

PSX/N-407

Dated: April 22, 2025

NOTICE FOR ALL LISTED COMPANIES

CRITERIA FOR SELECTION OF TOP 25 COMPANIES FOR THE YEARS 2024 AND 2025

All listed companies are hereby informed that Pakistan Stock Exchange Limited (the Exchange/PSX) has set the following Criteria for selecting Top 25 Companies for the years 2024 and 2025:

Prerequisites for Selection of Top Companies:

- The company must be listed for at least 1 full financial year (minimum listing history of at least 12 months).
- A minimum dividend declaration of 30% (including at least 15% cash dividend).
- The shares of the company must be traded on at least 75% of the total trading days of the year.
- The company should not be in the Non-Compliant Segment of the Exchange, or trading in its shares should not have been suspended on account of violation of Listing of Companies & Securities Regulations of the Exchange during the year.
- The company has not been penalized by the SECP and PSX due to non-compliance with any regulatory requirement during the year.
- There are no outstanding complaints against the company during the calendar year.
- The company has conducted the election of Directors within the timelines as per the regulatory requirements.

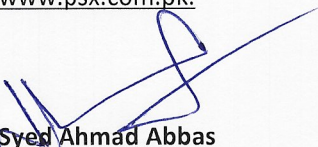
The companies that qualify in the above prerequisites will be selected on the basis of highest marks obtained as per the following Criteria:

SERIAL NO.	CRITERIA	FORMULA	MARKS (%)
QUANTITATIVE CRITERIA			
1	Profitability Ratios:		
i)	Return on Equity	Profit After Tax / Equity	5
ii)	Operating Margin	Operating Profit / Sales	5
iii)	Net Profit Margin	Net Profit / Sales	5

2	Liquidity Ratios:		
i)	Current Ratio	Current Assets / Current Liabilities	5
ii)	Operating Cash Flow Ratio	Operating Cash Flow / Current Liabilities	3
3	Dividend Related Ratios:		
i)	Dividend Payout Ratio	Dividend per share / Earning per share	7
ii)	Sustainable Growth Rate	Retention Ratio * Return on Equity	5
4	Market Ratios:		
i)	Price to Earnings Ratio	Market price per share / Earning per share	2
ii)	Price to Book Value Ratio	Market price per share / Book Value per share	2
5	Solvency Ratio:		
i)	Debt to Equity Ratio	Total Debt / Shareholders' Equity	2
6	Free-Float of Shares:		
	Free-Float of shares as a percentage of total shares outstanding		15
7	Turnover of Shares		
	Transactions that are executed on PSX Trading Systems		2
QUALITATIVE CRITERIA			
8	Corporate Social Responsibilities		
	Monetary Donation(s) as a percentage of after tax profit disclosed in the Annual Accounts (minimum 1% of after tax profit will qualify for full marks)		3
9	Reporting on SDGs and ESG Related Initiatives		
	<p>While there are 17 SDGs, listed companies are encouraged to report on the following SDGs in their Annual Accounts:</p> <ul style="list-style-type: none"> i) SDG 5 – Gender Equality ii) SDG 6 – Clean Water and Sanitation iii) SDG 7 – Affordable and Clean Energy iv) SDG 8 – Decent Work and Economic Growth v) SDG 9 – Industry, Innovation and Infrastructure vi) SDG 12 – Responsible Consumption and Production vii) SDG 13 – Climate Action <p>A listed company must report against at least 5 SDGs out of the 7 SDGs mentioned above in their Annual Reports. Clear and plain reporting must be done for the benefit of the investors.</p>		10

10	Reporting on Enterprise Risk Management in Annual Report Reporting on development of an effective Disaster Recovery and Business Continuity Plan. Clear and plain reporting must be done for the benefit of the investors.	3
11	Diversity and Inclusion reporting in Annual Report	
i)	More than 1 Woman Director on the Board of Director	2
ii)	Reporting on women employed (permanent / non-contractual) at "C minus 1" level Note: C – 1 level refers to the HoDs reporting directly to the CEO.	2
iii)	Reporting on differently abled people employed by the company.	1
iv)	Disclosure of Gender Pay Gap Data	1
12	Corporate Governance & Investor Relations	
i)	Announcement of half-yearly result within one month, as opposed to the regulatory requirement of 60 days.	1
ii)	Holding of Board Meeting for the consideration of accounts within 60 days of the close of financial year.	2
iii)	Holding of AGM within 90 days of year-end.	2
iv)	Early credit of dividend and bonus shares within 10 days.	2
v)	Holding of more than 1 corporate briefing program during the year. For 2 Corporate Briefing – 2 Marks For 3 Corporate Briefing – 3 Marks For 4 and above Corporate Briefing – 4 Marks	4
vi)	Auditor's Review Report on Statement of Compliance with the CCG contains no non-compliance.	4
vii)	100% Directors have completed Director's Training Program.	3
viii)	More than 1/3 rd or 2, whichever is higher, Independent directors on the Board.	2
	TOTAL	100

This Criteria for the Selection of the Top 25 Companies is also available on the website of the Exchange: www.psx.com.pk.


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Chief Listing Officer

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