiaries are shown separately in the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and consolidated statement of changes in equity.

All material intra-group balances and transactions have been eliminated.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset.

## 2.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to published accounting and reporting standards that are mandatory for the Group's accounting period beginning on July 1, 2022, but are considered not to be relevant or do not have any significant impact on the Group's operations and are, therefore, not detailed in these consolidated financial statements.

## 2.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

### 2.4.1 The following revised standards, amendments and interpretations with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations.

Standard, interpretation or amendment	Effective date (annual periods beginning on or after)
- IAS 1, Practice statement 2 and IAS 8 - 'Improvement in disclosures of accounting policy' (amendments)	1 January 2023
- IAS 12 - 'Deferred tax related to assets and liabilities arising from a single transaction' (amendments)	1 January 2023

The management is in the process of assessing the impact of these amendments on the Group.

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or do not have any significant effect on the Group's operations and therefore have not been stated in these consolidated financial statements.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

## 3 BASIS OF MEASUREMENT

### 3.1 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except that certain employees' retirement benefits are carried at present value of defined benefit obligation less fair value of plan assets, if any, lease liability and right-of-use assets, if any, land and buildings are stated at revalued amounts and investments classified as financial assets at fair value through profit or loss which are carried at market rates.

### 3.2 Functional and presentational currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. The consolidated financial statements are presented in Pakistani Rupees, which is the Group's functional and presentational currency.

### 3.3 Critical accounting estimates and judgments

The preparation of the consolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires the management to exercise judgment in the application of the Group's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors, including expectation of future events, that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods.

Significant accounting estimates and areas where judgments were exercised by management in the application of accounting policies are as follows:

- i) Employees' retirement benefits (notes 4.1 and 33)
- ii) Useful life of operating property and equipment and intangible assets (notes 4.2 and 13.1.1)
- iii) Classification, valuation and impairment of investments (notes 4.4 and 22)
- iv) Provision for taxation and deferred taxation (notes 4.9, 11 and 30)
- v) Revaluation of land and building (notes 4.2 & 13)
- vi) Compensated absences (notes 4.1.3 and 9.2)

## 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 4.1 Employees' retirement benefits

#### 4.1.1 Defined benefit plan

The Group operates a defined benefit plan i.e. funded gratuity scheme for all its confirmed employees who have completed minimum qualifying period of service as per the laid down rules and joined before January 01, 2014. Contributions are made monthly to this fund on the basis of actuarial recommendations. The most recent actuarial valuation was carried out as at June 30, 2023 using the Projected Unit Credit Method. Amounts arising as a result of 'Remeasurements', representing the actuarial gains and losses and the difference between the actual investment returns and the return implied by the net interest cost are recognised in the unconsolidated statement of financial position, with a charge or credit to 'Other Comprehensive Income' in the periods in which they occur. Current service cost, past service cost and net interest income / expense are recognised in the unconsolidated statement of profit or loss.

#### 4.1.2 Defined contribution plan

The Group also operates two defined contribution plans i.e. provident fund and a defined contribution gratuity fund.

##### Provident fund

The Group operates an approved contributory provident fund for all employees. Equal monthly contributions at the rate of 10% of basic salary are made to the fund both by the Group and the employees.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

## Defined contribution (DC) gratuity fund

The Group has established a defined contribution plan - DC gratuity fund for permanent employees who joined on or after January 1, 2014. Contributions are made by the Group to the plan at the rate of 8.33% per annum of the basic salary.

## 4.1.3 Other benefits

### Compensated absences

The Group has the policy to provide for encashable compensated absences (upto a maximum of 40 days) to its employees in accordance with respective entitlement on cessation of services. Related expected cost thereof is recognised in the consolidated statement of profit or loss on the basis of actuarial recommendation.

## 4.2 Fixed assets

### 4.2.1 Property and equipment

#### Owned

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any except for land and building which are stated at revalued amounts less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. Individual items costing Rs. 25,000 or less are not capitalised and treated as a period cost. Borrowing costs are dealt with as stated in note 4.3 of these consolidated financial statements.

Depreciation is calculated on a straight line method at the rates given in note 13.1.1 and is charged to the consolidated statement of profit or loss. Depreciation on additions during the year is charged from the month of addition, while no depreciation is charged in the month of retirement / disposal.

The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to consolidated statement of profit or loss in the period in which they are incurred.

Gain and losses on sale or retirement of property and equipment are included in the consolidated statement of profit and loss in the year of disposal.

#### Revaluation of assets

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. An increase arising on revaluation is credited to the surplus on revaluation of property and equipment. A decrease arising on revaluation of fixed assets is adjusted against the surplus of that asset or, if no surplus exists, is charged to the unconsolidated statement of profit or loss as an impairment of the asset. A surplus arising subsequently on an impaired asset is reversed through the unconsolidated statement of profit or loss up to the extent would have been carrying amount of the asset. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the unconsolidated statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from surplus on revaluation of property and equipment to unappropriated profit.

#### Leased

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease liability is initially measured at the present value of the lease payments over the period of lease term and that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments include fixed payments less any lease incentive receivable, variable lease payments that are based on an index or a rate which are initially measured using the index or rate as at the commencement date, amounts expected to be payable by the Group under residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease if the lease term reflects that the lessee will exercise that option. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

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The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payment.

The lease liability is remeasured when the Group reassesses the reasonable certainty to exercise extension or termination option upon occurrence of either a significant event or a significant change in circumstances, or when there is a change in assessment of an option to purchase underlying asset, or when there is a change in amount expected to be payable under a residual value guarantee, or when there is a change in future lease payments resulting from a change in an index or rate used to determine those payments. The corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in statement of profit or loss if the carrying amount of right of use asset has been reduced to zero.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions, the same is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that commensurate with the standalone price for the increase in scope adjusted to reflect the circumstances of the particular contract, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right of use asset.

The right of use asset is initially measured at an amount equal to the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which the asset is located.

The right of use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. The right of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right of use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

## Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditures, including payroll, connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

## 4.2.2 Intangibles

Costs that are directly associated with identifiable software products controlled by the Group and have probable economic benefit beyond one year are recognised as intangible assets.

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. These are amortised using the straight line method reflecting the pattern in which the economic benefits of the assets are consumed by the Group.

Amortisation is charged from the month of addition to the month preceding the month of retirement / disposal, and the amortisation period for software is five years.

## Software under implementation

Software under implementation is stated at cost less any identified impairment loss.

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use;
- Management intends to complete the software and use or sell it;
- There is an ability to use or sell the software;
- It can be demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software are employee costs and an appropriate portion of relevant overheads, where material and reliably determinable. They are recorded as intangible assets and amortised from the point at which the asset is ready for use.

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## 4.2.3 Impairment of non-financial assets

The carrying amounts of non financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised as an expense in the consolidated statement of profit or loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels at which they are generating separately identifiable cash flows (cash generating units).

## 4.3 Borrowing costs

Borrowing costs are interest or other costs incurred by the Group in connection with the borrowing of funds. Borrowing cost that is directly attributable to a qualifying asset is capitalised as part of cost of that asset. All other borrowing costs are charged to consolidated statement of profit or loss in the period in which they are incurred.

## 4.4 Financial instruments

### 4.4.1 Financial assets

#### 4.4.1.1 Classification and subsequent measurement

The Group has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL).

Based on the business model assessment of the entity and the cash flow characteristics of the financial statements.

The classification requirements for debt and equity instruments are described below:

#### (i) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and puttable instruments like units of open-ended mutual funds.

Classification and subsequent measurement of debt instruments depend on:

- the Holding Company's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments in one of the following three measurement categories:

#### a) At amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 4.4.1.2.

#### b) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, recognise and measured as described in note 4.4.1.2, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in the consolidated statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the consolidated statement of profit or loss.



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## c) Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for classification at amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in the consolidated statement of profit or loss in the period in which it arises.

## (ii) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the consolidated statement of financial position at fair value, with gains and losses recognised in the consolidated statement of profit or loss, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI.

The dividend income for equity securities classified under FVOCI are to be recognised in the consolidated statement of profit or loss. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the consolidated statement of profit or loss on derecognition.

### 4.4.1.2 Impairment

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due. The Group writes off its financial assets, in whole or part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.

### 4.4.1.3 Derecognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either:

- (i) the Group transfers substantially all the risks and rewards of ownership; or
- (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

### 4.4.1.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Group commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

## 4.4.2 Financial liabilities

All financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at cost, which is the fair value of the consideration given. Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

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## 4.4.2.1 Derecognition

Financial liabilities are derecognised at the time when these are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the consolidated statement of profit or loss.

## 4.4.3 Initial recognition

Financial assets and financial liabilities are recognised at the time the Group becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the consolidated statement of profit or loss.

## 4.4.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

## 4.4.5 Business model

The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

## 4.4.6 SPPI

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

## 4.4.7 Reclassifications

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

## 4.4.8 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is re-measured to its fair value and the resultant gain or loss is recognised in the consolidated statement of profit or loss.

## 4.5 Trade debts and other receivables

Trade debts and other receivables are stated at amortised cost less impairment losses recognised and measured as described in note 4.4.1.2.

## 4.6 Provisions, contingencies and commitments

A provision is recognised in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a 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 obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

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Contingent assets are not recognised but are disclosed unless inflow of economic benefits is virtually certain. Contingent liabilities are not recognised and are disclosed unless the probability of outflow of resources embodying economic benefits is remote.

Commitments for outstanding capital expenditure contracts are disclosed in these consolidated financial statements at committed amounts.

## 4.7 Trade and other payables

Liabilities for trade and other payables are carried at amortised cost which is the fair value of the consideration to be paid in future for services.

## 4.8 Foreign currency transactions and translations

Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rates of exchange prevailing at the reporting date. Transactions in foreign currencies are converted into Pakistani Rupees at the rates of exchange prevailing at the transaction date. Exchange gains or losses are recognised in the consolidated statement of profit or loss.

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.

## 4.9 Taxation

### 4.9.1 Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account available tax credit and rebates, if any. Income for the purpose of computing current taxation is determined under the provisions of tax laws.

### 4.9.2 Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from difference between the carrying amount of the assets and liabilities in the consolidated financial statements and corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the consolidated statement of profit or loss, except where deferred tax arises on the items credited or charged to equity in which case it is included in equity or when they relate to items recognised in other comprehensive income in which case it is recognised in the consolidated statement of profit or loss and other comprehensive income.

## 4.10 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at amortised cost. For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise cash and bank balances and only those short term investments which are highly liquid and maturing within three months from the date of acquisition, which is readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

## 4.11 Revenue recognition

Revenue is recognised when the services have been rendered by the Group and received by the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the service. Revenue of different streams is recognised as follows:

- a) Transaction fee for settlement of trades in eligible securities through Central Depository System (CDS) is recognised in full upon settlement in CDS on the basis of day end market value of securities on the last trading session at the Pakistan Stock Exchange (PSX). Transaction fee on government securities is charged and recognised on per trade basis;

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- b) Custody fee is recognised on daily basis for balance of securities present in CDS on closing market value of last trading session of every trading day at PSX. Custody fee on unlisted securities is recognised on face value of such securities;
- c) Annual fee and CDS connection fee are billed in advance and are amortised over the period of such service;
- d) Other fees are recognised when the Group renders the related services;
- e) Income from trustee operations is recognised on the basis of closing daily net asset value of the funds;
- f) Income from IT services are recognised as revenue with reference to the stage of completion of the transaction, unless they are incidental to the sale of software licenses, in which case they are recognised upon transfer of licensing rights;
- g) Revenue from Business Process Outsourcing (BPO) services are recognised as the related services performed, in accordance with specific terms of the contract with customers;
- h) Gains and losses on sale of investments are accounted for in the year in which they arise;
- i) Interest income is recognised on an accrual basis and dividend income is recognised when the right to receive dividend is established;
- j) Unrealised gains / losses are recognised in the unconsolidated statement of profit or loss in the year in which they arise; and
- k) Return on fixed income securities and term deposits are recognised on a time proportion basis.

## 4.12 Dividend and appropriation

Dividend distribution to the shareholders' of the Group is recognised as a liability in the consolidated statement of financial position in the period in which such dividends are approved.

## 4.13 Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

## 4.14 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the management, which is responsible for allocating resources and assessing performance of the operating segments. The basis of segmentation and reportable segments presented in these consolidated financial statements are the same which are presented to the Board of Directors. Assets and liabilities are not segment wise reported to the Board of Directors.

## 4.15 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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## 5 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

June 30, 2023	June 30, 2022		June 30, 2023	June 30, 2022
Number of shares			-----Rupees-----	
<b>400,000,000</b>	400,000,000	<b>Authorised share capital</b>	<b>4,000,000,000</b>	4,000,000,000
		Ordinary shares of Rs. 10 each		
<b>10,000,000</b>	10,000,000	<b>Issued, subscribed and paid-up share capital</b>	<b>100,000,000</b>	100,000,000
		Ordinary shares of Rs. 10 each fully paid in cash		
		<b>Ordinary shares of Rs. 10 each issued as fully paid bonus shares</b>		
<b>290,000,000</b>	240,000,000	- Beginning of the year	<b>2,900,000,000</b>	2,400,000,000
<b>50,000,000</b>	50,000,000	- During the year	<b>500,000,000</b>	500,000,000
<b>340,000,000</b>	290,000,000	Total bonus shares	<b>3,400,000,000</b>	2,900,000,000
<b>350,000,000</b>	300,000,000		<b>3,500,000,000</b>	3,000,000,000

5.1 Associated companies held 191,833,382 shares (June 30, 2022: 194,424,000 shares) in the Holding Company as at June 30, 2023.

5.2 During the year, the Holding Company has issued 50,000,000 bonus shares from unappropriated profit (June 30, 2022: 50,000,000).

## 5.3 Non controlling interest

	June 30, 2023	June 30, 2022
	-----Rupees-----	
Opening balance	-	68,714,870
Profit / (loss) for the year	-	499,403
Non-controlling interest (NCI) upon derecognition	-	(69,214,273)
Closing balance	-	-

## 6 SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT - NET OF TAX

This represents surplus arising on revaluation of land and buildings, net of deferred tax thereon. This surplus is not available for distribution to the shareholders.

	June 30, 2023	June 30, 2022
	-----Rupees-----	
Distribution to the shareholders:		
Surplus on revaluation of property and equipment as at July 1	<b>1,266,963,436</b>	752,907,812
Surplus arising on revaluation during the year	-	530,249,099
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	<b>(15,293,400)</b>	(11,449,932)
Related deferred tax liability	<b>(9,777,756)</b>	(4,743,543)
	<b>(25,071,156)</b>	(16,193,475)
Surplus on revaluation of property and equipment as at June 30	<b>1,241,892,280</b>	1,266,963,436
Less: related deferred tax liability:		
- at beginning of the year	<b>(165,484,553)</b>	(75,896,695)
- on surplus arising on revaluation during the year	-	(94,331,401)
- due to change in rate of tax during the year	<b>(35,651,553)</b>	-
- on incremental depreciation charged during the year	<b>9,777,756</b>	4,743,543
Deferred tax liability on surplus on revaluation of property and equipment at the end of the year	<b>(191,358,350)</b>	(165,484,553)
	<b>1,050,533,930</b>	1,101,478,883

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	June 30, 2023	June 30, 2022
	-----Rupees-----	
<b>7 LONG TERM DEPOSITS</b>		
Due to:		
- Participants	38,849,137	39,799,137
- Institutions	39,574,363	37,824,363
- Pledgees	1,925,000	1,900,000
- Issuers	74,575,000	67,300,000
	<u>154,923,500</u>	<u>146,823,500</u>

**7.1** These represent security deposits received from different categories of Central Depository System (CDS) elements for their admission in the CDS. According to regulation 3.8.4 of Central Depository Company of Pakistan Limited Regulations, such deposits may be utilised by the Holding Company for any purpose whatsoever and shall be refundable at the time of termination of admission to the CDS.

**7.2** These include long term deposits amounting to Rs 3.5 million (June 30, 2022: Rs 3.03 million) from related parties.

	June 30, 2023	June 30, 2022
	-----Rupees-----	
<b>8 DEFERRED TAXATION - NET</b>		
<b>Deferred tax liabilities arising on taxable temporary differences</b>		
- Excess of accounting written down value under cost model over tax written down value of property and equipment	74,036,497	20,079,921
- Surplus on revaluation of property and equipment	191,358,350	165,484,553
- Accrued income - Treasury bills	-	4,366,779
<b>Deferred tax assets arising on deductible temporary differences</b>		
- Provision for doubtful debts	(452,063)	(382,515)
- Unrealised loss on Mutual Funds	(4,996,636)	(7,064,917)
- Provision for donation	(16,140,127)	(10,264,375)
- Minimum tax	(5,267,066)	(10,719,536)
	<u>238,538,955</u>	<u>161,499,910</u>

## 8.1 Reconciliation of deferred tax liability

Deferred tax liability - opening balance	161,499,910	66,030,224
Recognised through the consolidated statement of profit or loss and other comprehensive income	35,651,553	94,331,401
Recognised through the consolidated statement of profit or loss	41,154,226	368,583
Others	233,266	769,702
Deferred tax liability - closing balance	<u>238,538,955</u>	<u>161,499,910</u>

## 9 TRADE AND OTHER PAYABLES

Payable to suppliers	42,751,717	3,124,931
Accrued expenses	469,199,359	401,323,814
Employees' retirement benefits and other obligations	102,291,803	191,102,150
Investor account services - current account	124,535,675	116,383,174
Sales tax payable	11,383,003	13,439,476
Withholding tax payable	-	130,064
Others	19,975,694	8,274,290
	<u>770,137,251</u>	<u>733,777,899</u>

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	Note	June 30, 2023	June 30, 2022
		-----Rupees-----	
<b>9.1 Employees' retirement benefits and other obligations</b>			
Net defined benefit liability	33.3	<b>31,443,300</b>	119,129,550
Accumulated compensated absences	9.2	<b>49,447,134</b>	52,787,235
Salaries and other benefits payable		<b>21,401,369</b>	19,185,365
		<b>102,291,803</b>	191,102,150
<b>9.2 Accumulated compensated absences</b>			
Opening balance		<b>52,787,235</b>	53,592,423
Provision for the year		<b>792,083</b>	5,122,183
Payments / transfers made during the year		<b>(4,132,184)</b>	(5,927,371)
Closing balance		<b>49,447,134</b>	52,787,235
<b>10 UNEARNED FEE</b>			
Annual fee			
Issuers		<b>9,491,771</b>	10,258,865
Investor account services (IAS)		<b>9,433,432</b>	9,450,163
Centralised Information Sharing Solution for Insurance Industry (CISSII) participants		<b>10,610,017</b>	10,110,017
Investment portfolio services (IPS) annual fee		<b>46,040</b>	40,685
Fresh issue		<b>4,586,565</b>	-
Sub account maintenance fee		<b>43,517,125</b>	43,093,160
Other fee		<b>27,200</b>	-
Business process outsourcing (BPO) services		<b>1,533,058</b>	1,151,212
		<b>79,245,208</b>	74,104,102
<b>11 TAXATION - NET</b>			
<b>11.1</b>	The returns of income tax for the tax years 2017 and 2018 were amended under section 122(5A) of the Income Tax Ordinance, 2001 and amended assessment orders were passed for these tax years. Certain additions / disallowances were made in the orders and demands of Rs. 17.9 million and Rs.17.3 million respectively were raised. The Holding Company paid the additional tax demand for both tax years and filed appeals before the Commissioner Inland Revenue (Appeals) [CIR(A)], which have been decided in favour of the Holding Company except for the issue of claim of maintenance expense relating to software incurred by the Holding Company for both tax years, which has been remanded back by CIR(A). An appeal against the order of CIR(A) to remand back the issue relating to the maintenance expense of software has been filed before Appellate Tribunal Inland Revenue (ATIR), which is currently pending. Based on the advice of the tax advisors, the management of the Holding Company is confident that it shall be eventually decided in the Holding Company's favour. Accordingly, no provision has been recognised in these consolidated financial statements in regards of the above matter.		
<b>11.2</b>	During the year ended 30 June 2023, the return of income tax for the tax year 2021 was amended under section 122(5A) of the Income Tax Ordinance, 2001. This amended assessment order was passed relating to the tax year 2021 by raising additional tax demand of Rs. 25 million. The Holding Company has filed appeal against the order and has paid the amount equal to 10% of the demand to obtain automatic stay against further recovery of tax. Based on the orders passed previously in the case of the Holding Company and other precedents available, it is expected that CIR(A) may decide the appeal in favour of the Holding Company. However, the addition made on account of maintenance expense of software, may be remanded back. It is also expected, based on the advice of its tax advisor, that the same would be decided in favour of the Holding Company. Therefore, no provision has been recognised in these consolidated financial statements.		

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

## 12 CONTINGENCIES AND COMMITMENTS

### 12.1 Contingencies

During 2014-2015, the Sindh Revenue Board (SRB) passed an order in relation to tax periods commencing from July 2011 up to June 2013 with regards to chargeability of Sindh Sales Tax (SST) amounting to Rs 297 million including penalty. Subsequently, the penalty amounting to Rs. 15 million was removed and the revised demand was restricted to Rs. 282 million. SRB was of the opinion that services rendered by the Holding Company were falling under the ambit of Non-Banking Finance Companies (NBFC). The Holding Company did not agree with the SRB's contention, the Holding Company pursued the matter in appeal and through the order dated February 28, 2018, the Hon'able Appellate Tribunal – SRB has decided the case in favour of the Holding Company and has vacated the above referred tax demand.

Apart from the above, the SRB has also issued a notice for the periods from July 2013 through June 2015, requiring the Holding Company to show-cause as to why SST of Rs 344.6 million including penalty should not be recovered from the Holding Company on alleged failure to charge SST on its services. The management on the basis of above-referred judgment of Hon'able Appellate Tribunal – SRB has filed the application in the Honorable Sindh High Court for vacation of the same and is confident that the matter will be resolved in the Holding Company's favour and therefore no provision has been recognised in these consolidated financial statements.

		June 30, 2023	June 30, 2022
	Note	-----Rupees-----	
<b>12.2 Commitments</b>			
Capital expenditure for acquisition of software, hardware and office equipment		<b>58,646,565</b>	17,258,755
<b>13 FIXED ASSETS</b>			
Property and equipment	13.1	<b>1,723,484,697</b>	1,726,072,161
Intangibles	13.2	<b>174,371,340</b>	113,123,981
		<b>1,897,856,037</b>	1,839,196,142
<b>13.1 Property and equipment</b>			
Operating assets	13.1.1	<b>1,681,023,081</b>	1,722,377,201
Capital work-in-progress	13.1.5	<b>42,461,616</b>	3,694,960
		<b>1,723,484,697</b>	1,726,072,161



# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

## 13.1.1 Operating assets

	June 30, 2023						
	Leasehold land	Building	Furniture, fixtures and electrical equipment	Vehicles	Office equipment	Computer equipment	Total operating assets
	Rupees						
<b>At July 1, 2022</b>							
Cost / revalued amount	824,998,500	825,495,295	184,143,595	144,465,433	204,441,791	622,401,420	2,805,946,034
Accumulated depreciation	-	(138,088,683)	(156,796,633)	(71,567,771)	(185,512,525)	(531,603,221)	(1,083,568,833)
<b>Net book value</b>	<u>824,998,500</u>	<u>687,406,612</u>	<u>27,346,962</u>	<u>72,897,662</u>	<u>18,929,266</u>	<u>90,798,199</u>	<u>1,722,377,201</u>
Additions / transfer from CWIP / adjustments	-	45,963	10,571,733	38,606,926	1,277,342	44,926,029	95,427,993
Disposals							
Cost / revalued amount	-	-	(2,368,942)	(24,069,638)	(3,022,504)	(9,364,903)	(38,825,987)
Accumulated depreciation	-	-	2,368,722	18,851,833	2,559,239	8,969,034	32,748,828
	-	-	(220)	(5,217,805)	(463,265)	(395,869)	(6,077,159)
Depreciation charge for the year	-	(34,369,803)	(10,079,787)	(29,352,559)	(5,871,129)	(51,031,676)	(130,704,954)
Closing net book value	<u>824,998,500</u>	<u>653,082,772</u>	<u>27,838,688</u>	<u>76,934,224</u>	<u>13,872,214</u>	<u>84,296,683</u>	<u>1,681,023,081</u>
<b>At June 30, 2023</b>							
Cost / revalued amount	824,998,500	825,541,258	192,346,386	159,002,721	202,696,629	657,962,546	2,862,548,040
Accumulated depreciation	-	(172,458,486)	(164,507,698)	(82,068,497)	(188,824,415)	(573,665,863)	(1,181,524,959)
<b>Net book value</b>	<u>824,998,500</u>	<u>653,082,772</u>	<u>27,838,688</u>	<u>76,934,224</u>	<u>13,872,214</u>	<u>84,296,683</u>	<u>1,681,023,081</u>
Depreciation rate per annum	-	5%	20%	20%	20%	25% - 33.33%	
	June 30, 2022						
	Leasehold land	Building	Furniture, fixtures and electrical equipment	Vehicles	Office equipment	Computer equipment	Total operating assets
	Rupees						
<b>At July 1, 2021</b>							
Cost / revalued amount	549,999,000	568,571,581	176,266,380	128,012,547	209,606,900	579,820,297	2,212,276,705
Accumulated depreciation	-	(109,653,035)	(153,618,804)	(57,279,887)	(190,548,323)	(480,316,875)	(991,416,924)
<b>Net book value</b>	<u>549,999,000</u>	<u>458,918,546</u>	<u>22,647,576</u>	<u>70,732,660</u>	<u>19,058,577</u>	<u>99,503,422</u>	<u>1,220,859,781</u>
Additions / transfer from CWIP	-	1,674,115	13,222,656	30,699,748	7,939,472	44,170,090	97,706,081
Revaluation	274,999,500	255,249,599	-	-	-	-	530,249,099
Disposals							
Cost / revalued amount	-	-	(5,345,441)	(14,246,862)	(13,104,581)	(1,588,967)	(34,285,851)
Accumulated depreciation	-	-	5,345,354	12,736,519	12,724,882	1,588,951	32,395,706
	-	-	(87)	(1,510,343)	(379,699)	(16)	(1,890,145)
Depreciation charge for the year	-	(28,435,648)	(8,523,183)	(27,024,403)	(7,689,084)	(52,875,297)	(124,547,615)
Closing net book value	<u>824,998,500</u>	<u>687,406,612</u>	<u>27,346,962</u>	<u>72,897,662</u>	<u>18,929,266</u>	<u>90,798,199</u>	<u>1,722,377,201</u>
<b>At June 30, 2022</b>							
Cost / revalued amount	824,998,500	825,495,295	184,143,595	144,465,433	204,441,791	622,401,420	2,805,946,034
Accumulated depreciation	-	(138,088,683)	(156,796,633)	(71,567,771)	(185,512,525)	(531,603,221)	(1,083,568,833)
<b>Net book value</b>	<u>824,998,500</u>	<u>687,406,612</u>	<u>27,346,962</u>	<u>72,897,662</u>	<u>18,929,266</u>	<u>90,798,199</u>	<u>1,722,377,201</u>
Depreciation rate per annum	-	5%	20%	20%	20%	25% - 33.33%	

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
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**13.1.2** The Holding Company revalued its leasehold land and building on June 30, 2022. The revaluation exercise was carried out by independent valuer - MYK Associates (Pvt.) Limited, (Approved valuer of Pakistan Banks' Association). The valuer has estimated the remaining life of the buildings to be 20 years. Leasehold land was revalued on the basis of current market price whereas buildings were revalued on the basis of depreciated market value.

**13.1.3** Had there been no revaluation of leasehold land and building, the cost and written down values would have been as follows:

	June 30, 2023	June 30, 2022
	-----Rupees-----	
<b>Leasehold land</b>		
Cost	<u>59,458,250</u>	<u>59,458,250</u>
Net book value under cost model	<u>59,458,250</u>	<u>59,458,250</u>
<b>Building</b>		
Cost	<u>343,803,850</u>	<u>343,803,850</u>
Net book value under cost model	<u>162,420,336</u>	<u>179,610,528</u>

**13.1.4** On the basis of the revaluation report dated June 30, 2022, the forced sale value of leasehold land and buildings is Rs. 1,134.3 million.

	June 30, 2023	June 30, 2022
	-----Rupees-----	
<b>13.1.5 Capital work-in-progress</b>		
Balance at the beginning of the year	3,694,960	2,287,026
Additions		
- Furniture, fixtures and electrical equipment	1,593,031	6,199,783
- Building	672,432	1,674,115
- Computers and office equipment	40,480,648	843,691
- Vehicles	38,699,668	5,007,000
	<u>81,445,779</u>	<u>13,724,589</u>
Transferred to operating assets	<u>85,140,739</u> <u>(42,679,123)</u>	<u>16,011,615</u> <u>(12,316,655)</u>
Balance at the end of the year	<u>42,461,616</u>	<u>3,694,960</u>
<b>13.2 Intangibles</b>		
Software	13.2.1 169,829,753	111,822,104
Software under implementation	13.2.2 4,541,587	1,301,877
	<u>174,371,340</u>	<u>113,123,981</u>

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

	June 30, 2023	June 30, 2022
	-----Rupees-----	
<b>13.2.1 Software</b>		
Opening balance		
Cost	619,532,345	584,644,292
Accumulated amortisation	(507,710,241)	(459,453,322)
Net book value	111,822,104	125,190,970
Additions during the year	108,211,353	34,888,053
Adjustment - cost	(25,023)	-
Disposals		
Cost	-	-
Accumulated amortisation	-	-
Amortisation charge for the year	(50,071,186)	(48,256,919)
Adjustment - Accumulated amortisation	(107,495)	-
Closing net book value	169,829,753	111,822,104
Rate of amortisation	20%	20%
Closing balance		
Cost	727,743,698	619,532,345
Accumulated amortisation	(557,781,427)	(507,710,241)
Net book value	169,962,271	111,822,104
<b>13.2.2 Software under implementation</b>		
Balance at the beginning of the year	1,301,877	6,220,000
Additions	91,646,871	26,818,504
	92,948,748	33,038,504
EClear - loss of control	-	(5,532,500)
Transferred to operating assets	(88,407,161)	(26,204,127)
Balance at the end of the year	4,541,587	1,301,877

## 13.3 Details of disposal of fixed assets

The following fixed assets were disposed by the Group during the year ended June 30, 2023:

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers	Relationship with buyer
	-----Rupees-----							
<b>Disposals having book value exceeding Rs. 500,000 individually</b>								
Motor vehicles								
- Honda BRV	2,449,000	1,918,385	530,615	2,000,000	1,469,385	Sale as per the Company's policy	Syed Hassan Aslam	Ex - employee
- Honda BRV	3,497,000	1,403,882	2,093,118	3,808,000	1,714,882	Sale as per the Company's policy	Yaseen Younus	Employee
- Toyota Yaris	2,675,000	713,331	1,961,669	3,000,000	1,038,331	Sale as per the Company's policy	Mustafa Farooq	Ex - employee
<b>Disposals having book value not exceeding Rs. 500,000 individually</b>								
Furniture, fixtures and electrical equipment	2,368,942	2,368,722	220	299,000	298,780	Sale as per the Company's policy	Various	Various
Office equipment	3,022,504	2,559,239	463,265	416,183	(47,082)	Sale as per the Company's policy	Various	Various
Computer equipment	9,364,903	8,969,034	395,869	276,368	(119,501)	Sale as per the Company's policy	Various	Various
Vehicles	15,448,638	14,816,235	632,403	7,732,600	7,100,197	Sale as per the Company's policy	Various employees	Various employees
<b>2023</b>	<b>38,825,987</b>	<b>32,748,828</b>	<b>6,077,159</b>	<b>17,532,151</b>	<b>11,454,992</b>			
<b>2022</b>	<b>34,285,851</b>	<b>32,395,706</b>	<b>1,890,145</b>	<b>6,713,138</b>	<b>4,822,993</b>			

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

		June 30, 2023	June 30, 2022
	Note	Rupees	Rupees
<b>14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>			

Investment in associate - equity method 14.1 75,739,631 72,457,285

**14.1** During the year ended June 30, 2022, EClear Services Limited increased its paid up capital through issuance of shares as a result of which the effective shareholding in EClear Services Limited has decreased from 51% to 25%. As a result, the Holding Company no longer controls EClear and from December 1, 2021 EClear is no longer classified as subsidiary as the Holding Company no longer holds controlling interest but holds significant influence in it and therefore has been classified as an investment in associate, accounted for under the equity method.

**14.2** Shares held and carrying value of investment in associate is as follows:

June 30, 2023	June 30, 2022		June 30, 2023	June 30, 2022
Number of shares			Rupees	Rupees
<u>7,500,000</u>	7,500,000	<b>Unquoted</b>	<u>75,739,631</u>	72,457,285
		EClear Services Limited		

Name	Date of financial year end	As at June 30		For the period July 01 to June 30		Interest held
		Total assets	Total liabilities	Revenues	Profit	
<div>(Rupees)</div>						
2023						
Unlisted						
EClear Services Limited	30 June	625,148,506	316,284,837	19,349,300	13,129,382	25.00%

		June 30, 2023	June 30, 2022
	Note	Rupees	Rupees
<b>14.3</b> Movement of investment in associate is as follows:			

Balance at the beginning of the year 72,457,285 72,100,569  
Share of profit for the year 3,282,346 356,716  
Dividends received during the year - -  
Balance at the end of the year 75,739,631 72,457,285

## 15 LONG TERM INVESTMENTS

Investment in associated company - at cost 15.1 29,285,720 29,285,720

**15.1** This represent investment in Naymat Collateral Management Company Limited by subscribing 2,928,570 (June 30, 2022: 2,928,570) shares of Rs.10 each of Naymat Collateral Management Company Limited.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

		June 30, 2023	June 30, 2022
	Note	-----Rupees-----	
<b>16 LONG TERM LOANS - SECURED</b>			
Considered good			
- House loans	16.1	57,653,597	55,610,890
- Car loans	16.2	42,580,029	28,630,228
- Bike loans	16.3	1,508,116	1,775,991
		<u>101,741,742</u>	<u>86,017,109</u>
- Transferred to current maturity		<u>(16,455,670)</u>	<u>(19,588,087)</u>
		<u>85,286,072</u>	<u>66,429,022</u>
<b>Loan outstanding for period:</b>			
- More than one year but less than three years		29,133,046	22,913,944
- More than three years		56,153,026	43,515,078
		<u>85,286,072</u>	<u>66,429,022</u>
<b>Movement of loan to executives</b>			
Balance at beginning of the year		26,940,946	32,952,268
Add: Disbursements during the year		14,657,185	-
		<u>41,598,131</u>	<u>32,952,268</u>
Less: Recovered during the year		<u>(6,489,312)</u>	<u>(6,011,322)</u>
Balance at the end of the year		<u>35,108,819</u>	<u>26,940,946</u>

- 16.1** Interest at 4.25% per annum on monthly outstanding balance is recovered on house loans. Maximum repayment period for house loan is fifteen years.
- 16.2** Interest at 3% per annum on monthly outstanding balance is recovered on car loans. However, no interest is recovered from employees who have surrendered interest on their provident fund. Maximum repayment period for car loan is five years.
- 16.3** No interest is recovered on bike loans given to employees. Maximum repayment period for bike loan is four years.
- 16.4** The maximum aggregate amount of loans at the end of any month during the year was Rs. 136.394 million (June 30, 2022: Rs. 118.246 million). The loans are secured against the underlying assets.

		June 30, 2023	June 30, 2022
		-----Rupees-----	
<b>17 LONG TERM DEPOSITS AND PREPAYMENTS</b>			
Deposits			
- Rented premises		585,000	585,000
- Utilities and others		14,075,858	11,488,047
		<u>14,660,858</u>	<u>12,073,047</u>
Prepayments		2,270,302	370,276
		<u>16,931,160</u>	<u>12,443,323</u>
<b>18 TRADE DEBTS - NET</b>			
Considered good			
- secured		312,533,632	224,500,002
- unsecured		208,709,678	217,289,039
		<u>521,243,310</u>	<u>441,789,041</u>
Considered doubtful		1,159,136	1,159,136
		<u>522,402,446</u>	<u>442,948,177</u>
Provision against doubtful trade debts		<u>(1,159,136)</u>	<u>(1,159,136)</u>
		<u>521,243,310</u>	<u>441,789,041</u>

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

18.1 The aging analysis of trade debts are as follows:

	June 30, 2023			June 30, 2022		
	Gross	Impaired	Net	Gross	Impaired	Net
----- Rupees -----						
Within 45 days	311,135,281	-	311,135,281	245,265,615	-	245,265,615
46 to 90 days	22,581,551	-	22,581,551	32,880,764	-	32,880,764
Over 91 days	188,685,614	1,159,136	187,526,478	164,801,798	1,159,136	163,642,662
Total	522,402,446	1,159,136	521,243,310	442,948,177	1,159,136	441,789,041

18.2 The Group reviews all the trade debts for indication of impairment. During the year, no further provision has been made and consequently the opening balance of provision for doubtful debt which comprises dues from terminated participants and investor account holders amounting to Rs. 0.4 million (June 30, 2022: Rs. 0.4 million) and Rs. 0.7 million (June 30, 2022: 0.7 million) respectively are valid till year end.

18.3 Trade debts include receivable from associated persons and companies (related parties) amounting to Rs. 11.319 million (June 30, 2022: Rs. 6.639 million).

18.3.1 The aging analysis of trade debts with related parties is as follows:

	June 30, 2023			June 30, 2022		
	Gross	Impaired	Net	Gross	Impaired	Net
----- Rupees -----						
Within 45 days	7,481,658	-	7,481,658	2,200,714	-	2,200,714
46 to 90 days	1,934,355	-	1,934,355	1,925,227	-	1,925,227
Over 91 days	1,902,539	-	1,902,539	2,512,592	-	2,512,592
Total	11,318,552	-	11,318,552	6,638,533	-	6,638,533

18.4 The maximum aggregate amount of receivable from associated persons and companies (related parties) at the end of any month during the year was Rs. 24.7 million (June 30, 2022: Rs. 22.9 million).

18.4.1 The details of related parties are disclosed in note 34.

## 19 LOANS AND ADVANCES

Considered good

Current maturity of long term loans - secured

Unsecured

- Advance to employees

- Advance against expenses

Note	June 30, 2023	June 30, 2022
	----- Rupees -----	
16	16,455,670	19,588,087
19.2	5,158,414	7,701,284
19.3	6,849,970	8,991,276
	12,008,384	16,692,560
	28,464,054	36,280,647

19.1 All loans and advances have been reviewed for impairment and none of the loans and advances were found to be impaired.

19.2 This represents money advanced to the Group's employees for the purpose of any emergency or advance house rent. These advances are repaid by employees on monthly basis within 12 months.

19.3 This represents money advanced to the Holding Company's employees for the purpose of meeting daily expenses mainly relating to travelling and subsistence.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

	Note	June 30, 2023	June 30, 2022
		Rupees	
<b>20 PREPAYMENTS</b>			
Insurance		4,810,224	4,951,991
Software maintenance		34,418,236	21,494,580
Servers & other hardware maintenance		16,631,425	3,927,168
Others		6,914,807	5,195,002
		<u>62,774,692</u>	<u>35,568,741</u>
<b>21 OTHER RECEIVABLES - NET</b>			
Receivable from related parties:			
- EClear Services Limited - Associate		1,332,025	6,169,005
- National Clearing Company of Pakistan Limited - associated company		-	1,028,218
- Naymat Collateral Management Company Limited		8,000,111	7,075,579
Prepaid staff cost	21.4	37,583,913	28,105,876
Tax refundable		1,089,669	1,089,669
Others		23,241,671	9,869,677
		<u>71,247,389</u>	<u>53,338,024</u>

**21.1** All the other receivables have been reviewed for impairment and none of the other receivables was found to be impaired.

**21.2** The aging analysis of other receivables from related parties are as follows:

	June 30, 2023			June 30, 2022		
	Gross	Impaired	Net	Gross	Impaired	Net
	Rupees					
Within 45 days	9,332,136	-	9,332,136	14,272,802	-	14,272,802
46 to 90 days	-	-	-	-	-	-
Over 91 days	-	-	-	-	-	-
Total	<u>9,332,136</u>	<u>-</u>	<u>9,332,136</u>	<u>14,272,802</u>	<u>-</u>	<u>14,272,802</u>

**21.3** The maximum aggregate amount of receivable from associated persons and companies (related parties) at the end of any month during the year was Rs 9.332 million (June 30, 2022: Rs 14.273 million).

	June 30, 2023	June 30, 2022
	Rupees	
<b>21.4 Prepaid staff cost</b>		
Opening prepaid cost	28,105,876	30,145,803
During the year	21,803,278	15,827,878
Amortised during the year	(12,325,241)	(17,867,805)
Closing prepaid cost	<u>37,583,913</u>	<u>28,105,876</u>

**21.4.1** These loans are initially recognised at their fair values measured using the market rate of identical personal installment loans. The difference between the fair value and cash disbursement is accounted for as a prepaid staff cost and is being amortised over the life of the respective loans.

## NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

		June 30, 2023	June 30, 2022
		-----Rupees-----	
<b>22</b>	<b>SHORT TERM INVESTMENTS</b>		
	<b>At amortised cost</b>		
	- Market Treasury Bills	22.1	<div> <div>1,398,939,154</div> <div>3,973,802,140</div> </div>
			<div> <div>1,398,939,154</div> <div>3,973,802,140</div> </div>
	<b>Financial assets at fair value through profit or loss</b>		
	- Units of mutual funds	22.2	<div> <div>3,553,770,954</div> <div>664,654,812</div> </div>
			<div> <div>4,952,710,108</div> <div>4,638,456,952</div> </div>

**22.1** These represent investment in Market Treasury Bills having original maturity of upto three months. These carry purchase yield ranging from 13.82% to 22.17% (June 30, 2022: 13.19% to 15.45%) per annum.

**22.1.1** These represent investment in Market Treasury Bills pledged with NCCPL amounting to Rs. 150 million (2022: Rs. 150 million) as per regulation 12.4 of the National Clearing Company of Pakistan Regulations, 2015.

## 22.2 Units of mutual funds - 'at fair value through profit and loss'

Particulars	Carrying value	Market Value	Unrealised loss
----- (Rupees) -----			

As at June 30, 2023	3,572,382,036	3,553,770,954	(18,611,082)
As at June 30, 2022	706,386,975	664,654,812	(41,732,163)

		June 30, 2023	June 30, 2022	
		-----Rupees-----		
23	CASH AND BANK BALANCES			
	With banks in:			
	- savings account	23.1	427,270,121	475,911,081
	- current account		337,331,347	53,768,855
	Amount held on behalf of clients	23.2	(590,824,737)	(375,899,307)
	Net bank balance	23.3	173,776,731	153,780,629
	Cash in hand		10,012,540	189,778
			183,789,271	153,970,407

**23.1** These carry mark-up at rates of 12.25% to 19.5% per annum (June 30, 2022: 5% to 12.25% per annum).

**23.2** This includes balances held by the Holding Company, in the Real-Time Gross Settlement account with the State Bank of Pakistan amounting to Rs. 324.56 million (June 30, 2022: Rs. 45.22 million) and Direct Settlement Services amounting to Rs. 266.26 million (June 30, 2022: Rs. 330.68 million), on behalf of the clients for settlement purpose.

**23.3** Bank balances include Rs. 19.52 million (June 30, 2022: Rs. 4.9 million) held with related parties.



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Central Depository Company of Pakistan Limited  
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		June 30, 2023	June 30, 2022
	Note	Rupees	
<b>24 OPERATING INCOME - NET</b>			
Depository services - net	24.1	1,152,533,377	1,210,377,651
Trusteeship and custodial services - net	24.2	1,001,442,077	830,652,351
Share registrar services - net	24.3	188,480,109	151,510,371
Business process outsourcing services / IT Services - net	24.4	111,352,343	100,654,972
Miscellaneous income - net	24.5	31,560,334	29,587,444
		<u>2,485,368,240</u>	<u>2,322,782,789</u>
SECP supervision fee	24.6	(11,804,393)	(12,612,730)
		<u>2,473,563,847</u>	<u>2,310,170,059</u>
<b>24.1 Depository services - net</b>			
Depository services		1,308,794,662	1,377,888,769
Less: Sales tax		(156,261,285)	(167,511,118)
		<u>1,152,533,377</u>	<u>1,210,377,651</u>
<b>24.1.1 Depository services - net</b>			
Transaction fee	24.1.2	130,071,068	148,687,670
Custody fee		220,475,708	247,651,794
Sub account maintenance fee		88,542,742	89,524,380
CDS connection fee		42,807,050	42,398,500
Security induction fee		297,603,005	329,042,069
Annual fee		328,588,947	314,482,850
Cancellation fee / Revocation fee		15,996,475	8,646,220
Withdrawal fee		189,844	1,630,278
Vasco service charges		2,326,908	2,296,200
eDividend charges		25,931,630	26,017,690
		<u>1,152,533,377</u>	<u>1,210,377,651</u>
<b>24.1.2 Transaction fee - net</b>			
Transaction fee		159,847,233	191,040,721
Less: SECP levy	24.1.3	(29,776,165)	(42,353,051)
		<u>130,071,068</u>	<u>148,687,670</u>
<b>24.1.3</b>			
Securities and Exchange Commission of Pakistan (SECP) imposed a levy of 0.000405 (June 30, 2022: 0.000405) paisa per share as transaction fee which is borne by the Company.			
<b>24.2 Trusteeship and custodial services - net</b>			
Trusteeship and custodial services		1,201,809,682	1,000,652,237
Less: SECP levy	24.2.1	(64,884,499)	(51,058,749)
Less: Sales tax		(135,483,106)	(118,941,137)
		<u>1,001,442,077</u>	<u>830,652,351</u>
<b>24.2.1</b>			
SECP imposed an annual fee @ 0.005% (June 30, 2022: 0.005%) of average annual assets of open end scheme and closed end scheme under its trusteeship.			

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

	June 30, 2023	June 30, 2022
	-----Rupees-----	
<b>24.3 Share registrar services - net</b>		
Share registrar services	220,694,076	170,817,328
Less: sales tax	(32,213,967)	(19,306,957)
	<u>188,480,109</u>	<u>151,510,371</u>
<b>24.4 Business process outsourcing services / IT Services - net</b>		
Business process outsourcing services / IT Services	130,473,199	117,785,906
Less: sales tax	(19,120,856)	(17,130,934)
	<u>111,352,343</u>	<u>100,654,972</u>
<b>24.5 Miscellaneous income - net</b>		
Miscellaneous income	39,831,322	31,252,311
Less: Sales tax	(8,270,988)	(1,664,867)
	<u>31,560,334</u>	<u>29,587,444</u>
<b>24.6</b> SECP imposed a levy @ 1% (June 30, 2022: 1%) of total operating income excluding trusteeship & custodial fee and certain depository service fee.		

	Note	June 30, 2023	June 30, 2022
		-----Rupees-----	
<b>25 OPERATING AND ADMINISTRATIVE EXPENSES</b>			
Salaries and other benefits	25.1 & 25.2	1,047,678,377	929,284,162
Travelling and conveyance		10,724,976	7,013,627
Vehicle running and maintenance		54,553,879	28,951,420
Training and development		7,322,600	1,248,221
Communication		12,708,754	12,256,772
Printing and stationery		10,662,157	9,103,128
Rent, rates and taxes		18,918,076	17,872,167
Insurance		54,231,135	45,690,039
Repairs and maintenance		181,638,574	135,890,181
Legal and professional charges		21,421,981	20,773,219
Fee and subscription		18,862,356	18,046,431
Advertisement and publicity		30,073,145	33,534,938
Office supplies		7,438,002	6,117,821
Meeting expenses		12,987,378	11,098,312
Wide-area-network line rent		24,662,190	21,588,324
Auditors' remuneration	25.3	6,259,019	4,387,837
Depreciation	13.1.1	130,704,949	124,547,615
Amortisation	13.2.1	50,071,186	48,256,919
Fuel and electricity		62,411,468	44,704,028
Security services		11,888,295	10,346,775
Cafeteria		15,717,665	14,433,323
Miscellaneous		7,732,667	6,946,012
Others		11,520,878	17,867,805
		<u>1,810,189,707</u>	<u>1,569,959,076</u>
<b>25.1 Salaries and other benefits include:</b>			
- Compensated absences	9.2	792,083	5,122,183
- Defined benefit gratuity fund	33.4	36,689,750	42,402,000
- Defined contribution gratuity fund		9,415,643	7,488,836
- Contribution to provident fund		36,364,580	27,784,323

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
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## 25.2 Remuneration of Chief Executive Officer (CEO), directors and executives:

	June 30, 2023						June 30, 2022					
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	----- Holding Company -----			----- Subsidiary Companies -----			----- Holding Company -----			----- Subsidiary Companies -----		
Managerial remuneration	40,500,000	-	250,184,903	8,540,000	-	21,949,067	33,383,197	-	210,712,274	7,307,357	-	15,827,761
Fee	-	8,950,000	-	-	1,225,000	-	-	8,475,000	-	-	1,110,000	-
Bonus	36,000,000	-	104,319,003	3,410,000	-	6,611,378	31,200,000	-	89,943,429	2,939,265	-	6,793,771
Gratuity fund	-	-	18,390,199	843,132	-	2,269,023	-	-	20,703,984	634,680	-	1,498,548
Provident fund	3,240,000	-	13,948,893	465,000	-	1,262,343	1,404,000	-	11,640,684	400,812	-	913,156
Defined contribution gratuity fund	2,698,920	-	1,754,173	-	-	-	1,169,532	-	1,270,128	-	-	-
	82,438,920	8,950,000	388,597,171	13,258,132	1,225,000	32,091,811	67,156,729	8,475,000	334,270,499	11,282,114	1,110,000	25,033,236
Number of person(s)	1	13	51	1	13	6	1	13	51	1	13	4

**25.2.1** Executives denote employees, other than the Chief Executive Officer, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

**25.2.2** The CEO and executives are provided with the Group maintained cars. In addition, the CEO and executives are also entitled for other benefits in accordance with the terms of employment.

**25.2.3** The Chairman of the board of the Holding Company has been provided with the Holding Company maintained car along with fuel and chauffeur.

	Note	June 30, 2023	June 30, 2022
		-----Rupees-----	
<b>25.3 Auditors' remuneration</b>			
Audit fee		3,642,022	2,783,160
Half year review		874,192	654,277
Others		1,742,805	950,400
		<b>6,259,019</b>	<b>4,387,837</b>

## 25.4 Employees provident fund

- Size of the fund - net assets (Rupees)	95,570,929	102,542,499
- Number of members	332	314
- Cost of investments made (Rupees)	43,000,230	93,000,000
- Percentage of investments made to size of the fund	45%	91%
- Fair value of investments (Rupees)	54,820,140	93,104,721

**25.4.1** The audited financial statements of the fund for the year ended June 30, 2023 have not been finalized. Investments out of provident fund have been made in collective investment scheme in accordance with the provision of the section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
For the year ended June 30, 2023

		June 30, 2023	June 30, 2022						
		-----Rupees-----							
26	OTHER INCOME	Note							
Income from financial assets:									
	- Profit on bank deposits		101,502,706	44,244,573					
	- Interest on loans to employees		6,930,917	9,930,497					
	- Income from investments	26.1	631,519,236	367,497,892					
			739,952,859	421,672,962					
Income from non-financial assets:									
	- Gain on disposal of property and equipment - net		11,454,992	4,822,993					
	- Penalties and fines		227,500	346,200					
	- Others		29,799,996	22,299,999					
			41,482,488	27,469,192					
			781,435,347	449,142,154					
26.1	Income from investments								
Market treasury bills					230,884,600	199,727,476			
Capital (loss) / gain on sale of investments					(949,498)	26,949,721			
Unrealised diminution on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net					(18,487,926)	(41,732,163)			
Dividend income					420,072,060	182,552,858			
					631,519,236	367,497,892			
27	SHARE OF PROFIT OF ASSOCIATE								
Name of Associate		2023		2022					
		Associate's profit after tax	Share of associate's profit after tax	Associate's profit after tax	Share of associate's profit after tax				
		-----Rupees-----							
Un-quoted - related party									
- EClear Services Limited - Associate		13,129,382	3,282,346	1,426,865	356,716				
				June 30, 2023	June 30, 2022				
		-----Rupees-----							
28	OTHER EXPENSES	Note							
Corporate social responsibility (CSR)							28.1	41,384,940	28,299,740

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
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- 28.1** The Holding Company has made a provision to make donation. Payments were made to the following entities equal to or exceeding Rs. 1 million and details are as under:

	June 30, 2023	June 30, 2022
	-----Rupees-----	
<b>Donations individually exceeding the higher of 10% of total donations or Rs. 1 million</b>		
<b>Name of Donee</b>		
SIUT	1,500,000	1,500,000
Kharadar General Hospital	1,500,000	1,500,000
Memon Medical Institute	1,000,000	1,000,000
The Indus Hospital	1,000,000	1,000,000
Patients' Welfare Association	1,000,000	1,000,000
Patients' Aid Foundation	1,000,000	1,000,000
The Patients' Behbud Society - AKUH	2,500,000	2,500,000
Haji Abdul Rehman Foundation – Kharan, Baluchistan	1,000,000	1,000,000
The Citizen Foundation (TCF)	1,500,000	1,500,000
The Garage School	1,000,000	1,000,000
The Deaf Reach School (FESF)	1,000,000	1,500,000
The Hunar Foundation	1,000,000	1,000,000
Pakistan Sweet Homes	1,000,000	1,000,000
The Kidney Centre	1,000,000	1,000,000
Habib University Foundation	1,000,000	-
Kutiyana Memon Association	1,000,000	-
<b>Donations individually not exceeding the higher of 10% of total donations or Rs. 1 million</b>	6,000,000	6,000,000
	<b>25,000,000</b>	<b>23,500,000</b>

- 28.1.1** Donations paid do not include any donee in which a director or spouse had any interest.

## 29 FINANCIAL CHARGES

Bank charges	780,272	476,185
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## 30 TAXATION

Current		
- Current year	515,371,692	349,354,150
- Prior years	-	212,761
	515,371,692	349,566,911
Deferred	41,154,226	368,583
	<b>556,525,918</b>	<b>349,935,494</b>

- 30.1** The income tax assessments upto tax year 2022 have been filed under self assessment scheme and are deemed to be finalised under section 120 of Income Tax Ordinance, 2001 except for the amendment of assessment orders by the taxation authorities as disclosed in note 21.

	June 30, 2023	June 30, 2022
	-----Rupees-----	
<b>30.2 Relationship between tax expense and accounting profit</b>		
Profit before taxation	1,405,926,621	1,160,933,928
Enacted tax rate	29%	29%
Tax calculated at enacted rate	407,718,720	336,670,839
- Impact of items taxed at different rates	8,401,041	(34,432,141)
- Super tax	140,406,157	47,696,796
	<b>556,525,918</b>	<b>349,935,494</b>

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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## 31 EARNING PER SHARE (EPS) - BASIC AND DILUTED

Earnings per share has been computed by dividing profit for the year by the weighted average number of shares outstanding during the year as follows:

	June 30, 2023	June 30, 2022
	-----Rupees-----	
Profit after taxation	<u>849,400,703</u>	<u>810,499,031</u>
	-----Number of shares-----	
		(Restated)
Weighted average number of ordinary shares outstanding during the year	<u>350,000,000</u>	<u>350,000,000</u>
	-----Rupees-----	
		(Restated)
Earnings per share - basic	<u>2.43</u>	<u>2.32</u>

31.1 These consolidated financial statements have been restated to account for the effect of bonus shares issued on EPS in order to fairly present the result of year ended June 30, 2022.

## 31.2 Earnings per share (EPS) - diluted

Diluted EPS has not been presented as the Holding Company does not have any convertible dilutive potential ordinary shares in issue as at June 30, 2023 and June 30, 2022 which would have any effect on the basic EPS if the option to convert is exercised.

	Note	June 30, 2023	June 30, 2022
		-----Rupees-----	
32 CASH AND CASH EQUIVALENTS			
Cash and bank balances		<u>183,789,271</u>	<u>153,970,407</u>
Treasury bills having original maturity of three months or less	22	<u>1,398,939,154</u>	<u>2,237,393,215</u>
		<u>1,582,728,425</u>	<u>2,391,363,622</u>

## 33 EMPLOYEES' RETIREMENT BENEFITS

The gratuity fund is payable on the basis of last drawn salary for each year of eligible service or part thereof in accordance with the rules of the gratuity fund. The latest actuarial valuation of the scheme was carried out as at June 30, 2023 using the projected unit credit method.

33.1 The gratuity scheme exposes the Group to the following risks:

### Mortality risks

This is the risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

### Final salary risks

This is the risk that the final salary at the time of cessation of service is higher than expectation. Since the benefit is calculated on the basis of final salary, the benefit amount increases proportionately.

### Withdrawal risks

This is the risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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## Investment risk

This is the risk of the investments underperforming and not being sufficient to meet the liabilities. This is managed by formulating proper investment plan for the fund.

## Risk of insufficiency of assets

This is managed by making regular contributions to the fund as advised by the actuary.

## Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plan's bond holdings, if any.

The Group manages such risks by making regular contributions in the defined benefit plan and investing such contributions in investment avenues that are low risk. This aims to reduce the volatility in the schemes' funding position and identifying any funding gaps which are met by way of contribution.

## 33.2 Principal actuarial assumptions

The following significant assumptions have been used for valuation of this scheme:

	June 30, 2023	June 30, 2022
	-----Rate Per Annum-----	
Discount rate per annum (compound rate)	16.25%	13.25%
Salary increase rate	14.25%	11.25%
Mortality rate	SLIC (2001-05)-1	SLIC (2001-05)-1

## 33.3 Amount recognised in the consolidated statement of financial position

	June 30, 2023	June 30, 2022
	-----Rupees-----	
Present value of defined benefit obligation	727,837,815	614,463,815
Fair value of plan assets	(696,394,515)	(495,334,265)
Movement in net defined benefit obligation	33.5 31,443,300	119,129,550

## 33.4 Amounts recognised in the statement of profit or loss account and statement of other comprehensive income (OCI)

	June 30, 2023	June 30, 2022
Current service cost	35,821,000	33,154,000
Interest cost	81,706,000	54,018,000
Expected return on plan assets	(80,837,250)	(44,770,000)
Net expense	36,689,750	42,402,000
Remeasurement loss on obligation	33,692,000	27,925,000
Remeasurement gain on plan assets	(7,652,000)	(451,000)
Remeasurement loss recognised in other comprehensive income	26,040,000	27,474,000
Balance at the end of the year	62,729,750	69,876,000

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
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**33.5** The movement in net defined benefit liability during the year is as follows:

	June 30, 2023		
	Present value of defined benefit obligation	Fair value of plan assets	Net
	(Rupees)		
<b>As at July 1, 2022</b>	614,463,815	495,334,265	119,129,550
Current service cost	35,821,000	-	35,821,000
Interest cost / income	81,706,000	80,837,250	868,750
Remeasurement loss			
- due to change in financial assumptions	17,261,000	7,652,000	9,609,000
- due to change in experience adjustments	16,431,000	-	16,431,000
	33,692,000	7,652,000	26,040,000
Actual contribution by the employer during the year	-	150,416,000	(150,416,000)
Benefits paid	(37,845,000)	(37,845,000)	-
<b>As at June 30, 2023</b>	<b>727,837,815</b>	<b>696,394,515</b>	<b>31,443,300</b>

	June 30, 2022		
	Present value of defined benefit obligation	Fair value of plan assets	Net
	(Rupees)		
<b>As at July 1, 2021</b>	545,012,815	453,357,265	91,655,550
Current service cost	33,154,000	-	33,154,000
Interest cost / income	54,018,000	44,770,000	9,248,000
Remeasurement loss			
- due to change in financial assumptions	13,276,000	451,000	12,825,000
- due to change in experience adjustments	14,649,000	-	14,649,000
	27,925,000	451,000	27,474,000
Actual contribution by the employer during the year	-	42,402,000	(42,402,000)
Transfer from fund to the Group	-	-	-
Benefits paid	(45,646,000)	(45,646,000)	-
<b>As at June 30, 2022</b>	<b>614,463,815</b>	<b>495,334,265</b>	<b>119,129,550</b>



# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
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## 33.6 Composition of plan assets

	----- June 30, 2023 -----		----- June 30, 2022 -----	
	Rupees	Percentage	Rupees	Percentage
Treasury Bills	303,136,000	43.53%	120,231,000	24.27%
Defense Saving Certificate	148,039,000	21.26%	128,508,000	25.94%
Bank balance (After adjusting current liabilities)	6,111,000	0.88%	14,222,000	2.87%
Pakistan Investments Bonds	169,341,000	24.32%	161,934,265	32.69%
Term Deposit	70,169,000	10.08%	70,439,000	14.22%
Advance tax	3,658,000	0.53%	-	0.00%
Liabilities	(4,058,000)	(0.58%)	-	0.00%
	<b>696,396,000</b>	<b>100%</b>	<b>495,334,265</b>	<b>100%</b>

## 33.7 Historical information

	2023	2022	2021	2020	2019
	----- (Rupees) -----				
Present value of defined benefit obligation	727,837,815	614,463,815	545,012,815	476,841,000	416,590,815
Fair value of plan assets	(696,394,515)	(495,334,265)	(453,357,265)	(392,410,000)	(313,880,265)
Deficit / (surplus)	<b>31,443,300</b>	<b>119,129,550</b>	<b>91,655,550</b>	<b>84,431,000</b>	<b>102,710,550</b>
Remeasurements of plan liabilities	33,692,000	27,925,000	9,208,000	(19,123,000)	9,605,000
Remeasurements of plan assets	7,652,000	(451,000)	(1,984,000)	844,000	59,000
	<b>41,344,000</b>	<b>27,474,000</b>	<b>7,224,000</b>	<b>(18,279,000)</b>	<b>9,664,000</b>

The impact of 1% change in the following variables on defined benefit obligation is as follows:

Change in assumption	-----As at June 30, 2023-----		-----As at June 30, 2022-----		
	Impact on defined benefit obligation		Impact on defined benefit obligation		
	(Increase) / decrease in present value of defined benefit obligation		(Increase) / decrease in present value of defined benefit obligation		
	%	Amount	%	Amount	
Discount rate	+1%	(7.28%)	(52,982,815)	(7.85%)	(48,244,815)
	-1%	8.19%	59,607,185	8.89%	54,647,185
Long-term salary increase rate	+1%	7.79%	56,730,185	9.47%	58,168,185
	-1%	(7.05%)	(51,336,815)	(8.47%)	(52,021,815)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability.

- 33.8** Based on the actuarial advice, the Group intends to charge an amount of approximately Rs 36,690,000 in the consolidated financial statements in respect of the funded gratuity scheme for the year ending June 30, 2023.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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**33.9** The weighted average duration of the defined benefit obligation is 6.98 years (2022: 7.69 years).

30-Jun-23	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 to Year 10
Defined benefit obligation	46,572,000	47,372,000	45,309,000	73,847,000	50,325,000	1,190,422,000

30-Jun-22	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 to Year 10
Defined benefit obligation	31,311,000	44,466,000	44,234,000	40,943,000	63,858,000	749,626,000

**33.10** Based on the actuarial advice, the Company intends to charge an amount of approximately Rs. 45.971 million in respect of contribution to gratuity fund in the unconsolidated financial statements for the year ending June 30, 2024.

## 34 TRANSACTIONS / BALANCES WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and includes major shareholders, associated companies with or without common directors, retirement benefit funds, directors, key management personnel and their close family members.

The following are the related parties with whom the Group had entered into transactions or had agreements and / or arrangements in place during the financial year:

S. No.	Name of related party	Relationship	Aggregate percentage of shareholding in the Company
1	EClear Services Limited	Associate Company	Not applicable
2	National Clearing Company of Pakistan Limited	Common directorship	Not applicable
3	Naymat Collateral Management Company Limited	Common directorship	Not applicable
4	Pakistan Stock Exchange Limited	Common directorship	39.81%
5	MCB Bank Limited	Common directorship	15%
6	Siddiqsons Energy Limited	Common directorship	Not applicable
7	Siddiqsons Tin Plate Limited	Common directorship	Not applicable
8	Siddiqsons Limited	Common directorship	Not applicable
9	AKD Reit Management Company Limited	Common directorship	Not applicable
10	Creek Developers (Pvt) Limited	Common directorship	Not applicable
11	Oilboy Energy Limited	Common directorship	Not applicable
12	Zahid Latif Khan Securities Private Limited	Common directorship	Not applicable
13	Zahid Latif Khan Securities Private Limited - Mutual Fund	Common directorship	Not applicable
14	LSE PropTech Limited	Common directorship	Not applicable
15	Gadoon Textile Mills Limited	Common directorship	Not applicable
16	State Life Insurance Corporation of Pakistan	Common directorship	Not applicable
17	Pak Suzuki Motor Company Motor Limited	Common directorship	Not applicable
18	Mr. Moin M Fudda	Chairman of the Board of Directors	Nominal shareholding
19	Mr. Badiuddin Akber	Chief Executive Officer	Not applicable
20	Mr. Ahmed Chinoy	Director	Not applicable
21	Mr. Farrukh H. Khan	Director	Not applicable
22	Mr. Muhammad Tariq Rafi	Director	Not applicable
23	Mr. Aamir Matin	Director	Not applicable
24	Mr. Tariq Mahmood	Director	Not applicable
25	Ms. Jehan Ara	Director	Nominal shareholding
26	Ms. Ammara Masood	Director	Nominal shareholding
27	Mr. Syed Ali Sultan	Director	Nominal shareholding
28	Mr. Nadeem Naqvi	Director	Not applicable
29	Mr. Ghulam Mustafa	Director	Not applicable
30	Employees' Provident Fund	Staff retirement fund	Not applicable
31	Employees' Gratuity Fund	Staff retirement fund	Not applicable

Aggregate transactions and balances with related parties and associated undertakings which are not disclosed elsewhere in the notes are as follows:

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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	June 30, 2023	June 30, 2022
	-----Rupees-----	
Details of transactions with related parties during the year are as follows		
Rent expense of premises leased from Pakistan Stock Exchange Limited - associated company	<b>6,609,645</b>	6,294,400
Mark-up earned - Associated companies	<b>5,744,885</b>	2,914,160
Remuneration to key management personnel	<b>516,386,034</b>	437,742,578
Directors fee	<b>10,175,000</b>	9,585,000
Trade debts	<b>11,722,347</b>	10,367,533

The shareholders and directors of the Group are acting as clients of CDS in their normal course of business. Total revenue from the transactions relating to shareholders and directors are as follows:

	June 30, 2023	June 30, 2022
	-----Rupees-----	
Shareholders	<b>38,720,233</b>	34,884,498
Directors	<b>1,149,985</b>	1,006,343
Billings to the companies which are associated by virtue of common directorship.	<b>34,793,795</b>	26,615,011
Contributions to retirement benefit plans	<b>187,281,287</b>	77,675,159
Purchase of Treasury Bills from CDCPL Gratuity Fund	<b>283,133,963</b>	-
Transactions with Pakistan Stock Exchange Limited (PSX) - advertisement charges	<b>5,463,881</b>	5,826,779
Payment to LSE Financial Services Limited - electricity & maintenance charges	<b>5,189,855</b>	4,301,772
Transactions with NCCPL - electricity and generator charges - associated Company	<b>801,280</b>	8,422,957
Transactions with Eclear Services Limited - associate	<b>22,429,471</b>	32,185,331
Transactions with Naymat Collateral Management Company Limited - associate	<b>27,770,947</b>	28,030,384

**34.1** The Group continues to have a policy whereby all transactions with related parties are entered into at arm's length prices using the comparable uncontrolled valuation method.

**34.2** The Group has not entered into any transaction with executives other than those provided under the Group's policies and terms of employment.

## **35 SEGMENT INFORMATION**

A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. The management has determined the operating segments based on the information that is presented to the Board of Directors of the Holding Company for allocation of resources and assessment of performance. Assets and liabilities are not segment wise reported to Board of Directors based on internal management reporting structure and services offered, the Group is organised into the following operating segments:

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
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	June 30, 2023							
Description	CDC			ITMinds	CDC Share Registrar Services Limited	Investment in associates (EClear Services Limited)	Intra-group Transactions	Total
	Depository Services	Trustee and Custodial Services	Others					
----- Rupees -----								
Revenue - Gross	1,356,180,060	1,217,385,765	808,053,281	170,713,971	236,690,515	3,282,346	(60,633,056)	3,731,672,882
SECP fees and levies	41,424,808	64,884,499	155,750	-	-	-	-	106,465,057
Sales Tax	156,261,285	135,483,106	8,270,988	19,120,856	32,213,967	-	-	351,350,202
Depreciation and amortization	161,811,192	15,249,783	-	2,406,342	1,308,818	-	-	180,776,135
Other operating and administrative expenses	871,682,256	636,879,732	-	116,439,362	122,786,573	-	(60,633,056)	1,687,154,867
Profit before tax	125,000,519	364,888,645	799,626,543	32,747,411	80,381,157	3,282,346	-	1,405,926,621

	June 30, 2022							
Description	CDC			ITMinds	CDC Share Registrar Services Limited	Investment in associates (EClear Services Limited)	Intra-group Transactions	Total
	Depository Services	Trustee and Custodial Services	Others					
	-----Rupees-----							
Revenue - Gross	1,434,332,216	1,019,883,050	465,640,211	144,294,318	179,878,676	11,290,863	(49,636,738)	3,205,682,596
SECP fees and levies	54,815,781	51,058,749	150,000	-	-	-	-	106,024,530
Sales Tax	162,178,758	118,941,137	6,997,227	17,130,934	19,306,957	-	-	324,555,013
Depreciation and amortization	155,979,803	12,605,413	-	2,210,468	1,263,433	745,417	-	172,804,534
Other operating and administrative expenses	732,277,822	515,274,521	29,716,498	97,741,656	106,103,198	9,887,634	(49,636,738)	1,441,364,591
Profit before tax	329,080,052	322,003,230	428,776,486	27,211,260	53,205,088	657,812	-	1,160,933,928

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
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## 36 FINANCIAL INSTRUMENTS BY CATEGORIES

### Financial assets

#### Non current assets

Long term investments  
Long term loans - secured  
Long term deposits

#### Current assets

Trade debts - net  
Loans and advances  
Other receivables  
Short term investments  
Cash and bank balances

June 30, 2023		
At amortised cost	At fair value through profit or loss	Total
----- (Rupees) -----		
29,285,720	-	29,285,720
85,286,072	-	85,286,072
14,660,858	-	14,660,858
129,232,650	-	129,232,650
521,243,310	-	521,243,310
21,614,084	-	21,614,084
33,663,476	-	33,663,476
1,398,939,154	3,553,770,954	4,952,710,108
183,789,271	-	183,789,271
2,159,249,295	3,553,770,954	5,713,020,249
2,288,481,945	3,553,770,954	5,842,252,899

### Financial liabilities

#### Non current liabilities

Long term deposits

#### Current liabilities

Trade and other payables

June 30, 2023
At amortised cost
---- (Rupees) ----
154,923,500
599,212,899
754,136,399

### Financial assets

#### Non current Assets

Long term investments  
Long term loans - secured  
Long term deposits

#### Current Assets

Trade debts - net  
Loan and advances  
Other receivables  
Short term investments  
Cash and bank balances

June 30, 2022		
At amortised cost	At fair value through profit or loss	Total
----- (Rupees) -----		
29,285,720	-	29,285,720
66,429,022	-	66,429,022
12,073,047	-	12,073,047
107,787,789	-	107,787,789
441,789,041	-	441,789,041
27,289,371	-	27,289,371
25,232,148	-	25,232,148
3,973,802,140	664,654,812	4,638,456,952
153,970,407	-	153,970,407
4,622,083,107	664,654,812	5,286,737,919
4,729,870,896	664,654,812	5,394,525,708

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
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	June 30, 2022 At amortised cost ---- (Rupees) ----
<b>Financial liabilities</b>	
<b>Non current liabilities</b>	
Long term deposits	146,823,500
<b>Current liabilities</b>	
Trade and other payables	548,291,574
	<u>695,115,074</u>

## 37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board of Directors of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's activities expose it to a variety of financial risks. These risk emanate from various factors that include but are not limited to market risk, credit risk and liquidity risk which are explained as follows:

### 37.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The market risk comprises currency risk, interest rate risk and price risk.

#### 37.1.1 Currency risk

Foreign currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. The Group is not significantly exposed to the currency risk as the major transactions of the Group are carried out in the local currency.

#### 37.1.2 Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not significantly exposed to interest rate risk as it does not have any interest bearing liabilities. However, the Group has fixed interest based investments and loans to employees. These investments are classified as short term and long term considering relative sensitivity of the interest rates and management's intention. Loans to employees are allowed on reduced rates which is not affected by volatility of market interest rate. Other assets and liabilities of the Group does not expose the Group to interest rate risk substantially.

The Group has following financial assets with fixed rate of return:

	Note	June 30, 2023 -----Rupees-----	June 30, 2022
Market treasury bills	22	1,398,939,154	3,973,802,140
Loan to employees	16	101,741,742	86,017,109
		<u>1,500,680,896</u>	<u>4,059,819,249</u>

Investments in treasury bills are Government backed securities with guaranteed return. Investment in treasury bills are for a period of 3 months. Therefore, any changes in the interest rate do not affect the cash flows of the Company.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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The Group's exposure to interest rate risk and the effective rates on its financial assets and liabilities are summarized as follows:

June 30, 2023	Effective yield / interest rates (%)	Mark-up Bearing			Non - Markup bearing	Total
		Upto one year	Over one year upto five years	Over five years		
Rupees						
Financial assets						
Investments	13.82% to 22.17%	1,398,939,154	-	-	3,583,056,674	4,981,995,828
Loan and advances	3%	16,455,670	31,616,959	34,812,063	5,158,414	88,043,106
Long term deposits	-	-	-	-	14,660,858	14,660,858
Trade debts - net	-	-	-	-	521,243,310	521,243,310
Other receivables	3%	-	-	-	33,663,476	33,663,476
Cash and bank balances	12.25% to 19.5%	161,008,009	-	-	22,781,262	183,789,271
		1,576,402,833	31,616,959	34,812,063	4,180,563,994	5,823,395,849
Financial liabilities						
Long term deposits		-	-	-	154,923,500	154,923,500
Trade and other payables		-	-	-	599,212,899	599,212,899
		-	-	-	754,136,399	754,136,399
On balance sheet gap		1,576,402,833	31,616,959	34,812,063	3,426,427,595	5,069,259,450
Off-balance sheet financial instruments						
Commitments		-	-	-	58,646,565	58,646,565
Off-balance sheet gap		-	-	-	(58,646,565)	(58,646,565)
Total interest rate sensitivity gap		1,576,402,833	31,616,959	34,812,063	3,367,781,030	5,010,612,885
Cumulative interest rate sensitivity gap		1,576,402,833	1,608,019,792			

June 30, 2022	Effective yield / interest rates (%)	Mark-up Bearing			Non - Markup bearing	Total
		Upto one year	Over one year upto five years	Over five years		
Rupees						
Financial assets						
Investments	13.19% to 15.45%	3,973,802,140	-	-	693,940,532	4,667,742,672
Loan and advances	3%	19,588,087	31,616,959	34,812,063	7,701,284	93,718,393
Long term deposits	-	-	-	-	12,073,047	12,073,047
Trade debts - net	-	-	-	-	441,789,041	441,789,041
Other receivables	3%	-	-	-	25,232,148	25,232,148
Cash and bank balances	5% to 12.25%	100,011,774	-	-	53,958,633	153,970,407
		4,093,402,001	31,616,959	34,812,063	1,234,694,685	5,394,525,708
Financial liabilities						
Long term deposits		-	-	-	146,823,500	146,823,500
Trade and other payables		-	-	-	548,291,574	548,291,574
		-	-	-	695,115,074	695,115,074
On balance sheet gap		4,093,402,001	31,616,959	34,812,063	539,579,611	4,699,410,634
Off-balance sheet financial instruments						
Commitments		-	-	-	17,258,755	17,258,755
Off-balance sheet gap		-	-	-	(17,258,755)	(17,258,755)
Total interest rate sensitivity gap		4,093,402,001	31,616,959	34,812,063	522,320,856	4,682,151,879
Cumulative interest rate sensitivity gap		4,093,402,001	4,125,018,960			

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
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## 37.1.3 Price Risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group's investment in mutual funds as at the year end exposes it to price risk. The Management monitors the fluctuations in the prices of its investments on a regular basis. As at June 30, 2023, if the prices of the mutual funds had increased / decreased by 5%, with all other variables held constant, the profit before tax for the year would have been higher / lower by Rs 177.689 million (2022: Rs 33.233 million) as a result of unrealised appreciation / diminution on re-measurement of investments.

## 37.1.4 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties.

Credit risk arises from balances with banks and financial institutions, deposits, trade debts and other receivables. The maximum exposure to credit risk is equal to the carrying amount of financial assets. All the financial assets of the Group as disclosed in note 36 are subject to credit risk except for cash in hand amounting to Rs 10.01 million (2022: Rs 0.18 million) and investment in treasury bills amounting to Rs. 1,398 million (2022: 3,974 million).

The Group applies prudent credit evaluation procedures before granting credit to customers. The management does not expect any losses from non performance by these counter parties. The balances with banks represent a low risk as they are placed with banks having good credit rating assigned by credit rating agencies.

An analysis of the credit quality of balances with banks is as follows:

Ratings		Bank Balances as at June 30, 2023	Bank Balances as at June 30, 2022
Long Term	Short Term	Rupees	
AAA	A1+	264,281,105	278,699,428
AA+	A1+	167,359,862	196,486,469
AA	A1+	3,903,045	5,971,004
A	A1	36,781	36,781
A+	A1	1,235,776	2,642,756
AA-	A1+	34,850	11,750
Not Applicable*		327,750,049	45,831,748
		<b>764,601,468</b>	<b>529,679,936</b>

\*This represents balance held with State Bank of Pakistan.

## 37.2 Liquidity risk

Liquidity risk reflects the Group's inability of raising funds to meet commitments. Management closely monitors the Group's liquidity and cash flow position. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customers.



# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
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As at June 30, 2023, the Group's liabilities have contractual / expected maturities as summarised below:

	Current		Non Current		Total
	upto 6 months	over 6 months upto 1 year	over 1 year upto 5 years	over 5 years	
	----- Rupees -----				
Long term deposits	-	-	-	154,923,500	154,923,500
Trade and other payables	599,212,899	-	-	-	599,212,899

As at June 30, 2022, the Group's liabilities have contractual / expected maturities as summarised below:

	Current		Non Current		Total
	upto 6 months	over 6 months upto 1 year	over 1 year upto 5 years	over 5 years	
	----- Rupees -----				
Long term deposits	-	-	-	146,823,500	146,823,500
Trade and other payables	548,291,574	-	-	-	548,291,574

## 38 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group is currently financing its operations through equity.

## 39 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. Consequently, differences can arise between carrying values and fair value estimates.

Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value of investments is determined as follows:

- The fair value of investments in units of open-end collective investment schemes are based on the net assets value at each reporting date.
- Investments in government securities are valued on the basis of average rates of brokers as announced by the Financial Markets Association of Pakistan.

The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from carrying values as the items are either short-term in nature or are periodically repriced.

### 39.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair value measurement' requires the Company to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

As at June 30, 2023, the Group held the following financial and non-financial assets measured at fair value:

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Central Depository Company of Pakistan Limited  
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-----June 30, 2023-----			
Level 1	Level 2	Level 3	Total
-----Rupees-----			

## Assets

### Financial assets at fair value through profit or loss

Units of mutual funds	-	3,553,770,954	-	3,553,770,954
-----------------------	---	---------------	---	---------------

### Operating assets at fair value\*

Leasehold land	-	-	824,998,500	824,998,500
Buildings	-	-	653,082,772	653,082,772
	-	3,553,770,954	1,478,081,272	5,031,852,226

-----June 30, 2022-----			
Level 1	Level 2	Level 3	Total
-----Rupees-----			

## Assets

### Financial assets at fair value through profit or loss

Units of mutual funds	-	664,654,812	-	664,654,812
-----------------------	---	-------------	---	-------------

### Operating assets at fair value\*

Leasehold land	-	-	824,998,500	824,998,500
Buildings	-	-	687,406,612	687,406,612
	-	664,654,812	1,512,405,112	2,177,059,924

\* Certain categories of fixed assets (land and buildings) are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values. Leasehold land was revalued on the basis of current market price whereas buildings were revalued on the basis of depreciated market value by the valuer. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a quantitative disclosure of sensitivity has not been presented in these consolidated financial statements.

## 40 SUBSEQUENT EVENT

The directors in their meeting held on August 23, 2023 have proposed bonus shares @ Nil i.e. Nil shares (June 30, 2022: 20% i.e. 50 million shares) and cash dividend of Rs. 0.3543 per share (June 30, 2022: Rs. 0.93 per share) of Rs.10 each i.e. 0.354% of the paid-up capital in respect of year ended June 30, 2023. The consolidated financial statements for the year ended June 30, 2023 do not include the effect of these appropriations which will be accounted for in the period in which they are approved by shareholders of the Holding Company.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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	June 30, 2023	June 30, 2022
<b>41 EMPLOYEES</b>		
Number of employees at the end of the year	<u>459</u>	<u>428</u>
Average number of employees during the year	<u>446</u>	<u>429</u>
<b>42 DATE OF AUTHORISATION FOR ISSUE</b>		
These consolidated financial statements were authorised for issue on August 23, 2023 by the Board of Directors of the Holding Company.		
<b>43 CORRESPONDING FIGURES</b>		
Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these consolidated financial statements during the current year.		
<b>44 GENERAL</b>		
<b>44.1 Rounding off</b>		
Figures have been rounded off to the nearest Rupee unless otherwise stated.		

-sd-

Chairman

-sd-

Chief Executive Officer

# PATTERN OF SHAREHOLDING

Central Depository Company of Pakistan Limited  
As at June 30, 2023

No. of Shareholders	Shareholdings	Total shares held
04	shareholding from 1 to 5,000 shares *	4
01	Shareholding from 5,001 to 100,000 shares	5,382
01	Shareholding from 100,001 to 400,000 shares	350,000
01	shareholding from 400,001 to 2,000,000 shares	1,750,000
01	shareholding from 2,000,001 to 3,000,000 shares	2,274,995
01	shareholding from 3,000,001 to 4,000,000 shares	3,500,000
02	shareholding from 4,000,001 to 10,000,000 shares	18,375,000
02	shareholding from 10,000,001 to 20,000,000 shares	35,000,000
01	shareholding from 20,000,001 to 30,000,000 shares	22,211,000
02	shareholding from 30,000,001 to 40,000,000 shares	74,705,619
01	shareholding from 40,000,001 to 60,000,000 shares	52,500,000
01	Shareholding from 60,000,001 to 139,328,000 shares	139,328,000
<b>18</b>	<b>Total</b>	<b>350,000,000</b>

\* These are qualification shares given to independent directors pursuant to Company's Articles of Association.

Categories of Shareholders	Shares held	Percentage
Directors, Chief Executive Officer, their spouse and minor children(Note)	4	-
<b>Associated companies, undertakings and related parties</b>		
- Pakistan Stock Exchange Limited	139,328,000	39.81%
- MCB Bank Limited	52,500,000	15.00%
- LSE Financial Services Limited	5,382	-
<b>NIT and IDBL</b>		
- National Investment Trust Limited	22,211,000	6.35%
- Industrial Development Bank Limited	17,500,000	5.00%
<b>Banks/DFIs/NBFIs</b>		
- Habib Bank Limited	39,711,001	11.35%
- Pak China Investment Company Limited	17,500,000	5.00%
- ISE Towers REIT Management Company Limited	8,750,000	2.50%
- Allied Bank Limited	3,500,000	1.00%
- Innovative Investment Bank Limited	1,750,000	0.50%
<b>Insurance Companies</b>	-	-
<b>Modarabas and Mutual Funds</b>	-	-
<b>Shareholders holding 10% (or more)</b>		
- LSE Ventures Limited	34,994,618	10.00%
<b>General Public</b>		
a. Local	-	-
b. Foreign	-	-
<b>Others</b>		
- Crescent Steel and Allied Products Limited	9,625,000	2.75%
- IGI Investments (Private) Limited	2,274,995	0.65%
- Crescent Standard Business Management (Pvt.) Ltd.	350,000	0.10%

**Note:** These are qualification shares allotted to independent directors pursuant to Company's Articles of Association.



# PROXY FORM

Central Depository Company of Pakistan Limited

We, \_\_\_\_\_ of \_\_\_\_\_, being a member of Central Depository Company of Pakistan Limited ("the Company") holding \_\_\_\_\_ ordinary shares as per Share Register Folio No. \_\_\_\_\_ and / or CDC Account no. \_\_\_\_\_ do hereby appoint Mr. / Ms. \_\_\_\_\_ or failing him / her Mr. / Ms. \_\_\_\_\_ as our Proxy in our absence to attend and vote for us, and on our behalf at the Annual General Meeting of the Company to be held on October 24, 2023 or at any adjournment thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2023 signed by the said.

\_\_\_\_\_  
Signature of Appointer  
(Name & Designation)

(Revenue stamp of Rs. 10/-)

Specimen signature of proxy	Specimen signature of proxy

WITNESS 1:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Address: \_\_\_\_\_

CNIC No.: \_\_\_\_\_

WITNESS 2:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Address: \_\_\_\_\_

CNIC No.: \_\_\_\_\_

Notes:

1. A corporation or any other company registered under the Companies Act, 2017/ Companies Ordinance, 1984, where such corporation or such other company, is a member of the Company may, by resolution of its directors, authorise any of its officials or any other person to act as its authorized representative at the proposed general meeting of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of such corporation or such other company if he was an individual shareholder of the Company.
2. A member of the Company entitled to attend and vote may appoint another member as his / her proxy to attend and vote instead of him / her.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its Attorney.
4. The instrument appointing a proxy and the Power-of-Attorney or other authority (if any), under which it is signed or a notarially certified copy of that power or authority alongwith attested CNIC copies or passport of proxy, shall be deposited at the Registered Office of the Company not less than forty eight hours before the time of above general meeting of the Company.

# پراکسی فارم

## سینٹرل ڈپازٹری کمپنی پاکستان لمیٹڈ

ہم، \_\_\_\_\_ سکندہ \_\_\_\_\_ بطور رکن سینٹرل ڈپازٹری کمپنی پاکستان لمیٹڈ (کمپنی)، جن کی ملکیت میں \_\_\_\_\_ عمومی شیئرز ہیں اور شیئرز رجسٹر افیو نمبر \_\_\_\_\_ ہے، اور \_\_\_\_\_ CDC/ اکاؤنٹ نمبر \_\_\_\_\_ ہے، میں / ہم جناب / محترمہ \_\_\_\_\_ کو اپنی غیر حاضری کی صورت میں 24 اکتوبر 2023 کو کمپنی کے سالانہ اجلاس عام میں یا اس کے ملتی ہوئے کی صورت میں آئندہ کی منعقدہ تاریخوں میں بطور پراکسی شرکت کرنے اور ووٹ ڈالنے کے لیے بطور پراکسی نامزد کر رہا ہوں / رہے ہیں۔

میں اس پراکسی نامزدگی کے لیے بتاریخ \_\_\_\_\_ مہینہ \_\_\_\_\_ سال \_\_\_\_\_ کو دستخط کر رہا ہوں۔

نامزد کرنے والے کے دستخط (10 روپے مالیت کارپوریٹ فیکٹ)

(نام اور عہدہ)

پراکسی کے نمونہ دستخط پراکسی کے نمونہ دستخط

گواہ نمبر 1	گواہ نمبر 2
دستخط: _____	دستخط: _____
نام: _____	نام: _____
عہدہ: _____	عہدہ: _____
ایڈریس: _____	ایڈریس: _____
CNIC: _____	CNIC: _____

نوٹس:

1۔ کمپنیز ایکٹ 2017 / کمپنیز آرڈیننس 1984 کے تحت رجسٹرڈ کوئی کارپوریشن یا کوئی دیگر کمپنی، جو اس کمپنی کا رکن ہو، وہ بذریعہ قرارداد اپنی صوابدید پر اپنے کسی آفیشل یا کسی دیگر کسی فرد کو کمپنی کے اجلاس میں بطور نمائندہ شرکت کے لیے اجازت تفویض کر سکتی ہے، اس فرد کو اجازت حاصل ہوگی کہ وہ اس کارپوریشن یا کمپنی کی ایما، پروپی حقوق حاصل کرے اور انہیں استعمال کرے جو اس کارپوریشن یا کمپنی کو حاصل ہیں، لیکن اس کے لیے لازمی ہے کہ اس فرد کے پاس کمپنی کے شیئرز موجود ہوں۔

2۔ شرکت کرنے اور ووٹ دینے کا حقدار کمپنی کا ممبر اس کے بجائے کسی دوسرے ممبر کو شرکت کرنے اور ووٹ دینے کے لیے اپنا پراکسی مقرر کر سکتا ہے۔

3۔ نمائندے مقرر کا عمل مقرر کرنے والے یا تحریری طور پر تعین کردہ اس کے وکیل کی جانب سے دستاویزی بنیاد پر ہونا چاہئے۔ اور اگر مقرر کرنے والا کوئی کارپوریشن ہو تو اس کی عمومی مہر یا اس کے وکیل کے دستخط کے ساتھ ہونا چاہئے۔

4۔ نمائندے اور وکالت نامے یا کسی اور اتھارٹی (اگر کوئی ہے) کی تقرری دستاویز کو، جس کے تحت یہ دستخط شدہ ہو یا اس اختیار یا مختار نامے کی نوٹری کے طور پر تصدیقی نقل کے تحت کمپنی کے مذکورہ بالا عمومی اجلاس سے کم از کم اٹالیس گھنٹے قبل کمپنی کے رجسٹرڈ شدہ دفتر میں جمع کروایا جائے گا۔



# OFFICE ADDRESSES

## REGISTERED OFFICE:

CDC House, 99-B, Block 'B', S.M.C.H.S.,  
Main Shahra-e-Faisal, Karachi - 74400.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326034

## PAKISTAN STOCK EXCHANGE BRANCH:

Mezzanine Floor, Pakistan Stock Exchange Limited, I.I.  
Chundrigar Road, Karachi.  
Tel: (92-21) 32416774  
Fax: (92-21) 32444491

## LAHORE BRANCH:

Mezzanine Floor, South Tower, LSE Plaza,  
19-Khayaban-e-Aiwan-e-Iqbal, Lahore.  
Tel: (042) 36362061-66

## ISLAMABAD BRANCH:

Room # 410, 4th Floor, ISE Towers, 55-B,  
Jinnah Avenue, Blue Area, Islamabad.  
Tel: (92-51) 2895456-9 | Fax: (92-51) 2895454

## EMAIL:

[info@cdcpak.com](mailto:info@cdcpak.com)

## URL:

[www.cdcpakistan.com](http://www.cdcpakistan.com)

## CUSTOMER SUPPORT SERVICES:

0800 – 23275 (CDCPL)

## FOR OVERSEAS CALLERS:

+92 (21) 34326038

## INVESTOR GRIEVANCES & COMPLAINTS:

[complaints@cdcpak.com](mailto:complaints@cdcpak.com)  
Fax: +92 (21) 34326034



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# ANNUAL REPORT 2023

A publication of Central Depository Company of Pakistan Limited  
Design & Layout: Aureus Advertising



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